VALAMAR

Business results

1/1/2026 - 30/6/2026

Pical Resort 5*, Valamar Collection, Poreč

Content

BUSINESS PERFORMANCE IN H1 2026

In H1 2026, Valamar Group prioritized portfolio development, quality upgrades, and peak-season readiness, establishing a stronger foundation for long-term value creation. The successful launch of the **five-star Pical Resort** in mid-March, followed by the early-July debut of major Brulo cluster upgrades - including **four-star Sunny Poreč by Valamar** and **Aquamar Brulo** - further elevated the Group's portfolio quality and market competitiveness ahead of the peak season.

SUCCESSFUL LAUNCH: PICAL RESORT, SUNNY POREČ & AQUAMAR BRULO

The opening of the **five-star Pical Resort** - a landmark **€200+ million** investment and the largest in Croatian tourism - marks a key strategic milestone in shifting the portfolio toward **premium and year-round tourism**. As the flagship addition to the Group's portfolio, the resort is already driving revenue growth and is set to strengthen long-term earnings potential.

Valamar's premium gastronomic offering achieved exceptional recognition in the first half of 2026. Just three months after launch, **Harry's Piccolo** earned its **first MICHELIN star**, making it the first restaurant in Poreč to achieve this prestigious accolade. In addition, JAZ by Ana Roš and the newly conceptualized Spinnaker, led by Marko Turković and Ivan Maljevac, both received MICHELIN recommendations, highlighting the growing recognition of Valamar's gastronomic excellence and further enhancing the appeal of its premium hospitality offering.

FIRST MICHELIN STAR FOR HARRY'S PICCOLO

Consolidated total revenue reached **€159 million**, up 10% year-over-year (YoY). Growth was primarily driven by the opening of the five-star Pical Resort.

FINANCIAL HIGHLIGHTS

In H1 2026, Valamar Group delivered strong financial performance, supported by revenue growth, cost management and continued operational improvements:

- **Operating income** increased by 9.9% YoY to €158,0 million, reflecting solid demand and increased capacity of the Group's portfolio.
- **Operating cost** in the first half of the year reached €158.4 million (+14.9%), primarily driven by higher staff costs reflecting headcount growth and planned salary adjustments, together with higher material costs associated with the operation of newly opened properties.
- **Adjusted EBITDA** amounted to -€2.2 million, compared with €4.3 million in the prior-year period, mainly impacted by pre-opening costs of Pical Resort and Sunny Poreč by Valamar, alongside calendar headwinds that affected June performance. In line with the Group's seasonal operating profile, the vast majority of annual EBITDA is generated during the third-quarter peak season.
- **Adjusted net debt stood** at €427.3 million at the end of H1 2026, an increase of €82.9 million compared with year-end 2025, reflecting the planned pace of capital expenditure under the 2025/2026 investment cycle.

BOARD REVENUE UP 10% TO €125 MN, POREČ DESTINATION REVENUE UP 21%

The Group has a **positive outlook** for the upcoming peak-season quarter, underpinned by the full operational ramp-up of newly developed assets, including Pical Resort and Sunny Poreč by Valamar, supported by stable booking trends for the remainder of the year.

OPERATIONAL HIGHLIGHTS

Demand across Valamar's destinations remained resilient despite global macroeconomic headwinds.

During H1 2026, Valamar Group recorded **2 million overnight stays** and sold **892 thousand accommodation units**. Overnight stays dipped slightly (-1.9% YoY), primarily impacted by planned redevelopment in the Brulo area - including the repositioning of Hotel Crystal and Diamant Apartments into Sunny Poreč by Valamar - along with calendar headwinds that affected June demand.

Board revenues totalled **€125 million**, representing a 9.4% increase YoY. The primary driver was the newly opened Pical Resort, which propelled the **destination of Poreč to a 21% increase in board revenues** compared to the first half of 2025

Direct sales accounted for **57%** (+0.1 pp) of board revenues. Valamar continues to optimize yield management and distribution channels while upholding the high standards of service and guest experience that underpin its market positioning.

Average Daily Rate (ARR) rose to **€141** (+9.8% YoY), driven by ongoing portfolio quality upgrades. Occupancy stood at 23.9% (-0.7 pp), reflecting the ongoing ramp-up of the 525 newly added rooms, the earlier opening of selected properties and the temporary impact of redevelopment activities in the Brulo area. RevPAR increased by 6.6% YoY and reached €6,080.

INVESTMENTS

Approved investments for the **2025/2026 cycle** stand at **€245.5 million**, focused on strategic portfolio expansion and seasonal readiness.

Key Projects by Subsidiary:

- **Valamar Riviera:** Finalized construction of the 5-star Pical Resort, rebranded the Crystal Hotel and Diamant Apartments into the 4-star Sunny Poreč by Valamar, and launched the reconstruction of the Valamar Diamant Hotel (including the new Aquamar zone and a shared pool complex for the Brulo cluster).
- **Imperial Riviera:** Focused capital on expanding capacity and introducing new water attractions at Arba Resort.

Looking ahead, Valamar Group has projected a **€151.6 million investment** for the **2026/2027 cycle**, allocating €115.4 million to Valamar Riviera and €36.2 million to Imperial Riviera. Pipeline projects include ongoing upgrades of Valamar Diamant and the Brulo sports zone, a new central laundry facility, the expansion of Valfresco Central Kitchen, staff accommodations in Poreč, and the further development of Arba Resort on Rab.

2025/2026 INVESTMENTS: €245.5 MN

BUSINESS STRATEGY UNTIL 2030

During the first half of the year, Valamar advanced the development of its 2030 strategic framework. The proposed roadmap outlines **€820 million** in targeted portfolio investments, prioritized toward premium products and continuous digital transformation.

Strategic Financial Targets:

- Revenue: Approximately **€800 million**.
- Seasonality & Channels: Targeting **~50%** of revenue generated outside the main tourist season and **~70%** via direct booking channels.
- EBITDA: Projected in the range of **€220 million to €240 million**.

DEVELOPMENT OF THE GROUP'S BUSINESS STRATEGY UNTIL THROUGH 2030

HUMAN RESOURCES

Valamar was named Croatia's **most attractive employer in tourism** and hospitality for the ninth consecutive year, remaining the only hospitality company ranked among the nation's top 20 employers in the annual survey by Alma Career Croatia (Moj-Posao portal).

VALAMAR: TOP TOURISM EMPLOYER WITH ALMOST 8,800 EMPLOYEES

The Group continued its strategic investment in talent retention during 2026 through competitive compensation adjustments and expanded professional development. Effective 1 May 2026, base salaries increased by 5%, alongside upward coefficient adjustments for more than 30% of internal job roles.

As of 30 June 2026, Valamar Group's total workforce reached **8,773 employees**, including 3,228 permanent staff.

SUSTAINABILITY

Valamar continues to embed ESG principles across its operations, property investments, and destination management, focusing on energy efficiency, decarbonization, and local procurement.

Key Achievements in 2026:

- International Recognition: Honored with the **International Sustainability Award** for excellence in responsible tourism, decarbonisation and community contribution.
- Sustainable Construction Standards: Following the gold DGNB certification of Valamar Amicor Resort (Hvar) in 2025, both **Arba Resort** (Rab) and **Pical Resort** (Poreč) secured **gold DGNB pre-certifications** in early 2026, reinforcing the Group's commitment to green building practices.

DIVIDEND

Following the General Assembly on 23 April 2026, a dividend of **€0.27 per share** was approved. The total payout, amounting to €33.2 million, was distributed on 7 May 2026, delivering a dividend yield of 4.2%.

Additionally, Valamar and Imperial Riviera, a member of the Valamar Group, have been named to the **"World's Growth Leaders 2026"** list, ranking among the top 1,000 global publicly listed companies according to U.S. magazine TIME and leading data provider Statista.

ABOUT VALAMAR

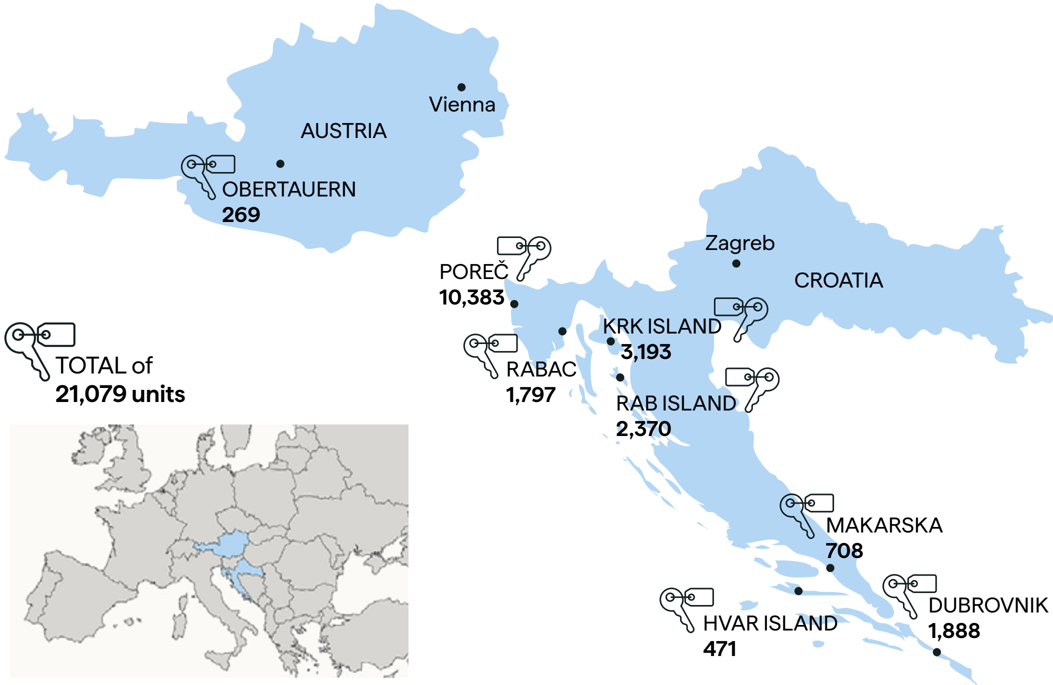
Valamar is a leader in Croatian tourism and operates in many of the country's first-class destinations – in Istria, on the islands of Krk, Rab and Hvar, in Makarska and Dubrovnik, as well as in Obertauern, Austria. Valamar`s 37 hotels and resorts and 15 camping resorts have a total capacity of approximately 21,000 accommodation units, enabling the accommodation of around 58,000 guests daily.

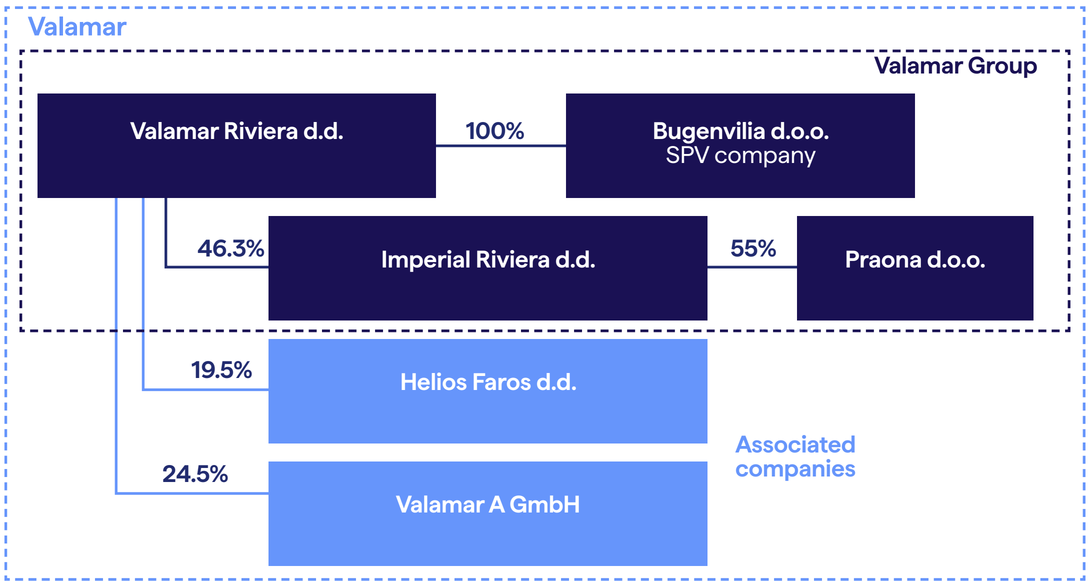
With total capital investment of almost €1.2 billion over the past 22 years, Valamar has grown into one of the leading regional investors. It is also the largest and most desirable employer in the tourism sector in Croatia.

The Valamar Riviera Group ("Group" or "Valamar Group") consists of Valamar Riviera d.d. ("Company") and two fully consolidated subsidiaries: Imperial Riviera d.d., Rab (46.27% ownership) and Bugenvilia d.o.o., Dubrovnik (100%). Imperial Riviera holds a 55% ownership interest in and consolidates Praona d.o.o., Makarska, which operates a laundry services business.

Valamar Riviera holds ownership interests in the following companies ("Associated Companies"): Helios Faros d.d., Stari Grad (19.54%) and Valamar A GmbH, Vienna, Austria (24.54%). The Valamar Group and its associated companies are collectively referred to as "Valamar".

Tourism portfolio of Valamar





HOTELS AND RESORTS OVERVIEW 2026*

		DESTINATION	KEYS
HOTELS AND RESORTS			**9,486**
VALAMAR COLLECTION			**2,042**
Marea Suites, Valamar Collection	5*	Poreč	109
Pical Resort, Valamar Collection	5*	Poreč	513
Jadran Hotel, Valamar Collection	5*	Poreč	12
Isabella Island Resort, Valamar Collection	4*/ 5*	Poreč	334
Girandella Resort, Valamar Collection	4*/ 5*	Rabac	391
President Hotel, Valamar Collection	5*	Dubrovnik	292
Imperial Heritage Hotel, Valamar Collection	4*	Island of Rab	116
Arba Resort, Valamar Collection	4*	Island of Rab	208
Kesselspitze Hotel & Chalet, Valamar Collection	4*	Austria	67
VALAMAR HOTELS & RESORTS			**3,687**
Valamar Parentino Hotel	4*	Poreč	329
Valamar Diamant Hotel	4*	Poreč	244
Valamar Riviera Hotel & Residence	4*	Poreč	153
Valamar Tamaris Resort	4*	Poreč	506
Valamar Bellevue Resort	4*	Rabac	372
Valamar Sanfior Hotel & Casa	4*	Rabac	242
Valamar Atrium Residence & Villa Adria	4* / 5*	Island of Krk	92
Valamar Argosy Hotel	4*	Dubrovnik	308
Valamar Lacroma Hotel	4*	Dubrovnik	401
Valamar Tirena Hotel	4*	Dubrovnik	208
Valamar Padova Hotel	4*	Island of Rab	175
Valamar Carolina Hotel & Villas	4*	Island of Rab	176
Valamar Meteor Hotel	4*	Makarska	268
Valamar Obertauern Hotel	4*	Austria	82
Valamar Amicor Resort	4*	Island of Hvar	131
[PLACES] by Valamar			**504**
[PLACES] Dalmacija by Valamar	3*	Makarska	190
[PLACES] Obertauern by Valamar	4*	Austria	120
[PLACES] Hvar by Valamar	3*	Island of Hvar	194
SUNNY BY VALAMAR			**1,865**
Sunny Poreč by Valamar	4*	Poreč	357
Sunny Rabac by Valamar	3*	Rabac	300
Sunny Baška by Valamar	3*/4*	Island of Krk	426
Sunny Krk by Valamar	3*	Island of Krk	194
Sunny Dubrovnik by Valamar	3*	Dubrovnik	338
Sunny Makarska by Valamar	3*	Makarska	250
UNBRANDED			**1,388**
Rubin Hotel	3*	Poreč	253
Lanterna Resort	2*	Poreč	523
San Marino Resort	3*	Island of Rab	466
Arkada Hotel	2*	Island of Hvar	146

		DESTINATION	KEYS
CAMPING RESORTS			**11,593**
VALAMAR CAMPING			**7,173**
Valamar Camping Lanterna	4*	Poreč	2,928
Valamar Camping Istra	5*	Poreč	963
Valamar Camping Marina	4*	Rabac	330
Valamar Camping Krk	5*	Island of Krk	490
Valamar Camping Ježevac	4*	Island of Krk	632
Valamar Camping Baška	4*	Island of Krk	601
Valamar Camping Padova	4*	Island of Rab	419
Valamar Camping San Marino	4*	Island of Rab	810
UNBRANDED			**4,420**
Camping Orsera	3*	Poreč	595
Camping Solaris	3*	Poreč	1,853
Camping Tunarica	2*	Rabac	162
Camping Bunculuka	4*	Island of Krk	414
Camping Škrila	3*	Island of Krk	344
Camping Solitudo	3*	Dubrovnik	341
Camping Brioni	2*	Pula	711

* owned and under management

Results of the Group

Pical Resort 5*, Valamar Collection, Poreč

The Management Board presents the quarterly financial statements for the second quarter and the first half of 2026

Valamar Bellevue Resort 4*, Valamar Collection, Rabac

QUARTERLY FINANCIAL STATEMENTS

The Management Board hereby presents the unaudited quarterly financial statements for the period from 1 January 2026 to 30 June 2026.

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

The investments in the company Helios Faros d.d. (19.54% owned) and Valamar A GmbH (24.54% owned) are reported according to the equity method since Valamar Riviera d.d. does not exercise control but a significant influence over them.

KEY FINANCIAL INDICATORS IN €[1]

	1/1-31/3/2025	1/1-30/6/2026	2026/2025
Total revenue	144,840,860	158,770,747	9.6%
Operating income	143,747,834	157,958,354	9.9%
Sales revenue	141,821,553	155,670,815	9.8%
Board revenue (accommodation and board revenues)[2]	114,499,666	125,303,065	9.4%
Operating costs[3]	137,887,995	158,411,707	14.9%
EBITDA[4]	4,244,055	-2,410,357	-156.8%
Result from extraordinary operations and one-off items[5]	-48,650	-230,832	574.5%
Adjusted EBITDA[6]	4,292,705	-2,179,525	-150.8%
EBIT	-34,366,250	-50,609,862	-47.3%
Adjusted EBIT[6]	-34,317,600	-50,379,031	-46.8%
EBT	-39,872,676	-57,731,126	-44.8%
Net profit	-24,517,393	-48,648,156	-98.4%
EBITDA margin	3.0 %	-1,5 %	-4.5 pp
Adjusted EBITDA margin[6]	3.0%	-1.4%	-4.4 pp

	31/12/2025	30/6/2026	2026/2025
Net debt[7]	430,294,683	517,068,346	20.2%
Adjusted net debt[8]	344,392,516	427,265,712	24.1%
Cash and cash equivalents	7,993,672	16,999,763	112.7%
Market capitalisation[9]	819,179,023	1,035,946,395	26.5%
EV[10]	1,394,641,045	1,686,766,636	20.9%
Share price	6.50	8.22	26.5%
EPS[11] (in H1 of the year)	-0.20	-0.35	-76.9%

KEY OPERATIONAL INDICATORS[12]

	1/1-30/6/2025	1/1-30/6/2026	2026/2025
Number of accommodation units (capacity)	20,066	20,608	2.7%
Number of beds	56,747	58,264	2.7%
Days of full occupancy	45	43	-2.9%
Annual occupancy	24.64%	23.90%	-0.73 pp
Number of accommodation units sold	894,886	891,659	-0.4%
Number of overnight stays	2,080,211	2,040,655	-1.9%
ARR[13] (in €)	128	141	9.8%
RevPAR[14] (in €)	5,706	6,080	6.6%
Total RevPAR[15] (in €)	6,708	7,153	6.6%
EBITDA PAR[16] (in €)	323	76	-76.3%

BOARD REVENUE
€125.3 mn
+9%

SALES REVENUE
€155.7 mn
+10%

MARKET CAPITALISATION
€1.0 bn

1 In accordance with the classification under the TFI POD-RDG reporting forms. EBIT and EBITDA and their margins, as well as the EBT margin, are presented based on operating revenues.

2 In accordance with the classification under the international hotel reporting standard USALI (Uniform System of Accounts for the Lodging Industry). Non-commercial facilities/data excluded.

3 Operating costs include cost of materials, staff costs, other costs and other operating expenses, net of extraordinary expenses and one-off items.

4 EBITDA (earnings before interest, taxes, depreciation and amortization) is calculated using the following formula: operating revenues – operating expenses + depreciation + value adjustments.

5 The adjustment includes: i) extraordinary income (€1.7 million in the first half of 2026; €1.6 million in the prior year), ii) extraordinary expenses (€1.6 million in the first half of 2026; €1.3 million in the prior year), and iii) severance payments (€0.3 million in the first half of 2026; €0.3 million in the prior year).

6 Adjustment made for the result from exceptional operations and one-off items.

7 Net debt: non-current and current liabilities to banks and other financial institutions + liabilities for loans, deposits and similar items + other liabilities in accordance with IFRS 16 (leases) – cash at bank and in hand – non-current and current investments in securities – loans, deposits and similar items granted.

8 Excluding all lease liabilities under IFRS 16.

9 Market capitalisation is calculated as the total number of shares multiplied by the closing share price at the end of the period.

10 EV (enterprise value) represents the value of the company and is calculated as: market capitalisation + net debt + minority interest.

11 EPS (earnings per share) represents earnings per share calculated based on net profit attributable to equity holders of the parent.

12 Data for Helios Faros are not included. Non-commercial facilities/data excluded.

13 The average room rate is calculated based on cumulative board revenue (accommodation and board revenues).

14 Revenue per accommodation unit is calculated based on cumulative board revenue (accommodation and board revenues).

15 Revenue per accommodation unit is based on total property-level operating revenue.

16 EBITDAPAR is expressed based on USALI EBITDA relative to the number of accommodation units.

KPIs HOTELS AND RESORTS[17]

	1/1-30/6/2025	1/1-30/6/2026	2026/2025
Number of accommodation units	8,449	9,015	6.7%
Number of beds	20,511	22,090	7.7%
Days of full occupancy	52	50	-4.6%
Annual occupancy	28.70%	27.37%	-1.33 pp
Board revenue[18] (in €)	84,295,833	94,507,899	12.1%
Number of accommodation units sold	438,971	446,628	1.7%
Number of overnight stays	1,036,495	1,063,704	2.6%
ARR[19] (in €)	192	212	10.2%
RevPAR[20] (in €)	9,997	10,484	5.1%
Total RevPAR[21] (in €)	11,763	12,443	5.8%
EBITDA PAR[22] (in €)	152	-288	-289.7%

KPIs CAMPING RESORTS[17]

	1/1-30/6/2025	1/1-30/6/2026	2026/2025
Number of accommodation units	11,617	11,593	-0.2%
Number of beds	36,236	36,174	-0.2%
Days of full occupancy	39	38	-2.2%
Annual occupancy	21.68%	21.21%	-0.47 pp
Board revenue[18] (in €)	30,203,834	30,795,166	2.0%
Number of accommodation units sold	455,915	445,031	-2.4%
Number of overnight stays	1,043,716	976,951	-6.4%
ARR[19] (in €)	66	69	4.5%
RevPAR[20] (in €)	2,600	2,656	2.2%
Total RevPAR[21] (in €)	3,021	3,039	0.6%
EBITDA PAR[22] (in €)	343	322	-6.1%

17 Data for Helios Faros are not included. Non-commercial facilities/data excluded.

18 In accordance with the classification under the international hotel reporting standard USALI (Uniform System of Accounts for the Lodging Industry). Non-commercial facilities/data excluded.

19 The average room rate is calculated based on cumulative board revenue (accommodation and board revenues).

20 Revenue per accommodation unit is calculated based on cumulative board revenue (accommodation and board revenues).

21 Revenue per accommodation unit is based on total property-level operating revenue.

22 EBITDAPAR is expressed based on USALI EBITDA relative to the number of accommodation units.

REVENUES

Total revenue in the first six months of 2026 reached €158.8 million, representing an increase of 9.6%, or €13.9 million, compared with the same period of 2025.

