

**INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND NINE MONTHS OF 2021**

**ARENA**

HOSPITALITY GROUP

**28 OCTOBER 2021**

A MEMBER OF PPHE HOTEL GROUP

**artotel**

  
**PARK  
PLAZA**

  
**ARENA  
HOTELS &  
APARTMENTS**

  
**ARENA  
CAMPSITES**

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## **INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY – SEPTEMBER 2021**

### **Overview**

We are hereby presenting our results for the nine months of 2021. The report presents the consolidated performance of Arena Hospitality Group d.d ('AHG' or the 'Company') and its subsidiaries (the 'Group') in all countries of operation including Croatia, Germany, Hungary and Serbia, and unconsolidated performance in Croatia.

The trading environment in the third quarter reflects strong signs of recovery from the adverse effects of the COVID-19 pandemic. The ramp up of vaccine roll out, progressive reopening of borders and the easing of travel and other restriction have allowed for increased demand for travel and tourism across Europe. These positive developments lead to a surge in leisure demand across all our operating regions especially in Croatia.

We are particularly pleased with the resilience shown by the Croatian market where we once again welcomed guests from many European markets and reported an aggregate revenue during this key demand period (quarter three) which achieved 93% of the revenue when compared to same period in 2019 (pre-pandemic). Furthermore, the region achieved a strong occupancy in quarter three, which was marginally below the same period in 2019 (pre-pandemic) and growth in average rate.

Other operating region, consisting of Germany, Hungary and Serbia, has shown signs of recovery too, albeit the pace of such recovery varies by market and is slower than experienced in the leisure driven Croatian segment. Unaudited total revenue in quarter three for this region represents 39% of total revenues in the same period in 2019 (pre-pandemic).

The group significantly improved its operating performance and continues to efficiently and cautiously manage its liquidity and investments.

### **Highlights**

- Total consolidated revenue to date HRK 414.9 million represents 81% growth year on year indicating robust recovery.
- Accelerated recovery in Croatia with total revenue to date HRK 380.2 million showing 143% growth year-on-year and reaching 75% of 2019 revenue.
- Strong rebound as group consolidated EBITDA reached HRK 162.5 million when compared to HRK 18.6 million last year and reaching 65% of 2019 EBITDA.
- Consolidated cash position of HRK 493.0 million improving liquidity and supporting growth.
- Entered into a property purchase agreement to acquire the FRANZ Ferdinand Mountain Resort Nassfeld, a 4-star hotel in Nassfeld, Austria, further strengthening its position in the CEE region.
- Commencement of development works on the Group's much awaited iconic luxury hotel in Zagreb city centre.
- The extensive repositioning of the luxury Hotel Grand Brioni Pula is nearing its final stage.

### **CONSOLIDATED RESULTS**

Reported Group revenue increased by 81.4% to HRK 414.9 million (2020: HRK 228.7 million) whilst EBITDA increased significantly to HRK 162.5 million (2020: HRK 18.6 million), driven by the summer season performance of our Croatia operations, which experienced strong booking activity throughout the third quarter (compared to 2020 when new bookings and guest arrivals came to a halt in mid-August due to several source markets reintroducing travel restrictions. Accommodation revenue increased by 89.1% to HRK 352.5 million compared to last year (2020: HRK 186.4 million) as a result of 842.2 bps increased to 35.5% and a growth in average daily rate by 9.1% which amounted to HRK 588.4 (2020: occupancy 27.1% and average daily rate HRK 539.5,

respectively). Together this translated into a RevPAR of HRK 209.0, which is 42.7% higher compared to the previous year (2020: 146.5).

## CROATIA

Since the Group's half year results announcement on 29 July 2021, trading at its Croatian operations during Q3 has exceeded the Management Board's expectations, with the aggregate revenue during this key demand period at approximately 93% of the revenue generated in the same period in 2019.

During the third quarter, the business activity was back at pre-pandemic levels, with all our properties operating at full capacity and serving guests.

Total revenues significantly increased by 143,3% to HRK 380.2 million (2020: HRK 156.3 million). The increase in accommodation revenue by 144.3% is the result of a 104.5% increase in rooms sold. Average daily rate amounted to HRK 586.3 (2020: HRK 490.6) while occupancy increased by 1,248.0 bps to 38.8%.

EBITDA significantly improved to HRK 159.6 million (2020: HRK 23.7 million).

