LIBURNIA

HOTELS & VILLAS

ANNUAL REPORT

2025

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LIBURNIA RIVIERA HOTELI d.d.

Opatija, April 2026

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LIBURNIA

HOTELS & VILLAS

BUSINESS OVERVIEW

2025

In 2025, the Company generated revenues of EUR 64.9 million, with net profit increasing by 16% to EUR 4.8 million.

HOTEL BELLEVUE

Key messages

Liburnia Riviera Hoteli d.d. concluded 2025 with ambitious plans to further transform its operations and modernize its portfolio, aimed at achieving the highest hospitality standards and positioning Liburnia as a center of quality, employee development, and refined hospitality. These strategic priorities provide a strong foundation for continued growth, strengthening of the tourism portfolio, and enhancement of the destinations in which Liburnia operates, while fostering the continuous advancement of Liburnia's hospitality excellence and new value for all stakeholders.

Strong operating and financial results achieved in 2025 confirm the commitment of all our employees to strengthening the competitiveness of Liburnia's business model, with a clear focus on nurturing sustainable growth and the development of our tourism capacities. Operating revenues increased by 1% (+EUR 0.8 million), reaching EUR 64.9 million, while net profit rose significantly by 16% to EUR 4.8 million. Impacted by higher staff costs, adjusted operating profit (EBITDA) amounted to EUR 14.1 million, representing a decrease of 4% (-EUR 0.6 million). Despite inflationary and macroeconomic pressures on operations, our active operational efficiency management model enabled a reduction in all operating costs except for staff costs, which increased by EUR 2.4 million (+11%). The increase is primarily attributable to continued investments in creating competitive and motivating working conditions for our employees. Such an approach establishes a solid foundation for future productivity growth and, consequently, the long-term sustainable growth of profitability. Through these efforts, Liburnia further demonstrates its commitment to the development of human capital as a key driver of long-term competitiveness and the consistent delivery of a high level of service, diverse amenities, and authentic guest experiences.

In 2025, Liburnia ranked among the leading tourism companies in the Republic of Croatia in terms of year-round operations, with seven hotels operating throughout the entire year. This business model enabled stable, year-round employment, reduced the need for intensive seasonal hiring and the associated recruitment and training costs, while simultaneously contributing to consistent service quality.

Through prudent balance sheet and cash flow management, Liburnia further strengthened its financial position in 2025. Net debt was reduced by a significant 26%, alongside an increase in cash and cash equivalents. Such a stable balance sheet provides a solid foundation for a new phase of growth, based on an intensive investment cycle. The approved investment cycle is focused on the refurbishment and repositioning of the Company's key hospitality assets, complemented by targeted investments to enhance guest experience and improve operational efficiency. Particular emphasis is placed on activating underutilized capacities and introducing contemporary hospitality concepts. This strategy establishes a solid foundation for sustainable growth, enhanced competitiveness, and the development of a distinctive and market-relevant offering.

With the goal of building an internationally competitive and long-term sustainable growth model, through the "Mission 2030" initiative, Liburnia started with a series of activities focused on strengthening the key pillars of the business: the refurbishment and repositioning of properties, enhancement of operational excellence, and thoughtful expansion into strategically important market segments, positioning Liburnia as the most progressive tourism company in the region. This integrated and multidisciplinary approach will further strengthen Liburnia's market position and reinforce the positioning of the destinations in which it operates as leading hospitality destinations, recognized for their high-quality, diverse and sustainable offering.

HOTEL IMPERIAL

About Liburnia

Liburnia Riviera Hoteli d.d. is one of the largest tourism companies in Croatia, with annual revenues of EUR 65 million. Opatija, also known as the “Pearl of the Adriatic” or “Queen of Tourism”, represents an exclusive Adriatic resort with a long history of tourism dating back to 1844, and Liburnia’s tourism portfolio has been highly integrated into international tourist markets for more than 100 years. Liburnia has more than 2,000 keys in its operational tourism portfolio where in its 12 hotels, 2 villas, 2 apartment complexes and one camping resort, it can host more than 4,600 guests per day. Catering for the perfect holiday and authentic experiences for them, there are over 1,000 employees in a high-demand period.

As the largest hotelier on the Liburnia riviera, the Company is focused on a strategy to stimulate growth and create new value, recognizing the started transformation to be the first step in building a solid ground for sustainable investments in high-value-added products, talents, innovative services and destinations, as well as an international business model.

Company results

KEY FINANCIAL INDICATORS

IN EUR	2024	2025	'25/'24
Total revenues	64,351,642	65,306,709	1%
Operating revenues	64,071,634	64,858,707	1%
Sales revenues	60,548,159	61,132,159	1%
Board revenues[1]	49,557,291	50,235,584	1%
Operating expenses[2]	49,276,922	50,777,635	3%
EBITDA[3]	14,674,169	13,814,702	-6%
Adjusted EBITDA[4]	14,720,578	14,115,607	-4%
Adjusted EBITDA margin	23.0%	21.8%	-120 bp
EBIT	6,903,869	6,791,158	-2%
EBT	4,911,164	5,201,543	6%
Net profit	4,104,324	4,769,673	16%

	31/12/2024	31/12/2025	'25/'24
Net debt[5]	27,788,473	20,576,974	-26%
Net debt/Adjusted EBITDA	1.9x	1.5x	-23%
Cash and cash equivalents	9,774,100	12,819,215	31%

1 In compliance with the classification under the USALI international standard for reporting in hotel industry (Uniform System of Accounts for the Lodging Industry) board revenues include accommodation revenues and board food and beverage revenues.

2 Operating costs calculated according to the formula operating expenses - depreciation - value adjustment – provisions.

3 EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated according to the formula: profit or loss for the period + income tax + interest expenses + depreciation and amortization.

4 Adjusted EBITDA is calculated using the formula: EBITDA minus the result of extraordinary operations and one-off items. The result of extraordinary operations and one-off items amounted to 2024: EUR -46,235; 2025: EUR -300,905.

5 Net debt: long-term and short-term liabilities to banks and other financial institutions + long-term and short-term liabilities for loans + other liabilities in accordance with IFRS 16 (leases) - cash and cash equivalents.

KEY OPERATING INDICATORS

	2024	2025	'25/'24
Number of acc. units (operating)	2,131	2,027	-5%
Operating occupancy (%)[6]	67.0%	67.1%	10 bp
Accommodation units sold	374,087	374,104	0%
Overnights	709,564	706,456	0%
ABR (in EUR)[7]	132.5	134.3	1%
RevPAR (in EUR)[6]	88.7	90.0	2%

6 Operating occupancy and RevPar are calculated based on the number of operating accommodation units whereby RevPar is calculated according to the formula: Operating occupancy (%) x ABR.

7 ABR is calculated using the formula: Board revenue / Accommodation units sold.

REVENUES

During 2025, operating revenues amounted to EUR 64.9 million (2024: EUR 64.1 million), representing a 1% increase compared to the same period of the previous year. The achieved operating revenues were influenced by:

a) **sales revenues** increased by 1% (+EUR 0.6 million) to EUR 61.1 million. The key contribution to this growth came from board revenues (+EUR 0.6 million), driven by proactive marketing and sales activities, continuous dynamic revenue management, and daily price adjustments in line with demand and market trends. Sales efforts were primarily focused on strengthening the individual channel, supported by initiatives aimed at increasing visibility across digital marketing. Additional revenue optimization was achieved through the year-round operation of seven hotels, the conclusion of opportunistic contracts with corporate clients, sports clubs and travel agencies, as well as the organization of sports and entertainment events, M.I.C.E. events, and prestigious conferences. The positive revenue trend was also supported by strong occupancy during the Advent period, driven by further enhancements to the overall guest experience.;

b) **other operating income** increased by EUR 0.2 million compared to the same period in 2024, reaching a total of EUR 3.7 million. The other operating income realized during 2025 primarily consists of rental income and proceeds from the sale of fixed tangible assets.

Total operating expenses during 2025 amounted to EUR 58.5 million, representing a 2% increase (+EUR 1.1 million) compared to the same period last year.

OPERATING EXPENSES

IN EUR	2024	2025	'25/'24
Total operating expenses	57,404,838	58,498,685	2%
Material costs	22,808,328	22,054,628	-3%
Staff costs	22,058,021	24,459,042	11%
Depreciation and amortization	7,770,301	7,023,544	-10%
Provisions and value adjustments	357,615	697,506	95%
Other operating expenses	4,410,573	4,263,965	-3%

They consisted of:

a) **material costs** representing 38% of total operating expenses (40% in 2024) decreased to EUR 22.1 million. The 3% decrease was primarily driven by lower food and beverage costs, reduced electricity costs, lower rental expenses related to accommodation for seasonal employees and decreased expenses for external cleaning agencies;

b) the share of **staff costs** within total operating expenses grew (42%) vs. past comparable period (38% in 2024). The 11% growth (EUR +2.4 million) to EUR 24.5 million was primarily driven by improvements in employee benefits and satisfaction through the continued enhancement of the tariff model and other incentive programs;

c) **depreciation and amortization** with a share of 12% (14% in 2024) decreased by 10% (-EUR 0.7 million), reaching EUR 7.0 million;

d) **provisions and value adjustments** amounted to EUR 0.7 million reflecting an increase of 0.3 million;

e) **other operating expenses** represented 7% (8% in 2024) of total operating expenses. They dropped by 3% and totaled EUR 4.3 million.

OPERATING PROFIT (EBITDA)

Despite inflationary and macroeconomic pressures on operations, active operational efficiency management model enabled a reduction in all operating costs except for staff costs. Driven by an increase in staff costs of EUR 2.4 million (+11%), adjusted operating profit (EBITDA) amounted to EUR 14.1 million, representing a decrease of 4% (-EUR 0.6 million).

FINANCIAL RESULT

The financial result amounts to EUR -1.2 million, compared to EUR -1.8 million in the same period last year. This improvement is primarily attributable to a reduction in interest and similar expenses, driven by lower balances of long-term and short-term credit lines.

PROFIT FOR THE PERIOD

Profit before tax increased by EUR 0.3 million, reaching EUR 5.2 million, primarily due to lower depreciation and amortization expenses. Net profit amounted to EUR 4.7 million, representing an increase of EUR 0.6 million compared to the same period last year.

ASSETS AND LIABILITIES

As of 31 December 2025, the total book value of the Company's assets amounted to EUR 121.3 million, representing a 1% increase compared to 31 December 2024. Non-current assets amounted to EUR 103.5 million, decreasing by EUR 2.2 million, primarily due to recorded depreciation and amortization of EUR 7.0 million and a reduction in deferred tax assets of EUR 0.4 million as a result of the utilization of carried-forward tax losses and other temporary differences. Investments in maintaining and enhancing the quality of existing tourism products and services amounted to EUR 4.2 million.

Current assets increased by EUR 3.6 million, reaching EUR 17.6 million as of 31 December 2025. Compared to the end of the previous year, this represents a 25% increase, primarily driven by a rise in cash balances of EUR 3.0 million (EUR 12.8 million as of 31 December 2025), resulting from strong operating cash flow, and an increase in receivables of EUR 0.5 million.

IN EUR	31/12/2024	31/12/2025	'25/'24
Fixed assets	105,717,081	103,495,810	-2%
Current assets	14,048,313	17,607,859	25%
Prepaid expenses and accrued income	194,087	210,808	9%
TOTAL ASSETS	**119,959,481**	**121,314,477**	**1%**
Capital and reserves	73,574,417	78,344,090	6%
Provisions	1,351,736	1,279,928	-5%
Long-term liabilities	32,462,413	28,442,404	-12%
Short term liabilities	12,340,736	13,173,640	7%
Accruals and deferred income	230,179	74,415	-68%
TOTAL LIABILITIES	**119,959,481**	**121,314,477**	**1%**

Through prudent balance sheet and cash flow management, Liburnia significantly strengthened its financial position in 2025, reducing net debt by 26%.

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Total equity and reserves amount to EUR 78.3 million, reflecting a 6% increase, primarily driven by the net profit of EUR 4.8 million achieved during 2025.

Long-term liabilities amounted to EUR 28.4 million, decreasing by EUR 4.0 million, primarily due to the customary year-end reclassification of part of bank liabilities from long-term to short-term. At the same time, provisions decreased by EUR 0.1 million compared to 31 December 2024.

Current liabilities amounted to EUR 13.2 million, representing a 7% increase compared to the end of the previous year. This rise of EUR 0.8 million was primarily driven by an increase in trade payables of EUR 0.5 million (to EUR 2.2 million) and employees related liabilities of EUR 0.3 million (to EUR 2.4 million).

The accruals and deferred income decreased by EUR 0.1 million, totaling EUR 0.1 million.

Investments

The approved investment cycle is focused on the refurbishment and repositioning of the Company's key hospitality assets, complemented by additional investments aimed at enhancing guest experience and improving operational efficiency. Particular emphasis is placed on activating underutilized capacities and introducing modern hospitality concepts. This approach lays the foundation for sustainable growth, strengthened competitiveness, and the development of a distinctive, market-relevant offering.

During 2025, the Company launched a comprehensive program of infrastructure, aesthetic, and content enhancements, with the objective of delivering a superior guest experience across its hospitality portfolio. In parallel, investments continued in digital transformation, efficiency and safety projects, as well as in the improvement of employee accommodation facilities. These initiatives further reinforce operational excellence and the long-term sustainability of the business.

Total capital investments in the period amounted to EUR 4.2 million.

HOTEL AMBASADOR

Group results

HOTEL KVARNER

During 2025, the Group generated operating revenues of EUR 65.1 million, representing an increase of 2%, or EUR 1.0 million, compared to the corresponding period in 2024, when operating revenues amounted to EUR 64.1 million. Sales revenues totalled EUR 61.4 million, reflecting a 1% increase compared to the same period of the previous year. Key contribution to this growth came from board revenues (+EUR 0.7 million), driven by proactive marketing and sales activities, continuous dynamic revenue management, and daily price adjustments in line with demand and market trends. Sales efforts were primarily focused on strengthening the direct individual channel, supported by initiatives aimed at increasing visibility across digital advertising platforms. Additional revenue optimization was achieved through the year-round operation of seven hotels, the conclusion of opportunistic contracts with corporate clients, sports clubs and travel agencies, as well as the organization of sports and entertainment events, M.I.C.E. events, and prestigious conferences. During periods of lower demand, targeted and competitive offers such as “Getaway Deals” and seasonal campaigns “Wintertime Out” and “Riviera Summer Vibes” were implemented to accelerate conversion into realized overnight stays. Further support to revenue performance was provided by strong occupancy during the Advent period, driven by continued enhancement of the overall guest experience.

Total operating expenses in 2025 amounted to EUR 59.5 million, representing an increase of 4% (+EUR 2.1 million). Material costs totaled EUR 22.3 million, decreasing by 2%, primarily as a result of lower consumption of food and beverages, reduced electricity expenses, lower rental costs for seasonal employee accommodation, and reduced costs of external cleaning agencies.

Staff costs amounted to EUR 24.6 million, representing an 12% increase compared to the previous year, driven by a higher number of operating days and the corresponding increase in hours worked, as well as improvements in employee benefits and satisfaction through the continued enhancement of the tariff model and other incentive programs. Depreciation and amortization totaled EUR 7.4 million, down 5% year-on-year, while other operating expenses remained stable at EUR 4.4 million.

During 2025, the net financial result amounted to EUR -1.4 million, compared to EUR -1.8 million in the corresponding period of the previous year. The improvement in the financial result was primarily driven by lower interest and similar expenses, reflecting reduced balances of long-term and short-term credit facilities.

Despite inflationary and macroeconomic pressures on operations, active operational efficiency management model enabled a reduction in all operating costs except for staff costs. Driven by an increase in staff costs of EUR 2.5 million (+12%), adjusted operating profit (EBITDA) amounted to EUR 13.3 million, representing a decrease of 9%.

As of 31 December 2025, the Group’s total assets amounted to EUR 120.8 million, representing a 1% increase compared to 31 December 2024. Total share capital and reserves amounted to EUR 77.2 million, reflecting a 5% increase driven by the profit of EUR 3.8 million generated in 2025. As of 31 December 2025, the Group’s cash and cash equivalents totaled EUR 12.9 million, representing an increase of EUR 3.1 million compared to 31 December 2024, primarily as a result of strong operating cash flow during 2025.

Risks in business

The tourism industry has been changing rapidly over recent years. This is a result of changes in travel patterns, the emergence of low-cost airlines and various online agencies, new technologies and changes in booking trends, as well as in the very expectations of guests. Considering that the tourism industry represents a business of global proportions, it is very closely linked to the real and financial economy, macroeconomic and geopolitical aspects, and environmental sustainability, the Company and the Group assess the probability of the occurrence of a particular risk at the macro and micro level for each segment of the business and its potential consequences, or impact on the business processes and systems of Liburnia.

Risk management aims to further encourage the creation of sustainable value and to assure the Company's and the Group's many stakeholders. The risk management process consists of the following steps: a) identification of potential risks in the business, b) analysis and assessment of the occurrence of identified risks, c) defining activities and responsibilities for effective risk management, d) supervision and monitoring of measures taken to eliminate and/or reduce the occurrence of risk events, and e) exchange of information on risk management results.

The Company, like most companies in the tourism sector, is exposed to several risks in daily business that can be divided into the following categories:

HOTEL AMBASADOR

1) FINANCIAL RISKS

Financial risks include interest rate, credit, price and liquidity risk.

Part of the debt with banks contracted at variable interest rates exposes the Company to the risk of changing interest outflows at cash flow, while credit risk arises from money, term deposits and trade receivables. Credit risk is minimized by arranging deals with customers who have an appropriate credit history, arranging prepayments or payments through security deposits and credit cards for individual customers. The Company and the Group also acquire insurance instruments for receivables (bills of exchange, promissory notes and guarantees) thus allaying the risks of non-performing of its claims for the services provided. The Company continuously monitors tour operators and travel agencies with which it does regular business, while actively checking their financial competencies, and in the end, it implements forced collection by activating insurance measures to collect its receivables.

The Company and the Group are not active participants in the capital markets in terms of trading with equity and debt securities, therefore they are not significantly exposed to price risk.

Sound liquidity risk management ensures that the Company and Group maintain day-to-day control and provision of sufficient amounts of free cash through operating cash flows and adequate amounts of currently agreed and future credit lines to meet its obligations. Credit lines for 2025 and 2026 are contracted with reputable financial institutions, while in general credit repayments are aligned with the period of significant cash inflows from operational activities. The Company and the Group monitor the level of available funds through daily cash and debt reports. Long-term cash flow forecasts, as well as annual (monthly) forecasts, are based on the set budget. After meeting the needs of working capital management the surplus is deposited in the treasury. From there the funds are invested in interest-bearing current accounts, time deposits, money market deposit accounts and marketable securities. Only instruments with suitable maturities and sufficient liquidity are selected, according to the forecast needs for liquid funds.

2) BUSINESS RISKS

The Company and the Group are exposed to business risks related to competitiveness and business stability. Since the Company and Group own real estate, this business model requires intensive capital engagement to maintain high-quality products and services. Capital-intensive investment projects in increasing the quality of services and products may exceed budget expectations, construction does not have to be completed on time, in the meantime, changes to urban planning regulations, other laws and fiscal policy may take effect and may lead to the opening of litigations with suppliers and contractors or inconsistent quality of work. These risks may adversely affect the Company's and Group's

cost increase, as well as weaker cash flow and lower revenues.

Given that in conditions of a stable market almost 90% of the Company's guests are guests from abroad, the stability of macroeconomic indicators in their domicile countries is very important, where the price of goods and services that directly affect the purchasing power of guests play a significant role. The extreme seasonality of Croatian tourism as an industry poses a significant risk and impact on business results, as it leads to insufficient use of available tourist capacities and resources. Therefore, the Company and Group at all levels of management strive to develop the tourist offer, using its comparative advantages and expertise while pondering strategically about the development of the tourist product.

Without high-quality human resources management, the development of the Company and Group is not possible, and the expansion of the labor market in recent years has identified risks related to deficit positions, the development of new knowledge and specific skills. The Company's and Group's ability to provide support to its business may be impaired if the Company and the Group are unable to hire, train and retain the sufficient number of workers necessary for the realization of its business strategy and sustainable growth and development, especially during the high demand period from June to September. Therefore, the Company and the Group continuously engage in a dialogue with social partners and ensure a high level of workers' rights, starting with wage competitiveness, motivation and reward systems, career development, health care programs and numerous training programs.

3) OTHER RISKS

The Company and Group are exposed to operational risk, i.e., direct and indirect losses arising from the Company's and Group's flawed internal and external processes. An incorrect assessment of a development opportunity may affect the Company's and Group's ability to deliver business growth and long-term value for shareholders. Given the complexity of the organization, systematic work is being done on the analysis of data that actively monitors the Company's and the Group's business actions, thus providing a timely work frame for valid business decisions.

The Company and the Group are aware of the risk of exposure to cyber-attacks which may result in significant disruptions to operations and financial losses due to declining revenues, costs of repairing damage from attacks, and significant fines in the event of data security breaches, as well as the reliability of IT business solutions. Hence, the Company and the Group continuously work on their further development with a focus on data protection projects, improvement of existing and development and implementation of new business systems.

OPATIJA

Corporate governance

The Company and the Group continuously, to the greatest extent possible, develop and operate, in accordance with the good practice of corporate governance prescribed by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange d.d. Business strategy, policy, key acts and business practices have established governance standards, aimed at contributing to transparent and efficient business.

During 2025, for the most part, the Company has followed and applied the recommendations set out in the Code, disclosing all information as foreseen by the positive regulations and information beneficial for the interest of the Company's shareholders.

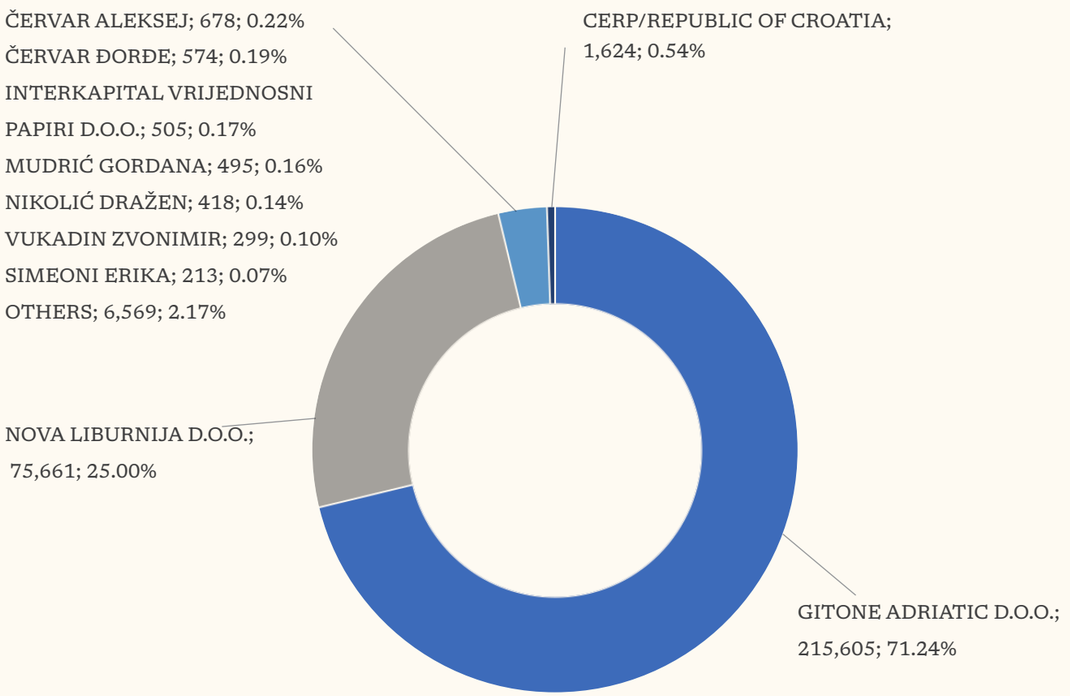
In accordance with the requirements of the Code, and in accordance with the provisions of the Companies Act (ZTD), the Supervisory Board conducts internal supervision of the Company with regular inspections of presented reports. Members of the Supervisory Board are regularly provided with detailed information on the management and operations of the Company. At the meetings of the Supervisory Board, all matters within the competence of that body prescribed by the Companies Act (ZTD) and the Statute of the Company are discussed and decided. In addition, the Supervisory Board performs internal control and oversight through the Audit Committee, which provides expert support to the Supervisory Board and the Management Board in the effective performance of corporate governance, risk management, financial reporting and control obligations of the Company and the Group.

Management ensures that the Company and the Group keep business and other books and business documentation, draw up bookkeeping documents, realistically assess assets and liabilities, compile financial and other reports in accordance with accounting regulations and standards and applicable laws and regulations.

The Company does not have a formal diversity policy in place regarding gender, age, education or profession in executive, managerial and supervisory bodies. Executive/managerial roles in the Company are appointed depending on the needs of specific business activities, requiring certain knowledge, professional qualification, and the capacity of potential role holder, without taking into account diversity with regards to gender or age. The Company also requires certain knowledge, education and capacity of potential job holders in these bodies in management and supervisory boards, and in accordance with the criteria and decisions of the Supervisory Board and the Assembly of the Company.

In accordance with the Statute of the Company, shareholders' right to vote is not limited to a certain percentage or number of votes, nor are there time restrictions for exercising voting rights. Each ordinary share carries one vote at the General Assembly. The Company's rights and obligations arising from the acquisition of its own shares are exercised following the provisions of the Companies Act. On 31/12/2025, the Company holds 4 of its own shares, while during 2025, the Company did not acquire its own shares.

OVERVIEW OF THE LARGEST SHAREHOLDERS OF THE COMPANY ON 31/12/2025:



Members of the Company's Management and Supervisory Board are not direct or indirect holders of the Company's shares in terms of the Companies Act, and thus do not represent significant holders of the Company's shares in terms of the Companies Act (ZTD) and the Corporate Governance Code, thereby ensuring their independence as provided by the applicable legislation. The Management Board of the Company shall be appointed and revoked by the Supervisory Board.

During the majority of 2025, the Management Board of the Company consisted of the President of the Management Board, Mr. Ante Barić, and the Member of the Management

HOTEL KVARNER

Board, Mr. Filip Močibob. Pursuant to the Supervisory Board's decision dated 22 December 2025, Mr. Ante Barić was dismissed from his position as President of the Management Board, and Mr. Davor Štampalija was appointed as President of the Management Board. Furthermore, based on the Supervisory Board's decision of 2 February 2026, Mr. Davor Štampalija was dismissed from the position of President of the Management Board with effect from 9 March 2026, while continuing to serve as Member of the Management Board until the expiry of his mandate. By the same decision, Ms. Zrinka Bokulić was appointed as President of the Management Board, with effect as of 9 March 2026.

The Authority of members of the Management Board is fully aligned with the provisions of the Companies Act and is regulated in more detail by the provisions of the Statute.

The Company's Assembly appoints and revokes the Supervisory Board, following the Statute of the Company and the Companies Act (ZTD), and on 31 December 2025 is composed of the following members:

- Mr. Johannes Böck, president,
- Ms. Dita Chrastilová, deputy,
- Mr. Daniel Michael Kartje, member,
- Mr. Philip Göth, member,
- Ms. Ana Odak, member,
- Mr. Alexander Paul Zinell, member,
- Mr. Davor Žic, member,
- Mr. Danijel Jerman, member,
- Mr. Rikardo Gregov, member.

The independent members of the Supervisory Board are Ms. Dita Chrastilová, Mr. Philip Göth, and Mr. Alexander Paul Zinell.

During 2025, several changes occurred in the composition of the Company's Supervisory Board. In early April 2025, the Company received the resignation of Supervisory Board member Mr. Manfred Kainz. Following this, by decision of Gitone Adriatic d.o.o., Mr. Thomas Mayer was appointed as a new member of the Supervisory Board, with effect as of 5 April 2025. In December 2025, Mr. Thomas Mayer resigned from his position as a member of the Supervisory Board. By decision of Gitone Adriatic d.o.o., Mr. Daniel Michael Kartje was appointed in his place, with effect as of 5 December 2025. Subsequent to the balance sheet date, an additional change occurred in the composition of the Supervisory Board. Following the resignation of Mr. Danijel Jerman, received in early February, the shareholder Nova Liburnija d.o.o. appointed Mr. Zdravko Ružić as a new member of the Supervisory Board.

As a rule, the Management Board and the Supervisory Board work in meetings, by decision-making, all in accordance with the provisions of positive regulations. The General Assembly is convened, operates and has the authority in accordance with the provisions of the ZTD as well as the provisions of the Statute of the Company, and the invitation and proposals of decisions, as well as the decisions taken, are made public in accordance with the provisions of the Companies Act (ZTD), the Capital Market Act and the Rules of the Zagreb Stock Exchange d.d. The rules on the appointment and revocation of members of the Management Board and members of the Supervisory Board are defined by the Statute, and in accordance with the provisions of the Companies Act (ZTD). The appointment rules do not contain any restrictions on diversity with regard to gender, age, education, profession and similar limitations.

Within the Supervisory Board, and for the purpose of ensuring the efficient performance of its duties as well as compliance with the requirements set out in the Audit Act and the Corporate Governance Code, the following committees were active during 2025: i) Audit Committee, composed of Mr. Johannes Böck (President), Mr. Philip Göth and Ms. Ana Odak (Members); ii) Strategic Development, Investment and Construction Committee, composed of Mr. Johannes Böck (President), Ms. Ana Odak and Ms. Sanjana Buć (Members); and iii) Procurement Committee, composed of Mr. Johannes Böck (President), Ms. Ana Odak and Ms. Admira Žakula (Members).

Other business events

STRENGTHENING OF COMPANY'S LIQUIDITY

At the end of April 2025, the Company entered into a two-year revolving credit agreement with Istarska kreditna banka d.d. Umag for EUR 5 million. In October 2025, the Company also signed a one-year revolving credit agreement with OTP Bank d.d. totaling EUR 2 million, aimed at prudent working capital management during periods of lower business activity.

GENERAL ASSEMBLY OF LIBURNIA RIVIERA

On 10 December 2025, the Company's General Assembly resolved to appoint Grant Thornton revizija d.o.o. as the statutory auditor of the Company for the financial year 2026. The General Assembly of the Company was held on 28 August 2025 and the following points were adopted:

i) the report on the remuneration of the Management Board and the Supervisory Board of the Company for 2024 was approved together with the auditor's report on its examination; ii) the achieved profit of the Company for the year 2024 in the total amount of EUR 4,104,323.82 will be used to cover losses from previous periods; iii) a discharge is given to the members of the Management Board for the management of the Company's affairs in 2024 and to the members of the Supervisory Board for the supervision of the management of the Company's affairs in the year 2024 and iv) Grant Thornton revizija d.o.o. (auditing company from Zagreb) was appointed to perform the audit of the Company in 2025.

POTENTIAL SALE OF MAJORITY STAKE IN THE COMPANY

In June 2025, the Company has been notified by its majority shareholder, Gitone Adriatic d.o.o. ("Gitone"), holding 215,605 shares in the Company, or 71.24% of its share capital, that Gitone is undertaking a review of its investment in the Company following receipt of unsolicited indicative proposals from third parties. As part of this review, Gitone has mandated professional advisors to set up a structured process and invite a larger number of potential investors to participate for purpose of exploring all strategic options which may, among others, include the sale of all or part of its shareholding in the Company. These processes may or may not result in a transaction concerning Gitone's shares in the Company.

ACQUISITION OF SHARES AND ASSET TRANSACTION

The Company exercised its option to acquire a shareholding in Lido Opatija d.o.o., becoming the sole owner of the company at the end of May 2025. As a result, the Company also became the 100% owner of its subsidiaries, Kvarner Lido d.o.o. and Projekt Zapad d.o.o. These companies hold concession rights for the maritime domain of the well-known Lido & Angiolina beach, located in close proximity to the Company-owned Hotel Imperial, Hotel Kvarner, and Villa Amalia. This acquisition represents significant strategic value for the Company, as it enables the expansion of complementary services for guests of the nearby properties, enhancing the diversity and quality of the tourism offering, improving guest satisfaction, and generating synergistic benefits.

At the same time, the Company completed a mutual asset transaction with Gitone Beteiligungsverwaltungs GmbH and Gitone Kvarner d.o.o., with a total value of EUR 5 million. Through this transaction, the Company acquired assets (rights related to the newly acquired shareholdings) of strategic importance, aimed at reducing Group-level indebtedness following the acquisition. In parallel, the Company disposed non-commercial and non-operational real estate, movable assets, shares, and rights that were not of strategic or developmental relevance and whose renovation to achieve optimal functionality would require substantial investment. This approach reduced the cash outflows associated with the transaction and preserved the Company's debt levels and balance sheet strength, thereby supporting future investment and the development of its tourism portfolio.

CONSOLIDATION

Following the acquisition of a 100% ownership stake in Lido Opatija d.o.o., which also resulted in control over the affiliated companies Kvarner Lido d.o.o. and Projekt Zapad d.o.o., Liburnia is required to prepare consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) and the relevant provisions of the Accounting Act. Accordingly, Group-level consolidation and reporting commenced as of 1 June 2025. In addition to the aforementioned entities, the non-operational company Aeris d.o.o., acquired in 2021, has also been included in the scope of consolidation. Aeris owns a strategically located property in the immediate vicinity of one of the Company's key assets. Given the non-operational status of certain subsidiaries and the fact that consolidation commenced on 1 June 2025, their impact, including intercompany eliminations, on the consolidated financial statements in 2025 amounted to +EUR 270 thousand in operating revenue, -EUR 508 thousand in EBITDA, and -EUR 923 thousand in earnings before taxes.

Statement of responsibility of the management board for compiling the issuer's reports

Opatija, 21 April 2026

The Management Board is required to prepare financial statements for each financial year that present fairly, in all material respects, the financial position of the Company and the Group and its performance and cash flows, in accordance with International Financial Reporting Standards adopted by the European Union and is responsible for keeping appropriate accounting records to prepare these financial statements at any time. The Management Board has the general responsibility for taking such steps as are reasonably available to them to safeguard the assets of the Company and Group and to prevent and detect fraud and other irregularities.

Management is responsible for selecting appropriate accounting policies that are in line with applicable accounting standards and should be applied consistently thereafter; make reasonable and prudent judgments and estimates, prepare financial statements based on the going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business.

The Management Board is also responsible for the preparation and content of management reports and statements on the application of the Code of corporate governance, in accordance with the Croatian Accounting Act. The management report and the report of the corporate governance code for the period from 1.1.2025 to 31.12.2025 were approved for issuance by the Management Board.

Pursuant to Articles 462 to 471 of the Capital Market Act (Official Gazette 65/18, 17/20, 83/21, 151/22, 85/24, 126/25), the Management Board issues this statement:

Audited consolidated and unconsolidated financial statements of Company and Group Liburnia Riviera Hoteli d.d. have been prepared in accordance with International Financial Reporting Standards (IFRS) and the Croatian Accounting Act.

Audited consolidated and unconsolidated financial statements for the period from 1.1.2025 to 31.12.2025 give a true and fair view of the Company's and Group's assets and liabilities, financial position, profit or loss.

The management report, together with the sustainability report and audited financial statements for the stated period, contains an objective presentation of the development and results of operations and the position of the Company and the Group, with a description of the most significant risks and uncertainties to which the Company and the Group are exposed.

Ms. Zrinka Bokulić,
President of the Management Board

Mr. Filip Močibob,
Member of the Management Board

Management Board's decision on 2025 Annual Report determination

LIBURNIA RIVIERA HOTELI d.d.
Management Board of the Company
Opatija, 21 April 2026

Pursuant to the provisions of Article 20, paragraph 1 of the Company's Articles of Association, Articles 250.a, 250.b, 300.a and 300.b of the Companies Act, Articles 462 and 463 of the Capital Market Act, and Articles 18, 19, 21 and 22 of the Accounting Act, the Management Board of the Company has adopted the following:

DECISION

I. The unconsolidated and consolidated Annual Financial Statements for 2025 are hereby adopted, comprising:

- statement of financial position (balance sheet),
- profit and loss account,
- statement of other comprehensive income,
- statement of cash flows,
- statement of changes in equity,
- notes to the financial statements,

in the wording forming an integral part of the report referred to in item IV of this Decision.

II. The Annual Report on the status of the Company and its affiliated companies for 2025 (Management Report) is hereby adopted, including the Sustainability Report, in the wording forming an integral part of the report referred to in item IV of this Decision.

III. The Corporate Governance Code Compliance Report is hereby adopted, in the wording forming an integral part of the report referred to in item IV of this Decision.

IV. The Company's Annual Report for 2025 consists of:

- the unconsolidated and consolidated Annual Financial Statements for 2025 together with the Auditor's Report for 2025 prepared by Grant Thornton d.o.o.,
- the Annual Report on the status of the Company and its affiliated companies for 2025 (Management Report), including the Sustainability Report, together with the Auditor's Assurance Report on the Sustainability Report prepared by Grant Thornton d.o.o., and
- the Corporate Governance Code Compliance Report,

and is hereby adopted in the wording attached to this Decision.

V. The Company's Annual Report for 2025, i.e. the reports referred to in items I to IV of this Decision, shall be submitted to the Supervisory Board for examination.

VI. This Decision shall enter into force on the date of its adoption.

Ms. Zrinka Bokulić,
President of the Management Board

Mr. Filip Močibob,
Member of the Management Board

Management Board's decision on distribution of profit

LIBURNIA RIVIERA HOTELI d.d.
Management Board of the Company
Opatija, 21 April 2026

Pursuant to the provisions of Article 20, paragraph 1 of the Company's Articles of Association and Articles 275 and 300.b of the Companies Act, the Management Board of the Company has adopted the following:

DECISION

I. The proposal for the Decision on the Allocation of Profit, to be submitted to the General Assembly for adoption, is hereby determined as follows:

a) It is established that the total profit after tax for 2025 amounts to EUR 4,769,673.26.
b) The total profit for 2025 after tax, in the amount of EUR 4,769,673.26, shall be allocated to cover losses from previous periods.

II. This Decision shall enter into force on the date of its adoption.

Ms. Zrinka Bokulić,
President of the Management Board

Mr. Filip Močibob,
Member of the Management Board

Supervisory Board's decision on 2025 Annual Report determination

LIBURNIA RIVIERA HOTELI d.d.
Supervisory Board of the Company
Opatija, 29 April 2026

Pursuant to the provisions of Article 300.d, and in accordance with Article 300.c of the Companies Act, following the examination of the submitted relevant reports of the Company's Management Board, the Supervisory Board of the Company, at its meeting held on 29 April 2026, adopted the following

DECISION

I. Approval is hereby granted to the unconsolidated and consolidated Annual Financial Statements for 2025, comprising: the statement of financial position (balance sheet), profit and loss account, statement of other comprehensive income, statement of cash flows, statement of changes in equity, and notes to the financial statements, together with the Auditor's Report for 2025 prepared by Grant Thornton d.o.o.

II. In accordance with Article 300.d of the Companies Act, by granting the approval referred to in item I of this Decision, the unconsolidated and consolidated Annual Financial Statements of the Company for 2025 are deemed adopted by the Management Board and the Supervisory Board of the Company.

III. The Supervisory Board has examined the Company's Annual Report for 2025, consisting of the unconsolidated and consolidated Annual Financial Statements for 2025 together with the Auditor's Report for 2025 prepared by Grant Thornton d.o.o., the Annual Report on the status of the Company and its affiliated companies for 2025 (Management Report), including the Sustainability Report together with the Auditor's Assurance Report on the Sustainability Report prepared by Grant Thornton d.o.o., and the Corporate Governance Code Compliance Report. The Supervisory Board has no objections thereto and approves it.