Revenue performance in H1 2026 reflected the following trends:

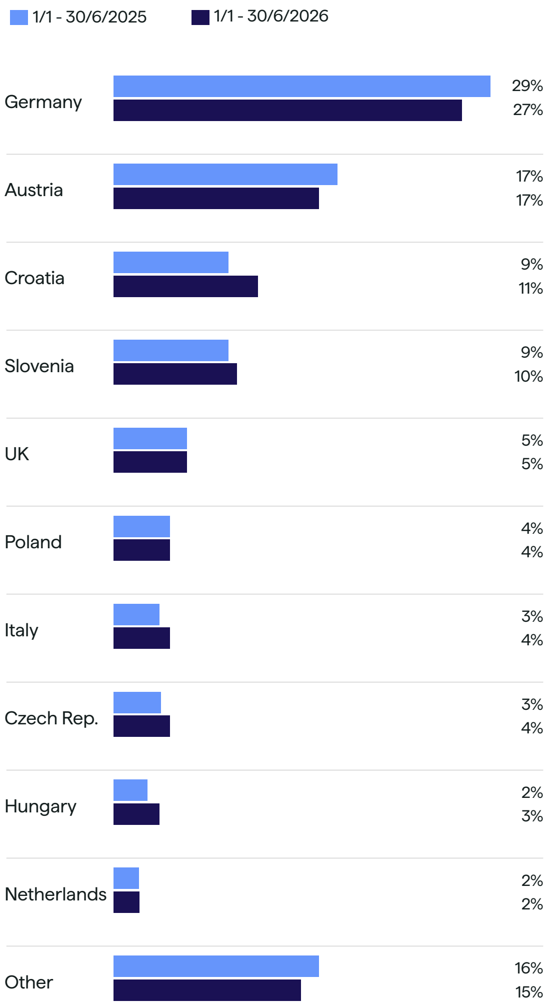
- Sales revenue amounted to €155.7 million, up 9.8% YoY. Domestic revenues amounted to €25.8 million (16.5% of total sales revenues), increasing by 23.8%, or €4.9 million. Revenues from foreign markets totaled €129.9 million (83.5% of total sales revenues), increasing by 7.4% or €8.9 million, supported by strong demand across the Groups's key source markets..
- Other operating income reached €2.2 million, an increase of €0.4 million compared with the prior-year period, primarily attributable to income relating to previous reporting periods.
- Financial income amounted to €0.8 million, down €0.3 million YoY, mainly due to lower interest-related income.

Board revenues - account for more than 80% of the Group's sales revenue - increased by 9.4% to €155.7 million in H1 2026. Approximately 75% of board revenues were generated by the Group's hotel portfolio, with the newly opened Pical Resort being key driver of growth.

All destinations in which the Group operates recorded growth in board revenues in H1 2026, with the exception of Dubrovnik, where revenues remained broadly in line with the prior-year period. The destinations of Poreč and Dubrovnik contributed the largest share of board revenues, together accounting for almost 60% of total board revenue in the reporting period.

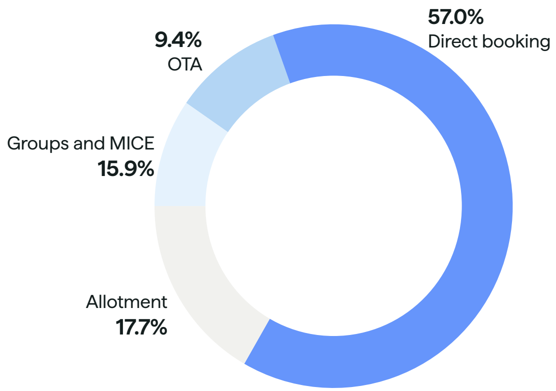
Growth in board revenues during H1 2026 was primarily driven by a 9.8% increase in Average Daily Rate (ARR), reflecting ongoing portfolio quality upgrades. Additional support arose from a 1.7% increase in accommodation units sold in hotels and resorts, which generate significantly higher average rates than campsites during the pre-season period. At the same time, a slight decline in accommodation units sold in campsites (-2.4% YoY) was more than offset by a 4.5% increase in ARR, allowing campsites to contribute positively to overall board revenue growth. Direct sales remained strong, accounting for 57.0% of board revenues (+0.1 p.p.), underscoring the effectiveness of the Group's sales and distribution strategy.

OVERNIGHTS BY SOURCE MARKET

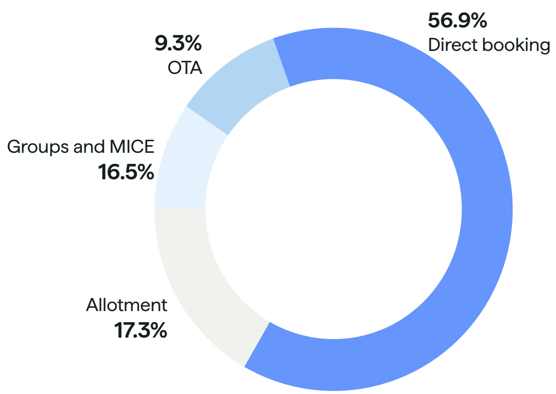


DISTRIBUTION CHANNELS

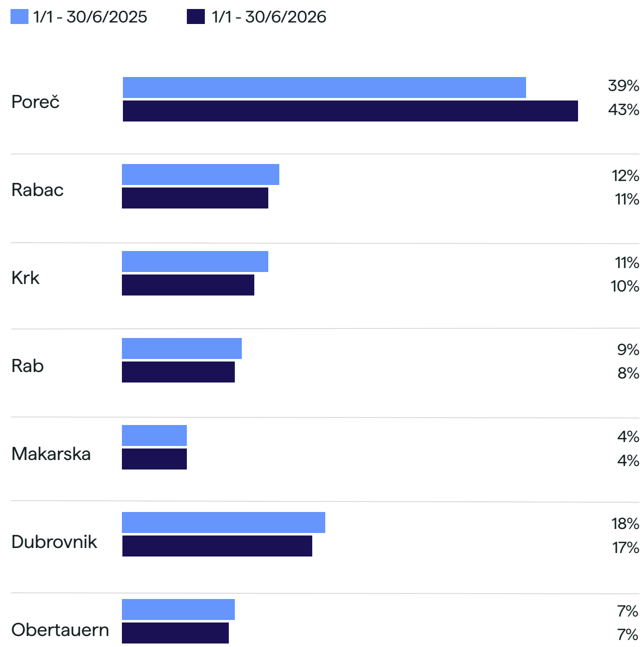
By H1 2026 board revenue



By H1 2025 board revenue



BOARD REVENUES BY DESTINATION



OPERATING EXPENSES OF THE VALAMAR GROUP[23]			
(in €)	1/1-30/6/2025	1/1-30/6/2026	2026/2025
Operating costs[24]	137,887.995	158,411,707	14.9%
Total operating expenses	178,114,084	208,568,217	17.1%
Material costs	57,948,136	66,204,081	14.2%
Personnel costs	59,393,715	69,400,951	16.8%
Depreciation	38,610,305	48,199,892	24.8%
Other costs	20,558,396	23,062,872	12.2%
Provisions and value adjustments	19,628	-5,322	-127.1%
Other operating expenses	1,583,904	1,705,743	7.7%

23 In accordance with the classification according to the forms GFI POD-RDG.

24 Operating costs include material costs, personnel costs, other costs and other operating expenses less extraordinary expenditures, as well as one-off items.

TOTAL OPERATING EXPENSES

Total operating expenses in H1 2026 amounted to €208.6 million, up 17.1% compared to the same period of the previous year. The increase was primarily driven by a higher average headcount and planned salary increases, as well as elevated material costs associated with the opening of new properties and the pre-opening costs of Pical Resort and Sunny Poreč by Valamar.

Operating expense in H1 2026 reflected the following trends:

- Material costs amounted to €66.2 million, up 14.2% YoY, primarily reflecting higher expenses related to small inventory and workwear, maintenance expenses, promotional and marketing activities. The increase also reflects higher hotel occupancy-related operating costs resulting from the growth in accommodation units sold, particularly food and beverage and energy expenses
- Personnel costs increased by 16.8% YoY to €69.4 million, driven by growth in average headcount and planned salary adjustments
- Depreciation and amortisation reached €48.2 million, representing a 24.8% increase compared with the prior-year period and reflecting the Group's intensive investment cycle over the past two years
- Other cost increased by €2.5 million (+12.2% YoY) to €23.1 million, mainly due to higher employee-related costs, including accommodation, meals and incentive payments, as well as increased utility charges
- Provisions and value adjustments remained broadly in line with the prior-year period
- Other operating expenses amounted to €1.7 million, an increase of €0.1 million YoY primarily reflecting higher costs relating to prior periods.

EBITDA AND PROFIT FOR THE PERIOD

In line with the Group's seasonal business profile, Valamar Group reported an expected negative EBITDA and EBITDA margin in H1 2026. Adjusted EBITDA amounted to €-2.2 million, compared with €4.3 million in the prior-year period, and was in line with the business plan for the first six months of the year. The increase in operating expenses outpaced revenue growth, primarily driven by planned labour cost increases, including higher base salaries and average headcount, as well as pre-opening costs related to Pical Resort and the repositioned Sunny Poreč by Valamar.

Operating profitability remains resilient and in line with expectations, as EBITDA generation is concentrated in the peak season. Higher material costs recorded in the first half of the year were partly non-recurring and related to the pre-opening activities of newly opened properties.

Following higher depreciation and the net financial result for the period (explained in more detail in the following section), the Group reported a loss before tax (EBT) of €57.7 million.

The Group recognised an increase in deferred tax assets, primarily relating to available tax incentives and the reported loss for the period, resulting in the recognition of a tax income of €9.1 million. Net loss for the period amounted to €48.6 million. Due to the pronounced seasonality of the Group's operations, the income tax charge recognised in the interim reporting period should not be viewed as indicative of the full-year 2026 income tax expense.

RESULT FROM FINANCIAL ACTIVITIES

Net financial result in H1 2026 amounted to €-6.6 million, compared with €-4.9 million in the prior-year period. The year-over-year decline was primarily driven by higher financial expenses, which increased by 23.6% to €7.4 million. The increase was mainly attributable to a €1.7 million rise in interest expenses resulting from increased utilisation of short-term borrowings, as well as the cessation of interest capitalisation on investment loans related to Pical Resort and Arba Resort. Other financial expenses decreased by €0.3 million, reflecting lower costs associated with the fair value write-off of interest rate swaps (IRS).

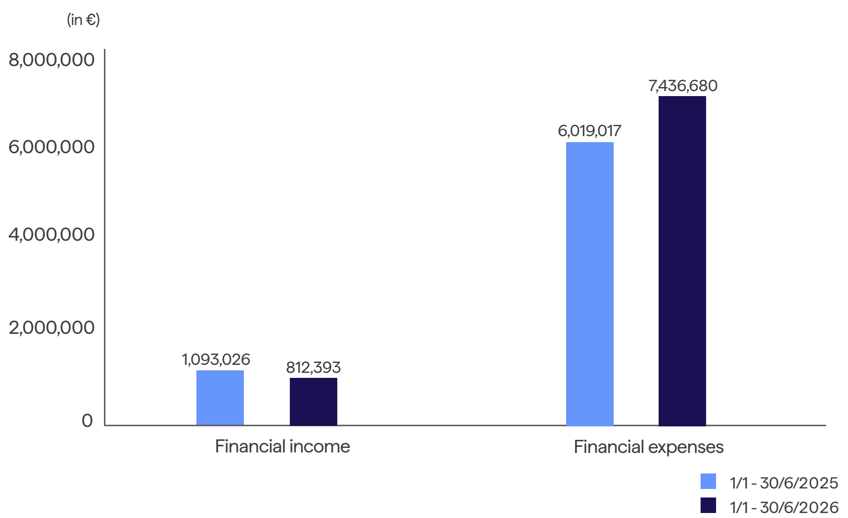
Financial income declined by €0.3 million (-25.7% YoY) to €0.8 million. The decrease was primarily attributable to a €0.2 million reduction in interest income, reflecting lower levels of available cash deposits. Other financial income increased by €0.1 million, supported by higher income generated from advance and early payments.

ADJUSTED NET DEBT

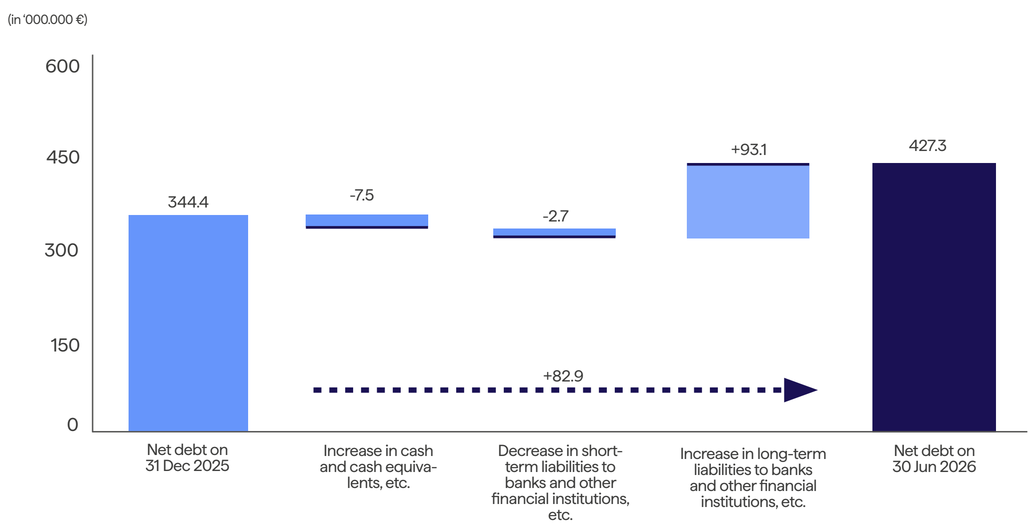
Adjusted net debt[25] stood at €427.3 million at the end of H1 2026, an increase of €82.9 million compared with year-end 2025, primarily reflecting the financing of the Group's intensive investment cycle through long-term borrowings, alongside the utilisation of short-term facilities to support seasonal working capital requirements.

The Group's liquidity position remains stable, supported by available cash balances and committed credit facilities, which provide sufficient funding for both ongoing operations and the investment cycle. The increase in net debt during the first half of the year reflects the normal seasonal profile of the Group's business and the planned pace of capital expenditure.

Financial income and expenses



Adjusted net debt development



25 Adjusted net debt (excluding liabilities related to renting under IFRS 16): long-term and short-term liabilities to banks and other financial institutions + liabilities for loans, deposits and similar items + other liabilities in accordance with IFRS 16 (leases) – cash at bank and in hand – long-term and short-term investments in securities – short-term loans, deposits and similar items granted.

ASSETS AND LIABILITIES

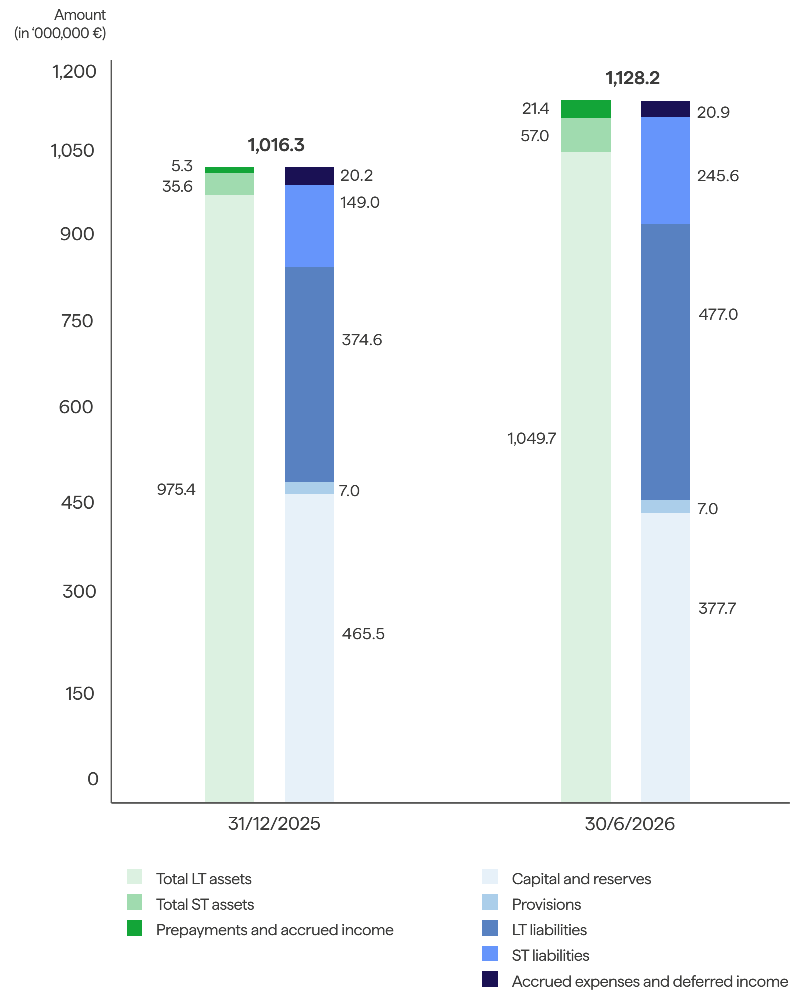
Total assets of the Group amounted to €1.1 billion as of 30 June 2026, representing an increase of 11.0% compared with 31 December 2025. Total capital and reserves stood at €377.7 million, down 18.9% from year-end 2025, primarily reflecting the dividend payment of €33.2 million and the net loss of €42.9 million recorded in H1 2026.

Total long-term and short-term liabilities to banks and other financial institutions amounted to €444.4 million as of 30 June 2026, an increase of €90.4 million compared with year-end 2025. Short-term financial liabilities decreased by €2.7 million, reflecting the regular repayment of investment loans, while long-term financial liabilities increased by €93.1 million following the drawdown of long-term financing for Pical Resort, Arba Resort and other investment projects.

More than 96% of the Group's long-term borrowings consist of fixed-rate loans, loans hedged through interest rate swap (IRS) instruments, or loans with subsidised interest rates, significantly reducing exposure to interest rate risk. In addition, the vast majority of the Group's cash inflows, as well as its entire debt portfolio, are denominated in euros, substantially mitigating foreign exchange risk.

Cash and cash equivalents amounted to €17.0 million as of 30 June 2026, representing an increase of €9.0 million compared with 31 December 2025. The cash position at the end of the first half of the year reflects the seasonal nature of the Group's operations and, together with committed credit facilities, high-quality tourism assets and a resilient operating model, supports a strong and stable balance sheet position.

Assets and liabilities



Results of the Company

Valamar Camping Istra 5*, Poreč

REVENUES

Total revenue in H1 2026 amounted to €132.6 million, representing an increase of 10.3%, or €12.4 million, compared with the same period of 2025, when total revenue stood at €120.2 million. Sales revenue reached €125.1 million, up 10.9% year-over-year. Domestic revenues amounted to €27.4 million (21.9% of total sales revenues), increasing by 15.7%, or €3.7 million. Revenues from foreign markets totaled €97.7 million (78.1% of total sales revenues), increasing by 9.6% or €8.6 million, supported by strong demand across the Company's key source markets. Board revenues accounted for nearly 75% of the Company's sales revenue and increased by 10.8% to €93.0 million in H1 2026. The growth in board revenues primarily reflects the incremental contribution of the newly opened five-star Pical Resort, which further strengthened the quality and competitiveness of the Company's portfolio.

INCREASE IN TOTAL REVENUES BY 15% AND SALES REVENUES BY 12%

OPERATING EXPENSES

Material costs amounted to €54.7 million, increasing by 16.4% YoY, primarily reflecting higher expenses related to small inventory, maintenance expenses, promotional activities and marketing, as well as growth in accommodation units sold in hotel properties and the associated increase in food, beverage and energy costs. Staff costs reached €56.8 million, up 18.5% compared with the prior-year period, driven by growth in average headcount and planned salary adjustments. The increase in material and labour costs primarily reflects the opening and operational ramp-up of Pical Resort and Sunny Poreč by Valamar. Depreciation amounted to €35.3 million, representing a 30.8% increase YoY, largely reflecting the higher level of capital investments made over the past two years.

RESULT FROM FINANCIAL ACTIVITIES

Net financial result amounted to €0.1 million in H1 2026, compared with €1.7 million in the same period of 2025. The lower year-over-year performance was primarily attributable to higher financial expenses, which increased by €1.3 million to €5.4 million. This was mainly driven by a €1.5 million increase in interest expenses resulting from greater utilisation of short-term credit facilities and the cessation of interest capitalisation on the investment loan related to Pical Resort. An additional negative impact stemmed from lower gains arising from fair value movements of interest rate swaps (IRS), which were €0.3 million below the level recorded in the prior-year period. In addition, lower market interest rates and reduced cash balances available for term deposits led to a €0.2 million decrease in interest income.

EBITDA AND PROFIT FOR THE PERIOD

In line with the seasonal nature of its operations, the Company reported an expected negative EBITDA and EBITDA margin in H1 2026. In line with the business plan for H1 2026 the Company's operating profit (EBITDA) amounted to €-4.2 million, compared with €2.0 million in H1 2025. The increase in operating expenses outpaced revenue growth, primarily reflecting planned labour cost increases, including higher base salaries and average headcount, as well as pre-opening costs related to Pical Resort and the repositioned Sunny Poreč by Valamar. A portion of the higher costs incurred in the first half of the year was non-recurring in nature and related to pre-opening activities and seasonal preparations for the newly opened facilities.

Following higher depreciation and the net financial result for the period, the Company reported a loss before tax (EBT) of €39.5 million.

The Company recognised an increase in deferred tax assets, primarily relating to available tax incentives and the reported loss for the period, resulting in the recognition of a tax income of €6.8 million. Net loss for the period amounted to €32.7 million. Due to the pronounced seasonality of the Company's operations, the income tax charge recognised in the interim reporting period should not be viewed as indicative of the full-year 2026 income tax expense.

ASSETS AND LIABILITIES

Total assets of the Company amounted to €911.3 million as of 30 June 2026, representing an increase of €100.0 million, or 12.3%, compared with 31 December 2025. Total equity and reserves stood at €350.1 million, down 15.9% compared with year-end 2025, primarily reflecting the dividend payment of €33.2 million and the net loss of €32.7 million recorded during the first half of 2026. Cash and cash equivalents amounted to €5.6 million as of 30 June 2026, representing an increase of €3.8 million compared with 31 December 2025. The cash position at the end of the first half of the year reflects the seasonal nature of the Company's operations and, together with committed credit facilities and a high-quality tourism asset base, supports a strong and stable balance sheet position.

VALAMAR

Investment cycle 2025/26


Pical Resort 5*, Valamar Collection, Poreč

Valamar Group continues to implement its 2025/2026 investment cycle, with a total value of €245.5 million, aimed at further enhancing the quality of its portfolio, developing premium products and strengthening its long-term market position.

The key investments within this investment cycle include the completion of Pical Resort and Sunny Poreč by Valamar, the commencement of the reconstruction of Hotel Diamant and the continued development of Arba Resort on the island of Rab. Alongside investments in accommodation facilities and amenities, the Group continues to invest in digitalisation, sustainability and the modernisation of its operational infrastructure.

VALAMAR GROUP INVESTMENT CYCLE 2025/2026 €245.5MN

VALAMAR RIVIERA

The planned investments of Valamar Riviera in the 2025/2026 cycle amount to €228.1 million. These investments are aimed at improving business processes, enhancing operational performance, raising the quality of facilities and services and increasing energy efficiency and digitalisation.

The largest single capital expenditure in this cycle was allocated to the finalisation of construction of Pical Resort 5*, amounting to €85 million, which includes interior refurbishment and landscaping of outdoor areas. More than an additional €16 million has been invested in the development of Pical Beach and its accompanying facilities, including promenades and Purobeach, the first international beach club brand in Croatia.

After more than 18 months of construction, the hotel opened in March 2026 as Valamar's new flagship property. Pical Resort comprises 513 accommodation units, a congress infrastructure with a capacity of up to 1,200 participants and a wide range of additional amenities as well as international partnerships, including an ESPA-branded spa centre and Purobeach Club, an international lifestyle concept combining a beach club, gastronomy, music, wellness and retail offerings. A comprehensive and diverse offering has been designed for families, including PlayLand, a family entertainment and learning centre spanning 1,200 m², with a variety of creative, educational and recreational activities for all age groups. The offering is further complemented by a Fun Zone with children's playgrounds, as well as Valamar's Maro Club with carefully designed programmes for children, alongside a broad range of additional amenities tailored to family holidays.

PLANNED INVESTMENTS SUCCESSFULLY DELIVERED BEFORE THE PEAK SEASON

Among other significant investments in this cycle, particular emphasis is placed on the repositioning and rebranding of the existing Crystal Hotel and Diamant Apartments into Sunny Poreč by Valamar 4*. The total investment amounts to €36.5 million. A total of €16.2 million has been invested in this hotel, including the reconstruction of all accommodation units, the expansion of the restaurant, the refurbishment of children's facilities and an additional parking lot. €8.9 million was invested in the Diamant Apartments, covering the refurbishment of 128 accommodation units. As part of this investment project, a further €11.4 million has been invested in Aquamar water park, including a new children's pool with attractions and slides, a refurbished sunbathing area equipped with new facilities and Oliva restaurant. The works were completed and the hotel reopened in beginning of July.

The commencement of the reconstruction of Hotel Diamant, planned for autumn this year, represents the next significant investment. As part of this €12.2 million investment cycle, the first investment phase will be implemented, including the refurbishment and redesign of five new family rooms, expansion of the restaurant and fitness centre, upgrades to infrastructure and parking and improvements to the Aquamar zone.

Another significant investment in hotel capacities, with an investment totalling to €1.4 million, relates to the refurbishment of bathrooms in 85 accommodation units and the upgrade of the sewage system in a part of Sunny Baška hotel. The works were completed in May, before the opening of the hotel for the season.

Within this investment cycle, Valamar Riviera invests in the expansion and upgrading of accommodation capacities and related facilities in other hotels and campsites as well, including Valamar Camping Lanterna 4*, Valamar Camping Istra 5*, Valamar Camping Marina 4*, Valamar Camping Ježevac 4* and Valamar Camping Krk 5*. The reconstruction of six villa rooms with additional jacuzzi bathtubs at Girandella hotel has been completed, as well as the refurbishment of rooms at Bellevue hotel in Rabac. The total value of these investments amounts to approximately €4.5 million.