It is important to emphasise that the campsites contributed more to the result as opposed to previous years. Such performance is due to the investments undertaken in our campsites over the last few years coupled with the perception of safety that campsites provide to guests. In September, campsites marked an increase of 25,5% compared to 2019.

During the first nine months, a total of HRK 149.9 million was invested predominantly in the refurbishment of Hotel Brioni Pula (future Grand Hotel Brioni).

Moreover, the Company continued to utilise measures enacted by the Government aimed at helping companies by bearing significant part of the payroll costs, but only till July. For the operating units in Croatia, the subsidised amount was approximately HRK 14.0 million during the period January to September 2021.

## GERMANY, HUNGARY AND SERBIA

Our other operating region, consists of Germany, Hungary and Serbia. Germany has shown signs of recovery too, albeit the pace of such recovery varies by market and is slower than experienced in the leisure driven Croatian segment. The unaudited aggregate revenue for this region for Q3 represents 39% of the aggregate revenue for the same period in 2019. However, with markets reopening and vaccination programmes continuing to advance we expect a continued recovery.

In quarter three we saw a lift in restrictions for leisure travel which resulted in a good demand for weekends. Leisure remained the primary source of demand, while business travel was subdued. The hotels in Nuremberg and Cologne have performed better than our hotels in Berlin due to a stronger domestic leisure demand for these destinations.

Our hotel in Hungary remains closed due to very low demand owing to COVID-19 and we are currently planning refurbishment of hotels all public areas.

For this region total revenues during the period decreased by 51.6% to HRK 33.0 million (2020: HRK 68.2 million). Accommodation revenues recorded a drop of 50.0% to HRK 26.5 million (2020: 53.0 million) driven by a 14.5% reduction in average daily rate to HRK 615.2 (2020: HRK 719.8) and a drop in occupancy of 1,354.3 bps to 17.1% (2020: 30.6%).

EBITDA increased to HRK 2.5 million (2020: HRK 1.5 million) mostly due to government's grants for both payroll costs as well as operating expenses. The Group continues to utilise Government schemes available to ease the burden on its operations.

In addition to the ongoing payroll support ("Kurzarbeit") which will end by December 31st, 2021, the German state has announced extension of other subsidies until December 31st, 2021. The Group has to date received other state subsidies of HRK 17 million relating to October 2020 until November 2020 and still awaiting pay-out of December 2020 related other subsidy of HRK 12.0 million. Furthermore, there is another scheme for the current year starting Jan 2021 through to December 2021. The Group is seeking to take advantage of all the prevailing schemes and expects to see the benefit over the coming months. It is too early to estimate and accrue the exact amount of the benefit that may be granted as a subsidy.

## Development

Four star mountain resort in Nassfeld, Austria



On 28 September, 2021 the Group entered into a property purchase agreement to acquire the FRANZ Ferdinand Mountain Resort Nassfeld, a 4-star hotel in Nassfeld, Austria at a consideration of HRK 112 million.

This latest acquisition is a strategic fit that complements the Group's summer leisure business and builds on the seasonal synergies, which can be achieved due to the hotel's close proximity to Croatia (from which the Group operates its leisure operations). In addition, Austria is one of the Group's largest customer markets for its Croatian operations and this hotel will help further raise the Group's profile in this important market.

Conversion project in Zagreb



In September 2021 the Group commenced development works on its much awaited iconic luxury hotel in Zagreb city centre.

This development is planned to last for 15 months ending December 2022 and will transform this property into 4-star hotel with 115 rooms in the heart of Zagreb.

Brioni

The Group is pleased to update that the development and repositioning of its luxury Hotel Grand Brioni in Pula is progressing well and is nearing its final stage.



## DOING BUSINESS RESPONSIBLY

In Q3, Arena Hospitality Group continued supporting and making initiatives aimed at the well-being of each of the three pillars: people, places & the planet in which it develops, owns, and operates hotels, resorts, and campsites. Having a positive impact and supporting our local communities remained areas of focus as part of our Responsible Business programme in Q3.

Arena Hospitality Group continued recognizing the needs of the Pula General Hospital and the Istrian Health Centre. Accordingly, the Group provided accommodation to the specialists of the Pula General Hospital and the doctors who worked in the Tourist clinic in Pula during the summer season.

