



JADRAN d.d.
Bana Jelačića 16, Crikvenica

**ANNUAL REPORT OF THE COMPANY AND THE GROUP
FOR 2025**

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Independent Auditor's Report

To the Shareholders of Jadran d.d.

Report on the audit of the separate and consolidated financial statements

Our opinion

In our opinion, the separate and consolidated financial statements present fairly, in all material respects, the separate and consolidated financial position of Jadran d.d. (the "Company") and its subsidiaries (together - the "Group") as at 31 December 2025, and the Company's and the Group's separate and consolidated financial performance and separate and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Our opinion is consistent with our additional report to the Audit Committee dated 17 April 2026.

What we have audited

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

- the separate and consolidated statements of comprehensive income for the year ended 31 December 2025;
- the separate and consolidated statements of financial position as at 31 December 2025;
- the separate and consolidated statements of changes in equity for the year then ended;
- the separate and consolidated statements of cash flows for the year then ended; and
- the notes to the separate and consolidated financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

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

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

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Independence

We are independent of the Company and the Group in accordance with the ethical requirements of Regulation (EU) No 537/2014 that are relevant to audits of financial statements of public interest entities, the ethical requirements of the Auditing Law that are relevant to audits of financial statements in the Republic of Croatia and the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the ethical requirements of Regulation (EU) No 537/2014, the ethical requirements of the Auditing Law and the IESBA Code.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 5(1) of Regulation (EU) No 537/2014, and furthermore, we have not provided any non-audit services to the Company and its controlled entities in the period from 1 January 2025 to the date of issuing this report.

Our audit approach

Overview



- Overall Company materiality: EUR 622 thousand, which represents approximately 2.5% of total revenues.
 - Overall Group materiality: EUR 800 thousand, which represents approximately 2.5% of total revenues.
-
- We conducted audit work at two reporting units in Croatia.
 - The Group engagement team visited locations in Crikvenica.
 - Our audit scope addressed nearly 100% of the Group's revenues and nearly 100% of the Group's absolute value of underlying loss before tax.
-
- The Company and the Group – Recoverable amount of property, plant and equipment

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



Materiality

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

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

Overall Company and Group materiality	The Company: EUR 622 thousand The Group: EUR 800 thousand
How we determined it	The Company: 2.5 % of total revenues The Group: 2.5 % of total revenues
Rationale for the materiality benchmark applied	We chose total revenue as the benchmark because the Company and the Group are undergoing a restructuring process with a focus on growth, and we consider total revenue to be the most appropriate benchmark for measuring the operating performance of the Company and the Group at this time. In addition, net results in prior years were volatile and revenue represents a more consistent measure of operating performance. We chose 2.5% which is consistent with quantitative materiality thresholds used for entities operating in this sector.

Key audit matters

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

Key audit matter	How our audit addressed the key audit matter
<p data-bbox="240 481 730 571"><i>The Company and the Group – Recoverable amount of property, plant and equipment</i></p> <p data-bbox="240 593 730 739">See Notes 2.5 and 2.8 (Material accounting policy information), Note 3 (Critical accounting judgments and estimates) and Note 17 (Property, plant and equipment)</p> <p data-bbox="240 761 730 963">As at 31 December 2025, the Company recorded property, plant and equipment with a carrying value of EUR 70,749 thousand (Group: EUR 109,163 thousand), which is carried at historical cost less accumulated depreciation and impairment, where required.</p> <p data-bbox="240 985 730 1332">According to IAS 36 Impairment of Assets, the Company’s management evaluates its accommodation facilities (defined as cash-generating units) at each balance sheet date to assess whether there are indications their value might not be recoverable. Management also conducts a thorough review of any accommodation facilities that had previously recognized an impairment loss, to determine if there are grounds for reversing that impairment in the current period.</p> <p data-bbox="240 1355 730 1500">We focused on this matter due to the significance of these assets and the complexity of the impairment testing process, which relies on numerous estimates as outlined in Note 3.</p>	<p data-bbox="737 481 1378 649">We evaluated the appropriateness of the accounting policies applied by the Company and the Group for the measurement of property, plant and equipment and for the identification of impairment indicators against the requirements of IFRSs as adopted by the European Union.</p> <p data-bbox="737 672 1378 784">We assessed the appropriateness of the determination of cash-generating units (“CGUs”) based on our understanding of the operations and business units of the Company and the Group.</p> <p data-bbox="737 806 1378 985">We obtained an overview of the EBITDA achieved in the current year and a comparison with the prior year for all accommodation facilities, and tested Management’s conclusion regarding accommodation facilities with indications of impairment or reversal of previously recognised impairment losses.</p> <p data-bbox="737 1008 1378 1086">For accommodation facilities for which such indicators were identified, we performed the following detailed procedures:</p> <ul data-bbox="737 1097 1378 1904" style="list-style-type: none"> • we tested the mathematical accuracy of the value in use calculations and compared the underlying inputs to historical financial information and the business plan for the following year, as well as assessed the consistency of the valuation methodology with that applied in the prior year; • on a sample basis, we tested the appropriateness of the allocation of operating revenues and expenses to individual accommodation facilities • we evaluated Management’s plans by comparing historical projections for 2025 with actual outcomes in order to assess whether any significant variances existed and whether such variances were appropriately reflected in the calculation of recoverable amounts; • for two key assumptions used in value in use calculations (the discount rate and the terminal value growth rate), we engaged our valuation experts to assess their appropriateness by benchmarking them against entities with similar risk profiles and observable market information in relation to economic growth forecasts; • for accommodation facilities where the recoverable amount was determined based on fair value less costs of disposal, we reviewed the obtained valuation reports to assess the appropriateness of the valuation methodology and key assumptions used. <p data-bbox="737 1926 1378 2016">We assessed the adequacy and completeness of the related disclosures in the separate and consolidated financial statements.</p>



How we tailored our Group audit scope

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

The consolidated financial statements comprise the consolidation of the Company and its two subsidiaries. We performed full-scope audits of the Company and one subsidiary. The other subsidiary is immaterial to the consolidated financial statements and was not subject to audit procedures. In addition, we performed group-level audit procedures, including testing of consolidation entries and the elimination of intercompany transactions.

Reporting on other information, including the Management Report and the Corporate Governance Report

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

Our opinion on the separate and consolidated financial statements does not cover the other information, including the Management Report and the Corporate Governance Report.

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

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

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

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



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

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

Management is responsible for the preparation and fair presentation of the separate and consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements, management is responsible for assessing the Company's and Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the separate and consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate and consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the separate and consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on other legal and regulatory requirements

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

We have been engaged based on our agreement by the management of the Company to conduct a reasonable assurance engagement for the verification of compliance with the applicable requirements of the presentation of the separate and consolidated financial statements included in the attached electronic file “jadrancrikvenica-2025-12-31-1-en.zip” of the Company and the Group for the year ended 31 December 2025 (the “Presentation of the Financial Statements”).

Description of subject matter and applicable criteria

The Presentation of the Financial Statements has been applied by the management of the Company to comply with the requirements of Article 462 paragraph 5 of the Capital Market Act (Official Gazette, No. 65/18, 17/20, 83/21, 151/22, 85/24 and 126/25) (the “Capital Market Act”) and with the Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards on the specification of a single electronic reporting format (the “ESEF Regulation”).

The applicable requirements regarding the Presentation of the Consolidated Financial Statements are contained in the ESEF Regulation and the Capital Market Act.

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

Responsibility of the management and those charged with governance

The Company’s management is responsible for the Presentation of the Financial Statements in accordance with the ESEF Regulation and the Capital Market Act.

This responsibility includes the selection and application of appropriate markups in XBRL using ESEF taxonomy and designing, implementing and maintaining internal controls relevant for the preparation of the Presentation of the Financial Statements which is free from material non-compliance with the requirements of the ESEF Regulation and the Capital Market Act.

Those charged with governance are responsible for overseeing the financial reporting process, which should also be understood as the preparation of the separate and consolidated financial statements in accordance with the format resulting from the ESEF Regulation and the Capital Market Act.



Our responsibility

Our responsibility was to express a reasonable assurance conclusion whether the Presentation of the Financial Statements complies, in all material respects, with the ESEF Regulation and the Capital Market Act.

We conducted a reasonable assurance engagement in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard requires that we comply with ethical requirements, plan and perform procedures to obtain reasonable assurance whether the Presentation of the Financial Statements is prepared, in all material respects, in accordance with the applicable requirements.

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

Quality management requirements and professional ethics

Our firm applies International Standard on Quality Management 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We comply with the independence and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Summary of the work performed

Our planned and performed procedures were aimed at obtaining reasonable assurance that the Presentation of the Financial Statements complies, in all material aspects, with the applicable requirements and such compliance is free from material errors or omissions. Our procedures included in particular:

- obtaining an understanding of the internal control system and processes relevant to the application of the Electronic Reporting Format of the Financial Statements, including the preparation of the XHTML format and marking up the separate and consolidated financial statements;
- verification whether the XHTML format was applied properly;



- evaluating the completeness of marking up the separate and consolidated financial statements using the XBRL markup language according to the requirements of the implementation of electronic format as described in the ESEF Regulation;
- evaluating the appropriateness of the use of XBRL markups selected from the ESEF taxonomy and the creation of extension markups where no suitable element in the ESEF taxonomy has been identified; and
- evaluating the appropriateness of anchoring of the extension elements to the ESEF taxonomy.

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

Conclusion

In our opinion, based on the procedures performed, the Presentation of the Financial Statements complies, in all material respects, with the ESEF Regulation and the Capital Market Act.

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

Appointment

We were first appointed as auditors of the Company and the Group on 13 August 2018. Our appointment has been renewed annually by shareholder resolution with the most recent reappointment on 29 August 2025, representing a total period of uninterrupted engagement appointment of 8 years.

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

Original report is signed in Croatian language

PricewaterhouseCoopers d.o.o.
Heinzlova 70, Zagreb
20 April 2026

Marija Mihaljević
Member of the Management Board, Certified auditor

This version of our report is a translation from the original, which was prepared in Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

Jadran d.d.

Statement of the Management Board's responsibilities

Pursuant to the Croatian Accounting Act in force, the Management Board of Jadran d.d., Crikvenica, Bana Jelačića 16 (the "Company") is responsible for ensuring that separate and consolidated annual financial statements are prepared for 2025 in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union, in order to give a true and fair view of the financial position, operating results, cash flows of the Company and the Group for the period.

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

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

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

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

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

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

The Annual Report was authorised for issue by the Management Board on 20 April 2026.



Miroslav Pelko
Member of the Management
Board



Jadran
dioničko društvo
za hotelijerstvo i turizam
Crikvenica 1



Ante Jelčić
Member of the Management
Board

**JADRAN joint stock company for hotel management and tourism
Crikvenica**

**SEPARATE AND CONSOLIDATED ANNUAL
FINANCIAL STATEMENTS
FOR 2025**

	Note	Company		Group	
		2024	2025	2024	2025
		EUR '000	EUR '000	EUR '000	EUR '000
Revenue from sales of goods and providing services on the market	6	24,292	24,893	30,291	32,065
Other income	7	1,837	1,703	1,370	1,239
Total operating income		26,129	26,596	31,661	33,304
Cost of goods sold		(38)	(34)	(12)	(34)
Cost of raw materials and supplies	8	(5,263)	(5,356)	(6,241)	(6,458)
Cost of services	9	(5,444)	(6,499)	(6,214)	(7,573)
Staff costs	10	(9,867)	(10,315)	(11,361)	(11,881)
Depreciation and amortisation	17,18,19,33	(4,944)	(4,568)	(8,562)	(8,073)
Impairment of non-current non-financial assets	11	(140)	-	(140)	-
Net gains / (losses) on value adjustments of financial assets	12	(182)	11	(141)	9
Other operating expenses	13	(1,379)	(1,531)	(1,661)	(1,919)
Total operating expenses		(27,257)	(28,292)	(34,332)	(35,929)
Operating loss		(1,128)	(1,696)	(2,671)	(2,625)

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

Separate and consolidated statement of comprehensive income
For the year ended 31 December 2025

	Note	Company		Group	
		2024	2025	2024	2025
		EUR '000	EUR '000	EUR '000	EUR '000
Finance income	14	39	87	1	1
Finance costs	14	(1,620)	(1,669)	(3,337)	(2,975)
Net loss from financing activities		(1,581)	(1,582)	(3,336)	(2,974)
Loss before tax		(2,709)	(3,278)	(6,007)	(5,599)
Income tax	15	30	(615)	193	(458)
Net loss for the year		(2,679)	(3,893)	(5,814)	(6,057)
Other comprehensive income		-	-	-	-
Total comprehensive loss for the year		(2,679)	(3,893)	(5,814)	(6,057)
Loss per share	16	(0.10)	(0.14)	(0.21)	(0.22)

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

	Note	Company		Group	
		31 December 2024	31 December 2025	31 December 2024	31 December 2025
		EUR '000	EUR '000	EUR '000	EUR '000
Assets					
Non-current assets					
Goodwill		-	-	489	489
Property, plant and equipment	17	72,009	70,749	113,886	109,163
Intangible assets	18	181	81	195	101
Investment property	19	4,392	4,085	4,392	4,085
Financial assets	20	-	-	130	130
Investments in subsidiaries	21	23,071	23,071	-	-
Right-of-use assets	33	7,183	6,168	7,393	6,356
Deferred tax assets	15	2,230	1,615	2,230	1,615
Total non-current assets		109,066	105,769	128,715	121,939
Current assets					
Inventories	22	126	156	152	181
Trade receivables	23	477	283	494	311
Receivables from related parties	23	65	24	-	-
Receivables from the government and other receivables	24	830	657	907	770
Receivables for loans granted to related parties	25	1,940	2,025	-	-
Cash and cash equivalents	26	1,897	1,588	2,698	3,060
Total current assets		5,335	4,733	4,251	4,322
Total assets		114,401	110,502	132,966	126,261

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

	Note	Company		Group	
		31 December 2024	31 December 2025	31 December 2024	31 December 2025
		EUR '000	EUR '000	EUR '000	EUR '000
Capital and reserves					
Share capital		64,040	64,040	64,040	64,040
Capital reserves		31,085	31,085	31,085	31,085
Accumulated loss		(25,700)	(29,593)	(32,277)	(38,334)
Total capital and reserves	27	69,425	65,532	62,848	56,791
Non-current liabilities					
Provisions	28	177	123	178	126
Liabilities to banks	29	25,875	29,706	48,007	51,215
Other non-current liabilities		7	7	7	7
Lease liabilities	33	9,835	8,548	10,030	8,728
Deferred tax liabilities	15	-	-	1,948	1,791
Total non-current liabilities		35,894	38,384	60,170	61,867
Current liabilities					
Trade payables	30	1,411	739	1,467	765
Liabilities for advances, deposits and guarantees	31	514	410	586	469
Liabilities to banks	29	4,590	3,012	5,218	3,842
Other current liabilities	32	1,259	1,080	1,348	1,167
Lease liabilities	33	1,308	1,345	1,329	1,360
Total current liabilities		9,082	6,586	9,948	7,603
Total liabilities		44,976	44,970	70,118	69,470
Total equity and liabilities		114,401	110,502	132,966	126,261