In the 2025/2026 investment cycle, approximately €18.9 million has been invested in capital maintenance, €1.0 million in the procurement of furniture and equipment and €700 thousand in beach landscaping.

In addition to accommodation facilities, investments totalling €37.3 million are invested across three projects: construction of a new, modern, energy-efficient and highly automated laundry facility in the Buići business zone in Poreč, with a total area of 8,310 m^2, valued at €21.9 million; construction of housing for key employees in the centre of Poreč, valued at €10.1 million and continuation of investments in the Valfresco Central Kitchen, with €5.3 million planned.

As part of this investment cycle, Valamar Riviera, together with Imperial Riviera and the City of Poreč, is participating in the Parenzana project, which includes, among other, the construction of bike & jogging trail and promenade. The total value of the investment amounts to €6.2 million, of which Valamar Riviera is contributing €4.5 million. Upon completion of the planned works, the promenade and the trail were opened and made available to guests, local residents and other visitors.

The Company places strong emphasis on sustainable and socially responsible business practices. Accordingly, more than one million euros has been invested in sustainability projects, including the procurement of electric vehicles, tree planting, landscaping, installation of filters on biocomposters, installation of new heat pumps, registration of forest plantations, decarbonisation, installation of an electric boiler and other projects.

VALAMAR GROUP INVESTS IN DIGITAL TRANSFORMATION

Through developing digitalisation, we aim to continuously improve the quality of our services. This is why, in this investment cycle, we have invested approximately €5.5 million in digitalisation and innovation projects. An additional €800 thousand has been invested in IT maintenance projects and over €750 thousand in branding and signage.

Through continuous investment in new projects, Valamar Riviera is building a sustainable and recognisable future for its tourism products. Accordingly, €300 thousand has been allocated in this investment cycle for the development of future projects.

Sunny Poreč by Valamar 4*, Aquamar


Arba Resort 4*, Valamar Collection, Island of Rab

INVESTMENTS IN IMPERIAL RIVIERA 2025/2026
€17.4 MN

IMPERIAL RIVIERA

In the 2025/2026 investment cycle, Imperial Riviera plans to invest €17.4 million with the aim of further enhancing its offering.

The investments are focused on repositioning and improving service quality, digitalisation, green building, sustainable energy sources and tourism infrastructure across all destinations in which the company operates.

The largest project relates to the construction of additional accommodation capacities and new water attractions at Arba Resort, Valamar Collection, where the construction has already commenced and its opening is planned for 2027. Works include the construction of an Arba Resort annex, comprising a building with 45 new family accommodation units and a swim-up pool in the basement as well as 29 bungalows and two villas. The construction of two water slides measuring 11.5 metres and 8.5 metres in height as the first phase of the Aquamar project at Arba Resort has been completed. This investment has further enhanced the resort's offering and attractiveness.

The refurbishment and conversion of the former casino within Valamar Meteor Hotel into a modern wellness centre has been completed. This represents one of the most significant investment within the current investment cycle. The new wellness centre features saunas, a jacuzzi, couples' rooms with private jacuzzies, a relaxation zone and other accompanying facilities.

As part of this investment cycle, Imperial Riviera is participating in the Parenzana Project, together with Valamar Riviera and the City of Poreč. The project includes, among other, the construction of bike & jogging trail and a promenade. Upon completion of the planned works, the promenade and the trails were opened and made available to guests, local residents and other visitors.

In the Rab destination, modernisation and refurbishment of two sanitary facilities at Valamar Camping San Marino 4* has been completed, alongside the upgrade of parcels in Zone E.

In the Makarska destination, two composters with associated containers have been procured, intended biowaste processing for all three hotels in the destination. Within this investment, an electric vehicle for waste collection has also been procured.

Sustainability in Business and Human Resources


Parenzana, Istra

SUSTAINABILITY HIGHLIGHTS

JUNE 2026: GRAND OPENING OF PICAL RESORT

In June, Pical Resort 5*, Valamar Collection, the most significant project in the recent history of Croatian tourism, was officially opened in Poreč. Through this €200 million investment, Valamar is transforming the destination of Poreč while also taking a major step forward for Croatian tourism as a whole towards higher value-added tourism, a luxury offering and year-round operations. The official opening ceremony was attended by senior government representatives led by the Prime Minister of the Republic of Croatia, Valamar's shareholders and business partners, leading representatives and local and regional government, as well as numerous distinguished figures from the business a and public life, further underscoring the strategic importance of this project for the Republic of Croatia. Following the official opening of Pical Resort, the evening continued with the 'Tribute to Parenzana' music and stage performance, presented by Valamar as a gift to the citizens of Istria County.

SUSTAINABILITY EXCELLENCE: GOLD DGNB PRE-CERTIFICATES FOR ARBA AND PICAL RESORTS

The Croatia Green Building Council awarded Arba Resort 4*, Valamar Collection, on the island of Rab the DGNB Gold pre-certificate – one of the highest international recognitions in the field of sustainable construction. In addition, at the 26th International Tourism Exchange PUT, held on the island of Cras, Arba Resort was recognised as one of the five best projects in the New Hospitality and Tourism Project category and received the traditional annual national Simply the Best award. Opened last year, Arba Resort is an example of modern and responsible tourism, contributing to the sustainable development of the destination, the quality of life of the local community and the preservation of the natural assets of the island of Rab. It has been designed as a nearly zero-energy building (nZEB), with construction carefully planned to minimise its environmental impact while preserving the natural surroundings of the Suha Punta peninsula and enhancing the value of the centuries-old Kalifront forest.

VALAMAR CONTINUES TO INVEST IN CORPORATE SOCIAL RESPONSIBILITY

As a member of the UN Global Compact, in 2026 Valamar continues to uphold the Ten Principles covering fundamental business responsibilities in the human rights, labour, environment and anti-corruption. Valamar is a member of the Energy & Environment Alliance (EEA), a global coalition of hoteliers and investors focused on decarbonisation and advancing sustainability in the tourism sector. Valamar is also a member of the Global Sustainable Tourism Council (GSTC), which establishes and manages global standards for sustainable travel and tourism.

ESG PROJECTS AND ACHIEVEMENTS

Environment

Valamar reduced its carbon footprint by 69% compared to 2015 by using 100% electricity, with 74% of total energy derived from renewable sources. These measures include the use of on-site photovoltaic power plants, LED lighting, the replacement of fossil fuels with electricity from renewable sources, the installation of heat pumps, the use of electric vehicles and other energy efficiency initiatives. Additional indirect measures include waste separation at levels exceeding the EU average, biocomposting of food waste, resulting in 341 tonnes of compost produced, cooperation with local suppliers and suppliers also committed to decarbonisation, as well as the application of the highest green building standards in investments in tourism properties and amenities.

All of the above forms an integral part of Valamar's decarbonisation plan, with measures aimed at achieving Scope 1 and Scope 2 targets by the end of 2026 integrated into investment and operational plans and costs.

In 2025, Valamar continues to implement the initiative 'Easy as One, Two, Tree' at its hotels and campsites. This initiative enables Valamar's guests to make a donation for planting new trees. For each donated tree, Valamar donates another tree. In 2025, funds were secured for the planting of more than 9,000 new tree saplings, of which 1,000 were planted in March this year in the Motovun Forest as part of a large-scale reforestation initiative under the CO2MPENSATING BY PLANTING project. With the participation of 200 volunteers, the Motovun Forest was enriched with native pedunculate oak saplings, replacing old poplar trees. Further planting activities in 2026 are taking place in the areas of Petrinja and Karlovac.

Social

Valamar is the largest investor in Croatian tourism with more than €1.2 billion invested in the last twenty years in the development of sustainable high quality and added-value tourism. Investments in corporate social responsibility are primarily focused on employees, their working conditions and training, destination development through investments in tourist infrastructure such as promenades, cycling paths, playgrounds and beaches, support for cultural and sports events and numerous other initiatives aimed at raising the quality of life in the local communities.

For the nineth year in a row, Valamar was once again proclaimed to be the most desirable employer in the tourism and hospitality industry and it is the only tourist company on the list of the 20 best Croatian employers of the MojPosao portal.

VALAMAR RECOGNISED AS THE MOST DESIRABLE EMPLOYER IN TOURISM (MOJPOSAO)

In March 2026, Valamar once again hosted the oldest international tennis tournament in Croatia – the Istrian Riviera – with the aim of supporting the development and promotion of sport in the communities in which it operates. Valamar continues to invest in infrastructure and sports facilities to ensure that the destinations in which it operates remain attractive to sports and recreation enthusiasts.

Valamar's photography competition entitled 'Along the Parenzana Route', launched at the end of last year, was successfully concluded with the selection of photographs to be used for promotional and artistic purposes and exhibited at the new Pical Resort 5*, Valamar Collection. Valamar's internal jury selected works by 10 Croatian photographers whose contributions complement the artistic vision of Pical. Through this competition and collaboration with local photographers, Valamar continues to support various initiatives in the field of art and culture, a tradition in Poreč dating back to the 1960s.

Croatia Summer Camp

As part of its annual 2026 donations call, aimed at primary schools and vocational secondary schools in the hospitality and tourism sector, Valamar supported a total of 17 projects across Croatia. The programme was designed to support projects that foster the development of pupils' practical knowledge and skills while enhancing the quality of the education through the modernisation of teaching, professional training, procurement of necessary equipment and the organisation of vocational competitions. The selected projects stood out for their innovative approach, clear alignment between educational objectives and labour market needs and their demonstrable positive impact on students and the local community.

In March 2026, an exhibition of works created as part of the 41st Riviera Painting Colony was opened at the Zuccato Gallery of the Public Open University. This long-standing artistic project, supported by Valamar for more than four decades, is one of the oldest residential art programmes in Croatia, annually bringing together artists who stay and create within Valamar's properties. The 41st Riviera Painting Colony was held in September last year, when six Croatian and international artists created new works during their stay at Isabella Island Resort, inspired by the sea, nature and the beauty of Sveti Nikola Island.

The Croatia Summer Camp provided by Valamar digital platform, a corporate social responsibility initiative bringing together the best children's summer camps in Croatia in one place, is entering its third season. To provide children with a summer filled with activities, learning, socialising and new experiences, Valamar has once again organised the Croatia Summer Quest prize competition, under which one hundred vouchers for children's summer camps will be awarded to children and young people aged 6 to 18 residing in Croatia.

PICAL RESORT OPENS ITS FACILITIES TO SPORTS CLUBS

An agreement was signed between Valamar and the Sports Association of the City of Poreč on the use of the swimming pool at Pical Resort by Poreč sports clubs. During the same time slots in which the pool is available to the city's sports clubs, it is also open to the residents of the City of Poreč. Following the end of the summer season, training sessions will resume in the indoor pool, ensuring continuity of training and high-quality conditions for the development of young athletes throughout the year.

Once again this year, around two hundred children from the island of Rab visited the Maro Club at Valamar Padova Hotel and the Maro Club at Arba Resort in June as part of the cooperation between Valamar, Imperial Riviera and local kindergartens.

HUMAN RESOURCES

Valamar Group is continuing its significant investments in employees this year and, in agreement with social partners, has increased base salaries as of 1 May 2026 by raising the base by 5%, along with additional increases in pay coefficients for more than 30% of job positions.

VALAMAR INCREASES EMPLOYEES' BASE SALARIES BY 5%

Earnings for skilled positions, i.e. chefs, waiters and receptionists, range between €1,500 and €2,000 net at the peak of the season (June to August), while earnings for housekeepers, assistant chefs, assistant waiters, kitchen staff and servers range from €1,000 to €1,400 net.

Valamar is one of the largest employers in Croatia. As at 30 June 2026, Valamar Group employed a total of 8,773 employees, including 3,228 permanent employees and an additional 1,084 employees with year-round income under fixed-term contracts. As of the same date, the Company had 6,674 employees, comprising 2,566 permanent employees and a further 784 employees with year-round income.

The ValamarGO! programme continues as a key initiative for the structured onboarding of new employees. The programme has been successfully implemented for the fourth consecutive year across all destinations. It includes five-day training sessions for kitchen, restaurant and front desk employees, led by internal mentors.

Valamar continuously introduces new initiatives, enhances employee remuneration and develops new employee benefits. As a natural continuation of this strategy and its ongoing investment in people, last autumn Valamar launched the 9+ Programme, a new employee reward and retention programme that represents a strategic step forward in the domestic labour market. The programme is designed to recognise and retain the Company's highest-performing seasonal employees while strengthening the continuity and quality of its loyal and skilled workforce. It offers employees the security of stable, long-term employment combined with the flexibility and work-life balance associated with seasonal work through three key pillars: long-term stability, a guaranteed employment period of 9 months each year and a financial incentive in the form of an €800 reward.

VALAMAR CONTINUES THE IMPLEMENTATION OF EMPLOYEE REWARD PROGRAMMES

Valamar continues to foster a supportive working environment by investing in employee development, continuously increasing salaries, implementing reward programmes and offering a wide range of benefits designed to improve the quality of life of employees and their families. At the same time, the Company continues to implement numerous initiatives aimed at aligning the working environment at Valamar with contemporary workplace trends and the evolving needs of its employees The 'Live the Destination' initiative is part of such initiatives. It ensures that all employees living in Valamar's destinations as well as employees who permanently move to Valamar's destinations, as of this year receive an additional €600 net. This measure aims to boost local employment, mobility and year-round employment. It offers a range of additional benefits to Valamar's employees. Within the 'Roof Over Your Head' programme, Valamar offers its permanent employees the possibility to be eligible for an add-on of up to €500 per month for co-financing their apartment rent. Besides that, all employees are entitled to a 30% discount in Valamar's restaurants and bars and various discounts and benefits with a series of external partners, including banks, transport providers, polyclinics, opticians and other destination services ranging from health to entertainment services. In addition, Valamar employees can work during winter in Valamar hotels on ski resorts in Austria, and thus have an additional stability through a year-round income. Special attention is also paid to employees' families – for example, through the Valamar Playroom, where employees' children are cared for in a stimulating, safe and professionally managed environment. This enables their parents to enjoy greater flexibility and achieve a better work-life balance. All these benefits are part of the broader Valamar's strategy aimed at creating a work environment where employees can build long-term careers while enjoying a higher quality of life for themselves and their families.

Valamar has made the health and well-being of its teams one of its top priorities by introducing a significant new employee benefit – supplementary health insurance for permanent employees. This initiative has been designed to provide employees with faster, simpler and higher-quality access to healthcare services. Under the supplementary health insurance policy, employees are entitled each year to one comprehensive medical check-up, two specialist consultations and any related diagnostic tests deemed medically necessary. One of the programme's greatest advantages is its exceptionally extensive and easily accessible network of healthcare providers.

In 2026, Valamar Group continues its cooperation with hospitality schools and universities, and, in partnership with the Ministry of Tourism and Sports, implements a scholarship programme that provides financial support to secondary school pupils during their education, as well as opportunities for internships and the acquisition of new skills and knowledge. Valamar is the largest provider of scholarships in Croatia. In the school year 2025/2026, Valamar has thus granted scholarships to 233 secondary school pupils and 52 university students.

As an employer, Valamar actively participates in a range of initiatives aimed at promoting careers in tourism and hospitality. Through presentations and lectures for pupils and students, as well as participation in events dedicated to employment and career development, young people are encouraged to pursue education and careers in tourism. Students and pupils also have the opportunity to hear directly from employees what it is like to work for Croatia's largest tourism company and to learn about the benefits of working at Valamar and the career development opportunities it offers. In addition, the Company continuously contributes to the quality of education through lectures by its experts in schools, organised pupil visits to Valamar's hotels and campsites and other forms of collaboration with educational institutions, helping young people gain a better understanding of the actual demands of the job.

The Company and the Group have been systematically and continuously investing in the development of its human resources. This includes an integral strategic approach to HR management with transparent recruitment process, clear goals, employee performance monitoring, investing in employee development as well as their career path and encouraging two-way communication.

Governance

Valamar's commitment to sustainability has been confirmed by certification bodies and organisations that have awarded Valamar Group companies and tourist properties numerous certificates and sustainability labels. Valamar has certified all of its properties in accordance with ISO 9001 (quality management), ISO 14001 (environmental management) and ISO 50001 (energy management). Recertification under the ISO 50001 standard has been done, as part of the ongoing process of maintaining certification for systematic energy management in all properties. 28 hotels hold the Travelife sustainability certificate, 6 campsites are certified with the EU Ecolabel as well as one hotel, EcoStar certificate have 3 hotels and 16 beaches have been awarded the Blue Flag. Preparations are underway for Travelife certification, which this year will cover one additional hotel compared with the previous year, increasing the total number of certified hotels to 29.

FIRST MICHELIN STAR FOR HARRY'S PICCOLO

As many as six Valamar's hotels have been awarded with the prestigious HolidayCheck Award 2026. These awards are based exclusively on authentic guest reviews, confirming the high level of guest satisfaction with Valamar's service.

Valamar's campsites once again stood out at the European level this year, receiving excellent ratings and prestigious awards. Five Valamar campsites were awarded the highest ADAC Superplatz 5* rating, while an equal number were ranked among the ANWB Top 2026, confirming Valamar's position as a leader in camping tourism.

As selected by the renowned European camping portal ACSI, Valmar Camping Istra and Valamar Camping Lanterna received the prestigious ACSI Awards 2026. Valamar Camping Istra was named Croatia's best campsite for holidays with pets, while Valamar Camping Lanterna received the award for the campsite with the highest-quality sanitary facilities in Croatia. In the category of the Top 25 Campsites in Croatia, Valamar Camping Krk received a special honorary distinction.

The latest edition of MICHELIN Guide Croatia brought outstanding recognition for Valamar's gastronomic offering in Poreč. Just three months after its opening, Harry's Piccolo was awarded its first MICHELIN Star, becoming the first restaurant in Poreč to receive this prestigious distinction. At the same time, Spinnaker and JAZ by Ana Roš were included in the MICHELIN Guide as MICHELIN-recommended restaurants, further confirming the growing quality and international recognition of Valamar's culinary offering.

Valamar continuously builds trust among the public, employees, investors, institutions and partners through open communication and responsible business practices, and develops and operates in line with best corporate governance practices.

The Risks of the Company and the Group

Valamar Camping Istra 5*, Poreč

In their day-to-day operations, the Company and the Group are exposed to a number of risks.

The Company and the Group have identified the following as their main risks:

- **BUSINESS RISKS:** related to the business operations, business environment, competition, supply and demand, lack of workforce and continuous adjustment to market needs
- **FINANCIAL RISKS:** comprise financial variables that can have negative impact on meeting liabilities of the Company and the Group and impact liquidity or debt management
- **OPERATIONAL RISKS:** are associated with inadequate use of information and procedures, IT systems, as well as shortcomings in operational management
- **GLOBAL RISKS:** include climate change, natural disasters and catastrophes, pandemics, food shortages, civil unrest, wars and other risks over which the Company and the Group have no (direct) control
- **REGULATORY AND LEGAL RISKS:** relate to changes of laws, tax and other legislation governing the business operations of the Company and the Group and the lack of certainty of outcome of court proceedings.

The Company and the Group apply a proactive approach to risk monitoring and assessment, whereby risk management is considered one of the key differentiation factors in a competitive environment. The objective of risk management, in addition to risk diversification or elimination, is to encourage the creation of sustainable value and to strengthen the trust of all stakeholders of the Company and the Group. When defining strategy, particular attention is paid to the impact of risks in the short and medium term in order to ensure the long-term continuity of successful operations.

The risk management process consists of the following steps:

- identification of potential risks in operations,
- analysis and assessment of identified risks,
- definition of activities and allocation of responsibilities for effective risk management,
- supervision and monitoring of initiatives aimed at preventing the occurrence of risk events and mitigating their consequences,
- exchange of information on the results of risk management.

BUSINESS RISKS

The business risks of the Company and the Group primarily include:

- seasonality of operations,
- frequently changing market requirements,
- labor shortages,
- risk of dependence on key management,
- reputational risk, and
- risk of unsuccessful or delayed investment projects.

Seasonality of operations is driven by a combination of climatic factors (temperature, precipitation and daylight duration), as well as other factors such as the timing of school holidays and the use of annual leave. Accommodation capacities are predominantly utilised for summer leisure tourism, the performance of which is largely determined by natural conditions. The business operations of the Company and Group are highly dependent on the results achieved during the high season, which generates around 52% of the total turnover in July and August. The Group's strategy is focused on reducing business seasonality, with the aim of generating approximately 50% of revenue outside the peak summer season in July and August.

Tourism is a specific activity that is constantly in flux, going through quick trend changes. This requires tourist companies to continuously adapt to survive on the market for the long term. The Company and the Group are exposed to business risks connected with the stability of global tourist trends. There is also a risk of competition in the market, as other comparable tourist destinations and companies continuously invest in capacity development and marketing activities. To mitigate these risks, the Company and the Group continuously invest in expansion and quality engagement of its accommodation capacities as well as in development of additional amenities and are currently the largest investors in the Croatian tourism. The development of new technologies considerably changes guest habits and the way how they plan and make reservations for their holiday. The ever present trend of simplicity of online reservations continues to strongly impact the dynamic of selecting the destination and accommodation. The Company and the Group realised 65% of their 2025 revenue via direct channels, including reservations via a direct distribution system – call centre, internet and mobile platforms and the loyalty programme. The loyalty programme will continue developing with the aim of creating additional value for our clients. Also, web pages, e-marketing and technology will continue to develop. The Company considers brand recognition, reputation and a long-standing presence in the market to be key factors in adapting to changing market demands and strengthening the competitive position of the Company and the Group.

The development of the Company and Group is not possible without a high-quality human resources management. Given the negative trends of labour outflow from the Republic of Croatia, particularly pronounced in the tourism sector, there is a risk of a shortage of qualified and experienced workforce required for successful operations and the implementation of the development strategy. In order to mitigate this risk, the Company and the Group engage foreign workers where necessary and invest additional resources in employee training and development. We continuously improve incentive and reward systems, employee career development, health care and accommodation and foster collaboration with education institutions throughout Croatia. This positions Valamar as one of the most desirable employers in the country.

The operations and development of the Company and the Group are to a significant extent dependent on the knowledge, experience and continuity of service of members of the Management Board, senior management and other key employees. Given the scale and complexity of operations, including the management of a large number of tourism properties and development projects, the loss of one or more key members of management or specialised experts could adversely affect management continuity, operational efficiency and the implementation of strategic initiatives. The tourism sector is characterised by pronounced seasonality and strong competition for experienced managerial and specialist profiles in both domestic and international labour markets, which may hinder the timely attraction, retention and effective succession of key roles. Failure to effectively manage these risks could have an adverse effect on the operations and performance of the Company and the Group.

The operations of the Company and the Group are exposed to reputational risk, which may arise from negative perceptions among guests, investors, business partners, employees or the wider public. The reputation of the Company and the Group depends on brand strength and recognition, as well as the trust of market stakeholders, and may be adversely affected by a range of factors. These include negative guest reviews, unfavourable media coverage, incidents related to guest safety, personal data protection, service quality, working conditions, or environmental and community impact. Additional reputational risk may arise from non-compliance with applicable laws and regulations or expected standards of sustainable business practices, including ESG criteria, as well as from inadequate crisis management. Any significant damage to reputation could result in reduced demand for the Company's and the Group's services, a decline in revenue, deterioration in relationships with business partners, and challenges in attracting and retaining qualified workforce. All of this could have an adverse effect on the financial position and operating results of the Company and the Group.

The Company and the Group are also exposed to the risk of unsuccessful or delayed investment projects, particularly those related to the development of hotels, resorts and campsites that are of strategic importance to their operations and future growth. The implementation of such projects is subject to operational and regulatory risks, including delays in construction works, increases in the cost of construction materials and services, shortages of qualified labour and dependence on the timely obtaining of required permits and approvals from competent authorities. The materialisation of these risks could lead to cost overruns, extended project completion timelines, and delays in generating the expected revenues and cash flows, which could negatively impact the operations, financial position and performance of the Company and the Group.

FINANCIAL RISKS

In the course of their day-to-day operations and activities, the Company and the Group are exposed to a number of financial risks, in particular:

- interest rate risk,
- credit risk,
- liquidity risk,
- inflation risk,
- risk of impairment of non-current assets,
- refinancing risk, and
- foreign exchange risk.

Interest rate risk

Interest rate risk is primarily associated with changes in benchmark interest rates on variable-rate borrowings, whereby an increase in such rates may lead to higher interest expenses, while a decrease has the opposite effect. The overall level of interest rates is also influenced by the country risk premium and the credit rating of the Company and the Group with financial institutions, as these determine the interest margin above the benchmark rate.

To decrease its interest rate risk, the Company and the Group regularly implement interest rate hedging using interest rate swaps (exchange of the variable interest rate with a fixed interest rate). This effectively converts variable interest rate loans to fixed interest rate loans. An interest rate swap has the economic effect of converting a portion of variable-rate borrowings into fixed-rate borrowings for a pre-agreed portion of the principal. In addition, subsidised interest rate loans are also used within the financing structure. The impact of interest rate risk to business is limited since the majority of the loan portfolio of the Company and the Group are long-term loans with an agreed fixed interest rate or loans insured with an interest rate swap.