Activities related to increasing awareness of children's rights as part of the "For a stronger family" project implemented with UNICEF continued in Q3. As part of the entertainment program, A2 (Arena Activities) team organized activities dedicated to crucial topics including "What are children's rights", "What every child should have?", "What makes a child happy?", "The right to play". Additionally, the A2 team organized auctions of children's works with funds raised to families in need in Istria County as part of the "For a stronger family" project.

Arena Hospitality Group joined the project "Thousand students - a million experiences" launched by the Ministry of Tourism and Sports, and the Croatian Tourism Association, with the support of the Ministry of Science and Education, Ministry of Culture and Media, Ministry of Economy and Sustainable Development and Central State Office of demographics and youth. The project aimed to provide students of Sisak-Moslavina County, which was hit by a devastating earthquake in December last year, holidays on the Adriatic coast. Thus, from 18 to 21 September 2021, the Group welcomed 97 students (including professors and drivers) of the Vocational School Sisak in the Splendid Resort in Pula. The project "A Thousand Students, a Million Experiences" is a continuation of the socially responsible activities of Arena Hospitality Group dedicated to providing support and making a positive contribution to people directly affected by the earthquake. Namely, after the strongest earthquake in December 2020, the Group responded promptly and donated ten mobile homes that arrived at the destination just one day after the quake, providing housing to those who needed it most.

Additionally, in Q3, the Group continued with the traditional support of selected cultural and sports events such as the Pula Film Festival, the international maxi cruiser regatta PULA MAXI ON, the Pula marathon, and numerous concerts of classical and jazz music.

In Q3, throughout the summer season, the Group continued its efforts in waste management and recycling. At the same time, the guests were actively involved in the separation of waste so that they were given the possibility of separation directly in the accommodation unit.

In parallel, the Group received the results of the pilot project "Reduce food waste" held in Park Plaza Histria Pula organized by the Fund for Environmental Protection and Energy Efficiency. Employees of the hotel conducted sampling and measurement of food waste produced over seven days. The obtained data provided valuable experience and insight into the origin and amount of food waste in hotels. Based on this limited information, the Group received guidelines to define the future direction in reducing food waste.

## CURRENT TRADING AND OUTLOOK

Trading since 30 September 2021 is in line with expectations across our two operating regions. In Croatia the operations are winding down as it enters the low season for a period of preventative maintenance in preparation for the forthcoming season. We are expecting a return of sports related winter demand in Croatia.

In Germany last quarter of 2021 is gradually developing with occupancy levels ranging between 45% to 65% depending on holidays, weekend leisure and local events. During midweek we see an increase within the corporate segment from small to mid-sized business for all our hotels, however behind pre-pandemic levels. Weekends are driven by strong leisure demand. Groups and Meetings & Events demand is returning in Cologne and Nuremberg.

Whilst we remain cautious about the ongoing pandemic, we are optimistic about the future growth prospects of travel and tourism and our ability to capture market demand.



RELI SLONIM, PRESIDENT OF THE MANAGEMENT BOARD

## SIGNIFICANT EVENTS DURING THE NINE MONTHS OF 2021

- New **long term working capital financing loan agreement** with Zagrebačka banka d.d. for HRK 150 million, within HBOR's Covid-19 Measures Programme for the portfolio insurance of liquidity loans for exporters. Cooperation of HBOR and Zagrebačka banka within the said Programme provides loans at favorable conditions and the Group's Management Board found it prudent to take advantage of these conditions as the Group recovers from the impact of the COVID-19 pandemic. The loan is due on 30 June 2025 and carries a fixed interest rate of 0.9% p.a. The loan has not been withdrawn until the balance sheet date.
- On 28<sup>th</sup> September the Group entered into a property purchase agreement with "K1" Hotelerrichtungs GmbH (part of MID Holding group) pursuant to which the Group will acquire **the FRANZ Ferdinand Mountain Resort Nassfeld, a 4-star hotel in Nassfeld, Austria** (the "Hotel") at a consideration of HRK 112 million. The completion of the transaction is subject to certain steps and conditions to be fulfilled. The Group expects the conditions in relation to the completion of the transaction to be fulfilled latest by end of quarter one 2022, but the Group will endeavor to complete the transactions prior to the start of winter season 2021/2022.
- During September the Group started with the conversion of an office building to hotel in Zagreb city centre, with expected completion of works expected at the end of 2022.