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

Company	Share capital	Capital reserves	Accumulated loss	Total
<i>EUR '000</i>				
Balance at 1 January 2024	64,040	31,085	(23,021)	72,104
<i>Comprehensive income for the year</i>	-	-	<i>(2,679)</i>	<i>(2,679)</i>
Balance at 31 December 2024	64,040	31,085	(25,700)	69,425
<i>Comprehensive loss for the year</i>	-	-	<i>(3,893)</i>	<i>(3,893)</i>
Balance at 31 December 2025	64,040	31,085	(29,593)	65,532

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

Group	Share capital	Capital reserves	Accumulated loss	Total
<i>EUR '000</i>				
Balance at 1 January 2024	64,040	31,085	(26,463)	68,662
<i>Comprehensive loss for the year</i>	-	-	<i>(5,814)</i>	<i>(5,814)</i>
Balance at 31 December 2024	64,040	31,085	(32,277)	62,848
<i>Comprehensive loss for the year</i>	-	-	<i>(6,057)</i>	<i>(6,057)</i>
Balance at 31 December 2025	64,040	31,085	(38,334)	56,791

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

	Note	Company		Group	
		2024	2025	2024	2025
		EUR '000	EUR '000	EUR '000	EUR '000
Cash flow from operating activities					
Loss before tax from continuing operations	15	(2,709)	(3,278)	(6,007)	(5,599)
Depreciation and amortisation	17,18,19,33	4,944	4,568	8,562	8,073
Net loss on sale and disposal of non-current assets		104	224	109	226
Change in non-current provisions		25	(54)	24	(52)
Interest received	14	(39)	(87)	(1)	(1)
Interest paid	14	1,620	1,669	3,337	2,975
Net (gains) / losses on value adjustments of financial assets	12	182	(11)	141	(9)
Impairment of non-current non-financial assets	11	140	-	140	-
Changes in trade and other receivables		(430)	418	(426)	329
Changes in inventories		(45)	(30)	(35)	(29)
Decrease in trade payables and other liabilities		(824)	(823)	(807)	(869)
Cash flows from operating activities		2,968	2,596	5,037	5,044
Interest paid	35	(1,593)	(1,679)	(3,407)	(3,039)
A. Net cash from operating activities		1,375	917	1,630	2,005

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

	Note	Company		Group	
		2024	2025	2024	2025
		EUR '000	EUR '000	EUR '000	EUR '000
Cash flow from investing activities					
Payments for purchases of non-current tangible and intangible assets		(858)	(1,955)	(1,015)	(1,983)
Interest received		1	2	1	1
Loans granted		(1,483)	-	-	-
B. Net cash from investing activities		(2,340)	(1,953)	(1,014)	(1,982)
Cash flow from financing activities					
Proceeds from borrowings	35	10,350	8,000	10,350	8,000
Repayment of borrowings	35	(7,221)	(5,733)	(8,721)	(6,100)
Repayment of lease principal	35	(1,290)	(1,540)	(1,316)	(1,561)
C. Net cash from financing activities		1,839	727	313	339
Net increase / (decrease) in cash		874	(309)	929	362
Cash and cash equivalents at beginning of period	26	1,023	1,897	1,769	2,698
Cash and cash equivalents at end of period	26	1,897	1,588	2,698	3,060

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

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

Jadran joint stock company for hotel management and tourism, Bana Jelačića 16, Crikvenica (the "Company") is registered with the Commercial Court in Rijeka under Reg. No. (MBS): 040000817. The Company's subscribed share capital amounts to EUR 64.039.780 and is divided into 27,971,463 ordinary shares without nominal amount with the ticker symbol JDRN-R-B. The company's shares are listed on the official market of the Zagreb Stock Exchange. The major shareholder is PBZ Croatia osiguranje mandatory pension fund - category B ("Parent Company"), which owns 58.30% of the Company's share capital.

As of 31 December 2025, the persons authorized to represent the Company were Miroslav Pelko, Member of the Management Board appointed on 1 September 2021 and Zrinka Bokulić, President of the Management Board, appointed on 1 September 2025. After the end of the reporting period, on March 8, 2026, Ms. Bokulić resigned from the position of a member of the Management Board. The Supervisory Board appointed Mr. Ante Jelčić as a member of the Management Board, whose term began on March 9, 2026. The Company is represented by the Management Board in such a manner that each member of the Management Board represents the Company jointly with the President or another member of the Management Board. The Company's principal activity is the provision of accommodation services in hotels, resorts and campsites, preparation of food and provision of food services, and preparation and serving of drinks and beverages.

In 2025, the average number of employees of the Company was 393 (2024: 427 employees). In 2025, the average number of employees of the Group was 455 (2024: 494 employees).

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

The Supervisory Board consisted of the following persons from 1 of January until 22 of April:

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

The Supervisory Board consisted of the following persons from 22 of April until 29 of August:

- Goran Hanžek, Chairman of the Supervisory Board
- Karlo Došen, Deputy Chairman of the Supervisory Board
- Sandra Janković, Member of the Supervisory Board
- Mirko Herceg, Member of the Supervisory Board
- Mihael Jovanović, Member of the Supervisory Board - employee representative.

The Supervisory Board consisted of the following persons from 29 of August:

- Vice Tomaš, Chairman of the Supervisory Board
- Boris Mažurin, Deputy Chairman of the Supervisory Board
- Amir Hadžijusufović, Member of the Supervisory Board
- Filip Palinić Čulin, Member of the Supervisory Board
- Mihael Jovanović, Member of the Supervisory Board - employee representative.

2. Material accounting policy information

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

2.1. Statement of compliance and basis of presentation

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

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

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

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

Subsidiaries in separate financial statements

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

2.2. Critical accounting judgements and key sources of estimation uncertainty

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

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

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

2. Material accounting policy information (continued)

2.3. Going concern

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

In the course of the past years, the Company and the Group have invested significant amounts in the renovation of facilities from the portfolio and the improvement of the portfolio of services provided to clients. During 2025, the Group's and the Company's operations were conducted smoothly. During 2025, the operations of the Group and the Company ran smoothly. In 2025, the Company used the Kaštel Hotel and the Zagreb Hotel for commercial purposes, where seasonal workers were housed in 2024 (they were not in commercial use). All other facilities of the Group and the Company operated smoothly.

The Company's cumulative losses as of 31 December 2025 amounted to EUR 29,593 thousand (31 December 2024: EUR 25,700 thousand), and current liabilities exceeded current assets by EUR 1,853 thousand (31 December 2024: EUR 3,747 thousand).

The Group's cumulative losses as of 31 December 2025 amounted to EUR 38,334 thousand (31 December 2024: EUR 32,277 thousand), and current liabilities exceeded current assets by EUR 3,281 thousand (31 December 2024: EUR 5,697 thousand).

The Company's operating income for the first three months of 2026, compared to the same period of the previous year, is lower by about 5%. According to the current state of reservations, overnight stays in 2026 were 9% lower compared to the same period of the previous year, and income from accommodation and food and beverages was 6% lower. Despite the current state of bookings and given the current geopolitical situation in Europe and the world, the Company expects last-minute reservations to strengthen and achieve a positive trend in the rest of the year.

The Group's operating income for the first three months of 2026 is 3% lower compared to the same period of the previous year. According to the current state of reservations, overnight stays in 2026 are 8% lower compared to the same period of the previous year, and income from accommodation and food and beverages was 6% lower. The Group expects last-minute reservations to strengthen and achieve a positive trend for the rest of the year.

The majority of the Company's and the Group's short-term liabilities at the reporting date relate to bank liabilities, trade payables and lease liabilities, which the Company and the Group regularly settle from funds in the account from ordinary business activities. Due to the seasonal nature of the business in which it operates, the Company and the Group have agreed credit arrangements in order to be able to ensure liquidity if necessary.

Given the fact that the Company and the Group record positive operating results and that, in accordance with previous practice, it expects to have the full support of the owners, in the opinion of the Management, the above supports the assertion that the Company and the Group will have sufficient resources to continue operations for a period of at least 12 months from the reporting date.

In February 2026, the Company announced an invitation to subscribe for commercial papers in a total nominal amount of up to EUR 10 million. Investors subscribed and paid commercial papers in the total amount of EUR 6.5 million, thereby securing the short-term liquidity required for the uninterrupted continuation of the Company's daily operations.

On 23 March 2026, the Company held a General Assembly at which the previously adopted resolutions on the increase of share capital through the issuance of ordinary shares by way of a public offering for cash contributions, the amendment of the Company's Articles of Association, and the listing of newly issued shares on a regulated market were repealed. At the same time, a resolution was adopted to initiate a capital increase process and to seek a potential strategic investor.

2. Material accounting policy information (continued)

2.3 Going concern

The Company plans to implement the capital increase through the issuance of 32.5 million new ordinary shares. During April 2026, the Company received several non-binding offers from interested investors and initiated a structured investor selection process under which selected potential investors will be granted access to conduct a due diligence review of the Company's operations.

Management expresses confidence that identifying an appropriate strategic partner and completing the capital increase will serve as a pivotal moment for the Company's operations. The involvement of a strategic investor is expected to bring substantial new capital, which is essential for the extensive renovation and re-categorisation of current accommodation facilities to achieve higher quality standards. These improvements are anticipated to establish conditions conducive to greater operational profitability and support the Company's long-term financial stability.

Such transformation would also enable a qualitatively different positioning of the Company within the Croatian tourism sector, in line with the growing demand for high-quality accommodation capacities along the Adriatic coast.

Taking into account the activities undertaken to date in the capital increase process, the expressed interest of potential investors, and Management's clearly defined strategic vision, Management believes that, as at 31 December 2025, there is no material uncertainty related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Accordingly, the separate and consolidated financial statements for the year ended 31 December 2025 have been prepared on a going concern basis.

2. Material accounting policy information (continued)

2.4. Changes in accounting policies and disclosures

2.4.1 Standards or interpretations that are effective for the year ending 31 December 2025.

The following amended standards are effective as of 1 January 2025, have been adopted in the EU, but have not had a significant impact on the Company and Group:

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

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

Amendment to the standards has been issued that is mandatory for annual periods beginning on or after 1 January 2026 or later, and which the Company and the Group have not previously adopted:

- Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024 and effective for annual periods beginning on or after 1 January 2026).
- Annual Improvements to IFRS Accounting Standards (Issued in July 2024 and effective from 1 January 2026).
- Contracts Referencing Nature-dependent Electricity Amendments to IFRS 9 and IFRS 7 (Issued on 18 December 2024 and effective from 1 January 2026).
- IFRS 18 Presentation and Disclosure in Financial Statements (Issued on 9 April 2024 and effective for annual periods beginning on or after 1 January 2027). In April 2024, the IASB issued IFRS 18, a new standard on presentation and disclosures in financial statements, with a focus on changes to the income statement. The key new concepts introduced in IFRS 18 relate to the following:
 - the structure of the income statement
 - mandatory disclosures in financial statements for certain financial measures of profit or loss that are reported outside the entity's financial statements (i.e. financial measures determined by management) and

2. Material accounting policy information (continued)

2.4. Changes in accounting policies and disclosures (continued)

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

• improved consolidation and separation principles that apply to primary financial statements and notes generally.

IFRS 18 will replace IAS 1, while most of the existing principles from IAS 1 will be retained with minor changes. IFRS 18 will not affect the recognition or measurement of items in financial statements, but it could change what an entity reports as 'operating profit or loss'. IFRS 18 will be effective for annual periods beginning on or after 1 January 2027 and will be applied to comparative information. The Company and the Group are currently assessing the impact of the standard on their financial statements.

Based on a preliminary analysis, the Company and the Group do not expect the application of IFRS 18 to have a significant impact on the reported operating profits or losses in the income statement. In accordance with IFRS 18, income and expenses in the income statement are classified into defined categories (operating, investing and financial), depending on their nature and role in the company's business model. In relation to the current structure of the Company's and the Group's income statement, operating income from the rental of business premises will be reported as an investing activity, while operating income from the sale of accommodation, food and beverages, merchandise and other hotel services would continue to be reported as operating profits. An alternative indicator of financial performance that is currently presented to investors and used in the annual report (EBITDA - earnings before interest, taxes, depreciation and amortization) will have to be disclosed in the notes to the financial statements. The presented amount and method of calculation will remain unchanged. The impact of other provisions of IFRS 18 on the financial statements of the Group and the Company is still being considered.

Amendment to the standards has been issued that is mandatory for annual periods beginning on or after 1 January 2026 or later, and which the Company and the Group have not previously adopted:

- IFRS 19 Subsidiaries without Public Accountability: Disclosures (Issued on 9 May 2024 and effective for annual periods beginning on or after 1 January 2027).
- Amendments to IFRS 19 Subsidiaries without Public Accountability: Disclosures (issued on 21 August 2025 and effective from 1 January 2027).
- Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Translation into a Hyperinflationary Presentation Currency (issued on 13 November 2025)..

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

2.4.3 Standards that have been issued but not yet adopted

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

- IFRS 14, Regulatory Deferral Accounts (issued on 30 January 2014 and effective for annual periods beginning on or after 1 January 2016).
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture – Amendments to IFRS 10 and IAS 28 (issued on 11 September 2014 and effective for annual periods beginning on or after a date to be determined by the IASB).

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

2. Material accounting policy information (continued)

2.5. Property, plant and equipment

Property, plant and equipment are presented in the statement of financial position (balance sheet) at historical cost less accumulated depreciation and accumulated impairment losses.

The calculation of depreciation begins now at which the asset is ready for its intended use. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets, as follows:

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

2.6. Intangible assets

Non-current intangible assets include licenses and software and are measured at historical cost less accumulated amortisation and any accumulated impairment losses.

The amortisation charge is recognised in profit and loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

Intangible assets are amortised using the straight-line method over a period from 4 to 10 years.