The Company and Group have interest-bearing assets (cash assets and deposits) that generate revenues from interest rate so their revenue and cash flow depend on changes in market interest rates. This risk is especially pronounced in the high season when the Company and the Group have significant cash surpluses at their disposal. Cash placements are mostly done for a short term, at market interest rates.

Credit risk

Credit risk represents the possibility that a counterparty will fail to meet its contractual obligations in a timely manner, which could adversely affect the financial position of the Company and the Group. According to the Company's and the Group's sales policies, collaboration is contracted only with customers with an acceptable credit history, or by agreeing advance payments, bank securities and payment via credit cards. To decrease credit risk, the Company and the Group continuously monitor their exposure to business partners and their creditworthiness. The Company and the Group obtain instruments for securing receivables, such as debentures, bank guarantees and mortgages, thus reducing the risks of inability to collect their receivables. The maximum exposure to credit risk is equal to the carrying amount of receivables, as these are measured at their recoverable amount.

Exposure to credit risk also arises due to cash and deposits with business banks. To diversify this risk, a maximum exposure level has been set for each bank and the relevant qualitative and quantitative bank financial stability indicators are continuously monitored. The Company and the Group primarily deposit cash with domestic banks whose foreign parent institutions, according to the credit rating agency Standard & Poor's, hold investment-grade credit ratings ranging from A+ to BBB.

Liquidity risk

Liquidity risk represents the possibility that the Company and the Group will not be able to meet their obligations to creditors as they fall due. The Company and the Group have a sound liquidity risk management. Sufficient funds for meeting liabilities are available at any given moment through adequate amounts from contracted credit lines for investments and working capital.

The repayment of credit lines are in line with the period of significant cash inflows from operating activities. The Company and the Group continuously monitor planned and actual cash flows, as well as the maturities of receivables and payables to customers, suppliers and credit and other financial institutions. The Company and Group monitor the liquidity through daily cash and short-term and long-term debt reports. Surplus cash is invested in current accounts and time deposits. Only instruments with suitable maturities and sufficient liquidity are selected, according to the forecast needs for liquid funds.

Notwithstanding the liquidity management measures implemented, extraordinary circumstances beyond the control of the Company and the Group, such as significant disruptions in the macroeconomic environment, geopolitical risks or natural disasters, could adversely affect revenues and cash flows and lead to the materialisation of liquidity risk in a given period.

Inflation risk

Inflation risk is reflected in the general exposure of the Company and the Group to rising price levels, which may adversely affect operating costs and financial stability.

The Company and Group are exposed to changes of purchase prices for energy products (especially electricity), food and beverages, consumables and rise in prices for construction works and purchase of assets. The Company and the Group have been continually making investments in energy efficiency and renewables to mitigate the impact of energy products price rises and decrease their dependence on suppliers. Where appropriate, when doing procurement the practice is to enter into long-term contracts at fixed prices. Inflation is further reflected in rising labour costs, including wage increases, which represent a significant share of total operating costs. The Company and the Group continuously monitor the impact of inflation on input cost variables and undertake available measures to mitigate its adverse effects on operations.

One of the ways how to mitigate the negative impact of inflation is the flexible management of sales prices for goods and services. The Company and the Group have a very high share of direct sales channels and online sales channels, which enables a dynamic sales price formation throughout the year.

Risk of impairment of non-current assets

The Company and the Group are exposed to the risk of impairment of non-current assets due to adverse changes in market conditions relevant for the valuation of hotel properties, campsites and related facilities, including movements in market prices and discount rates. Although non-current assets are recognised in the accounting records at their carrying amount rather than fair value, a significant and sustained deterioration in market conditions could result in the need to recognise an impairment of assets. The materialisation of this risk could adversely affect the operating results and certain financial indicators of the Company and the Group.

Refinancing riskk

The Company and the Group are exposed to refinancing risk arising from the need to settle or refinance existing financial liabilities at their maturity. The ability to refinance depends on market conditions, including the level of interest rates, the availability of financing and the liquidity of financial markets, as well as on the credit profile of the Company and the Group. The materialisation of this risk could result in less favourable financing terms or limitations on available funding sources, which could adversely affect the liquidity, financial flexibility and performance of the Company and the Group.

Foreign exchange risk

The Company and the Group operate internationally, as reflected in overnight stays generated from various source markets. Following the Republic of Croatia's accession to the eurozone on 1 January 2023, almost 100% of revenues and cash inflows are generated in euros. As a result, foreign exchange risk (the potential loss arising from changes in exchange rates) has been almost entirely eliminated.

OPERATIONAL RISKS

Operational risks are risks connected with direct or indirect losses that arise from inadequate or wrong internal or external processes within the Company and the Group. The complexity and size of an organisation increase operational risks and this is why building quality processes is a cornerstone of successful management of these risks. Inefficient processes, inadequate internal controls or non-compliance with established procedures could lead to disruptions in operations and adversely affect the operational efficiency of the Company and the Group.

In today's digital age, information and cyber security have become the key interest domains for any company that wishes to protect its key information assets. Information, as one of the most important currencies and the foundation of any business system, are often the target of attacks. The information security risks include unauthorised access, stealing data, malicious attacks and technical malfunctions, while cyber security comprises the protection of networks, systems and data against digital threats. A timely recognition and management of these risks is of key importance for ensuring business continuity as well as the trust of our guests.

Being aware of the risks concerning the reliability of business IT solutions and cyber security, the Company and the Group continuously invest in improvement, development and implementation of new technologies and protection mechanisms in our everyday business operations. A particular focus is placed on ensuring sufficient resources for the development and implementation of new ICT technologies, data protection projects and improvement of the existing and the development of new robust business systems. Over the years, Valamar has implemented several projects and made several investments aimed at increasing the security, stability and efficiency of its ICT infrastructure. By optimising incident management process, implementing a 24 monitoring system and consolidation into a single ICT platform, the Company has ensured a more efficient infrastructure and data protection. However, the risk of significant cyber security incidents cannot be entirely excluded.

In the course of their operations, the Company and the Group collect, process and store personal data of employees, guests, business partners and other stakeholders, and are therefore exposed to risks related to personal data protection and compliance with applicable regulations. In case of incidents of personal data violation, the Company and the Group may be significantly fined, along with a possible harmful effect to the Company's reputation. The Company has been continuously working on training its employees and raising their awareness about the importance of personal data protection and information security.

GLOBAL RISKS

Despite improved security and political conditions, Croatian tourism continues to face challenges such as:

- global economic and financial crises that reduce the purchasing power of populations in key source markets and in the Republic of Croatia
- security and political risks related to the threat of terrorism globally and in the surrounding region
- global crises caused by armed conflicts.

The business results of the Company and the Group may also be affected by various environmental factors, including:

- climate change, such as global warming and prolonged periods of drought or rainfall
- natural disasters and extreme weather events (earthquakes, fires, floods, storms, etc.)
- deterioration in sea and coastal quality and pollution.

All of these factors may directly affect the number of guests and the length of their stays in hotels and campsites, as well as increase operating costs.

Health pandemics also represent a global risk, causing financial and operational disruptions to the global economy and particularly affecting tourism as a sensitive industry. Health risks constitute a particularly demanding segment of risk management, as the Company's and the Group's ability to respond in such cases is limited to risk monitoring and acting in accordance with internal and external rules and guidelines in the event of the occurrence of infectious diseases.

REGULATORY AND LEGAL RISKS

The risk of changes in laws, tax and other regulations also represent a significant risk for the Company and the Group. Changes in relevant regulations often enter into force after business plans for the future periods have already been adopted and commercial conditions with the business partners have been agreed. This can significantly adversely affect the financial position of the Company and the Group, endanger the planned investment and weaken investor trust.

The Company and the Group have obtained all necessary permits and other authorisations, as well as registrations in the relevant registers and public records for the activities they perform. The Company and the Group may be exposed to increased costs arising from the remediation of potential non-compliances or from adjustments to changes in existing regulations, as well as from the introduction of additional regulations governing the tourism and hospitality sector.

The Company and the Group are also exposed to regulatory risks related to changes in concession frameworks and concession approvals, as well as concession fees for the use of maritime domain. The right to use maritime domain constitutes one of the particularly significant conditions for continued operations, while the relevant areas are not fully regulated.

The new Spatial Planning Act (Official Gazette of the Republic of Croatia No 155/2025), which entered into force on 1 January 2026, introduced an obligation for campsites to align land use within a prescribed transitional period of up to 10 years, which will require certain costs for the Company and the Group.

Furthermore, this risk may also include the risk of changes in tax regulations, i.e. the possibility that legislative authorities may amend tax rules in a manner that could adversely affect the profitability of the Issuer and the Group. This risk is also reflected in potential changes in tax rates and the scope of taxation, as well as in the likelihood of introducing entirely new tax burdens that could likewise have a negative impact on the Group's profitability.

The risk of changes in the legal and regulatory framework is entirely beyond the control of the Company and the Group; however, amendments to relevant regulations and/or the introduction of new legislation are continuously monitored, and appropriate compliance measures are implemented in a timely manner. Employees participate in relevant training programmes and seminars and actively prepare for potential regulatory changes.

The Company is a party to several court proceedings, with the more significant cases described below.

The Company is a defendant in a lawsuit initiated in 2010 relating to the payment of amounts claimed for works performed on Hotel Lacroma during its reconstruction and extension. In 2013, the Commercial Court rendered a judgement fully dismissing the claimants' claims. In 2020, the High Commercial Court of the Republic of Croatia set aside the first-instance judgement and remitted the case for retrial. In the repeated proceedings, by a judgement issued in May 2023, the Commercial Court largely upheld the claimants' claims, holding the Company liable for payment of principal in the amount of €2,264,861.17 and litigation costs in the amount of €702,752.22, together with statutory default interest. In appellate proceedings following the Company's appeal, on 31 January 2024 the High Commercial Court of the Republic of Croatia rendered a final judgement in favour of the Company, overturning the judgement of the Commercial Court in Dubrovnik of May 2023 and dismissing all of the claimants' claims as unfounded. The claimants filed a motion seeking leave to lodge a revision against the judgment of the High Commercial Court of the Republic of Croatia of 31 January 2024, to which the Company submitted its response. On 27 May 2025, the Supreme Court of the Republic of Croatia issued a decision granting the claimants leave to lodge a revision, following which the claimants filed the revision. To date, the Company has not recognised any provisions nor recorded any expenses in its accounting records in respect of this dispute. On 21 April 2026, the Company received a decision of the Supreme Court of the Republic of Croatia, by which the claimants' appeals on points of law were upheld, the judgment and ruling of the High Commercial Court of the Republic of Croatia were set aside, and the case was remitted to the High Commercial Court of the Republic of Croatia for retrial.

In 2023, the Company initiated administrative proceedings seeking the annulment of a decision of the Ministry of the Sea, Transport and Infrastructure, issued following an inspection of the economic use of maritime domain in the area of Camping Ježevac on the Island of Krk. The decision included a prohibition on providing accommodation services on several cadastral parcels and on the provision of mooring services. In May 2025, the proceedings were finally concluded to the detriment of the Company. For the purpose of regulating property and legal relations relating to the economic use of the maritime domain, the Government of the Republic of Croatia, by its Conclusion of June 2024, instructed the Ministry of the Sea, Transport and Infrastructure to urgently determine the boundaries of the maritime domain for all campsites where such boundaries had not yet been established. It further ordered the Customs Administration and the Ministry of the Sea, Transport and Infrastructure, Directorate of Maritime Safety, to suspend inspection measures prohibiting campsite operations until property and legal relations on the maritime domain are resolved where they have not yet been settled, and at the latest until 31 December 2025. By a Conclusion of the Government of the Republic of Croatia of December 2025, the deadline for resolving property and legal relations on the maritime domain was extended to 31 December 2027. Under these Conclusions, the Company has been recognised as the legitimate user of the maritime domain at Camping Ježevac. In connection with the same matter, in early February 2024 the Company also received a notification of a tax audit issued by the Ministry of Finance, which commenced on 27 February 2024. In 2025, the Company has recognised a provision in the amount of €699 thousand, corresponding to the concession fee achieved through a public tender at a comparable location, in accordance with item 3 of the Conclusion of the Government of the Republic of Croatia dated June 2024. On 22 May 2026, the Customers Administration, Rijeka Regional Customs Office, issued a Decision establishing the Company's obligation to pay a charge having the characteristics of a concession fee for the commercial use of the maritime domain. On 27 May 2026, the Company paid the aforementioned charge in the amount of €520,177.96, which comprised both the principal amount and statutory default interest, thereby bringing the tax audit of the Company to a close.

In addition to the above, the Company is also a party to other court proceedings and, in respect of all legal disputes, recognised total provisions of €1.9 million in its accounting records in 2025. Any adverse outcome of these proceedings could have an adverse impact on the financial position and profitability of the Company and the Group.

Corporate Governance

Valamar Lacroma Hotel 4*, Dubrovnik

CORPORATE GOVERNANCE CODE IMPLEMENTATION

Valamar Riviera, as well as the Valamar Group, are continuously developing and operating in accordance with best corporate governance practices. With its business strategy, policy, key acts and business practice, Valamar Riviera has established high standards of corporate governance and thereby strives to contribute to transparent and efficient operations and to establish strong connections with the environment in which it operates. The Management Board fully complies with the provisions of the adopted acts on corporate governance. Since the listing of shares on the regulated market of the Zagreb Stock Exchange d.d., the Company has been applying the Corporate Governance Code of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (hereinafter: HANFA).

In 2021, the Company adopted the Code of Business Conduct with associated policies, which aligned its internal rules on corporate governance with the Corporate Governance Code of the Zagreb Stock Exchange and HANFA. The Company's Code of Business Conduct was updated in 2026 and is available on the Company's corporate website at the link https://valamar-riviera.com/media/539413/code-of-business-conduct_2026.pdf. The following policies make an integral part of this Code:

1. Conflict of interest management policy
2. Policies and procedures for approving and disclosing transactions with related parties
3. Risk management policy
4. Corporate social responsibility policies:
    - 4.1. Service excellence and sustainable business policy
    - 4.2 Health and safety policy
    - 4.3 Food safety protocol
    - 4.4 Diversity and non–discrimination policy
    - 4.5 Procurement policy
    - 4.6 Policy on the safety and protection of children's right
    - 4.7 Working conditions policy
    - 4.8 Career management policy
    - 4.9 Environmental protection policy
    - 4.10 Information security policy

The Company fully complies with and implements the prescribed corporate governance measures, with only a few justifiable exceptions. This is explained in detail in the Corporate Governance Code Compliance Questionnaire, which is published in accordance with the regulations on the Zagreb Stock Exchange website and the corporate website of Valamar Riviera (https://valamar-riviera.com/media/500851/compliance-questionnaire-2024.pdf) and submitted to HANFA.

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

MANAGEMENT BOARD AND SUPERVISORY BOARD

The Management Board and the Supervisory Board mainly conduct their work at meetings as well as by decision-making without holding meetings, via correspondence, in accordance with applicable laws and the Company's internal acts.

The authorities of the members of the Management Board and the members of the Supervisory Board of the Company are determined by the Company's Articles of Association, the Rules of Procedure of the Management Board and the Rules of Procedure of the Supervisory Board as well as other relevant regulations. The authorities of the members of the Management Board can also be regulated by specific decisions of the Supervisory Board, which are fully aligned with the Companies Act.

The rules governing the appointment and revoking of members of the Management Board and Supervisory Board are set out by the Articles of Association, in accordance with the Companies Act and the Company's relevant internal act. The rules governing appointment do not impose any diversity-related restrictions, including on gender, age, disability, education, professional background or similar. These rules have been established to enhance organisational efficiency and strengthen the corporate governance system. The Management Board and the Supervisory Board are composed of individuals with the requisite competences. In performing their respective functions – the Management Board in representing the Company and managing its business affairs, and the Supervisory Board in overseeing the management of the Company's business affairs – both bodies act with due care and in the best interest of the Company.

MANAGEMENT BOARD

The Management Board of the Company consists of five members:

1. Željko Kukurin, President of the Management Board
2. Marko Čižmek, Management Board member
3. Ivana Budin Arhanić, Management Board member
4. David Poropat, Management Board member
5. Davor Brenko, Management Board member

In accordance with the Capital Markets Act and Regulation (EU) No 596/2014, the Company has defined senior Company executives. Alongside members of the Supervisory Board and the Management Board, these executives include two Senior Vice Presidents: Alen Benković and Sebastian Palma; Vice President Ines Damjanić; and 26 Directors: Tomislav Dumančić, Mauro Teković, Bruno Radoš, Sandi Sinožić, Andrea Štifanić, Ivan Karlić, Mario Skopljaković, Dario Kinkela, Mile Pavlica, Tomislav Poljuha, Dragan Vlahović, Flavio Gregorović, Martina Šolić, Vedrana Ambrosi, Mirella Premeru, Ivica Vrkić, Giorgio Cadum, Lea Sošić, Roberto Gobo, Ivan Polak, Karmela Višković, Denis Prevolšek, Vlatka Kocijan, Antonio Beg, Ivana Tubaković Laković and Miloš Vukadinović.

Senior executives work closely with the Management Board and perform the assigned corporate functions through business committees that are focused on strategic activities of the Company that require a high level of interdepartmental functional management:

- Executive Committee
- Capex Committee
- Human Resources Committee
- Product and Service Development Committee
- Procurement and Operations Committee
- Business Development Committee
- ESG Committee
- Risk Committee

Senior executives are responsible for the management of key functional business areas and activities. Furthermore, the task of senior executives is cross functional management and leadership, implementation of the corporate strategy and providing management support to the members of the Management Board.

SUPERVISORY BOARD

The Supervisory Board has nine members, of which the General Assembly elected eight members in accordance with the provisions of the Articles of Association and the provisions of the Companies Act, and one member is an appointed employee representative.

Members of the Supervisory Board:

1. Franz Lanschützer, Chairman
2. Mladen Markoč, Deputy Chairman
3. Daniel Goldscheider, Deputy Chairman
4. Gustav Wurmböck, member
5. Gudrun Kuffner, member
6. Petra Stolba, member
7. Georg Eltz, member
8. Boris Galić, member
9. Ivan Ergović, member (employee representative)

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

1. THE PRESIDIUM OF THE SUPERVISORY BOARD
Franz Lanschützer, Chairman
Mladen Markoč, Deputy Chairman
Daniel Goldscheider, Deputy Chairman

2. AUDIT COMMITTEE
Gudrun Kuffner, Committee Chairwoman
Georg Eltz, member
Gustav Wurmböck, member
Mladen Markoč, member
Boris Galić, member

3. INVESTMENT COMMITTEE
Daniel Goldscheider, Chairman
Franz Lanschütze, member
Gudrun Kuffner, member

GENERAL ASSEMBLY

The General Assembly is convened, conducted and has authorizations in accordance with the provisions of the Companies Act and the provisions of the Company's Articles of Association, and the invitation to the meetings and proposals for decisions, as well as the decisions made, are publicly announced in accordance with the provisions of the Companies Act, the provisions of the Capital Market Act and the Rules of the Zagreb Stock Exchange d.d. There is a time limit related to the exercise of the right to vote at the General Assembly in accordance with the provisions of the Companies Act - shareholders are required to register their participation within the deadline provided by law. A financial right arising from a security cannot be separated from the ownership of that security. Within the Company, no securities carry special control rights, nor are there any restrictions on voting rights. Each share entitles its holder to one vote.

The General Assembly, held on 23 April 2026, adopted the decision on the use of profit generated in 2025 and the decisions on granting discharge to the members of the Management Board and the Supervisory Board. The General Assembly also approved the Remuneration Report for the members of the Management Board and the Supervisory Board for 2025, adopted a decision on amending the Articles of Association and the decision on the acquisition of own shares. For the audit of Valamar Riviera d.d. for the financial year 2027, Deloitte d.o.o. za usluge revizije and UHY RUDAN d.o.o. were appointed as auditors.

Following the approval of the Annual General Meeting, a dividend of €0.27 per share was distributed to shareholders, representing a dividend yield of 4.2%. The dividend was paid on 7 May 2026 in the total amount of €33,162,219.45, funded from retained earnings generated in 2021 and 2022.

OWN SHARES AND SHARE BUYBACK PROGRAM

The Company can acquire own shares based on and in accordance with the conditions set forth in the General Assembly's decision on the acquisition of the Company's own shares.

Pursuant to the General Assembly's decision of 25 April 2024, which was in force from 18 November 2024 to 22 April 2026, the Company's Management Board, on 15 January 2026, adopted the decision approving an Own Share Buyback Programme (https://valamar-riviera.com/media/538998/notification-of-adopting-an-own-share-buy-back-programme-1-7-26.pdf), which was in effect until 22 April 2026. On 23 April 2026, the General Assembly adopted a new decision on acquiring own shares, pursuant to which the Management Board of the Company, on that same day, adopted a new Own Share Buyback Programme (https://valamar-riviera.com/media/539244/notification-of-adopting-an-own-share-buyback-programme-1-101-26.pdf).

During the first half of 2026, the Company repurchased 565,462 treasury shares on the regulated market of the Zagreb Stock Exchange for a total amount of €3,985,127, representing an average purchase price of €7.05 per share.

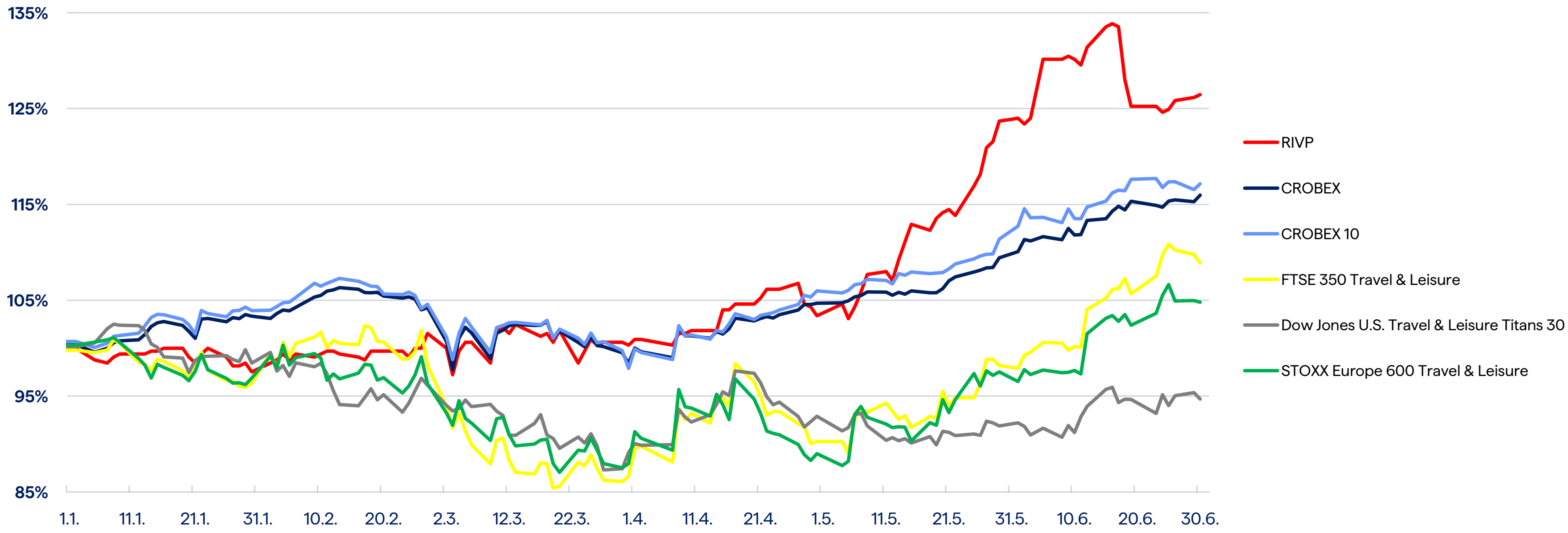
As of 30 June 2026, the Company held 3,504,901 treasury shares, representing 2.78% of the Company's issued share capital.

The Company holds and acquires own shares to reward members of the Management Board, key executives and employees in accordance with the Company's internal remuneration acts, as well as for the potential payment of a portion of dividends in kind, i.e. in the form of the Company's shares. Pursuant to the adopted long-term share-based incentive plan for key executives for the period from 2023 to 2026, aimed at fostering loyalty, supporting the achievement of business objectives and enhancing shareholder value, the Company, on 15 April 2026, released a total of 310,242 own shares. On that same date, the Company also released a total of 301,187 own shares as payment of the 2025 bonus to employees in Company shares.

Valamar Share

Jadran Heritage Hotel 5*, Valamar Collection - JAZ by Ana Roš

Performance of Valamar Riviera's share and Zagreb Stock Exchange and travel and leisure indices in H1 2026



The Company's share price traded between a high of €8.80 and a low of €6.28 during the first six months of 2026. The closing share price on 30 June 2026 was €8.22, representing a 26.5% increase compared with the closing price at the end of 2025. Valamar Riviera's shares generated total trading turnover of €16.7 million[26] during the reporting period, ranking sixth among all securities listed on the Zagreb Stock Exchange by regular trading turnover.