IV. This Decision shall enter into force on the date of its adoption.

Mr. Johannes Böck
President of the Supervisory Board

Supervisory Board's decision on distribution of profit

LIBURNIA RIVIERA HOTELI d.d.
Supervisory Board of the Company
Opatija, 29 April 2026

Pursuant to the provisions of Article 300.c of the Companies Act, following the examination of the submitted proposal for the Decision on the Allocation of Profit, the Supervisory Board of the Company, at its meeting held on 29 April 2025, adopted the following:

DECISION

I. Approval is hereby granted to the proposed Decision on the Allocation of Profit, to be submitted to the General Assembly for adoption, as follows:

a) It is established that the total profit after tax for 2025 amounts to EUR 4,769,673.26.
b) The total profit for 2025 after tax, in the amount of EUR 4,769,673.26, shall be allocated to cover losses from previous periods.

II. This Decision shall enter into force on the date of its adoption.

Mr. Johannes Böck
President of the Supervisory Board

LIBURNIA

HOTELS & VILLAS

FINANCIAL STATEMENTS

according to GFI-POD

ISSUER'S GENERAL DATA

Reporting period:	01/01/2025	to	31/12/2025
Year:	2025		

Annual financial statements

egistration number (MB):	03166619	Issuer's home Member State code:	HR
Entity's registration number (MBS):	040008080		
Personal identification number (OIB):	15573308024	LEI:	74780000COJHFR9WBI35
Institution code:	1121		
Name of the issuer:	LIBURNIA RIVIERA HOTELI d.d.		
Postcode and town:	51410		OPATIJA
reet and house number:	MARŠALA TITA 198		
E-mail address:	liburnia@liburnia.hr		
Web address:	www.liburnia.hr		
Number of employees (end of the reporting	843		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RD	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:
AERIS d. o. o.	Opatija	02214601
LIDO OPATIJA d.o.o.	Zagreb	05476283
KVARNER LIDO d.o.o	Opatija	02956721
PROJEKT ZAPAD d.o.o.	Opatija	02209578

Bookkeeping firm:		(Yes/No)	
			(name of the bookkeeping firm)
Contact person:	Alen Laković		
	(only name and surname of the contact person)		
Telephone:	+385 (0)710-391		
E-mail address:	alen.lakovic@liburnia.hr		
Audit firm:	Grant Thornton revizija d.o.o. Zagreb		
	(name of the audit firm)		
Certified auditor:	Vedran Miloš		
	(name and surname)		

BALANCE SHEET

balance as at 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM	ADP CODE	AT THE LAST DAY OF THE PRECEDING BUSINESS YEAR	AT THE REPORTING DATE OF THE CURRENT PERIOD
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	**001**	**0.00**	**0.00**
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	**105,717,080.73**	**105,190,317.51**
I INTANGIBLE ASSETS (ADP 004 to 009)	**003**	**2,544,181.92**	**7,731,504.36**
1 Research and development	**004**	153,070.34	132,273.88
2 Concessions, patents, licences, trademarks, software and other rights	**005**	480,217.03	245,882.87
3 Goodwill	**006**	0.00	4,624,734.91
4 Advances for the purchase of intangible assets	**007**	0.00	0.00
5 Intangible assets in preparation	**008**	858,216.91	1,068,180.00
6 Other intangible assets	**009**	1,052,677.64	1,660,432.70
II TANGIBLE ASSETS (ADP 011 to 019)	**010**	**97,469,400.94**	**95,293,019.26**
1 Land	**011**	16,251,192.24	15,978,358.70
2 Buildings	**012**	63,851,192.33	60,725,254.78
3 Plant and equipment	**013**	2,414,438.47	2,165,633.40
4 Tools, working inventory and transportation assets	**014**	9,600,583.99	8,673,039.56
5 Biological assets	**015**	0.00	0.00
6 Advances for the purchase of tangible assets	**016**	2,458,414.11	153,533.42
7 Tangible assets in preparation	**017**	2,378,323.30	7,082,009.37
8 Other tangible assets	**018**	515,256.50	515,190.03
9 Investment property	**019**	0.00	0.00
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	**020**	**3,105,833.77**	**0.00**
1 Investments in holdings (shares) of undertakings within the group	**021**	3,105,833.77	0.00
2 Investments in other securities of undertakings within the group	**022**	0.00	0.00
3 Loans, deposits, etc. to undertakings within the group	**023**	0.00	0.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**024**	0.00	0.00
5 Investments in other securities of companies linked by virtue of participating interests	**025**	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	**026**	0.00	0.00
7 Investments in securities	**027**	0.00	0.00
8 Loans, deposits, etc. given	**028**	0.00	0.00
9 Other investments accounted for using the equity method	**029**	0.00	0.00
10 Other fixed financial assets	**030**	0.00	0.00
IV RECEIVABLES (ADP 032 to 035)	**031**	**0.00**	**0.00**
1 Receivables from undertakings within the group	**032**	0.00	0.00
2 Receivables from companies linked by virtue of participating interests	**033**	0.00	0.00
3 Customer receivables	**034**	0.00	0.00
4 Other receivables	**035**	0.00	0.00
V DEFERRED TAX ASSETS	**036**	**2,597,664.10**	**2,165,793.89**
C) CURRENT ASSETS (ADP 038+046+053+063)	**037**	**14,048,312.62**	**15,422,798.45**
I INVENTORIES (ADP 039 to 045)	**038**	**697,084.52**	**694,072.39**
1 Raw materials and consumables	**039**	657,173.33	634,789.12
2 Production in progress	**040**	0.00	0.00
3 Finished goods	**041**	0.00	0.00
4 Merchandise	**042**	39,802.74	57,875.08
5 Advances for inventories	**043**	108.45	1,408.19
6 Fixed assets held for sale	**044**	0.00	0.00
7 Biological assets	**045**	0.00	0.00
II RECEIVABLES (ADP 047 to 052)	**046**	**3,577,128.25**	**1,843,060.64**
1 Receivables from undertakings within the group	**047**	0.00	0.00
2 Receivables from companies linked by virtue of participating interests	**048**	1,975,679.68	14,600.87
3 Customer receivables	**049**	1,354,968.90	1,453,429.62
4 Receivables from employees and members of the undertaking	**050**	6,887.97	14,251.75
5 Receivables from government and other institutions	**051**	221,048.94	335,655.36
6 Other receivables	**052**	18,542.76	25,123.04
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	**053**	**0.00**	**0.00**
1 Investments in holdings (shares) of undertakings within the group	**054**	0.00	0.00
2 Investments in other securities of undertakings within the group	**055**	0.00	0.00
3 Loans, deposits, etc. to undertakings within the group	**056**	0.00	0.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**057**	0.00	0.00
5 Investment in other securities of companies linked by virtue of participating interests	**058**	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	**059**	0.00	0.00
7 Investments in securities	**060**	0.00	0.00
8 Loans, deposits, etc. given	**061**	0.00	0.00
9 Other financial assets	**062**	0.00	0.00

BALANCE SHEET - CONTINUED

ITEM 1	ADP CODE 2	AT THE LAST DAY OF THE PRECEDING BUSINESS YEAR 3	AT THE REPORTING DATE OF THE CURRENT PERIOD 4
IV CASH AT BANK AND IN HAND	**063**	**9,774,099.85**	**12,885,665.42**
D) PREPAID EXPENSES AND ACCRUED INCOME	**064**	**194,087.18**	**219,342.49**
E) TOTAL ASSETS (ADP 001+002+037+064)	**065**	**119,959,480.53**	**120,832,458.45**
F) OFF-BALANCE SHEET ITEMS	**066**	**8,296.13**	**6,610.51**
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+084+087+090)	**067**	**73,574,416.47**	**77,206,721.72**
I INITIAL (SUBSCRIBED) CAPITAL	**068**	**92,305,505.00**	**92,305,505.00**
II CAPITAL RESERVES	**069**	**0.00**	**0.00**
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	**070**	**6,252,879.54**	**6,252,879.54**
1 Legal reserves	**071**	5,975,016.94	5,975,016.94
2 Reserves for treasury shares	**072**	1,221.05	1,221.05
2 Reserves for treasury shares	**073**	-1,221.05	-1,221.05
4 Statutory reserves	**074**	0.00	0.00
5 Other reserves	**075**	277,862.60	277,862.60
IV REVALUATION RESERVES	**076**	**0.00**	**0.00**
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	**077**	**0.00**	**0.00**
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	**078**	0.00	0.00
2 Cash flow hedge - effective portion	**079**	0.00	0.00
3 Hedge of a net investment in a foreign operation - effective portion	**080**	0.00	0.00
4 Other fair value reserves	**081**	0.00	0.00
5 Exchange rate differences from translation of foreign operations (consolidation)	**082**	0.00	0.00
6 Exchange rate differences from translation into the presentation currency	**083**	0.00	0.00
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	**084**	**-29,088,291.89**	**-25,198,130.39**
1 Retained profit	**085**	0.00	0.00
2 Loss brought forward	**086**	29,088,291.89	25,198,130.39
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	**087**	**4,104,323.82**	**3,846,467.57**
1 Profit for the business year	**088**	4,104,323.82	3,846,467.57
2 Loss for the business year	**089**	0.00	0.00
VIII MINORITY (NON-CONTROLLING) INTEREST	**090**	**0.00**	**0.00**
B) PROVISIONS (ADP 092 to 097)	**091**	**1,351,736.42**	**1,279,927.58**
1 Provisions for pensions, termination benefits and similar obligations	**092**	314,522.34	311,682.34
2 Provisions for tax liabilities	**093**	0.00	0.00
3 Provisions for ongoing legal cases	**094**	1,037,214.08	968,245.24
4 Provisions for renewal of natural resources	**095**	0.00	0.00
5 Provisions for warranty obligations	**096**	0.00	0.00
6 Other provisions	**097**	0.00	0.00
C) LONG-TERM LIABILITIES (ADP 099 to 109)	**098**	**32,462,412.64**	**28,570,912.96**
1 Liabilities to undertakings within the group	**099**	0.00	0.00
2 Liabilities for loans, deposits, etc. of undertakings within the group	**100**	0.00	0.00
3 Liabilities to companies linked by virtue of participating interests	**101**	0.00	0.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**102**	0.00	0.00
5 Liabilities for loans, deposits etc.	**103**	0.00	0.00
6 Liabilities to banks and other financial institutions	**104**	31,605,542.97	27,205,542.97
7 Liabilities for advance payments	**105**	0.00	0.00
8 Liabilities to suppliers	**106**	0.00	0.00
9 Liabilities for securities	**107**	0.00	0.00
10 Other long-term liabilities	**108**	856,869.67	1,365,369.99
11 Deferred tax liability	**109**	0.00	0.00
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	**110**	**12,340,736.35**	**13,700,480.77**
1 Liabilities to undertakings within the group	**111**	300,873.68	243,215.43
2 Liabilities for loans, deposits, etc. of undertakings within the group	**112**	0.00	433,709.68
3 Liabilities to companies linked by virtue of participating interests	**113**	0.00	0.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**114**	0.00	0.00
5 Liabilities for loans, deposits etc.	**115**	0.00	0.00
6 Liabilities to banks and other financial institutions	**116**	4,905,266.38	4,699,828.13
7 Liabilities for advance payments	**117**	1,895,168.50	1,716,447.31
8 Liabilities to suppliers	**118**	1,682,050.08	2,442,882.61
9 Liabilities for securities	**119**	0.00	0.00
10 Liabilities to employees	**120**	2,161,348.12	2,419,833.17
11 Taxes, contributions and similar liabilities	**121**	1,020,828.21	1,249,379.90
12 Liabilities arising from the share in the result	**122**	0.00	0.00
13 Liabilities arising from fixed assets held for sale	**123**	0.00	0.00
14 Other short-term liabilities	**124**	375,201.38	495,184.54
E) ACCRUALS AND DEFERRED INCOME	**125**	**230,178.65**	**74,415.42**
F) TOTAL – LIABILITIES (ADP 067+091+098+110+125)	**126**	**119,959,480.53**	**120,832,458.45**
G) OFF-BALANCE SHEET ITEMS	**127**	**8,296.13**	**6,610.51**

STATEMENT OF PROFIT OR LOSS

for the period 01/01/2025 to 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
I OPERATING INCOME (ADP 002 to 006)	**001**	**64,071,634.14**	**65,128,326.89**
1 Income from sales with undertakings within the group	**002**	178,233.39	64,692.44
2 Income from sales	**003**	60,369,925.60	61,348,103.96
3 Income from the use of own products, goods and services	**004**	0.00	0.00
4 Other operating income with undertakings within the group	**005**	1,595.79	723,674.55
5 Other operating income (outside the group)	**006**	3,521,879.36	2,991,855.94
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	**007**	**57,404,837.96**	**59,471,592.30**
1 Changes in inventories of work in progress and finished goods	**008**	0.00	0.00
2 Material costs (ADP 010 to 011)	**009**	22,808,328.32	22,340,602.66
a) Costs of raw materials and consumables	**010**	12,051,549.29	11,253,488.18
b) Costs of goods sold	**011**	31,257.45	28,093.54
c) Other external costs	**012**	10,725,521.58	11,059,020.94
3 Staff costs (ADP 014 to 016)	**013**	22,058,021.10	24,613,102.81
a) Net salaries and wages	**014**	15,196,384.78	16,984,805.04
b) Tax and contributions from salary costs	**015**	4,418,114.76	4,892,637.04
c) Contributions on salaries	**016**	2,443,521.56	2,735,660.73
4 Depreciation	**017**	7,770,300.65	7,419,066.19
5 Other costs	**018**	0.00	0.00
6 Value adjustments (ADP 020+021)	**019**	258,198.88	381,145.21
a) fixed assets other than financial assets	**020**	163,153.93	253,281.69
b) current assets other than financial assets	**021**	95,044.95	127,863.52
7 Provisions (ADP 023 to 028)	**022**	99,416.38	324,660.43
a) Provisions for pensions, termination benefits and similar obligations	**023**	24,805.98	73,936.45
b) Provisions for tax liabilities	**024**	0.00	0.00
c) Provisions for ongoing legal cases	**025**	74,610.40	250,723.98
d) Provisions for renewal of natural resources	**026**	0.00	0.00
e) Provisions for warranty obligations	**027**	0.00	0.00
f) Other provisions	**028**	0.00	0.00
8 Other operating expenses	**029**	4,410,572.63	4,393,015.00
III FINANCIAL INCOME (ADP 031 to 040)	**030**	**280,007.83**	**247,653.17**
1 Income from investments in holdings (shares) of undertakings within the group	**031**	0.00	0.00
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	**032**	0.00	0.00
3 Income from other long-term financial investment and loans granted to undertakings within the group	**033**	0.00	0.00
4 Other interest income from operations with undertakings within the group	**034**	59,587.67	4,417.54
5 Exchange rate differences and other financial income from operations with undertakings within the group	**035**	0.00	0.00
6 Income from other long-term financial investments and loans	**036**	0.00	0.00
7 Other interest income	**037**	220,420.16	243,235.63
8 Exchange rate differences and other financial income	**038**	0.00	0.00
9 Unrealised gains (income) from financial assets	**039**	0.00	0.00
10 Other financial income	**040**	0.00	0.00
IV FINANCIAL EXPENSES (ADP 042 to 048)	**041**	**2,035,640.17**	**1,626,049.98**
1 Interest expenses and similar expenses with undertakings within the group	**042**	0.00	15,242.98
2 Exchange rate differences and other expenses from operations with undertakings within the group	**043**	0.00	0.00
3 Interest expenses and similar expenses	**044**	1,992,704.81	1,593,940.74
4 Exchange rate differences and other expenses	**045**	0.00	0.00
5 Unrealised losses (expenses) from financial assets	**046**	0.00	0.00
6 Value adjustments of financial assets (net)	**047**	0.00	0.00
7 Other financial expenses	**048**	42,935.36	16,866.26
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	**049**	**0.00**	**0.00**
VI SHARE IN PROFIT FROM JOINT VENTURES	**050**	**0.00**	**0.00**
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	**051**	**0.00**	**0.00**
VIII SHARE IN LOSS OF JOINT VENTURES	**052**	**0.00**	**0.00**
IX TOTAL INCOME (ADP 001+030+049 +050)	**053**	**64,351,641.97**	**65,375,980.06**
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	**054**	**59,440,478.13**	**61,097,642.28**
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	**055**	**4,911,163.84**	**4,278,337.78**
1 Pre-tax profit (ADP 053-054)	**056**	4,911,163.84	4,278,337.78
2 Pre-tax loss (ADP 054-053)	**057**	0.00	0.00
XII INCOME TAX	**058**	**806,840.02**	**431,870.21**
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	**059**	**4,104,323.82**	**3,846,467.57**
1 Profit for the period (ADP 055-059)	**060**	4,104,323.82	3,846,467.57
2 Loss for the period (ADP 059-055)	**061**	0.00	0.00

STATEMENT OF PROFIT OR LOSS - CONTINUED

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	**062**	**0.00**	**0.00**
1 Pre-tax profit from discontinued operations	**063**	0.00	0.00
2 Pre-tax loss on discontinued operations	**064**	0.00	0.00
XV INCOME TAX OF DISCONTINUED OPERATIONS	**065**	**0.00**	**0.00**
1 Discontinued operations profit for the period (ADP 062-065)	**066**	0.00	0.00
2 Discontinued operations loss for the period (ADP 065-062)	**067**	0.00	0.00
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	**068**	**0.00**	**0.00**
1 Pre-tax profit (ADP 068)	**069**	0.00	0.00
2 Pre-tax loss (ADP 068)	**070**	0.00	0.00
XVII INCOME TAX (ADP 058+065)	**071**	**0.00**	**0.00**
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	**072**	**0.00**	**0.00**
1 Profit for the period (ADP 068-071)	**073**	0.00	0.00
2 Loss for the period (ADP 071-068)	**074**	0.00	0.00
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	**075**	**4,104,323.82**	**3,846,467.57**
1 Attributable to owners of the parent	**076**	4,104,323.82	3,846,467.57
2 Attributable to minority (non-controlling) interest	**077**	0.00	0.00
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	**078**	**4,104,323.82**	**3,846,467.57**
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+87)	**079**	**0.00**	**0.00**
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	**080**	**0.00**	**0.00**
1 Changes in revaluation reserves of fixed tangible and intangible assets	**081**	0.00	0.00
2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	**082**	0.00	0.00
3 Changes in the fair value of the financial liability at fair value through statement of profit or loss that is attributable to changes in the credit risk of that liability	**083**	0.00	0.00
4 Actuarial gains/losses on the defined benefit obligation	**084**	0.00	0.00
5 Other items that will not be reclassified	**085**	0.00	0.00
6 Income tax relating to items that will not be reclassified	**086**	0.00	0.00

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
IV Items that may be reclassified to profit or loss (ADP 088 to 096)	**087**	**0.00**	**0.00**
1 Exchange rate differences from translation of foreign operations	**088**	0.00	0.00
2 Exchange rate differences from translation into the presentation currency	**089**	0.00	0.00
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	**090**	0.00	0.00
4 Profit or loss arising from effective cash flow hedging	**091**	0.00	0.00
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	**092**	0.00	0.00
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**093**	0.00	0.00
7 Changes in fair value of the time value of an option	**094**	0.00	0.00
8 Changes in fair value of the forward elements of forward contracts	**095**	0.00	0.00
9 Other items that may be reclassified to profit or loss	**096**	0.00	0.00
10 Income tax relating to items that may be reclassified to profit or loss	**097**	0.00	0.00
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-097)	**098**	**0.00**	**0.00**
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+099)	**099**	**4,104,323.82**	**3,846,467.57**
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)			
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 101+102)	**100**	**4,104,323.82**	**3,846,467.57**
1 Attributable to owners of the parent	**101**	4,104,323.82	3,846,467.57
2 Attributable to minority (non-controlling) interest	**102**	0.00	0.00

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 01/01/2025 to 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM	ADP CODE	SAME PERIOD OF THE PREVIOUS YEAR	CURRENT PERIOD
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	**001**	**4,911,163.84**	**4,278,337.78**
2 Adjustments (ADP 003 to 010):	**002**	**9,656,254.44**	**8,600,275.98**
a) Depreciation	**003**	7,770,300.65	7,419,066.19
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	**004**	156,316.20	-136,955.67
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	**005**	95,044.95	73,891.79
d) Interest and dividend income	**006**	-280,007.83	-247,653.17
e) Interest expenses	**007**	2,035,640.17	1,593,940.74
f) Provisions	**008**	-119,603.70	-71,808.84
g) Exchange rate differences (unrealised)	**009**	0.00	0.00
h) Other adjustments for non-cash transactions and unrealised gains and losses	**010**	-1,436.00	-30,205.06
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	**011**	**14,567,418.28**	**12,878,613.76**
3 Changes in the working capital (ADP 013 to 016)	**012**	643,720.75	731,058.62
a) Increase or decrease in short-term liabilities	**013**	260,555.45	808,314.21
b) Increase or decrease in short-term receivables	**014**	388,618.57	-80,268.08
c) Increase or decrease in inventories	**015**	-5,453.27	3,012.49
d) Other increase or decrease in working capital	**016**	0.00	0.00
II Cash from operations (ADP 011+012)	**017**	**15,211,139.03**	**13,609,672.38**
4 Interest paid	**018**	-2,366,897.03	-1,799,379.24
5 Income tax paid	**019**	0.00	0.00
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	**020**	12,844,242.00	11,810,293.14
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	**021**	8,962.15	3,880,499.24
2 Cash receipts from sales of financial instruments	**022**	0.00	0.00
3 Interest received	**023**	220,420.16	243,235.63
4 Dividends received	**024**	0.00	0.00
5 Cash receipts from repayment of loans and deposits	**025**	0.00	0.00
6 Other cash receipts from investment activities	**026**	0.00	1,169,000.14
III Total cash receipts from investment activities (ADP 021 to 026)	**027**	**229,382.31**	**5,292,735.01**
1 Cash payments for the purchase of fixed tangible and intangible assets	**028**	-3,921,676.15	-4,275,187.00
2 Cash payments for the acquisition of financial instruments	**029**	0.00	0.00
3 Cash payments for loans and deposits for the period	**030**	-1,500.00	0.00
4 Acquisition of a subsidiary, net of cash acquired	**031**	0.00	0.00
5 Other cash payments from investment activities	**032**	0.00	-5,072,222.00
IV Total cash payments from investment activities (ADP 028 to 032)	**033**	**-3,923,176.15**	**-9,347,409.00**
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	**034**	**-3,693,793.84**	**-4,054,673.99**
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	**035**	0.00	0.00
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	**036**	0.00	0.00
3 Cash receipts from credit principals, loans and other borrowings	**037**	21,500,000.00	0.00
4 Other cash receipts from financing activities	**038**	0.00	0.00
V Total cash receipts from financing activities (ADP 035 to 038)	**039**	**21,500,000.00**	**0.00**
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	**040**	-27,496,489.00	-4,400,000.00
2 Cash payments for dividends	**041**	0.00	0.00
3 Cash payments for finance lease	**042**	-59,188.43	-28,439.57
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	**043**	0.00	0.00
5 Other cash payments from financing activities	**044**	-192,167.13	-215,614.01
VI Total cash payments from financing activities (ADP 040 to 044)	**045**	**-27,747,844.56**	**-4,644,053.58**
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039+045)	**046**	**-6,247,844.56**	**-4,644,053.58**
1 Unrealised exchange rate differences in respect of cash and cash equivalents	**047**	0.00	0.00
D) NET INCREASE OR DECREASE IN CASH FLOW (ADP 020+034+046+047)	**048**	**2,902,603.60**	**3,111,565.57**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**049**	**6,871,496.25**	**9,774,099.85**
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	**050**	**9,774,099.85**	**12,885,665.42**

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2025 to 31/12/2025

Submitter: LIBURNIA RIVIERA HOTELI d.d.

in EUR

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																		
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
Previous period																				
1 Balance on the first day of the previous business year	01	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	0.00	69,470,092.65	0.00	69,470,092.65
2 Changes in accounting policies	02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	0.00	69,470,092.65	0.00	69,470,092.65
5 Profit/loss of the period	05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,104,324.82	4,104,324.82	0.00	4,104,324.82
6 Exchange rate differences from translation of foreign operations	06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Tax on transactions recognised directly in equity	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Payment of share in profit/dividend	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21 Other distributions and payments to members/shareholders	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22 Transfer to reserves according to the annual schedule	22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	4,104,324.82	73,574,417.47	0.00	73,574,417.47

STATEMENT OF CHANGES IN EQUITY - CONTINUED

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT		
1	**2**	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	**25**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	**26**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,104,324.82	4,104,324.82	0.00	4,104,324.82
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	**27**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current period																				
1 Balance on the first day of the current business year	**28**	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-24,983,968.07	0.00	73,574,416.47	0.00	73,574,416.47
2 Changes in accounting policies	**29**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	**30**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	**31**	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-24,983,968.07	0.00	73,574,416.47	0.00	73,574,416.47
5 Profit/loss of the period	**32**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	3,846,467.57	3,846,467.57	0.00	3,846,467.57
6 Exchange rate differences from translation of foreign operations	**33**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	**34**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	**35**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	**36**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	**37**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**38**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	**39**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	**40**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-214,162.32	0.00	-214,162.32	0.00	-214,162.32
14 Tax on transactions recognised directly in equity	**41**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	**42**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	**43**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	**44**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	**45**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	**46**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Payment of share in profit/dividend	**47**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21 Other distributions and payments to members/ shareholders	**48**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22 Carryforward per annual plan	**49**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

STATEMENT OF CHANGES IN EQUITY - CONTINUED

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																		
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
1	**2**	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-25,198,130.39	3,846,467.57	77,206,721.72	0.00	77,206,721.72
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-214,162.32	0.00	-214,162.32	0.00	-214,162.32
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32+52)	**53**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-214,162.32	3,846,467.57	3,632,305.25	0.00	3,632,305.25
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

LIBURNIA

HOTELS & VILLAS

FINANCIAL STATEMENTS

according to GFI-POD

(COMPANY)

ISSUER'S GENERAL DATA

Reporting period:	01/01/2025	to	31/12/2025
Year:	2025		

Annual financial statements

egistration number (MB):	03166619	Issuer's home Member State code:	HR
Entity's registration number (MBS):	040008080		
Personal identification number (OIB):	15573308024	LEI:	74780000COJHFR9WBI35
Institution code:	1121		
Name of the issuer:	LIBURNIA RIVIERA HOTELI d.d.		
Postcode and town:	51410	OPATIJA	
reet and house number:	MARŠALA TITA 198		
E-mail address:	liburnia@liburnia.hr		
Web address:	www.liburnia.hr		
Number of employees (end of the reporting	842		
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)	
Audited:	RD	(RN-not audited/RD-audited)	

Names of subsidiaries (according to IFRS):	Registered office:	MB:

Bookkeeping firm:		(Yes/No)	
			(name of the bookkeeping firm)
Contact person:	Alen Laković		
	(only name and surname of the contact person)		
Telephone:	+385 (0)710-391		
E-mail address:	alen.lakovic@liburnia.hr		
Audit firm:	Grant Thornton revizija d.o.o. Zagreb		
	(name of the audit firm)		
Certified auditor:	Vedran Miloš		
	(name and surname)		

BALANCE SHEET

balance as at 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM	ADP CODE	AT THE LAST DAY OF THE PRECEDING BUSINESS YEAR	AT THE REPORTING DATE OF THE CURRENT PERIOD
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	**001**	**0.00**	**0.00**
B) FIXED ASSETS (ADP 003+010+020+031+036)	**002**	**105,717,080.73**	**103,495,809.67**
I INTANGIBLE ASSETS (ADP 004 to 009)	**003**	**2,544,181.92**	**2,951,772.67**
1 Research and development	**004**	153,070.34	117,942.86
2 Concessions, patents, licences, trademarks, software and other rights	**005**	480,217.03	244,534.85
3 Goodwill	**006**	0.00	0.00
4 Advances for the purchase of intangible assets	**007**	0.00	0.00
5 Intangible assets in preparation	**008**	858,216.91	1,068,180.00
6 Other intangible assets	**009**	1,052,677.64	1,521,114.96
II TANGIBLE ASSETS (ADP 011 to 019)	**010**	**97,469,400.94**	**88,877,783.75**
1 Land	**011**	16,251,192.24	15,978,358.70
2 Buildings	**012**	63,851,192.33	58,124,214.08
3 Plant and equipment	**013**	2,414,438.47	2,158,849.98
4 Tools, working inventory and transportation assets	**014**	9,600,583.99	8,435,895.06
5 Biological assets	**015**	0.00	0.00
6 Advances for the purchase of tangible assets	**016**	2,458,414.11	153,533.42
7 Tangible assets in preparation	**017**	2,378,323.30	3,511,742.48
8 Other tangible assets	**018**	515,256.50	515,190.03
9 Investment property	**019**	0.00	0.00
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	**020**	**3,105,833.77**	**4,448,048.22**
1 Investments in holdings (shares) of undertakings within the group	**021**	3,105,833.77	4,448,048.22
2 Investments in other securities of undertakings within the group	**022**	0.00	0.00
3 Loans, deposits, etc. to undertakings within the group	**023**	0.00	0.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**024**	0.00	0.00
5 Investments in other securities of companies linked by virtue of participating interests	**025**	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	**026**	0.00	0.00
7 Investments in securities	**027**	0.00	0.00
8 Loans, deposits, etc. given	**028**	0.00	0.00
9 Other investments accounted for using the equity method	**029**	0.00	0.00
10 Other fixed financial assets	**030**	0.00	0.00
IV RECEIVABLES (ADP 032 to 035)	**031**	**0.00**	**5,052,411.14**
1 Receivables from undertakings within the group	**032**	0.00	0.00
2 Receivables from companies linked by virtue of participating interests	**033**	0.00	5,052,411.14
3 Customer receivables	**034**	0.00	0.00
4 Other receivables	**035**	0.00	0.00
V DEFERRED TAX ASSETS	**036**	**2,597,664.10**	**2,165,793.89**
C) CURRENT ASSETS (ADP 038+046+053+063)	**037**	**14,048,312.62**	**17,607,858.69**
I INVENTORIES (ADP 039 to 045)	**038**	**697,084.52**	**686,678.84**
1 Raw materials and consumables	**039**	657,173.33	627,935.57
2 Production in progress	**040**	0.00	0.00
3 Finished goods	**041**	0.00	0.00
4 Merchandise	**042**	39,802.74	57,875.08
5 Advances for inventories	**043**	108.45	868.19
6 Fixed assets held for sale	**044**	0.00	0.00
7 Biological assets	**045**	0.00	0.00
II RECEIVABLES (ADP 047 to 052)	**046**	**3,577,128.25**	**4,101,964.70**
1 Receivables from undertakings within the group	**047**	0.00	0.00
2 Receivables from companies linked by virtue of participating interests	**048**	1,975,679.68	2,377,315.49
3 Customer receivables	**049**	1,354,968.90	1,453,429.62
4 Receivables from employees and members of the undertaking	**050**	6,887.97	14,251.75
5 Receivables from government and other institutions	**051**	221,048.94	240,426.42
6 Other receivables	**052**	18,542.76	16,541.42
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	**053**	**0.00**	**0.00**
1 Investments in holdings (shares) of undertakings within the group	**054**	0.00	0.00
2 Investments in other securities of undertakings within the group	**055**	0.00	0.00
3 Loans, deposits, etc. to undertakings within the group	**056**	0.00	0.00
4 Investments in holdings (shares) of companies linked by virtue of participating interests	**057**	0.00	0.00
5 Investment in other securities of companies linked by virtue of participating interests	**058**	0.00	0.00
6 Loans, deposits etc. to companies linked by virtue of participating interests	**059**	0.00	0.00
7 Investments in securities	**060**	0.00	0.00
8 Loans, deposits, etc. given	**061**	0.00	0.00
9 Other financial assets	**062**	0.00	0.00

BALANCE SHEET - CONTINUED

ITEM 1	ADP CODE 2	AT THE LAST DAY OF THE PRECEDING BUSINESS YEAR 3	AT THE REPORTING DATE OF THE CURRENT PERIOD 4
IV CASH AT BANK AND IN HAND	**063**	**9,774,099.85**	**12,819,215.15**
D) PREPAID EXPENSES AND ACCRUED INCOME	**064**	**194,087.18**	**210,808.29**
E) TOTAL ASSETS (ADP 001+002+037+064)	**065**	**119,959,480.53**	**121,314,476.65**
F) OFF-BALANCE SHEET ITEMS	**066**	**8,296.13**	**6,610.51**
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 070+076+077+084+087+090)	**067**	**73,574,416.47**	**78,344,089.73**
I INITIAL (SUBSCRIBED) CAPITAL	**068**	**92,305,505.00**	**92,305,505.00**
II CAPITAL RESERVES	**069**	**0.00**	**0.00**
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	**070**	**6,252,879.54**	**6,252,879.54**
1 Legal reserves	**071**	5,975,016.94	5,975,016.94
2 Reserves for treasury shares	**072**	1,221.05	1,221.05
2 Reserves for treasury shares	**073**	-1,221.05	-1,221.05
4 Statutory reserves	**074**	0.00	0.00
5 Other reserves	**075**	277,862.60	277,862.60
IV REVALUATION RESERVES	**076**	**0.00**	**0.00**
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 083)	**077**	**0.00**	**0.00**
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	**078**	0.00	0.00
2 Cash flow hedge - effective portion	**079**	0.00	0.00
3 Hedge of a net investment in a foreign operation - effective portion	**080**	0.00	0.00
4 Other fair value reserves	**081**	0.00	0.00
5 Exchange rate differences from translation of foreign operations (consolidation)	**082**	0.00	0.00
6 Exchange rate differences from translation into the presentation currency	**083**	0.00	0.00
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 085-086)	**084**	**-29,088,291.89**	**-24,983,968.07**
1 Retained profit	**085**	0.00	0.00
2 Loss brought forward	**086**	29,088,291.89	24,983,968.07
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 088-089)	**087**	**4,104,323.82**	**4,769,673.26**
1 Profit for the business year	**088**	4,104,323.82	4,769,673.26
2 Loss for the business year	**089**	0.00	0.00
VIII MINORITY (NON-CONTROLLING) INTEREST	**090**	**0.00**	**0.00**
B) PROVISIONS (ADP 092 to 097)	**091**	**1,351,736.42**	**1,279,927.58**
1 Provisions for pensions, termination benefits and similar obligations	**092**	314,522.34	311,682.34
2 Provisions for tax liabilities	**093**	0.00	0.00
3 Provisions for ongoing legal cases	**094**	1,037,214.08	968,245.24
4 Provisions for renewal of natural resources	**095**	0.00	0.00
5 Provisions for warranty obligations	**096**	0.00	0.00
6 Other provisions	**097**	0.00	0.00
C) LONG-TERM LIABILITIES (ADP 099 to 109)	**098**	**32,462,412.64**	**28,442,404.08**
1 Liabilities to undertakings within the group	**099**	0.00	0.00
2 Liabilities for loans, deposits, etc. of undertakings within the group	**100**	0.00	0.00
3 Liabilities to companies linked by virtue of participating interests	**101**	0.00	0.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**102**	0.00	0.00
5 Liabilities for loans, deposits etc.	**103**	0.00	0.00
6 Liabilities to banks and other financial institutions	**104**	31,605,542.97	27,205,542.97
7 Liabilities for advance payments	**105**	0.00	0.00
8 Liabilities to suppliers	**106**	0.00	0.00
9 Liabilities for securities	**107**	0.00	0.00
10 Other long-term liabilities	**108**	856,869.67	1,236,861.11
11 Deferred tax liability	**109**	0.00	0.00
D) SHORT-TERM LIABILITIES (ADP 111 to 124)	**110**	**12,340,736.35**	**13,173,639.83**
1 Liabilities to undertakings within the group	**111**	300,873.68	433,481.89
2 Liabilities for loans, deposits, etc. of undertakings within the group	**112**	0.00	0.00
3 Liabilities to companies linked by virtue of participating interests	**113**	0.00	0.00
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	**114**	0.00	0.00
5 Liabilities for loans, deposits etc.	**115**	0.00	0.00
6 Liabilities to banks and other financial institutions	**116**	4,905,266.38	4,699,828.13
7 Liabilities for advance payments	**117**	1,895,168.50	1,714,258.65
8 Liabilities to suppliers	**118**	1,682,050.08	2,193,964.01
9 Liabilities for securities	**119**	0.00	0.00
10 Liabilities to employees	**120**	2,161,348.12	2,418,701.76
11 Taxes, contributions and similar liabilities	**121**	1,020,828.21	1,248,809.00
12 Liabilities arising from the share in the result	**122**	0.00	0.00
13 Liabilities arising from fixed assets held for sale	**123**	0.00	0.00
14 Other short-term liabilities	**124**	375,201.38	464,596.39
E) ACCRUALS AND DEFERRED INCOME	**125**	**230,178.65**	**74,415.43**
F) TOTAL – LIABILITIES (ADP 067+091+098+110+125)	**126**	**119,959,480.53**	**121,314,476.65**
G) OFF-BALANCE SHEET ITEMS	**127**	**8,296.13**	**6,610.51**

STATEMENT OF PROFIT OR LOSS

for the period 01/01/2025 to 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
I OPERATING INCOME (ADP 002 to 006)	**001**	**64,071,634.14**	**64,858,707.00**
1 Income from sales with undertakings within the group	**002**	178,233.39	115,404.42
2 Income from sales	**003**	60,369,925.60	61,016,754.21
3 Income from the use of own products, goods and services	**004**	0.00	0.00
4 Other operating income with undertakings within the group	**005**	1,595.79	748,875.56
5 Other operating income (outside the group)	**006**	3,521,879.36	2,977,672.81
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	**007**	**57,404,837.96**	**58,498,684.87**
1 Changes in inventories of work in progress and finished goods	**008**	0.00	0.00
2 Material costs (ADP 010 to 011)	**009**	22,808,328.32	22,054,628.18
a) Costs of raw materials and consumables	**010**	12,051,549.29	11,120,861.19
b) Costs of goods sold	**011**	31,257.45	28,093.54
c) Other external costs	**012**	10,725,521.58	10,905,673.45
3 Staff costs (ADP 014 to 016)	**013**	22,058,021.10	24,459,041.87
a) Net salaries and wages	**014**	15,196,384.78	16,883,114.15
b) Tax and contributions from salary costs	**015**	4,418,114.76	4,858,460.46
c) Contributions on salaries	**016**	2,443,521.56	2,717,467.26
4 Depreciation	**017**	7,770,300.65	7,023,544.29
5 Other costs	**018**	0.00	0.00
6 Value adjustments (ADP 020+021)	**019**	258,198.88	372,845.30
a) fixed assets other than financial assets	**020**	163,153.93	253,281.69
b) current assets other than financial assets	**021**	95,044.95	119,563.61
7 Provisions (ADP 023 to 028)	**022**	99,416.38	324,660.43
a) Provisions for pensions, termination benefits and similar obligations	**023**	24,805.98	73,936.45
b) Provisions for tax liabilities	**024**	0.00	0.00
c) Provisions for ongoing legal cases	**025**	74,610.40	250,723.98
d) Provisions for renewal of natural resources	**026**	0.00	0.00
e) Provisions for warranty obligations	**027**	0.00	0.00
f) Other provisions	**028**	0.00	0.00
8 Other operating expenses	**029**	4,410,572.63	4,263,964.80
III FINANCIAL INCOME (ADP 031 to 040)	**030**	**280,007.83**	**448,001.78**
1 Income from investments in holdings (shares) of undertakings within the group	**031**	0.00	0.00
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	**032**	0.00	0.00
3 Income from other long-term financial investment and loans granted to undertakings within the group	**033**	0.00	0.00
4 Other interest income from operations with undertakings within the group	**034**	59,587.67	204,766.15
5 Exchange rate differences and other financial income from operations with undertakings within the group	**035**	0.00	0.00
6 Income from other long-term financial investments and loans	**036**	0.00	0.00
7 Other interest income	**037**	220,420.16	243,235.63
8 Exchange rate differences and other financial income	**038**	0.00	0.00
9 Unrealised gains (income) from financial assets	**039**	0.00	0.00
10 Other financial income	**040**	0.00	0.00
IV FINANCIAL EXPENSES (ADP 042 to 048)	**041**	**2,035,640.17**	**1,606,480.44**
1 Interest expenses and similar expenses with undertakings within the group	**042**	0.00	0.00
2 Exchange rate differences and other expenses from operations with undertakings within the group	**043**	0.00	0.00
3 Interest expenses and similar expenses	**044**	1,992,704.81	1,589,614.18
4 Exchange rate differences and other expenses	**045**	0.00	0.00
5 Unrealised losses (expenses) from financial assets	**046**	0.00	0.00
6 Value adjustments of financial assets (net)	**047**	0.00	0.00
7 Other financial expenses	**048**	42,935.36	16,866.26
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	**049**	**0.00**	**0.00**
VI SHARE IN PROFIT FROM JOINT VENTURES	**050**	**0.00**	**0.00**
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	**051**	**0.00**	**0.00**
VIII SHARE IN LOSS OF JOINT VENTURES	**052**	**0.00**	**0.00**
IX TOTAL INCOME (ADP 001+030+049+050)	**053**	**64,351,641.97**	**65,306,708.78**
X TOTAL EXPENDITURE (ADP 007+041+051+052)	**054**	**59,440,478.13**	**60,105,165.31**
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	**055**	**4,911,163.84**	**5,201,543.47**
1 Pre-tax profit (ADP 053-054)	**056**	4,911,163.84	5,201,543.47
2 Pre-tax loss (ADP 054-053)	**057**	0.00	0.00
XII INCOME TAX	**058**	**806,840.02**	**431,870.21**
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	**059**	**4,104,323.82**	**4,769,673.26**
1 Profit for the period (ADP 055-059)	**060**	4,104,323.82	4,769,673.26
2 Loss for the period (ADP 059-055)	**061**	0.00	0.00

STATEMENT OF PROFIT OR LOSS - CONTINUED

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)			
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	**062**	**0.00**	**0.00**
1 Pre-tax profit from discontinued operations	**063**	0.00	0.00
2 Pre-tax loss on discontinued operations	**064**	0.00	0.00
XV INCOME TAX OF DISCONTINUED OPERATIONS	**065**	**0.00**	**0.00**
1 Discontinued operations profit for the period (ADP 062-065)	**066**	0.00	0.00
2 Discontinued operations loss for the period (ADP 065-062)	**067**	0.00	0.00
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)			
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	**068**	**0.00**	**0.00**
1 Pre-tax profit (ADP 068)	**069**	0.00	0.00
2 Pre-tax loss (ADP 068)	**070**	0.00	0.00
XVII INCOME TAX (ADP 058+065)	**071**	**0.00**	**0.00**
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	**072**	**0.00**	**0.00**
1 Profit for the period (ADP 068-071)	**073**	0.00	0.00
2 Loss for the period (ADP 071-068)	**074**	0.00	0.00
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)			
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	**075**	**0.00**	**0.00**
1 Attributable to owners of the parent	**076**	0.00	0.00
2 Attributable to minority (non-controlling) interest	**077**	0.00	0.00
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)			
I PROFIT OR LOSS FOR THE PERIOD	**078**	**4,104,323.82**	**4,769,673.26**
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+87)	**079**	**0.00**	**0.00**
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	**080**	**0.00**	**0.00**
1 Changes in revaluation reserves of fixed tangible and intangible assets	**081**	0.00	0.00
2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	**082**	0.00	0.00
3 Changes in the fair value of the financial liability at fair value through statement of profit or loss that is attributable to changes in the credit risk of that liability	**083**	0.00	0.00
4 Actuarial gains/losses on the defined benefit obligation	**084**	0.00	0.00
5 Other items that will not be reclassified	**085**	0.00	0.00
6 Income tax relating to items that will not be reclassified	**086**	0.00	0.00

ITEM 1	ADP CODE 2	SAME PERIOD OF THE PREVIOUS YEAR 3	CURRENT PERIOD 4
IV Items that may be reclassified to profit or loss (ADP 088 to 096)	**087**	**0.00**	**0.00**
1 Exchange rate differences from translation of foreign operations	**088**	0.00	0.00
2 Exchange rate differences from translation into the presentation currency	**089**	0.00	0.00
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	**090**	0.00	0.00
4 Profit or loss arising from effective cash flow hedging	**091**	0.00	0.00
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	**092**	0.00	0.00
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	**093**	0.00	0.00
7 Changes in fair value of the time value of an option	**094**	0.00	0.00
8 Changes in fair value of the forward elements of forward contracts	**095**	0.00	0.00
9 Other items that may be reclassified to profit or loss	**096**	0.00	0.00
10 Income tax relating to items that may be reclassified to profit or loss	**097**	0.00	0.00
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-097)	**098**	**0.00**	**0.00**
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+099)	**099**	**4,104,323.82**	**4,769,673.26**
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)			
VII COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 101+102)	**100**	**0.00**	**0.00**
1 Attributable to owners of the parent	**101**	0.00	0.00
2 Attributable to minority (non-controlling) interest	**102**	0.00	0.00

STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 01/01/2025 to 31/12/2025 in EUR

Submitter: LIBURNIA RIVIERA HOTELI d.d.