## EVENTS AFTER THE BALANCE SHEET DATE

There were no significant events after the Balance sheet date.



## OPERATING REVIEW OF THE COMPANY AND ITS SUBSIDIARIES (THE “GROUP”)

The following table sets out the Group’s consolidated results of operations for the nine months of 2021.

### CONSOLIDATED KEY PERFORMANCE INDICATORS

	<b>Nine months ended 30 Sept 2021</b>	Nine months ended 30 Sept 2020	<b>Variance %</b>
Total revenue (HRK million)	<b>414.9</b>	228.7	81.4
Accommodation revenue (HRK million)	<b>352.5</b>	186.4	89.1
EBITDAR (HRK million)	<b>174.6</b>	24.5	612.7
EBITDA (HRK million)	<b>162.5</b>	18.6	773.7
Profit / (loss) before tax (HRK million)	<b>72.9</b>	(135.3)	n/a
Rooms available <sup>1</sup>	<b>1,686,429</b>	1,272,570	32.5
Occupancy % <sup>3</sup>	<b>35.5</b>	27.1	842.2
Average daily rate (HRK) <sup>2</sup>	<b>588.4</b>	539.5	9.1
RevPAR (HRK)	<b>209.0</b>	146.5	42.7

<sup>1</sup> Rooms available and the occupancy calculation are based on operating days.

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

<sup>3</sup> In Basis Points (bps).

Demand for international and domestic travel has regained momentum leading to a strong recovery in the summer season in Croatia.

Total revenues increased by 81.4% to HRK 414.9 million (2020: HRK 228.7 million). Accommodation revenue increased by 89.1% to HRK 352.5 million (2020: HRK 186.4 million) whereby occupancy increased by 842.2 bps to 35.5% and the average daily rate increased by 9.1% to HRK 588.4 (2020: HRK 539.5).

As a result of the above, on a reported basis, EBITDA increased significantly to HRK 162.5 million (2020: HRK 18.6 million).

The Group utilised Governments’ support in its countries of operations to navigate through these challenging times. Moreover, the Group is focussed on preserving its liquidity and sustainability by further optimising its costs. Importantly, the Group is liquid, and has a cash position of HRK 493.0 million, which is providing an additional safety net in the currently uncertain and unpredictable environment. More information on the specific measures by country are detailed below.

## CROATIAN PORTFOLIO PERFORMANCE

The following table sets out the results for the Group's operations in Croatia the nine months of 2021:

### KEY PERFORMANCE INDICATORS

	Nine months ended 30 Sept 2021	Nine months ended 30 Sept 2020	Variance %
Total revenue (HRK million)	<b>380.2</b>	156.3	143.3
Accommodation revenue (HRK million)	<b>325.9</b>	133.4	144.3
EBITDAR (HRK million)	<b>171.5</b>	29.4	483.3
EBITDA (HRK million)	<b>159.6</b>	23.7	573.4
Rooms available <sup>1</sup>	<b>1,433,499</b>	1,031,724	38.9
Occupancy % <sup>2</sup>	<b>38.8</b>	26.3	1,248.0
Average daily rate (HRK) <sup>3</sup>	<b>586.3</b>	490.6	19.5
RevPAR (HRK)	<b>227.4</b>	129.3	75.9
FTE <sup>4</sup>	<b>545.1</b>	419.6	29.9

<sup>1</sup> Rooms available and occupancy are based on operating days.

<sup>2</sup> In Basis Points (bps)

<sup>3</sup> Average daily rate represents total accommodation revenues divided by the total number of paid units occupied by guests.

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

Trading at our Croatian operations has exceeded the Management Board's expectations, with the aggregate revenue during this key demand period at approximately 93% of the revenue generated in the same period in 2019.

Total revenues increased by 143.3% to HRK 380.2 million (2020: HRK 156.3 million). Accommodation revenues increased by 144.3% as a result of an increase in average daily rate of 19.5% to HRK 586.3 (2020: HRK 490.6) since occupancy increased by 1,248.0 bps to 38.8% (2020: 26.3%). This translated into a RevPAR of HRK 227.4, which represents an increase of 75.9% over last year (2020: HRK 129.3).

EBITDA increased significantly by 573.4% to HRK 159.6 million (2020: HRK 23.7 million).

Croatia no longer benefits from government grants, which stopped in July. The subsidised amount was approximately HRK 14.0 million during the period January to September 2021.