2.7. Investment property

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

2.8. Impairment of non-financial assets

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

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

2. Material accounting policy information (continued)

2.9. Financial assets

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

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

Impairment of financial instruments

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

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

2.10. Inventories

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

2.11. Cash and cash equivalents

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

2.12. Borrowings

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

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

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

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

2. Material accounting policy information (continued)

2.13. Trade payables

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

2.14. Taxation

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

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

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

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

2.15. Employee benefits

Pension obligations and post-employment benefits

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

Termination benefits

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

2. Material accounting policy information (continued)

2.15. Employee benefits (continued)

Long-term employee benefits

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

2.16. Provisions

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

2.17. Share capital

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

2.18. Revenue recognition

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

Income from services

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

Food and beverages

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

2.19. Government grants

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

2. Material accounting policy information (continued)

2.20. Leases

The Company and the Group as the lessee

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

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

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

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

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

Short-term leases and leases of low-value assets

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

The Company and the Group as the lessor

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

Maritime domain concession arrangements

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

2.21. Borrowing costs

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

2. Material accounting policy information (continued)

2.22. Foreign currencies

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

2.23. Earnings / (loss) per share

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

2.24. Investments in subsidiaries

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

2.25. Consolidation

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

2.26. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments. The chief operating decision-maker is the Company's Management Board.

3. Critical accounting judgements and estimates

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

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

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

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

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

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining the recoverable amount, management considers key indicators such as revenue growth based on occupancy of facilities, revenue per unit and expected market growth in the hotel industry, etc. The valuations are based on five-year cash flow projections prepared by the Company's management, with the budget for 2026 also approved by the Supervisory Board. For the period after the end of the five-year period, the assumed long-term sustainable growth rate (sustainable growth rate) was applied. Taking into account the significant capital investments in the Company's and the Group's accommodation units, the sustainable growth rates used in the valuation represent the maximum value of the projected inflation rates in the Republic of Croatia.

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

Tourism	2026 - 2030
EBITDA margin	27% - 28%
Revenue growth	2% - 5%
Discount rate (before tax)	10.2%
Sustainable long-term growth rate	2%

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

3. Critical accounting judgements and estimates (continued)

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

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

Tourism

Annual gross operating revenue per room (GOP) EUR	2 – 30 thousand
Average occupancy rate	19% - 56%
Estimated total cost (% of GOP)	60% - 83%
Capitalisation factor	6.15% - 8.03%

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

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

Prepared impairment tests suggest that the recoverable amount of each facility exceeds the net carrying amount of each facility as at 31 December 2025 and, accordingly, there are no indications of impairment.

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

- if the EBITDA margin rate were to decrease by 100 bps within the projected five-year period, according to which the Company and the Group should recognize an impairment loss of EUR 91 thousand;
- if the growth rate were to decrease by 100 bps within the projected five-year period, according to which the Company and the Group should recognize an impairment loss of EUR 422 thousand;
- if the discount rate were to increase by 50 bps, according to which the Company and the Group should recognize an impairment loss of EUR 950 thousand and
- if the terminal growth rate were to decrease by 50 bps according to which the Company and the Group should recognize an impairment loss of EUR 641 thousand.

3. Critical accounting judgements and estimates (continued)

Recoverability of investments in subsidiaries

As at 31 December 2025, the investment in subsidiaries relates to 100% shares in the subsidiary Stolist d.o.o. in the amount of EUR 129 thousand. The Company's management believes that the investment in the subsidiary is recoverable and that there are no indications of its impairment.

Additionally, investment in subsidiaries also includes 100% shares in the subsidiary Adria coast turizam d.o.o. in the amount of EUR 22,942 thousand as of 31 December 2025. Considering that this is the amount realised in the transaction of the purchase and sale of business shares carried out in February 2023 (with a subsequent additional payment by the Company in the amount of EUR 1,500 thousand) Management believes that the investment in the subsidiary is recoverable and that there are no indications of its impairment.

Deferred tax assets

Deferred tax assets include the amount of EUR 1,615 thousand (2024: EUR 2,230 thousand) both for the Company and the Group, which is created based on temporary tax differences, and in 2024 also from the tax losses carried forward.

The realisation of deferred tax assets arising from temporary tax differences is not time-limited, and therefore the uncertainty regarding the use of this part is remote.

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

Following the analysis performed, the Company derecognised the deferred tax asset based on the tax losses carried forward, as it concluded that it was not recoverable.

4. Financial instruments

Capital risk management

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

Classes of financial instruments

Company	31 December 2024	31 December 2025
	EUR '000	EUR '000
Financial assets		
Trade receivables	477	283
Receivables from related parties	65	24
Cash and cash equivalents	1,897	1,588
Loans receivable	1,940	2,025
Total	4,379	3,920
Financial liabilities		
Liabilities to banks	30,465	32,718
Trade payables	1,411	739
Lease liabilities	11,143	9,893
Total	43,019	43,350
Group		
	31 December 2024	31 December 2025
	EUR '000	EUR '000
Financial assets		
Non – current financial assets	130	130
Trade receivables	494	311
Cash and cash equivalents	2,698	3,060
Total	3,322	3,501
Financial liabilities		
Liabilities to banks	53,225	55,057
Trade payables	1,467	765
Lease liabilities	11,359	10,088
Total	66,051	65,910

Financial risk factors

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

4. Financial instruments (continued)

Market risk

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

Currency risk management

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

Analysis of foreign currency sensitivity

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

Interest rate risk management

The Company and Group are exposed to interest rate risk as they enter into loan agreements with variable interest rates. The Company and the Group manage this risk by maintaining an appropriate ratio of loans with fixed and variable interest rates in its loan portfolio.

Interest rate sensitivity analysis

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

Company	2024	2025
	EUR '000	EUR '000
Interest rate change by +100 bp		
(Increase in loss) / (Decrease in profit)	97	84
Interest rate change by -100 bp		
Decrease in loss / increase in profit	(97)	(84)
Group	2024	2025
	EUR '000	EUR '000
Interest rate change by +100 bp		
(Increase in loss) / (Decrease in profit)	322	305
Interest rate change by -100 bp		
Decrease in loss / increase in profit	(322)	(305)

Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss for the Company and the Group. The Company and the Group constantly monitor their exposure to the parties they conducts business with and their credit ratings and allocate the total value of transactions among acceptable customers.

The carrying amount of financial assets recorded in the financial statements, net of impairment losses, represents the Company's and the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

4. Financial instruments (continued)

Inflation risk (increase in consumer prices)

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

Liquidity risk management

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

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

Maturities of non-derivative financial liabilities

<i>Company</i>	Weighted average interest method	Up to 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	Over 5 years	Total
<i>EUR '000</i>							
2024							
Interest-free		1,338	72	1	-	-	1,411
Lease liabilities		42	62	1,570	6,105	5,115	12,894
Fixed interest rate	3.2%	145	216	3,017	8,978	11,187	23,543
Variable interest rate	5.6%	-	475	1,446	6,938	3,274	12,133
Financial guarantee (nominal amount)		-	-	-	22,500	-	22,500
Total		1,525	825	6,034	44,521	19,576	72,481

4. Financial instruments (continued)

Maturities of non-derivative financial liabilities (continued)

<i>Company</i>	<i>Weighted average interest method</i>	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
EUR '000							
2025							
Interest-free		682	57	-	-	-	739
Lease liabilities		25	52	1,584	5,563	4,055	11,279
Fixed interest rate	3.9%	233	240	1,967	17,556	9,173	29,169
Variable interest rate	4.3%	-	429	1,286	6,526	1,763	10,004
Financial guarantee (nominal amount)		-	-	-	22,133	-	22,133
Total		940	778	4,837	51,778	14,991	73,324

Based on the agreement with Gorenjska banka, the Company acted as a financial guarantor for the credit obligation of its subsidiary in the total nominal amount of EUR 22.133 million. The fair value of the financial guarantee is not significant, and the Company does not expect any payments to arise under this guarantee; therefore, it has not been recognised in the Company's separate financial statements. The underlying loan matures in 2036 (over 5 years).

<i>Group</i>	<i>Weighted average interest method</i>	<i>Up to 1 month</i>	<i>1 to 3 months</i>	<i>3 months to 1 year</i>	<i>1 to 5 years</i>	<i>Over 5 years</i>	<i>Total</i>
EUR '000							
2024							
Interest-free		1,394	72	1	-	-	1,467
Lease liabilities		42	62	1,596	6,188	5,259	13,147
Fixed interest rate	3.2%	145	216	3,017	8,978	11,187	23,543
Variable interest rate	6.8%	-	475	3,517	17,740	27,014	48,746
Total		1,581	825	8,131	32,906	43,460	86,903
2025							
Interest-free		708	57	-	-	-	765
Lease liabilities		25	52	1,605	5,645	4,179	11,506
Fixed interest rate	3.9%	233	240	1,967	17,556	9,173	29,169
Variable interest rate	5.2%	-	429	3,138	16,351	21,346	41,264
Total		966	778	6,710	39,552	34,698	82,704

4. Financial instruments (continued)

Fair value

The fair value of a financial instrument is the amount at which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm's length transaction.

As of December 31, 2025 and 2024, the carrying amounts of cash, receivables and trade payables approximate their fair values due to the short-term nature of these financial instruments. The fair value of loans given and loans received approximates their carrying amounts because the loans are contracted at variable market interest rates. Loans received at fixed rates expose the Company and Group to fair value risk, but this risk is not significant.

IFRS 7 Financial Instruments: Disclosures ("IFRS 7") requires the determination of a fair value hierarchy for financial instruments at three levels and the disclosure of information about financial instruments measured at fair value in the financial statements. The Company and Group use the following fair value measurement hierarchy that reflects the significance of the inputs used in measuring fair value:

- Level 1: The fair value of financial instruments is based on their quoted market prices available in an active market.
- Level 2: The fair value of financial instruments is estimated using valuation techniques that are based on observable inputs. This category includes comparisons with the fair value of another instrument that is substantially the same, discounted cash flow techniques, or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.
- Level 3: The fair value of financial instruments is estimated using valuation techniques that are not based on unobservable inputs.

The fair value of financial assets and liabilities measured at amortized cost is included in Level 3 of the fair value hierarchy.

5. Segment information

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

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

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

EUR '000

Company	Hotels and apartments	Campsites	Other business segments	Total
Segment income	22,334	2,764	1,039	26,137
Inter-segment income	-	-	-	-
Sales income	22,334	2,764	1,039	26,137
Cost of raw materials and supplies	(4,615)	(345)	(294)	(5,254)
Cost of services	(4,157)	(431)	(37)	(4,625)
Staff costs	(6,099)	(440)	(495)	(7,034)
Other operating expenses by segments	(1,056)	(98)	(44)	(1,198)
EBITDA of segment	6,407	1,450	169	8,026
Amortisation	(3,398)	(626)	(176)	(4,200)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain / (loss) before tax	3,009	824	(7)	3,826

EUR '000

Group	Hotels and apartments	Campsites	Other business segments	Total
Segment income	29,539	2,764	1,087	33,390
Inter-segment income	(536)	-	(3)	(539)
Sales income	29,003	2,764	1,084	32,851
Cost of raw materials and supplies	(5,691)	(345)	(323)	(6,359)
Cost of services	(5,545)	(431)	(19)	(5,995)
Staff costs	(7,659)	(440)	(503)	(8,602)
Other operating expenses by segments	(1,455)	(97)	(38)	(1,590)
EBITDA of segment	8,653	1,451	201	10,305
Amortisation	(6,897)	(626)	(182)	(7,705)
Finance income	-	-	-	-
Finance costs	-	-	-	-
Gain before tax	1,756	825	19	2,600

5. Segment information (continued)

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

EUR '000

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

EUR '000

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

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

5. Segment information (continued)

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

<i>Company</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Item		
Result by reportable segment	2,744	3,826
Unallocated operating income	745	459
Unallocated finance income	39	87
Unallocated operating costs:	(4,617)	(5,981)
<i>Cost of raw materials and supplies</i>	(106)	(102)
<i>Cost of services</i>	(1,514)	(1,874)
<i>Staff costs</i>	(2,209)	(3,281)
<i>Depreciation and amortisation</i>	(303)	(368)
<i>Other operating expenses</i>	(485)	(356)
Unallocated finance costs	(1,620)	(1,669)
Income tax	30	(615)
Loss for the period	(2,709)	(3,893)

<i>Group</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Item		
Result by reportable segment	1,181	2,600
Unallocated operating income	745	453
Unallocated finance income	1	1
Unallocated operating costs:	(4,597)	(5,678)
<i>Cost of raw materials and supplies</i>	(106)	(99)
<i>Cost of services</i>	(1,514)	(1,578)
<i>Staff costs</i>	(2,209)	(3,279)
<i>Depreciation and amortisation</i>	(303)	(368)
<i>Other operating expenses</i>	(465)	(354)
Unallocated finance costs	(3,337)	(2,975)
Income tax	193	(458)
Loss for the period	(5,814)	(6,057)

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

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Accommodation	17,113	18,163
Food and beverages	6,463	6,124
Other hotel services	646	545
Trade goods	70	61
Total	24,292	24,893

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Accommodation	21,572	23,477
Food and beverages	7,815	7,764
Other hotel services	821	741
Trade goods	83	83
Total	30,291	32,065

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

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Sales – domestic customers	4,686	5,454
Sales – foreign customers	16,321	16,406
Other /i/	3,285	3,033
Total	24,292	24,893

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Sales – domestic customers	5,559	6,682
Sales – foreign customers	20,654	21,394
Other /i/	4,078	3,989
Total	30,291	32,065

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

7. Other income

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Rental income	480	529
Recharged costs of lessees	168	171
Insurance reimbursements	87	98
Income from marketing and other services	135	131
Direct aid	79	70
Disposal of non-current assets	36	4
Collection of amounts due as per judgement and out-of-court settlement	1	3
Other recharged costs	351	369
Income from management	202	10
Other operating income	298	318
Total	1,837	1,703

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Rental income	483	530
Recharged costs of lessees	168	171
Insurance reimbursements	91	109
Income from marketing and other services	147	152
Direct aid	82	81
Disposal of non-current assets	2	4
Collection of amounts due as per judgement and out-of-court settlement	1	3
Other recharged costs	32	57
Income from management	202	10
Other operating income	162	122
Total	1,370	1,239

8. Cost of raw materials and supplies

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Groceries consumed	2,173	2,261
Electricity	1,750	1,803
Consumables and cleaning supplies	379	398
Water consumed	298	267
Heating oil and gas	197	184
Write-off of small inventory	104	84
Alcoholic and soft drinks consumed	242	251
Fuel for passenger and freight vehicles	56	42
Office supplies	12	10
Packaging	13	13
Overheads – leased properties	6	14
Other costs	33	29
Total	5,263	5,356

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Groceries consumed	2,651	2,845
Electricity	2,026	2,095
Consumables and cleaning supplies	448	479
Water consumed	327	306
Heating oil and gas	200	188
Write-off of small inventory	156	102
Alcoholic and soft drinks consumed	306	327
Fuel for passenger and freight vehicles	58	43
Office supplies	14	11
Packaging	15	17
Overheads – leased properties	6	14
Other costs	34	31
Total	6,241	6,458

9. Cost of services

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Commissions and banking services	1,473	1,604
Contractor services /i/	987	1,157
Investment and current maintenance	826	1,092
Utilities	273	305
Intellectual services	359	623
Student employment agency services	119	157
Telephone, Internet and mail	278	317
Gross temporary service contract cost	201	161
Advertising services	367	427
Rentals	305	236
Music and ZAMP fees	48	53
Transport services (road and maritime transport)	22	107
Other services	186	260
Total	5,444	6,499

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Commissions and banking services	1,934	2,177
Contractor services /i/	988	1,281
Investment and current maintenance	903	1,194
Utilities	305	347
Intellectual services	379	656
Student employment agency services	196	232
Telephone, Internet and mail	281	334
Gross temporary service contract cost	215	176
Advertising services	375	437
Rentals	367	305
Music and ZAMP fees	53	59
Transport services (road and maritime transport)	23	108
Other services	195	267
Total	6,214	7,573

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

Auditors' fee

The costs of audit services amounted to EUR 54 thousand (2024: EUR 70 thousand) for the Company and EUR 72 thousand (2024: EUR 87 thousand) for the Group.