In addition to the Zagreb Stock Exchange index and the joint equity index of the Zagreb and Ljubljana Stock Exchanges, ADRIAprime, the share is also a constituent of the Vienna Stock Exchange index (CROX[27]), the Warsaw Stock Exchange index (CEEplus[28]), the SEE Link regional platform indices (SEELinX and SEELinX EWI)[29], as well as the MSCI Frontier Market Index[30].

26 Block transactions are excluded from the calculation.

27 The Croatian Traded Index (CROX) is a capitalisation-weighted price index comprising the 12 most liquid and highest-capitalised shares listed on the Zagreb Stock Exchange.

28 CEEplus is an equity index composed of the most liquid shares listed on stock exchanges in the Visegrad Group countries (Poland, the Czech Republic, Slovakia and Hungary) as well as Croatia, Romania and Slovenia.

29 SEE Link is a regional securities trading platform established by the Bulgarian, Macedonian and Zagreb Stock Exchanges. SEE LinX and SEE LinX EWI are two regional "blue chip" indices comprising ten of the most liquid regional companies listed on three stock exchanges: five from Croatia, three from Bulgaria and two from North Macedonia.

30 The MSCI Frontier Markets Index comprises large- and mid-capitalisation companies across 29 so-called frontier market countries.

Zagrebačka banka d.d. and Interkapital vrijednosni papiri d.o.o. act as market makers for Valamar Riviera's ordinary shares listed on the Prime Market of Zagrebačka burza d.d. (Zagreb Stock Exchange).

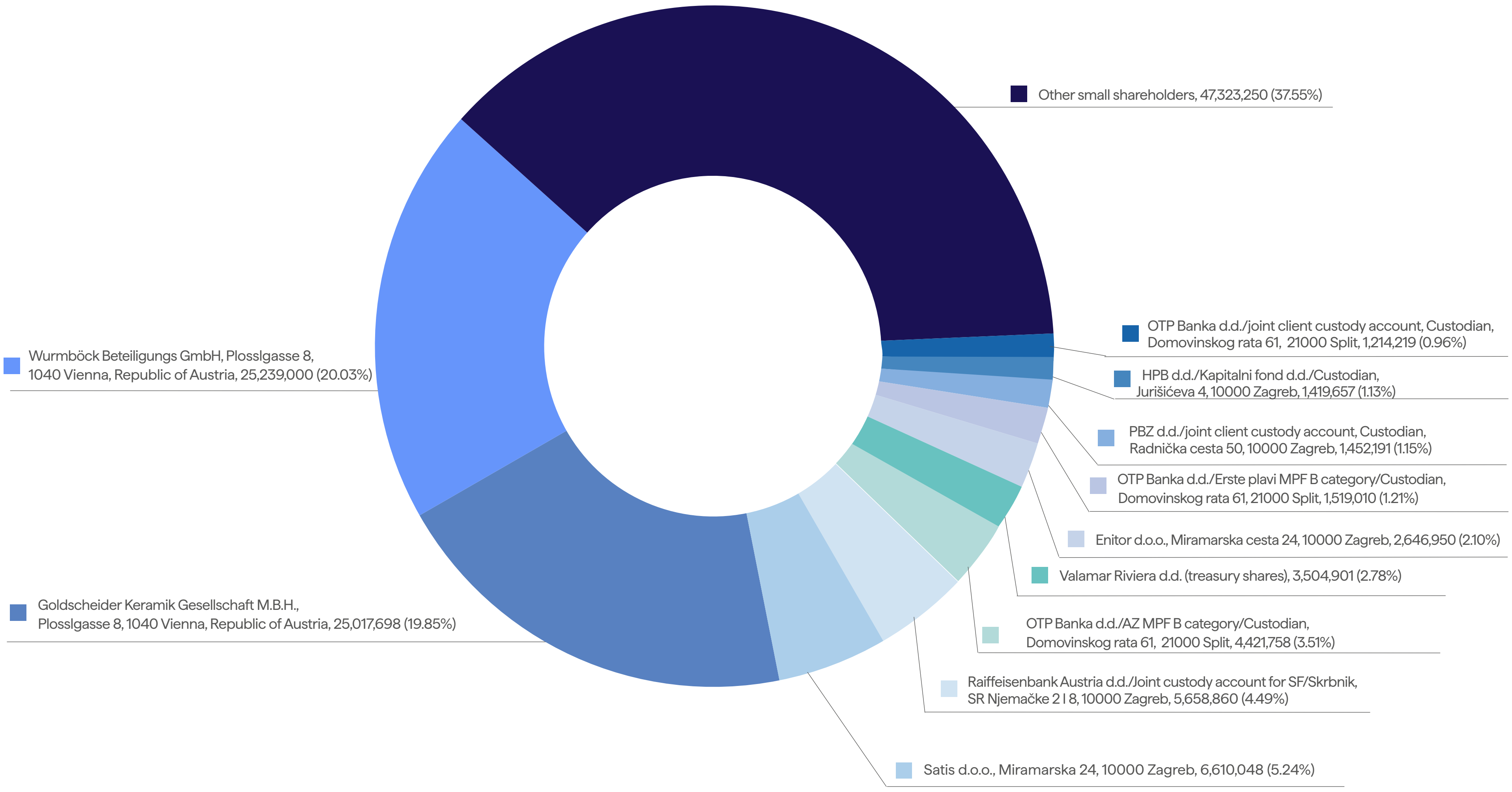
Valamar Riviera actively holds meetings and conference calls with domestic and international investors, as well as investor presentations, providing support for a high level of transparency, the creation of additional liquidity, an increase in share value and the engagement of new investors. By continuing the active promotion of Valamar Riviera, the Company aims to further contribute to the creation of long-term value for all stakeholders, with the intention that the Company's shares be recognised as among the leading shares on the Croatian capital market and among the leading shares in the CEE region.

Analytical monitoring of Valamar Riviera is provided by:

1. ERSTE bank d.d., Zagreb
2. Interkapital vrijednosni papiri d.o.o., Zagreb
3. Zagrebačka banka d.d., Zagreb and
4. Ipopema, Warsaw

Marea Suites 5*, Valamar Collection, Poreč

OVERVIEW OF MAJOR SHAREHOLDERS AS AT 30 JUNE 2026



Statement of the Management Board


Valamar Argosy Hotel 4*, Dubrovnik

Pical Resort 5*, Valamar Collection, Poreč

The Management and Supervisory Boards express their gratitude to all shareholders, business partners, and guests for their support and trust, and particularly to all employees for their contribution

STATEMENT OF THE MANAGEMENT BOARD

In the course of of 2026 the Company's Management Board performed the actions provided by law and the Articles of Association and regarding the management and representation of the Company and planned a business policy that was implemented with prudent care. The Company's Management Board will continue to undertake all the necessary measures in order to ensure sustainability and business growth.

The quarterly separate and consolidated financial statements for the first half 2026 were adopted by the Management Board on 31 July 2026.

The Management Board expresses its gratitude to all shareholders, business partners, and guests for their support and trust, and particularly to all employees for their contribution.

Management Board of the Company

Željko Kukurin
Management Board
President

Marko Čižmek
Management Board
Member

Ivana Budin Arhanić
Management Board
Member

David Poropat
Management Board
Member

Davor Brenko
Management Board
Member

Disclaimer


Arba Resort 4*, Valamar Collection, Island of Rab

This report may contain certain expectations based on currently available facts, knowledge, and circumstances, as well as related estimates.

Our expectations are based on, but not limited to:

a. actual results achieved in first half of 2026
b. business revenues realised as of 30 July 2026
c. the current state of bookings
d. the forecasted business performance until the end of 2026
e. the absence of any additional significant negative impacts from risks to which the Company and the Group are exposed.

These expectations do not constitute a guarantee of future performance and are subject to future events, risks, and uncertainties, many of which are beyond Valamar Riviera's control or currently unknown. Furthermore, the assumptions on which they are based may prove inaccurate, potentially causing actual results to differ materially from the stated expectations and projections. Risks and uncertainties include, but are not limited to, those described in the section "Risks of the Company and the Group". Material deviations from the stated expectations may result from changes in circumstances, unrealised assumptions, and other risks, uncertainties, and factors, including but not limited to:

- Macroeconomic trends in the Republic of Croatia and key source markets, including exchange rate fluctuations, changes in the prices of goods and services, deflation and inflation, unemployment, trends in gross domestic product and industrial production, and other factors that directly or indirectly impact the purchasing power of Valamar Group's guests,
- Economic and political-security conditions, as well as developments in capital markets in the Republic of Croatia and Valamar Group's source markets,
- Consumer spending levels, disposable income, and guest confidence and satisfaction with Valamar Group's products and services,
- Trends in overnight stays, booking patterns, and the movement of average selling prices for accommodation units within Valamar Group's properties,
- Changes in market interest rates, fluctuations in the value of equity securities, and other financial risks to which the companies of the Valamar Group are exposed,
- Availability and costs of labour, transport expenses, energy costs, utility charges, the prices of energy sources and other goods and services, as well as disruptions in the supply chain,
- Changes in accounting policies and audit findings related to financial statements, as well as findings from tax and other regulatory reviews,
- Outcomes and costs of legal proceedings involving the companies of the Valamar Group,
- Loss of competitiveness and reduced demand for Croatian tourism and Valamar Group's products and services due to weather conditions and seasonal fluctuations,
- Reliability of business IT solutions, cybersecurity risks related to the companies of the Valamar Group, and associated costs,
- Changes in tax and other regulations and laws, trade restrictions, and customs duties,
- Natural disasters, environmental risks, epidemics, and pandemics,
- Regional and global geopolitical uncertainties and armed conflicts.

In the event of material changes to the stated expectations, Valamar Riviera shall, in accordance with Article 459 Of the Capital Market Act, inform the public without delay. Expectations expressed do not constitute an inducement to buy, sell or retain shares in Valamar Riviera.

RESPONSIBILITY FOR THE QUARTERLY FINANCIAL STATEMENTS

Poreč, July 31, 2026

In accordance with provisions of Capital Market Act, Marko Čižmek, Management Board Member and CFO, and Vedrana Ambrosi, Finance and Accounting Sector Director and Procurator, together as persons responsible for the preparation of annual financial reports of the company Valamar Riviera d.d. seated in Poreč, Stancija Kaligari 1, OIB 36201212847 (hereinafter: Company), hereby make the following

STATEMENT

According to our best knowledge:

- unaudited consolidated and unconsolidated financial statements for the first half of 2026 are prepared in accordance with applicable standards of financial reporting and give true and fair view of the assets and liabilities, profit and loss, financial position and operations of the Company and the companies included in consolidation (Group),
- report of the Company's Management board for the period from 1 January to 30 June 2026 contains the true presentation of development, results and position of the Company and companies included in the consolidation, with description of significant risks and uncertainties which the Company and companies included in consolidation are exposed.

Marko Čižmek
Management Board Member

Vedrana Ambrosi
Director of Department of Finance and Accounting/Procurator

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

Valamar Camping Krk 5*, Island of Krk

QUARTERLY FINANCIAL STATEMENTS

Reporting period: from 01.01.2026 to 30.06.2026

Year:	2026	
Quarter:	2	
Registration number (MB):	3474771	Issuer's home Member State code: HR
Entity's registration number (MBS):	40020883	
Personal identification number (OIB):	36201212847	LEI: 529900DUWS1DGNEK4C68
Institution code:	30577	
Name of the issuer:	Valamar Riviera d.d.	
Postcode and town:	52440	Poreč
Street and house number:	Stancija Kaligari 1	
E-mail address:	uprava@valamar.com	
Web address:	www.valamar-riviera.com	
Number of employees (end of the reporting period):	8.773	
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):	Registered office:	MB
Imperial Riviera d.d.	Rab	3044572
Bugenvilia d.o.o.	Dubrovnik	2006120

Bookkeeping firm:	No
Contact person:	Benčić Vedran (only name and surname of the contact person)
Telephone:	052 408 034
E-mail address:	vedran.bencic@valamar.com
Audit firm:	(name of the audit firm)
Certified auditor:	(name and surname)

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

(authorized representative's signature)

L.S.

BALANCE SHEET

Submitter: Valamar Riviera d.d.

BALANCE AS AT 30.06.2026 — in EUR

Item			ADP code	Last day of the preceding business year	At the reporting date of the current period
1			2	3	4
ASSETS					
A)	**RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID**		**001**		
B)	**FIXED ASSETS** (ADP 003+010+020+031+036)		**002**	**975,454,061.03**	**1,049,695,650.81**
I	**INTANGIBLE ASSETS** (ADP 004 to 009)		**003**	**10,227,253.93**	**10,173,367.79**
	1	Research and development	004		
	2	Concessions, patents, licences, trademarks, software and other rights	005	8,421,131.26	6,228,019.69
	3	Goodwill	006	871,671.51	871,671.51
	4	Advances for the purchase of intangible assets	007	7,800.00	24,292.53
	5	Intangible assets in preparation	008	926,651.16	3,049,384.06
	6	Other intangible assets	009		
II	**TANGIBLE ASSETS** (ADP 011 to 019)		**010**	**892,259,535.99**	**957,859,780.09**
	1	Land	011	191,822,933.92	192,303,576.21
	2	Buildings	012	432,939,798.55	415,251,804.20
	3	Plant and equipment	013	74,596,293.52	71,160,867.92
	4	Tools, working inventory and transportation assets	014	21,348,012.74	24,676,360.71
	5	Biological assets	015		
	6	Advances for the purchase of tangible assets	016	4,071,167.05	1,808,372.72
	7	Tangible assets in preparation	017	161,265,557.06	246,730,149.01
	8	Other tangible assets	018	5,941,224.53	5,672,539.12
	9	Investment property	019	274,548.62	256,110.20
III	**FIXED FINANCIAL ASSETS** (ADP 021 to 030)		**020**	**22,781,982.43**	**22,645,186.98**
	1	Investments in holdings (shares) of undertakings within the group	021		
	2	Investments in other securities of undertakings within the group	022		
	3	Loans, deposits, etc. to undertakings within the group	023		
	4	Investments in holdings (shares) of companies linked by virtue of participating interests	024	15,805,789.38	15,308,813.35
	5	Investment in other securities of companies linked by virtue of participating interests	025		
	6	Loans, deposits etc. to companies linked by virtue of participating interests	026	3,714,572.72	3,714,572.72
	7	Investments in securities	027	60,671.00	60,671.00
	8	Loans, deposits, etc. given	028	633,927.06	633,859.94
	9	Other investments accounted for using the equity method	029		
	10	Other fixed financial assets	030	2,567,022.27	2,927,269.97
IV	**RECEIVABLES** (ADP 032 to 035)		**031**	**451,250.00**	**451,250.00**
	1	Receivables from undertakings within the group	032		
	2	Receivables from companies linked by virtue of participating interests	033		
	3	Customer receivables	034		
	4	Other receivables	035	451,250.00	451,250.00
V	**DEFERRED TAX ASSETS**		**036**	**49,734,038.68**	**58,566,065.95**
C)	**CURRENT ASSETS** (ADP 038+046+053+063)		**037**	**35,567,748.16**	**57,035,680.84**
I	**INVENTORIES** (ADP 039 to 045)		**038**	**12,266,057.85**	**17,890,208.29**
	1	Raw materials and consumables	**039**	**11,715,161.31**	**16,767,848.04**
	2	Production in progress	040		
	3	Finished goods	041		
	4	Merchandise	042	546,071.96	1,110,457.20
	5	Advances for inventories	043	4,824.58	11,903.05
	6	Fixed assets held for sale	044		
	7	Biological assets	045		
II	**RECEIVABLES** (ADP 047 to 052)		**046**	**13,390,556.27**	**21,863,758.48**
	1	Receivables from undertakings within the group	047		
	2	Receivables from companies linked by virtue of participating interests	048	124,563.01	367,173.69
	3	Customer receivables	049	3,760,212.44	9,946,055.93
	4	Receivables from employees and members of the undertaking	050	2,485,073.72	4,654,848.89
	5	Receivables from government and other institutions	051	6,495,916.95	5,440,539.85
	6	Other receivables	052	524,790.15	1,455,140.12
III	**CURRENT FINANCIAL ASSETS** (ADP 054 to 062)		**053**	**1,917,462.12**	**281,951.17**
	1	Investments in holdings (shares) of undertakings within the group	054		
	2	Investments in other securities of undertakings within the group	055		
	3	Loans, deposits, etc. to undertakings within the group	056		
	4	Investments in holdings (shares) of companies linked by virtue of participating interests	057		
	5	Investment in other securities of companies linked by virtue of participating interests	058		
	6	Loans, deposits etc. to companies linked by virtue of participating interests	059		
	7	Investments in securities	060		
	8	Loans, deposits, etc. given	061	1,608,365.63	108,365.63
	9	Other financial assets	062	309,096.49	173,585.54
IV	**CASH AT BANK AND IN HAND**		**063**	**7,993,671.92**	**16,999,762.90**
D)	**PREPAID EXPENSES AND ACCRUED INCOME**		**064**	**5,301,053.53**	**21,429,936.78**
E)	**TOTAL ASSETS** (ADP 001+002+037+064)		**065**	**1,016,322,862.72**	**1,128,161,268.43**
F)	**OFF-BALANCE SHEET ITEMS**		**066**	**7,170,189.83**	**7,170,189.83**

BALANCE SHEET / CONTINUED

Submitter: Valamar Riviera d.d.

BALANCE AS AT 30.06.2026 — in EUR

	Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1		2	3	4
LIABILITIES				
A)	**CAPITAL AND RESERVES** (ADP 068 to 070+076+077+083+086+089)	067	465,478,244.15	377,651,224.79
I	**INITIAL (SUBSCRIBED) CAPITAL**	068	221,915,350.00	221,915,350.00
II	**CAPITAL RESERVES**	069	2,024,629.70	3,239,143.29
III	**RESERVES FROM PROFIT** (ADP 071+072-073+074+075)	070	13,512,278.38	11,952,515.14
	1 Legal reserves	071	11,095,767.56	11,095,767.56
	2 Reserves for treasury shares	072	18,158,508.76	18,158,508.76
	3 Treasury shares and holdings (deductible item)	073	-16,149,780.69	-17,301,761.18
	4 Statutory reserves	074		
	5 Other reserves	075	407,782.75	
IV	**REVALUATION RESERVES**	076		
V	**FAIR VALUE RESERVES AND OTHER** (ADP 078 to 083)	077		
	1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078		
	2 Cash flow hedge - effective portion	079		
	3 Hedge of a net investment in a foreign operation - effective portion	080		
	4 Other fair value reserves	081		
	5 Exchange rate differences from translation of foreign operations (consolidation)	082		
	6 Exchange rate differences from translation into the presentation currency	083		
VI	**RETAINED PROFIT OR LOSS BROUGHT FORWARD** (ADP 085-086)	084	38,708,255.80	49,695,389.66
	1 Retained profit	085	38,708,255.80	49,695,389.66
	2 Loss brought forward	086		
VII	**PROFIT OR LOSS FOR THE BUSINESS YEAR** (ADP 088-089)	087	44,150,390.79	-42,903,068.25
	1 Profit for the business year	088	44,150,390.79	
	2 Loss for the business year	089		42,903,068.25
VIII	**MINORITY (NON-CONTROLLING) INTEREST**	090	145,167,339.48	133,751,894.95
B)	**PROVISIONS** (ADP 092 to 097)	091	6,991,829.73	6,986,121.71
	1 Provisions for pensions, termination benefits and similar obligations	092	4,682,367.89	4,676,659.87
	2 Provisions for tax liabilities	093		
	3 Provisions for ongoing legal cases	094	2,309,461.84	2,309,461.84
	4 Provisions for renewal of natural resources	095		
	5 Provision for warranty obligations	096		
	6 Other provisions	097		
C)	**LONG-TERM LIABILITIES** (ADP 099 to 109)	098	374,592,262.18	477,031,145.46
	1 Liabilities to undertakings within the group	099		
	2 Liabilities for loans, deposits, etc. of undertakings within the group	100		
	3 Liabilities to companies linked by virtue of participating interests	101		
	4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	102		
	5 Liabilities for loans, deposits etc.	103		
	6 Liabilities to banks and other financial institutions	104	284,497,124.55	377,589,556.14
	7 Liabilities for advance payments	105		
	8 Liabilities to suppliers	106		
	9 Liabilities for securities	107		
	10 Other long-term liabilities	108	85,473,993.52	95,071,387.90
	11 Deferred tax liability	109	4,621,144.11	4,370,201.42
D)	**SHORT-TERM LIABILITIES** (ADP 111 to 124)	110	149,054,677.98	245,586,739.65
	1 Liabilities to undertakings within the group	111		
	2 Liabilities for loans, deposits, etc. of undertakings within the group	112		
	3 Liabilities to companies linked by virtue of participating interests	113	2,483.93	27,551.58
	4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	114		
	5 Liabilities for loans, deposits etc.	115		
	6 Liabilities to banks and other financial institutions	116	69,558,099.80	66,844,955.82
	7 Liabilities for advance payments	117	17,929,566.05	84,906,448.80
	8 Liabilities to suppliers	118	39,487,371.35	57,182,036.68
	9 Liabilities for securities	119		
	10 Liabilities to employees	120	6,779,404.41	15,097,064.27
	11 Taxes, contributions and similar liabilities	121	2,869,819.88	14,012,216.80
	12 Liabilities arising from the share in the result	122		
	13 Liabilities arising from fixed assets held for sale	123		
	14 Other short-term liabilities	124	12,427,932.56	7,516,465.70
E)	**ACCRUALS AND DEFERRED INCOME**	125	20,205,848.68	20,906,036.82
F)	**TOTAL - LIABILITIES** (ADP 067+091+098+110+125)	126	1,016,322,862.72	1,128,161,268.43
G)	**OFF-BALANCE SHEET ITEMS**	127	7,170,189.83	7,170,189.83

STATEMENT OF PROFIT OR LOSS

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026 in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I **OPERATING INCOME** (ADP 002 to 006)	001	143,747,834.30	126,265,246.49	157,958,354.10	138,064,368.77
1 Income from sales with undertakings within the group	002				
2 Income from sales	003	141,821,553.20	124,960,882.92	155,670,815.34	136,236,795.79
3 Income from the use of own products, goods and services	004	56,190.87	28,073.67	54,594.90	26,420.16
4 Other operating income with undertakings within the group	005				
5 Other operating income (outside the group)	006	1,870,090.23	1,276,289.90	2,232,943.86	1,801,152.82
II **OPERATING EXPENSES** (ADP 08+009+013+017+018+019+022+029)	007	178,114,084.04	120,229,913.59	208,568,217.34	136,366,303.90
1 Changes in inventories of work in progress and finished goods	008				
2 Material costs (ADP 010 to 012)	009	57,948,136.28	44,733,119.19	66,204,082.16	48,116,220.85
a) Costs of raw materials and consumables	010	33,031,730.38	26,421,609.15	39,992,473.46	29,730,138.64
b) Costs of goods sold	011	2,263,334.65	1,991,690.61	2,238,002.44	1,958,468.81
c) Other external costs	012	22,653,071.25	16,319,819.43	23,973,606.26	16,427,613.40
3 Staff costs (ADP 014 to 016)	013	59,393,715.05	39,567,780.65	69,400,950.95	45,831,545.46
a) Net salaries and wages	014	37,531,982.20	24,054,532.25	43,442,960.99	27,525,857.84
b) Tax and contributions from salary costs	015	13,829,730.23	10,148,031.20	16,688,079.70	12,094,150.64
c) Contributions on salaries	016	8,032,002.62	5,365,217.20	9,269,910.26	6,211,536.98
4 Depreciation	017	38,610,304.77	20,108,420.91	48,199,891.72	24,413,819.28
5 Other costs	018	20,558,396.45	15,045,949.78	23,062,871.71	16,954,301.79
6 Value adjustments (ADP 020+021)	019			386.21	
a) fixed assets other than financial assets	020				
b) current assets other than financial assets	021			386.21	
7 Provisions (ADP 023 to 028)	022	19,627.85	-1,315.98	-5,708.02	-33,062.67
a) Provisions for pensions, termination benefits and similar obligations	023	19,627.85	-1,315.98	-5,708.02	-33,062.67
b) Provisions for tax liabilities	024				
c) Provisions for ongoing legal cases	025				
d) Provisions for renewal of natural resources	026				
e) Provisions for warranty obligations	027				
f) Other provisions	028				
8 Other operating expenses	029	1,583,903.64	775,959.04	1,705,742.61	1,083,479.19
III **FINANCIAL INCOME** (ADP 031 to 040)	030	1,093,026.19	368,349.17	812,392.56	351,717.33
1 Income from investments in holdings (shares) of undertakings within the group	031				
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032				
3 Income from other long-term financial investment and loans granted to undertakings within the group	033				
4 Other interest income from operations with undertakings within the group	034				
5 Exchange rate differences and other financial income from operations with undertakings within the group	035				
6 Income from other long-term financial investments and loans	036	11,216.93	5,405.15	10,048.34	5,084.78
7 Other interest income	037	341,740.01	156,970.03	107,466.02	66,016.21
8 Exchange rate differences and other financial income	038			4,487.35	1,247.82
9 Unrealised gains (income) from financial assets	039	393,317.23		264,940.14	
10 Other financial income	040	346,752.02	205,973.99	425,450.71	279,368.52
IV **FINANCIAL EXPENSES** (ADP 042 to 048)	041	6,019,016.73	3,538,530.64	7,436,679.62	6,126,859.85
1 Interest expenses and similar expenses with undertakings within the group	042				
2 Exchange rate differences and other expenses from operations with undertakings within the group	043				
3 Interest expenses and similar expenses	044	5,518,871.96	2,879,265.89	7,266,119.37	4,248,110.22
4 Exchange rate differences and other expenses	045	2,876.63	1,224.42		
5 Unrealised losses (expenses) from financial assets	046	36,137.29	423,974.48		1,764,210.46
6 Value adjustments of financial assets (net)	047				
7 Other financial expenses	048	461,130.85	234,065.85	170,560.25	114,539.17
V **SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS**	049				
VI **SHARE IN PROFIT FROM JOINT VENTURES**	050				
VII **SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST**	051	580,435.59	185,602.60	496,976.03	107,884.02
VIII **SHARE IN LOSS OF JOINT VENTURES**	052				
IX **TOTAL INCOME** (ADP 001+030+049 +050)	053	144,840,860.49	126,633,595.66	158,770,746.66	138,416,086.10
X **TOTAL EXPENDITURE** (ADP 007+041+051 + 052)	054	184,713,536.36	123,954,046.83	216,501,872.99	142,601,047.77
XI **PRE-TAX PROFIT OR LOSS** (ADP 053-054)	055	-39,872,675.87	2,679,548.83	-57,731,126.33	-4,184,961.67
1 Pre-tax profit (ADP 053-054)	056		2,679,548.83		
2 Pre-tax loss (ADP 054-053)	057	-39,872,675.87		-57,731,126.33	-4,184,961.67
XII **INCOME TAX**	058	-15,355,283.27	-5,349,785.82	-9,082,969.92	-90,560.95
XIII **PROFIT OR LOSS FOR THE PERIOD** (ADP 055-059)	059	-24,517,392.60	8,029,334.65	-48,648,156.41	-4,094,400.72
1 Profit for the period (ADP 055-059)	060		8,029,334.65		
2 Loss for the period (ADP 059-055)	061	-24,517,392.60		-48,648,156.41	-4,094,400.72