As widely reported, many European markets are experiencing labour shortages and Croatia is no exception. However, our team members have demonstrated great flexibility this season and we don't expect a material increase in labour costs in 2021 versus earlier years. Following the end of the summer season, our properties in Croatia have now closed.

## GERMAN, HUNGARIAN AND SERBIAN PORTFOLIO PERFORMANCE

The following table sets out the Group's results of operations in Germany, Hungary and Serbia the nine months of 2021:

### KEY PERFORMANCE INDICATORS

	Reported / in HRK			Reported / in EUR		
	Nine months ended 30 Sept 2021	Nine months ended 30 Sept 2020	Variance %	Nine months ended 30 Sept 2021	Nine months ended 30 Sept 2020	Variance %
Total revenue (millions)	33.0	68.2	(51.6)	4.4	9.1	(51.6)
Accommodation revenue (millions)	26.5	53.0	(50.0)	3.5	7.0	(50.0)
EBITDAR (millions)	2.6	1.7	52.9	0.4	0.2	100.0
EBITDA (millions)	2.5	1.5	66.7	0.3	0.2	50.0
Rooms available <sup>1</sup>	252,930	240,132	5.3	252,930	240,132	5.3
Occupancy % <sup>2</sup>	17.1	30.6	(1.354.3)	17.1	30.6	(1.354.3)
Average daily rate <sup>3</sup>	615.2	719.8	(14.5)	81.7	95.6	(14.5)
RevPAR	104.9	220.1	(52.3)	13.9	29.3	(52.6)
FTE <sup>4</sup>	107.1	119.6	(10.4)	107.1	119.6	(10.4)

<sup>1</sup> Rooms available and occupancy are based on operating days.

<sup>2</sup> In Basis Points (bps)

<sup>3</sup> Average daily rate represents total accommodation revenues divided by the total number of paid units occupied by guests.

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

In quarter three we saw a lift in restrictions for leisure travel which resulted in a good demand for weekends. Leisure remained the primary source of demand, while business travel was subdued. This impacted our operations in Germany and a year-on-year comparison. The hotels in Nuremberg and Cologne have performed better than our hotels in Berlin due to a stronger domestic leisure demand for these destinations.

Total reported revenue decreased by 51.6% to HRK 33.0 million (2020: HRK 68.2 million). Accommodation revenue dropped by 50.0% to HRK 26.5 million (2020: 53.0 million) whereby average daily rate reduced by 14.5% to HRK 615.2 and occupancy decreased by 1,354.3 bps to 17.1% (2020: 30.6%). This resulted in RevPAR deteriorating by 52.3% to HRK 104.9 (2020: HRK 220.1).

Despite of above negative developments, reported EBITDA was positive, amounting to HRK 2.5 million (2020: HRK 1.5 million) mostly due to Governments grants for both payroll costs as well as operating expenses. These Government measures reduced the payroll expense by HRK 6.8 million and operating expenses by HRK 17.0 million during January - September period.

The Group postponed rental payments from March 2020 onwards and is currently negotiating acceptable terms with a view to agreeing waivers and rent deferrals in Germany.

The Group has signed amendment to the lease agreement for art'otel budapest. Based on the amendment, the lessor granted a waiver referring to six monthly rents for the period from August 2020 until January 2021.

## MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

The following table sets out the Group's results of management and central services operations the nine months of 2021:

	<b>Nine months ended 30 Sept 2021</b>	Nine months ended 30 Sept 2020	<b>Variance %</b>
Total revenue before elimination (HRK million)	<b>55.3</b>	45.2	22.3
Elimination of intra group revenue (HRK million)	<b>(52.7)</b>	(40.7)	29.5
Total reported revenue (HRK million)	<b>2.6</b>	4.4	(40.9)
EBITDA (HRK million)	<b>0.4</b>	(6.6)	n/a
FTE <sup>1</sup>	<b>273.6</b>	257.9	6.1

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

Arena Hospitality Management d.o.o., a subsidiary of the Company, entered into management agreements for all the properties owned, partially owned, leased or managed by the Group in Croatia, Germany, Hungary and Serbia. Arena Hospitality Management d.o.o. provides management services to all these properties and generates management fee revenues. Hotel management revenue related to properties within the Group is eliminated upon consolidation as intra-group revenue. Furthermore, all revenue generated within the Group from centralised services in Croatia and Germany is eliminated upon consolidation as intra-group revenue.