10. Staff costs

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Net salaries	5,366	5,593
Contributions from salaries	1,470	1,552
Contributions on salaries	1,250	1,303
Performance bonus and holiday pay	296	487
Taxes and surtaxes	657	705
Transportation to and from work	221	207
Meal	260	251
Children's gifts, Christmas bonus, non-taxable voucher	153	172
Accruals for unused vacation days	50	3
Termination benefits and jubilee awards	61	40
Unused hours off – redistribution	28	(56)
Non-current provisions for termination benefits and jubilee awards	(9)	9
Other	64	49
Total	9,867	10,315

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Net salaries	6,188	6,453
Contributions from salaries	1,691	1,785
Contributions on salaries	1,438	1,500
Performance bonus and holiday pay	365	560
Taxes and surtaxes	751	807
Transportation to and from work	239	227
Meal	317	298
Children's gifts, Christmas bonus, non-taxable voucher	171	194
Accruals for unused vacation days	54	7
Termination benefits and jubilee awards	61	40
Unused hours off – redistribution	22	(56)
Non-current provisions for termination benefits and jubilee awards	(9)	10
Other	73	56
Total	11,361	11,881

10. Staff costs (continued)

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

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Key personnel	446	354
<i>of which benefits in kind</i>	32	23
Supervisory Board	137	115
Total	583	469

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

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Key personnel	446	354
<i>of which benefits in kind</i>	32	23
Supervisory Board	137	115
Total	583	469

11. Impairment of non-current financial assets

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Impairment of property, plant and equipment (Note 17)	(140)	(-)
Total	(140)	(-)

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Impairment of property, plant and equipment (Note 17)	(140)	(-)
Total	(140)	(-)

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

<i>Company</i>	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Impairment of trade receivables	(60)	(32)
Release of impairment of expected credit losses / (expected credit losses) – trade receivables	(66)	43
Expected credit losses – loans	(56)	(-)
Total	(182)	11

<i>Group</i>	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Impairment of trade receivables	(60)	(32)
Release of impairment of expected credit losses / (expected credit losses) – trade receivables	(81)	41
Total	(141)	9

13. Other operating expenses

<i>Company</i>	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Municipal charges and concessions	309	324
Employee accommodation	204	217
Fees paid to Hrvatske vode	143	139
Insurance premiums	202	222
Animation and entertainment	44	46
Reimbursement to students in practice and scholarships	50	42
Aid to employees	22	31
Taxes and contributions irrespective of business result	57	60
Subscriptions and memberships	67	72
Entertainment	50	30
Net book amount of disposed assets	29	15
Travel expenses, per diems, accommodation and field bonus	24	29
Professional training of employees	36	25
Disability benefits	6	0
Other operating expenses	136	279
Total	1,379	1,531

13. Other operating expenses (continued)

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Municipal charges and concessions	365	381
Employee accommodation	315	367
Fees paid to Hrvatske vode	143	139
Insurance premiums	246	265
Animation and entertainment	86	93
Reimbursement to students in practice and scholarships	54	57
Aid to employees	23	35
Taxes and contributions irrespective of business result	66	72
Subscriptions and memberships	75	80
Entertainment	52	34
Net book amount of disposed assets	31	16
Travel expenses, per diems, accommodation and field bonus	26	33
Professional training of employees	42	27
Disability benefits	7	0
Other operating expenses	130	320
Total	1,661	1,919

14. Finance income and costs

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Finance income		
Interest income	39	87
	39	87

	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Finance costs		
Interest expense	(1,244)	(1,328)
Interest expense on lease	(376)	(341)
	(1,620)	(1,669)
Net finance (costs)	(1,581)	(1,582)

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Finance income		
Interest income	1	1
	1	1

	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Finance costs		
Interest expense	(2,954)	(2,627)
Interest expense on lease	(383)	(348)
	(3,337)	(2,975)
Net finance (costs)	(3,336)	(2,974)

15. Income tax and deferred tax assets and liabilities

Income tax

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Current tax	-	-
Deferred tax	(30)	615
Income tax in statement of profit or loss	(30)	615
Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Current tax	-	-
Deferred tax	(193)	458
Income tax in statement of profit or loss	(193)	458

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

Company	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Accounting loss before tax	(2,709)	(3,278)
Income tax calculated at the rate of 18%	(488)	(590)
Effects of expenses not recognised for tax purposes /i/	81	36
Effects of income not recognised for tax purposes /ii/	(323)	(314)
Effects of unrecognised deferred tax assets	730	868
Effects of unrecognised deferred tax assets utilization	(30)	42
Release of previous recognised deferred tax assets	-	573
Income tax / (tax credit)	(30)	615

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

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

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

Group	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Accounting loss before tax	(6,007)	(5,599)
Income tax calculated at the rate of 18%	(1,081)	(1,008)
Effects of expenses not recognised for tax purposes /i/	86	38
Effects of income not recognised for tax purposes /ii/	(488)	(315)
Effects of unrecognised deferred tax assets	1,320	1,128
Effects of deferred tax assets utilization	-	-
Effects of unrecognised deferred tax assets utilization	(30)	42
Release of previous recognised deferred tax assets	-	573
Income tax	(193)	458

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

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

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

Deferred tax assets

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

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

Year incurred	Amount	Year of expiry
Company Jadran	<i>EUR '000</i>	
2021	(3,187)	2026
2024	(4,054)	2029
2025	(4,821)	2030
Total	(12,062)	

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

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

<i>Company</i>	Available tax losses	Amortisation	Lease liabilities / Right-of-use assets	Total
<i>EUR '000</i>				
Balance at 1 January 2024	573	944	683	2,200
Release of deferred tax assets	-	-	(56)	(56)
Less release of deferred tax liability	-	-	86	86
<i>(Charged to) / recognised in profit and loss</i>	-	-	30	30
Balance at 31 December 2024	573	944	713	2,230
Release of deferred tax assets	(573)	-	(225)	(798)
Less release of deferred tax liability	-	-	183	183
<i>Recognised in profit and loss</i>	(573)	-	(42)	(615)
Balance at 31 December 2025	-	944	671	1,615

Based on temporary tax differences related to the depreciation of property, plant and equipment, the Company has EUR 447 thousand available for which no deferred tax assets have been recognised. Additionally, based on available tax losses carried forward, the Company has not recognised deferred tax asset in the amount of EUR 2,171 thousand.

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

<i>Company</i>	2025			2024		
<i>EUR '000</i>	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Gross balance at 1 January	3,523	(1,293)	2,230	3,579	(1,379)	2,200
Increase/(decrease) during the year	(798)	183	(615)	(56)	86	30
Gross balance at 31 December	2,725	(1,110)	1,615	3,523	(1,293)	2,230

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

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

Year incurred	Amount	Year of expiry
Group Jadran		
	<i>EUR '000</i>	
2021	(3,308)	2026
2022	(1,882)	2027
2023	(2,800)	2028
2024	(6,506)	2029
2025	(6,265)	2030
Total	(20,761)	

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

Group	Available tax losses	Amortisation	Lease liabilities / Right-of-use assets	Total deferred tax assets	Revaluation of property, plant and equipment
<i>EUR '000</i>					
Balance at 1 January 2024	573	944	683	2,200	(2,111)
Release of deferred tax assets	-	-	(56)	(56)	-
Less the release/(creation) of deferred tax liability	-	-	86	86	163
(Charged to) / recognised in profit and loss	-	-	30	30	163
Balance at 31 December 2024	573	944	713	2,230	(1,948)
Release of deferred tax assets	(573)	-	(225)	(798)	-
Less release of deferred tax liability	-	-	183	183	157
Recognised in profit and loss	(573)	-	(42)	(615)	157
Balance at 31 December 2025	-	944	671	1,615	(1,791)

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

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

<i>Group</i>	2025			2024		
<i>EUR '000</i>	Deferred tax assets	Deferred tax liabilities	Net	Deferred tax assets	Deferred tax liabilities	Net
Gross balance at 1 January	3,564	(3,282)	(104)	3,620	(3,531)	89
Increase/(decrease) during the year	(798)	340	458	(56)	249	(193)
Gross balance at 31 December	2,766	(2,942)	354	3,564	(3,282)	(104)
Offsetting	(1,151)	1,151		(1,334)	1,334	
Net balance in statement of financial position	1,615	(1,791)		2,230	(1,948)	

16. Earnings / (loss) per share

<i>Company</i>	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Earnings / (loss) attributable to shareholders of the Company	(2,679)	(3,893)
Weighted average number of ordinary shares used to calculate basic/diluted earnings per share	27,970,832	27,970,832
	<i>EUR</i>	<i>EUR</i>
Basic and diluted earnings / (loss) per share	(0.10)	(0.14)
<i>Group</i>	2024	2025
	<i>EUR '000</i>	<i>EUR '000</i>
Loss from continuing operations	(5,814)	(6,057)
Weighted average number of ordinary shares used to calculate basic/diluted earnings per share	27,970,832	27,970,832
	<i>EUR</i>	<i>EUR</i>
Basic and diluted loss per share from continuing operations attributable to shareholders of the Group	(0.21)	(0.22)

17. Property, plant and equipment

<i>Company</i>	Land	Buildings	Plant and equipment	Other assets	Tangible assets under construction	Total
<i>EUR '000</i>						
Cost						
At 1 January 2024	35,126	100,658	22,298	295	99	158,476
Transfer from investment property	-	-	-	-	-	-
Transfers from asset under construction	-	13	398	5	(416)	-
Additions	-	-	-	-	768	768
Disposals	-	-	(287)	-	-	(287)
At 31 December 2024	35,126	100,671	22,409	300	451	158,957
Transfer from investment property	173	38	-	-	-	211
Transfers from asset under construction	129	944	823	262	(2,158)	-
Additions	-	-	-	-	1,910	1,910
Disposals	-	-	(468)	-	-	(468)
At 31 December 2025	35,428	101,653	22,764	562	203	160,610
Accumulated depreciation						
At 1 January 2024	3,388	67,635	12,168	128	-	83,319
Transfer from investment property	-	-	-	-	-	-
Depreciation charge	-	1,263	2,399	32	-	3,694
Disposals	-	-	(205)	-	-	(205)
Impairment of non-current assets	-	-	140	-	-	140
At 31 December 2024	3,388	68,898	14,502	160	-	86,948
Transfer from investment property	-	4	-	-	-	4
Depreciation charge	-	1,226	2,037	49	-	3,312
Disposals	-	-	(403)	-	-	(403)
Impairment of non-current assets	-	-	-	-	-	-
At 31 December 2025	3,388	70,128	16,136	209	-	89,861
Net book amount						
At 31 December 2024	31,738	31,773	7,907	140	451	72,009
At 31 December 2025	32,040	31,525	6,628	353	203	70,749

17. Property, plant and equipment (continued)

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

Additions to tangible assets in 2025: buildings in the amount of EUR 944 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 823 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, investment in other assets in the amount of EUR 262 thousand, additions to tangible assets under construction in the amount of EUR 203 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2025. The increase in land in the amount of EUR 129 thousand relate to the purchase of plots around the hotel owned by the Company.

As at 31 December 2025, the carrying amount of mortgaged properties (hotels Omorika, Ad Turre, Esplanade, Katarina, International, Slaven resort, pavilions, swimming pool and central restaurant within the Ad Turre, Kačjak and Kaštel resorts) amounts to a total of EUR 46,981 thousand (31 December 2024: EUR 47,911 thousand).

The total value of tangible assets that are fully depreciated, and which are still in use as of 31 December 2024 amounts to EUR 20,478 thousand (31 December 2024: EUR 19,035 thousand).

Proceeds from the sale of property, plant and equipment in 2025 amounted to EUR 3 thousand (in 2024: EUR 100 thousand).

The book value of assets where the Company is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2025, amounts to EUR 223 thousand (31 December 2024: EUR 287 thousand).

17. Property, plant and equipment (continued)

Group	Land	Buildings	Plant and equipment	Other assets	Tangible assets under construction	Total
<i>EUR '000</i>						
Cost						
At 1 January 2024	39,116	134,627	34,165	623	99	208,630
Transfer from investment property	-	-	-	-	-	-
Transfer to use	-	13	520	5	(538)	-
Direct additions	-	-	-	-	910	910
Disposals	-	-	(296)	-	-	(296)
At 31 December 2024	39,116	134,640	34,389	628	471	209,244
Transfer from investment property	173	38	-	-	-	211
Transfer to use	129	952	851	262	(2,194)	-
Direct additions	-	-	-	-	1,926	1,926
Disposals	-	(2)	(491)	-	-	(493)
At 31 December 2025	39,418	135,628	34,749	890	203	210,888
Accumulated depreciation						
At 1 January 2024	3,388	69,704	14,829	217	-	88,138
Transfer from investment property	-	-	-	-	-	-
Depreciation charge	-	2,878	4,311	100	-	7,289
Disposals	-	-	(209)	-	-	(209)
Impairment of non-current assets	-	-	140	-	-	140
At 31 December 2024	3,388	72,582	19,071	317	-	95,358
Transfer from investment property	-	4	-	-	-	4
Depreciation charge	-	2,839	3,833	117	-	6,789
Disposals	-	(1)	(425)	-	-	(426)
Impairment of non-current assets	-	-	-	-	-	-
At 31 December 2025	3,388	75,424	22,479	434	-	101,725
Net book amount						
At 31 December 2024	35,728	62,058	15,318	311	471	113,886
At 31 December 2025	36,030	60,204	12,270	456	203	109,163

17. Property, plant and equipment (continued)

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

Additions to tangible assets in 2025: buildings in the amount of EUR 952 thousand relate to investments in hotel facilities (upgrading the classification of hotels, developing campsites and other construction works), equipment in the amount of EUR 851 thousand relates to the purchase of equipment necessary for operations in hotels and campsites, investment in other assets in the amount of EUR 262 thousand, additions to tangible assets under construction in the amount of EUR 203 thousand relate to investments in hotel facilities and campsite development, which were not put into use during 2025. The increase in land in the amount of EUR 129 thousand relate to the purchase of plots around the hotel owned by the parent company.