STATEMENT OF PROFIT OR LOSS / CONTINUED

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026						in EUR
Item		ADP code	Same period of the previous year		Current period	
			Cumulative	Quarter	Cumulative	Quarter
1		2	3	4	5	6
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)						
XIV	**PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS** (ADP 063–064)	**062**				
	1 Pre-tax profit from discontinued operations	063				
	2 Pre-tax loss on discontinued operations	064				
XV	**INCOME TAX OF DISCONTINUED OPERATIONS**	**065**				
	1 Discontinued operations profit for the period (ADP 062–065)	066				
	2 Discontinued operations loss for the period (ADP 065–062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)						
XVI	**PRE-TAX PROFIT OR LOSS** (ADP 055+062)	**068**				
	1 Pre-tax profit (ADP 068)	069				
	2 Pre-tax loss (ADP 068)	070				
XVII	**INCOME TAX** (ADP 058+065)	**071**				
XVIII	**PROFIT OR LOSS FOR THE PERIOD** (ADP 068–071)	**072**				
	1 Profit for the period (ADP 068–071)	073				
	2 Loss for the period (ADP 071–068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)						
XIX	**PROFIT OR LOSS FOR THE PERIOD** (ADP 076+077)	**075**	**-24,517,392.60**	**8,029,334.65**	**-48,648,156.41**	**-4,093,792.58**
	1 Attributable to owners of the parent	076	-24,342,740.64	3,778,566.39	-42,903,068.25	-4,579,764.20
	2 Attributable to minority (non-controlling) interest	077	-174,651.96	4,250,768.26	-5,745,088.16	485,971.62
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)						
I	**PROFIT OR LOSS FOR THE PERIOD**	**078**	**-24,517,392.60**	**8,029,334.65**	**-48,648,156.41**	**-4,094,400.72**
II	**OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX** (ADP 80 + 87)	**079**				
III	**ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS** (ADP 081 to 085)	**080**				
	1 Changes in revaluation reserves of fixed tangible and intangible assets	081				
	2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	082				
	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				
	4 Actuarial gains/losses on the defined benefit obligation	084				
	5 Other items that will not be reclassified	085				
	6 Income tax relating to items that will not be reclassified	086				
IV	**ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS** (ADP 088 to 096)	**087**				
	1 Exchange rate differences from translation of foreign operations	088				
	2 Exchange rate differences from translation into the presentation currency	089				
	3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090				
	4 Profit or loss arising from effective cash flow hedging	091				
	5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092				
	6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093				
	7 Changes in fair value of the time value of an option	094				
	8 Changes in fair value of the forward elements of forward contracts	095				
	9 Other items that may be reclassified to profit or loss	096				
	10 Income tax relating to items that may be reclassified to profit or loss	097				
V	**NET OTHER COMPREHENSIVE INCOME OR LOSS** (ADP 080+087-086-097)	**098**				
VI	**COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD** (ADP 078+098)	**099**	**-24,517,392.60**	**8,029,334.65**	**-48,648,156.41**	**-4,094,400.72**
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**	**-24,517,392.60**	**8,029,334.65**	**-48,648,156.41**	**-4,094,400.72**
	1 Attributable to owners of the parent	101	-24,342,740.64	3,778,566.39	-42,903,068.25	-4,580,372.34
	2 Attributable to minority (non-controlling) interest	102	-174,651.96	4,250,768.26	-5,745,088.16	485,971.62

STATEMENT OF CASH FLOWS - indirect method

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026 in EUR

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	-39,872,675.87	-57,731,126.33
2 Adjustments (ADP 003 to 010):	002	44,439,254.33	55,143,448.67
a) Depreciation	003	38,610,304.77	48,199,891.72
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	119,858.63	-196,215.07
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d) Interest and dividend income	006	-351,572.41	-116,261.52
e) Interest expenses	007	5,602,564.51	7,384,576.82
f) Provisions	008	-9,362.82	-5,708.02
g) Exchange rate differences (unrealised)	009		
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	467,461.65	-122,835.26
I **Cash flow increase or decrease before changes in the working capital** (ADP 001+002)	**011**	**4,566,578.46**	**-2,587,677.66**
3 Changes in the working capital (ADP 013 to 016)	012	57,919,925.06	68,191,344.64
a) Increase or decrease in short-term liabilities	013	91,756,533.49	95,671,337.83
b) Increase or decrease in short-term receivables	014	-29,773,330.46	-21,855,842.74
c) Increase or decrease in inventories	015	-4,063,277.97	-5,624,150.45
d) Other increase or decrease in working capital	016		
II **Cash from operations** (ADP 011+012)	**017**	**62,486,503.52**	**65,603,666.98**
4 Interest paid	018	-4,182,474.51	-6,051,751.33
5 Income tax paid	019	-5,327,243.95	1,005,729.72
A) **NET CASH FLOW FROM OPERATING ACTIVITIES** (ADP 017 to 019)	**020**	**52,976,785.06**	**60,557,645.37**
CASH FLOW FROM INVESTMENT ACTIVITIES			
1 Cash receipts from sales of fixed tangible and intangible assets	021	244,810.47	268,782.10
2 Cash receipts from sales of financial instruments	022	128,445.72	64,010.12
3 Interest received	023	205,622.48	93,454.01
4 Dividends received	024		
5 Cash receipts from repayment of loans and deposits	025	10,300,000.00	1,500,000.00
6 Other cash receipts from investment activities	026		
III **Total cash receipts from investment activities** (ADP 021 to 026)	**027**	**10,878,878.67**	**1,926,246.23**
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-69,229,827.37	-93,546,715.42
2 Cash payments for the acquisition of financial instruments	029		
3 Cash payments for loans and deposits for the period	030		
4 Acquisition of a subsidiary, net of cash acquired	031		
5 Other cash payments from investment activities	032		
IV **Total cash payments from investment activities** (ADP 028 to 032)	**033**	**-69,229,827.37**	**-93,546,715.42**
B) **NET CASH FLOW FROM INVESTMENT ACTIVITIES** (ADP 027 +033)	**034**	**-58,350,948.70**	**-91,620,469.19**
CASH FLOW FROM FINANCING ACTIVITIES			
1 Cash receipts from the increase of initial (subscribed) capital	035		
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3 Cash receipts from credit principals, loans and other borrowings	037	77,703,116.43	111,427,704.00
4 Other cash receipts from financing activities	038		
V **Total cash receipts from financing activities (ADP 035 to 038)**	**039**	**77,703,116.43**	**111,427,704.00**
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-79,311,968.48	-21,195,167.90
2 Cash payments for dividends	041	-35,197,817.23	-38,833,613.30
3 Cash payments for finance lease	042		
4 Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	043	-1,519,419.61	-3,985,127.00
5 Other cash payments from financing activities	044	-3,345,006.02	-7,344,881.00
VI **Total cash payments from financing activities** (ADP 040 to 044)	**045**	**-119,374,211.34**	**-71,358,789.20**
C) **NET CASH FLOW FROM FINANCING ACTIVITIES** (ADP 039 +045)	**046**	**-41,671,094.91**	**40,068,914.80**
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047		
D) **NET INCREASE OR DECREASE IN CASH FLOW** (ADP 020+034+046+047)	**048**	**-47,045,258.55**	**9,006,090.98**
E) **CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**	**049**	**59,754,067.30**	**7,993,671.92**
F) **CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** (ADP 048+049)	**050**	**12,708,808.75**	**16,999,762.90**

FOR THE PERIOD FROM 01.01.2026 TO 30.06.2026		ATTRIBUTABLE TO OWNERS OF THE PARENT																		in EUR
Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	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	221,915,350.00	1,550,785.88	11,095,767.56	18,158,508.76	12,624,875.19		384,531.15								42,432,255.79	25,803,460.87	308,715,784.82	139,897,821.49	448,613,606.31
2 Changes in accounting policies	02																			
3 Correction of errors	03																			
4 **Balance on the first day of the previous business year (restated)** (ADP 01 to 03)	04	221,915,350.00	1,550,785.88	11,095,767.56	18,158,508.76	12,624,875.19		384,531.15								42,432,255.79	25,803,460.87	308,715,784.82	139,897,821.49	448,613,606.31
5 Profit/loss of the period	05																44,150,390.79	44,150,390.79	10,939,874.49	55,090,265.28
6 Exchange rate differences from translation of foreign operations	06																			
7 Changes in revaluation reserves of fixed tangible and intangible assets	07																			
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08																			
9 Profit or loss arising from effective cash flow hedge	09																			
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10																			
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11																			
12 Actuarial gains/losses on the defined benefit obligation	12																			
13 Other changes in equity unrelated to owners	13																			
14 Tax on transactions recognised directly in equity	14																			
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	15																			
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																			
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																			
18 Redemption of treasury shares/holdings	18					4,953,588.88												-4,953,588.88		-4,953,588.88
19 Payments from members/shareholders	19																			
20 Payment of share in profit/dividend	20															-29,527,460.86		-29,527,460.86	-5,670,356.50	-35,197,817.36
21 Other distributions and payments to members/shareholders	21		473,843.82			-1,428,683.38		23,251.60										1,925,778.80		1,925,778.80
22 Transfer to reserves according to the annual schedule	22															25,803,460.87	-25,803,460.87			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																			
24 **Balance on the last day of the previous business year reporting period** (ADP 04 to 23)	24	221,915,350.00	2,024,629.70	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								38,708,255.80	44,150,390.79	320,310,904.67	145,167,339.48	465,478,244.15
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																			
II **COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD** (ADP 05+25)	26																44,150,390.79	44,150,390.79	10,939,874.49	55,090,265.28
III **TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY** (ADP 15 to 23)	27		473,843.82			3,524,905.50		23,251.60								-3,723,999.99	-25,803,460.87	-32,555,270.94	-5,670,356.50	-38,225,627.44
CURRENT PERIOD																				
1 **Balance on the first day of the current business year**	28	221,915,350.00	2,024,629.70	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								38,708,255.80	44,150,390.79	320,310,904.67	145,167,339.48	465,478,244.15
2 Changes in accounting policies	29																			
3 Correction of errors	30																			
4 **Balance on the first day of the current business year (restated)** (ADP 28 to 30)	31	221,915,350.00	2,024,629.70	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								38,708,255.80	44,150,390.79	320,310,904.67	145,167,339.48	465,478,244.15
5 Profit/loss of the period	32																-42,903,068.25	-42,903,068.25	-5,745,088.16	-48,648,156.41
6 Exchange rate differences from translation of foreign operations	33																			
7 Changes in revaluation reserves of fixed tangible and intangible assets	34																			
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35																			
9 Profit or loss arising from effective cash flow hedge	36																			
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37																			
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38																			
12 Actuarial gains/losses on the defined benefit obligation	39																			
13 Other changes in equity unrelated to owners	40																			
14 Tax on transactions recognised directly in equity	41																			
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	42																			
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																			
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44																			
18 Redemption of treasury shares/holdings	45					3,985,126.88												-3,985,126.88		-3,985,126.88
19 Payments from members/shareholders	46																			
20 Payment of share in profit/dividend	47															-33,163,256.93		-33,163,256.93	-5,670,356.37	-38,833,613.30
21 Other distributions and payments to members/shareholders	48		1,214,513.59			-2,833,146.39		-407,782.75										3,639,877.23		3,639,877.23
22 Carryforward per annual plan	49															44,150,390.79	-44,150,390.79			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																			
24 **Balance on the last day of the current business year reporting period** (ADP 31 to 50)	51	221,915,350.00	3,239,143.29	11,095,767.56	18,158,508.76	17,301,761.18										49,695,389.66	-42,903,068.25	243,899,329.84	133,751,894.95	377,651,224.79
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																			
II **COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD** (ADP 32 to 52)	53																-42,903,068.25	-42,903,068.25	-5,745,088.16	-48,648,156.41
III **TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY** (ADP 42 to 50)	54		1,214,513.59			1,151,980.49		-407,782.75								10,987,133.86	-44,150,390.79	-33,508,506.58	-5,670,356.37	-39,178,862.95

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly periods)

Name of issuer:	**Valamar Riviera d.d.**
Personal identification number (OIB):	**36201212847**
Reporting period:	**1/1/2026 to 30/6/2026**

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)

b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period

c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)

d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)

e) other comments prescribed by IAS 34 - Interim financial reporting

f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
6. average number of employees during the financial year
7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking
10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital
11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document "Business results 1/1/2026 – 30/6/2026" which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

QUARTERLY FINANCIAL STATEMENTS

Reporting period: from 01.01.2026 to 30.06.2026

Year:	2026	
Quarter:	2	
Registration number (MB):	3474771	Issuer's home Member State code: HR
Entity's registration number (MBS):	40020883	
Personal identification number (OIB):	36201212847	LEI: 529900DUWS1DGNEK4C68
Institution code:	30577	
Name of the issuer:	Valamar Riviera d.d.	
Postcode and town:	52440	Poreč
Street and house number:	Stancija Kaligari 1	
E-mail address:	uprava@valamar.com	
Web address:	www.valamar-riviera.com	
Number of employees (end of the reporting period):	6.674	
Consolidated report:	KN	(KN-not consolidated/KD-consolidated)
Audited:	RN	(RN-not audited/RD-audited)

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

Bookkeeping firm:	No
Contact person:	Benčić Vedran (only name and surname of the contact person)
Telephone:	052 408 034
E-mail address:	vedran.bencic@valamar.com
Audit firm:	(name of the audit firm)
Certified auditor:	(name and surname)

VALAMAR
VALAMAR RIVIERA D.D.
POREČ (4)

(authorized representative's signature) L.S.

BALANCE SHEET

Submitter: Valamar Riviera d.d.

BALANCE AS AT 30.06.2026 — in EUR

Item		ADP code	Last day of the preceding business year	At the reporting date of the current period
1		2	3	4
ASSETS				
A)	**RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID**	**001**		
B)	**FIXED ASSETS** (ADP 003+010+020+031+036)	**002**	**781,175,533.88**	**854,326,450.10**
I	**INTANGIBLE ASSETS** (ADP 004 to 009)	**003**	**9,563,775.86**	**9,581,515.14**
	1 Research and development	004		
	2 Concessions, patents, licences, trademarks, software and other rights	005	7,757,652.69	5,636,167.04
	3 Goodwill	006	871,671.51	871,671.51
	4 Advances for the purchase of intangible assets	007	7,800.00	24,292.53
	5 Intangible assets in preparation	008	926,651.66	3,049,384.06
	6 Other intangible assets	009		
II	**TANGIBLE ASSETS** (ADP 011 to 019)	**010**	**618,471,782.56**	**684,600,392.99**
	1 Land	011	127,905,176.89	128,410,780.67
	2 Buildings	012	277,346,485.74	264,689,249.74
	3 Plant and equipment	013	39,747,127.80	38,736,368.20
	4 Tools, working inventory and transportation assets	014	9,306,119.37	13,676,682.37
	5 Biological assets	015		
	6 Advances for the purchase of tangible assets	016	4,013,133.69	1,244,355.41
	7 Tangible assets in preparation	017	155,790,386.89	233,608,770.13
	8 Other tangible assets	018	4,088,803.56	3,978,076.27
	9 Investment property	019	274,548.62	256,110.20
III	**FIXED FINANCIAL ASSETS** (ADP 021 to 030)	**020**	**148,238,978.05**	**148,490,581.50**
	1 Investments in holdings (shares) of undertakings within the group	021	124,258,658.93	124,258,658.93
	2 Investments in other securities of undertakings within the group	022		
	3 Loans, deposits, etc. to undertakings within the group	023		
	4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	17,503,377.22	17,503,377.22
	5 Investment in other securities of companies linked by virtue of participating interests	025		
	6 Loans, deposits etc. to companies linked by virtue of participating interests	026	3,714,572.72	3,714,572.72
	7 Investments in securities	027	60,446.70	60,446.70
	8 Loans, deposits, etc. given	028	633,927.06	633,859.94
	9 Other investments accounted for using the equity method	029		
	10 Other fixed financial assets	030	2,067,995.42	2,319,665.99
IV	**RECEIVABLES** (ADP 032 to 035)	**031**	**451,250.00**	**451,250.00**
	1 Receivables from undertakings within the group	032		
	2 Receivables from companies linked by virtue of participating interests	033		
	3 Customer receivables	034		
	4 Other receivables	035	451,250.00	451,250.00
V	**DEFERRED TAX ASSETS**	**036**	**4,449,747.41**	**11,202,710.47**
C)	**CURRENT ASSETS** (ADP 038+046+053+063)	**037**	**26,430,607.88**	**39,875,335.41**
I	**INVENTORIES** (ADP 039 to 045)	**038**	**10,224,508.90**	**14,421,136.28**
	1 Raw materials and consumables	**039**	**9,776,271.55**	**13,451,238.96**
	2 Production in progress	040		
	3 Finished goods	041		
	4 Merchandise	042	448,237.35	969,897.32
	5 Advances for inventories	043		
	6 Fixed assets held for sale	044		
	7 Biological assets	045		
II	**RECEIVABLES** (ADP 047 to 052)	**046**	**14,106,513.31**	**19,660,406.41**
	1 Receivables from undertakings within the group	047	1,840,218.57	3,064,862.72
	2 Receivables from companies linked by virtue of participating interests	048	124,563.01	367,173.69
	3 Customer receivables	049	3,328,540.31	6,479,377.64
	4 Receivables from employees and members of the undertaking	050	2,483,634.00	4,641,523.88
	5 Receivables from government and other institutions	051	5,843,506.11	3,823,177.93
	6 Other receivables	052	486,051.31	1,284,290.55
III	**CURRENT FINANCIAL ASSETS** (ADP 054 to 062)	**053**	**256,325.80**	**172,375.17**
	1 Investments in holdings (shares) of undertakings within the group	054		
	2 Investments in other securities of undertakings within the group	055		
	3 Loans, deposits, etc. to undertakings within the group	056		
	4 Investments in holdings (shares) of companies linked by virtue of participating interests	057		
	5 Investment in other securities of companies linked by virtue of participating interests	058		
	6 Loans, deposits etc. to companies linked by virtue of participating interests	059		
	7 Investments in securities	060		
	8 Loans, deposits, etc. given	061	108,255.63	108,255.63
	9 Other financial assets	062	148,070.17	64,119.54
IV	**CASH AT BANK AND IN HAND**	**063**	**1,843,259.87**	**5,621,417.55**
D)	**PREPAID EXPENSES AND ACCRUED INCOME**	**064**	**3,675,447.83**	**17,136,146.52**
E)	**TOTAL ASSETS** (ADP 001+002+037+064)	**065**	**811,281,589.59**	**911,337,932.03**
F)	**OFF-BALANCE SHEET ITEMS**	**066**	**7,170,189.83**	**7,170,189.83**

BALANCE SHEET / CONTINUED

Submitter: Valamar Riviera d.d.

BALANCE AS AT 30.06.2026				in EUR
Item		ADP code	Last day of the preceding business year	At the reporting date of the current period
1		2	3	4
LIABILITIES				
A)	**CAPITAL AND RESERVES** (ADP 068 to 070+076+077+083+086+089)	**067**	**416,280,167.70**	**350,072,960.55**
I	**INITIAL (SUBSCRIBED) CAPITAL**	**068**	**221,915,350.00**	**221,915,350.00**
II	**CAPITAL RESERVES**	**069**	**2,089,283.10**	**3,303,796.69**
III	**RESERVES FROM PROFIT** (ADP 071+072-073+074+075)	**070**	**13,512,278.38**	**11,952,515.14**
	1 Legal reserves	071	11,095,767.56	11,095,767.56
	2 Reserves for treasury shares	072	18,158,508.76	18,158,508.76
	3 Treasury shares and holdings (deductible item)	073	-16,149,780.69	-17,301,761.18
	4 Statutory reserves	074		
	5 Other reserves	075	407,782.75	
IV	**REVALUATION RESERVES**	**076**		
V	**FAIR VALUE RESERVES AND OTHER** (ADP 078 to 083)	**077**		
	1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078		
	2 Cash flow hedge - effective portion	079		
	3 Hedge of a net investment in a foreign operation - effective portion	080		
	4 Other fair value reserves	081		
	5 Exchange rate differences from translation of foreign operations (consolidation)	082		
	6 Exchange rate differences from translation into the presentation currency	083		
VI	**RETAINED PROFIT OR LOSS BROUGHT FORWARD** (ADP 085-086)	**084**	**138,128,750.45**	**145,599,999.29**
	1 Retained profit	085	138,128,750.45	145,599,999.29
	2 Loss brought forward	086		
VII	**PROFIT OR LOSS FOR THE BUSINESS YEAR** (ADP 088-089)	**087**	**40,634,505.77**	**-32,698,700.57**
	1 Profit for the business year	088	40,634,505.77	
	2 Loss for the business year	089		32,698,700.57
VIII	**MINORITY (NON-CONTROLLING) INTEREST**	**090**		
B)	**PROVISIONS** (ADP 092 to 097)	**091**	**5,746,311.79**	**5,740,603.37**
	1 Provisions for pensions, termination benefits and similar obligations	092	3,778,434.92	3,772,726.50
	2 Provisions for tax liabilities	093		
	3 Provisions for ongoing legal cases	094	1,967,876.87	1,967,876.87
	4 Provisions for renewal of natural resources	095		
	5 Provision for warranty obligations	096		
	6 Other provisions	097		
C)	**LONG-TERM LIABILITIES** (ADP 099 to 109)	**098**	**256,480,116.86**	**348,827,758.17**
	1 Liabilities to undertakings within the group	099		
	2 Liabilities for loans, deposits, etc. of undertakings within the group	100		
	3 Liabilities to companies linked by virtue of participating interests	101		
	4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	102		
	5 Liabilities for loans, deposits etc.	103		
	6 Liabilities to banks and other financial institutions	104	175,484,840.01	260,041,957.50
	7 Liabilities for advance payments	105		
	8 Liabilities to suppliers	106		
	9 Liabilities for securities	107		
	10 Other long-term liabilities	108	79,800,089.28	87,647,017.11
	11 Deferred tax liability	109	1,195,187.57	1,138,783.56
D)	**SHORT-TERM LIABILITIES** (ADP 111 to 124)	**110**	**117,840,531.80**	**190,985,022.14**
	1 Liabilities to undertakings within the group	111	48,975.92	410,799.33
	2 Liabilities for loans, deposits, etc. of undertakings within the group	112		
	3 Liabilities to companies linked by virtue of participating interests	113	2,483.93	27,551.58
	4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	114		
	5 Liabilities for loans, deposits etc.	115		
	6 Liabilities to banks and other financial institutions	116	48,227,561.10	50,906,847.25
	7 Liabilities for advance payments	117	14,876,120.13	65,065,727.59
	8 Liabilities to suppliers	118	36,251,881.16	47,756,943.68
	9 Liabilities for securities	119		
	10 Liabilities to employees	120	5,406,798.63	11,788,516.53
	11 Taxes, contributions and similar liabilities	121	2,263,201.02	9,244,868.33
	12 Liabilities arising from the share in the result	122		
	13 Liabilities arising from fixed assets held for sale	123		
	14 Other short-term liabilities	124	10,763,509.91	5,783,767.85
E)	**ACCRUALS AND DEFERRED INCOME**	**125**	**14,934,461.44**	**15,711,587.80**
F)	**TOTAL - LIABILITIES** (ADP 067+091+098+110+125)	**126**	**811,281,589.59**	**911,337,932.03**
G)	**OFF-BALANCE SHEET ITEMS**	**127**	**7,170,189.83**	**7,170,189.83**