ITEM	ADP CODE	SAME PERIOD OF THE PREVIOUS YEAR	CURRENT PERIOD
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	**001**	**4,911,163.84**	**5,201,543.47**
2 Adjustments (ADP 003 to 010):	**002**	**9,656,254.44**	**7,988,049.88**
a) Depreciation	**003**	7,770,300.65	7,023,544.29
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	**004**	156,316.20	-139,492.73
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	**005**	95,044.95	73,891.79
d) Interest and dividend income	**006**	-280,007.83	-448,001.78
e) Interest expenses	**007**	2,035,640.17	1,589,614.18
f) Provisions	**008**	-119,603.70	-71,808.84
g) Exchange rate differences (unrealised)	**009**	0.00	0.00
h) Other adjustments for non-cash transactions and unrealised gains and losses	**010**	-1,436.00	-39,697.03
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	**011**	**14,567,418.28**	**13,189,593.35**
3 Changes in the working capital (ADP 013 to 016)	**012**	643,720.75	732,832.20
a) Increase or decrease in short-term liabilities	**013**	260,555.45	669,609.01
b) Increase or decrease in short-term receivables	**014**	388,618.57	52,817.51
c) Increase or decrease in inventories	**015**	-5,453.27	10,405.68
d) Other increase or decrease in working capital	**016**	0.00	0.00
II Cash from operations (ADP 011+012)	**017**	**15,211,139.03**	**13,922,425.55**
4 Interest paid	**018**	-2,366,897.03	-1,795,052.42
5 Income tax paid	**019**	0.00	0.00
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	**020**	**12,844,242.00**	**12,127,373.13**
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	**021**	8,962.15	3,880,499.24
2 Cash receipts from sales of financial instruments	**022**	0.00	0.00
3 Interest received	**023**	220,420.16	243,235.63
4 Dividends received	**024**	0.00	0.00
5 Cash receipts from repayment of loans and deposits	**025**	0.00	0.00
6 Other cash receipts from investment activities	**026**	0.00	1,169,000.14
III Total cash receipts from investment activities (ADP 021 to 026)	**027**	**229,382.31**	**5,292,735.01**
1 Cash payments for the purchase of fixed tangible and intangible assets	**028**	-3,921,676.15	-4,165,537.57
2 Cash payments for the acquisition of financial instruments	**029**	0.00	0.00
3 Cash payments for loans and deposits for the period	**030**	-1,500.00	-501,000.00
4 Acquisition of a subsidiary, net of cash acquired	**031**	0.00	0.00
5 Other cash payments from investment activities	**032**	0.00	-5,072,222.00
IV Total cash payments from investment activities (ADP 028 to 032)	**033**	**-3,923,176.15**	**-9,738,759.57**
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027+033)	**034**	**-3,693,793.84**	**-4,446,024.56**
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	**035**	0.00	0.00
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	**036**	0.00	0.00
3 Cash receipts from credit principals, loans and other borrowings	**037**	21,500,000.00	0.00
4 Other cash receipts from financing activities	**038**	0.00	0.00
V Total cash receipts from financing activities (ADP 035 to 038)	**039**	**21,500,000.00**	**0.00**
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	**040**	-27,496,489.00	-4,400,000.00
2 Cash payments for dividends	**041**	0.00	0.00
3 Cash payments for finance lease	**042**	-59,188.43	-28,439.57
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	**043**	0.00	0.00
5 Other cash payments from financing activities	**044**	-192,167.13	-207,793.70
VI Total cash payments from financing activities (ADP 040 to 044)	**045**	**-27,747,844.56**	**-4,636,233.27**
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039+045)	**046**	**-6,247,844.56**	**-4,636,233.27**
1 Unrealised exchange rate differences in respect of cash and cash equivalents	**047**	0.00	0.00
D) NET INCREASE OR DECREASE IN CASH FLOW (ADP 020+034+046+047)	**048**	**2,902,603.60**	**3,045,115.30**
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**049**	**6,871,496.25**	**9,774,099.85**
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	**050**	**9,774,099.85**	**12,819,215.15**

STATEMENT OF CHANGES IN EQUITY

for the period from 01/01/2025 to 31/12/2025

Submitter: LIBURNIA RIVIERA HOTELI d.d.

in EUR

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																		
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
Previous period																				
1 Balance on the first day of the previous business year	01	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	0.00	69,470,092.65	0.00	69,470,092.65
2 Changes in accounting policies	02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	0.00	69,470,092.65	0.00	69,470,092.65
5 Profit/loss of the period	05	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,104,324.82	4,104,324.82	0.00	4,104,324.82
6 Exchange rate differences from translation of foreign operations	06	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	09	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	12	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	13	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
14 Tax on transactions recognised directly in equity	14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	15	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	18	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	19	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Payment of share in profit/dividend	20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21 Other distributions and payments to members/shareholders	21	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22 Transfer to reserves according to the annual schedule	22	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-29,088,291.89	4,104,324.82	73,574,417.47	0.00	73,574,417.47

STATEMENT OF CHANGES IN EQUITY - CONTINUED

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																		
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,104,324.82	4,104,324.82	0.00	4,104,324.82
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Current period																				
1 Balance on the first day of the current business year	28	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-24,983,968.07	0.00	73,574,416.47	0.00	73,574,416.47
2 Changes in accounting policies	29	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3 Correction of errors	30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-24,983,968.07	0.00	73,574,416.47	0.00	73,574,416.47
5 Profit/loss of the period	32	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,769,673.26	4,769,673.26	0.00	4,769,673.26
6 Exchange rate differences from translation of foreign operations	33	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9 Profit or loss arising from effective cash flow hedge	36	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12 Actuarial gains/losses on the defined benefit obligation	39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Other changes in equity unrelated to owners	40	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-214,162.32	0,00	-214,162.32	0,00	-214,162.32
14 Tax on transactions recognised directly in equity	41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	42	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18 Redemption of treasury shares/holdings	45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19 Payments from members/shareholders	46	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20 Payment of share in profit/dividend	47	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21 Other distributions and payments to members/ shareholders	48	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22 Carryforward per annual plan	49	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

STATEMENT OF CHANGES IN EQUITY - CONTINUED

ITEM	ADP CODE	ATTRIBUTABLE TO OWNERS OF THE PARENT																		
		INITIAL (SUBSCRIBED) CAPITAL	CAPITAL RESERVES	LEGAL RESERVES	RESERVES FOR TREASURY SHARES	TREASURY SHARES AND HOLDINGS (DEDUCTIBLE ITEM)	STATUTORY RESERVES	OTHER RESERVES	REVALUATION RESERVES	FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME (AVAILABLE FOR SALE)	CASH FLOW HEDGE - EFFECTIVE PORTION	HEDGE OF A NET INVESTMENT IN A FOREIGN OPERATION - EFFECTIVE PORTION	OTHER FAIR VALUE RESERVES	EXCHANGE RATE DIFFERENCES FROM TRANSLATION OF FOREIGN OPERATIONS	EXCHANGE RATE DIFFERENCES FROM TRANSLATION INTO THE PRESENTATION CURRENCY	RETAINED PROFIT / LOSS BROUGHT FORWARD	PROFIT/LOSS FOR THE BUSINESS YEAR	TOTAL ATTRIBUTABLE TO OWNERS OF THE PARENT	MINORITY (NON-CONTROLLING) INTEREST	TOTAL CAPITAL AND RESERVES
1	**2**	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19 (3 to 6-7+8 to 18)	20	21 (19+20)
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	**50**							0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	**51**	92,305,505.00	0.00	5,975,016.94	1,221.05	1,221.05	0.00	277,862.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-24,983,968.07	4,769,673.26	78,344,089.73	0.00	78,344,089.73
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																				
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	**52**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32+52)	**53**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	4,769,673.26	4,769,673.26	0.00	4,769,673.26
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	**54**	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

LIBURNIA

HOTELS & VILLAS

SUSTAINABILITY REPORT

2025

Grant Thornton

Independent auditor's limited assurance report on Sustainability Statement

TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI D.D.

SCOPE

We have been engaged by the Company LIBURNIA RIVIERA HOTELI d.d. to perform a limited assurance engagement, in accordance with International Standard on Assurance Engagements (ISAE) 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information ("Engagement"), on the consolidated Sustainability Report ("Subject Matter") of LIBURNIA RIVIERA HOTELI d.d. ("the Company", EU/EEA undertaking) and its subsidiaries (together, the "Group"), included in the Management Report ("Sustainability Report") as at 31 December 2025 and for the year then ended.

CRITERIA APPLIED BY THE COMPANY

In preparing the Sustainability Report, the Group applied the provisions of the Articles 32 and 36 of the Croatian Accounting Act, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Company to identify the information reported in the Sustainability Report (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1 Double materiality assessment for the LIBURNIA RIVIERA HOTELI d.d. and IRO-2 Content of the Sustainability Report of the Group LIBURNIA RIVIERA HOTELI d.d.; and
- Compliance of the disclosures set out in the Sustainability Report with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation").

INHERENT LIMITATIONS IN PREPARING THE SUSTAINABILITY STATEMENT

Inherent limitations exist in all assurance engagements.

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, Management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.

MANAGEMENT AND AUDIT COMMITTEE RESPONSIBILITIES

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Report in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO- 1 Double materiality assessment for the Group LIBURNIA RIVIERA HOTELI d.d. and IRO-2 Content of the Sustainability Report of the Group LIBURNIA RIVIERA HOTELI d.d.. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- identifying the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Report in accordance with Croatian Accounting Act Articles 32 and 36, including:

- compliance with the ESRS;
- preparing the disclosures in the Report on the requirements of the Taxonomy Regulation within the environmental section of the Sustainability Statement, in compliance with Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that Management determines are necessary to enable the preparation of the Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

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Independent auditor's limited assurance report on Sustainability Statement (continued)

Audit committee is responsible for overseeing the Company's sustainability reporting process.

AUDITOR'S RESPONSIBILITIES

We conducted our engagement in accordance with the International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') as prescribed by the Article 37 of the Croatian Accounting Act, and the terms of reference for this engagement as agreed with LIBURNIA RIVIERA HOTELI d.d. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.

Our responsibilities in respect of the Subject Matter, in relation to the Process, include:

- Obtaining an understanding of the process but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the process is consistent with the Group's description of its process, as disclosed in note ESRS 2 IRO-1 Double materiality assessment for the Group LIBURNIA RIVIERA HOTELI d.d. and IRO-2 Content of the Sustainability Report of the Group LIBURNIA RIVIERA HOTELI d.d.

Our other responsibilities in respect of the Subject Matter include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Sustainability Report where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

OUR INDEPENDENCE AND QUALITY MANAGEMENT

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

DESCRIPTION OF PROCEDURES PERFORMED

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability Report and related information and applying analytical and other appropriate procedures.

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Report.

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Independent auditor's limited assurance report on Sustainability Statement (continued)

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
  - performing inquiries to understand the sources of the information used by Management (e.g., stakeholder engagement, business plans and strategy documents); and
  - reviewing the Group's internal documentation of its Process; and
- assessed consistency between the evidence obtained from our procedures regarding the Process performed by the Group and the description of the Process set out in Note ESRS 2 IRO-1 Double Materiality Assessment of the Group LIBURNIA RIVIERA HOTELI d.d. and ESRS 2 IRO-2 Content of the Sustainability Report of the Group LIBURNIA RIVIERA HOTELI d.d.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting process relevant to the preparation of the Sustainability Report, including the consolidation process, by gaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Report, without assessing the design of specific control activities, obtaining evidence of their implementation, or testing their operating effectiveness;
- Evaluated whether material information identified by the process to identify the information reported in the Sustainability Report is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Report is in accordance with the ESRS;
- Performed inquires of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify EU taxonomy eligible and aligned economic activities for turnover, CAPEX and OPEX and the corresponding disclosures in the Sustainability Statement;
- Evaluated the presentation and use of EU taxonomy templates in accordance with relevant requirements;
- Reconciled and ensured consistency between the reported EU taxonomy economic activities and the items reported in the consolidated financial statements including the disclosures provided in related notes.

We also performed such other procedures as we considered necessary in the circumstances.

LIMITED ASSURANCE CONCLUSION

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Report is not prepared, in all material respects, in accordance with Articles 29 and 36 of the Croatian Accounting Act, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Report (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1 Double materiality assessment for the Group LIBURNIA RIVIERA HOTELI d.d. and IRO-2 Content of the Sustainability Report of the Group LIBURNIA RIVIERA HOTELI d.d.; and
- compliance of the disclosures in Report on the requirements of the Taxonomy Regulation within the environmental section of the Sustainability Report with Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation").

OTHER MATTERS

The comparative information included in the Sustainability Report of the Company for the financial year 1 January – 31 December 2023 was not subject to an assurance engagement. Our conclusion is not modified with respect of this matter.

Grant Thornton revizija d.o.o.
Ulica grada Vukovara 284
10000 Zagreb
Croatia

Zagreb,
29 April 2026

Vedran Miloš
Director and Certified auditor

General Information

About Liburnia Riviera Hotels

Liburnia Riviera Hoteli d.d. (Company) is one of Croatia's most prominent hotel and tourism companies, headquartered in Opatija. Founded in 1947, Company has emerged over the decades as a key player in the development and management of tourist accommodation along the Opatija Riviera, encompassing Opatija, Lovran, and Mošćenička Draga. The company assumed its current legal form in 1993 as the legal successor to its predecessor entity.

Over the course of its history, Company has incorporated a number of hotel properties and accommodation facilities that are deeply rooted in the region's tourism heritage, many of which date back to the late 19th and early 20th centuries – the era in which Opatija established itself as one of the first organized tourist destinations on the eastern Adriatic coast. Hotel Kvarner, now part of the Company Group, is a prime example: built in 1884 as the first hotel on the Adriatic coast, it has long been a symbol of distinguished service and international hospitality in the region.

Today, Company manages a diverse portfolio comprising hotels, villas, apartment complexes, campsites, restaurants, and business premises. The Company's operating model blends traditional hospitality with modern offerings across wellness, health tourism, congress tourism, and experiential travel. Its total accommodation capacity can host more than 4,800 guests per day.

Company is listed on the Zagreb Stock Exchange (ZSE), ensuring operational transparency, access to capital markets, and visibility among domestic and international investors. The Company operates within a complex ownership structure: the majority stake is held by Gitone Adriatic d.o.o. (71.23%), with a significant share also held by Nova Liburnija d.o.o. (25%), a company which is owned by local government units.

Through ongoing operational and organizational reforms, strategic investment, and active portfolio management, Company aims to further strengthen its position in both the Croatian and international tourism markets while systematically raising the quality of its accommodation and hospitality services.

The spatial concentration of Company's portfolio on the Opatija Riviera, combined with the area's favorable climate, scenic landscape, strong transport links, and breadth of product offering within a distinctive destination, underpins the Company's long-term competitive advantage. Together, these strengths provide a solid foundation for positioning Company as a leading regional hotel group committed to year-round, high-quality, and sustainable operations.

MISSION

Our mission is to create opportunities for growth – for our people, our properties, our organisation, and our stakeholders – delivering sustainable value at every level of our system.

We are committed to shared growth: empowering individuals through career, skill, financial development, and workplace wellbeing; unlocking the full potential of our properties to continue delivering exceptional value; and through strategic business expansion, building the foundation for sustainable growth that benefits our guests, partners, and communities. In doing so, we lay the foundations of progressive hospitality and deliver lasting impact across our entire ecosystem.

VISION

Our vision is to be the most progressive hospitality company in the region.

Standing at the birthplace of tourism in our country, on the foundation laid by pioneers of hospitality, we embrace the responsibility to create a new era – driven by purpose, powered by our people, and committed to setting progressive hospitality standards.

Together, we redefine service, guest experience, property development, and sustainability – creating a legacy for generations to come.

CORPORATE VALUES

Ethics: We act with integrity, make transparent decisions, and operate in the interest of long-term sustainability and the well-being of the company.

Excellence: With a high level of expertise, dedication, and determination, we push the boundaries of quality and hospitality every day.

Responsibility: We take responsibility for our decisions, behaviours and impacts, contributing to the success of the team and the organization.

Alignment: We act united by a shared vision and priorities, fostering collaboration, clarity, and trust.

Development: We continuously learn, grow, and evolve – as individuals, teams, and as an organization ready for the future.

Sustainability: We are deeply committed to a long-term well-being of people, and the environment, fulfilling our responsibilities towards the community, guests, and future generations.

Table: Business Model of Liburnia Riviera Hotels

RESOURCES

- Hotels,
- Villas
- Apartment complexes
- Campsites
- Restaurants
- Business premises
- Mooring concession (marina)
- Sports and supporting facilities
- Cultural heritage / heritage objects

Human Resources

- Employees (permanent and seasonal)
- Management, operations teams, F&B, maintenance
- Knowledge, skills, organizational culture
- 842 employees
- 44% male, 56% female

Natural resources and energy sources

- Geothermal sources
- Landscape architecture
- Electricity
- Water
- Gas

Quality Management

- ISO 50001
- HACCP

Environmental management

- Gradual reduction of negative impacts
- More efficient use of energy and water
- Development of circular practices (waste, procurement)

OWN OPERATIONS

- Company Operations
- Hotel Operations
- Sales
- Occupational Health and Safety
- Entertainment
- Food and Beverage
- Controlling
- Maintenance
- Information Technology
- Human Resources Management
- Finance and Accounting
- Marketing
- Legal Affairs
- Property and General Management
- Procurement

VALUE CREATION

For customers and end users

- High level of satisfaction
- Quality and unique stay experience
- Security and reliability of service

For employees

- Favorable working conditions
- Inspiring working atmosphere
- Stable employment
- Development programs
- Programs to reward excellence, commitment and outstanding results

For owners

- Stable income with a positive growth trend
- Sustainable growth in property value
- Long-term profitability

For the community

- Economic contribution
- Destination development
- Relations with the local community
- Relations with suppliers
- The brand and reputation of the Opatija destination
- Partnerships (tourist and other agencies, health institutions, event organizers)
- Employment of local population
- Stimulating the local economy
- Preservation of cultural heritage

LOCATIONS AND CUSTOMERS

The portfolio of Liburnia Riviera Hoteli d.d. is concentrated in the Opatija Riviera and neighboring coastal locations (Opatija, Ičići, Lovran, Mošćenička Draga, and Medveja). This is an area of exceptional landscape value, with a unique combination of coastline, protected park areas, and the immediate hinterland of the Učka mountain massif, which enables the destination to be positioned as a Mediterranean leisure destination, as well as a year-round vacation destination focused on wellness, health, congress, and active tourism. The proximity of facilities along the Lungomare promenade and the coast ensures high visibility, direct access to the sea and beaches, and a strong sense of destination, while facilities in quieter areas enable differentiation of the offering towards the family and recreational segments.

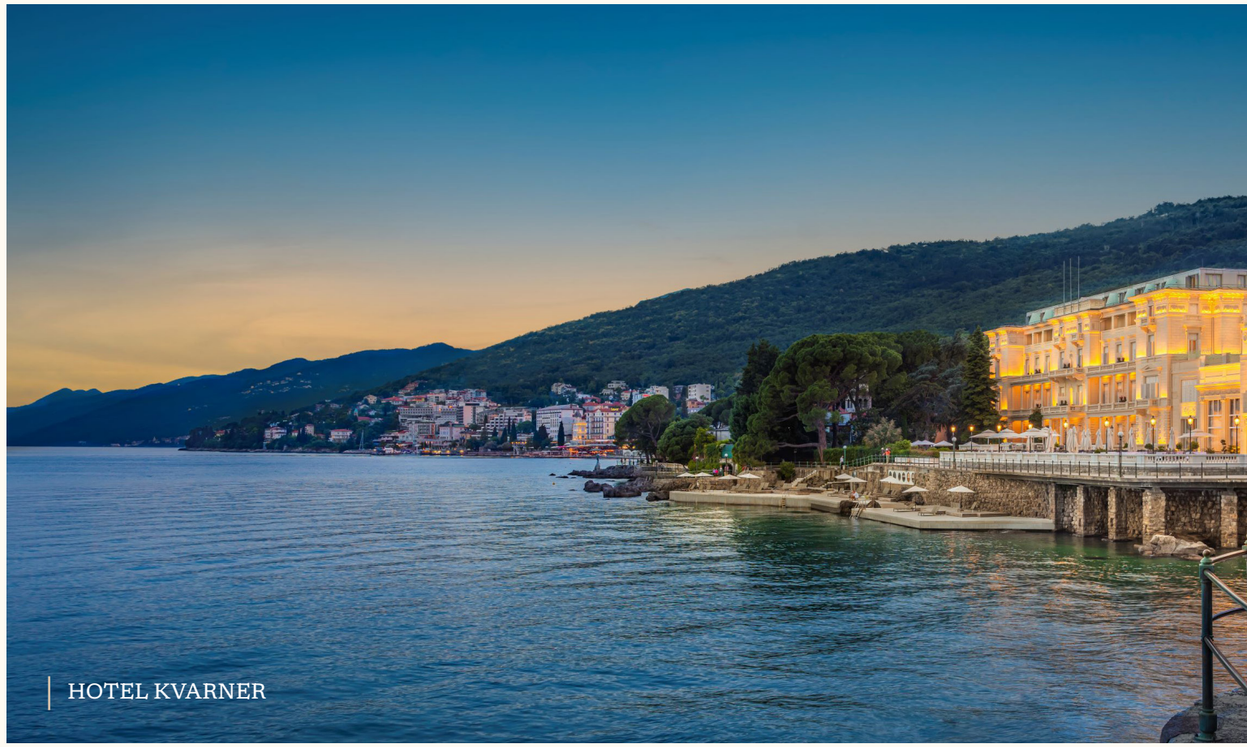
One of the key competitive advantages of the Company portfolio is the distinctive microclimate of the Opatija Riviera, which has historically been regarded as favorable for year-round stays. The mild climate, lush vegetation, and relative protection from extreme weather conditions help extend the season and expand the offering beyond the summer months (wellness, health programs, MICE, cultural, and sports events). This reduces business seasonality and increases income stability, with more efficient utilization of capacity and human resources.

Transport accessibility and geographical position represent an additional competitive advantage over many other Adriatic destinations. The Opatija Riviera is favorably situated relative to key source markets in Central and Western Europe, with close proximity to airports (Rijeka, Trieste, Pula, Ljubljana, and Zagreb) and good road connections. This allows for greater flexibility in arrivals (individual guests, organized groups, and business travelers) and strengthens the destination's appeal for short stays and "city break" segments from neighboring countries.

The strategic value of the portfolio also stems from the diversity of accommodation types and tourism products within a single destination. The combination of urban coastal hotels, hotel and tourist facilities with various amenities, villas, and campsites enables coverage of different market segments and price ranges. Such a structure facilitates revenue management, the development of complementary products, and cross-selling between facilities, while strengthening the overall destination experience.

An additional comparative advantage of Company stems from its strong integration with the destination offer, especially in terms of proximity to cultural heritage, park infrastructure, promenades, marina, and sports facilities, as well as developed urban functions of Opatija. Synergy with the local community, events, and public facilities increases the attractiveness of the stay, extends the time guests spend in the destination and encourages greater consumption. In the context of sustainability, the concentration of facilities in a relatively compact area enables more efficient management of resources (energy, water, waste), optimization of logistics, and faster implementation of joint environmental and digital solutions.

The services' users are international and domestic guests, business travelers, travel agencies, and sports organizations, thus meeting the needs of different guest segments, including visitors seeking luxury destinations, active holidays, family stays, and stays for couples.



HOTEL KVARNER

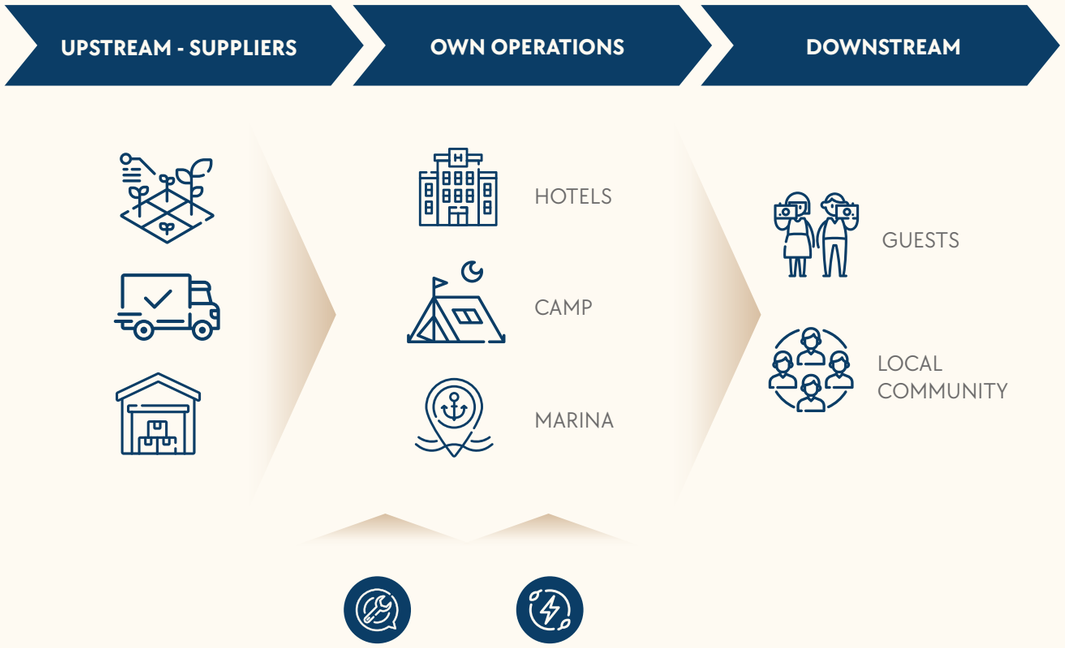
COMPETITIVE MARKET ADVANTAGE

Company has strong competitive advantages stemming from its long-standing business tradition, strong ties to the destination's cultural heritage, and its exceptionally attractive location. The accommodation portfolio encompasses a wide range of products, from high-end hotels to apartment complexes and campsites, ensuring market flexibility and the ability to adapt to different guest profiles.

The long-standing tradition of business operations, strong ties to the cultural and historical heritage of the Opatija Riviera, and exceptionally attractive and strategically positioned property locations form the basis of the Company's competitive advantage.

Particularly strong market positioning is achieved in the wellness and health tourism segment, supported by proximity to the sea, the favorable microclimate, and the long-standing perception of the Opatija Riviera as a year-round destination. Decades of experience in the hotel industry, combined with continuous modernization of the offering and adaptability to changing market trends, enable the Company to maintain a competitive position in the tourism and hospitality sector. By combining tradition and innovation, Company has built a reputation as one of the leading hotel groups in the Kvarner region.

Position in the Value Chain:



VALUE CHAIN

Liburnia Riviera Hotels plays a key role in delivering high-quality services and experiences for guests, from hotel management and development to the implementation of modern operational standards.

Upstream in the Company value chain are suppliers who provide key resources for the business, including food products, beverages, hotel inventory, hygiene supplies, energy, and other services required for the daily operation of the facilities. Special emphasis is placed on working with local suppliers to support the regional economy and ensure the freshness and quality of products. The selection of reliable partners and efficient management of procurement processes ensure sustainability, cost optimization, and high service standards.

Downstream in the Company value chain are guests and the local community, as key users and business stakeholders. The focus on guests encompasses the provision of personalized services, top-quality accommodation, and additional amenities such as restaurants, wellness centers, marinas, and sports activities. High guest satisfaction is achieved through continuous improvement of services, innovative approaches, and compliance with international quality standards.

The local community plays a significant role in the value chain through collaboration with local suppliers, employment of residents, and participation in socially responsible initiatives.

Company contributes to community development through the preservation of cultural heritage, as most of the hotels are protected cultural properties within the city of Opatija. Additionally, by maintaining infrastructure and encouraging tourist spending, the region generates positive economic and social impacts.

Company believes that long-term business sustainability is not possible without caring for the environment, employees, and the community. Its business strategy is inseparably linked to sustainability goals, aiming to reduce its environmental impact, ensure employee well-being, support the community, and provide guests with high-quality services that enhance their stay and experience.

ENVIRONMENTAL CHALLENGES

Company faces several environmental constraints when introducing renewable energy sources and energy efficiency projects. Due to the high energy demands of heating, cooling, lighting and electrical systems, hotels have a significant impact on greenhouse gas emissions. An additional challenge is the use of fossil fuels in existing energy systems, including boiler rooms running on extra-light fuel oil and kitchens using liquefied petroleum gas, which further increases the business' negative environmental impacts.

In addition, a large number of properties in the Company portfolio are heritage hotels, i.e., part of a protected cultural entity, which means that they are subject to strict conservation rules that impose restrictions on renovation. In practice, this means the obligation to preserve the original wooden joinery, facades and architectural elements, which makes it difficult to install modern energy-efficient solutions such as photovoltaic systems, external thermal insulation, or replacing joinery with modern high-efficiency materials. In addition, the location of a large number of properties within the protected urban entity of the city of Opatija and in the immediate vicinity of monuments of park architecture limits the possibilities of installing infrastructure for renewable energy sources and other interventions in the space.

In such circumstances, the Company faces the need to continuously align the goals of energy transition and reducing the environmental footprint with the obligation to preserve cultural and spatial heritage. Managing these challenges requires an integrated approach that includes cooperation with conservation services, the application of customized technical solutions (e.g. internal energy efficiency measures, optimization of heating and cooling systems, smart energy consumption management) and phased investment planning in accordance with the regulatory framework and technical capabilities of individual facilities.

> *The Company plays a key role in the value chain by connecting suppliers, its own operations, and end users, with a focus on delivering premium services supported by strong cooperation with the local community. Long-term operations are based on an integrated sustainability approach aimed at reducing the environmental footprint and improving energy efficiency.*

Governance

ROLE OF ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

COMPOSITION AND DIVERSITY OF THE MANAGEMENT AND SUPERVISORY BOARD

During the reporting period, the Management Board consisted of two male members, and the Supervi-sory Board consisted of nine members, in whichof whom women made up 22%. All members of the Su-pervisory Board and Management Board make decisions independently.

In 2025, Company did not have a formally adopted diversity policy in relation to regarding the gender, age, education, or professionprofessional background of members of executive, manage-ment, and superviso-ry bodies. Appointments to the aforementionedthese bodies are carried outmade in accordance with the applicable legal and statutory provisions.

Employee interests are represented through the worker representatives' participation of worker repre-sentatives in the Supervisory Board.

ROLES AND RESPONSIBILITIES OF ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

The Management Board and the Supervisory Board of the company are responsible for over-seeing performance, risks, and opportunities, while operational tasks related to monitoring and management are delegated to responsible individuals within the company's departments and units. The Management Board supervises all material topics, sets the strategy, and establishes the framework for managing sustainability factors, while middle management[1] is responsible for daily monitoring and management of these factors, reporting directly to the Management Board.

Each board member has a mandate to oversee specific aspects of sustainability, such as compliance with environmental regulations, ensuring the quality and safety of services, and social responsi-bility towards employees and the local community. Responsibilities of senior management are listed in the Code of Ethics, which was adopted in 2025.

The management and oversight of performance, risks, and opportunities are carried out through an integrated management system, within which policies, planned measures, data collection, and audits will be established.

Department heads and unit directors will report sustainability factors to the Management Board. The Management Board will then inform the Supervisory Board about progress, challenges, and key projects.

1 The following definitions will be applied in the report: senior management refers to the Management Board, while middle management includes sector directors and department heads.

APARTMENTS BELVEDERE

Table: Monitoring, Management, and Supervision of Material Topics

MATERIAL TOPIC	MONITORING AND MANAGEMENT
Environmental Protection (climate, water, bio-diversity, circular economy)	Operation Department, Occupational Health and Safety and Fire Protection Department, Mainte-nance Department, Asset and General Business Management Department
Human Resources (working conditions, train-ing, and skill development)	Human Resources Department, Occupational Health and Safety and Fire Protection Department
Human Resources (health and safety)	Occupational Health and Safety and Fire Protection Department
Relations with the local community	Management Board
Guest and customer security and satisfaction	Operation Department
Business Management	Management Board

ORGANIZATIONAL STRUCTURE

The company's organizational structure is designed to ensure strategic direction, operational efficiency, and long-term sustainability, in line with ESG principles. At the head of the structure is the Management Board, which represents the Company and defines its business policy, acting in the best interest of the shareholders and in accordance with the highest ethical and legal standards. The Management Board coordinates all business units, oversees the company's development and stability, and fosters quality relationships with all relevant stakeholders.

Business operations are organized across key areas of responsibility:

- **Company Operations** oversees business activities aligned with the mission and vision and are responsible for executing the Company's strategic goals and tactics. This area includes:
  - **Hotel Operations** comprises hotel directors who implement strategy and tactics and create value at the level of accommodation facilities.
  - **Sales**, focused on revenue maximization through pricing optimization, distribution channel management, capacity utilization, and partner relationship development.
  - **Occupational Health and Safety**, ensuring compliance with legal and internal safety and employee health standards.
  - **Animation and Entertainment,** which organizes and standardizes programs at the Company level and coordinates with external suppliers and performers.
  - **Food and Beverage**, advising operational teams on concept development in line with the brand and guest expectations in the F&B domain.
- **Business Control**, which acts as an integration function between operational business and strategic management, connecting financial and non-financial performance indicators and ensuring compliance of operational activities with the Company's long-term goals.
- **Maintenance** ensures the technical correctness and long-term value of the facilities and the implementation of asset preservation strategies and tactics.
- **Information Technology,** which ensures digital infrastructure management, system security, and adaptation of information solutions to business needs.
- **Employee Experience and Culture Management** ensures strategic, tactical, and operational execution of the employee lifecycle management. It also provides programs and services that support recruitment, selection, development, and retention in collaboration with the Management Board and line leadership. The goal is to ensure a stable, engaged, and skilled workforce as a foundation for sustainable growth.
- **Finance and Accounting** is responsible for producing accurate and timely financial reports, managing liquidity and working capital, and supplying data for strategic decision-making, all in compliance with professional and regulatory standards.
- **Marketing** defines and implements strategies focused on brand strengthening, promotion, and advertising to drive sales and build guest relationships through relevant communication channels.
- **Legal Affairs** provides advisory support at all organizational levels, ensures compliance with the regulatory framework, and represents the Company before external institutions.
- **Asset and General Business Management** oversee commercial activities related to the Company's real estate portfolio, with the goal of creating value, managing relationships with property tenants, coordinating concession and lease obligations, and ensuring the execution of general corporate functions relevant to business operations.
- **Procurement** acts as the custodian of the Company's assets, ensuring transparent and responsible cost management and timely support of operational functions in accordance with business needs. On behalf of the Company, they negotiate with suppliers with the aim of achieving the most favorable commercial conditions, while preserving quality, reliability of supply and sustainability of the value chain.
- **Investments** manage the investment process, ensuring technical and legal viability as well as alignment with the investment strategy. The focus is on projects that add value to the Company's portfolio.