As at 31 December 2025, the carrying amount of mortgaged properties (hotels Omorika, Ad Turres, Esplanade, Katarina, International, Slaven resort, pavilions, swimming pool and central restaurant within the Ad Turres, Kačjak, Kaštel resorts and Grand hotel View) amounts to a total of EUR 69,973 thousand (31 December 2024: EUR 73,309 thousand).

The total value of tangible assets that are fully depreciated, and which are still in use as of 31 December 2025 amounts to EUR 20,903 thousand (31 December 2024: EUR 19,409 thousand).

Proceeds from the sale of property, plant and equipment in 2025 amounted to EUR 3 thousand (in 2024: EUR 101 thousand).

The book value of assets where the Group is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2025, amounts to EUR 223 thousand (31 December 2024: EUR 287 thousand).

18. Intangible assets

<i>Company</i>	Licences, software and other rights	Total
EUR '000		
Cost		
At 1 January 2024	575	575
Direct additions	90	90
Disposals	(44)	(44)
At 31 December 2024	621	621
Direct additions	45	45
Disposals	(71)	(71)
At 31 December 2025	595	595
Accumulated amortisation		
At 1 January 2024	368	368
Amortisation charge	95	95
Disposals	(23)	(23)
At 31 December 2024	440	440
Amortisation charge	77	77
Disposals	(3)	(3)
At 31 December 2025	514	514
Net book amount		
At 31 December 2024	181	181
At 31 December 2025	81	81

18. Intangible assets (continued)

<i>Group</i>	Licences, software and other rights	Total
EUR '000		
Cost		
At 1 January 2024	575	575
Direct additions	105	105
Disposals	(44)	(44)
At 31 December 2024	636	636
Direct additions	57	57
Disposals	(71)	(71)
At 31 December 2025	622	622
Accumulated amortisation		
At 1 January 2024	368	368
Amortisation charge	96	96
Disposals	(23)	(23)
At 31 December 2024	441	441
Amortisation charge	83	83
Disposals	(3)	(3)
At 31 December 2025	521	521
Net book amount		
At 31 December 2024	195	195
At 31 December 2025	101	101

19. Investment property

<i>Company and Group</i>	Land and buildings	Total
EUR '000		
Cost		
At 1 January 2024	4,664	4,664
Write off	(1)	(1)
At 31 December 2024	4,663	4,663
Transfer to property, plant and equipment	(211)	(211)
Write off	(91)	(91)
At 31 December 2025	4,361	4,361
Accumulated depreciation		
At 1 January 2024	262	262
Depreciation charge	9	9
At 31 December 2024	271	271
Transfer to property, plant and equipment	(4)	(4)
Depreciation charge	9	9
At 31 December 2025	276	276
Net book amount		
At 31 December 2024	4,392	4,392
At 31 December 2025	4,085	4,085

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

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

20. Financial assets

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Hoteli Novi d.d. in bankruptcy	582	582
Impairment of shares	(582)	(582)
Total	-	-

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Hoteli Novi d.d. in bankruptcy	582	582
Impairment of shares	(582)	(582)
Loans given	130	130
Total	130	130

21. Investments in subsidiaries

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

Investments in subsidiaries

	Country	Ownership share	31 December 2024	31 December 2025
			<i>EUR '000</i>	<i>EUR '000</i>
Adria coast turizam	Republic of Croatia	100%	22,942	22,942
Stolist	Republic of Croatia	100%	129	129
Total			23,071	23,071

22. Inventories

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Raw materials and supplies on stock	112	143
Cost of small inventory and tyres	1,271	1,009
Impairment of small inventory and tyres	(1,271)	(1,009)
Trade goods	4	5
Packaging	10	8
Total	126	156

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Raw materials and supplies on stock	137	165
Cost of small inventory and tyres	1,568	1,278
Impairment of small inventory and tyres	(1,568)	(1,278)
Trade goods	4	6
Packaging	11	10
Total	152	181

23. Trade receivables and related party receivables

<i>Company</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Domestic trade receivables	1,157	899
Foreign trade receivables	100	114
Impairment of trade receivables – individual adjustments	(702)	(694)
Impairment of receivables – expected credit losses	(78)	(36)
Receivables from related parties	66	24
Impairment of trade receivables from related parties	(1)	-
Total	542	307

<i>Group</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Domestic trade receivables	1,184	930
Foreign trade receivables	109	131
Impairment of trade receivables – individual adjustments	(702)	(694)
Impairment of receivables – expected credit losses	(97)	(56)
Total	494	311

Maturity structure of total trade receivables:

<i>Company</i>	Gross trade receivables		Impairment		Net trade receivables	
	31 December 2024	31 December 2025	31 December 2024	31 December 2025	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>	<i>EUR '000</i>	<i>EUR '000</i>	<i>EUR '000</i>	<i>EUR '000</i>
Not past due	237	137	-	-	237	137
Up to 30 days	50	129	(1)	(3)	49	126
31-60 days	35	2	(9)	(1)	26	1
61-90 days	39	10	(12)	-	27	10
91-180 days	171	57	(77)	(30)	94	27
181-365 days	142	14	(33)	(8)	109	6
365 days and more	649	688	(649)	(688)	-	-
Total	1,323	1,037	(781)	(730)	542	307

23. Trade receivables and related party receivables (continued)

Group 31 December 2025	Not past due	Past due up to 30 days	Past due from 31–90 days	Past due from 91–180 days	Past due from 181–270 days	Past due beyond 270 days	TOTAL
Expected loss rate	0.71%	2.65%	14.81%	55.26%	68.75%	100%	70.69%
Gross book amount – trade receivables	141	113	27	76	16	688	1,061
Loss allowance	(1)	(3)	(4)	(43)	(11)	(688)	(750)
Trade receivables – net of impairment	140	110	23	33	5	-	311

Group 31 December 2024	Not past due	Past due up to 30 days	Past due from 31–90 days	Past due from 91–180 days	Past due from 181–270 days	Past due beyond 270 days	TOTAL
Expected loss rate	0.46%	5.01%	27.91%	46.38%	27.46%	100%	61.79%
Gross book amount – trade receivables	196	40	80	184	144	649	1,293
Loss allowance	-	(2)	(23)	(85)	(40)	(649)	(799)
Trade receivables – net of impairment	196	38	57	99	104	-	494

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

Company	2024	2025
	EUR '000	EUR '000
At 1 January	673	781
(Decrease) / increase in expected credit losses in the current period	66	(43)
Impairment in the current period	60	32
<i>Total changes in expected credit loss through profit or loss</i>	<i>126</i>	<i>(11)</i>
Write-off of previously impaired receivables	(18)	(40)
At 31 December	781	730
Group	2024	2025
	EUR '000	EUR '000
At 1 January	676	799
(Decrease) / increase in expected credit losses in the current period	81	(41)
Impairment in the current period	60	32
<i>Total changes in expected credit loss through profit or loss</i>	<i>141</i>	<i>(9)</i>
Write-off of previously impaired receivables	(18)	(40)
At 31 December	799	750

24. Receivables from the government and other receivables

<i>Company</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Prepaid VAT receivable	106	87
Other receivables from the government	63	77
Suspense accounts for services accounted for /i/	291	229
Banking charges for loans	6	2
Receivables for advances given /ii/	363	154
Prepayments – other costs	1	108
Total	830	657

/i/ Suspense accounts for services accounted for refer to the calculated revenue for services that have not yet been billed to guests.

/ii/ Receivables from advances given relate to advances for insurance premium paid in the amount of EUR 114 thousand, advances to HEP in the amount of EUR 59 thousand, and other advances given to suppliers. (31.12.2024: advances given to Club Adriatic d.o.o. in the amount of EUR 144 thousand, advances for insurance premiums paid in the amount of EUR 109 thousand, advances to HEP in the amount of EUR 59 thousand, and other advances given to suppliers).

<i>Group</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Prepaid VAT receivable	120	99
Other receivables from the government	101	111
Suspense accounts for services accounted for	275	243
Banking charges for loans	7	2
Receivables for advances given /i/	388	187
Prepayments – other costs	16	128
Total	907	770

/i/ Suspense accounts for services accounted for refer to the calculated revenue for services that have not yet been billed to guests.

/ii/ Receivables from advances given relate to advances for insurance premium paid in the amount of EUR 137 thousand, advances to HEP in the amount of EUR 59 thousand, and other advances given to suppliers. (31.12.2024: advances given to Club Adriatic d.o.o. in the amount of EUR 144 thousand, advances for insurance premiums paid in the amount of EUR 132 thousand, advances to HEP in the amount of EUR 59 thousand, and other advances given to suppliers).

25. Receivables for loans granted to related parties

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Receivables for loans granted to related parties /i/	2,015	2,100
Impairment of loan receivables	(75)	(75)
Total	1,940	2,025

/i/ Receivables from related parties relate to three loans granted to Stolist d.o.o. in the total amount of loan principal and of associated interest of EUR 45.9 thousand. The loans were granted in 2021, 2022 and 2024.

Additionally, in 2023 and 2024 the Company granted a loans in the total amount of EUR 1,928 thousand to Adria coast turizam, with EUR 126 thousand of associated interest.

The above-mentioned loans were granted at the legally prescribed intra-group interest rate (repayable at the lender's first call). The loans are classified as Stage 2.

26. Cash and cash equivalents

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Bank balances – domestic currency	1,896	1,587
Cash on hand	1	1
Total	1,897	1,588

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Bank balances – domestic currency	2,697	3,059
Cash on hand	1	1
Total	2,698	3,060

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

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
A	13	292
BBB	1,864	1,286
No credit rating	19	10
Total	1,896	1,588

26. Cash and cash equivalents (continued)

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
A	13	292
BBB	2,665	2,758
No credit rating	19	10
Total	2,697	3,060

27. Capital and reserves

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

Capital reserves as of 31 December 2025 as well as of 31 December 2024 amount to EUR 31.085.132 and are not available for distribution to the shareholders.

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

Table 1: Structure of shareholders as at 31 December 2025 and 31 December 2024

Investor	31 December 2024		31 December 2025	
	Balance	%	Balance	%
Erste & Steiermarkische bank d.d./PBZ CO OMF – category B (1/1) – custodial account	16,307,401	58.30	16,307,401	58.30
OTP banka d.d./Erste Plavi OMF category b – custodial account	8,547,346	30.56	8,547,346	30.56
Restructuring and Sale Center – CERP (0/1) Republic of Croatia (1/1) zs	673,666	2.41	673,666	2.41
Hrvatske vode, Water Management Corporation (1/1)	208,292	0.74	208,292	0.74
Town of Crikvenica (1/1)	184,056	0.66	184,056	0.66
OTP banka d.d./Erste Plavi Expert – voluntary pension fund (1/1) – custodial account	174,249	0.62	174,249	0.62
Other shareholders	1,876,453	6.71	1,876,453	6.71
TOTAL	27,971,463	100.00	27,971,463	100.00

As of 31 December 2025, the Company holds 631 treasury shares (2024: 631), which represents 0.0023% (2024: 0.0023%) of the Company's share capital.

28. Provisions

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Provisions for termination benefits	35	39
Provisions for jubilee awards	28	33
Provisions for legal disputes	114	51
Total	177	123

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Provisions for termination benefits	35	41
Provisions for jubilee awards	29	34
Provisions for legal disputes	114	51
Total	178	126

Movements in provisions over the years are as follows:

Company	Legal disputes	Termination benefits	Jubilee awards	Total
<i>EUR '000</i>				
At 1 January 2024	80	34	38	152
Derecognition	(16)	-	(10)	(26)
Additional provisions based on estimate	50	1	-	51
At 31 December 2024	114	35	28	177
Derecognition	(106)	-	-	(106)
Additional provisions based on estimate	43	4	5	52
At 31 December 2025	51	39	33	123

Group	Legal disputes	Termination benefits	Jubilee awards	Total
<i>EUR '000</i>				
At 1 January 2024	80	35	39	154
Derecognition	(16)	-	(10)	(26)
Additional provisions based on estimate	50	-	-	50
At 31 December 2024	114	35	29	178
Derecognition	(106)	-	-	(106)
Additional provisions based on estimate	43	6	5	54
At 31 December 2025	51	41	34	126

29. Liabilities to banks

<i>Company</i>	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Long-term loans-HBOR – DT-1/16 /i/	795	514
Long-term loans-HBOR – DT-10/16 /ii/	463	300
Long-term loans-PBZ – 2016 -5110217867-5110217867 /iii/	1,224	-
Long-term loans-PBZ – 2019 -5110228722-5110228722 /iv/	8,321	7,300
Long-term loans-ERSTE – 2019 -5117407680/15 /v/	9,745	8,401
Long-term loans-ZAGREBAČKA BANKA 3306504306 /vi/	1,700	-
Long-term loans-ZAGREBAČKA BANKA 3311031850 /vii/	8,000	8,000
Long-term loans- HBOR OBRS-25-1103574 /viii/	-	8,000
Interest	217	203
Total liabilities	30,465	32,718
Current maturities of long-term loans in the current year	(4,373)	(2,809)
Interest	(217)	(203)
Current liabilities	(4,590)	(3,012)
Non-current liabilities	25,875	29,706
<i>Group</i>	<i>31 December 2024</i>	<i>31 December 2025</i>
	<i>EUR '000</i>	<i>EUR '000</i>
Long-term loans-HBOR – DT-1/16 /i/	795	514
Long-term loans-HBOR – DT-10/16 /ii/	463	300
Long-term loans-PBZ – 2016 -5110217867-5110217867 /iii/	1,224	-
Long-term loans-PBZ – 2019 -5110228722-5110228722 /iv/	8,321	7,300
Long-term loans-ERSTE – 2019 -5117407680/15 /v/	9,745	8,401
Long-term loans-ZAGREBAČKA BANKA 3306504306 /vi/	1,700	-
Long-term loans-ZAGREBAČKA BANKA 3311031850 /vii/	8,000	8,000
Long-term loans- HBOR OBRS-25-1103574 /viii/	-	8,000
Long-term loans-Gorenjska banka /ix/	22,500	22,132
Interest	477	410
Total liabilities	53,225	55,057
Current maturities of long-term loans in the current year	(4,741)	(3,432)
Interest	(477)	(410)
Current liabilities	(5,218)	(3,842)
Non-current liabilities	48,007	51,215