STATEMENT OF PROFIT OR LOSS

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026 — in EUR

Item		ADP code	Same period of the previous year		Current period	
			Cumulative	Quarter	Cumulative	Quarter
1		2	3	4	5	6
I	**OPERATING INCOME** (ADP 002 to 006)	**001**	**114,463,329.40**	**96,090,114.84**	**127,186,515.09**	**106,581,744.93**
	1 Income from sales with undertakings within the group	002	7,878,660.26	5,368,157.78	8,369,595.98	5,471,408.41
	2 Income from sales	003	104,966,720.67	89,562,819.23	116,775,048.88	99,456,500.12
	3 Income from the use of own products, goods and services	004	53,205.67	26,741.47	50,783.93	24,563.66
	4 Other operating income with undertakings within the group	005	113,217.11	83,247.94	145,163.33	103,229.40
	5 Other operating income (outside the group)	006	1,451,525.69	1,049,148.42	1,845,922.97	1,526,043.34
II	**OPERATING EXPENSES** (ADP 08+009+013+017+018+019+022+029)	**007**	**139,457,264.15**	**92,907,620.19**	**166,777,775.39**	**107,311,345.59**
	1 Changes in inventories of work in progress and finished goods	008				
	2 Material costs (ADP 010 to 012)	009	46,982,580.74	35,632,261.26	54,666,730.39	38,424,676.06
	a) Costs of raw materials and consumables	010	25,783,724.15	20,264,956.75	32,389,279.39	23,085,916.14
	b) Costs of goods sold	011	2,212,829.01	1,942,569.47	2,195,407.07	1,917,032.97
	c) Other external costs	012	18,986,027.58	13,424,735.04	20,082,043.93	13,421,726.95
	3 Staff costs (ADP 014 to 016)	013	47,897,196.70	31,078,784.37	56,761,890.87	36,480,698.94
	a) Net salaries and wages	014	30,301,695.38	18,889,605.92	35,486,156.65	21,856,665.53
	b) Tax and contributions from salary costs	015	11,083,166.06	7,956,555.82	13,681,646.39	9,652,906.32
	c) Contributions on salaries	016	6,512,335.26	4,232,622.63	7,594,087.83	4,971,127.09
	4 Depreciation	017	27,021,772.26	13,708,450.16	35,349,574.30	17,878,226.43
	5 Other costs	018	16,156,130.61	11,780,302.47	18,416,148.26	13,540,113.37
	6 Value adjustments (ADP 020+021)	019			386.21	
	a) fixed assets other than financial assets	020				
	b) current assets other than financial assets	021			386.21	
	7 Provisions (ADP 023 to 028)	022	19,627.85	-1,315.98	-5,708.02	-33,062.67
	a) Provisions for pensions, termination benefits and similar obligations	023	19,627.85	-1,315.98	-5,708.02	-33,062.67
	b) Provisions for tax liabilities	024				
	c) Provisions for ongoing legal cases	025				
	d) Provisions for renewal of natural resources	026				
	e) Provisions for warranty obligations	027				
	f) Other provisions	028				
	8 Other operating expenses	029	1,379,955.99	709,137.91	1,588,753.38	1,020,693.46
III	**FINANCIAL INCOME** (ADP 031 to 040)	**030**	**5,761,664.35**	**5,119,877.98**	**5,442,039.64**	**5,182,886.18**
	1 Income from investments in holdings (shares) of undertakings within the group	031	4,883,390.64	4,883,390.64	4,883,390.64	4,883,390.64
	2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032				
	3 Income from other long-term financial investment and loans granted to undertakings within the group	033				
	4 Other interest income from operations with undertakings within the group	034				
	5 Exchange rate differences and other financial income from operations with undertakings within the group	035				
	6 Income from other long-term financial investments and loans	036	11,216.93	5,405.15	10,048.34	5,084.78
	7 Other interest income	037	154,929.49	47,559.96	54,923.59	33,338.52
	8 Exchange rate differences and other financial income	038	1,731.41	1,435.70		
	9 Unrealised gains (income) from financial assets	039	393,317.23		91,784.69	
	10 Other financial income	040	317,078.65	182,086.53	401,892.38	261,072.24
IV	**FINANCIAL EXPENSES** (ADP 042 to 048)	**041**	**4,029,066.28**	**2,443,761.23**	**5,358,846.29**	**4,663,029.12**
	1 Interest expenses and similar expenses with undertakings within the group	042				
	2 Exchange rate differences and other expenses from operations with undertakings within the group	043				
	3 Interest expenses and similar expenses	044	3,792,579.30	1,996,332.56	5,277,934.69	3,233,331.15
	4 Exchange rate differences and other expenses	045			863.94	559.47
	5 Unrealised losses (expenses) from financial assets	046		308,603.42		1,361,332.49
	6 Value adjustments of financial assets (net)	047				
	7 Other financial expenses	048	236,486.98	138,825.25	80,047.66	67,806.01
V	**SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF PARTICIPATING INTERESTS**	**049**				
VI	**SHARE IN PROFIT FROM JOINT VENTURES**	**050**				
VII	**SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST**	**051**				
VIII	**SHARE IN LOSS OF JOINT VENTURES**	**052**				
IX	**TOTAL INCOME** (ADP 001+030+049 +050)	**053**	**120,224,993.75**	**101,209,992.82**	**132,628,554.73**	**111,764,631.11**
X	**TOTAL EXPENDITURE** (ADP 007+041+051 + 052)	**054**	**143,486,330.43**	**95,351,381.42**	**172,136,621.68**	**111,974,374.71**
XI	**PRE-TAX PROFIT OR LOSS** (ADP 053-054)	**055**	**-23,261,336.68**	**5,858,611.40**	**-39,508,066.95**	**-209,743.60**
	1 Pre-tax profit (ADP 053-054)	056		5,858,611.40		
	2 Pre-tax loss (ADP 054-053)	057	-23,261,336.68		-39,508,066.95	-209,743.60
XII	**INCOME TAX**	**058**	**-4,968,221.73**	**248,470.19**	**-6,809,366.38**	**-326,216.17**
XIII	**PROFIT OR LOSS FOR THE PERIOD** (ADP 055-059)	**059**	**-18,293,114.95**	**5,610,141.21**	**-32,698,700.57**	**116,472.57**
	1 Profit for the period (ADP 055-059)	060		5,610,141.21		116,472.57
	2 Loss for the period (ADP 059-055)	061	-18,293,114.95		-32,698,700.57	

STATEMENT OF PROFIT OR LOSS / CONTINUED

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026 — in EUR

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE–TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063–064)	**062**				
1 Pre–tax profit from discontinued operations	063				
2 Pre–tax loss on discontinued operations	064				
XV INCOME TAX OF DISCONTINUED OPERATIONS	**065**				
1 Discontinued operations profit for the period (ADP 062–065)	066				
2 Discontinued operations loss for the period (ADP 065–062)	067				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE–TAX PROFIT OR LOSS (ADP 055+062)	**068**				
1 Pre–tax profit (ADP 068)	069				
2 Pre–tax loss (ADP 068)	070				
XVII INCOME TAX (ADP 058+065)	**071**				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068–071)	**072**				
1 Profit for the period (ADP 068–071)	073				
2 Loss for the period (ADP 071–068)	074				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	**075**				
1 Attributable to owners of the parent	076				
2 Attributable to minority (non–controlling) interest	077				
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	**078**	-18,293,114.95	5,610,141.21	-32,698,700.57	116,472.57
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80 + 87)	**079**				
III ITEMS THAT WILL NOT BE RECLASSIFIED TO PROFIT OR LOSS (ADP 081 to 085)	**080**				
1 Changes in revaluation reserves of fixed tangible and intangible assets	081				
2 Profit or loss arising from subsequent measurement of equity securities at fair value through other comprehensive income	082				
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				
4 Actuarial gains/losses on the defined benefit obligation	084				
5 Other items that will not be reclassified	085				
6 Income tax relating to items that will not be reclassified	086				
IV ITEMS THAT MAY BE RECLASSIFIED TO PROFIT OR LOSS (ADP 088 to 096)	**087**				
1 Exchange rate differences from translation of foreign operations	088				
2 Exchange rate differences from translation into the presentation currency	089				
3 Profit or loss arising from subsequent measurement of debt securities at fair value through other comprehensive income	090				
4 Profit or loss arising from effective cash flow hedging	091				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	092				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	093				
7 Changes in fair value of the time value of an option	094				
8 Changes in fair value of the forward elements of forward contracts	095				
9 Other items that may be reclassified to profit or loss	096				
10 Income tax relating to items that may be reclassified to profit or loss	097				
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086-097)	**098**				
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+098)	**099**	-18,293,114.95	5,610,141.21	-32,698,700.57	116,472.57
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**				
1 Attributable to owners of the parent	101				
2 Attributable to minority (non–controlling) interest	102				

STATEMENT OF CASH FLOWS - indirect method

Submitter: Valamar Riviera d.d.

FOR THE PERIOD 01.01.2026 TO 30.06.2026 — in EUR

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	-23,261,336.68	-39,508,066.95
2	Adjustments (ADP 003 to 010):	002	25,614,973.06	35,054,973.77
a)	Depreciation	003	27,021,772.26	35,349,574.30
b)	Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	114,422.15	-201,005.30
c)	Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005		
d)	Interest and dividend income	006	-5,048,152.53	-4,947,109.73
e)	Interest expenses	007	3,849,861.90	5,357,982.35
f)	Provisions	008	19,627.85	-5,708.02
g)	Exchange rate differences (unrealised)	009		
h)	Other adjustments for non-cash transactions and unrealised gains and losses	010	-342,558.57	-498,759.83
I	**Cash flow increase or decrease before changes in the working capital** (ADP 001+002)	**011**	**2,353,636.38**	**-4,453,093.18**
3	Changes in the working capital (ADP 013 to 016)	012	44,714,895.70	47,763,320.09
a)	Increase or decrease in short-term liabilities	013	62,402,943.10	68,219,485.12
b)	Increase or decrease in short-term receivables	014	-15,102,328.85	-16,259,537.65
c)	Increase or decrease in inventories	015	-2,585,718.55	-4,196,627.38
d)	Other increase or decrease in working capital	016		
II	**Cash from operations** (ADP 011+012)	**017**	**47,068,532.08**	**43,310,226.91**
4	Interest paid	018	-2,968,592.96	-4,097,729.48
5	Income tax paid	019	-5,247,825.01	1,070,184.76
A)	**NET CASH FLOW FROM OPERATING ACTIVITIES** (ADP 017 to 019)	**020**	**38,852,114.11**	**40,282,682.19**
CASH FLOW FROM INVESTMENT ACTIVITIES				
1	Cash receipts from sales of fixed tangible and intangible assets	021	220,998.55	272,194.09
2	Cash receipts from sales of financial instruments	022	128,445.72	64,010.12
3	Interest received	023	48,703.45	40,911.58
4	Dividends received	024	4,883,390.64	4,883,390.64
5	Cash receipts from repayment of loans and deposits	025		
6	Other cash receipts from investment activities	026		
III	**Total cash receipts from investment activities** (ADP 021 to 026)	**027**	**5,281,538.36**	**5,260,506.43**
1	Cash payments for the purchase of fixed tangible and intangible assets	028	-37,810,869.96	-85,192,134.12
2	Cash payments for the acquisition of financial instruments	029		
3	Cash payments for loans and deposits for the period	030		
4	Acquisition of a subsidiary, net of cash acquired	031		
5	Other cash payments from investment activities	032		
IV	**Total cash payments from investment activities** (ADP 028 to 032)	**033**	**-37,810,869.96**	**-85,192,134.12**
B)	**NET CASH FLOW FROM INVESTMENT ACTIVITIES** (ADP 027 +033)	**034**	**-32,529,331.60**	**-79,931,627.69**
CASH FLOW FROM FINANCING ACTIVITIES				
1	Cash receipts from the increase of initial (subscribed) capital	035		
2	Cash receipts from the issue of equity financial instruments and debt financial instruments	036		
3	Cash receipts from credit principals, loans and other borrowings	037	50,955,807.20	96,892,389.97
4	Other cash receipts from financing activities	038		
V	**Total cash receipts from financing activities (ADP 035 to 038)**	**039**	**50,955,807.20**	**96,892,389.97**
1	Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-72,123,648.04	-9,816,371.27
2	Cash payments for dividends	041	-29,527,460.86	-33,163,256.93
3	Cash payments for finance lease	042		
4	Cash payments for the redemption of own shares and decrease in initial (subscribed) capital	043	-1,519,419.61	-3,985,126.88
5	Other cash payments from financing activities	044	-3,379,757.77	-6,500,531.71
VI	**Total cash payments from financing activities** (ADP 040 to 044)	**045**	**-106,550,286.28**	**-53,465,286.79**
C)	**NET CASH FLOW FROM FINANCING ACTIVITIES** (ADP 039 +045)	**046**	**-55,594,479.08**	**43,427,103.18**
1	Unrealised exchange rate differences in respect of cash and cash equivalents	047		
D)	**NET INCREASE OR DECREASE IN CASH FLOW** (ADP 020+034+046+047)	**048**	**-49,271,696.57**	**3,778,157.68**
E)	**CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD**	**049**	**53,230,378.55**	**1,843,259.87**
F)	**CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD** (ADP 048+049)	**050**	**3,958,681.98**	**5,621,417.55**

STATEMENT OF CHANGES IN EQUITY

Submitter: Valamar Riviera d.d.

FOR THE PERIOD FROM 01.01.2026 TO 30.06.2026		ATTRIBUTABLE TO OWNERS OF THE PARENT																		in EUR
Item	ADP code	Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	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	221,915,350.00	1,615,439.28	11,095,767.56	18,158,508.76	12,624,875.19		384,531.15								141,723,515.16	25,932,696.15	408,200,932.87		408,200,932.87
2 Changes in accounting policies	02																			
3 Correction of errors	03																			
4 **Balance on the first day of the previous business year (restated)** (ADP 01 to 03)	04	221,915,350.00	1,615,439.28	11,095,767.56	18,158,508.76	12,624,875.19		384,531.15								141,723,515.16	25,932,696.15	408,200,932.87		408,200,932.87
5 Profit/loss of the period	05																40,634,505.77	40,634,505.77		40,634,505.77
6 Exchange rate differences from translation of foreign operations	06																			
7 Changes in revaluation reserves of fixed tangible and intangible assets	07																			
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08																			
9 Profit or loss arising from effective cash flow hedge	09																			
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10																			
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11																			
12 Actuarial gains/losses on the defined benefit obligation	12																			
13 Other changes in equity unrelated to owners	13																			
14 Tax on transactions recognised directly in equity	14																			
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	15																			
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16																			
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17																			
18 Redemption of treasury shares/holdings	18					4,953,588.88												-4,953,588.88		-4,953,588.88
19 Payments from members/shareholders	19																			
20 Payment of share in profit/dividend	20															-29,527,460.86		-29,527,460.86		-29,527,460.86
21 Other distributions and payments to members/shareholders	21		473,843.82			-1,428,683.38		23,251.60										1,925,778.80		1,925,778.80
22 Transfer to reserves according to the annual schedule	22															25,932,696.15	-25,932,696.15			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23																			
24 **Balance on the last day of the previous business year reporting period** (ADP 04 to 23)	24	221,915,350.00	2,089,283.10	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								138,128,750.45	40,634,505.77	416,280,167.70		416,280,167.70
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																			
II **COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD** (ADP 05+25)	26																40,634,505.77	40,634,505.77		40,634,505.77
III **TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY** (ADP 15 to 23)	27		473,843.82			3,524,905.50		23,251.60								-3,594,764.71	-25,932,696.15	-32,555,270.94		-32,555,270.94
CURRENT PERIOD																				
1 **Balance on the first day of the current business year**	28	221,915,350.00	2,089,283.10	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								138,128,750.45	40,634,505.77	416,280,167.70		416,280,167.70
2 Changes in accounting policies	29																			
3 Correction of errors	30																			
4 **Balance on the first day of the current business year (restated)** (ADP 28 to 30)	31	221,915,350.00	2,089,283.10	11,095,767.56	18,158,508.76	16,149,780.69		407,782.75								138,128,750.45	40,634,505.77	416,280,167.70		416,280,167.70
5 Profit/loss of the period	32																-32,698,700.57	-32,698,700.57		-32,698,700.57
6 Exchange rate differences from translation of foreign operations	33																			
7 Changes in revaluation reserves of fixed tangible and intangible assets	34																			
8 Profit or loss arising from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35																			
9 Profit or loss arising from effective cash flow hedge	36																			
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37																			
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38																			
12 Actuarial gains/losses on the defined benefit obligation	39																			
13 Other changes in equity unrelated to owners	40																			
14 Tax on transactions recognised directly in equity	41																			
15 Decrease in initial (subscribed) capital (other than that arising from the pre-bankruptcy settlement procedure and arising from the reinvestment of profit)	42																			
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																			
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44																			
18 Redemption of treasury shares/holdings	45					3,985,126.88												-3,985,126.88		-3,985,126.88
19 Payments from members/shareholders	46																			
20 Payment of share in profit/dividend	47															-33,163,256.93		-33,163,256.93		-33,163,256.93
21 Other distributions and payments to members/shareholders	48		1,214,513.59			-2,833,146.39		-407,782.75										3,639,877.23		3,639,877.23
22 Carryforward per annual plan	49															40,634,505.77	-40,634,505.77			
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50																			
24 **Balance on the last day of the current business year reporting period** (ADP 31 to 50)	51	221,915,350.00	3,303,796.69	11,095,767.56	18,158,508.76	17,301,761.18										145,599,999.29	-32,698,700.57	350,072,960.55		350,072,960.55
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																			
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53																-32,698,700.57	-32,698,700.57		-32,698,700.57
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54		1,214,513.59			1,151,980.49		-407,782.75								7,471,248.84	-40,634,505.77	-33,508,506.58		-33,508,506.58

NOTES TO FINANCIAL STATEMENTS - TFI

(drawn up for quarterly periods)

Name of issuer:	**Valamar Riviera d.d.**
Personal identification number (OIB):	**36201212847**
Reporting period:	**1/1/2026 to 30/6/2026**

Notes to financial statements for quarterly periods include:

a) explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)
b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period
c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)
d) a description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)
e) other comments prescribed by IAS 34 - Interim financial reporting
f) in the notes to quarterly periods financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration
2. adopted accounting policies (only an indication of whether there has been a change from the previous period)
3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately
4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence
5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security
6. average number of employees during the financial year
7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries
8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year
9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking
10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital
11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer
12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability
13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member
14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13
15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available
16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking
17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet.

Notes to financial statements for the three month period together with detailed information on financial performance and events relevant to understanding changes in financial statements are available in PDF document "Business results 1/1/2026 – 30/6/2026" which has been simultaneously published with this document on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Issuers web pages.

NOTES TO FINANCIAL STATEMENTS FOR THE HALF YEAR PERIOD 2026

NOTE 1 – GENERAL INFORMATION

Valamar Riviera d.d., Poreč ("the Company") has been established and registered in accordance with laws and regulations of the Republic of Croatia. The Company is registered with the Commercial Court in Pazin. The principle activity of the Company is the provision of accommodation in hotels, resorts and campsites, food preparation and catering services as well as the preparation and serving of beverages. Company's business is of seasonal character. Company's registration number (MBS) is: 040020883, while the Company's personal identification number (OIB) is: 36201212847. The registered office of the Company is in Poreč, Stancija Kaligari 1.

The Company's shares were listed on the Prime market of the Zagreb Stock Exchange d.d. In 2026 they were traded in accordance with the relevant regulations on the organized market.

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

- Bugenvilia d.o.o., Dubrovnik, 100% ownership;
- Imperial Riviera d.d., Rab, 46.27% ownership with the subsidiary Praona d.o.o., Makarska.

Associated companies are:

- Helios Faros d.d., Stari Grad, 19.54% ownership;
- Valamar A GmbH, Vienna, Austria, 24.54% ownership with subsidiaries WBVR Beteiligungs GmbH, Vienna, Austria, Valamar Marietta GmbH, Obertauern, Austria, Kesselspitze GmbH, Obertauern, Austria and Kesselspitze GmbH & Co KG, Obertauern, Austria;
- Valamar Obertauern GmbH, Obertauern, 10% direct ownership and 22.08% indirect ownership (90% ownership holds Valamar A GmbH).

On 28 June 2022, a branch of the Company was established in Austria under the name Valamar Riviera d.d., Zweigniederlassung Austria, which manages the operational activities of Valamar Obertauern Hotel, Kesselspitze Hotel & Chalet, Valamar Collection and [PLACES] Obertauern by Valamar.

Based on the decision of the General Assembly on the acquisition of own shares from 24 April 2024, the Management Board of the Company on 15 January 2026 adopted a decision approving a share buyback program in the amount of up to EUR 6 million, which remained in effect until 22 April 2026. Pursuant to the new decision from the General Assembly on the acquisition of treasury shares adopted on 23 April 2026, the Company's Management Board on the same date, adopted a new Share Buyback Program in an amount up to EUR 12 million.

From the basis of the mentioned Program, the Company acquires its own shares through the investment company on the regulated market of the Zagreb Stock Exchange d.d. primarily for the purpose of fulfilling the obligations for the Company that arise regarding the allocation of shares to key employees and members of the Management Board, and in accordance with the long-term reward program.

Pursuant to the decision of the General Assembly adopted on 23 April 2026, the Company paid a dividend of EUR 0.27 per share, amounting to a total dividend distribution of EUR 33,163,257. The consolidated and non-consolidated unaudited financial statements for the half year period 2026 were approved by the Management Board of the Company on 31 July 2026.

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

2.1 Basis of preparation

The Group's and Company's financial statements for the half year period 2026 have been prepared in accordance with International Accounting Standard (IAS) 34 – *Interim Financial Reporting*. The financial statements have been prepared under the historical cost method, except for the financial assets at fair value through profit or loss and financial assets through other comprehensive income (OCI). The consolidated and non-consolidated financial statements for the half year period do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's and Company's annual financial statements as at 31 December 2025 which are available on HANFA (Croatian Financial Services Supervisory Agency), Zagreb Stock Exchange and Company's web page.

2.2 Going concern

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

2.3 Significant accounting policies

The accounting policies adopted in the preparation of the financial statements for the half year period 2026 are consistent with those followed in the preparation of the Group's and Company's annual financial statements for the year ended 31 December 2025.

2.4 Critical accounting estimates

During the preparation of the financial statements for the half year period 2026, there were no changes in the key accounting estimates compared to the estimates used in the preparation of the annual financial statements for the year ended 31 December 2025.

The Group and the Company as lessees of tourist land

Due to the transition from public to private ownership, e.g. in the transformation and privatisation process and the fact that the properties of the Group and the Company that were used in the transformation process were appraised in the share capital of the Company, and a part was not appraised, there are proceedings regarding the ownership of a part of the land within the majority of tourist companies, as well as for the Group and the Company. According to the Act on Tourist and Other Construction Land not appraised in the transformation and privatisation process ("the ZOTZ"), which entered into force on 1 August 2010, a concession fee for the use of tourist land with an area of 3.47 mn m^2 was calculated for the Group and 3.29 mn m^2 for the Company. With the entry into force of the Act on unappraised land ("the ZNGZ") on 2 May 2020, the ZOTZ ceased to be valid.

The ZNGZ prescribes the obligation to determine and form buildings on appraised parts of campsites, hotels, tourist resorts and other construction land as ownership of the Group and the Company and buildings on unappraised parts of campsites, hotels, tourist resorts and other construction land as ownership of Republic of Croatia or local governments. For parts of a land owned by the Republic of Croatia or local governments, the Group and the Company currently do not have lease agreements in place. However, they are actively working on preparing such agreements, with the lease term set for 50 years. From the entry into force of the ZNGZ until the day of signing the lease agreement, the rent will be paid according to the area of the tourist land for which the concession fee has been calculated based on the ZOTZ, in the amount of 50% of the fee until the final resolution of property legal relations. The unit amount of rent and the method and terms of payment is determined by Regulations from Government.

On 8 February 2024, the Government of the Republic of Croatia adopted two Regulations on tourist lands: (1) the Regulation on lease management on tourist land with hotels and tourist settlements and (2) the Regulation on lease management in camp areas owned by the Republic of Croatia (hereinafter: the Regulations).

After the adopted Regulations, the Group and the Company revised the areas of tourist land and estimated that in the future the Group will use 2.8 mn m^2 and the Company 2.6 mn m^2.

The accounting treatment of leases by lessees, including the rent of tourist land according to the provisions of the ZNGZ, should be viewed in the context of provisions of IFRS 16 - Leases. However, when analyzing the effects of the Act and Regulations and the actual application of the relevant standard, significant evaluations of the criteria for the application of IFRS 16 are required.

According to the Regulations lease fees are determined as an indexed unit price per square meter up to a maximum of 4% of the tourist facility income of the previous period. The Group and the Company made detailed analysis of fees for each individual tourist facility.