This integrated, functionally organized structure enables efficient management, cross-unit coordination, and alignment with strategic goals, providing a stable foundation for responsible, long-term business operations.

ACCESS TO EXPERTISE, KNOWLEDGE, AND SKILLS IN SUSTAINABILITY

Administrative, management, and supervisory bodies assess existing expertise in sustainability through skill analyses and will seek to integrate sustainability criteria into recruitment, training, and continuous development programs. These processes ensure that the Management Board remains prepared to effectively address growing sustainability challenges.

The members of the Company management bodies have education in economics, finance, and hospitality, along with extensive experience in managing hotel chains, optimizing business processes, developing tourism services, and strategic planning to increase market competitiveness. Their education and experience enable them to understand and manage the most significant impacts, risks, and business opportunities. Additionally, their familiarity with the environment, stakeholders, business processes, and the industry allows company leadership to oversee the business's effects and sustainability-related risks. Management Board members continuously educate themselves on sustainability topics and are supported by experts in specific fields who advise them. All Management Board members are familiar with the local conditions and specificities of the locations where they operate.

INFORMING ADMINISTRATIVE, MANAGEMENT, AND SUPERVISORY BODIES

Material impacts, risks, and opportunities are continuously discussed through Management Board meetings with department directors and/or unit heads. Department directors and unit heads will inform the Management Board about ESG topics. Annual reporting to the Management Board will be introduced through a management systems report, which will include an overview of implemented measures, achieved results, and progress toward material ESG goals.

The Management Board will integrate sustainability issues into the company's development strategy and make major investment decisions based on considerations of potential social and environmental impacts and financial consequences for the business.

> *We build sustainability on knowledge, experience, and continuous development.*

In 2025, the Management addressed the following ESG topics:

- the preparation of the sustainability report and progress monitoring;
- the improvement of working conditions for employees;
- the implementation of a career tracking and reward system;
- preparations for the implementation of the Environmental Protection Policy;
- preparations for the implementation of energy-efficient technologies;
- the optimization and enhancement of recycling and waste-reduction systems;
- the optimization of water and energy consumption;
- the adoption of the Anti-Corruption Policy; and
- the adoption of the Code of Ethics.

INCENTIVE PROGRAMS

During the reporting period, incentive programs and reward policies for administrative, management, and supervisory bodies were not linked to sustainability factors.

DUE DILIGENCE STATEMENT

The Management Board is committed to conducting business in a socially and environmentally responsible manner. Consequently, due diligence is embedded in the organizational culture and integrated into daily management practices. Company continuously identifies and assesses the actual and potential impacts of its business to prevent and, where prevention is not possible, mitigate negative impacts on society and the environment. The key elements of due diligence are presented in tabular form for easier reference.

Table: Due Diligence Elements in the Sustainability Report

DUE DILIGENCE ELEMENTS	PAGE
Integration of due diligence into governance, strategy, and business model	50
Inclusion of affected stakeholders in all key analysis steps	53-55
Identification and assessment of negative impacts	56-57, 58-63
Implementation of measures to minimize negative impacts	67-68, 71, 73, 76, 78, 79, 80, 91, 83, 84
Monitoring effectiveness and communication	68, 69, 71, 73, 84, 77-79, 84

RISKS AND INTERNAL CONTROLS RELATED TO SUSTAINABILITY REPORTING

Risk management and internal controls in the sustainability reporting process are established to ensure accuracy, transparency, and compliance with relevant regulations. The scope covers all sustainability-related activities, including environmental, social, and governance (ESG) aspects, and applies across the entire organization, from top management to operational levels.

Key components include accountability for the process at the highest management levels, an implemented system for data collection, validation, and reporting to ensure accuracy, and training for personnel involved in reporting to maintain a high level of awareness and methodological consistency.

Risks are identified by the Management Board and ESG team based on information about key challenges in preparing the sustainability report and input from various departments regarding current data readiness and reporting capacity. Risks are assessed based on their potential impact on reporting effectiveness and their likelihood of occurrence.

The risk of inaccurate and unavailable data arises from human errors or inadequate data management systems. The “four-eyes principle,” which requires that data entering the report is reviewed at least twice by two different functions, contributes to data quality. A structured data collection process ensures transparency, traceability, and standardization of terms, formulas, and key variables. Additionally, the company has implemented management systems in accordance with ISO 50001:2018 and HACCP standards, and internal audits will be conducted under these standards to verify data accuracy and timeliness.

The risk of regulatory non-compliance arises from misunderstandings of the Directive and related ESRS standards. To mitigate this risk, the company has proactively established a system for ESG data collection aligned with material topics and ESRS methodology. The compliance process includes training responsible personnel for data collection and regular regulatory updates to maintain compliance.

The company integrates internal controls of sustainability reporting processes into broader internal processes to ensure alignment with overall business strategy. Representatives from different departments, coordinated by an individual appointed by the Management Board, as well as external sustainability reporting consultants, contribute to the preparation of the report. Continuous feedback between ESG team members ensures a dynamic response to emerging challenges.

The ESG reporting coordinator communicates with the Management Board, providing quarterly updates on progress, challenges, and applied solutions. The Management Board oversees the process and provides guidance to ensure effective risk management. To maintain data integrity, the Management Board reviews and approves the report.

About the Sustainability Report

The Sustainability Report has been prepared on a consolidated basis and is aligned with the scope of the Group's annual consolidated financial statements. The report covers the company Liburnia Riviera Ho-teli d.d. and its related business entities: Kvarner Lido d.o.o., Aeris d.o.o., Lido Opatija d.o.o. and Projekt Zapad d.o.o.

The double materiality assessment, which is described in Chapter 1 General Information, included the identification of impacts, risks, and opportunities upstream and downstream in the value chain. Due to the size and proportional relevance of the ESG effects of the operationsimpacts of all business-Group enti-ties of the Group, and, as assessed during the double materiality analysis, material ESRS announcements referdisclosures pertain to Liburnia Riviera Hoteli d.d. For the Group's micro business -entities, the data includes labor forceworkforce indicators, such as the number of employees by gender and the number of work-related injuries. The Company is working on gradually expanding data coverage for these entities in future reporting periods.

APARTMENTS BELVEDERE

Due to the size and proportional relevance of ESG impacts across all entities within the Group, as as-sessed during the double materiality analysis, the material ESRS disclosures pertain to Liburnia Riviera Hoteli d.d. For the Group's micro-entities, the data includes workforce indicators such as the number of employees by gender and the number of workplace injuries. The Company is working on gradually ex-panding data coverage for these entities in future reporting periods.

The extent to which policies, measures, objectives and indicators relate to the value chain is described specifically for each topic.

No information correspondingrelating to intellectual property, knowledge, or innovation results, which that is relatedconnected to material topics and cancould objectively influence thean understanding of the Company's development, business results, and position of the entrepreneur and, or the impact of its activities, has been omitted from the sustainability report. The Company has not appliedexercised the possibilityoption of exempting thefrom publication ofany information on upcoming events or issues during negotiations, which are relatedmatters under negotiation that relate to material topics.

Table: Disclosures in Special Circumstances

Periods	The definitions of short-term, medium-term, and long-term periods from ESRS 1 have been applied in this report.
Value Chain Assessment	If data has been estimated based on indirect sources, this will be explained in the methodology description for each indicator.
Assessment Sources and Outcome Uncertainty	If the measurement of an indicator or monetary amount is uncertain, this will be specified in the methodology description for the relevant indicator/amount.
Changes in the Compilation or Reporting of Sustainability Information	The materiality matrix is displayed by topics as opposed to the subtopics that were used for presentation in the report for the year 2024. When creating the materiality matrix for the year 2024, the subtopic from "S4 Consumers and End Users" was incorrectly placed in the double materiality quadrant, although the risks and opportunities associated with that subtopic were not assessed as material. The intensity of greenhouse gas emissions in 2024 was 0.0000946 tCO2e/mil EUR.
Reporting of Errors from Previous Periods	The conversion coefficient for mixed waste has been revised, including a retrospective adjustment to the 2024 figures.
Disclosures Derived from Other Regulations or Generally Accepted Sustainability Reporting Frameworks	The environmental section includes information derived from the requirements of the EU Taxonomy Regulation. The report does not include information required by other regulations mandating the company to disclose sustainability-related information or from generally accepted sustainability reporting standards and frameworks.
Inclusion by Reference	The company does not include information by reference, as explained in ESRS 1, section 9.1.
Application of Phased-in Provisions per Appendix C of ESRS 1	The Company has decided to apply the reporting option in accordance with Appendix C to ESRS 1.

Sustainability information was collected by the sustainability reporting task force appointed by the Management Board, which included representatives from organizational units responsible for managing material impacts, risks, and opportunities.

The report has been prepared in PDF and printed format and is available on the corporate website.

Sustainable Development Strategy

Providing services in the hotel industry, as an important segment of the tourista destination's tourism and economic development of a destination, carries significant potential for contributing to sustainable development goals. Through the implementation of environmentally responsible practices, increas-ingimproved energy efficiency, and strengtheningstrengthened social responsibility, the hotel sector can positively influence the sustainability of the destination and the long-term competitiveness of the local economy.

Company recognizes its role in the development of sustainable tourism and applies the principles of responsi-ble resource management, gradual reduction of environmental impacts, and strengtheningstrengthened cooperation with the local community in its business.. Investments in the modernization of facilities, improvement of improvements in energy efficiency, and employee development representform the foundation for the furtherCompany's continued sustainable development of.

Company's corporate direction is based on the principles of responsible and long-term sustainable business, in line with relevant European guidelines on the green and digital transition. The Company views responsi-ble business conduct as a prerequisite for creating and preserving value for owners, employees, guests, and the local community.

Company's corporate orientation is based on the principles of responsible and long-term sustainable business, in accordance with relevant European guidelines related to the green and digital transition. The Compa-ny views responsible business as a prerequisite for creating and preserving value for owners, employees, guests and the local community.

Company is aware of the challenges ofposed by climate change and the European Union's long-term goals of the European Union related to for climate neutrality. In the reporting period, the company doesdid not have a formally adopted sustainable development strategy with defined quantitative goals and perfor-mance indicators.

Sustainability issues are considered within the framework of the existing business model, operational practices and the applicable regulatory framework, while respecting the technical, financial and conser-vation limitations of the Company's portfolio, including the following areas:

1. Transition to low-carbon operations and sustainable resource management

The Company will continue with measures to increase energy efficiency, rational water and resource management, and gradually reduce greenhouse gas emissions, while considering the long-term goals of climate neutrality.

2. Support and economic development of the local community

Company will continue to encourage the employment of local labor, investment in facility modernization, and cooperation with local partners, thereby contributing to the socio-economic development of the destination.

3. Providing high-quality service and employee development

By improving the quality of service, encouraging diversity and inclusion, and developing employee competencies, the Company contributes to social sustainability and long-term strengthening of competitiveness.

As part of the preparation and implementation of the sustainable development strategy, Company places em-phasis onemphasizes specific operational objectives aimed at increasingto increase efficiency and reduc-ing thereduce its operations' environmental footprint of its operations. Priorities include systematically reducing energy consumption through the optimization of technical systems and improving thefacility energy efficiency of facilities, rationalizing water consumption, and increasing the share of sorted and recycled waste inacross all operational segments.

Table: Sustainability Strategy

SUSTAINABILIY STRATEGY

AREA	GOALS	MEASURES	INDICATORS	SDG
Climate Protection	> To contrib-ute to envi-ronmental protection and the reduction of negative impacts on the environ-ment	• Energy efficiency meas-ures • Optimisation of heating and cooling systems • Education of staff and guests on sustainable practices	• Total energy con-sumption in MWh • % of energy form renewable sources • Total CO2e emis-sions • GHG intensity (COe emissions in Scope 1 i 2 per EUR revenue)	13 CLIMATE ACTION
Responsable Water Manage-ment		• Educate stakeholders on sustainable water use • Use of the latest techno-logical solutions for low-er consumption	• Water consumption (m3)	6 CLEAN WATER AND SANITATION
Biodiversity Preservation		• Prevention and reme-diation of pollution occurring in the marina and eco-incidents in all facilities • Repairs and mainte-nance of equipment/ facilities • Construction activities in accordance with the environment and histor-ical heritage – preserva-tion of protected cultural assets • Planting native vegeta-tion • Promoting responsible behaviour	• Total land use (ha) • Total covered area (ha)	14 LIFE BELOW WATER 15 LIFE ON LAND
Circular Economy Implemen-tation		• Implement sustainable packaging solutions where possible	• Share of recyclable packaging • Share of packaging made from recycled materials	12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Employee Well-being	> To contribute to the local community by maintaining a positive and motivating work environment, with a high level of health and safety protection for employees and guests	• Systematic job classification and regular employee evaluation based on job complexity • Develop training plans for employees in accordance with job requirements • Provide subsidized transportation for local employees and accommodation for seasonal workers	• Employee turnover rate • Share of employees participating in trainig programs • Percentage of women in top management	8 DECENT WORK AND ECONOMIC GROWTH
Health and Quality of Life		• Employee training • Ensuring a safe environment for employees and guests	• Number of health incidents in hotel facilities • Number of employees participating in health and safety training	3 GOOD HEALTH AND WELL-BEING
Community Support		• Contribution to community development and the local economy • Contribution to the preservation of cultural heritage and improvement of local infrastructure	• Number of supported local initiatives and projects	11 SUSTAINABLE CITIES AND COMMUNITIES
Consumers and End users		• Regularly train employees working with food, beverages, and other sensitive materials on health standards • Conducting guest satisfaction surveys	• Guest satisfaction survey analysis indicators	3 GOOD HEALTH AND WELL-BEING
Ethics and Responsibility	> Maintaining a high level of responsible business conduct.	• Established whistleblowing channel • Measures for the protection of personal data in accordance with GDPR	• Number of reported irregularities through confidential channels • Number of confirmed cases of data breaches or misuse of confidential information	16 PEACE, JUSTICE AND STRONG INSTITUTIONS

STAKEHOLDER INTERESTS AND PERSPECTIVES SHAPE THE SUSTAINABILITY STRATEGY (SBM-2)

Through continuous dialogue with stakeholders, the Company collects relevant information about their interests, expectations, and concerns, which are taken into account when defining priorities and direc-tions for sustainable business development. Systematic monitoring of stakeholder views enables re-sources to be directed towardstoward areas with the greatest impact on business and sustainable devel-opment.

Dialogue with stakeholders is carried outconducted through regular communication, surveys, analysis of guest complaints and suggestions, cooperation with the local community, partners, and suppliers, and through internal employee management processes. The information collected is integrated into the planning, risk assessment, and strategic decision-making processes.

Sector directors and department heads are responsible for coordinating communication with stakeholders, who report to the Management Board at least once a year on key topics, identified risks, opportunities and priorities. The Management Board considers this information when making strategic decisions, investments and significant business transactions.

This approach ensures that the development of the sustainability strategy is grounded in a structured understanding of stakeholder expectations, while also preserving the Company's long-term business interests.

Key stakeholders include employees, guests and marina users, suppliers and insurance partners, authorities, media, local community and shareholders. These groups are affected by the company's activities, have an interest in business operations, and significantly impact business success, which is why regular communication is maintained with all of them. Each stakeholder group has specific communication channels tailored to their needs and expectations, as detailed in the following table.

HOTEL BELLEVUE

Diagram: Key Stakeholders

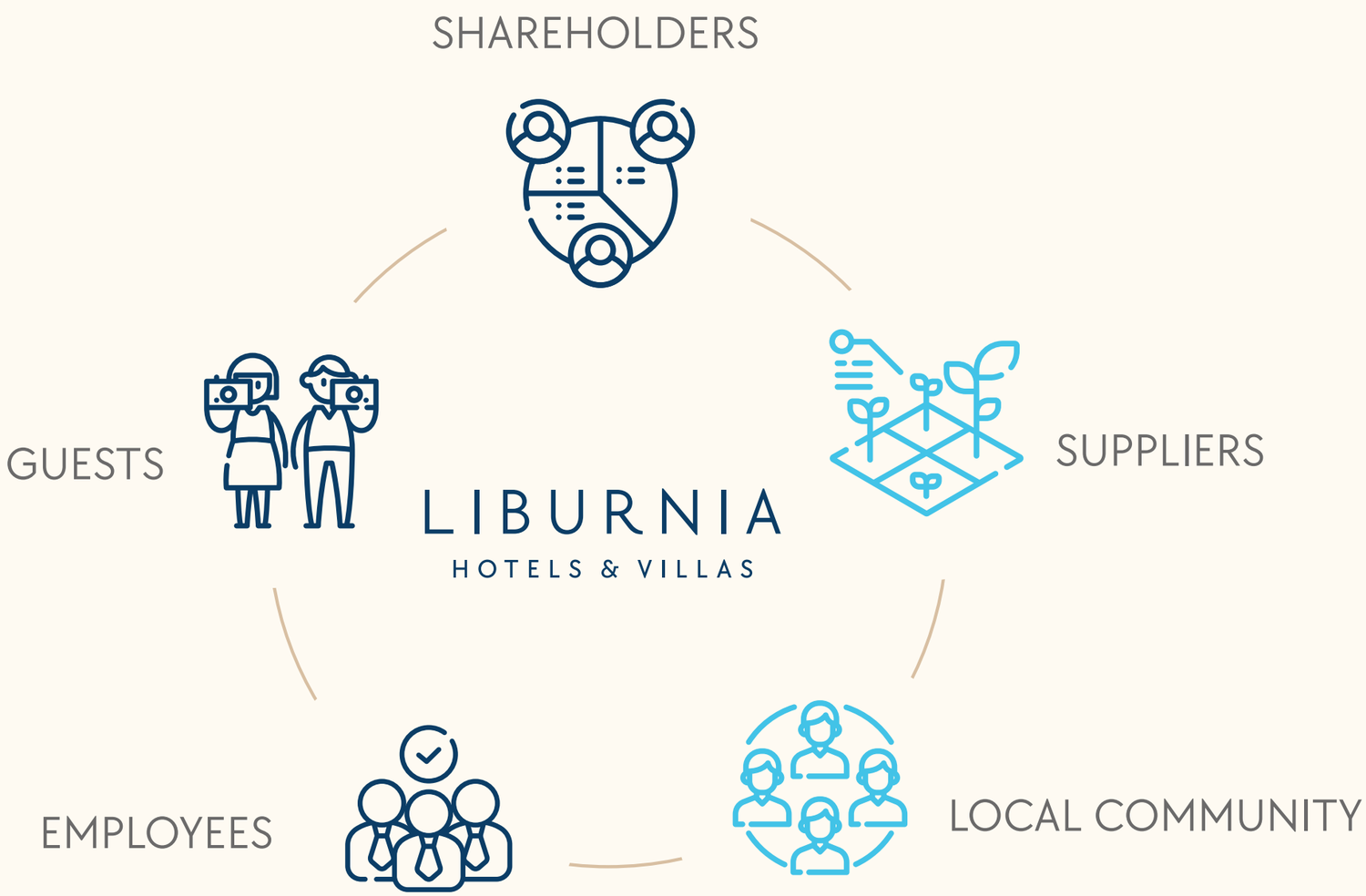


Table: Stakeholder Relations

KEY STAKEHOLDERS	COMMUNICATION CHANNELS	STAKEHOLDER INTERESTS AND EXPECTATIONS	COMPANY APPROACH
Employees (Unions)	• Intranet – a central hub for employee information and access to all internal documents and policies • Shared network folder • Meetings with union representatives 4–6 times per year • Meetings with the Works Council • Employee meetings • Whistleblower system – employees can file reports if they observe unethical or illegal behavior, with guaranteed protection for whistleblowers • System for the protection of employee dignity (mobbing prevention) • Employee suggestions	• Workplace safety • Salary alignment with market trends • Growth of other material rights of workers	• Liburnia Riviera Hotels continuously invest in occupational safety equipment and align employment conditions with market trends to ensure the safety and satisfaction of their employees. • By fostering a positive work culture and encouraging professional development, Company builds team loyalty and motivation, which are key to achieving strategic goals. • A system for recognizing the most excellent employees for individual rewards and advancement
Suppliers	• Direct communication with Procurement	• Fair contract terms • Timely payments • Transparent procurement system	• Through long-term partnerships with local and international suppliers, Company ensures supply chain stability and consistent service quality. Transparent communication and collaboration are based on the shared goal of sustainable development and innovation.
Guests and Users	• Satisfaction surveys • Complaint channels	• Quality service and products • Affordable prices • Safety and privacy	• Company builds guest loyalty by providing high-quality, personalized service and promptly resolving complaints. This approach increases revenue through repeat bookings and additional services, while also strengthening the hotel's reputation.
Local (host) Community	• Kanali za pritužbe • Web stranica • Sastanci sa lokalnom zajednicom - komunikacija po potrebi s predstavnicima lokalne zajednice	• Air quality • Low noise levels • Environmental protection	• As a responsible community member, Company actively collaborates with local stakeholders through meetings, environmental protection projects, and initiatives to improve quality of life. Environmental care and support for local programs help strengthen the company's reputation and contribute to the sustainable development of the region.
Shareholders	• General Assembly • Supervisory Board meetings • Reports	• Profitability and sustainable growth	• Company consistently achieves profitable growth by integrating sustainable practices into its business model. A focus on achieving long-term goals ensures a balance between economic success and responsible resource management.

No stakeholder interests or perspectives requiring adjustments to the business model and strategy were recorded during the reporting period.

Materiality Assessment (IRO-1)

METHODOLOGY AND ASSUMPTIONS

In the second half of 2025, the Company conducted a double materiality assessment in accordance with the requirements of the ESRS standard, following the methodology outlined in EFRAG's manual IG 1 Materiality Assessment[2] . The double materiality assessment, supported by sustainability reporting experts, was conducted in four phases and involved representatives from all business areas.

In the reporting period, the assessment was conducted through internal workshops with sector directors and department heads (operations, human resources, maintenance, procurement, legal function, occupational health and safety and fire protection, etc.), who, given their knowledge of the business activities and value chain, acted as representatives of relevant stakeholders. In future assessment cycles, additional involvement of external stakeholders will be considered to further strengthen the comprehensiveness and transparency of the process.

DECISIONS AND INTERNAL CONTROL OF PROCESSES

Impacts were identified again during workshops where representatives from various departments participated in discussions. The decision on the materiality of impacts, risks, and opportunities was shared among sustainability topic representatives. The evaluation for each topic resulted from consultations between the responsible person and the team to gather all relevant information and viewpoints. The assessment methodology followed the ESRS standards. Each impact, risk, and opportunity were documented along with a description of its materiality basis.

INPUT PARAMETERS

The materiality assessment covered the entire Group, Liburnia Riviera Hotels, and all locations where it operates. Regarding the value chain, impacts, risks, and opportunities associated with first-tier suppliers (direct relationships with the Company), consumers, and end users were considered. The assessment utilized internal information sources derived from the management system and regular communication with stakeholders, supplemented by sector-specific professional publications.

CONTEXT ANALYSIS

A review of activities and business relationships, their operating context, business locations, and key stakeholders was conducted again. Key stakeholders were mapped according to divisions, and their interests and viewpoints–collected through regular communication channels–were considered. The business model and strategy were analyzed, and the Company's position in the value chain was determined. Additionally, an overview of ESG trends at the EU level and changes in the environment that could affect business operations was performed. The context analysis created a framework and enabled the identification of relevant topics for a more detailed assessment of the Company's impacts, risks, and opportunities. Sustainability topics and subtopics deemed irrelevant to the Company's operations were excluded from further steps.

Scheme: Double Materiality Assessment Process

IDENTIFICATION AND ASSESSMENT OF IMPACTS

Through professionally moderated workshops with department representatives responsible for managing specific sustainability factors, actual and potential impacts related to environmental, social, and governance (ESG) factors were identified, considering both internal operations and the value chain. Based on the list of sustainability factors from the ESRS 1 standard (paragraph AR16), internal documentation, previous sustainability reporting, international standards (such as SASB, MSCI, S&P) relevant to the sectors in which Company operates and an analysis of industry practice, an initial list of environmental, social and governance impacts of risks and opportunities was created to ensure comprehensiveness and gain a sector perspective.

Sustainability-related impacts, including negative human rights impacts, were assessed based on severity and likelihood, applying qualitative criteria in accordance with ESRS 1 guidelines. The assessment was conducted by department representatives drawing on their expertise, experience, and information available through management systems, as well as through internal due diligence processes, including the review of existing policies, operational practices, and available records

2 https://www.efrag.org/sites/default/files/sites/webpublishing/SiteAssets/IG%201%20Materiality%20Assessment_final.pdf

or indicators related to human rights incidents, and input from relevant departments. Final scores were calculated as the average of individual evaluations, with responsible persons consulting their teams when determining severity and likelihood. In line with sustainability reporting practices, a materiality threshold of 12.5 on a scale from 1 to 25 (50%) was applied, and the report includes all environmental, social, and governance impacts, risks, and opportunities exceeding this threshold.

IDENTIFICATION AND ASSESSMENT OF RISKS AND OPPORTUNITIES

During professionally moderated workshops, department representatives identified risks and opportunities related to environmental, social, and governance (ESG) factors, considering both internal operations and the value chain. The starting point was the list of sustainability factors from ESRS 1, AR16, and sector-specific standards relevant to the Company were reviewed to gain a sectoral perspective and incorporate entity-specific topics.

Internal sources, industry risk assessments, and information from regular stakeholder communication channels were used to identify risks and opportunities. Risks were identified based on resource dependencies and negative societal and environmental impacts.

Risks and opportunities were assessed based on the severity of financial consequences and likelihood. The evaluation was conducted by directors and heads of key departments, based on their expertise, experience, and information available through daily operations. The assessment was qualitative, and evaluators' opinions were based on objective evidence (management system reports, stakeholder communication channels, etc.).

All risks and opportunities were assessed by their respective department representatives, and the final score was the average of their individual evaluations. During the assessment of severity and likelihood, responsible persons consulted their teams. The materiality assessment applied qualitative criteria in accordance with ESRS 1 guidelines.

The materiality threshold was set at 12.5 on a scale from 1 to 25. In line with business practice in sustainability reporting, the materiality threshold, on a scale from 1 to 25, has been set at 50 percent, which corresponds to 12.5. The report includes all sustainability factors that involve environmental, social, and governance risks, and/or opportunities that exceed the specified threshold.

The assessment focused solely on sustainability risks and did not compare or prioritize them with other business risks. The materiality risk and opportunity assessment process in this reporting period was separate from the risk management system.

VALIDATION OF MATERIAL TOPICS

The results of the double materiality assessment were presented to the Management Board, which has formally confirmed them. The double materiality assessment process resulted in a materiality matrix that visually represents the sustainability factors the Company will report on.

The materiality assessment was first carried out in 2024; compared to the new assessment conducted in the reporting period, no changes in the business environment or operations were identified.

Scheme: Company Materiality matrix

Impact materiality

- E3 - Water resources
- E5 - Circular economy
- S3 - Affected communities
- S4 - Customers and end-users
- G1 - Business conduct

Double materiality

- E1 - Climate change
- S1 - Own workforce

Not material

- E2 - Pollution
- E4 - Biodiversity
- S2 - Workers in value chain

Financial materiality

No topics

CRITERIA FOR DETERMINING SIGNIFICANT INFORMATION

Through the double materiality assessment conducted in accordance with EFRAG's methodology, the Company identified significant sustainability factors in line with the list of sustainability factors in ESRS 1, AR16. The report includes information on policies, measures, and targets, as well as indicators related to sustainability factors that contain at least one impact, risk, or opportunity exceeding the materiality threshold of 12.5 on a scale from 1 to 25.

The report contains information assessed as important in relation to the sustainability factor being reported, as such information may be useful to primary users of financial statements or stakeholders affected by the Company. The Company transparently presents all information that could objectively influence a stakeholder's decision or perspective on the Company. It strives to ensure consistency and compliance with ESRS standards while providing relevant information tailored to the Company's specific circumstances.

MATERIAL FACTORS OF SUSTAINABILITY (SBM-3)

The following table presents the material sustainability factors based on the results of the materiality assessment and their interrelation with the Company's strategy and business model.

Table: Material Factors of Sustainability

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
E1 Climate Change	Climate Change Mitigation	Actual Negative Impact	**Greenhouse gas emissions** In Company's own operations, significant emissions arise from hotel activities, including energy use for heating and cooling and vehicle fleet operations, thereby contributing to climate change. Emissions may also arise from servicing and recharging refrigeration equipment. The most significant Scope 3 categories include purchased goods and services, capital goods, fuel- and energy-related activities, upstream transport and distribution, waste generated in operations, employee commuting, and downstream leased assets. Emissions also result from the procurement of food, new equipment, appliances, vehicles, furniture, and consumables.	Upstream, own operations, downstream	Short-term, medium-term, long-term	Company recognizes the importance of reducing greenhouse gas emissions and, as part of its business strategy, identifies key sources of emissions across its own operations and value chain in order to improve energy management and reduce related impacts.
	Climate Change Adaptation	Risk	**Extreme Weather Events** Group is exposed to physical climate risks related to extreme weather events, particularly storms, which represent an acute climate change adaptation risk for its coastal properties. Storms may result in flooding, wave surges, and damage to infrastructure, affecting assets, employees, and guests. These events increase the Group's exposure to physical damage and operational disruption.	Upstream, Own Operations	Short-term, medium-term, long-term	Company recognizes the need to adapt to climate change and considers the impact of extreme weather conditions on operations and infrastructure as part of its business strategy.
	Energy	Actual negative impact	**Energy consumption from non-renewable sources** Hotel operations require significant amounts of energy for heating, cooling, lighting and operating electrical appliances, with much of the energy coming from non-renewable sources, such as fuel oil and liquefied natural gas. Such energy consumption contributes to greenhouse gas emissions and negatively impacts the environment and climate change.	Own operations	Short-term, medium-term, long-term	Company recognizes the benefits of renewable energy sources and plans to implement several energy transition projects. It also aims to improve energy consumption management through the introduction of monitoring systems and remote control of energy sources in order to increase efficiency.

Table: Material Factors of Sustainability (continuation)

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
E3 Water and Marine Resources	Water	Actual Negative Impact	**Water Consumption** Hotel operations involve significant water use in kitchens, bathrooms, maintenance, and facility and swimming pool cleaning. Increased consumption, especially during the tourist season, puts additional pressure on water resources and may reduce their availability and sustainability.	Own operations	Short-term, medium- term, long-term	Given the business's dependence on water, Company seeks to manage water consumption responsibly within its operations. In this context, it plans to introduce consumption meters, while measures to reduce water use, such as the installation of aerators, have already been implemented at some locations. Water is withdrawn in an area that is not at risk of water scarcity.
	Marine resources	Potential negative impact	**The impact of hotel facilities and the marina on the sea** Marina activities, including anchoring and the use of marine space, can affect seawater quality and increase turbidity. Such impacts negatively affect the marine ecosystem and reduce its ecological, recreational, and tourist value.	Own operations	Long-term	As part of its operations, Company seeks to reduce the impact of its facilities and marina on the marine environment by applying appropriate operational practices and complying with applicable regulatory requirements.
E5 Circular Economy	Waste	Actual negative impact	**Generation of non-hazardous waste** Hotel operations generate significant amounts of waste, including food scraps, laundry waste, plastic, paper, packaging, old furniture, and electronic equipment. Hazardous waste is also generated, such as waste oils, filters, oily rags, light bulbs, and batteries. Increased business volumes, especially during the tourist season, further add to the total waste generated, which negatively affects the environment.	Own operations	Short-term, medium-term, long-term	In its operations, Company applies circular economy principles with the aim of reducing the amount of waste sent to landfill. Waste is sorted and sent for recovery and recycling in accordance with applicable regulations.

Table: Material Factors of Sustainability (continuation)

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
S1 Own workforce	Working conditions	Actual positive impact	**Dignified working conditions** Company ensures stable and regulated working conditions through employment contracts, regulated working hours, adequate wages, and benefits. Employees' rights to family leave, freedom of association, and collective bargaining are respected, with the involvement of the works council and the application of the collective agreement.	Own operations	Short-term, medium-term, long-term	Company regulates labor relations through internal acts and a collective agreement, with the aim of ensuring stable, safe, and fair working conditions, including employment, remuneration, and the protection of employee rights.
		Actual negative impact	**Overtime** Work in the hotel industry often involves extended working hours, night shifts, double shifts, and seasonal overtime, which negatively affect employees' work–life balance and can lead to increased stress and exhaustion.	Own operations	Short-term, medium-term, long-term	As part of its human resources management, Company seeks to ensure working conditions that support employees' work–life balance through work organization and practices aimed at employee well-being.
		Risk	**Labor dissatisfaction with working conditions** Disruptions to employees' work–life balance pose a risk of lower satisfaction with the work environment, increased stress levels, and workforce turnover, which can negatively affect service quality and the employer's reputation.	Own operations	Short-term, medium-term, long-term	As part of its human resources management, Company provides competitive remuneration through a salary and reward system and seeks to improve employees' work–life balance through work organization and the use of days off.
		Opportunity	**Attracting and Retaining Workforce** The seasonal nature of work in the hotel industry presents an opportunity to strengthen employer reputation, increase employee loyalty, and reduce turnover costs by attracting and retaining workers through competitive working conditions, fair compensation, and professional development opportunities.	Own operations	Short-term, medium-term	As part of its human resources management, Company implements measures aimed at attracting and retaining the workforce, including providing accommodation and additional benefits for seasonal workers.

Table: Material Factors of Sustainability (continuation)

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
S1 Own workforce	Health and safety	Actual positive impact	**Protection of health and safety of employees** Company provides occupational health and safety training and appropriate protective equipment, thereby reducing employees' exposure to risks associated with working conditions, including fatigue and physical strain.	Own operations	Short-term, medium-term	As part of its occupational health and safety management, Company provides employee training on occupational health and safety, including fire protection, and supplies appropriate protective equipment for workplaces where it is required.
		Potential negative impact	**High stress levels for employees during peak season** Employees in the hotel industry are exposed to high work pressure and demanding schedules, leading to increased stress, exhaustion, and adverse effects on both mental and physical health. Prolonged exposure to such conditions can result in anxiety, burnout, and a higher likelihood of errors.	Own operations	Long-term	As part of its human resources management, Company seeks to improve employee well-being through work organization and adjustments to work schedules.
	Equal treatment and opportunities for all	Actual positive impact	**Equal opportunities and equal work evaluation** The hotel industry workforce is characterized by a high level of diversity, and Company ensures equal opportunities and fair treatment of employees in accordance with internal regulations and the Code of Ethics. Discrimination is prohibited, and employees are guaranteed equal pay for work of equal value.	Own operations	Short-term, medium-term, long-term	As part of its human resources management, Company regulates labor relations based on the principles of equal opportunities and fair treatment, applying the Labor Regulations, procedures for protecting the dignity of workers, and the Code of Ethics, including the prohibition of discrimination and the assurance of equal pay for work of equal value.
	Diversity	Actual positive impact	**Promoting and respecting gender equality** Company promotes gender equality and ensures a work environment free from discrimination and harassment, while implementing internal acts and ethical principles that protect employees' dignity.	Own operations	Short-term, medium-term, long-term	As part of its human resources management, Company ensures gender equality and the prevention of discrimination through the application of the Labour Regulations, the Code of Ethics, and related internal procedures.

Table: Material Factors of Sustainability (continuation)

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
S1 Own workforce	Training and skills development	Actual positive impact	**Development of employee knowledge and skills** Investing in employee skills development creates a competent and motivated workforce that positively affects career development, employee efficiency, and the quality of service provided.	Own operations	Short-term, medium-term, long-term	Company systematically invests in employee development to improve service quality and adapt it to guests' needs. Development programs include on-the-job learning, mentoring, and external education on topics closely related to the profession, operational performance, and other necessary skills, with an emphasis on raising service standards.
	Adequate accommodation	Actual positive impact	**Provided adequate accommodation and meals to employees** Providing accommodation and meals helps attract and retain workers, reduces living costs, and simplifies work scheduling and commuting.	Own operations	Short-term, medium-term, long-term	As part of its human resources management, Company provides accommodation and meals to employees from other regions and countries in its own or rented facilities near the place of work.
	Protecting employee privacy and personal data	Actual positive impact	**Protecting employee privacy and personal data** Proper management of employees' personal data helps protect their privacy, reduces the risk of data misuse, and increases stakeholder confidence and trust.	Own operations	Short-term, medium-term, long-term	As part of its operations, Company ensures the protection of employee personal data through the implementation of security protocols that comply with applicable regulations, including GDPR.
S3 Affected communities	Communities' economic, social and cultural rights	Actual positive impact	**Contribution to the development of the community and the local economy** Company employs a wide range of workers, including local residents, thereby helping reduce unemployment, strengthen the local economy, and support infrastructure development and the community's quality of life.	Own operations, downstream	Short-term, medium-term, long-term	Company recognizes its role in the local community as part of its business and contributes to community development through various activities and initiatives.
		Actual positive impact	**Contribution to the preservation of cultural heritage and improvement of local infrastructure** Supporting the preservation of cultural heritage and the development of local infrastructure has a positive impact on the community, the economy, and the environment, and contributes to the quality of life of the local population and to the company's reputation.	Own operations, downstream	Short-term, medium-term, long-term	As part of its business, Company manages buildings that form part of protected cultural heritage, including hotels such as the Imperial and Kvarner, and carries out restoration and maintenance activities in accordance with relevant conservation and regulatory requirements.

Table: Material Factors of Sustainability (continuation)

MATERIAL TOPIC	SUSTAINABILITY FACTORS	TYPE OF IRO	DESCRIPTION OF IMPACTS, RISKS AND OPPORTUNITIES	LOCATION IN THE VALUE CHAIN	TIME HORIZON	STRATEGY AND BUSINESS MODEL
S4 Consumers and End Users	Personal safety of consumers and/or end users	Actual positive impact	**Guest satisfaction** High-quality service and guest needs-focused adaptation positively affect the guest experience and overall satisfaction with their stay.	Own operations	Short-term, medium-term, long-term	As part of its operations, Company monitors guest satisfaction through regular surveys and analyses at individual facilities, and uses the results to improve service quality and introduce corrective measures.
		Actual positive impact	**Protection of privacy and personal data and guest health and safety** Strict safety standards and food and hygiene measures are implemented, ensuring high-quality services and reducing the risk of health issues for guests.	Own operations	Short-term, medium-term, long-term	Company ensures the protection of guests' personal data through the implementation of security protocols that comply with applicable regulations, including GDPR, and applies health and safety standards in the area of food and hygiene services.
		Actual positive impact	**Accessibility and adaptation of accommodation facilities for people with disabilities** Accessibility and the adaptation of accommodation facilities for people with disabilities enable inclusiveness and equal access to services for all guests.	Own operations	Short-term, medium-term, long-term	Company ensures accessibility for people with disabilities in several of its accommodation facilities, adapting services to enable inclusiveness and equal participation for all guests.
G1 Business Conduct	Corporate culture	Actual positive impact	**Strong corporate culture and ethics in business** A strong corporate culture rooted in responsibility and integrity fosters trust, stakeholder satisfaction, and overall business quality.	Upstream, own operations, downstream	Short-term, medium-term, long-term	As part of its business operations, Company promotes a corporate culture based on ethics, responsibility, and compliance with applicable regulations through internal acts and business standards.
	Whistleblower Protection	Actual Positive Impact	**Whistleblower Protection Provided** Whistleblower protection enables safe reporting and contributes to stronger transparency and accountable governance.	Own Operations	Short-term, medium-term, long-term	Company provides whistleblower protection through clearly defined confidential reporting mechanisms, creating a safe environment in which individuals can raise concerns without fear of retaliation and fostering a culture of transparency and accountability.