29. Liabilities to banks (continued)

- /i/ In 2016, the Company entered into a long-term loan agreement with the Croatian Bank for Reconstruction and Development for a loan of EUR 2,309 thousands, repayable over 8 years, with a 1-year and 10 months grace period and 3% interest rate, for the renovation of facilities and upgrading the classification of Hotel Omorika and Hotel Varaždin (Katarina).
- /ii/ In 2016, the Company entered into a long-term loan agreement with the Croatian Bank for Reconstruction and Development for a loan of EUR 1,327 thousands, repayable over 8 years, with a 1-year and 3 months grace period and 3% interest rate, for the renovation of facilities and upgrading the classification of Hotel Varaždin (Katarina).
- /iii/ In 2016, the Company entered into a long-term loan agreement with Privredna banka Zagreb d.d. for a loan of EUR 7.4 million, repayable over 6 years, with a 1-year and 6 months grace period and 2.6% interest rate, for the renovation of facilities and upgrading the classification of Hotel Varaždin (Katarina) and Hotel Esplanade and to purchase the receivables from Veneto banka d.d. This Agreement was entered into in December of 2016. The amount of EUR 7,343,852 was drawn under the loan, and the loan commencement date was 20 July 2019.
- /iv/ In 2019, the Company entered into a long-term loan agreement with Privredna banka Zagreb d.d. for a loan of EUR 12.25 million, repayable over 12 years, with a 2.05% interest rate, for the renovation of facilities and upgrading the classification of the Ad Turres resort, Selce Campsite – swimming pool and allotment, Hotel Katarina, Hotel Omorika, Kačjak resort, Slaven pavilions and Hotel Esplanade.
- /v/ In 2019, the Company entered into a long-term loan agreement with Erste&Steiermärkische Bank d.d. for a loan of EUR 13.441 million, repayable over 10 years, with a 2.1% + 3M Euribor interest rate, to be used for investments – purchasing and other costs of acquiring Club Adriatic d.o.o. Zagreb.
- /vi/ In 2024, the Company entered into a long-term loan agreement with Zagrebačka banka d.d. in the amount of EUR 1.7 million, with a repayment period of 5 years, at an interest rate of 6.15%, for working capital needs.
- /vii/ In 2024, the Company entered into a long-term loan agreement with Zagrebačka banka d.d. in the amount of EUR 8 million, with a grace period of one year and a repayment period of 10 years, with an interest rate of 5.48%, for the purposes of refinancing existing short-term loans and investments in several different facilities.
- /viii/ In 2025, the Company concluded a long-term loan agreement with the Croatian Bank for Reconstruction and Development d.d. in the amount of EUR 8 million, with a repayment period of 5 years, a grace period of 1 year and 8 months, and an interest rate of 4.7%, for working capital.
- /ix/ In 2022, Adria coast turizam, Company's subsidiary, entered into an agreement with Gorenjska banka on a long-term loan in the amount of EUR 27.5 million, with a repayment period of 15 years, and an interest rate of 3.5% + 3M Euribor, for the construction of the Grand Hotel View.

Covenant for the above loans of the Company and the Group include the obligation to perform a certain % of payment transactions through specific bank, the obligation to maintain the agreed interest coverage ratio, the need to notify banks in cases of major new loans of the Company and the Group, and the need to notify banks in cases of granting loans to subsidiary. Additionally, the contractual provisions for the subsidiary's loan imply the need to maintain a minimum debt repayment coverage ratio. The Company and the Group have fulfilled all contractual obligations. The exceptions are the obligation to maintain the interest coverage ratio on the Company's loan from Erste&Steiermaerkische Bank, the obligation to perform a certain % of payment transactions on the Company's loan from Zagrebačka banka, and the obligations on the subsidiary's loan from Gorenjska banka. Written confirmations have been received from the aforementioned banks for this purpose that the aforementioned banks have no intention of canceling the contract or requesting early repayment of the loan.

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

30. Trade payables

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Domestic trade payables	1,387	729
Foreign trade payables	24	10
Total	1,411	739

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Domestic trade payables	1,430	753
Foreign trade payables	37	12
Total	1,467	765

31. Liabilities for advances, deposits and guarantees

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Advances received	462	354
Security and other deposits	52	56
Total	514	410

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Advances received	534	413
Security and other deposits	52	56
Total	586	469

32. Other current liabilities

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Net salaries payable	373	346
Unused vacation days	292	295
Liabilities to employees – bonuses	50	50
Liabilities to employees – redistribution of working hours	84	28
Other liabilities to employees	22	22
Contributions from and on salaries	192	192
Taxes and surtaxes payable	43	47
Other liabilities to the government	96	20
Accrual of received capital grants /i/	84	75
Fees based on temporary service agreements	19	4
Scholarships	3	-
Other liabilities – unpaid to bankruptcy creditors	1	1
Total	1,259	1,080

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Net salaries payable	412	382
Unused vacation days	304	311
Liabilities to employees – bonuses	50	50
Liabilities to employees – redistribution of working hours	91	38
Other liabilities to employees	23	24
Contributions from and on salaries	211	211
Taxes and surtaxes payable	48	51
Other liabilities to the government	102	20
Accrual of received capital grants /i/	84	75
Fees based on temporary service agreements	19	4
Scholarships	3	-
Other liabilities – unpaid to bankruptcy creditors	1	1
Total	1,348	1,167

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

33. Lease liabilities and right-of-use assets

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

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

Lease liabilities

Company	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Non-current lease liabilities	9,835	8,548
Current lease liabilities	1,308	1,345
Total	11,143	9,893

Group	31 December 2024	31 December 2025
	<i>EUR '000</i>	<i>EUR '000</i>
Non-current lease liabilities	10,030	8,728
Current lease liabilities	1,329	1,360
Total	11,359	10,088

Right-of-use assets

Company	Vehicles	Real estate	Beach concession	Total
<i>EUR '000</i>				
Net book amount at 1 January 2024	169	7,446	44	7,659
Initial recognition as per new contracts /i/	99	607	20	726
Depreciation for the year	(107)	(1,027)	(12)	(1,146)
Termination of existing contracts /ii/	(26)	(30)	-	(56)
Net book amount at 31 December 2024	135	6,996	52	7,183
Initial recognition as per new contracts	74	119	2	195
Depreciation for the year	(109)	(1,046)	(15)	(1,170)
Termination of existing contracts	(40)	-	-	(40)
Net book amount at 31 December 2025	60	6,069	39	6,168

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

<i>Group</i>	Vehicles	Real estate	Beach concession	Total
EUR '000				
Net book amount at 1 January 2024	169	7,446	273	7,888
Initial recognition as per new contracts /i/	99	607	23	729
Depreciation for the year	(107)	(1,027)	(34)	(1,168)
Termination of existing contracts /ii/	(26)	(30)		(56)
Net book amount at 31 December 2024	135	6,996	262	7,393
Initial recognition as per new contracts	74	119	2	195
Depreciation for the year	(109)	(1,046)	(37)	(1,192)
Termination of existing contracts	(40)	-	-	(40)
Net book amount at 31 December 2025	60	6,069	227	6,356

As stated in Note 2.20, the Company and the Group use the exemption expedient for short-term leases and low-value leases.

In 2025, short-term leases and low-value leases of the Company amounted to EUR 236 thousand (Note 9).

In 2025, short-term leases and low-value leases of the Group amounted to EUR 305 thousand (Note 9).

34. Related party transactions

The main related party transactions during 2025 and 2024 were as follows:

31 December 2025

Subsidiary	Revenue	Expenses	Receivables and loans	Liabilities
<i>EUR '000</i>				
Stolist	5	(2)	40	-
Adria Coast Turizam	621	(5)	2,008	-
Total	626	(7)	2,048	-

31 December 2024

Subsidiary	Revenue	Expenses	Receivables and loans	Liabilities
<i>EUR '000</i>				
Stolist	4	(1)	39	-
Adria Coast Turizam	510	(5)	1,965	-
Total	514	(6)	2,004	-

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

35. Net debt

<i>Company</i>	Cash	Liabilities to banks	Lease liabilities	Total
<i>EUR '000</i>				
Net debt at 1 January 2024	1,023	(27,314)	(11,452)	(37,743)
Cash flow	874	(3,129)	1,290	(965)
Increase arising from new lease agreements and modifications	-	-	(726)	(726)
Termination of existing contracts	-	-	56	56
<i>Interest expense</i>	-	(1,244)	(376)	(1,620)
<i>Interest paid</i>	-	1,217	376	1,593
Non-cash movements	-	5	(311)	(306)
Net debt at 31 December 2024	1,897	(30,465)	(11,143)	(39,711)
Cash flow	(309)	(2,267)	1,540	(1,036)
Increase arising from new lease agreements and modifications	-	-	(195)	(195)
Termination of existing contracts	-	-	40	40
<i>Interest expense</i>	-	(1,328)	(341)	(1,669)
<i>Interest paid</i>	-	1,338	341	1,679
Non-cash movements	-	4	(135)	(131)
Net debt at 31 December 2025	1,588	(32,718)	(9,893)	(41,023)

<i>Group</i>	Cash	Liabilities to banks	Lease liabilities	Total
<i>EUR '000</i>				
Net debt at 1 January 2024	1,769	(51,672)	(11,682)	(61,585)
Cash flow	929	(1,629)	1,316	616
Increase arising from new lease agreements and modifications	-	-	(729)	(729)
Termination of existing contracts	-	-	56	56
<i>Interest expense</i>	-	(2,954)	(383)	(3,337)
<i>Interest paid</i>	-	3,024	383	3,407
Non-cash movements	-	6	(320)	(314)
Net debt at 31 December 2024	2,698	(53,225)	(11,359)	(61,886)
Cash flow	362	(1,900)	1,561	23
Increase arising from new lease agreements and modifications	-	-	(195)	(195)
Termination of existing contracts	-	-	40	40
<i>Interest expense</i>	-	(2,627)	(348)	(2,975)
<i>Interest paid</i>	-	2,691	348	3,039
Non-cash movements	-	4	(135)	(131)
Net debt at 31 December 2025	3,060	(55,057)	(10,088)	(62,085)

36. Contingent liabilities and assets

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

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

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

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

The book value of assets in respect of which Jadran is not listed as the owner or in respect of which there is a legal dispute regarding ownership as of 31 December 2025, amounts to EUR 223 thousand.

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

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

In 2025, Adria coast turizam and Stolist were not involved in any proprietary or other legal disputes, and the above-mentioned disputes are also relevant for the Group.

37. Events after the balance sheet date

After 31 December 2025, no business events or transactions have occurred or are expected to have a significant impact on the financial statements as of or for the period ending on 31 December 2024 or that they are of such importance for the operations of the Company and the Group that they should be disclosed in the notes to the financial statements.

There were several events that did not have an impact on the financial statements as of December 31, 2025, which are listed below.

The President of the Management Board of the Company, Ms. Zrinka Bokulić, submitted her resignation from the position of President of the Management Board of the Company Jadran d.d. to the Supervisory Board of the Company with effect from March 8, 2026.

On February 6, 2026, Jadran d.d. published the Notice on the Final Results of the Subscription of Commercial Papers on the official website of the Zagreb Stock Exchange.

On February 9, 2026, Jadran d.d. published on the official website of the Zagreb Stock Exchange the Invitation to convene the General Assembly of the Company, which was held on March 23, 2026. The Invitation to the General Assembly was published at the request of the shareholders of PBZ Croatia osiguranje d.d. for the management of mandatory pension funds, with its registered office in Zagreb, Radnička cesta 44, OIB: 20455535575, in its own name, and for the account of (i) PBZ Croatia osiguranje mandatory pension fund – category A, OIB: 94002620905 and (ii) PBZ Croatia osiguranje mandatory pension fund – category B, OIB: 99318944138.

The following agenda items were proposed:

- adoption of a Decision repealing the Decision on the increase in share capital and the issue of ordinary shares by public offering with contributions in cash, amending the Articles of Association of the Company and listing new shares on the regulated market as of March 10, 2025;
- adoption of a Decision on initiating the process of recapitalization and finding a potential investor.

On March 23, 2026, a session of the convened General Assembly of the Company was held and the proposed Decisions were adopted.

On February 25, 2026, the Supervisory Board of the Company appointed Mr. Ante Jelčić as a member of the Management Board with a term of office that began on March 9, 2026 and lasts until August 31, 2026.

On 8 April 2026, further to the resolution of the Company's General Assembly dated 23 March 2026 regarding the initiation of the capital increase process and the search for a potential investor, the Company published an announcement on the official website of the Zagreb Stock Exchange regarding the receipt of non-binding offers from potential investors. The Management Board and the Supervisory Board of the Company are currently in the process of reviewing the received offers and selecting potential investors who will be granted the opportunity to conduct a due diligence review of the Company and participate in the subsequent stages of the process.

MANAGEMENT REPORT

1. Key operating information

Key operating indicators for the Company

	2024	2025	2025/2024
Number of accommodation units (capacity)	1,810	1,899	4.9%
Number of bed-places	4,201	4,379	4.2%
Full occupancy days	103	91	(11.4%)
Annual occupancy rate	28%	25%	(10.7%)
Number of accommodation units sold	186,365	173,259	(7.0%)
Number of overnights	440,297	418,173	(5.0%)
Average daily rate ADR (in EUR)	93	106	13.6%
Revenue Per Available Room RevPar (in EUR)	11,760	11,590	(1.4%)

Key financial indicators for the Company

	2024	2025	2025/2024
EUR '000			
Total revenue	26,168	26,683	2.0%
Sales revenue	24,292	24,893	2.5%
Other operating income	1,837	1,703	(7.3%)
Total costs	28,877	29,960	3.8%
Operating expenses	27,257	28,291	3.8%
Material costs	10,745	11,888	10.6%
Staff costs	9,867	10,315	4.5%
Depreciation and amortisation	4,944	4,568	(7.6%)
Impairment of non-current non-financial assets	140	-	(100.0%)
Value adjustment	182	(11)	(106.2%)
Other costs	1,379	1,531	11.0%
Finance income	39	87	122.6%
Finance costs	1,620	1,669	3.0%
EBITDA	3,816	2,873	(24.7%)
EBITDA margin	15%	11%	(26.0%)
Normalised EBITDA¹	4,138	2,862	(30.8%)
Normalised EBITDA margin	16%	11%	(32.1%)
EBIT	(1,128)	(1,696)	50.3%
Normalised EBIT ²	(806)	(1,707)	111.8%
Net profit	(2,679)	(3,893)	24.0%

¹ EBITDA was normalised for one-time costs (value adjustments)

² EBIT was normalised for one-time costs.