For tourist facilities for which it is estimated that the variable income limit will be reached in most years, the payments are considered variable and as such are excluded from the lease liability, i.e. the criteria for applying IFRS 16 are not met. Variable lease payments are recognized in the statement of comprehensive income for the period.

For tourist facilities for which the variable income threshold is estimated to be unlikely (very low probability) to ever be exceeded, the payments are basically fixed and the indexed unit price per square meter is included in the calculation of the rental obligation.

According to the prescribed unit rent prices from the Regulations and the determinated discount rates of 5.42% and 7.96% for the Group, an initial assessment of the value of assets and liabilities with the right of use was carried out in accordance with IFRS 16 which at initial recognition amounted to EUR 62.8 million for the Group and EUR 58 million for the Company.

The estimated amount of rent for tourist land for 2026 amounts to EUR 4.7 million for the Group and EUR 4.3 million for the Company. On the basis of the fixed part of the rent, with the application of IFRS 16, the Group and the Company have for the half year period 2026 recognized depreciation expense in the amount of EUR 682 thousand for the Group and EUR 630 thousand for the Company and interest expense in the amount of EUR 1,758 thousand for the Group and EUR 1,567 thousand for the Company was shown. On the basis of the variable part of the rent, the operating cost for the Group and the Company was shown in the amount of EUR 482 thousand.

NOTE 3 – FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

In their day-to-day business activities, the Group and the Company face a number of financial risks, especially market risk (including currency risk, interest rate risk and price risk - is not materially significant for the Group and the Company), credit risk and liquidity risk. The Group and the Company have a proactive approach in mitigating the interest rate risks by using available market instruments. Internal risk management goals and policies aim at protecting partial interest hedging of the principal loan amount.

3.2 Capital management

The objectives of the Group and the Company in managing capital are to provide long-term value to their shareholders by ensuring liquidity, profitability and an optimal financing structure, as well as a balanced capital allocation strategy, including share repurchases and a consistent dividend policy. The target dividend yield for shareholders is approximately 4% relative to the average market price of the share achieved in the last quarter of the previous financial year. The Group and the Company are not subject to externally imposed capital requirements.

3.3 Fair value estimation

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. The quoted market price used to determine the fair value of financial assets represents the current bid price. The fair value of financial instruments that are not traded in the active market is determined by using valuation techniques.

The following table presents assets measured at fair value as at:

GROUP (in thousands of EUR)	Level 1	Level 2	Level 3	Total
				As at 31 December 2025
Assets measured at fair value				
Financial assets - equity securities	-	-	83	83
Derivative financial instruments	-	2,853	-	2,853
Total assets measured at fair value	-	2,853	83	2,936
Liabilities measured at fair value				
Derivative financial instruments	-	423	-	423
Total liabilities measured at fair value	-	423	-	423
				As at 30 June 2026
Assets measured at fair value				
Financial assets - equity securities	-	-	83	83
Derivative financial instruments	-	3,078	-	3,078
Total assets measured at fair value	-	3,078	83	3,162
Liabilities measured at fair value				
Derivative financial instruments	-	359	-	359
Total liabilities measured at fair value	-	359	-	359

The specific valuation techniques used to measure financial instruments include:

- Quoted market prices or broker quotations for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of estimated future cash flows based on observable yield curves.
- An internal net asset value assessment is used to determine the fair value of the remaining financial instruments.

Quoted market prices for similar instruments are used for long-term debt. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Group and the Company for similar financial instruments.

Fair value hierarchy

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Group's and the Company's market assumptions. These two types of inputs have created the following fair value hierarchy:

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

COMPANY (in thousands of EUR)	Level 1	Level 2	Level 3	Total
				As at 31 December 2025
Assets measured at fair value				
Financial assets - equity securities	-	-	79	79
Derivative financial instruments	-	2,198	-	2,198
Total assets measured at fair value	-	2,198	79	2,277
Liabilities measured at fair value				
Derivative financial instruments	-	352	-	352
Total liabilities measured at fair value	-	352	-	352
				As at 30 June 2026
Assets measured at fair value				
Financial assets - equity securities	-	-	79	79
Derivative financial instruments	-	2,365	-	2,365
Total assets measured at fair value	-	2,365	79	2,444
Liabilities measured at fair value				
Derivative financial instruments	-	352	-	352
Total liabilities measured at fair value	-	352	-	352

NOTE 4 – SEGMENT INFORMATION

Following the management approach of IFRS 8, operating segments are reported in accordance with the internal reporting provided to the Group's Management (the chief operating decision-makers) who are responsible for allocating resources to the reportable segments and assessing its performance. Internal reporting is based on the USALI (Uniform System of Accounts for the Lodging Industry), and internationally recognised standard for financial reporting in the hotel industry.

The Group records operating revenues and expenses by types of services rendered in three basic segments: hotels and apartments, campsites and other business segments. Revenue was divided between segments according to the organizational principle, where all of the income generated from camping profit centres was reported in the campsites segment, and all of the income generated from hotel and apartment profit centres was reported in that segment. Other business segments include revenue from laundry services, other rentals of properties, revenue generated from the central services and central kitchens, revenue from retail, agency revenue and revenue from the accommodation of employees. Revenue from boarding services relate to predefined service packages that include accommodation as well as food and beverages. Revenue from a la carte do not relate to service packages, instead guests consume food and beverages selected from the restaurant menu.

The segment information related to reportable segments for the half year period 2025 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
Revenue from segments	99,661	33,892	24,914	158,467
Inter-segment revenue	(455)	(71)	(16,119)	(16,645)
Sales revenue	**99,206**	**33,821**	**8,795**	**141,822**
Of which:				
Pansion	83,890	29,361	1,298	114,549
A la carte	11,224	2,634	1,106	14,964
Other	4,092	1,826	6,391	12,309
Depreciation and amortisation	23,343	9,613	5,655	38,611
Net finance income/(expense)	(3,362)	(1,841)	277	(4,926)
Profit/(loss) of segment	31,302	16,460	(36,364)	11,398

The segment information related to reportable segments for the half year period 2026 is as follows:

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
Revenue from segments	112,046	34,211	27,263	173,520
Inter-segment revenue	(78)	(54)	(17,718)	(17,850)
Sales revenue	**111,968**	**34,157**	**9,545**	**155,670**
Of which:				
Pansion	94,254	29,839	1,210	125,303
A la carte	13,252	2,584	1,218	17,054
Other	4,462	1,734	7,117	13,313
Depreciation and amortisation	(30,562)	(9,337)	(8,301)	(48,200)
Net finance income/(expense)	(4,487)	(1,851)	(287)	(6,625)
Write off of fixed assets	(24)	(1)	(1)	(26)
Profit/(loss) of segment	31,567	16,270	(39,400)	8,437

All hotels, apartments and campsites (operating assets) are located in the Republic of Croatia, except for three hotels operating in Austria as part of the Subsidiary of the Valamar Riviera d.d., Zweigniederlassung Austria.

NOTE 4 – SEGMENT INFORMATION / CONTINUED

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

GROUP				
(in thousands of EUR)	Hotels and apartments	Campsites	Other business segments	Total
				As at 31 December 2025
Assets by segments	599,892	210,917	108,523	**919,332**
Liabilities by segments	349,784	111,965	59,367	**521,116**
				As at 30 June 2026
Assets by segments	663,020	212,432	122,485	**997,937**
Liabilities by segments	444,341	97,854	62,068	**604,263**

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

GROUP		
(in thousands of EUR)	January – June 2025	January – June 2026
Revenue		
Revenue from segments	158,467	173,520
Inter-segment revenue	(16,645)	(17,850)
Sales revenue	**141,822**	**155,670**
Profit/(loss)		
Profit/(loss) from segments	11,398	8,437
Amortisation and other unallocated expenses	(45,459)	(59,007)
Profit/(loss) from financial and extraordinary activities	(5,811)	(7,161)
Total profit/(loss) before tax	**(39,872)**	**(57,729)**

NOTE 4 – SEGMENT INFORMATION / CONTINUED

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

GROUP				
(in thousands of EUR)	As at 31 December 2025		As at 30 June 2026	
	Assets	Liabilities	Assets	Liabilities
Segment assets/liabilities	**919,332**	**521,116**	**997,937**	**604,263**
Hotels and apartments segment	599,892	349,784	663,020	444,341
Campsites segment	210,917	111,965	212,432	97,854
Other business segment	108,523	59,367	122,485	62,068
Unallocated	**96,991**	**29,729**	**130,223**	**56,279**
Investments in associate	15,806	-	15,309	-
Other financial assets	83	-	83	-
Loans and deposits	5,956	-	4,457	-
Cash and cash equivalents	7,994	-	17,000	-
Receivables for overpaid corporate tax	4,265	-	3,224	-
Other receivables	10,300	-	28,506	-
Deferred tax assets/liabilities	49,734	4,621	58,566	4,370
Other liabilities	-	22,376	-	49,240
Derivative financial assets/liabilities	2,853	423	3,078	359
Provisions	-	2,309	-	2,309
Total	**1,016,323**	**550,845**	**1,128,160**	**660,542**

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

GROUP				
(in thousands of EUR)	January – June 2025	%	January – June 2026	%
Revenue from sales to domestic customers	20,808	14.67	25,751	16.54
Revenue from sales to foreign customers	121,014	85.33	129,919	83.46
	141,822	**100.00**	**155,670**	**100.00**

Foreign sales revenues can be classified according to the number of overnights based on the customers' origin, as follows:

GROUP				
(in thousands of EUR)	January – June 2025	%	January – June 2026	%
EU members	94,880	78.40	102,643	79.01
Other	26,134	21.60	27,276	20.99
	121,014	**100.00**	**129,919**	**100.00**

NOTE 5 – STAFF COSTS

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

	GROUP		COMPANY	
(in thousands of EUR)	January - June 2025	January - June 2026	January - June 2025	January - June 2026
Net salaries	37,532	43,443	30,302	35,486
Tax and contributions from salary costs	13,830	16,688	11,083	13,682
Contributions on salaries	8,032	9,270	6,512	7,594
Total	**59,394**	**69,401**	**47,897**	**56,762**

For the half year period 2026 Group's average number of employees is 7,667 (30 June 2025: 6,748), while the Company's average number of employees is 5,902 (30 June 2025: 5,092).

The Group and the Company capitalize salary costs only if they are directly attributable to bringing the asset to its intended use, or if the employee's work contributes to the creation or preparation of the long-term asset.

The Group capitalised net salaries cost in the amount of EUR 2,889 thousand (30 June 2025: EUR 1,058 thousand), cost of contributions and tax from salaries in the amount of EUR 179 thousand (30 June 2025: EUR 411 thousand) and cost of contributions on salaries in the amount of EUR 958 thousand 30 June 2025: EUR 228 thousand).

The Company capitalised net salaries cost in the amount of EUR 2,596 thousand (30 June 2025: EUR 643 thousand), cost of contributions and tax from salaries in the amount of EUR 63 thousand (30 June 2025: EUR 262 thousand) and cost of contributions on salaries in the amount of EUR 891 thousand (30 June 2025: EUR 136 thousand).

NOTE 6 – INCOME TAX

During the period in 2026 the Group and the Company estimate income tax according to the IAS 34 provisions, i.e. it is based on the best estimate of the weighted average annual income tax rate expected for the full financial year, adjusted for the expected changes during the period. Due to highly seasonal character of business, the profit tax estimate for quarterly reports is not an indicator of the final profit tax on 31 December 2026. For 2025, the Company in the name of the prepaid advances received a refund. During 2026, the Company will pay corporate income tax advances and will determine the final obligation based on the corporate income tax return.

Corporate income tax is calculated using the legal income tax rate of 18% in the Republic of Croatia.

Established branch Valamar Riviera d.d., Zweigniederlassung Austria is an Austrian taxpayer with income tax rate of 23%.

Income tax comprise:

	GROUP		COMPANY	
(in thousands of EUR)	January - June 2025	January - June 2026	January - June 2025	January - June 2026
Deferred tax	(15,355)	(9,083)	(4,968)	(6,809)
Tax (income)/expense	**(15,355)**	**(9,083)**	**(4,968)**	**(6,809)**

For the half year period 2026, in accordance with the provisions of IAS 34, the Group and the Company estimated tax income, i.e. the increase in deferred tax assets for the most part based on realized losses in the amount of EUR 8.8 million for the Group and EUR 6.7 million for the Company.

NOTE 6 – INCOME TAX / CONTINUED

Movement overview of deferred tax assets and liabilities in 2026:

DEFERRED TAX ASSET		
(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2026	49,734	4,450
Credited/(debited) to the income	8,832	6,753
As at 30 June 2026	58,566	11,203

DEFFERED TAX LIABILITIES		
(in thousands of EUR)	GROUP	COMPANY
As at 1 January 2026	4,621	1,195
Credited/(debited) to the income	(251)	(56)
As at 30 June 2026	4,370	1,139

NOTE 7 – EARNINGS/(LOSS) PER SHARE

Basic
Basic earnings/(loss) per share are calculated by dividing the profit/(loss) during the period of 2026 of the Group by the weighted average number of shares ordinary in issue during the period, excluding the ordinary shares purchased by the Company and held as treasury shares.

Diluted
Diluted earnings/(loss) per share are equal to basic, as there were no convertible instruments or option shares during both periods.

GROUP		
	January – June 2025	January – June 2026
Profit/(loss) attributable to equity holders (in thousands of EUR)	(24,343)	(42,903)
Weighted average number of shares	122,853,082	122,511,734
Basic/diluted earnings/(loss) per share (in EUR)	(0.20)	(0.35)

NOTE 8 – CHANGES IN SHAREHOLDER'S EQUITY

During the half year period 2026, the Company acquired 565,462 shares (2025: 789,069) with a value of EUR 3,985 thousand (2025: EUR 4,954 thousand) which represents 0.45% (2025: 0.63%) of the share capital.

Pursuant to the long-term share-based plan for key executives covering the period from 2023 to 2026, which is designed to foster loyalty, align management with the achievement of the Company transferred a total of 310,242 treasury shares on 15 April 2026. In addition, for the purpose of settling the 2025 employee share bonus, the Company transferred a total of 301,187 treasury shares on 15 April 2026. Accordingly, a total of 611,429 treasury shares were transferred representing 0.49% of the Company's share capital.

As at 30 June 2026, the Company holds 3,504,901 of its own shares (31 December 2025: 3,550,868) representing 2.78% (31 December 2025: 2.82%) of the Company's share capital.

Pursuant to the resolution adopted by the General Assembly on 23 April 2026, the Company paid a dividend of EUR 0.27 per share, amounting to a total dividend distribution of EUR 33,163,257.

NOTE 9 – NON-CURRENT TANGIBLE AND INTANGIBLE ASSETS

During the half year period 2026, the Group and the Company acquired and disposed assets as follows:

- the Group acquired assets in the amount of EUR 103,443 thousand (30 June 2025: EUR 72,954 thousand), while the Company acquired assets in the amount of EUR 93,606 thousand (30 June 2025: EUR 40,350 thousand);

- the Group disposed the assets with a net book value of EUR 45 thousand (30 June 2025: EUR 139 thousand), resulting in a net gain on disposal of EUR 223 thousand (30 June 2025: net gain EUR 97 thousand), while the Company disposed the assets with a net book value of EUR 45 thousand (30 June 2025: EUR 139 thousand), resulting in a net gain on disposal of EUR 227 thousand (30 June 2025: net gain EUR 82 thousand).

NOTE 10 – LIABILITIES FOR BORROWINGS AND LEASES UNDER IFRS 16

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

		GROUP		COMPANY
(in thousands of EUR)	As at 30 June 2026	Maturity over 5 years	As at 30 June 2026	Maturity over 5 years
Bank borrowings	444,435	152,128	310,949	118,407
Lease liabilities under IFRS 16	89,803	61,345	81,874	56,740
Total	**534,238**	**213,473**	**392,823**	**175,147**

As at 30 June 2026, bank borrowings and lease liabilities under IFRS 16 amounted as follows:

- non-current and current bank borrowings of the Group EUR 444,435 thousand, of which EUR 405,256 thousand are pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 39,179 thousand is secured by promissory notes;

- non-current and current bank borrowings of the Company EUR 310,949 thousand, of which EUR 247,770 thousand are pledge over Company's property facilities and movable property, while the remaining loan in the amount of EUR 36,179 thousand is secured by promissory notes;

- lease liabilities under IFRS 16 of the Group EUR 89,803 thousand, of which the most significant item is the rental of tourist land in the amount of EUR 65,590 thousand;

- lease liabilities under IFRS 16 of the Company EUR 81,874 thousand, of which the most significant item is the rental of tourist land in the amount of EUR 60,506 thousand.

Detailed explanation of tourist land leases liabilities in Note 2.4 - *Critical accounting estimates - The Group and the Company as lessees of tourist land*.

NOTE 11 – CONTINGENCIES AND COMMITMENTS

The contracted capital commitments of the Group in respect to investments in tourism facilities at 30 June 2026 amount to EUR 42,859 thousand (30 June 2025: EUR 96,908 thousand). The contracted capital commitments of the Company in respect to investments in tourism facilities at 30 June 2026 amount to EUR 32,079 thousand (30 June 2025: EUR 80,677 thousand).

The Company is the guarantor of the bank loan of related-party Valamar Obertauern GmbH. The estimated maximum amount of the guarantee that can be realized is EUR 3,830 thousand. The loan of the related party is secured by mortgages on the real estate of Valamar Obertauern GmbH. The Company estimates the very low probability of incurring an actual obligation under the guarantee.

In 2023, the Company initiated an administrative dispute to annul the Decision of the Ministry of the Sea, Transport and Infrastructure, adopted after inspection supervision of economic use of the maritime domain in the area of the Ježevac camping on the island of Krk, which includes a ban on the provision of accommodation services on several cadastral parcels and a ban on the provision of anchoring services, however the proceedings were concluded by a final and legally binding decision adverse to the Company. For the purpose of regulating property rights relating to the commercial use of the maritime domain, in June 2024 the Government of the Republic of Croatia in its Conclusion adopted a Conclusion instructing the Ministry of the Sea, Transport and Infrastructure to determine the boundary of the maritime domain for all campsites in front of which the border of the maritime domain has not been determined, and order that the Customs Administration and the Ministry of Sea, Transport and Infrastructure, the Navigation Safety Administration stop with the inspection measures banning the operation of campsites until the property relations on the maritime domain are resolved, by 31 December 2025 at latest. By the Conclusion of the Government of the Republic of Croatia in December 2025, the deadline for resolving property-legal relations on the maritime domain was extended to 31 December 2027. The Company has thereby been established as the legitimate user of maritime domain at the Ježevac campsite. In the same matter, in early February 2024, a notice of tax inspection was received from the Ministry of Finance, which began on 27 February 2024. The Company has made a reservation in the amount of EUR 699 which does not include the amount of any potential return of the material benefit. On 22 May 2026, the Customs Administration, Customs Office in Rijeka, issued a Decision establishing the Company's obligation to pay a fee having the characteristics of a concession fee for the commercial use of the maritime domain. On 27 May 2026, the Company settled the aforementioned fee in the total amount of EUR 520,177.96, including the principal amount and statutory default interest, thereby concluding the tax audit of the Company.

The Company is the defendant in a lawsuit from 2010 related to the payment for works on the Lacroma Hotel during its reconstruction and expansion. The Commercial Court issued a judgment in 2013, rejecting the plaintiff's claims in full. In 2020, the High Commercial Court of Croatia overturned the first instance ruling, and the case was sent back for a retrial. In the repeated proceedings, the Commercial Court in its judgement of May 2023, for the most part upheld the claim and the Company is held liable for the payment of principal in the amount of EUR 2,264,861.17 and litigation costs in the amount of EUR 702,752.22 and the corresponding statutory default interest. On 31 January 2024, the High Commercial Court of the Republic of Croatia issued a final judgment in favour of the Company, reversing the judgment of the Commercial Court in Dubrovnik from May 2023 and rejecting as unfounded all of the claims of the plaintiff. The plaintiffs filed a motion for leave to revise against the judgment of the High Commercial Court of the Republic of Croatia from 31 January 2024, to which the Company sent its response. The Supreme Court of the Republic of Croatia issued a decision on 27 May 2025 granting the plaintiffs to file for a revision, and plaintiffs have submitted a revision. On 21 April 2026, the Company received a Decision of the Supreme Court of the Republic of Croatia granting the claimant's appeal on points of law, setting aside the judgement and decision of the High Commercial Court of the Republic of Croatia, and remitting the case to the High Commercial Court for a retrial. So far, the Company has not made a reservation or booked costs for the said dispute in its books.

The Company was also a defendant in a lawsuit from 2012, which is related to the payment for work on Lacroma Hotel. The Commercial Court's first-instance ruling from 2015, which was upheld by the High Commercial Court in 2019, rejected the plaintiff's claim. However, on 4 July 2023 the Supreme Court of the Republic of Croatia annulled the rulings of the Commercial Court and the High Commercial Court and remanded the case for retrial. Based on the claims in the lawsuit, the principal amount in this case was EUR 1,498,608.42. In the retrial, the Commercial Court in Dubrovnik issued a first instance judgment in favour of the Company in February 2024. In the appeal procedure, following the plaintiff's appeal, the High Commercial Court of the Republic of Croatia issued a final ruling on 26 March 2024, unfavourable for the Company, overturning the Commercial Court in Dubrovnik judgment from February 2024 and accepting the plaintiff's claims. On 23 May 2024, based on the final judgment of the High Commercial Court, funds were transferred from the Company's account. On 28 May 2024, the Company filed a motion for permission to review the judgment of the High Commercial Court of the Republic of Croatia. In September 2024, the Supreme Court of the Republic of Croatia issued a decision rejecting the Company's motion for permission to file a proposal against the High Commercial Court's judgment. In the half year period 2024, the Company recorded expenses in the amount of EUR 4.1 million for the principal amount and default interest related to this legal dispute. The Company has filed within a timely manner an Administrative Complaint with the Administrative Court of the Republic of Croatia against the decision of the Supreme Court of the Republic of Croatia which rejected the permission for revision. On 9 October 2025, the Company received a decision from the Constitutional Court by which the Company's constitutional complaint was upheld. By the decision of the Constitutional Court, the Supreme Court's decision granting permission to file an appeal was annulled and the case was remitted to the Supreme Court for retrial.

NOTE 12 – ASSOCIATES

The following table shows total capital and reserves and profit or loss for the last business year of associates as at 31 December 2025:

ASSOCIATES				
(in thousands of EUR)	Country	Ownership	Total capital and reserves	Profit/loss for the year[2]
Helios Faros d.d., Stari Grad	Croatia	19.54%	51,529	(2,317)
Valamar A GmbH, Wien[1]	Austria	24.54%	19,400	(716)
Valamar Obertauern GmbH, Obertauern[1]	Austria	10% directly / 22.08% indirectly	3,640	-
WBVR Beteiligungs GmbH, Wien[1]	Austria	24.54% indirectly	4,055	(2)
Valamar Marietta GmbH, Klagenfurt am Wörthersee[1]	Austria	24.54% indirectly	1,501	(269)
Kesselspitze GmbH, Obertauern[1]	Austria	24.54% indirectly	33	-
Kesselspitze GmbH & Co KG, Obertauern[1]	Austria	24.54% indirectly	10,065	(662)

[1] Explained detailed in Note 1 – *General information*.

[2] The share in the result consists of the share in the result of Valamar Obertauern GmbH (reduced by 10% for minority interest) and in the result of Valamar A GmbH determined based on the preliminary financial statements. Associated Austrian companies are not subject to audit. The business year of mentioned companies lasts from 1 November to 31 October, but for the purposes of financial reporting, it was adjusted to the duration of the Group's business year.

NOTE 13 – RELATED PARTY TRANSACTIONS

Related party transactions were as follows:

GROUP		
(in thousands of EUR)	January – June 2025	January – June 2026
Sale of goods and services		
Associate with participating interest	530	580
	530	**580**
Purchase of services		
Associate with participating interest	1,631	1,704
Other related parties	38	63
	1,669	**1,767**
	As at 31 December 2025	As at 30 June 2026
Trade and other receivable		
Associate with participating interest	125	367
	125	**367**
Liabilities		
Associate with participating interest	2	28
Other related parties	24	12
	26	**40**
Loans and deposits given		
Associate with participating interest	4,028	4,028
	4,028	**4,028**

COMPANY		
(in thousands of EUR)	January – June 2025	January – June 2026
Sale of goods and services		
Subsidiaries	8,424	8,810
Associate with participating interest	530	580
	8,954	**9,390**
Purchase of services		
Subsidiaries	919	670
Associate with participating interest	1,631	1,704
Other related parties	33	56
	2,583	**2,430**
Dividend income		
Subsidiaries	4,883	4,883
	4,883	**4,883**
	As at 31 December 2025	As at 30 June 2026
Trade and other receivable		
Subsidiaries	1,840	3,065
Associate with participating interest	125	367
	1,965	**3,432**
Trade and other payables		
Subsidiaries	49	411
Associate with participating interest	2	28
Other related parties	23	10
	74	**449**
Loans and deposits given		
Associate with participating interest	4,028	4,028
	4,028	**4,028**

NOTE 14 – SUBSEQUENT EVENTS

The Company and the Group have not identified any significant events occurring after the reporting date.

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