Company reported on sustainability for the first time in 2024; the materiality of all previously identified impacts, risks, and opportunities remained unchanged, with the addition of the impact "Ensured protection of whistleblowers" newly identified under the governance category.

Environmental Category

Responsibility towards the environment is one of the greatest challenges for the future, which the Company actively monitors and allocates a significant portion of its resources to maintain a high level of competitiveness and sustainability. Tourism, in particular, extensively applies environmentally responsible concepts, as environmental protection contributes to economic growth, employment, and increased competitiveness and comparative advantages. The Company's entire business operations are based on ecologically sustainable systems, placing great emphasis on environmental care and protection.

Various industries, both in the past and present, have left an environmental footprint, negatively impacting climate change, air, soil, and water pollution, depletion of water resources, loss of biodiversity, and excessive waste production. The degradation of these factors disrupts environmental balance and sustainability, which can, in turn, negatively affect business operations. This is why environmental preservation is a fundamental pillar of socially responsible business practices.

ENVIRONMENTAL PROTECTION POLICY

Company will align its operations with applicable laws and obligations regarding energy management and implement modern, energy-efficient, and technologically advanced solutions whenever possible. It will enhance its management systems and processes to regulate water consumption, incorporating water resource management into its business operations. By leveraging effective technological solutions, Company will monitor and control water consumption, educate employees and guests on responsible water management, and ensure sustainable water use. In accordance with principles of corporate social responsibility and sustainable development, Company will actively manage and mitigate its environmental impact.

Company adheres to environmental regulations regarding waste management and continuously seeks to maximize waste recycling. Through the implementation of the Environmental Protection Policy, the Company aims to optimize the use of non-renewable resources while monitoring, preventing, and reducing waste generation. Company commits to aligning its operations with relevant legal frameworks and fulfilling its environmental protection obligations.

The Company will strive to raise environmental awareness throughout its value chain, act as a responsible member of the local community, and maintain open communication with stakeholders regarding its environmental impact and performance indicators.

OPATIJA

EU Taxonomy

The EU Taxonomy Regulation (EU) 2020/852 establishes a unified, scientifically based classification system to identify sustainable economic activities. The classification of sustainable activities is essential for redirecting capital flows toward achieving climate neutrality and environmental sustainability, as outlined in the European Green Deal.

HOTEL KVARNER

Article 3 of Regulation (EU) 2020/852 defines the criteria for determining an environmentally sustainable economic activity. An activity is considered environmentally sustainable if it:

- Significantly contributes to at least one environmental objective outlined in Article 9 of the Regulation,
- Does not significantly harm the achievement of other environmental objectives,
- Is conducted in accordance with minimum safeguards specified in Article 18, and
- Complies with the technical screening criteria established by the Commission in delegated acts for each eligible activity.

Companies required to publish annual non-financial reports under Articles 19a or 29a of Directive 2013/34/EU must disclose reports categorizing their activities according to the EU Taxonomy and key performance indicators (KPIs) related to turnover, capital expenditures (CapEx), and operational expenditures (OpEx).

ELIGIBILITY OF ECONOMIC ACTIVITIES

An economic activity is considered taxonomy-eligible if it is listed in the delegated acts of the Taxonomy Regulation and has defined technical screening criteria.

A sustainability reporting working group has assessed the eligibility of the Company's economic activities under Delegated Regulation 2023/2486 concerning climate change mitigation and adaptation. Applying the materiality threshold, the working group has identified the activity "Hotels, resorts, campsites, and similar accommodation" as taxonomy-eligible. The primary environmental objective that Company significantly contributes to is the protection and restoration of biodiversity and ecosystems.

COMPLIANCE OF ELIGIBLE ECONOMIC ACTIVITIES

If an activity is taxonomy-eligible, an analysis of compliance with technical screening criteria established in delegated acts must be conducted.

ACCOMMODATION ACTIVITIES

A compliance analysis for Company's accommodation activities was conducted by the sustainability reporting working group, with support from external experts. For accommodation activities to be classified as environmentally sustainable, they must meet the technical screening criteria (TSC) for biodiversity conservation while ensuring no significant harm (DNSH) to other environmental objectives.

Company's activities are considered taxonomy-eligible but not aligned with the environmental objective.

EU Taxonomy Regulation (EU) 2020/852 establishes a unified framework for identifying environmentally sustainable economic activities and requires companies to assess and transparently report on their alignment with environmental objectives.

KEY PERFORMANCE INDICATORS AND ACCOUNTING POLICIES

Key performance indicators (KPIs) for the identified economic activities have been calculated and disclosed in accordance with Delegated Regulation (EU) 2021/2178. The Taxonomy Regulation mandates the disclosure of three key performance indicators based on the proportion of taxonomy-eligible and aligned activities within the total activities of the Company:

- Turnover,
- Operational expenditures (OpEx), and
- Capital expenditures (CapEx).

KPI calculations for the identified economic activities have been published in compliance with Delegated Regulation (EU) 2021/2178.

Tables detailing taxonomy-related KPIs (CapEx, OpEx, and turnover) are provided in Appendix 1.

Climate Change

TRANSITION PLAN

Climate change, which is increasingly leaving its mark on the world, represents one of humanity's greatest challenges. It has been scientifically established that the leading causes of climate change are the increased concentration of greenhouse gases in the atmosphere, primarily due to emissions from the burning of fossil fuels, intensive agriculture, and deforestation of tropical forests. The hospitality industry, as an energy-intensive sector, can and must develop plans for business decarbonization. This is essential not only for mitigating climate change and halting the rise in average global temperatures, but also for ensuring long-term financial sustainability.

The Paris Agreement is a global plan to combat climate change. The Republic of Croatia has been a signatory to the Paris Agreement since 2017, committing to implementing greenhouse gas reduction measures in line with the European Union's (EU) strategy. The document A Roadmap for Moving to a Competitive Low-Carbon Economy in 2050 sets a target of reducing greenhouse gas emissions by 80–95% by 2050.

In 2025, Company's operations generated a total of 6,334.4 tonnes of CO2 from direct and indirect emissions. Slightly more than 55% of CO2 emissions are attributable to the combustion of extra-light heating oil used for heating. Direct and indirect CO2 emissions are primarily related to:

- direct CO2 emissions related to the use of fossil fuels
- indirect CO2 emissions related to the use of electricity

In the reporting period, Company has not adopted a transition plan for climate transition. Reasons include the limited availability of complete and reliable data for Scope 3 emissions, as well as the need to consider Company's long-term investment framework as a whole, while respecting the technical and conservation constraints of the portfolio.

To keep global temperature rise below 1.5°C, as outlined in the Paris Agreement, a carbon-neutral economy must be achieved by 2050. Company intends to contribute to this goal through its business operations.

PHYSICAL AND TRANSITION CLIMATE RISKS

During materiality assessment workshops, both physical and transition risks to Company's business were identified. Physical risks include climate-related hazards, and an assessment of the exposure of assets and business activities to these hazards is describedassessed in the following sections.

Company has identified vulnerabilities to several climate-related factors, including wildfires, sea floods, and extreme air temperatures. The risk assessment is focused on these factors. These risks have been priori-tized based on documented increases in average maximum air temperatures inunder observed climate conditions and the growing frequency of extreme sea levels due todriven by severe weather events. Such changes can lead to increased energy demands for cooling during summer months, more challenging working conditions, potential declines in guest numbers, and property damage to Company assets.

In Company's area of operation, weather conditions conducive to wildfires (acute risk) are significant, poten-tially leading to loss of human life and property damage in any given year. Climate projections indicate a likely increase in thewildfire frequency and intensity of wildfires due to rising temperatures and incon-sis-tentvariable precipitation patterns. The impact on Company's business would include property damage and reduced financial profitability. Risk mitigation measures include fire protection training, fire drills, and the appointment of an authorized fire safety officer.

MEDVEJA

Given the coastal location of Company-managed properties, there is a risk of flooding (acute risk) due to the expected rise in sea levels and the increased occurrence of extreme weather events, which heighten the risk of flash floods and wave surges. Such disasters could result in property damage and reduced financial profitability. Company's approach to managing this risk includes appointing an on-call person responsible for monitor-ingto monitor warnings and implementingimplement response procedures when extreme con-ditions are expected.

Extreme air temperatures (chronic risk) are anticipated over the long term, which may lead to more chal-lenging working conditions and reduced worker efficiency, ultimately impacting the financial profitabil-ity of economic activities. For cooling purposes, air conditioning systems have been installed in accom-modation facilities to regulate temperature.

Transition risks refer to transitional events related to climate change, and an assessment ofthe following sections describe the exposure of assets and business activities to these risks is described in the following sections.

As consumer awareness of climate change increases, guest pref-erences are shifting, which presents a sig-nificant market risk for Company in the transition to a low-carbon economy. There is a growing need to im-plement sustainable practices and improve business efficiency to meet the demand for environmentally friendly accommodations. This represents both a risk and an opportunity for Company's services. Additional-ly, there is a market risk related toin the energy and raw materials market-markets, as rising prices lead to an increasedincrease the share of these costs in business operations. The continuousongoing rise in pric-es and challenges with energy supply challenges could impactaffect Company's financial indicators.

Another risk affecting Company is technological, due to limi-tations in investmentslimited investment in new technologies. Given the nature of accommodation facilities, the potential for modernizing infrastruc-ture and increasing energy efficiency is restricted, which could negatively impact Company's activities in the long term.

Scenario analysis has not yet been carried out as part of the procedures for identifying and assessing physical and tran-sition climate risks. In the previous reporting period, it was anticipated that vulnerabil-ity and exposure to climate change would be assessed in the coming period; however, these activi-ties were not undertaken during the reporting period due to the need for further development of the meth-odological framework, including the availability of comparable and reliable input data.

ADAPTATION TO CLIMATE CHANGE AND MITIGATION

The process for determining significant impacts, risks, and opportunities is described in Chapter 1.4. Materiality Assess-ment. Company operations were reviewed using information on climate change adaptation and mitigation.

In Company's operations, significant greenhouse gas emissions result from energy use for heating, cooling, fleet operations, and the refilling of refrigeration units, contributing to increased fuel consumption and adverse impacts on climate change. Company recognizes the need to reduce emissions and improve business sustainability, and plans to implement measures within its capabilities. Within Scope 3 emissions, key categories include purchased goods, capital goods, transportation, waste, employee travel, and leased assets, where emissions arise from the procure-ment of equipment, vehicles, and consumables. Company hotels are exposed to risks such as fires, strong winds, storms, extreme rainfall, and heatwaves, which can shorten the tourist season, reduce guest numbers, and cause financial losses and material damage.

RESILIENCE ANALYSIS

As part of the double materiality assessment, the Sustainability Reporting Working Group internally assessed the resilience of the business model and strategy to the identified risks. With regard to the implemented risk management measures, adap-tation and resilience plans are continuously being worked on so that Company can adequately respond to challenges.

MEASURES

Company is committed to environmental protection, engaging certified companies to measure air pollutant emissions and holding the ISO 50001:2018 energy management certificate, which undergoes an annual audit. The measures are:

- Improving air conditioning and heating systems strength-ens resilience to climate change impacts. System automation ensures that air conditioning units automatically turn off when a guest leaves the room using a key card.
- Improvements to systems within the framework of existing technical and financial capacities are being considered.
- Continuous education for staff and guests is implemented. Informational leaflets in rooms provide guidelines on the responsible use of air conditioning, lighting, and windows. Employees are trained on the importance of closing heated or cooled spaces, turning off unnecessary energy sources, etc.
- Additional measures include installing high-quality external insulation, heat pumps, and other advanced technologies, and using energy-efficient devices where possible. Company collaborates with public transport providers to encourage employees to commute using public transportation, reducing private car use.
- Weather-related risk mitigation includes strict monitoring of weather forecasts and wind alerts. Protective measures are taken for onshore buildings and maritime vessels, including nighttime monitoring to ensure timely actions such as secur-ing protective covers. For flood risks, warnings are emailed to maintenance managers and hotel directors. In marinas, protective measures like securing boats are implemented to minimize damage.
- Fire safety practices include appointing a company-level authorized fire protection officer, conducting annual evacua-tion drills for guest safety, and ensuring sufficient emergency exits for efficient, safe evacuation.

ENERGY AND CARBON FOOTPRINT

The process for determining significant impacts, risks, and opportunities is described in Chapter 1.4. Materiality Assess-ment. Company operations were reviewed using information on the energy mix and carbon footprint.

Company's energy needs arise from fuel consumption and the use of electricity and heat for heating, cooling, lighting, and equipment operation. Boilers use heating oil, kitchens use liquefied gas, and air conditioning systems use refrigerants, all of which contribute to greenhouse gas emissions and environ-mental impact. At the same time, rising energy costs driven by geopolitical and market changes pose a challenge that can signif-icantly increase operational expenses.

MEASURES

- Increasing energy efficiency through the modernization of accommodation facilities. Optimization includes LED lighting installations, employee training by maintenance managers on energy-saving practices (turning off lights, closing doors, proper heating and cooling, etc.), and installing PVC joinery where permitted, though protected cultural properties require wooden joinery maintenance.
- Transitioning to alternative energy sources in some facilities by replacing heating oil with cooling units. The newly built Hotel Ičići uses heat pumps and air conditioning, eliminating the need for a hot water boiler system. In older facilities, replacements are challenging due to funding and technology availability.
- The installation of solar panels for electricity generation and charging stations for electric vehicles is planned.

TARGETS AND INDICATORS

Energy consumption is a crucial factor in climate impact, and Company has sought ways to reduce energy use within its means in recent years. Effective environmental management requires monitoring and reporting on energy consumption from all sources. The table below outlines Company's energy consumption by source in 2025.

In 2025, Company's total energy consumption was 29,231.00 MWh, which was 4.41% more than in 2024, and all of it came from non-renewable sources. The main energy source in business is electricity, accounting for around 46% of total energy consumption.

HOTEL IČIĆI

Table: Energy Mix and Consumption

ENERGY MIX AND CONSUMPTION	2024	2025	%2025/2024
Fossil fuel energy consumption (MWh)	27,996.69	29,231.00	4.41
Share of fossil fuel energy in total consumption (%)	100	100	0
Nuclear energy consumption (MWh)	0	0	0
Share of nuclear energy in total consumption (%)	0	0	0
Renewable fuel consumption, including biomass (MWh)	0	0	0
Purchased renewable electricity, heating, cooling (MWh)	0	0	0
Renewable energy from self-production (excluding fuel) (MWh)	0	0	0
Total renewable energy consumption (MWh)	0	0	0
Share of renewable energy in total consumption (%)	0	0	0
Total energy consumption (MWh)	27,996.69	29,231.00	4.41

While Group's hospitality and food service sector is not considered high climate impact sector, the use of energy and the resulting emissions are still material for the company's environmental impact.

CARBON FOOTPRINT

In 2025, the greenhouse gas (GHG) emission intensity for Company amounted to 0.0001031 tonnes of CO2e per EUR 1 of net revenue, including a portion of Scope 3 emissions. Emissions from Scopes 1 and 2 amounted to 0.00009559 tonnes of CO2e per EUR 1 of net revenue. Consolidated net revenue from all activities was used to calculate GHG emission intensity.

The largest share of emissions comes from burning extra light heating oil for heating. In this reporting period, the focus was on calculating Scope 1 and 2 emissions, while the calculation of Scope 3 emissions were calculated starting with category 7, employee commuting. The GHG Protocol Corporate Standard methodology was used, applying the latest Global Warming Potential (GWP) values published by the IPCC. The calculations have not been verified by a third party.

GHG Emissions Table (2024)

GHG EMISSIONS	2024 (TCO2E)	2025 (TCO2E)	%2025/2024
Scope 1 Gross GHG Emissions	3,937.8	4,087.0	3.8
Scope 1 Emissions in Regulated Trading Programs (%)	0.0	0.0	0.0
Scope 2 Gross GHG Emissions (Location-Based)	1,789.7	1,783.2	-0.4
Scope 2 Gross GHG Emissions (Market-Based)	7,402.9	7,685.2	3.8
Scope 3 Gross GHG Emissions (category 7)	N/A	464.2	N/A
Total GHG Emissions (Location-Based)	5,727.6	6,334.4	10.6
Total GHG Emissions (Market-Based)	11,340.7	12,236.4	7.9

For the calculation of greenhouse gas emissions, a methodology based on the GHG Protocol Corporate Standard Guidelines was used. When calculating emissions in scope 1, data on fuel consumption and emission factors from the Ministry of Environmental Protection and Green Transition's national emission factors database were used. For scope 2 based on location, the official HEP greenhouse gas emission factor for the energy mix, published on the HEP website, which was available at the time of the calculation, was used., and the market-based emission factor is the AIB (Association of Issuing Bodies) data for "European Residual Mixes" published in 2025.

During this reporting period, there were no biogenic CO2 emissions within Scope 1, nor were any renewable energy certificates or guarantees of origin purchased. All purchased electricity came from a mixed energy portfolio.

Company did not use carbon credits or participate in carbon removal and storage projects within or beyond its value chain.

Company will define target values for reducing greenhouse gas emissions and energy consumption in future periods through the development of a transition plan. As part of this process, key sources of greenhouse gas emissions will be identified, and measures to increase energy efficiency, expand the use of renewable energy sources, and reduce emissions will be defined. The aim is for the future transition plan to align with the global goal of limiting the temperature increase to 1.5 °C, in accordance with the Paris Agreement and relevant decarbonization strategies. Progress in developing and implementing the transition plan will be published in future sustainability reports.

Through systematic monitoring of greenhouse gas emissions, transparent reporting, and the gradual implementation of measures to reduce environmental impacts, the Company demonstrates its responsibility towards the environment, employees, and the community, as well as its commitment to sustainable business practices.

The effectiveness of measures to reduce energy consumption and emissions will be tracked in future periods. Given conservation restrictions and limited modernization options, Company does not aim for ambitious reductions. However, progress resulting from implemented measures will be measured starting from this reporting period.

ANTICIPATED FINANCIAL EFFECTS FROM MATERIAL PHYSICAL AND TRANSITION RISKS AND POTENTIAL CLIMATE-RELATED OPPORTUNITIES

Company is exposed to significant physical and transitional climate risks that may affect the financial position, business results, and cash flows in the short, medium, and long term. Significant physical risks include fires, extreme temperatures, and flooding from the sea, given the concentration of assets in the Kvarner coastal area. In the short term, the aforementioned risks may cause temporary damage to facilities and infrastructure, increased maintenance, energy, and insurance costs, as well as temporary closure of facilities or cancellation of reservations, which may result in a drop in income and an increase in operating expenses. In the medium term, there may be an increased need for investments in fire protection, building adaptation, and flood protection measures, as well as accelerated depreciation of technical systems due to extreme temperatures, which may increase capital and operational expenditures and the variability of cash flows. In the long term, sea level rise may affect the economic value of some coastal assets and require significant adjustments to the business model and asset management, potentially putting profitability at risk and increasing the need for long-term financing.

Transition risks include changes in guest preferences, long-term increases in energy and raw material prices, and limited investment opportunities in modernization and energy efficiency. In the short term, these risks may manifest as lower capacity utilization and increased operating costs, with little impact on the assets' book value. In the medium term, they may increase the need for additional investments to maintain competitiveness and negatively impact profit margins if input cost increases are not fully passed through to market prices. In the long term, there is a risk of a permanent increase in the cost base and a decrease in competitiveness in the absence of business model adjustments and investments in the energy transition.

Company does not currently systematically quantify the expected financial impacts of the above climate risks. Significant assets and related revenues generated in coastal facilities are considered qualitatively to be potentially exposed to physical climate risks.

HOTEL KVARNER

Water Management

WATER AND MARINE RESOURCES

The process for determining significant impacts, risks, and opportunities is described in Chapter 1.4, Materiality Assessment. Company operations were reviewed using information on water and marine resources, particularly water-use data. The identification of actual and potential impacts, risks, and opportunities at higher and lower levels of the value chain was not conducted, nor were consultations held, due to the limited impact of water consumption and marine resource use.

Within Company, significant amounts of water are consumed, primarily in kitchens, bathrooms, cleaning activities, and pool maintenance, with usage increasing during peak season. Although the water supply comes from an unrestricted municipal network that is not located in a water-risk area, Company consciously manages consumption and continuously improves practices to conserve water resources. Marina services, including anchoring and use of marine resources, can impact seawater quality–for example, by increasing turbidity, which reduces its recreational, tourism, and ecological value. For this reason, Company invests efforts in the regular and thorough maintenance of the marina and marine resources.

MEASURES

Company is not connected to areas exposed to a high risk of water shortages. All facilities are linked to the local municipal water supply system, which ensures and maintains adequate water flow and pressure. Although the local network has sufficient capacity and does not experience water shortages during dry periods, Company monitors its water consumption (as reflected in water bills) and strives to minimize it. To reduce water use in its activities, Company implements various measures that contribute to conservation:

- To improve water efficiency, some facilities have installed aerators that introduce air into the water stream, reducing consumption.
- It is planned to gradually introduce monitoring devices to rationalize consumption.
- Pools in certain facilities are filled with available seawater. The water undergoes filtration and regular quality testing to ensure guest safety, and no additional quantities are drawn from the municipal network, contributing to sustainability.
- Besides technological solutions, Company continuously raises awareness and educates both employees and guests on responsible water use, encouraging conservation. Guests are informed via leaflets and encouraged to reduce towel-washing frequency, thereby contributing to conservation efforts. Employees receive training on sustainable practices, aligning with municipal services, technological solutions, and daily actions that can enhance efficiency.
- Company follows proper procedures for pollution management in marina operations. Bilge water and oily waste are collected separately and disposed of safely.

TARGET VALUES AND INDICATORS

METRIC	2024	2025	% 2025 /2024
Water withdrawal (m^3)	178,696.00	191,099.00	6.94
Water discharge (m^3)	175,122.08	187,277.02	6.94
Total recycled and recovered water (m^3)	0.00	0.00	0.00
Total stored water (m^3)	0.00	0.00	0.00
Changes in storage (m^3)	0.00	0.00	0.00
Water consumption (m^3)	3,573.92	3,821.98	6.94
Total water consumption in high-risk water areas, including water-scarce regions (m^3)	0.00	0.00	0.00
Water consumption intensity (total water consumption in m^3 per million EUR in net revenue)	59.03	62.23	5.43

Water consumption was calculated as the difference between the withdrawn and discharged volumes. 2% of the total withdrawn water, used for other purposes and not discharged, was deducted from the total. The indicators were obtained through direct measurement, but external assurance providers have not verified the measurements.

At the time of reporting, Company does not have a formally adopted environmental policy; therefore, no quantified targets for reducing water consumption or marine resource use have been defined. Company plans to establish a formal management framework for this area, including the definition of measurable goals and associated performance indicators, within the context of developing a broader sustainable development strategy.

Until formal objectives are established, Company monitors relevant operational indicators related to water resource management, including the volume of water withdrawn, water consumption, and the volume of water discharged. These indicators are used to monitor the effectiveness of measures implemented with the aim of promoting rational water use and reducing unnecessary consumption.

Given the nature of its business activities and operational dependence on the availability of water and marine resources, the scope for significantly reducing total consumption is limited, and Company's primary focus remains on increasing resource use efficiency and optimizing operational processes. Progress in implementing measures is monitored on an ongoing basis, and results are analyzed annually from the current reporting period onward.

ANTICIPATED FINANCIAL EFFECTS FROM WATER AND MARINE RESOURCES-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Given that Company has not identified significant risks and opportunities related to water and marine resources, no related financial consequences are expected.

Biodiversity and Ecosystem

Biodiversity supports the goods and services people depend on, such as food, air, and water, and is also a key factor in the competitiveness of the tourism sector. Habitat destruction and pollution can lead to biodiversity loss and reduced ecosystem resilience, which threatens human health and food security. The tourism sector is committed to halting and reversing biodiversity loss by promoting environmental conservation and restoration. It aims to improve human health, quality of life, and the economy by leveraging tourism's unique potential as a driver of positive change, particularly through the revenue it generates for conservation efforts in many destinations.

Company accommodation facilities indirectly impact biodiversity through greenhouse gas emissions and the use of marine resources. These effects are described in the chapters "Energy and Carbon Footprint" and "Water and Marine Resources."

The locations where Company operates do not fall within biodiversity-sensitive areas (according to the Natura2000 map available at: https://natura2000.eea.europa.eu/), meaning no endangered species habitats have been identified, nor have protected species or significant negative effects on land degradation, desertification, or land coverage been observed. No activities have been identified that negatively affect areas under Company's operational control, leading to the conclusion that it is not necessary to implement measures prescribed in:

- Directive 2009/147/EC of the European Parliament and Council on the conservation of wild birds,
- Council Directive 92/43/EEC on the conservation of natural habitats and wild fauna and flora,
- Environmental impact assessments as defined in Article 1, Paragraph 2, Point (g) of Directive 2011/92/EU of the European Parliament and Council on the assessment of the effects of certain public and private projects on the environment.

EFFECTS ON ECOSYSTEM SCOPE AND CONDITION

Company operates in urban areas, using existing accommodation facilities that do not require repurposing coastal or other areas, thereby minimizing negative impacts on biodiversity and making this issue immaterial to its business. However, Company recognizes the impact of hotels, camps, and marinas on biodiversity and takes measures to minimize environmental impact.

Accordingly, Company accepts responsibility for protecting biodiversity, intends to manage its effects responsibly, and implements measures that promote biodiversity conservation and environmental accountability.

The process for determining significant impacts, risks, and opportunities is described in Chapter 1.4. Materiality Assessment. Activities related to biodiversity and ecosystems within Company's operations were reviewed, and based on information about protected areas and Company activities, no negative impacts or associated risks were identified. The assessment of actual and potential effects, risks, and opportunities at higher and lower levels of the value chain was not conducted, nor was stakeholder consultation, due to the limited impact on biodiversity and ecosystems. There were no identified dependencies on biodiversity and ecosystems at Company locations, and the assessment did not include ecosystem supply services that could potentially be disrupted. Since no double materiality impacts were identified, transition and physical risks and opportunities related to biodiversity, systemic risks, and consultations with affected communities were not assessed.

Some Company accommodation facilities are surrounded by natural environments that require regular maintenance. Using native plant species reduces the need for additional resources, supports the conservation of the local ecosystem, and protects park areas, often designated as monuments of landscape architecture. Native plants, adapted to local conditions, lower maintenance costs and further encourage the survival of local species.

MEASURES

- Company ensures thatminimizes the impact of construction activities is minimized by building exclu-sively in concession areas with concessions and using indigenous and natural materials, such as wood and stone. Strict regulations set by the construction office and conservationists aim to protect maritime property at the national level. Special attention is paid to preserving the natu-ral and cultural characteristics of locations to ensure construction aligns with the environment, historical heritage, and protected cultural sites.
- In cases of tree drying or falling, measures are taken to rehabilitate the trees, followed by plant-ing saplings of the same species. When larger areas need rehabilitation, Company collaborates with parks and designated conservationists to ensure restoration meets conservation and preserva-tion requirements. Local authorities are involved in the process, integrating local knowledge and nature-based solutions for biodiversity and ecosystem conservation.
- Since hotels lead to an increased number ofattract more people interactingto interact with the surrounding environment, Company encourages guests to be responsible and minimize harm to eco-systems, such as by promoting the use of sunscreens with a lower environmental impact.

TARGET VALUES AND INDICATORS

Company does not have any business locations in areas of high biodiversity value or protected areas. Based on the assessment, no significant negative impact of business activities on the condition of natural habitats, species habitats, or species disturbance has been identified. In view of the above, Company is not currently implementing specific measures to protect biodiversity, but is monitoring relevant regulatory requirements and potential changes to its business activities that could affect biodiversity.

The information was determined based on a review of secondary data from national protected areas databases, displayed as geospatial data layers overlaid with the geographic locations of Company business locations.

Circular Economy

Service industries generate waste as a byproduct of routine activities, including hospitality, maintenance, and administration. Waste not only poses a logistical challenge but also leaves an environmental footprint, making waste management crucial for sustainable business operations.

Company acknowledges its responsibility for the waste it generates. It monitors specific waste types and quantities collected and disposed of by authorized companies under contract with Company. Additionally, it tracks the amounts of waste separated annually, allowing insight into direct waste production impacts and related needs. Company is aware of its responsibility and works to mitigate negative effects.

WASTE

The process for determining significant impacts, risks, and opportunities is described in Chapter 1.5, Materiality Assessment, where waste was identified as the only significant factor in the circular economy. Business activities were reviewed using information on waste quantities. The assessment of actual and potential effects, risks, and opportunities at upstream and downstream levels of the value chain was not conducted, nor was stakeholder consultation, due to the limited impact of waste generation.

Hotel operations generate significant waste, including food scraps, wastewater, plastic, paper, old furniture, electronic equipment, and packaging, as well as hazardous waste such as motor and cooking oils, light bulbs, batteries, and boiler residues. Waste volumes fluctuate annually, with a notable increase during the tourist season.

Company responsibly manages waste through temporary storage, sorting, recovery, and disposal by authorized companies, contributing to sustainable business practices.

MEASURES

Company faces limitations in reducing waste generation due to the need to maintain business quality and costs, making it challenging to balance sustainability. However, while choosing environmentally friendly products is not a primary activity, Company accepts them if they meet quality standards. This approach helps reduce the ecological footprint and strengthen its reputation. Company does not compromise on quality and safety while striving for sustainable operations.

- As part of its operations, Company is systematically replacing single-use plastic items at pools and beaches with more environmentally friendly alternatives, such as paper food and beverage packaging, wooden utensils, and returnable glass bottles for water in its facilities. Plastic laundry bags are being replaced with jute bags, and hotels are equipped with refillable dispensers for toiletries.
- The company plans to introduce software waste tracking with the aim of further rationalization.
- Various campaigns and activities will be initiated to raise awareness among employees and guests about the need to reduce food waste.

TARGET VALUES AND INDICATORS

Regular business activities such as meal preparation, room cleaning, laundry, pool and garden maintenance, and office operations generate both hazardous and non-hazardous waste.

Waste management is based on classifying waste into two categories: hazardous and non-hazardous waste.

Table: Waste Quantities by Waste Type

			%
WASTE (t)	**2024**	**2025**	**2025/2024**
Total amount of waste generated	**2,392.81**	**2,468.37**	**+3,17**
Non-hazardous waste (total)	**2,283.49**	**2,467.03**	**+3.55**
Paper, cardboard	168.83	204.72	+21.26
Plastic	8.61	8.14	-5.46
Mixed municipal waste	1,191.00	1,201.30	+0.87
Biowaste	676.45	733.28	+8.40
Glass	1.66	3.82	+130.12
Toners	0.22	0.00	-100.00
Bulky waste	93.03	57.79	-37.88
Mixture from separators	184.00	232.00	+26.09
Waste edible oils	10.18	9.77	-4.03
Other non-hazardous waste	48.52	16.21	-66.59
Hazardous waste (total)	**10.32**	**1.34**	**-87.02**
Electrical and electronic waste (1, 2, 4)	7.02	0.85	-87.89
Waste from liquid fuels, lubricating oils and gears	2.37	0.49	-79.32
Other hazardous waste	0.93	0.00	-100.00

Comprehensive waste tracking data is collected from contracted waste disposal partners, ensuring responsible waste management. Cooperation with selected partners ensures the responsible disposal of all types of waste. Data on waste volumes for affiliated companies will be recorded from the upcoming period.

Table: Waste Quantities by Disposal Method

WASTE	2024	2025
Waste sent for recycling (t)	197.58	228.04
Waste sent for energy recovery (t)	870.63	975.05
Waste sent to landfill (t)	1,324.61	1,265.28
Share of non-recycled waste (%)	**92%**	**91%**

OPATIJA

Data on the types and quantities of waste generated, as well as waste management methods, were collected from records on waste flows and waste management, and the calculations for this report were prepared by the responsible person for environmental data.

The waste sent for recycling was determined by summing the amounts of paper, cardboard, plastic, glass, electronic and electrical waste, liquid fuel waste. Bio-waste was sent for energy recovery, while the remaining waste was sent for disposal.

Company does not have a formally adopted environmental protection policy at the time of reporting, therefore, quantified targets for reducing waste generation or increasing the rate of its recovery have not been defined.

Waste management is based on compliance with applicable regulations and the Company's existing operational practices.

Until formal objectives are established, Company monitors annual indicators based on waste records and internal environmental management systems, with regular reporting as part of the sustainability report.

Company applies operational practices for waste classification and delivery of waste to authorized recoverers in accordance with applicable regulations

When it comes to hazardous waste, Company will continue to apply measures to optimize the use of materials where possible, with the aim of maintaining a stable or reduced level of generation of hazardous waste compared to the base year.

ANTICIPATED FINANCIAL EFFECTS FROM RESOURCE USE AND CIRCULAR ECONOMY-RELATED IMPACTS, RISKS AND OPPORTUNITIES

Given that Company has not identified significant risks and opportunities related to resource use and the circular economy, no related financial consequences are expected.

Social Category

Company recognizes social responsibility as a key pillar of sustainable business, focusing on employee well-being, supporting the local community, and providing a safe, high-quality service to guests. As an employer and driver of economic activity in the region, Company invests in creating an inclusive, safe, and stimulating work environment while actively contributing to the development of the local community.

POLICIES

In its business activities, Company consistently applies the provisions of the Labor Act, the Labor Regulations, the Regulations on the Protection of Personal Data, the Collective Agreement for the Hospitality Industry, the Collective Agreement concluded by the Company with the trade union branches operating in the Company, which include the Trade Union of Istria, Kvarner and Dalmatia and the Trade Union of Tourism and Services of Croatia, as well as the employment contract of each individual employee, thereby ensuring dignified working conditions in accordance with applicable laws and internal regulations.

Topics related to Company's own workforce are covered by the Code of Ethics, which was adopted in the reporting period.

The Code regulates conduct in relations with employees, including ensuring a safe, stimulating, and inclusive working environment, as well as relations with business partners, suppliers, and clients, where fair, professional, and responsible treatment is expected.

It promotes and provides protection for employees on the basis of race, color, religion, sex (including protection during pregnancy), sexual orientation, gender identity or expression, national origin, age, disability, genetic information, veteran or military status, or other grounds protected by positive legal regulations in the Republic of Croatia. Special attention is paid to respecting human rights, the dignity of every person, ensuring equal opportunities, and prohibiting all forms of discrimination. Company promotes open communication, transparency in decision-making, and responsible management of business processes. The application of the Code of Ethics is ensured through internal policies, procedures, and organizational measures, as well as through continuous education and employee information.

Company takes appropriate measures in cases of established violations of the Code, in accordance with applicable regulations and internal rules. Whistleblowers are protected from any form of retaliation, and all reports are considered seriously, impartially, and within a reasonable time, while respecting the principle of confidentiality. The Management Board is responsible for implementing the Code.

Company will complement existing policies by adopting social policies appropriate to its scope and activities.

Company ensures the protection of health and safety at work through the application of valid regulations in the field of occupational safety and through internal acts and procedures. The company organizes employee training aimed at preventing injuries and occupational diseases. Safety aspects of work are continuously monitored and improved.

STAKEHOLDER DIALOGUE AND COMPLAINT MECHANISMS

Employees' right to participate in decision-making is defined in the collective agreement, enabling active social dialogue among Company, trade unions, and workers' councils in line with the Labor Law. This dialogue promotes transparency in defining working conditions and strengthens trust between the employer and employees.

According to the Work Regulations, internal mechanisms have been established to report violations of reporting rights, including harassment and discrimination, through confidential channels. Employees have the right to file complaints about any form of inappropriate behavior through clearly defined procedures, which include appointing a confidential person to receive reports and ensuring confidentiality throughout the process. The goal of these procedures is to resolve complaints in a timely manner and protect whistleblowers from potential negative consequences. Remediation includes promptly addressing issues, implementing corrective measures, and regularly informing employees about the outcomes.

Employees can also report complaints related to accommodation or meal conditions through confidential complaint channels.

Data privacy breaches are reported through the complaint management system in accordance with the provisions of the Personal Data Protection Regulations. Reports can be submitted via anonymous hotlines, email, or directly to the responsible person.

Confidential channels are available for employees to express concerns and report potential irregularities, such as anonymous hotlines, email addresses, and personal meetings with relevant personnel and the Human Resources Department. Employees are informed about these channels through internal communications and educational programs.

The received complaints are processed in accordance with internal regulations through a transparent process that includes investigations, discussions with relevant parties, and corrective action implementation.

The effectiveness of these channels is regularly evaluated through employee feedback, including anonymous satisfaction surveys. These surveys allow employees to express their level of trust in the channels and their effectiveness, with the results used to improve satisfaction and strengthen employee trust.

Employee Relations

Company is developing a structured approach to human resources management and plans to define measurable goals and performance indicators in this area in the near future. Until their formalization, Company monitors key employee-related indicators (e.g., workforce structure, turnover, occupational health and safety, and training and development), and progress is monitored annually and published in the sustainability report.

WORKING CONDITIONS

Company continuously ensures dignified working conditions that meet employees' needs and expectations, providing security through a collective agreement, rights to family leave (such as maternity, parental, paternity, and caregiver leave), regulated working hours, appropriate compensation, and a benefits package. While the hotel industry presents challenges such as overtime, extended working hours, and seasonal workload fluctuations, Company actively supports work-life balance, fostering employee motivation and productivity while reducing workforce turnover.

At the same time, Company places great importance on employee health and safety, managing industry-specific risks such as prolonged standing, heavy lifting, and stress during peak seasons through regular assessments, training, and the provision of protective equipment. This proactive approach reduces workplace injuries and sick leave, ensuring employee satisfaction and sustainable business operations.

The protection of employee health and safety is regulated by the Work Regulations and is implemented through regular assessments of working conditions, employee training on safety measures, and the provision of adequate protective equipment to prevent unacceptable practices and ensure a safe working environment.

By providing attractive working conditions, fair compensation, and opportunities for professional development, Company strengthens its reputation as a desirable employer, increases employee loyalty, and reduces turnover costs, ensuring long-term stability and a competitive advantage.

MEASURES

Company implements a series of measures that are monitored and evaluated to ensure dignified working conditions, with a focus on the specificities of the hotel industry and the well-being of employees. The Human Resources Department and the Occupational Health and Fire Protection Department have an internal system for assessing procedures.

Social policies are under development and will define the measures and procedures in more detail. The effectiveness of the above measures is monitored by comparing key performance indicators (KPIs) with set goals, ensuring alignment with employees' needs.

- **Employee satisfaction and motivation** are enhanced through targeted investment in benefits and workplace culture. In accordance with the provisions of the Collective Agreement, the Company paid the maximum tax-free rewards to all employees in 2025, in the form of summer and Christmas bonuses.
- **To help employees balance private and professional obligations**, Company collaborates with local transportation providers to adjust schedules, improving access to workplaces.
- **At the operational level, regular organizational meetings** with hotel directors ensure efficient coordination and timely resolution of challenges, especially during peak seasons.
- **Employee health and safety are integrated into all aspects of operations**. The company conducts regular risk assessments to prevent significant negative impacts on employees and mitigates risks through targeted adjustments to work conditions and additional resources. Before starting work, employees undergo training or work under the supervision of experienced colleagues, depending on job requirements. Regular checks of first-aid kits and emergency evacuation boxes ensure necessary supplies are available. Employees are provided with essential work equipment, including uniforms, and periodic medical examinations are organized for those working under special conditions, such as those who frequently use computer equipment or perform physically demanding tasks.
- **Fire safety training is conducted regularly** to ensure the safety of employees and guests and to increase awareness of emergency procedures. Training includes practical simulations and theoretical instruction, ensuring employees are prepared to provide timely, effective responses in the event of a fire or other emergencies.
- **To attract and retain a qualified workforce**, Company recognizes opportunities through partnerships, participates in job fairs domestically and internationally, collaborates with employment agencies, and introduces training programs. Financial resources and human capital are allocated to managing significant impacts, including benefits, training, and support programs, with HR Department activities being crucial for implementing and evaluating measures. These initiatives not only reduce employee turnover but also enhance Company's reputation as a desirable employer in the hotel industry.