1. Key operating information (continued)

Key operating indicators for the Group

	2024	2025	2025/2024
Number of accommodation units (capacity)	2,040	2,129	4.4%
Number of bed-places	4,661	4,839	3.8%
Full occupancy days	103	95	(7.6%)
Annual occupancy rate	27%	26%	(5.1%)
Number of accommodation units sold	209,660	202,612	(3.4%)
Number of overnights	497,204	487,520	(1.9%)
Average daily rate ADR (in EUR)	105	117	11.3%
Revenue Per Available Room RevPar (in EUR)	13,020	13,277	2.0%

Key financial indicators for the Company

	2024	2025	2025/2024
<i>EUR '000</i>			
Total revenue	31,662	33,305	5.2%
Sales revenue	30,291	32,065	5.9%
Other operating income	1,370	1,239	(9.6%)
Total costs	37,669	38,904	3.3%
Operating expenses	34,332	35,929	4.7%
Material costs	12,467	14,065	12.8%
Staff costs	11,361	11,881	4.6%
Depreciation and amortisation	8,562	8,073	(5.7%)
Impairment of non-current non-financial assets	140	-	(100.0%)
Value adjustment	141	(9)	(106.4%)
Other costs	1,661	1,919	15.5%
Finance income	1	1	(17.7%)
Finance costs	3,337	2,975	(10.9%)
EBITDA	5,891	5,449	(7.5%)
EBITDA margin	18.61%	16.36%	(12.1%)
Normalised EBITDA¹	6,172	5,440	(11.9%)
Normalised EBITDA margin	19.49%	16.33%	(16.2%)
EBIT	(2,671)	(2,625)	(1.8%)
Normalised EBIT ²	(2,390)	(2,633)	10.2%
Net loss	(5,814)	(6,057)	4.2%

2. General Company and Group information

Name and company

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

Registered office and legal form

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

Securities

The Company's share capital amounts to EUR 64,039,780 and is divided among 27,971,463 ordinary shares without a nominal value. The shares were issued in dematerialized form, ticker symbol JDRN-R-B, ISIN code HRJDRNB0002 and are kept in the SKDD depository.

Based on the decision of the General Assembly on the adjustment of share capital dated 14 July 2023, pursuant to the provisions of the Act on Amendments to the Companies Act, the share capital of the Company, was reduced by the amount of 1.01 euros, from the amount of EUR 64,039,781.01 to the amount of EUR 64,039,780.00. The difference of EUR 1.01 was allocated to capital reserves.

In 2025, the Supervisory Board comprised the following members:

- The Supervisory Board from 1 of January until 22 of April:
 - Goran Hanžek, Chairman of the Supervisory Board
 - Karlo Došen, Deputy Chairman of the Supervisory Board
 - Sandra Janković, Member of the Supervisory Board
 - Mirko Herceg, Member of the Supervisory Board
 - Adrian Čajić, Member of the Supervisory Board - employee representative.
- The Supervisory Board from 22 of April until 29 of August:
 - Goran Hanžek, Chairman of the Supervisory Board
 - Karlo Došen, Deputy Chairman of the Supervisory Board
 - Sandra Janković, Member of the Supervisory Board
 - Mirko Herceg, Member of the Supervisory Board
 - Mihael Jovanović, Member of the Supervisory Board - employee representative.
- The Supervisory Board from 29 of August:
 - Vice Tomaš, Chairman of the Supervisory Board
 - Boris Mažurin, Deputy Chairman of the Supervisory Board
 - Amir Hadžijusufović, Member of the Supervisory Board
 - Filip Palinić Čulin, Member of the Supervisory Board
 - Mihael Jovanović, Member of the Supervisory Board - employee representative.

In 2025, the **Management Board** comprised the following members:

- from 1 January to 1 February 2025:
 - Vladimir Bunić, President of the Management Board
 - Irina Tomić, Member of the Management Board
 - Miroslav Pelko, Member of the Management Board.
- from 1 February 2025:to 31 August 2025:
 - Vladimir Bunić, President of the Management Board
 - Miroslav Pelko, Member of the Management Board.
- from 1 September 2025 to 31 December 2025:
 - Zrinka Bokulić, President of the Management Board
 - Miroslav Pelko, Member of the Management Board.

2. General Company and Group information (continued)

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

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

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

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

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

3. Realised overnights

In 2025, the Republic of Croatia saw a 1.2% increase in overnight stays compared to the previous year, which amounts to 94.8 million tourist overnight stays. On average, 4.6 overnight stays were achieved per arrival. Domestic tourists achieved 3.1 million arrivals and 9.2 million overnight stays in 2025, which is 7.6% more arrivals and 5.6% more overnight stays compared to 2024. Domestic tourists account for 14.9% of total arrivals, and 9.7% of total overnight stays. In analysing the company's business for the reporting period, it is important to highlight the influence of economic factors on the tourism industry. Prices in tourism increased significantly above the inflation rate. As widely known, economic conditions play a crucial role in consumers' decisions about travel and spending during these travels. For this reason, the year 2025 started with bookings relatively late, with a majority of last-minute bookings.

If we focus on campsites, in 2025, the camping sector ends with about 5% more overnight stays than in 2024. Their attractiveness stems from a combination of comfort, infrastructure similar to hotel accommodation and additional privacy, proximity to nature and freedom of movement.

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

In hotel accommodation, a decrease in commercial overnight stays of 3% was recorded compared to 2024, while campsites at the Company level recorded a decrease of 10% compared to the previous year. It should be noted here that the Company did not operate with the same capacities in 2025 and 2024, so when comparing overnight stays in the same capacities in 2025, 7% fewer overnight stays were achieved in hotel accommodation, and a total of 10% fewer overnight stays were achieved in campsites, given that campsites operated with the same capacity in both years, while a total of 8% fewer overnight stays were achieved compared to 2024.

The share of the group channel of sales, observed in the same capacities, decreased by 2% compared to 2024, the share of the allotments channel decreased by 3.5%, but the share of fixed lease in allotment increased by 1.1%, the share of the online channel increased by 4.1%, and the share of the individual channel increased by 2% compared to the year before.

Jadran d.d. achieved 80% of overnight stays from foreign guests in 2025, with 20% of overnight stays from domestic guests in hotel capacities. In 2025, foreign guests mostly came from the source markets of Germany, Slovenia, Hungary and Austria.

Looking at the data for the Group, there was a 1% increase in hotel accommodation compared to 2024, while campsites within the Company recorded decrease of 10% compared to the previous year. It should be noted here that the Group did not operate with the same capacities in 2025 and 2024, so when comparing overnight stays in the same commercial capacities in 2025, hotel accommodation recorded 2% fewer overnight stays, and campsites recorded 10% fewer overnight stays, given that campsites operated with the same capacity in both years, while a total of 4% fewer overnight stays were recorded compared to 2024.

For the Group, the share of the group channel of sales, observed in the same capacities, decreased by 2.5% compared to 2024, the share of the allotment channel decreased by 3%, but the share of fixed lease in allotment increased by 1%, the share of the online channel increased by 4%, and the share of the individual channel increased by 2% compared to the year before.

In 2025, the Group achieved 80% of overnight stays from foreign guests, with 20% of overnight stays from domestic guests in hotel capacities. Foreign guests mostly came from the source markets of Germany, Hungary Slovenia, and Austria 2024.

4. Company and Group business performance

4.1. Overview of the Company's operations in 2025

Jadran d.d. achieved a total of 418,173 commercial overnight stays in 2025, while 5% more was achieved in 2024. In 2025, the company achieved a total of 405,188 commercial overnight stays, while in the same period in 2024, 4% more were achieved. Jadran d.d. reopened the Kaštel and Zagreb hotels for commercial purposes in 2025.

In 2025, the Company achieved total revenues of EUR 26,683 thousand, which is 2% more than the total revenues achieved in 2024. Operating revenues in 2025 amounted to EUR 26,596 thousand, which is 2% less than operating revenues achieved in 2024. Financial revenues amounted to EUR 87 thousand, which is EUR 48 thousand higher than those achieved in 2024.

In 2025, the Company achieved a total of EUR 29,960 thousand in expenses, which is 4% more than the expenses achieved in the previous year. Material costs amounted to EUR 11,888 thousand and are 11% higher than the costs incurred in 2024. Personnel costs amounted to EUR 10,315 thousand and are 5% higher than the costs incurred in 2024. Depreciation in 2025 amounted to EUR 4,568 thousand, which is 8% lower than that incurred in 2024. Other operating expenses amounted to EUR 1,531 thousand and are 11% higher than the costs incurred in the previous year. There were no impairments of non-current non-financial assets in 2025, while in 2024 this item amounted to EUR 140 thousand. Net gains from the adjustment of the value of financial assets amounted to EUR 11 thousand, while there were net losses on the same basis of EUR 182 thousand realized in 2024.

The Company made a loss before tax of EUR 3,278 thousand in the period from January to December 2025, while in 2024 it made a loss before tax of EUR 2,709 thousand.

In 2025, the Company achieved EBITDA in the amount of EUR 2,873 thousand, while in 2024, EBITDA amounted to EUR 3,816 thousand. If EBITDA were normalized for adjustments/impairments of financial and non-financial assets, it would amount to EUR 2,862 thousand.

4.2 Overview of the Group's operations in 2025

The Group recorded a total of 487,520 overnight stays in the period from January to December 2025, of which 97% were commercial overnight stays. Total overnight stays are 2% lower than in the same period last year, while commercial overnight stays are 1% lower than in 2024.

In 2025, the Group generated EUR 33,305 thousand in total revenue, which is 5% more than the total revenue generated in 2024. Operating revenue amounted to EUR 33,304 thousand, which is 5% higher than the revenue generated in 2024. Financial revenue amounted to EUR 1 thousand, which is the same as the revenue generated in 2024.

4. Company and Group business performance (continued)

4.2 Overview of the Group's operations in 2025 (continued)

In 2025, the Group incurred total expenses of EUR 38,904 thousand, which is 3% more than the expenses incurred in 2024. Material expenses amounted to EUR 14,065 thousand, which is 13% more than the expenses incurred in 2024. Personnel costs amounted to EUR 11,881 thousand and are 5% higher than the expenses incurred in 2024. Depreciation amounted to EUR 8,073 thousand, which is 6% less than the depreciation incurred in 2024. Other operating expenses amounted to EUR 1,919 thousand, which is 16% more than the expenses incurred in 2024. There were no impairments of non-current non-financial assets in 2025, while in 2024 this item amounted to EUR 140 thousand. Net gains from the adjustment of the value of financial assets amounted to EUR 9 thousand, while there were net losses on the same basis of EUR 141 thousand realized in 2024.

In the period from January to December 2025, the Group realized a loss before tax in the amount of EUR 5,599 thousand, while in 2024 the loss before tax amounted to EUR 6,007 thousand.

EBITDA in 2025 amounted to EUR 5,449 thousand, while in 2024 it amounted to EUR 5,891 thousand. If EBITDA were normalized for adjustments/impairments of financial and non-financial assets, it would amount to EUR 5,440 thousand.

5. Asset management

5.1. Management of Company and Group assets

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

5.2. Company and Group disputes

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

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

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

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

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

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

In 2025, Adria coast turizam and Stolist were not involved in any proprietary or other legal disputes and the above-mentioned disputes are also relevant for the Group.

6. Group and Company risk exposure

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

Competition risk

Competition risk in the tourism market is very high because other similar tourism destinations have invested substantial funds to further improve and develop their capacities, as well as in other marketing activities focusing on the arrival of tourists. Among other things, competition is based on the prices, quality and substance of tourism offers on the Crikvenica Riviera, Makarska Riviera, Riviera of Brač island and other domestic and foreign tourism destinations.

Currency risk

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

Interest rate risk

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

Settlement risk

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

Inflation risk (increase in consumer prices)

Pandemics, wars and disruptions in supply chains can result in an increase in energy prices, but also in the prices of other goods and services. Inflation and an increase in the purchase prices of goods and services can have an impact on the purchasing power of guests, but also on the selling prices in the Company's and Group's facilities.

The Company and the Group achieve a large share of overnight stays through direct channels, thus achieving flexibility when forming final prices.

6. Group and company risk exposure (continued)

Liquidity risk

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

Liquidity risk management includes maintaining sufficient cash and working capital.

Risk of changes in tax and concession regulations

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

Tourism industry risk

The wider political situation, the rise of terrorism, the global financial crisis and pandemic diseases have a significant impact on tourism trends. Tourism as a branch is very sensitive to the security situation in the destination and surroundings. Through the previously indicated investment cycle, the Company and the Group will try to minimize the impact of "negative" market trends and risks on this basis.

The global financial crisis can significantly reduce the purchasing power of the population that is inclined to travel, while pandemic diseases and war can also significantly reduce or completely or partially eliminate the effect of tourists arriving at the Company's and Group's destination.

Environmental risk

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

7. Employees

As at 31 December 2025, Jadran d.d., under employment contracts, was 264 workers.

As at 31 December 2025, Adria coast turizam d.o.o., under employment contracts was 28 workers.

As at 31 December 2025, Stolist d.o.o. had no employees.

As at 31 December 2025, the Group had a total of 292 employees.

8. Research and development activities

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

9. Treasury share redemption

As at 31 December 2025, the share capital of Jadran d.d. amounted to EUR 64,039,780, divided into 27,971,463 regular dematerialised shares with no nominal value and the Company held 631 treasury shares, which accounted for 0,0023% of the Company's share capital.

As at 31 December 2025, the share capital of Adria coast turizam d.o.o. amounted to EUR 13,200.

As at 31 December 2025, the share capital of Stolist d.o.o. amounted to EUR 2,654.46.

10. Significant events after the reporting period

After 31 December 2025, no business events or transactions have occurred or are expected to have a significant impact on the financial statements as of or for the period ending on 31 December 2024 or that they are of such importance for the operations of the Company and the Group that they should be disclosed in the notes to the financial statements.

The President of the Management Board of the Company, Ms. Zrinka Bokulić, submitted her resignation from the position of President of the Management Board of the Company Jadran d.d. to the Supervisory Board of the Company with effect from March 8, 2026.

On February 6, 2026, Jadran d.d. published the Notice on the Final Results of the Subscription of Commercial Papers on the official website of the Zagreb Stock Exchange.

On February 9, 2026, Jadran d.d. published on the official website of the Zagreb Stock Exchange the Invitation to convene the General Assembly of the Company, which was held on March 23, 2026. The Invitation to the General Assembly was published at the request of the shareholders of PBZ Croatia osiguranje d.d. for the management of mandatory pension funds, with its registered office in Zagreb, Radnička cesta 44, OIB: 20455535575, in its own name, and for the account of (i) PBZ Croatia osiguranje mandatory pension fund – category A, OIB: 94002620905 and (ii) PBZ Croatia osiguranje mandatory pension fund – category B, OIB: 99318944138.