TARGET VALUES AND INDICATORS

Employee data is based on the average number of employees over 12 months of the reporting period. The average number of employees is calculated as the average of the total number of employees at the end of the reporting year (December 31, 2025) and at the end of the reporting period (December 31, 2024). This methodology was chosen to better reflect the seasonal characteristics of Company's workforce.

Table: Workforce Structure by Gender

GENDER	2024	%	2025	%
MALE	359	43.20%	370	43.94%
FEMALE	473	56.80%	472	56.06%
TOTAL EMPLOYEES	832	100%	842	100%

The above figures refer to Company while affiliated companies employed 13 male and 7 female employees in the 2025 reporting period.

Table: Employment Contract Types by Gender

CONTRACT TYPE	GENDER	2024	2025
Permanent Contract	Male	144	167
	Female	233	259
Fixed-Term Contract	Male	215	203
	Female	239	213
Full-Time Employment	Male	351	360
	Female	470	469
Part-Time Employment	Male	8	10
	Female	3	3
Total Employees	Male	359	370
	Female	473	472

Company did not employ agency workers in 2025.

Company strives to ensure stability and job security for all employees, with 50.59% working on an indefinite basis and 98.46% employed full-time. The Collective Agreement ensures equal working conditions for employees, providing additional reward systems in addition to legal obligations, including a gift for a child, an Easter bonus, and a Christmas bonus. In addition, all employees are paid the maximum non-taxable amount for the so-called "performance awards". Inclusion in social dialogue is ensured through the works council and employee representatives. All Company employees have a contracted basic gross salary that is not less than the prescribed legal minimum wage.

During the reporting period, 28 minor workplace injuries were reported at Company (no workplace injuries were recorded at affiliated companies), resulting in a total of 509 lost working days. No fatalities related to workplace injuries or ill health were recorded. During the reporting period, 0.36% of Company employees were persons with disabilities. This data was collected in compliance with applicable legal restrictions on privacy protection.

Table: Workplace Injuries

WORKPLACE INJURIES	2024	2025	%2025/2024
Workplace Injuries	21	28	33.33
Total workplace injuries	21	28	33.33
Injury rate[6]	12.05	16.36	38
Fatalities	0	0	0.00
Off-site injuries (commuting)	4	5	25
Injuries involving external contractors	0	0	0.00
Number of days lost due to injuries, accidents, fatalities or illness	475	509	7.16

All employees are covered by social protection under public programs for loss of income due to major life events, including illness, unemployment from the moment the employee works for the company, work-related injuries and acquired disability, family leave, and retirement.

6 The injury rate is calculated according to an internationally recognized formula that allows for comparability of data. In calculating this, a company divides the total number of injury cases by the total number of hours worked by its own workforce and multiplies the result by 1,000,000.

EQUAL TREATMENT AND OPPORTUNITIES FOR ALL

Company promotes equal opportunities and equality through the principles of equal opportunities, fair treatment, and the policy of equal pay for work of equal value. Workforce diversity enriches the organization, while the Work Regulations and internal procedures protect employees' dignity and prevent discrimination. This approach contributes to an inclusive work environment, strengthening employee motivation and organizational stability.

Gender equality is promoted by ensuring a fair and safe work environment, transparent internal procedures, and mechanisms for reporting irregularities, thereby reinforcing trust and ethical principles within the company.

By investing in employee education, Company ensures a competent and motivated workforce. Training programs focused on service quality, stress management, and organizational skill development support business goals and employees' professional growth, strengthening the company's competitiveness and reputation.

MEASURES

Company implements measures aimed at promoting equal opportunities and equality among employees, ensuring a fair work environment that allows each individual to reach their full potential.

- To achieve equal opportunities and fair **job** evaluation, Company conducts job evaluations. Using job complexity coefficients ensures an objective assessment of work, while all employees are encouraged to advance based on performance. As an additional incentive, employees can earn bonuses for their achievements, thereby motivating and fairly rewarding their contributions.
- **Company prevents discrimination and inequality** through internal procedures, guideline adjustments, and monitoring employee feedback. Employee development opportunities are supported by clear promotion criteria and improved work processes, while regular assessments help mitigate negative impacts.
- **Professional training tailored to specific job roles**, such as housekeeping and kitchen staff, is regularly organized to enhance service quality and operational efficiency. Most training focuses on service quality improvement and includes topics such as stress management, organizational skills, and communication enhancement. The effectiveness of these measures is monitored against set goals to ensure alignment with long-term strategic priorities. Training results are regularly analyzed to evaluate their effectiveness and adjust future plans accordingly.
- **Training planning** is conducted in collaboration with all Company departments, with each department proposing relevant topics based on specific needs. Resources include allocated financial funds for training on equality and skills development, as well as the Human Resources Department's active role in implementing internal guidelines and evaluating the effectiveness of measures. These proposals are integrated into the annual training plan to ensure targeted investment in employee professional development and alignment with Company's long-term business goals. As part of employee and skill development planning, training sessions are planned for employees from different departments in the upcoming period.

TARGET VALUES AND INDICATORS

Employee training data is collected based on the average number of employees during the reporting period unless otherwise specified. The data is based on the total number of training hours attended by employees during the 2025 reporting period. The data is presented by employee category, including operational staff, administrative staff, management, technical maintenance, and seasonal workers, as well as by gender, providing a detailed overview of participation in training across different workforce segments.

Training data is calculated according to internationally recognized methodologies, ensuring consistency and comparability of the presented data.

Training programs included:

- Workplace Safety (ZNR)
- Fire Protection (ZOP)
- Leadership Skills Development
- Programs for Improving Operational Efficiency
- Personal Data Protection

During the 2025 reporting period, the gender structure of Company senior management was analyzed. Level B-1 is represented by accommodation facility directors, sector directors, and team leaders.

Table: Gender Diversity in Senior Management

	GENDER	2024	%	2025	%
Management Board	Male	2	100%	2	100%
	Female	0	0%	0	0%
B-1	Male	60	48%	60	47%
	Female	65	52%	69	53%

Table: Workforce Age Diversity

AGE GROUP	2024	%	2025	%
Up to 30 years	186	22.36%	191	22.68%
30 - 50 years	355	42.67%	354	42.04%
Over 50 years	290	34.97%	297	35.27%

Table: Family leave indicator

GENDER	2024.	2025.
Male	1.7%	1.9%
Female	4.9%	3.6%

Table: Number of Discrimination Incidents

	2024	2025
Number of Discrimination Incidents	0	0
Number of Complaints Collected via Concern-Reporting Channels	1	4
Number of Complaints Submitted to National Contact Points for OECD Multinational Enterprises	0	0
Amount of Fines, Sanctions, and Compensation for Violations Related to Social and Human Rights	0	0
Number of Serious Human Rights Violations	0	0
Number of Serious Human Rights Violations Related to the Company's Workforce That Represent Violations of UN Global Compact Principles and OECD Guidelines for Multinational Enterprises	0	0
Amount of Fines, Sanctions, and Compensation for Serious Human Rights Violations and Incidents Related to the Company's Workforce	0	0

Company enforces a zero-tolerance policy for discrimination and human rights violations. These data, along with information on potential penalties, sanctions, and compensations, serve as the basis for improving policies and measures that ensure a fair and safe work environment.

Company attaches importanceis committed to ensuring equal treatment and protecting the human rights of its employees. Employees canmay contact the Legal Affairs department via the e-maildesignated email address for, which they areis responsible, both for responding to and for implementing all necessary measures in the event of discrimination. As part of its procedures, Company monitors and records all inci-dents related to discrimination, complaints filed through internal channels, and serious cases of human rights violations. During the reporting period, no cases of discrimination were recorded, and; however, four complaints were received through internal channels for reporting irregularitieschannels.

During the reporting period, there were no recorded cases of discrimination, severe human rights violations, or complaints filed through internal reporting channels.

OTHER RIGHTS ARISING FROM EMPLOYMENT

Company provides accommodation near the workplace and hotel meals for employees from other regions and countries. This reduces living costs, facilitates commuting logistics, and enhances the company's care for employees' needs. This approach increases satisfaction and motivation and attracts the necessary workforce.

Employee privacy protection is ensured through the implementation of GDPR protocols and data management training, reducing the risk of misuse, enhancing data security, and strengthening employee and stakeholder trust in business operations.

MEASURES:

- Company provides accommodation for employees from other regions and countries in its own or rented facilities near the workplace, reducing costs and logistical challenges while increasing employee satisfaction and motivation.
- All employees are provided with at least one daily meal at Company facilities.
- Employee privacy is protected through the implementation of the IT Rulebook, GDPR compliance via security protocols, secure data storage systems, and complaint mechanisms. The need for additional measures is determined through employee feedback, risk analysis, and evaluation of available resources.
- In accordance with the new law, employees from third countries will be provided with Croatian language learning and familiarization with Croatian culture.

In the coming periodsperiod, the goal is to maintain a zero rate of reported personal data breaches while actively working to increaseincreasing the percentage of employees who complete personal data protec-tion training.

In 2025, no incidents of personal data breaches were recorded. Two employees completed personal data protection training. In the upcoming periodscoming period, the goal is to maintain a zero-incident rate forof personal data breaches, while actively working to increaseincreasing the percentage of employees who have completed data protection training.

Affected Communities

ECONOMIC, SOCIAL, AND CULTURAL RIGHTS OF THE COMMUNITY

Company contributes to community development and the local economy by providing employment to residents, reducing unemployment, and stimulating economic activity. Its operations increase tourism revenues, indirectly supporting the development of infrastructure, public utilities, and social services, ultimately improving the quality of life in the community.

Most Company properties are located within the city of Opatija's culturally protected area. Activities focused on preserving, restoring, and maintaining cultural heritage strengthen community identity and enhance the destination's attractiveness. Preserving historical values and developing local infrastructure ensure sustainability, improve the quality of life, and support economic and tourism growth in the region.

POLICIES

Company promotes the sustainable development of the local community through its business operations, generating long-term benefits, preserving cultural heritage, ensuring equal opportunities, and conserving resources for future generations.

STAKEHOLDER DIALOGUE

Company recognizes the key role of local communities in the sustainable development of destinations and maintains regular cooperation with their representatives, including local authorities, non-governmental organizations, and other relevant stakeholders. The Company's Management Board is responsible for communication at the highest level, while management as a whole is expected to cultivate strong relationships with all stakeholders.

The local community has two representatives on the Supervisory Board, who have direct contact with the Company's Management Board, where all social issues can be raised and resolved.

All interested parties can submit their comments, suggestions and questions to the Company's address in Opatija, Maršala Tita 198 or to the e-mail address uprava@liburnia.hr. The Management Board ensures timely monitoring and resolution of all correspondence, with timely reporting and action to resolve any issues received through these and other forms of communication.

MEASURES

Company actively contributes to cultural heritage preservation and local community development by investing in the restoration and maintenance of historical buildings. Supported projects in the community are coordinated by the Marketing Department, which has internal procedures for assessing their effectiveness, evaluating them, and assessing their impact on public relations.

- A key example of such investment is the restoration of the façade of Hotel Kvarner, the first hotel on the eastern Adriatic coast, built in 1884. As a strictly protected cultural asset within Opatija's urban area, its maintenance highlights Company's commitment to preserving historical values. To ensure the effectiveness of these measures, Company monitors results through community feedback and impact assessments on cultural heritage preservation.
- Company also offers internship programs for students, providing hands-on experience in the hospitality industry. These programs help young people prepare for professional challenges, with some securing employment at Company upon completing their internships.
- Additionally, Company actively participates in social and economic initiatives through donations and sponsorships. For example, Company has supported sports and recreational activities, provided financial aid for student scholarships through humanitarian organizations, and contributed to preserving cultural traditions by supporting local associations. Through sponsorships, Company backs events that enrich the region's tourism offerings, promote culture, and strengthen the community's social life. Company allocates financial and human resources to ensure the long-term sustainability and benefits of these initiatives.
- Company prioritizes hiring local workforce candidates. When the necessary qualified workforce is not available locally, recruitment is expanded to the broader region and the rest of the country. This approach ensures business continuity while further contributing to economic growth and stability.

To mitigate negative impacts on local communities, Company implements sustainable business strategies, including involving local stakeholders in project planning and complying with local environmental protection regulations.

TARGET VALUES AND INDICATORS

Company supports local community development through financial contributions, including donations and sponsorships. These initiatives focus on fostering education, culture, sports, and other socially significant activities, further strengthening connections with local residents.

Given that no significant negative impacts or associated risks to local communities were identified through the materiality assessment, Company's activities in this area primarily focus on supporting social-impact projects. During the reporting period, no incidents related to violations of the human rights of local communities were recorded.

Company monitors its donation and sponsorship activities through internal records, periodic analyses of financial investments, and an overview of supported projects in the local community. The assessment includes the number of supported projects, the types of activities (e.g., education, culture, sports), and feedback from beneficiaries and local stakeholders.

The results of these analyses are used to monitor the company's overall contribution to the local community and to guide future activities in this area.

Consumers and End Users

STRATEGIC APPROACH TO CONSUMERS AND END USERS

Consumers and end users are the foundation of the Company business model and a key factor in long-term competitiveness and incomerevenue stability. Understanding their needs, expectations, and changingevolving market trends isunderpins the basis ofCompany's product development, operational decisions, and investment priorities.

Company systematically monitors guest preferences, analyzes market trends, and draws on data from various digital and operational sources to continuously refine its service structure. The goal is not only to meet guest needs, but to anticipate their preferences and design an offering that ensures market differentia-tion and strengthens the brand.

Through guest segmentation and analysis of user behavior data, Company develops tailored services and expe-riences aimed at increasing satisfaction, loyalty, and the proportion of the Companyreturning guests. This approach contributes to revenue stability, optimization of operational processes, and long-term business sustainability.

POLICIES

Company directs its operations towards high standards of service quality, professionalism and hospitality, while continuously improving the customer experience. Guest relationship management is integrated into operational processes and strategic planning.

The protection of guests' privacy and personal data is regulated by the Personal Data Protection Regulations, in accordance with the General Data Protection Regulation (GDPR). This ensures a high level of confidentiality and strengthens guests' trust in the business's professionalism.

The protection of guests' health and safety is based on compliance with legal obligations and internationally recognized standards, including the HACCP system. The health and safety of services are considered a prerequisite for sustainable business operations and the preservation of the Company's reputation.

STAKEHOLDER DIALOGUE

Company actively collaborates with guests through structured feedback collection and analysis during and after their stay. Feedback is a key source of data for service improvement and new product development.

Digital tools (NFC systems, TrustYou, WeCare) have been implemented in all properties to collect and analyze reviews from online platforms, social networks, and internal surveys. These systems enable real-time monitoring of satisfaction indicators and rapid identification of areas for improvement.

The Operations and Marketing departments analyze the collected data and integrate it into operational plans and development activities. Guest perspectives are taken into account when making decisions to improve the offer, develop additional content, and adapt existing services.

MEASURES

Based on feedback and market analysis, Company continuously optimizes the service structure, the level of personalization, and the quality of the customer experience.

Measures include:

- adjustingoperationalprocessestoidentifiedguestexpectations
- developing new content and services based on data analysis
- improving communication with guests before, during and after their stay
- continuous employee education in the area of customer experience

In the area of health and safety, water quality and food safety tests are regularly conducted in cooperation with authorized companies, ensuring compliance with the highest hygiene standards.

TARGET VALUES AND INDICATORS

Company monitors the effectiveness of guest relations management through various indicators that assess guest satisfaction and service quality. Monitoring includes results of digital surveys and online reviews, analysis of guest satisfaction indicators (e.g., TrustYou score and similar aggregated indices), the number and nature of complaints received, the proportion of returning guests, and response times to complaints. These indicators are used to continuously monitor the guest experience and identify areas for service quality improvement.

Company will, in line with current practices, continue to implement measures to maintain a zero rate of human rights violations affecting consumers and end users, thereby ensuring the consistent application of high ethical and legal business standards.

Corporate Governance

Company recognizes corporate governance as a foundation for achieving transparent, responsible, and ethical business practices. By implementing clear rules and procedures, Company ensures high governance standards and compliance with legal frameworks and best practices in the hospitality industry.

Through the Data Protection Policy, the Whistleblowing Procedure and the Appointment of a Confidential Person, and other internal guidelines, Company is already directing its business toward high standards of accountability and integrity. The Data Protection Policy ensures privacy and confidentiality in accordance with GDPR regulations.

Company has adopted a Code of Ethics that strengthens guidelines for responsible business operations and emphasizes respect for the rights of all stakeholders. With these steps, Company ensures compliance with regulatory requirements, transparency in business processes, and accountability to all stakeholders, strengthening its position as a reliable and responsible business entity.

OPATIJA

Corporate Culture

The procedure for identifying significant impacts, risks, and opportunities related to business behaviour is described in section 1.5. Materiality Assessment. The criteria used in this process include the company's location and key operations, its business activities, the sector in which it operates, and the structure of transactions with partners and third parties. Internal business activities were reviewed to identify actual and potential effects related to business behaviour, with an assessment that included compliance with relevant laws and standards. The identification of actual and potential effects in higher and lower levels of the value chain was not conducted due to the limited number of transactions outside the company's core business and the low probability of significant impacts. Stakeholder consultations were also not conducted, as the impacts assessed in this area were deemed not significant.

Company fosters a strong corporate culture based on trust, responsibility, and integrity, contributing to the satisfaction of guests, employees, and other stakeholders. By maintaining high service standards, complying with the law, and actively contributing to the community, Company strengthens its reputation as a socially responsible business.

POLICIES

Company's corporate culture is based on the principles of respect, integrity and professionalism, which are key to establishing high business standards. The Code of Ethics, adopted in 2025, serves as the foundation for establishing high standards of business conduct and professional responsibility, thereby ensuring the trust of employees, guests and business partners. It aims to achieve ethical, transparent and fair operations in all aspects of business and to create a culture that encourages integrity and responsibility at all levels. The Code provides guidelines for the business conduct of employees and stakeholders, ensuring compliance with legislation, internal regulations and professional standards. The Code defines procedures for respecting ethical principles, transparent management and promoting responsible business.

Through the adopted Anti-Corruption Policy, clear rules, standards, and procedures were established with the aim of preventing, detecting, and promptly sanctioning all forms of corruption, bribery, and other actions contrary to the law, business ethics, and good corporate governance practices, while applying the principle of zero tolerance toward such practices. The Policy is

aligned with applicable national and international regulations, standards, and recommendations in the field of anti-corruption, including the provisions of the Criminal Code, the Law on the Prevention of Money Laundering and Financing of Terrorism, the Law on the Prevention of Conflict of Interest, and other relevant legislation.

The objective of the Policy is to establish a systematic framework for preventing corrupt practices, fostering a culture of legal and ethical business operations, and ensuring long-term sustainable and responsible business practices, with clearly defined rules of conduct for employees and managers. The Policy is binding on all stakeholders of the Company and applies to all business processes and organizational units. A responsible person who is not involved in the case management chain is responsible for implementing the Policy, ensuring the independence of the procedure. The results of the investigations are regularly reported to the Company's administrative and management bodies, with recommendations for further improvement of policies and procedures. Any violation of the Policy, regardless of the perpetrator's position or function, will result in the application of appropriate measures and sanctions.

Aside from the policies, Company also applies other acts, such as the Regulation on the Internal Reporting Procedure, which determines the manner of submitting reports, appoints a person responsible for receiving and acting on reports, and ensures confidentiality and impartiality in the processes. The Legal Affairs is responsible for ensuring efficiency and internal reporting to the Management Board. The Regulation is available to all employees via the internal Intranet platform, a shared network folder, and bulletin boards in all Company facilities.

In addition, the Regulation on the use of information technology and end-user systems for the proper handling of technology, information, and security threats related to them lists the contact details of the personal data protection officer and the IT department for submitting reports or providing support. The implementation of the Regulation ensures employee privacy, the Company's security from external threats, and the efficient use of equipment and software for performing work. Employees have access to the Regulation's content via bulletin boards, the Intranet, or a shared network folder.

MOŠĆENIČKA DRAGA

MEASURES

- Company recognizes the importance of strengthening corporate culture and develops initiatives that ensure compliance with legal requirements and promote ethical standards.
- During the reporting period, employees were informed of relevant ethical principles and expected standards of behavior within the existing human resources management processes. The Internal Whistleblowing Procedure establishes clear mechanisms for reporting concerns and irregularities while maintaining confidentiality and protecting whistleblowers. The appointed person responsible for handling reports is responsible for prompt and impartial resolution, while management regularly analyses outcomes to identify potential risks and implement corrective measures.
- Company has adopted a Corruption Prevention Policy which establishes an internal system for preventing, detecting, and resolving allegations or cases of corruption and bribery. To further enhance responsible business practices, Company is considering improving compliance monitoring through internal audits or external evaluations.

Anti-Corruption, Political Influence, and Lobbying

Company implements a zero-tolerance policy toward bribery and corruption, ensuring responsible management of this area in accordance with the principles of transparency and ethics. The adoption of the Corruption Prevention Policy enables a more effective response to corruption threats, thereby strengthening the trust of employees and partners.

During the 2025 reporting period, Company was not subject to any initiated proceedings, convictions, or fines. Accordingly, there was no need to take measures to address violations of anti-corruption and anti-bribery procedures and standards. Furthermore, no financial or non-financial political contributions were recorded during the reporting period, and Company did not engage in lobbying or take positions on political issues; all of the Company's activities are focused exclusively on business objectives.

During the reporting period, no member of the administrative and management bodies held a comparable function in public administration (including legislative bodies) in the two years preceding his appointment.

Given the nature of its activities, the Company considers that employees performing tasks related to procurement, supplier selection, contract approval, financial transactions, and interactions with public authorities may be exposed to a higher risk of corruption and conflicts of interest.

Payment Practices and Supplier Relationship

Company applies a responsible approach to supplier relationship management, ensuring supply chain stability and adherence to sustainable business principles. Procurement processes are guided by transparency and professionalism, with a focus on fulfilling contractual obligations in a timely manner and optimizing payment terms. When selecting suppliers, Company considers quality, reliability, and the potential for long-term cooperation. Recognizing the importance of sustainability in the supply chain, Company is gradually introducing criteria that encompass the social and environmental aspects of its business operations.

In the 2025 reporting period, the average time required for Company to settle invoices from the start date of the contractual or statutory payment period was 32.32 days.

The company's standard payment terms depend on the supplier category. Suppliers of fresh products have agreed to a 30-day payment term. All other suppliers have an agreed payment term of 60 days.

Currently, the company has 3 unresolved legal cases related to late payments.

Company implements several measures to ensure financial security and reduce business risks. This includes legal and tax-financial checks of all major contracts before they are concluded, regular reconciliation of outstanding receivables and liabilities with business partners, and monitoring of overdue receivables on a weekly or biweekly basis with reporting to the Management Board. Credit limits are also established, and customer creditworthiness is assessed before approving payment deferrals or advance payments, with appropriate collateral provided.

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Appendix 1. EU Taxonomy

The EU Taxonomy Regulation is an EU classification system that defines criteria for environmentally sustainable activities. It provides clear definitions of sustainability for companies and investors, enabling them to identify economic activities that align with the EU's sustainability goals, thereby contributing to an increase in sustainable investments and improved implementation of the European Green Deal.

All companies subject to sustainability reporting under the Accounting Act are required to include taxonomy performance indicators in their reports.

The delegated acts of the EU Taxonomy Regulation define taxonomy-eligible activities, which, if they meet the compliance criteria, can be considered sustainable.

In the process of EU Taxonomy activity identification and calculation of EU Taxonomy KPI's (Turnover, CapEx and OpEx) are used EU Tools such as: EU Taxonomy Navigator / Compass and Calculator available at: https://ec.europa.eu/sustainable-finance-taxonomy/wizard

ELIGIBILITY ANALYSIS

The core activity of Company is Hotels, holiday, camping grounds and similar accommodation. The Sustainability Reporting Working Group, which includes representatives from finance, accounting and controlling, as well as the fuel procurement and sustainable development units, conducted an eligibility analysis based on a review of reporting practices in the sector and an analysis of the descriptions of taxonomy-eligible activities. Based on this, it was concluded that Company performs one taxonomy-eligible activity.

COMPLIANCE ANALYSIS

For the identified taxonomy-eligible activity, an assessment was conducted to determine alignment with the technical screening criteria outlined in the Climate Delegated Act. This included evaluating whether the activities contribute to the EU environmental objectives, ensuring they do not significantly harm other environmental goals (DNSH), and confirming compliance with minimum social safeguards.

For the activity Hotels, holiday, camping grounds and similar accommodation was undertaken. The findings show that the activity does not meet the technical screening (TSC) and do no significant harm (DNSH) criteria which makes it eligible not Taxonomy-aligned activity.

RESPECT FOR HUMAN RIGHTS AND MINIMUM SAFEGUARDS

Company upholds human and labor rights in accordance with the laws of the Republic of Croatia and the European Union, as well as international instruments such as the conventions of the International Labour Organization (ILO), the UN International Bill of Human Rights, the OECD Guidelines for Multinational Enterprises, and the UN Guiding Principles on Business and Human Rights.

- Freedom of Association and Collective Bargaining
- Company respects workers' freedom of association and actively engages in collective bargaining processes.
- Occupational Health and Safety
- A comprehensive health and safety management system is in place, ensuring decent and dignified working conditions for all employees.
- Anti-Discrimination and Grievance Mechanisms
- Measures are implemented to prevent discrimination, including a formal grievance mechanism and a system for protecting employee dignity.
- Zero Tolerance for Forced and Child Labor
- The company enforces a strict zero-tolerance policy on forced and child labor.
- Consumer Rights and Data Protection
- Measures are in place to safeguard consumer rights, including privacy protection.
- Safety Management System
- Company has established a robust safety management system in line with industry standards.
- Environmental Protection
- The company implements initiatives to enhance environmental protection, energy efficiency, and the reduction of greenhouse gas emissions.

During the reporting period, there were no sanctions, penalties, or claims related to human rights or environmental issues. Company fully complies with the minimum safeguards as required under the EU Taxonomy Regulation.

CALCULATION OF KEY PERFORMANCE INDICATORS

Taxonomy-aligned turnover, CapEx, and OpEx have been calculated in accordance with the requirements outlined in the Delegated Regulation on Disclosures.

TURNOVER

Turnover = Portion of net turnover related to taxonomy-aligned activities / Total net turnover

The denominator of net turnover from the sale of products and the provision of services recognized in accordance with IFRS 15 and presented in accordance with the International Accounting Standard (IAS) 1, point 82, subparagraph (a), as adopted by Commission Regulation (EC) no. 1126/2008. In 2025, the company reported turnover of EUR 63.99 million, while the Group reported turnover of EUR 64.34 million.

The numerator of turnover includes turnover recognized in accordance with International Accounting Standard (IAS) 1, paragraph 82(a), adopted by Commission Regulation (EC) No. 1126/2008, which is derived from activities that are taxonomy-eligible (aligned).

In 2025, 100% of turnover is considered taxonomy-eligible but not aligned for activity 2.1 Hotels, resorts, camps, and similar accommodation.

The accounting policies related to the turnover calculation are disclosed in Note 2 of the annual financial report.

Table: Proportion of turnover from products or services associated with economic activities aligned with the taxonomy - disclosure covering year 2025

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DO NO SIGNIFICANT HARM)									
ECONOMIC ACTIVITIES (1)	CODE(S) (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N (18)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)
		EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A. ELIGIBLE ACTIVITIES			0%																	
A.1. Eligible Taxonomy-aligned activities																				
Turnover of eligible Taxonomy-aligned activities (A.1)		0.0	0%	0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	0%	0%	0%	0%
A.2 Eligible not Taxonomy-aligned activities																				
Turnover of eligible not Taxonomy-aligned activities (A.2)		64,34 mil. eur	100%																	
2.1 Hotels, holiday, camping grounds and similar accommodation		64,34 mil. eur	100%																	
Total (A.1+A.2)		64,34 mil. eur	100%																	
B. NON-ELIGIBLE ACTIVITIES																				
Turnover of non-eligible activities (B)		0.0	0%																	
Total (A+B)		64,34 mil. eur	100%																	

CAPITAL EXPENDITURES

CapEx = Capital expenditures related to taxonomy-eligible (aligned) activities / Total capital expenditures as described in Annex I of the Disclosure Delegated Regulation (EU) 2021/2178

The denominator of CapEx includes investments in tangible and intangible assets during the reporting period (including assets acquired through business combinations), prior to revaluation processes (including revaluations and impairments), depreciation costs, and excluding changes in fair value, applying IAS 16 paragraph 73(e) items (i) and (iii), IAS 38 paragraph 118(e) item (i), IAS 40 paragraphs 76(a) and (b) (for fair value), IAS 40 paragraph 79(d) items (i) and (ii) (cost model), IAS 41 paragraph 50 items (b) and (e), and IFRS 16 paragraph 53(h), as stated in Annex I of the Disclosure Delegated Regulation (EU) 2021/2178, in the amount of 4,20 mil.eur Company and 4,30 mil.eur Group. The total CapEx denominator, as described in the Taxonomy Regulation, is disclosed in financial notes 14.1 and 14.2.

In 2025, 100% of capital expenditures are considered taxonomy-eligible but not aligned for activity 2.1 Hotels, resorts, camps, and similar accommodation.

The accounting policies related to the calculation of capital investments or expenditures are disclosed in Note 2 of the annual financial report.

Table: Proportion of capital expenditures associated with economic activities aligned with the taxonomy – disclosure covering year 2025

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DO NO SIGNIFICANT HARM)									
ECONOMIC ACTIVITIES (1)	CODE(S) (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N (18)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)
		EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A. ELIGIBLE ACTIVITIES			0%																	
A.1. Eligible Taxonomy-aligned activities																				
Capital expenditure of eligible Taxonomy-aligned activities (A.1)	0.0	0%	0%	0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	0%	0%	0%	0%
A.2 Eligible not Taxonomy-aligned activities																				
Capital expenditure of eligible not Taxonomy-aligned activities (A.2)	4,30 mil. eur	100%																		
2.1 Hotels, holiday, camping grounds and similar accommodation	4,30 mil. eur	100%																		
Total (A.1+A.2)	4,30 mil. eur	100%																		
B. NON-ELIGIBLE ACTIVITIES																				
Capital expenditure of non-eligible activities (B)	0.0	0%																		
Total (A+B)	4,30 mil. eur	100%																		

OPERATING EXPENDITURES

OpEx = Operating expenditures related to taxonomy-eligible (aligned) activities / Total operating expenditures as described in Annex I of the Disclosure Delegated Regulation (EU) 2021/2178

According to the Taxonomy Regulation, total operating expenditures are considered to include maintenance costs of fixed assets, as well as direct non-capitalized research and development expenses and short-term lease agreements that contribute to increased sustainability.

In 2025, 100% of operating expenditures are considered taxonomy-eligible but not aligned for activity 2.1 Hotels, resorts, camps, and similar accommodation.

Company applies International Financial Reporting Standards. When calculating key performance indicators for the purpose of reporting in accordance with the requirements of the Taxonomy Regulation, an analysis was carried out of the individual elements that needed to be included in the KPI calculations.

Table: Proportion of operating expenses associated with economic activities aligned with the taxonomy – disclosure covering year 2025

				SUBSTANTIAL CONTRIBUTION CRITERIA						DNSH CRITERIA (DO NO SIGNIFICANT HARM)										
ECONOMIC ACTIVITIES (1)	CODE(S) (2)	ABSOLUTE TURNOVER (3)	PROPORTION OF TURNOVER (4)	CLIMATE CHANGE MITIGATION (5)	CLIMATE CHANGE ADAPTATION (6)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (9)	BIODIVERSITY AND ECOSYSTEMS (10)	CLIMATE CHANGE MITIGATION (11)	CLIMATE CHANGE ADAPTATION (12)	WATER (7)	POLLUTION (8)	CIRCULAR ECONOMY (15)	BIODIVERSITY AND ECOSYSTEMS (16)	MINIMUM SAFEGUARDS (17)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N (18)	TAXONOMY-ALIGNED PROPORTION OF TURNOVER, YEAR N-1 (19)	CATEGORY (ENABLING ACTIVITY) (20)	CATEGORY (TRANSITIONAL ACTIVITY) (21)
		EUR	%	%	%	%	%	%	%	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	YES/NO	%	%	E	T
A. ELIGIBLE ACTIVITIES			0%																	
A.1. Eligible Taxonomy-aligned activities																				
Operating expenses of eligible Taxonomy-aligned activities (A.1)	0.0	0%	0%	0%	0%	0%	0%	0%	0%	/	/	/	/	/	/	/	0%	0%	0%	0%
A.2 Eligible not Taxonomy-aligned activities																				
Operating expenses of eligible not Taxonomy-aligned activities (A.2)	0.0	0%																		
2.1 Hotels, holiday, camping grounds and similar accommodation	58,50 mil. eur	100%																		
Total (A.1+A.2)	58,50 mil. eur	100%																		
B. NON-ELIGIBLE ACTIVITIES																				
Operating expenses of non-eligible activities (B)	0.0	0%																		
Total (A+B)	58,50 mil. eur	100%																		

Appendix 2.

List of data in cross-sectoral and thematic standards resulting from other EU regulations

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS 2 GOV-1 Board's gender diversityparagraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		48
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II.		Not applicable
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				50
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Company does not participate in the mentioned activities.
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	Not available
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Not applicable

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1.	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		Not available
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Not applicable
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				68
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Not applicable
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		69
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1.	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		69
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Not applicable
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		70

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Not applicable
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiencyclasses paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Not applicable
ESRS E1-9 Degree of exposure of the portfolio to climate- related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Not applicable
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28		Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1			Not material
ESRS E3-1 Water and marine resources paragraph 9.		Indicator number 7 Table #2 of Annex 1			64
ESRS E3-1 Dedicated policy paragraph 13		Indicator number 8 Table 2 of Annex 1			71
ESRS E3-1 Sustainable oceans and seas paragraph 14		Indicator number 12 Table #2 of Annex 1			Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)		Indicator number 6.2 Table #2 of Annex 1			71
ESRS E3-4 Total water consumption in m 3 per net revenue on own operations paragraph 29		Indicator number 6.1 Table #2 of Annex 1			71
ESRS 2- IRO 1 - E4 paragraph 16 (a) i		Indicator number 7 Table #1 of Annex 1			72
ESRS 2- IRO 1 - E4 paragraph 16 (b)		Indicator number 10 Table #2 of Annex 1			Not material

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS 2- IRO 1 - E4 paragraph	Indicator number 14 Table #2 of Annex 1				72
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				73
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				73
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				89
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				89
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				75, 79
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		89
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				75
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				75
ESRS S1-14 Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		77
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				77

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Not material
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				79
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		79
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstreamvalue chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				80

DISCLOSURE REQUIREMENT AND RELATED DATAPOINT	SFDR REFERENCE	PILLAR 3 REFERENCE	BENCHMARK REGULATION REFERENCE	EU CLIMATE LAW REFERENCE	PAGE
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				80
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				81
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				81
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				82-83
ESRS G1-1 Protection of whistle- blowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				83
ESRS G1-4 Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		84
ESRS G1-4 Standards of anti- corruption and anti- bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				84

LIBURNIA

HOTELS & VILLAS

INDEPENDENT AUDITORS' REPORT AND FINANCIAL STATEMENTS OF THE GROUP AND THE COMPANY

31 December 2025

Responsibility for the financial statements

Pursuant to the Croatian Accounting Act, the Management Board is responsible for ensuring that the consolidated and separate financial statements for each financial year are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, so as to present a true and fair view of the financial position and results of operations of Liburnia Riviera Hoteli d.d. (hereinafter: the Company) and its subsidiaries (hereinafter: the Group) for each period presented.

After making appropriate inquiries, the Management Board has a reasonable expectation that the Group and the Company have adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

In preparing the consolidated and separate financial statements, the Management Board is responsible for:

- selecting suitable accounting policies and then applying them consistently;
- making judgments and estimates that are reasonable and prudent;
- applying applicable accounting standards; and
- preparing the financial statements on a going concern basis.

The Management Board is responsible for maintaining proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Group and the Company, and for ensuring their compliance with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Group and the Company and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

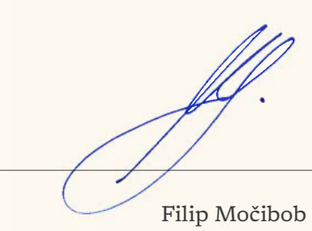
In accordance with the Croatian Accounting Act, the Management Board is required to prepare the Annual Report, which comprises the annual financial statements, the management report and the corporate governance statement. The management report and the corporate governance statement have been prepared in accordance with the requirements of Articles 22, 24 and 25 of the Croatian Accounting Act.

The Management Board is responsible for submitting the Annual Report of the Group and the Company, including the annual financial statements, to the Supervisory Board. Upon approval of these financial statements by the Supervisory Board, they are considered approved by both the Management Board and the Supervisory Board. Such financial statements are then submitted to the General Meeting of shareholders.

The consolidated and separate financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and presented on the following pages were approved by the Management Board on 21 April 2026, and the Supervisory Board gave its consent on 29 April 2026.

Signed by Management Board:

Zrinka Bokulić
President of the Management Board



Filip Močibob
Member of the Management Board

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

Report on the audit of the separate and consolidated financial statements

OPINION

We have audited the separate and consolidated financial statements of LIBURNIA RIVIERA HOTELI d.d. (the "Company") and its subsidiaries (together, the "Group"), which comprise the separate and consolidated statement of financial position as at 31 December 2025, and the separate and consolidated statement of comprehensive income, the separate and consolidated statement of cash flows, and the separate and consolidated statement of changes in equity for the year then ended, as well as the separate and consolidated notes to the financial statements, including material accounting policy information of the Company and the Group.

In our opinion, the accompanying separate and consolidated financial statements give a true and fair view of the financial position of the Company as at 31 December 2025, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

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 financial statements section of our report.

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), as applicable to audits of public interest entities, together with the ethical requirements that are relevant to our audit of the separate and consolidated financial statements of public interest entities in the Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

KEY AUDIT 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. For each matter below, our description of how our audit addressed the matters is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the separate and consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the separate and consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying separate and consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTERS

Impairment and Useful Lives of Tourism Assets

The carrying amount of the Company's property, plant and equipment as at 31 December 2025 amounted to EUR 88,878 thousand (2024: EUR 97,469 thousand). The carrying amount of the Group's property, plant and equipment as at 31 December 2025 amounted to EUR 95,293 thousand. Refer to Note 2.3 within Accounting Policies, Note 4(a) within Critical Accounting Estimates, and Note 14.1 Property, Plant and Equipment.

As at 31 December 2025, the carrying amount of property, plant and equipment represents 73% of the Company's total assets and 79% of the Group's total assets. These assets are measured at cost less accumulated depreciation and impairment losses, if any, and primarily comprise tourism facilities and related assets, and are subject to annual impairment testing.

During the current year, the Company identified indicators of impairment relating to certain tourism assets that exhibited weaker performance. As a result, as at 31 December 2025, the Company performed impairment testing for the above-mentioned tourism assets and determined their recoverable amount based on an estimate of fair value less costs of disposal. The testing did not indicate a need to recognize an impairment loss for these assets as at 31 December 2025.

Determining the recoverable amount requires significant assumptions and judgements, particularly those relating to the comparability of properties.

HOW WE ADDRESSED KEY AUDIT MATTER

Our audit procedures in these areas included, among others:

- Assessing the Company's and the Group's accounting policies for identifying impairment, measuring and recognising impairment losses on tourism assets, and determining the remaining useful lives of tourism assets, in accordance with the requirements of the relevant financial reporting standards;
- Reviewing the Company's assessment of impairment indicators for tourism properties by analysing the financial performance of individual properties against expected performance levels;
- For underperforming assets, evaluating the key assumptions used in determining the recoverable amount by comparing the carrying value of those assets with market prices for assets identified as comparable or with recent sales of similar assets within the Company;

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

KEY AUDIT MATTERS (CONTINUED)

KEY AUDIT MATTERS

The Company reassessed the remaining useful lives of its tourism assets based on a detailed analysis performed for each property and concluded that the expected useful lives do not differ from previous estimates.

Due to the factors described above, we considered the impairment assessment of tourism assets and the determination of their remaining useful lives to be associated with a significant risk of material misstatement. Accordingly, these areas required increased audit attention and were therefore considered to be a key audit matter.

HOW WE ADDRESSED KEY AUDIT MATTER

Review of the key assumptions used in determining the remaining useful lives of tourism assets included:

- Holding discussions with the Company's technical experts, the finance department, and Management;
- Assessing the appropriateness of the estimated useful lives and calculating the impact of changes in useful lives;
- Testing the calculation of the revised depreciation rates;
- Assessing the consistency of assumptions used in other related estimates, including the assessment of the recoverable amount of tourism assets;
- Evaluating the appropriateness and completeness of the related disclosures in the financial statements.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

OTHER INFORMATION

Management is responsible for the other information. Other information comprises information included in the Annual Report but does not include 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 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 Report, we also performed procedures required by the Accounting Act. Those procedures include considering whether the Management Report is prepared in accordance with the requirements of Article 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in Article 22 and 25 of the Accounting Act.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. The information presented in the accompanying Management Report and the Corporate Governance Report is consistent, in all material respects, with the accompanying separate and consolidated financial statements;

2. The accompanying Management Report has been prepared in accordance with Articles 22 and 24 of the Accounting Act, excluding sustainability reporting requirements. The auditor's conclusion on the procedures performed on the Sustainability Report, in accordance with Article 37 of the Accounting Act, has been provided separately; and

3. The accompanying Corporate Governance Report includes the information required under Articles 22 and 25 of the Accounting Act.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit of separate and consolidated financial statements, we are also required to report if we have identified material misstatements in the other information. We have nothing to report in this respect.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

RESPONSIBILITIES OF MANAGEMENT AND AUDIT COMMITTEE 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 IFRS, 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.

The Audit Committee is responsible for overseeing the financial reporting process established by the Company and the Group.

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 skepticism 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.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE SEPARATE AND CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

- 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 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 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.

We communicate with Audit Committee 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 Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, 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 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

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of ISAs:

Appointment of Auditor and Period of Engagement

On 28 August 2025, we were appointed by a resolution of the General Assembly of LIBURNIA RIVIERA HOTELI d.d., upon the proposal of the Audit Committee as well as the Supervisory Board of LIBURNIA RIVIERA HOTELI d.d., to perform the audit of the separate and consolidated financial statements for the year 2025.

As at the date of this report, we have been continuously engaged in performing statutory audits of the Company from the audit of the Company's separate financial statements for the year 2020 through to the audit of the Company's separate financial statements for the year 2025, representing a total period of six years.

As at the date of this report, this is our first engagement to perform the statutory audit of the Group, as the Company became subject to the requirement to prepare consolidated financial statements in 2025.

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS (CONTINUED)

CONSISTENCE WITH ADDITIONAL REPORT TO AUDIT COMMITTEE

We confirm that our audit opinion on the separate and consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 21 April 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

PROVISION OF NON-AUDIT SERVICES

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company and its controlled undertakings within the European Union. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the separate and consolidated financial statements.

REPORT PURSUANT TO THE REQUIREMENTS OF COMMISSION DELEGATED REGULATION (EU) 2018/815 SUPPLEMENTING DIRECTIVE 2004/109/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL WITH REGARD TO REGULATORY TECHNICAL STANDARDS SPECIFYING A SINGLE ELECTRONIC REPORTING FORMAT

Independent auditor's assurance report on compliance of the separate and consolidated financial statements prepared under Article 462(5) of the Capital Market Act (Official Gazette No. 65/18, 17/20, 83/21, 151/22 and 85/24), applying the requirements of Commission Delegated Regulation (EU) 2018/815 establishing a single electronic reporting format for issuers (ESEF Regulation).

We have performed an assurance engagement to obtain reasonable assurance on whether the separate and consolidated financial statements prepared for the purpose of public disclosure under Article 462(5) of the Capital Market Act, contained in the accompanying electronic file liburniarivierahotel-2025-12-31-1-hr, are, in all material respects, prepared in accordance with the requirements of the ESEF Regulation.

RESPONSIBILITIES OF THE MANAGEMENT AND AUDIT COMMITTEE

Management is responsible for the preparation of the separate and consolidated financial statements in accordance with ESEF Regulation.

Furthermore, management is responsible for maintaining an internal control system that reasonably ensures the preparation of separate and consolidated financial statements without material non-compliances with ESEF Regulation requirements, whether due to fraud or error.

Management is also responsible for:

- the public disclosure of separate and consolidated financial statements included in the annual report, in XHTML format and
- selecting and using XBLR codes in accordance with ESEF regulation

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

REPORT PURSUANT TO THE REQUIREMENTS OF COMMISSION DELEGATED REGULATION (EU) 2018/815 SUPPLEMENTING DIRECTIVE 2004/109/EC OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL WITH REGARD TO REGULATORY TECHNICAL STANDARDS SPECIFYING A SINGLE ELECTRONIC REPORTING FORMAT (CONTINUED)

The Audit Committee is responsible for overseeing the preparation of the separate and consolidated financial statements in ESEF format as part of the financial reporting process.

AUDITOR'S RESPONSIBILITIES

Our responsibility is to express a conclusion, based on the audit evidence gathered, as to whether the separate and consolidated financial statements are free from material non-compliances with the requirements of the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with International Standard for Assurance Engagements ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information.

WORK PERFORMED

The nature, timing and extent of the procedures selected depend on the auditor's judgment. Reasonable assurance is a high degree of assurance; however, it does not guarantee that the scope of procedures will identify all significant (material) non-compliance with ESEF regulation.

In respect of the subject matter, we have performed the following procedures:

- we read the requirements of the ESEF Regulation,
- we have gained an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed the risks of material non-compliance with the ESEF Regulation due to fraud or error; and
- Based on this, devise and implement procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The aim of our procedures was to assess whether:

- the financial statements, which are included in the annual report, are prepared in the relevant XHTML format,
- the information contained in the separate and consolidated financial statements required by the ESEF Regulation is marked and all markings meet the following requirements:
  - the XBRL markup language was used,
  - the basic taxonomy elements listed in the ESEF Regulation with the closest accounting significance have been used, unless an additional taxonomy element has been created in accordance with Annex IV. ESEF Regulation,
  - the labeled elements comply with the common labeling rules under the ESEF Regulation.

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

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INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDERS OF LIBURNIA RIVIERA HOTELI d.d., Opatija

CONCLUSION

In our opinion, based on the procedures performed and the evidence obtained, the separate and consolidated financial statements presented in ESEF format, contained in the above-mentioned accompanying electronic file and prepared for the purpose of public disclosure in accordance with Article 462(5) of the Capital Market Act, are, in all material respects, in compliance with the requirements set out in Articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition to this conclusion, and the opinion contained in this independent auditor's report on the accompanying separate and consolidated financial statements and the annual report for the year ended 31 December 2025, we do not express any opinion on the information contained in those statements or on other information included in the aforementioned file.

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

Grant Thornton revizija d.o.o.
Ulica grada Vukovara 284
10000 Zagreb
Croatia

Zagreb, 29 April 2026

Director and Certified auditor
Vedran Miloš

		GROUP	COMPANY	
(in thousands of EUR)	NOTE	2025	2025	2024
Revenue	6.1	61,413	61,132	60,548
Other income	6.2	3,058	3,070	3,516
Cost of materials and services	7	(22,340)	(22,055)	(22,808)
Staff costs	8	(24,613)	(24,459)	(22,058)
Depreciation and amortization	14.1,14.2,14.3	(7,419)	(7,024)	(7,770)
Other operating expenses	9	(4,972)	(4,841)	(4,673)
Impairment loss on trade receivables	16	(128)	(120)	(95)
Other gains - net	10	657	657	7
Operating profit / (loss)		**5,656**	**6,360**	**6,667**
Finance income	11	248	448	280
Finance costs	11	(1,626)	(1,606)	(2,036)
Net finance costs	**11**	**(1,378)**	**(1,158)**	**(1,756)**
Profit / (loss) before tax		**4,278**	**5,202**	**4,911**
Income tax expense	12	(432)	(432)	(807)
Profit / (loss) for the year		**3,846**	**4,770**	**4,104**
Other comprehensive income		-	-	-
Total comprehensive income / (loss) for the year		**3,846**	**4,770**	**4,104**
Earnings/(loss) per share (in EUR) - basic and diluted	13	12.7	15.8	13.6

		GROUP	COMPANY	
(in thousands of EUR)	NOTE	31 December 2025	31 December 2025	31 December 2024
ASSETS				
Non-current assets				
Property, plant and equipment	14.1	95,293	88,878	97,469
Intangible assets	14.2	6,071	1,431	1,491
Right of use assets	14.3	1,660	1,521	1,053
Financial assets	**15**	**-**	**4,448**	**3,106**
Loans granted	25	-	5,052	-
Deferred tax assets	12	2,166	2,166	2,598
		105,190	**103,496**	**105,717**
Current assets				
Inventories		693	687	697
Loans granted	**25**	**10**	**2,110**	**1,761**
Trade, other receivables and financial assets	16	2,053	2,203	2,010
Cash and cash equivalents	17	12,886	12,819	9,774
		15,642	17,819	14,242
Total assets		**120,832**	**121,315**	**119,959**
EQUITY				
Share capital	18	92,306	92,306	92,306
Treasury shares	18	(1)	(1)	(1)
Treasury shares reserves	18	1	1	1
Legal reserves	18	5,975	5,975	5,975
Capital reserves	18	278	278	278
Loss carry forward	18	(21,353)	(20,215)	(24,985)
		77,206	78,344	73,574
LIABILITIES				
Non-current liabilities				
Borrowings	19	27,205	27,205	31,605
Provisions for other liabilities and expenses	20	1,280	1,280	1,352
Lease liabilities	21	1,365	1,238	857
		29,850	29,723	33,814
Current liabilities				
Trade and other payables	22	8,373	8,294	7,471
Borrowings	19	4,700	4,700	4,905
Loans liabilities	25	435	-	-
Lease liabilities	21	268	254	195
		13,776	13,248	12,571
Total liabilities		**43,626**	**42,971**	**46,385**
Total liabilities and equity		**120,832**	**121,315**	**119,959**

GROUP

(in thousands of EUR)	NOTE	SHARE CAPITAL	TREASURY SHARES	LEGAL RESERVES	CAPITAL RESERVES	OTHER RESERVES	CARRIED FORWARD PROFIT / (LOSS)	TOTAL
Balance as of 1 January 2025		92,306	(1)	5,975	278	1	(24,985)	73,574
Profit for the year		-	-	-	-	-	3,846	3,846
Loss carried forward from previous years		-	-	-	-	-	(214)	(214)
Balance as of 31 December 2025	**18**	**92,306**	**(1)**	**5,975**	**278**	**1**	**(21,353)**	**77,206**

COMPANY

(in thousands of EUR)	NOTE	SHARE CAPITAL	TREASURY SHARES	LEGAL RESERVES	CAPITAL RESERVES	OTHER RESERVES	CARRIED FORWARD PROFIT / (LOSS)	TOTAL
Balance as of 1 January 2024		92,306	(1)	5,975	278	1	(29,089)	69,470
Profit for the year		-	-	-	-	-	4,104	4,104
Balance as of 31 December 2024	**18**	**92,306**	**(1)**	**5,975**	**278**	**1**	**(24,985)**	**73,574**
Balance as of 1 January 2025		92,306	(1)	5,975	278	1	(24,985)	73,574
Profit for the year		-	-	-	-	-	4,770	4,770
Balance as of 31 December 2025	**18**	**92,306**	**(1)**	**5,975**	**278**	**1**	**(20,215)**	**78,344**

		GROUP	COMPANY	
(in thousands of EUR)	**NOTE**	**2025**	**2025**	**2024**
Cash flow generated from operating activities				
Cash from operations	23	13,735	14,033	15,213
Interest paid		(1,817)	(1,811)	(2,369)
Net cash generated from operating activities		**11,918**	**12,222**	**12,844**
Cash flow from investing activities				
Purchase of property, plant and equipment	14.1	(4,107)	(3,985)	(3,527)
Purchase of intangible assets	14.2	(275)	(275)	(395)
Proceeds from disposal of financial assets	15	1,169	1,169	-
Proceeds from disposal of property, plant and equipment	10	3,880	3,880	9
Purchase of receivables		(5,072)	(5,072)	-
Loans granted		-	(501)	(1)
Interest received		243	243	220
Net cash used in investing activities		**(4,162)**	**(4,541)**	**(3,694)**
Cash flow from financing activities				
Borrowings received	19	-	-	21,500
Repayments of borrowings	19	(4,400)	(4,400)	(27,496)
Repayments of the right of use liabilities	21	(244)	(236)	(251)
Net cash from financing activities		**(4,644)**	**(4,636)**	**(6,247)**
Net increase/(decrease) in cash and cash equivalents		3,112	3,045	2,903
Cash and cash equivalents at beginning of the year		9,774	9,774	6,871
Cash and cash equivalents at end of year	17	12,886	12,819	9,774

Note 1 – General information

LIBURNIA RIVIERA HOTELI d.d., with its registered office in Opatija, Maršala Tita 198, was established through the transformation of the former socially owned enterprise Liburnia Riviera Hoteli into a joint stock company on 1 January 1993, when the transformation was registered with the District Commercial Court in Rijeka.

The principal activities of the Group and the Company comprise accommodation and hospitality services, as well as travel agency and tour operator services.

The Company's shares are listed on the Regular Market of the Zagreb Stock Exchange.

The Liburnia Riviera Hoteli Group (hereinafter: the "Group") consists of Liburnia Riviera Hoteli d.d. (the "Company") and its subsidiaries Lido Opatija d.o.o., Kvarner Lido d.o.o., Projekt Zapad d.o.o. and Aeris d.o.o.

In May 2025, the Company acquired a 100% interest in Lido Opatija d.o.o., thereby obtaining control over its subsidiaries Kvarner Lido d.o.o. and Projekt Zapad d.o.o. As a result, the Company became obliged to prepare consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Accounting Act. Consolidation of these subsidiaries and reporting at the Group level commenced on 1 June 2025. In accordance with the requirement to prepare consolidated financial statements, the non-operating entity Aeris d.o.o., acquired in 2021, has also been included in the scope of consolidation as of 1 January 2025.

The Company is included in the consolidated financial statements of Gitone Beteiligungsverwaltungs GmbH, with its registered office in Austria, 1030 Vienna, Am Modenapark 13/9, registered under number FN 353197 h.

The financial statements for the year ended 31 December 2025 were authorised for issue on 21 April 2026.

MANAGEMENT BOARD AND SUPERVISORY BOARD

The Company's Management Board is nominated and revoked by the Supervisory Board and consists of two members.

As at 31 December 2025, the Management Board of the Company comprised two members: the President of the Management Board, Mr. Davor Štampalija, and the member of the Management Board, Mr. Filip Močibob.

MEDVEJA

Note 1 – General information (continued)

During the majority of 2025, the Management Board operated in the composition of Mr. Ante Barić as President of the Management Board and Mr. Filip Močibob as member of the Management Board. By a decision of the Supervisory Board dated 22 December 2025, the appointment of Mr. Ante Barić as member and President of the Management Board was revoked, and Mr. Davor Štampalija was appointed as member and President of the Management Board.

Furthermore, by a decision of the Supervisory Board dated 2 February 2026, the appointment of Mr. Davor Štampalija as President of the Management Board was revoked with effect from 9 March 2026, while he continued to serve as a member of the Management Board until the expiry of his mandate. By the same decision, Ms. Zrinka Bokulić was appointed as a member and President of the Management Board of the Company, with effect from 9 March 2026.

The powers of the Management Board members are fully aligned with the provisions of the Croatian Companies Act and are further regulated by the Company's Articles of Association and the Rules of Procedure of the Management Board.

The Supervisory Board of the Company consists of up to nine members. Members of the Supervisory Board are appointed and dismissed by the General Assembly, while the shareholder Nova Liburnija d.o.o. has the right to appoint two members and the shareholder Gitone Adriatic d.o.o. has the right to appoint one member, all in accordance with the Company's Articles of Association and the Companies Act.

In addition, in line with the provisions of the Labour Act, one member of the Supervisory Board serves as an employee representative.

As at 31 December 2025, the Supervisory Board was composed of the following members:

- Mr. Johannes Böck, president,
- Ms. Dita Chrastilová, deputy president,
- Mr. Daniel Michael Kartje, member,
- Mr. Philip Göth, member,
- Ms. Ana Odak, member,
- Mr. Alexander Paul Zinell, member,
- Mr. Davor Žic, member,
- Mr. Danijel Jerman, member,
- Mr. Rikardo Gregov, member.

During 2025, several changes occurred in the composition of the Company's Supervisory Board. In early April 2025, the Company received the resignation of Supervisory Board member Mr. Manfred Kainz, following which Gitone Adriatic d.o.o. appointed Mr. Thomas Mayer as a new member, effective as of 5 April 2025.

In December 2025, Mr. Thomas Mayer resigned from his position as a Supervisory Board member, and Gitone Adriatic d.o.o. appointed Mr. Daniel Michael Kartje as his successor, effective as of 5 December 2025.

Subsequent to the balance sheet date, an additional change occurred in the Supervisory Board composition. Following the resignation of Mr. Danijel Jerman, received in early February 2026, the shareholder Nova Liburnija d.o.o. appointed Mr. Zdravko Ružić as a new Supervisory Board member.

Note 2 – Summary of significant accounting policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These accounting policies have been consistently applied to all the years presented unless otherwise stated

2.1 BASIS OF PREPARATION

The Group's and the Company's financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("EU IFRS"). The financial statements have been prepared under the historical cost convention except where otherwise disclosed. These financial statements have been prepared under the assumption that the Group and Company will be able to continue as a going concern.

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires the use of certain critical accounting estimates. It also requires the Management Board to exercise its judgment in the process of applying the Group's and the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 4.

2.2 FOREIGN CURRENCIES

(a) Functional and presentation currency

The items included in the financial statements are presented in the currency of the primary economic environment in which the Group and the Company operate ("functional currency"). The financial statements are presented in thousands of euros, which has been the Company's functional and reporting currency since January 1, 2023.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions and assets and liabilities denominated in foreign currencies are translated into the functional currency at the middle exchange rate of the European Central Bank valid on the reporting date. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income within "Finance income/costs".

2.3 PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are included in the statement of financial position at historical cost less accumulated depreciation and provision for impairment, where required. Historical cost includes the cost that is directly attributable to the acquisition of assets.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred. The cost of replacement of larger items of property, plant and equipment is capitalized, and the carrying amount of the replaced part is derecognized.

Note 2 – Summary of significant accounting policies (continued)

2.3 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Land, artwork and assets under construction are not depreciated. Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	GROUP	COMPANY	
	2025	2025	2024
Buildings	4-50 years	17-50 years	17-50 years
Equipment	2-15 years	2-15 years	2-15 years
Small inventory	1-4 years	1-4 years	1-4 years

The Group and the Company apply the component approach for buildings, where depreciation rates are separately adjusted to the useful life of each component.

Small inventory items are depreciated using a calculated write-off method based on their estimated useful life, which ranges from 1 to 4 years, depending on the type of item. This category includes items such as porcelain, ceramics, glassware, metalware, kitchen utensils, tools, textiles, bedding, and other small inventory assets.

Depreciation is calculated for each asset until the asset is fully depreciated or to its residual values if significant. The assets' useful lives are reviewed, and adjusted if appropriate, at each reporting date. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amounts. These are included in the statement of comprehensive income within "Other gains – net".

2.3.1 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Group and the Company determines indicators for impairment of property, plant and equipment by applying the method of multiplying the net carrying value and operating profit of the segment, in the way that the net carrying value of certain asset, or its segment (identified as cash-generating unit) is put in a relationship with realized operating profit of the asset or segment.

In case that, for certain assets or segments (cash-generating unit) multiplier of net carrying value and segment's operating profit exceeds set values, its recoverable amount is determined as greater of its value in use and its fair value less costs to sell, whichever is high.

Determining impairment indicators, together with assessing future cash flows and determining fair value of assets (or group of assets) requires significant judgment from management when recognizing and estimating impairment indicators, expected cash flows, applicable discount rates, useful lives and residual values.

Calculation of fair value less costs to sell is based on the method of market approach which uses prices and other relevant information from market transactions for the same or comparable (similar) assets.

2.4 INTANGIBLE ASSETS

(a) Goodwill

Goodwill arises in a business combination and represents the excess of the cost of an investment over the fair value of the identifiable assets acquired, liabilities assumed, and contingent liabilities at the acquisition date. Goodwill is initially recognised at cost and is presented as intangible asset.

After initial recognition, goodwill is not amortised but is tested for impairment at least annually, as well as whenever there are indicators of impairment.

For the purpose of impairment testing, goodwill is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the synergies of the business combination. The recoverable amount of a cash-generating unit is determined as the higher of its fair value less costs of disposal and its value in use.

If the carrying amount of a cash-generating unit, including goodwill, exceeds its recoverable amount, an impairment loss is recognised. Impairment losses on goodwill are not subsequently reversed.

On disposal of part or all of a cash-generating unit, the goodwill attributable to the disposed portion is included in the carrying amount when determining the gain or loss on disposal.

(b) Other intangible assets

Other intangible assets primarily comprise investments in technical documentation and software licence rights and are stated at acquisition cost. These costs are amortised over their useful life of 5 years. Assets under construction are not amortised.

2.5 INVESTMENTS IN SUBSIDIARIES AND ASSOCIATES

Subsidiaries

Subsidiaries are those entities in which the Company has, directly or indirectly, more than half of the voting power or has the power to govern the financial and operating policies. The Company has subsidiaries that are valued at cost less any impairment.

Associates

Associates are all entities over which the Company has significant influence but not control, generally accompanying a shareholding of between 20% and 50% of the voting rights or otherwise has significant influence over the operations. Interests in associates are accounted for using the equity method. They are initially recognized at cost, which includes transaction costs. Subsequent to initial recognition, the financial statements include the Company's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Impairment of investments in subsidiaries and associates

The net carrying amount of investments in subsidiaries and associates is reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell or its value in use.

The calculation of fair value less costs to sell is based on the market approach method, which utilizes prices and other relevant information from market transactions involving identical or comparable (i.e., similar) assets.

Note 2 – Summary of significant accounting policies (continued)

2.6 FINANCIAL ASSETS

2.6.1. CLASSIFICATION

The Group and the Company measure financial assets at amortised cost if both of the following conditions are met: 1) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows, and 2) the contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the outstanding principal amount.

Financial assets measured at amortised cost are subsequently measured using the effective interest rate method and are subject to impairment. Interest income from such financial assets is calculated using the effective interest rate method and is presented in the Statement of Comprehensive Income under "Finance income." Gains and losses are recognised in the income statement when the asset is derecognised, modified, or impaired. Financial assets measured at amortised cost include trade receivables.

2.6.2. MEASUREMENT AND RECOGNITION

All financial assets purchased or sold are recognised on the transaction date, i.e., the date on which the Group and the Company commit to purchasing or selling the asset. A financial asset is derecognised when the rights to receive cash flows have expired or have been transferred, provided that the Group and the Company have also transferred substantially all the risks and rewards of ownership.

Loans and receivables are initially recognised at fair value and are subsequently measured at amortised cost using the effective interest rate method. For trade receivables and contract assets, the Group and the Company apply a simplified approach to measuring expected credit losses. Under this approach, changes in credit risk are not tracked; instead, an impairment allowance is recognised based on lifetime expected credit losses at each reporting date. Financial assets are written off when there is no reasonable expectation of full or partial recovery.

2.6.3. IMPAIRMENT

(a) Impairment losses related to receivables

For trade receivables without significant financing components, the Group and the Company apply the simplified approach in accordance with the requirements of IFRS 9. Based on its historical experience with default rates and observed credit losses, regulatory requirements, and forward-looking expectations of credit losses for this type of exposure, the Group and the Company have established a matrix of lifetime expected credit loss (ECL) rates, which serves as the basis for determining impairment percentages.

Delinquency rates are calculated for the following ageing categories:

- up to 60 days
- 61 to 90 days
- 91 to 120 days
- 121 to 180 days
- 181 to 365 days
- over 365 days

A financial default status is considered to have occurred when one of the following conditions is met:

- The Group and the Company consider it probable that the debtor will not fully settle its obligations towards them, without taking into account any potential recovery from collateral; or
- The debtor's obligation is more than 365 days past due.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the asset.

(b) Write-off

The carrying amount of a financial asset is written down when the Group and the Company no longer expect to recover the asset in full or in part. For corporate clients, the Group and the Company perform an individual assessment to determine the timing and amount of the write-off, based on whether there is a reasonable expectation of recovery. The Group and the Company do not anticipate significant recoveries of written-down amounts. However, written-down financial assets may still be subject to further collection efforts in line with the Group's and the Company's credit recovery policies.

2.7 INVENTORIES

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average cost method. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

Note 2 – Summary of significant accounting policies (continued)

2.8 TRADE RECEIVABLES

Trade receivables are amounts due from customers for services performed in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less impairment.

2.9 CASH AND CASH EQUIVALENTS

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

2.10 LEASES

At inception of a contract, the Group and the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group and the Company use the definition of a lease in IFRS 16.

This policy is applied to contracts entered into, on or after 1 January 2019 with the exception of small value and up to one-year contracts.

i. As a lessee

At commencement or on modification of a contract that contains a lease component, the Group and the Company allocate the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group and the Company recognize a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group and the Company are reasonably certain to exercise, lease payments in an optional renewal period if the Group and the Company are reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group and the Company are reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's and the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Group and the Company change its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Group and the Company presents right-of-use assets that do not meet the definition of investment property in separate line items in the statement of financial position.

Short-term leases and leases of low-value assets

The Group and the Company have elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group and the Company recognize the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

ii. As a lessor

Leases in which the Group and the Company do not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income is recognized on a straight-line basis over the lease term, in accordance with the lease conditions, and is included in revenue within the statement of comprehensive income due to its operational nature.

2.11 SHARE CAPITAL

Ordinary shares are classified as equity. Gains directly attributable to the issue of new shares are shown in equity as a deduction, net of transactions costs and income tax.

Note 2 – Summary of significant accounting policies (continued)

2.12 TRADE PAYABLES

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets. Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.13 BORROWINGS

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group and the Company have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

2.14 CURRENT AND DEFERRED INCOME TAX

The tax expense for the year consists of current and deferred corporate income tax. Tax is recognized in the profit or loss for the period, except to the extent that it relates to items recognized in other comprehensive income or directly in equity. In such cases, the tax is recognized in the statement of other comprehensive income or in equity.

The amount of current income tax for the year is calculated based on the tax legislation in force in the Republic of Croatia as at the balance sheet date. The Management Board periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and consider establishing provisions, where appropriate, on the basis of amounts expected to be paid to the Tax Administration.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax basis of assets and liabilities and their carrying amounts in the financial statements. Deferred tax assets and liabilities are determined using tax rates (and laws) that have been enacted or substantially enacted at the reporting date and are expected to apply when the related deferred tax asset is realized, or the deferred tax liability is settled. Deferred tax assets are recognized to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

2.15 EMPLOYEE BENEFITS

(a) Pension obligations and post-employment benefits

In the normal course of business through salary deductions, the Group and the Company make payments to mandatory pension funds on behalf of its employees as required by law. All contributions made to the mandatory pension funds are recorded as salary expenses when incurred. The Group and the Company do not have any other pension scheme and consequently, has no other obligations in respect of employee pensions except for amounts payable to each employee once retired. In addition, the Group and Company are not obliged to provide any other post-employment benefits.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group and the Company before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Group and the Company recognize termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy. Termination benefits falling due more than 12 months after the reporting sheet date are discounted to their present value.

(c) Short-term employee benefits

The Group and the Company recognize a provision for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation. In addition, the Group and the Company recognize liabilities for accumulated compensated absences based on unused vacation days at the reporting date, as well as labor hours realized from the reorganization of working hours not utilized up to the reporting date.

(d) Long-term employee benefits

The Group and the Company recognize a liability for long-term employee benefits (retirement severance payments and jubilee awards) on a straight-line basis over the period in which the benefit is earned, based on the actual number of years of service. The liability for long-term employee benefits includes assumptions regarding the number of employees entitled to such benefits, the estimated cost of those benefits, and the applicable discount rate.

2.16 PROVISIONS

Provisions are recognized when the Company has 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 for future operating losses are not recognized.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognized even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are reviewed as of the reporting date and adjusted to reflect an assessment based on the current best available information. The provision amount is increased in each period to reflect the passage of time. This increase is presented as an interest expense.

Note 2 – Summary of significant accounting policies (continued)

2.17 REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of services in hotels and apartments, campsites and restaurants of the Group and the Company. Revenue is presented net of agency fees and value-added tax.

The Group and the Company recognize revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entities and specific criteria have been met for each of the Group's and the Company's activities as described be. The Group and the Company sell hotel and tourism services. These services are provided based on fixed-price contracts. Revenues from hotel and tourism services are recognized over time when the services are provided. The Group and the Company offer its customers food and beverages in hotel rooms as well as in hotel restaurants.

Revenues are recognized when services are provided at a point of time. Determining the timing of the transfer of control – at a point in time or over time – requires judgement.

2.18 EARNINGS PER SHARE

Earnings per share are determined by dividing the profit or loss attributable to equity holders of the Group and the Company by the weighted average number of participating shares outstanding during the reporting year.

2.19 VALUE ADDED TAX

The Tax Administration requires the settlement of VAT on a net basis. VAT related to sales and purchases is recognized and disclosed in the statement of financial position on a net basis. Where receivables have been impaired for the purpose of adjustment, impairment loss is recorded for the gross amount of the debtor, including VAT.

2.20 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 the performance of the operating segments. The chief operating decision-maker is the Company's Management Board which oversees managing hotel and tourist facilities and contents.

2.21 ADOPTION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS

The following new standards, as well as amendments to existing standards issued by the International Accounting Standards Board (IASB), and interpretations issued by the IFRS Interpretations Committee (IFRIC) as adopted by the European Union, are effective in the current period:

- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability, issued on 15 August 2023 (effective for annual periods beginning on or after 1 January 2025).

The adoption of the above standards and interpretations did not have a material impact on the separate and consolidated financial statements of the Group and the Company.

2.21.1 STANDARDS ISSUED BUT NOT YET EFFECTIVE AND NOT EARLY ADOPTED

The following standards and amendments have been issued but are not yet effective and have not been early adopted by the Group and the Company:

- Amendments to IFRS 9 and IFRS 7 – Classification and Measurement of Financial Instruments, issued on 30 May 2024 (effective for annual periods beginning on or after 1 January 2026);
- Amendments to IFRS 9 and IFRS 7 – Contracts Referencing Nature-dependent Electricity, issued on 18 December 2024 (effective for annual periods beginning on or after 1 January 2026);
- Annual Improvements to IFRS Accounting Standards – Volume 11, issued on 18 July 2024 (effective for annual periods beginning on or after 1 January 2026).

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

2.21.2 STANDARDS AND INTERPRETATIONS ISSUED BY THE IASB BUT NOT YET ADOPTED BY THE EUROPEAN UNION

As at the date of issuance of these separate and consolidated financial statements, the following standards, amendments and interpretations issued by the IASB have not yet been adopted by the European Union:

- IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024);
- IFRS 19 and Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024 and 21 August 2025);
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency (issued on 13 November 2025).

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

Note 2 – Summary of significant accounting policies (continued)

2.22 DETERMINATION OF FAIR VALUES

A number of the Group's and the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group and the Company have an established control framework with respect to fair value measurement, which assumes the overall responsibility of the Management Board and finance department in relation to the monitoring of all significant fair value measurements, consultation with external experts, and the responsibility to report, with respect to the above, to those charged with corporate governance.

Fair values are measured using information collected from third parties, in which case the Board and the finance department assess whether the evidence collected from third parties supports the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy where such valuations should be classified.

Fair values are categorized into different level in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – inputs other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 – input variables for assets or liabilities that are not based on observable market data (unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximize the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more significant inputs are not based on observable market data, the fair value estimate is included in level 3.

2.23 GOVERNMENT GRANTS

State aid is recognized when there is a reasonable assurance that the aid will be received and all conditions associated with the aid will be met. When non-repayable funds relate to an expense item, they are recognized in reporting as a deduction from the related costs intended to be reimbursed.

Note 3 – Financial risk management

3.1 FINANCIAL RISK FACTORS

The Group's and the Company's daily activities expose them to a variety of financial risks, especially: market risk (including currency risk, cash flow and fair value interest rate risk and price risk), credit risk and liquidity risk. The Group and the Company do not have a written risk management program, but overall risk management with respect to these risks is carried out by the Company's Management Board.

The accounting policies for financial instruments have been applied to the line items below

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Financial assets at amortized cost			
Trade receivables	1,459	1,721	1,569
Other receivables and current financial assets	594	482	441
Loans granted	10	7,162	1,761
Cash and cash equivalents	12,886	12,819	9,774
	14,949	**22,184**	**13,545**

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Financial liabilities at amortized cost			
Trade payables	2,686	2,627	1,983
Borrowings	31,905	31,905	36,510
Loan liabilities	435	-	-
Lease liabilities	1,634	1,492	1,052
	36,660	**36,024**	**39,545**

Note 3 – Financial risk management (continued)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(a) Market risk

(i) Currency risk

Since Croatia joined the euro area on 1 January 2023, the Group and the Company's currency risk has been significantly reduced. As foreign currency transactions do not have a material impact on their operations, the Group and the Company were not exposed to currency risk as at 31 December 2025.

(ii) Interest rate risk

Short-term cash deposits of the Group and the Company generate interest income and are contracted at fixed rates, thereby not exposing the Group and the Company to interest rate risk. The interest rate on deposited funds was up to 3.00% (Company 2024: 3.57%).

The Group's and the Company's interest rate risk arises from long-term borrowings. Borrowings contracted at variable rates expose the Group and the Company to cash flow interest rate risk. As at 31 December 2025, the Group's and the Company's borrowings at variable interest rates amounted to EUR 31,605 thousand (Company 2024: EUR 36,005 thousand). The Group and the Company have not established formal objectives or policies for managing interest rate risk.

As at 31 December 2025, if interest rates on the Group's and Company's variable-rate borrowings had been 0.5% higher/lower, assuming all other variables remain constant, the Group's and the Company's net profit for 2025 would have been EUR 130 thousand higher/lower (Company 2024: EUR 148 thousand).

(iii) Price risk

The Group and the Company are not an active participant in the capital markets in terms of trading with equity and debt securities, therefore it is not exposed to price risk.

(b) Credit risk

The maximum exposure of the Group and the Company to credit risk as of the reporting date:

	GROUP	COMPANY	
(in thousands of EUR)	31 December 2025	31 December 2025	31 December 2024
Loans and receivables			
Trade receivables	1,459	1,721	1,569
Loans granted	10	7,162	1,761
Cash and cash equivalents	12,886	12,819	9,774
Total	**14,355**	**21,702**	**13,104**

The credit quality of the Group's exposure is as follows:

(in thousands of EUR)	TRADE RECEIVABLES	CASH AND CASH EQUIVALENTS	LOANS GRANTED	TOTAL
2025				
Not due	1,169	12,886	10	**14,065**
Due, unimpaired	290	-	-	**290**
Due, impaired	499	-	-	**499**
Impairment	(499)	-	-	**(499)**
	1,459	12,886	10	**14,355**

The credit quality of the Company's exposure is as follows:

(in thousands of EUR)	TRADE RECEIVABLES	CASH AND CASH EQUIVALENTS	LOANS GRANTED	TOTAL
2025				
Not due	1,189	12,819	7,162	**21,170**
Due, unimpaired	532	-	-	**532**
Due, impaired	499	-	-	**499**
Impairment	(499)	-	-	**(499)**
	1,721	12,819	7,162	**21,702**
2024				
Not due	1,215	9,774	1,761	**12,750**
Due, unimpaired	354	-	-	**354**
Due, impaired	544	-	-	**544**
Impairment	(544)	-	-	**(544)**
	1,569	9,774	1,761	**13,104**

Note 3 – Financial risk management (continued)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(b) Credit risk (continued)

The Group and the Company place cash deposits with banks that hold the following credit ratings according to Fitch or Moody's:

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Cash at bank			
A-	1,445	1,388	1,227
BBB+	7,178	7,178	7
BBB-	4,145	4,145	4,018
BB	2	2	2,227
Other or without rating	116	106	2,295
	12,886	**12,819**	**9,774**

In accordance with its sales policies, the Group and the Company enter into agreements exclusively with customers who meet creditworthiness criteria or require advance payments, security deposits, or settlement via credit cards. To reduce exposure to credit risk, the Group and the Company continuously monitor the status and creditworthiness of their business partners and secure receivables through instruments such as guarantees and promissory notes, thereby further mitigating the risk of non-collection for rendered services. Management monitors receivables collectability through bi-weekly reports on individual receivable balances.

The ageing structure analysis of trade receivables for which no impairment has been recognised was as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Up to one month	173	186	81
One to two months	50	55	23
Two to three months	26	31	32
Over three months	41	260	218
	290	**532**	**354**

Note 3 – Financial risk management (continued)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Liquidity risk

Prudent liquidity risk management is ensured by the Group and the Company through daily monitoring and maintaining sufficient available cash balances via operating cash flows, as well as adequate levels of committed current and future credit facilities to meet their obligations. Credit facilities for 2025 and 2026 have been arranged with reputable financial institutions, while loan repayments are generally aligned with periods of significant operating cash inflows.

The Group and the Company monitor daily liquidity positions through reports on cash balances and obligations.

Based on the approved budget, monthly cash flow forecasts are prepared for the following year, as well as long-term cash flow projections. Any surplus cash above working capital requirements is transferred to treasury. The treasury invests excess liquidity in interest-bearing current accounts, time deposits, and money market deposits, selecting instruments with appropriate maturities or sufficient liquidity in line with projected liquidity needs.

The table below presents the Group's and the Company's financial liabilities and assets as at the balance sheet date by contractual maturities. The amounts disclosed represent contractual, undiscounted cash flows.