The following agenda items were proposed:

- adoption of a Decision repealing the Decision on the increase in share capital and the issue of ordinary shares by public offering with contributions in cash, amending the Articles of Association of the Company and listing new shares on the regulated market as of March 10, 2025;
- adoption of a Decision on initiating the process of recapitalization and finding a potential investor.

On March 23, 2026, a session of the convened General Assembly of the Company was held and the proposed Decisions were adopted.

On February 25, 2026, the Supervisory Board of the Company appointed Mr. Ante Jelčić as a member of the Management Board with a term of office that began on March 9, 2026 and lasts until August 31, 2026.

On 8 April 2026, further to the resolution of the Company's General Assembly dated 23 March 2026 regarding the initiation of the capital increase process and the search for a potential investor, the Company published an announcement on the official website of the Zagreb Stock Exchange regarding the receipt of non-binding offers from potential investors. The Management Board and the Supervisory Board of the Company are currently in the process of reviewing the received offers and selecting potential investors who will be granted the opportunity to conduct a due diligence review of the Company and participate in the subsequent stages of the process.

11. Related party transactions

Related party transactions take place under normal commercial conditions and terms and with the application of market prices, as disclosed in Note 34.

Corporate Governance Report

Jadran d.d. (hereinafter Jadran d.d. or the Company), in accordance with Article 250.b. paragraphs 4 and 5 and Article 272.p of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00 - Decision of the Constitutional Court of the Republic of Croatia, 118/03, 107/07, 146/08, 137/09, 152/11 - consolidated text, 111/12, 68/13, 110/15, 40/19 34/22, 114/22, 18/23, 130/23 and 136/24), hereby issues this Corporate Governance Report.

In 2025, Jadran d.d., whose shares are listed on the ZSE Official Market, applied the Code of Corporate Governance adopted by the Croatian Financial Services Supervisory Agency (HANFA) and the Zagreb Stock Exchange, Inc. Zagreb. This Code has been in force since 1 January 2025, and has been published on the website of the Stock Exchange (www.zse.hr) and on the website of the Croatian Financial Services Supervisory Agency (www.hanfa.hr). The Company's application of the Zagreb Stock Exchange's Code is reflected in an annual questionnaire which is publicly disclosed in accordance with the applicable regulations. The answers in the questionnaire clearly show which provisions of the Code are complied with by the Company and which are not, and the Questionnaire is publicly available on the official website of the Zagreb Stock Exchange (www.zse.hr).

The Company's shares were listed on the official market of the Zagreb Stock Exchange in January 2018, and the shareholding report is an integral part of the Annual Report. As of the date its shares were first quoted on the stock exchange, the Company has not distributed dividend.

The Company's share capital is EUR 64,039,780, divided and contained in 27,971,463 registered common dematerialised shares without nominal value, each entitling its holder to one vote. There are no holders of securities in the Company that entail special control rights or voting limitations to a specific percentage or number of votes. As at 31 December 2025, the Company held 631 treasury shares.

Information about significant shareholders is available on a daily basis on the official website of the Central Depository and Clearing Company (www.skdd.hr).

The corporate bodies of the Company consist of the General Assembly, the Supervisory Board and the Company's Management Board. The members of the corporate bodies of the Company have the duty and obligation to act in accordance with the best interest of the Company in their work.

The Company applied the principle of equal treatment of all shareholders. The shareholders exercised their primary control rights by deciding on matters within their scope of responsibility via the General Assembly. The operation of the General Assembly, its powers, the rights of shareholders and the manner of their realisation are prescribed by the Company's Articles of Association, which are publicly available on the Company's website (www.jadran-crikvenica.hr).

The General Assembly is responsible for deciding on the following matters: election and removal of Supervisory Board members, allocation of profits, granting discharge to Management Board members, appointment of auditors, amendments to the Articles of Association, increasing and decreasing of share capital and any other matters placed under its responsibility under the law. The shareholders exercise their rights via the General Assembly .

During 2025, two sessions of the General Assembly were convened and held. The sessions were convened and held in accordance with the provisions of the Companies Act and the Company's Articles of Association. The General Assembly notice, the motions made to, and resolutions passed by the General Assembly are publicly disclosed in accordance with the Companies Act, the Capital Market Act, the Zagreb Stock Exchange Rules and the Company's Articles of Association. Registrations for the General Assembly are limited inasmuch as each shareholder is required to notify his/her their participation in accordance with the Companies Act.

On March 10, 2025, the General Assembly was held, at which decisions were made on increasing the share capital and issuing ordinary shares through a public offering with cash contributions, amending the Company's Articles of Association and listing new shares on a regulated market, and a decision on granting approval for the acquisition of shares without the obligation to publish a takeover bid.

The second session of the General Assembly was convened and held on August 29, 2025. The decisions on granting discharge to the members of the Management Board and Supervisory Board were adopted, the decision on covering the loss was adopted, the Report on the income of the members of the Management Board and Supervisory Board was approved, an auditor was appointed to examine the financial statements for 2025 and 2026, the provisions of the Company's Articles of Association were amended, and members were recalled.

All decisions from the sessions of the General Assembly were published in accordance with legal regulations on the websites of the Company (www.jadran-crikvenica.hr), the Zagreb Stock Exchange and HANFA.

In accordance with the Corporate Governance Code of the Zagreb Stock Exchange and HANFA in force since 1 January 2025, the Supervisory Board is mainly composed of independent members who do not have business, family or other relations with the Company, the majority shareholder or a group of majority shareholders or members of the Management Board or the Supervisory Board of the Company or the majority shareholder. The Supervisory Board has five members, four of whom are elected and relieved of duty by the General Assembly, and one representative is elected by the employees in accordance with the provisions of the Labour Act. In accordance with the amendment of the Articles of Association adopted at the General Assembly on 31 August 2020, the term of office of the Supervisory Board members was 2 years. In accordance with the amendment of Article 19. para. 4. of the Articles of Association adopted at the General Assembly held on 14 July 2023, the term of office of members of the Supervisory Board is 4 years.

The rules for appointing and removing members of the Management Board and the Supervisory Board are defined by the Articles of Association and the Companies Act.

No restrictions as regards gender, age, education, profession or other similar restrictions apply in any executive, managing or supervisory bodies or at any other level.

Pursuant to the Companies Act and the Company's Articles of Association, the Supervisory Board renders decisions at its meetings. In 2025, the Supervisory Board supervised the management of the Company's affairs in accordance with the Companies Act, the Articles of Association and other internal corporate documents. The Supervisory Board held a total of 15 meetings, which is consistent with good corporate practices.

During 2025, the Supervisory Board was assisted in its work by two Committees, namely the Audit and Remuneration Committee and the Appointment Committee.

In 2025, the Supervisory Board comprised the following members:

- The Supervisory Board from 1 of January until 22 of April:
 - Goran Hanžek, Chairman of the Supervisory Board
 - Karlo Došen, Deputy Chairman of the Supervisory Board
 - Sandra Janković, Member of the Supervisory Board
 - Mirko Herceg, Member of the Supervisory Board
 - Adrian Čajić, Member of the Supervisory Board - employee representative.
- The Supervisory Board from 22 of April until 29 of August:
 - Goran Hanžek, Chairman of the Supervisory Board
 - Karlo Došen, Deputy Chairman of the Supervisory Board
 - Sandra Janković, Member of the Supervisory Board
 - Mirko Herceg, Member of the Supervisory Board
 - Mihael Jovanović, Member of the Supervisory Board - employee representative.
- The Supervisory Board from 29 of August:
 - Vice Tomaš, Chairman of the Supervisory Board
 - Boris Mažurin, Deputy Chairman of the Supervisory Board
 - Amir Hadžijusufović, Member of the Supervisory Board
 - Filip Palinić Čulin, Member of the Supervisory Board
 - Mihael Jovanović, Member of the Supervisory Board - employee representative.

In 2025, the Management Board managed the Company's affairs in accordance with the Companies Act, the Articles of Association and other internal corporate documents, and fully complied with the provisions of the Code.

On January 8, 2025, the member of the Management Board, Ms. Irina Tomić, submitted her resignation from the position of member of the Management Board with effect from February 1, 2025.

In 2025, the **Management Board** comprised the following members:

- from 1 January to 1 February 2025:
 - Vladimir Bunić, President of the Management Board
 - Irina Tomić, Member of the Management Board
 - Miroslav Pelko, Member of the Management Board.
- from 1 February 2025:to 31 August 2025:
 - Vladimir Bunić, President of the Management Board
 - Miroslav Pelko, Member of the Management Board.
- from 1 September 2025 to 31 December 2025:
 - Zrinka Bokulić, President of the Management Board
 - Miroslav Pelko, Member of the Management Board.

At the sessions held on January 7, 2025 and October 29, 2025, the Supervisory Board adopted a Decision on amending the Management Board's Rules of Procedure.

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

In 2020, the Company established the Internal Audit Department, and in June 2020, the Internal Audit Charter was adopted, which defines the operational framework and the main principles used in the Company's internal audits.

The Internal Audit Department is responsible for assessing the level of risk management in business processes, auditing the effectiveness of internal control systems, in order to improve risk management and compliance with procedures, examining and analysing compliance of existing business systems with adopted policies, plans, procedures, laws and rules that may have a significant impact on business reports. It is charged with recommending preventive measures in the areas of financial reporting, compliance, operations and control in order to eliminate risks and possible deficiencies that could lead to the inefficiency of processes or fraudulent procedures. Internal audit informs the Management Board, the Audit and Remuneration Committee and the Supervisory Board about its activities and audit plan.

The Company complies with the provisions of the Code, except for those provisions that cannot be implemented at a given time. Such exceptions are as follows:

- The Company will not provide a proxy holder for shareholders who are unable to vote personally at the General Assembly for any reason. The Company has not received such requests from its shareholders to date but does provide its shareholders with a proxy form to help them authorise a person of their choice as their proxy;
- The Company does not maintain a long-term succession plan within the meaning of the Code but has a general plan for the replacement of key function holders through ongoing training programs;
- The remuneration paid to the Supervisory Board Members was not determined based on their contribution to the Company's performance but equals a fixed amount in line with the decision of the General Assembly. In order to maintain the independence and objectivity of the Supervisory Board members, the remuneration of the members of the Supervisory Board does not depend on the results of the Company and does not contain a variable part of the remuneration. In addition, it is not possible to evaluate each Supervisory Board Member's contribution to the Company's performance, especially since the Supervisory Board Members are not actively involved in the management of Company's business;

- The Audit and Remuneration Committee is not mostly comprised of independent Supervisory Board Members. It was decided to implement an alternative solution offered by Article 65 of the Audit Act, so the Supervisory Board appointed all three Members of the Audit Committee from among Supervisory Board Members. Of these three Audit and Remuneration Committee members, one is an independent Supervisory Board member and his membership in this Committee reflects the relevant proportion of independent members in the Supervisory Board. All three Audit Committee members are financial experts;
- The Supervisory Board did not prepare an evaluation of its activities in the past period, except for the review contained in the 2025 Supervision Report and the results of examining reports relevant to the closing of the fiscal year 2025;
- There were no transactions in which members of the Supervisory Board or persons related to them and the company or persons related to it participated, and therefore they are not listed in the Company's reports. The above also applies to transactions in which members of the Management Board or executive directors and persons related to them and the company or persons related to it participated;
- No transactions were conducted that involved any Supervisory Board Members or their related parties and the Company or its related parties, which is why they were not specified in the Company's reports. This also pertains to transactions involving Management Board members or Executive Directors;
- No contracts or agreements were entered into in 2025 between Supervisory Board Members or Management Board Members and the Company;

In accordance with the provisions of the Corporate Governance Code, the Company adopted the Code of Conduct, the Policy on Reporting Irregularities and the Conflict of Interest Management Policy, which acts are also published on the Company's official website.

The Audit and Remuneration Committee adopted the Policy on Prohibited Audit Services.

As part of its organisational model that encompasses all business operations and processes, the Company maintains developed internal control systems on all relevant levels which, inter alia, provide a true and fair view of the financial statements and business reports

Pursuant to the Capital Market Act, the Zagreb Stock Exchange Rules and other applicable regulations, Jadran d.d. discloses the required inside information and any changes thereto as soon as such changes occur within the required deadlines.

The Audit and Receipts Committee adopted the Policy on Unauthorized Audit Services.

SUPERVISORY BOARD

Crikvenica, April 20, 2026

Pursuant to Article 300.d, subject to the provision of Article 300.c of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22), and Article 34 of the Articles of Association of JADRAN d.d., the Supervisory Board of JADRAN d.d., having its registered office in Crikvenica, Bana Jelačića 16, at its 15th meeting held on April 20, 2026 brings the following

Resolution on the Validation of Annual Financial Statements

I

The 2025 Annual Financial Statements for the Company are hereby approved, including as follows:

- Balance Sheet with assets equal to the liabilities in the amount of EUR 110,501,789.89
- Profit and Loss Statement with an operating loss in the amount of EUR -3,893,956.99
- Cash Flow Statement – Indirect Method- showing a decrease in cash and cash equivalents in the amount of EUR – 308,207.90 in 2025
- Statement of Changes in Capital and Reserves amounting as of December 31, 2025, to a total of EUR 65,531,400.92
- Notes to the Annual Financial Statements
- Management Board's Annual Financial Condition Report

The 2025 Consolidated Annual Financial Statements for the Group are hereby approved.

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

II

In accordance with the provision of Article 300.d of the Companies Act, based on the approval referred to in Section I of this Resolution, the 2025 Annual Financial Statements for Jadran d.d are hereby validated by the Management Board and the Supervisory Board.

Vice Tomaš
Chairman of the Supervisory Board



SUPERVISORY BOARD

Crikvenica, April 20, 2026

Pursuant to Article 300.d, subject to the provision of Article 300.c of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13, 110/15, 40/19, 34/22), and Article 34 of the Articles of Association of JADRAN d.d., the Supervisory Board of JADRAN d.d., having its registered office in Crikvenica, Bana Jelačića 16, at its 15th meeting held on April 20, 2026 brings the following

DRAFT RESOLUTION ON LOSS COVERAGE FOR THE YEAR 2025

I

It is established that in the business year that ended on December 31, 2024, JADRAN d.d. made an operating loss in the amount of **EUR -3,893,956.99** and it is hereby proposed that the said loss is to be covered using the expected future profits.

II

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

Vice Tomaš
Chairman of the Supervisory Board