GROUP

as at 31 December 2025 *(in thousands of EUR)*	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing assets						
Other receivables and non-current	594	594	594	-	-	-
financial assets	1,459	1,459	1,459	-	-	-
Trade receivables	2,053	2,053	2,053	-	-	-
Interest bearing assets						
Loans granted	10	10	10	-	-	-
Cash and cash equivalents	12,886	12,886	12,886	-	-	-
	12,896	12,896	12,896			
	14,949	**14,949**	**14,949**	**-**	**-**	**-**

COMPANY

as at 31 December 2025 *(in thousands of EUR)*	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing assets						
Other receivables and non-current financial assets	482	482	482	-	-	-
Trade receivables	1,721	1,721	1,721	-	-	-
	2,203	2,203	2,203	-	-	-
Interest bearing assets						
Loans granted	7,162	7,162	2,110	984	4,068	-
Cash and cash equivalents	12,819	12,819	12,819	-	-	-
	19,981	19,981	14,929	984	4,068	-
	22,184	**22,184**	**17,132**	**984**	**4,068**	**-**

as at 31 December 2024 *(in thousands of EUR)*	CARRYING AMOUNT	CONTRACTUAL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing assets						
Other receivables and non-current financial assets	441	441	441	-	-	-
Trade receivables	1,569	1,569	1,569	-	-	-
	2,010	2,010	2,010	-	-	-
Interest bearing assets						
Loans granted	1,761	1,761	1,761	-	-	-
Cash and cash equivalents	9,774	9,774	9,774	-	-	-
	11,535	11,535	11,535	-	-	-
	13,545	**13,545**	**13,545**	**-**	**-**	**-**

Note 3 – Financial risk management (continued)

3.1 FINANCIAL RISK FACTORS (CONTINUED)

(c) Liquidity risk (continued)

The table below analyses the Group's and Company's financial liabilities into relevant maturity groupings based on the remaining period on the balance sheet to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

GROUP

as at 31 December 2025 *(in thousands of EUR)*	CARRY-ING AMOUNT	CON-TRACTU-AL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing liabilities						
Other liabilities	5,687	5,687	5,687	-	-	-
Interest liabilities	300	300	300	-	-	-
Trade payables	2,686	2,686	2,686	-	-	-
	8,673	8,673	8,673	-	-	-
Interest bearing liabilities						
Borrowings	31,605	31,605	4,400	4,400	13,200	9,605
Loan liabilities	435	435	435	-	-	-
Lease liabilities	1,633	1,633	268	233	386	746
	33,673	33,673	5,103	4,633	13,586	10,351
	42,346	**42,346**	**13,776**	**4,633**	**13,586**	**10,351**

COMPANY

as at 31 December 2025 *(in thousands of EUR)*	CARRY-ING AMOUNT	CON-TRACTU-AL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing liabilities						
Other liabilities	5,667	5,667	5,667	-	-	-
Interest liabilities	300	300	300	-	-	-
Trade payables	2,627	2,627	2,627	-	-	-
	8,594	8,594	8,594	-	-	-
Interest bearing liabilities						
Borrowings	31,605	31,605	4,400	4,400	13,200	9,605
Loan liabilities	-	-	-	-	-	-
Lease liabilities	1,492	1,492	254	218	338	682
	33,097	33,097	4,654	4,618	13,538	10,287
	41,691	**41,691**	**13,248**	**4,618**	**13,538**	**10,287**

as at 31 December 2024 *(in thousands of EUR)*	CARRY-ING AMOUNT	CON-TRACTU-AL CASH FLOWS	UP TO 1 YEAR	1-2 YEARS	2-5 YEARS	OVER 5 YEARS
Non-interest bearing liabilities						
Other liabilities	5,488	5,488	5,488	-	-	-
Interest liabilities	505	505	505	-	-	-
Trade payables	1,983	1,983	1,983			
	7,976	7,976	7,976	-	-	-
Interest bearing liabilities						
Borrowings	36,005	36,005	4,400	4,400	13,200	14,005
Loan liabilities	-	-	-	-	-	-
Lease liabilities	1,052	1,052	195	135	161	561
	37,057	37,057	4,595	4,535	13,361	14,566
	45,033	**45,033**	**12,571**	**4,535**	**13,361**	**14,566**

Note 3 – Financial risk management (continued)

3.2 CAPITAL RISK MANAGEMENT

The Group's and the Company's objectives when managing capital are to safeguard the Group and the Company's ability to continue as a going concern in order to provide returns for the owner and to maintain an optimal capital structure to reduce the cost of capital. In accordance with the Companies Act, the Company is committed to maintaining the level of capital above EUR 25 thousand as required for public limited companies.

3.3 FAIR VALUE ESTIMATION

Fair value represents the amount at which an asset could be exchanged, or a liability settled between knowledgeable and willing parties acting in their best interest.

The carrying amounts of current trade and other receivables and trade payables approximate their fair value. The carrying amount of borrowings approximates their fair value due to market interest rates on borrowings.

HOTEL AMBASADOR

Note 4 – Critical accounting estimates

Estimates are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under existing circumstances. The Group and the Company make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Estimated useful life and impairment of property, plant and equipment

By using a certain asset, the Group and the Company use the economic benefits contained in this asset, which diminish more intensely with economic and technological aging. Consequently, in the process of determining the useful life of an asset, in addition to assessing the expected physical utilization, it is necessary to consider the changes in demand on the tourist market, which will cause a faster economic obsolescence as well as a more intense development of new technologies. Current business operations in the hotel industry impose the need for more frequent investments.

The useful life of the "Buildings" class of property, plant and equipment, ranging from 4 to 50 years for the Group and 17 to 50 years for the Company, as well as the useful life of the "Equipment" class ranging from 2 to 15 years, was assessed as suitable for the smooth functioning of the business in accordance with the opinions of the technical department.

The useful life of use was also reviewed for other assets. Useful life will be periodically reviewed in the sense of whether there are circumstances for changing the assessment in relation to the previously determined. Changes in estimate, if any, will be reflected in future periods through a change in depreciation expense over the remaining, changed useful life.

(b) Lawsuits

Provisions for lawsuits and proceedings are stated based on the Management board's assessment of potential losses as well as the probability of resolving these disputes in a period shorter than / longer than one year, after consulting lawyers. Based on existing knowledge, it is reasonably possible that the outcome of litigation will differ from the estimated potential losses. On 31 December 2025, the Company has reported provisions for several disputes in the total amount of EUR 968 thousand.

(c) Land ownership and legal disputes

Issues related to land ownership proceedings are common among tourism companies in the Republic of Croatia. Their resolution is anticipated based on the Act on Unvalued Building Land, which entered into force on May 2, 2020. A more accurate assessment of the outcome of court and administrative proceedings concerning unapprised land will be possible only after the resolution of property-legal matters and the determination of actual ownership of tourism land, in accordance with the provisions of the Act on Unvalued Building Land. The outcome of these proceedings is not expected to have a significant impact on the Group's and the Company's financial statements or performance.

(d) Deferred tax assets

Deferred tax assets include an amount of EUR 2,166 thousand recognized on the basis of carried forward tax losses and other temporary tax differences. The Group and the Company have a five-year period from the date the tax losses were incurred to utilize the related tax benefits. In contrast, the realization of deferred tax assets arising from other temporary differences is not time-limited, resulting in a very low level of uncertainty regarding their utilization.

Deferred tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the tax assets can be utilized. In assessing the likelihood of realizing future taxable profits and the related tax benefits, Management makes judgments and estimates based on historical taxable income and reasonable expectations of future earnings under current conditions. Considering the Group's and the Company's recent financial performance, it is expected that a portion of the carried forward tax losses will be utilized within the next few years, prior to their expiration.

e) Impairment of goodwill

The Group performs an annual impairment test of goodwill in accordance with the accounting policy set out in Note 2.4. The recoverable amounts of cash-generating units are determined based on value in use. These calculations require the use of estimates.

Note 5 – Segment information

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Company's Management, the chief operating decision-maker, which is responsible for allocating resources to the reportable segments and assessing its performance.

The Group and the Company record its operating revenue and costs by the type of services rendered in two basic segments: hotels & apartments and other business segments. Other business segments include campsite services, marina services, rental services and other similar services as well as central sector services.

The segment information for the year ended 31 December 2025 is as follows:

GROUP

(in thousands of EUR)	HOTELS AND APARTMENTS	OTHER	UNALLO-CATED	TOTAL
Sales revenues	59,212	2,201	-	61,413
GOP	14,918	132	-	15,050
Procurement of real estate, plants, equipment and intangible assets	4,111	271	-	4,382
Book value of real estate, plant, equipment and intangible assets	79,859	21,505	-	101,364
Book value of other long-term assets	432	778	2,616	3,826
Depreciation	6,522	774	123	7,419
Current assets	-	-	15,642	15,642
Total liabilities	-	-	43,626	43,626

COMPANY

(in thousands of EUR)	HOTELS AND APARTMENTS	OTHER	UNALLO-CATED	TOTAL
Sales revenues	59,233	1,899	-	61,132
GOP	14,918	572	-	15,490
Procurement of real estate, plants, equipment and intangible assets	4,111	149	-	4,260
Book value of real estate, plant, equipment and intangible assets	79,859	10,449	-	90,308
Book value of other long-term assets	432	638	12,117	13,187
Depreciation	6,522	379	123	7,024
Current assets	-	-	17,819	17,819
Total liabilities	-	-	42,970	42,970

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

(in thousands of EUR)	HOTELS AND APARTMENTS	OTHER	UNALLO-CATED	TOTAL
Sales revenues	58,311	2,237	-	60,548
GOP	15,461	1,897	-	17,358
Procurement of real estate, plants, equipment and intangible assets	3,847	75	-	3,922
Book value of real estate, plant, equipment and intangible assets	85,318	13,642	-	98,960
Book value of other long-term assets	-	-	6,757	6,757
Depreciation	7,137	411	222	7,770
Current assets	-	-	14,242	14,242
Total liabilities	-	-	46,385	46,385

Note 6.1 – Revenue

Revenue streams

The Group and the Company generate revenue primarily from the accommodation services, food and beverages sales and provision of ancillary hotel services to its customers. The Group's and the Company's sales revenues can be classified according to the customers' origin:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Domestic sales	8,759	8,719	8,354
Foreign sales	52,654	52,413	52,194
	61,413	**61,132**	**60,548**

	GROUP		COMPANY			
FOREIGN SALES	**2025**	**%**	**2025**	**%**	**2024**	**%**
Austria	14,619	27,8	14,552	27,8	14,014	26,9
Germany	9,917	18,8	9,871	18,8	10,515	20,1
Slovenia	5,433	10,3	5,408	10,3	5,201	10,0
Hungary	4,468	8,5	4,448	8,5	4,706	9,0
Netherlands	2,011	3,8	2,002	3,8	2,328	4,5
Italy	1,820	3,5	1,811	3,5	1,754	3,4
Slovakia	1,180	2,2	1,175	2,2	1,299	2,5
Other EU members /i/	6,669	12,7	6,638	12,7	5,105	9,8
Other /i/	6,537	12,4	6,508	12,4	7,272	13,8
	52,654	**100**	**52,413**	**100**	**52,194**	**100**

/i/ None of the customers' share in sales exceeds 10%.

The sales revenues are classified according to the sales channel and type of service:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Revenue from hotel services			
Individual guests	31,556	31,558	28,556
Groups	8,998	8,998	8,280
Allotment	6,589	6,589	8,103
MICE	3,091	3,091	4,618
	50,234	**50,236**	**49,557**
Revenue from other services			
Food and beverages	7,303	7,103	7,426
Revenue from services rendered to hotel guests	2,193	2,098	1,930
Other revenue	1,683	1,695	1,635
	11,179	**10,896**	**10,991**
Total sales revenue	**61,413**	**61,132**	**60,548**

Note 6.2 – Other revenues

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Write-off of liabilities	253	242	437
Revenues from insurance companies compensation of damages	89	89	527
Recharged costs to lessees and others	112	124	154
Collection of receivables previously written-off	46	46	17
Income from reversal of provision	396	396	219
Rental income	875	875	789
Other income	1,287	1,298	1,373
	3,058	**3,070**	**3,516**

Note 7 – Cost of materials and services

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Food, beverages and other supplies	7,441	7,345	8,154
Energy and water used	3,841	3,804	3,929
	11,282	**11,149**	**12,083**
Tourist agency services	3,098	3,098	2,791
External labor costs	136	74	589
Maintenance	1,454	1,431	1,330
Advertising and promotion	1,032	1,031	1,018
Laundry services	1,509	1,509	1,338
Utilities and other similar services	733	715	672
Rent	652	651	1,116
Entertainment of guests	393	393	350
Other expenses	2,051	2,004	1,521
	11,058	**10,906**	**10,725**
	22,340	**22,055**	**22,808**

Note 8 – Staff cost

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Gross salaries and wages	17,398	17,279	15,705
Contributions on salaries	2,736	2,717	2,376
Other staff costs /i/	4,479	4,463	3,977
	24,613	**24,459**	**22,058**
Number of employees at year-end	843	842	835
Average number of employees	860	851	831

/i/ Other staff costs include compensations for transportation costs, remunerations for temporary services, jubilee and special awards, etc.

The Group and the Company capitalised staff costs in the amount of EUR 187 thousand (2024: EUR 29 thousand).

Note 9 – Other operating expenses

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Professional services	450	438	409
Utility and similar fees	1,395	1,378	1,410
Write-off of property, plant and equipment and intangible assets	253	253	163
Insurance	278	275	254
Provisions for legal disputes (note 20)	325	325	99
Bank charges and membership fee	148	144	141
Travel and entertainment	237	237	294
Other expenses	1,886	1,791	1,903
	4,972	**4,841**	**4,673**

The Group's and the Company's agreed fee for audit services for 2025 amounts to EUR 46 thousand (2024 Company: EUR 42 thousand).

Note 10 – Other gains – net

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Net gains on sale of property, plant and equipment	657	657	7
	657	**657**	**7**

Note 11 – Net finance costs

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Finance income			
Interest income	248	448	280
	248	**448**	**280**
Finance costs			
Interest expense	(1,609)	(1,589)	(1,993)
Other finance costs	(17)	(17)	(43)
	(1,626)	(1,606)	(2,036)
Net finance costs	**(1,378)**	**(1,158)**	**(1,756)**

Note 12 – Income tax

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Current tax expense	-	-	-
Deferred tax (income)/ expenses	432	432	807
Tax (income)/expense	**432**	**432**	**807**

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Profit/(loss) before tax	4,278	5,202	4,911
Tax rate 18%	770	937	884
Non-deductible expenses for tax purposes	38	38	52
Recognition of previously unrecognised temporary differences	(209)	(209)	(7)
Recognition of tax loss carry forwards	(334)	(334)	(122)
Losses for which deferred tax assets have not been recognised	167	-	-
Tax (income)/expense	**432**	**432**	**807**
Effective tax rate	10.1%	8.3%	16.4%

The corporate income tax before taxation differs from the theoretical amount that would arise using the tax rate of 18%. The reconciliation of the tax expense of the Group and the Company per the statement of comprehensive income and taxation at the statutory rate is presented in detail in the table above.

According to the regulations of the Republic of Croatia, the Tax Administration may at any time inspect the books and records of the Company and its subsidiaries within a period of three years following the expiry of the year in which the tax liability was assessed and may impose additional tax liabilities and penalties.

A tax audit of corporate income tax for 2021 is currently in progress. At this moment, Management is unable to determine the final outcome upon completion of the audit.

DEFERRED TAX ASSETS AND LIABILITIES

As at 31 December 2025, the Group's deferred tax assets amount to EUR 2,166 thousand.

GROUP

(in thousands of EUR)	ASSETS AS AT 31 DECEMBER 2025	LIABILITIES AS AT 31 DECEMBER 2025	NET AS AT 31 DECEMBER 2025
Provisions for other liabilities and expenses	146	-	146
Property, plant and equipment	331	-	331
Tax losses recognized	1,689	-	1,689
	2,166	**-**	**2,166**

As at 31 December 2025, the Company's deferred tax assets amount to EUR 2,166 thousand (2024: EUR 2,598 thousand).

COMPANY

	ASSETS AS AT 31 DECEMBER		LIABILITIES AS AT 31 DECEMBER		NET AS AT 31 DECEMBER	
(in thousands of EUR)	**2025**	**2024**	**2025**	**2024**	**2025**	**2024**
Provisions for other liabilities and expenses	146	183	-	-	146	183
Property, plant and equipment	331	503	-	-	331	503
Tax losses recognized	1,689	1,912	-	-	1,689	1,912
	2,166	**2,598**	**-**	**-**	**2,166**	**2,598**

The movement in deferred tax assets and liabilities during the year relates to the temporary differences as follows:

(in thousands of EUR)	31 DECEMBER 2024	RECOGNIZED IN PROFIT OR LOSS	31 DECEMBER 2025
Provisions for other liabilities and expenses	183	(37)	146
Property, plant and equipment	503	(172)	331
Tax losses recognized	1,912	(223)	1,689
	2,598	**(432)**	**2,166**

Note 13 – Earnings per share (basic and diluted)

BASIC EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the profit attributable to shareholders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	GROUP	COMPANY	
	2025	2025	2024
Profit for the year (in thousands of EUR)	3,846	4,770	4,104
Weighted average number of shares	302,637	302,637	302,637
Earnings per share (basic) (in EUR)	12.7	15.8	13.6

DILUTED EARNINGS PER SHARE

Diluted earnings per share are equal to basic earnings per share, since the Company did not have any convertible instruments nor share options outstanding.

HOTEL IMPERIAL

Note 14.1 – Property, plant and equipment

GROUP

(in thousands of EUR)	LAND	BUILDINGS	EQUIPMENT	ASSETS UNDER CONSTR.	ARTWORK	TOTAL
As at 1 January 2025						
Cost	16,251	233,650	51,836	4,837	515	307,088
Accumulated depreciation	-	(169,798)	(39,821)	-	-	(209,619)
Net carrying amount	**16,251**	**63,851**	**12,015**	**4,837**	**515**	**97,469**
Year ended 31 December 2025						
Opening net carrying amount	**16,251**	**63,851**	**12,015**	**4,837**	**515**	**97,469**
Effect of consolidation of subsidiaries	-	2,764	303	3,570	-	6,637
Additions	36	417	1,310	2,345	-	4,108
Disposals and write-offs	(309)	(2,751)	(100)	(410)	-	(3,570)
Depreciation	-	(3,679)	(3,101)	-	-	(6,780)
Reclassification	-	123	412	(535)	-	-
Transfer	-	-	-	(2,571)	-	(2,571)
Closing net carrying amount	**15,978**	**60,725**	**10,839**	**7,236**	**515**	**95,293**
As at 31 December 2025						
Cost	15,978	233,627	53,459	7,236	515	310,815
Accumulated depreciation	0	(172,902)	(42,620)	0	0	(215,522)
Net carrying amount	**15,978**	**60,725**	**10,839**	**7,236**	**515**	**95,293**

Note 14.1 – Property, plant and equipment (continued)

COMPANY

(in thousands of EUR)	LAND	BUILDINGS	EQUIPMENT	ASSETS UNDER CONSTR,	ARTWORK	TOTAL
As at 1 January 2025						
Cost	16,251	229,420	51,523	7,344	515	305,053
Accumulated depreciation	-	(166,068)	(37,837)	-	-	(203,905)
Net carrying amount	**16,251**	**63,352**	**13,686**	**7,344**	**515**	**101,148**
Year ended 31 December 2024						
Opening net carrying amount	16,251	63,352	13,686	7,344	515	101,148
Additions	-	514	1,175	1,907	-	3,596
Disposals and write-offs	-	(54)	(109)	-	-	(163)
Depreciation	-	(3,931)	(3,111)	-	-	(7,042)
Reclassification	-	3,970	371	(4,341)	-	-
Transfer	-	-	3	(73)	-	(70)
Closing net carrying amount	**16,251**	**63,851**	**12,015**	**4,837**	**515**	**97,469**
As at 31 December 2024						
Cost	16,251	233,650	51,835	4,837	515	307,088
Accumulated depreciation	-	(169,799)	(39,820)	-	-	(209,619)
Net carrying amount	**16,251**	**63,851**	**12,015**	**4,837**	**515**	**97,469**

Note 14.1 – Property, plant and equipment (continued)

COMPANY

(in thousands of EUR)	LAND	BUILDINGS	EQUIPMENT	ASSETS UNDER CONSTR,	ARTWORK	TOTAL
As at 1 January 2024						
Cost	16,251	233,650	51,835	4,837	515	307,088
Accumulated depreciation	-	(169,799)	(39,820)	-	-	(209,619)
Net carrying amount	**16,251**	**63,851**	**12,015**	**4,837**	**515**	**97,469**
Year ended 31 December 2025						
Opening net carrying amount	16,251	63,851	12,015	4,837	515	97,469
Additions	36	417	1,309	2,223	-	3,985
Disposals and write-offs	(309)	(2,751)	(97)	(410)	-	(3,567)
Depreciation	-	(3,511)	(2,927)	-	-	(6,438)
Reclassification	-	118	295	(413)	-	-
Transfer	-	-	-	(2,571)	-	(2,571)
Closing net carrying amount	**15,978**	**58,124**	**10,595**	**3,666**	**515**	**88,878**
Year ended 31 December 2025						
Cost	15,978	230,317	52,505	3,666	515	302,981
Accumulated depreciation	0	(172,193)	(41,910)	0	0	(214,103)
Net carrying amount	**15,978**	**58,124**	**10,595**	**3,666**	**515**	**88,878**

Note 14.1 – Property, plant and equipment (continued)

As at 31 December 2025, land and buildings of the Group and the Company in the amount of EUR 22,825 thousand (Company 2024: EUR 21,946 thousand) are pledged as collateral for the repayment of borrowings (Note 19).

Land together with the related buildings of the Group has a net book value of EUR 76,703 thousand, while land together with the related buildings of the Company has a net book value of EUR 74,102 thousand (2024: EUR 80,102 thousand).

Construction in progress of the Group and the Company mainly relates to project documentation, construction works on the terrace and outdoor swimming pool of Hotel Kvarner, construction and preparatory works, as well as other assets under preparation within the tourism facilities of the Group and the Company.

The carrying amount of property, plant and equipment leased out is as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Cost	1,074	1,074	1,074
Accumulated depreciation as at 31 December	(789)	(789)	(778)
Net carrying amount	**285**	**285**	**296**

/i/ The presented net carrying amount relates solely to the separately leased unit, while for other business premises within the hotels it is not possible to reliably determine the corresponding individual net carrying amount.

Operating leases relate to the lease of hospitality outlets and retail premises. During 2025, the Group and the Company generated rental income in the amount of EUR 875 thousand (Company 2024: EUR 789 thousand).

The aggregate lease payments receivable for operating leases are as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Up to 1 year	754	754	788
Between 2 and 5 years	2,995	2,995	2,799
	3,749	**3,749**	**3,587**

The majority of lease agreements with tenants are concluded for an indefinite period, while a smaller number are contracted for a fixed term of one to five years. Upon lease expiration, contracts are either renewed at market rates or, following a tender process, awarded to the most favorable bidders.

Note 14.2 – Intangible assets

GROUP

(in thousands of EUR)	GOODWILL	CONCESSIONS, PATENTS, LICENSES, SOFTWARE AND RIGHTS	OTHER INTANGIBLE ASSETS	ASSET IN PREPARATION	TOTAL
As at 1 January 2025					
Cost	-	2,899	1,085	858	4,842
Accumulated amortization	-	(2,419)	(932)	-	(3,351)
Net carrying amount	**-**	**480**	**153**	**858**	**1,491**
Year ended 31 December 2025					
Opening net carrying amount	-	480	153	858	1,491
Effect of consolidation of subsidiaries	4,625	3	56	-	4,684
Additions	-	44	8	223	275
Amortization	-	(282)	(101)	-	(383)
Transfer	-	-	12	(12)	-
Reclassification	-	-	4	-	4
Closing net carrying amount	**4,625**	**245**	**132**	**1,069**	**6,071**
As at 31 December 2025					
Cost	4,625	2,946	1,165	1,069	9,805
Accumulated amortization	-	(2,701)	(1,033)	-	(3,734)
Net carrying amount	**4,625**	**245**	**132**	**1,069**	**6,071**

Note 14.2 – Intangible assets (continued)

COMPANY

(in thousands of EUR)	CONCESSIONS, PATENTS, LICENSES, SOFTWARE AND RIGHTS	OTHER INTANGIBLE ASSETS	ASSET IN PREPARATION	TOTAL
As at 1 January 2024				
Cost	2,898	1,008	542	4,448
Accumulated amortization	(1,963)	(882)	-	(2,845)
Net carrying amount	**935**	**126**	**542**	**1,603**
Year ended 31 December 2024				
Opening net carrying amount	935	126	542	1,603
Additions	1	4	389	394
Amortization	(456)	(50)	-	(506)
Transfer	-	73	(73)	-
Closing net carrying amount	**480**	**153**	**858**	**1,491**
As at 31 December 2024				
Cost	2,899	1,085	858	4,842
Accumulated amortization	(2,419)	(932)	-	(3,351)
Net carrying amount	**480**	**153**	**858**	**1,491**

Note 14.2 – Intangible assets (continued)

COMPANY

(in thousands of EUR)	CONCESSIONS, PATENTS, LICENSES, SOFTWARE AND RIGHTS	OTHER INTANGIBLE ASSETS	ASSET IN PREPARATION	TOTAL
As at 1 January 2025				
Cost	2,899	1,085	858	4,842
Accumulated amortization	(2,419)	(932)	-	(3,351)
Net carrying amount	**480**	**153**	**858**	**1,491**
Year ended 31 December 2025				
Opening net carrying amount	480	153	858	1,491
Additions	44	8	223	275
Amortization	(280)	(59)	-	(339)
Transfer	-	12	(12)	-
Reclassification	-	4	-	4
Closing net carrying amount	**244**	**118**	**1,069**	**1,431**
As at 31 December 2025				
Cost	2,940	1,109	1,069	5,118
Accumulated amortization	(2,696)	(991)	-	(3,687)
Net carrying amount	**244**	**118**	**1,069**	**1,431**

Note 14.3 – Right of use of assets

Below is a overview of information related to leases where the Group and the Company are lessees.

The statement of financial position shows the amounts for leases as follows:

GROUP

(in thousands of EUR)	CONCES-SIONS	VEHI-CLES	EQUIP-MENT	TOTAL
Year ended 31 December 2025				
Opening net carrying amount	903	70	80	1,053
Effect of consolidation of subsidiaries	155	-	-	155
Additions	18	446	307	771
Disposals and write-offs	(33)	(23)	-	(56)
Depreciation	(124)	(124)	(15)	(263)
Closing net carrying amount	**919**	**369**	**372**	**1,660**

COMPANY

(in thousands of EUR)	CONCES-SIONS	VEHI-CLES	EQUIP-MENT	TOTAL
Year ended 31 December 2025				
Opening net carrying amount	903	70	80	1,053
Additions	18	446	307	771
Disposals and write-offs	(33)	(23)	-	(56)
Depreciation	(108)	(124)	(15)	(247)
Closing net carrying amount	**780**	**369**	**372**	**1,521**

(in thousands of EUR)	CONCES-SIONS	VEHI-CLES	EQUIP-MENT	TOTAL
Year ended 31 December 2024				
Opening net carrying amount	1,001	164	94	1,259
Additions	-	58	-	58
Disposals and write-offs	-	(42)	-	(42)
Depreciation	(98)	(110)	(14)	(222)
Closing net carrying amount	**903**	**70**	**80**	**1.053**

The statement of comprehensive income presents the amounts for leases as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Depreciation of assets with right of use			
Concessions	(124)	(108)	(98)
Vehicles	(124)	(124)	(110)
Equipment	(15)	(15)	(14)
	(263)	**(247)**	**(222)**
Interest expense (included in financial expenses)	**(58)**	**(54)**	**(15)**

Note 15 – Financial assets

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Investments in Aeris d.o.o.	-	2,148	2,148
Investments in Ika 21 d.o.o.	-	-	958
Investments in Lido Opatija d.o.o.	-	2,300	-
	-	**4,448**	**3,106**

The Company owns 100% of total shares in Aeris d.o.o.

The Company owns a 100% of total shares in Lido Opatija d.o.o. since May 2025.

In May 2025, the Company sold its 100% of total shares in Ika 21 d.o.o.

Note 16 – Trade and other receivables

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Domestic receivables	554	816	722
Foreign receivables	447	447	465
Non-invoiced receivables /i/	957	957	926
Allowance for impairment of trade receivables	(499)	(499)	(544)
Trade receivables - net	**1,459**	**1,721**	**1,569**
Receivables from the state and other receivables	594	482	441
	2,053	**2,203**	**2,010**

/i/ Non-invoiced receivables relate to receivables from guests staying at the hotel as of 31 December.

Movements in the impairment of trade and other receivables are as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
As at 1 January	(544)	(544)	(495)
Increase	-	-	(70)
Collection	-	-	21
Write-off	45	45	-
As at 31 December	**(499)**	**(499)**	**(544)**

When determining the potential need for impairment, the Group and the Company have chosen to apply a simplified assessment approach, which primarily relies on historical default rates and is supplemented by forward-looking factors relevant to estimating credit losses.

Accordingly, the fair value of trade and other receivables is considered to be approximately equal to their book value.

The ageing analysis of gross receivables from customers and related parties is presented in Note 3.1.

Note 17 – Cash and cash equivalents

	GROUP	COMPANY	
(in thousands of EUR)	31 December 2025	31 December 2025	31 December 2024
Deposits up to 90 days	12,639	12,639	9,298
Cash on hand	210	152	397
Giro accounts	37	28	79
	12,886	12,819	9,774

Interest rates on cash and cash equivalents amounted to a maximum of 3.00% (2024: up to 3.57%).

Note 18 – Capital and reserves

SHARE CAPITAL

As at 31 December 2025, the Company's share capital amounted to EUR 92,306 thousand (2024: EUR 92,306 thousand) and comprises 302,641 ordinary shares with a nominal value of EUR 305 per share (2024: EUR 305 per share).

Ordinary shares have equal voting rights and rights to receive dividend. The Company's share capital has been fully paid in cash.

The ownership structure as follows:

	31 December 2025		31 December 2024	
SHAREHOLDER	NUMBER OF SHARES	%	NUMBER OF SHARES	%
Gitone Adriatic d.o.o.	215,605	71.24	215,605	71.24
Nova Liburnija d.o.o.	75,661	25.00	75,661	25.00
CERP	1,624	0.54	1,624	0.54
Small shareholders	9,747	3.22	9,747	3.22
Treasury shares	4	<0.01	4	<0.01
Total	**302,641**	**100.00**	**302,641**	**100.00**

LEGAL RESERVES

Under Croatian regulations, the legal reserve must be built up to a minimum of 5% of the profit for the year until total reserves together with the capital reserves reach 5% of the Company's share capital. Legal reserves are not distributable. Legal reserves include EUR 5,744 thousand from reduction of share capital in 2014.

CAPITAL RESERVES

Capital reserves were formed by reducing the share capital from 2014, with an increase of 79 thousand euros in 2023 during the adjustment of the share capital upon the introduction of the euro.

RESERVES FOR TREASURY SHARES

Reserves for treasury shares amount to EUR 1 thousand since the Company holds 4 treasury shares.

Note 19 – Borrowings

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Bank borrowings	31,905	31,905	36,510
Less: non-current portion	(27,205)	(27,205)	(31,605)
Current portion	**4,700**	**4,700**	**4,905**

Bank borrowings are secured by a mortgage over land and a building (note 14). Of the total amount of current borrowings, EUR 300 thousand relates to interest payable (*Company 2024: EUR 505 thousand*). Bank loan contracts contain loan covenants.

Maturities of long-term borrowings are as follow:

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Bank borrowings			
Between 1 and 5 years	17,600	17,600	17,600
Over 5 years	9,605	9,605	14,005
	27,205	**27,205**	**31,605**

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Bank borrowings			
As of 1 January	**36,510**	**36,510**	**42,839**
Borrowings received	-	-	21,500
Repayments of borrowings	(4,400)	(4,400)	(27,496)
Net increase (decrease) in interest payable	(205)	(205)	(333)
As of 31 December	**31,905**	**31,905**	**36,510**

Note 20 – provisions for other liabilities and expenses

GROUP

(in thousands of EUR)	TERMINATION BENEFITS AND JUBILEE AWARDS	LEGAL DISPUTES	TOTAL
As of 1 January 2025	**315**	**1,037**	**1,352**
Increase	74	250	324
Paid during the year	(33)	(118)	(151)
Released during the year	(44)	(201)	(245)
As of 31 December 2025	**312**	**968**	**1,280**
Current portion	**-**	**-**	**-**
Non-current portion	**312**	**968**	**1,280**

COMPANY

(in thousands of EUR)	TERMINATION BENEFITS AND JUBILEE AWARDS	LEGAL DISPUTES	TOTAL
As of 1 January 2025	**315**	**1,037**	**1,352**
Increase	74	250	324
Paid during the year	(33)	(118)	(151)
Released during the year	(44)	(201)	(245)
As of 31 December 2025	**312**	**968**	**1,280**
Current portion	**-**	**-**	**-**
Non-current portion	**312**	**968**	**1,280**

(in thousands of EUR)	TERMINATION BENEFITS AND JUBILEE AWARDS	LEGAL DISPUTES	TOTAL
As of 1 January 2024	**290**	**1,181**	**1,471**
Increase	25	74	99
Paid during the year	-	-	-
Released during the year	-	(218)	(218)
As of 31 December 2024	**315**	**1,037**	**1,352**
Current portion	**-**	**-**	**-**
Non-current portion	**315**	**1,037**	**1,352**

Note 21 – Lease liabilities

The maturity of operate leases is as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Lease liabilities			
As at 1 January	**1,052**	**1,052**	**1,289**
Effect of consolidation of subsidiaries	156	-	-
Receipts	766	766	58
Repayment	(250)	(235)	(251)
Write-offs	(91)	(91)	(44)
As at 31 December	**1,633**	**1,492**	**1,052**
Lease liabilities			
Current portion	268	254	195
Non-current portion	1,365	1,238	857
	1,633	**1,492**	**1,052**

Note 22 – Trade and other payables

	GROUP	COMPANY	
(in thousands of EUR)	**31 December 2025**	**31 December 2025**	**31 December 2024**
Domestic trade payables	2,508	2,449	1,798
Foreign trade payables	178	178	185
Total trade payables	2,686	2,627	1,983
Due to employees	2,418	2,417	2,162
Taxes and contributions payable	1,249	1,249	1,021
Advances payable	1,717	1,714	1,895
Other liabilities	303	287	410
Total other payables	5,687	5,667	5,488
	8,373	**8,294**	**7,471**

Note 23 – Cash generated from operations

Reconciliation of profit and cash generated from operations:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Profit for the year	3,846	4,770	4,104
Adjustments for:			
Depreciation and amortization	7,419	7,024	7,770
Write-off of property, plant and equipment	574	571	163
Net gains on sale of property, plant and equipment	(657)	(657)	(7)
Allowance for impairment of trade receivables - net	128	120	95
Net finance costs	1,378	1,158	1,756
Increase in provisions-net	(72)	(72)	(120)
Income tax	432	432	807
Changes in working capital:			
- trade and other receivables	(126)	(147)	390
- inventories	3	10	(6)
- trade and other payables	810	824	261
Cash generated from operations	**13,735**	**14,033**	**15,213**

Note 24 – Contingencies and commitments

LEGAL DISPUTES

The Company is both a defendant and a plaintiff in several legal proceedings arising in the ordinary course of business. In the financial statements for the year ended 31 December 2025, provisions for litigation where the Group and the Company expect an outflow of resources amount to EUR 968 thousand (Company 2024: EUR 1,037 thousand), as disclosed in Note 20.

LAND OWNERSHIP

Pursuant to the Agreement on the resolution of legal ownership rights and the transfer of 25% + 1 shares concluded on 14 June 2007 with the Croatian Privatization Fund, Zagreb (CPF) and the City of Opatija (which concluded the Agreement in its own name and for the account of the Municipalities of Lovran, M. Draga and Matulji), the Company acquired the ownership right over the properties entered into the Company's share capital based on the Decision of CPF dated 5 July 1995, the Conclusion of CPF dated 27 February 1998, the Conclusion of CPF dated 30 April 1998 and the Conclusion of CPF dated 10 June 1998. In line with the stated Agreement, legal documentation has been issued for most of the properties subject to the Agreement, except for the cases where the land plot division process is still ongoing, since they have been entered into the Company's share capital as part of the cadastral plot, and not as the entire cadastral plot. It is not expected that the outcome of mentioned disputes will have a significant effect on the financial statements or the performance of the Group and the Company.

CONTRACTUAL COMMITMENTS

As at 31 December 2025, future commitments related to investments in tourism facilities amounted to EUR 569 thousand for the Group and the Company (Company 2024: EUR 0 thousand).

Note 25 – Related party transactions

Parties are considered to be related if one of the parties has the power to exercise control over the other party or under common control or if it has significant influence over the other party in making financial or operational decisions. As of 31 December 2025, the Company has one majority shareholder Gitone Adriatic d.o.o. with 71.24% shares and shareholder Nova Liburnija d.o.o with 25% shares (note 18).

Related party transactions at the year-end are as follows:

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Sales revenues:			
Subsidiaries	-	21	-
Other parties associated with the group, owners or persons in supervision	96	94	178
	96	**115**	**178**
Other revenues:			
Subsidiaries	-	26	-
Other parties associated with the group, owners or persons in supervision	973	723	2
	973	**749**	**2**
Financial revenues:			
Subsidiaries	-	205	60
	-	**205**	**60**
Costs of materials and services:			
Other parties associated with the group, owners or persons in supervision	559	553	600
	559	**553**	**600**
Other operating expenses:			
Other parties associated with the group, owners or persons in supervision	1,908	1,839	2,386
	1,908	**1,839**	**2,386**
Financial costs:			
Other parties associated with the group, owners or persons in supervision	68	-	-
	68	**-**	**-**

Note 25 – Related party transactions (continued)

		GROUP	COMPANY	
(in thousands of EUR)		**2025**	**2025**	**2024**
Trade and other payables:				
Subsidiaries (Loans granted)		-	7,162	1,761
Other parties associated with the group, owners or persons in supervision (Loans granted)		10	-	-
Subsidiaries (Trade receivables)		-	264	197
Other parties associated with the group, owners or persons in supervision (Trade receivables)		15	4	18
Other parties associated with the group, owners or persons in supervision (Receivables for advances given)		-	-	2,300
		25	**7,430**	**4,276**
Trade and other payables:				
Other parties associated with the group, owners or persons in supervision (Loans liabilities)		435	-	-
Other parties associated with the group, owners or persons in supervision (Trade and other payables)		449	433	301
		884	**433**	**301**

COMPENSATIONS TO MEMBERS OF THE KEY MANAGEMENT AND THE SUPERVISORY BOARD

Key management of the Group and the Company (Management Board and Executive Directors) comprised four members during 2025 (Company 2024: four members).

	GROUP	COMPANY	
(in thousands of EUR)	**2025**	**2025**	**2024**
Key management compensation			
Net salaries	1,156	1,156	739
Pension contributions	145	145	97
Health insurance contribution	277	277	174
Other costs	428	428	262
	2,006	**2,006**	**1,272**
Supervisory board compensation	**60**	**60**	**60**

Note 26 – Events after the reporting date

By a decision of the Supervisory Board dated 2 February 2026, the appointment of Mr Davor Štampalija as President of the Management Board was revoked with effect from 9 March 2026, while he continued to serve as a member of the Management Board until the expiry of his mandate. By the same decision, Ms Zrinka Bokulić was appointed as a member and President of the Management Board of the Company, with her term commencing on 9 March 2026.

After the reporting date, a change occurred in the composition of the Supervisory Board. Following the resignation of Mr Danijel Jerman, received in early February 2026, the shareholder Nova Liburnija d.o.o. appointed Mr Zdravko Ružić as a new member of the Supervisory Board.

Apart from the above, there were no other significant events after the reporting date that would require adjustment or disclosure in the financial statements as at 31 December 2025.

Note 27 – Approval of the financial statements

The financial statements presented on the preceding pages were prepared and approved for issuance by the Company's Management Board on 21 April 2026.

Signed on behalf of the Company:

Zrinka Bokulić
Management Board President

Filip Močibob
Management Board Member