In line with the operations in Croatia and abroad, total reported revenue increased by 22.3% to HRK 55.3 million (2020: HRK 45.2 million). External revenues decreased from HRK 4.4 million to HRK 2.6 million. EBITDA improved to HRK 0.4 million (2020: negative HRK 6.6 million).

Received governments grants for payroll costs in this segment were amounted to HRK 9 million in Croatia and amount of HRK 2.9 million in Germany.

## RELATED PARTIES

Parties are considered to be related if one of the parties has the power to exercise control over the other party or if it has significant influence over the other party in making financial and/or operational decisions. The Company is controlled by Dvadeset Osam d.o.o., which owns 52.48% of the Company's shares (52.95% excluding treasury shares) as at 30 September 2021. The Company's ultimate parent is PPHE Hotel Group Limited which indirectly owns 100% of the shares of Dvadeset Osam d.o.o. All other subsidiaries of PPHE Hotel Group Limited are also treated as related parties. For a detailed list of all subsidiaries included in the Group, please refer to page 124 of the Group's 2020 annual report.

a. Balances with related parties

	Group		Company	
	As at 30 Sept 2021 HRK'000	As at 31 December 2020 HRK'000	As at 30 Sept 2021 HRK'000	As at 31 December 2020 HRK'000
<b>Assets:</b>				
Short-term receivables – Park Plaza Hotels Europe B.V.	208	794	208	681
Short-term receivables – from joint ventures	69	572	-	-
Short-term receivables – PPHE Nuernberg Operator Hotelbetriebsgesellschaft mbh	-	-	52	49
Short-term receivables – Arena Hospitality Management d.o.o.	-	-	736	1,426
Short term receivables – Park Plaza (Germany) Services GmbH	-	-	2	-
Short term receivables – Park Plaza Germany Holdings GmbH	-	-	20	-
Short-term receivables – Germany Real Estate B.V.	-	-	8,876	5,679
Short-term receivables – Arena 88 rooms d.o.o.	-	-	1	-
Short-term receivables – SW Szállodaüzemeltető Kft	-	-	1	-
Short-term receivables – Sugarhill Investments B.V.	-	-	765	171
Long-term loans to joint ventures	46,471	42,558	-	-
Long-term loans to Sugarhill Investments B.V.	-	-	50,223	5,276
Long-term loan to Germany Real Estate B.V.	-	-	143,820	144,605
<b>Liabilities:</b>				
Trade payables – Arena Hospitality Management d.o.o.	-	-	10,335	-
Trade payables – PPHE (Germany) B.V.	14,771	13,181	-	-
Trade payables – SW Szállodaüzemeltető Kft	-	-	17	-
Trade payables – Park Plaza Hotels Europe B.V.	10,424	702	10,424	702

b. Transactions with related parties

	Group		Company	
	As at 30 Sept 2021 HRK'000	As at 30 September 2020 HRK'000	As at 30 Sept 2021 HRK'000	As at 30 September 2020 HRK'000
Management fee revenue from joint ventures	261	394	-	-
Reimbursement of employees expenses – Arena Hospitality Management d.o.o.	-	-	4,986	5,044
Service charge revenue- joint ventures	784	1,316	-	-
Management fees expense – Arena Hospitality Management d.o.o.	-	-	13,472	4,183
Sales and marketing fees – Park Plaza Hotels Europe B.V.	15,175	6,239	15,175	6,239
Sales and marketing fees – PPHE (Germany) B.V.	1,260	2,731	-	-
Interest income – Sugarhill Investments B.V.	-	-	592	125
Interest income – Germany Real Estate B.V.	-	-	3,229	3,705
Interest income – joint venture	653	598	-	-

## COMPANY BUSINESS RESULTS (CONSOLIDATED)

### CONSOLIDATED INCOME STATEMENT

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	414.9	228.7	81.4
Total operating expenses	(252.3)	(210.1)	20.1
EBITDA from operations	162.5	18.6	773.7
Depreciation	(77.5)	(80.4)	(3.6)
EBIT from operations	85.1	(61.8)	n/a
Financial revenues	2.4	0.6	300.0
Financial expenses	(17.6)	(38.7)	(54.5)
Other revenues/expense	8.2	(30.6)	n/a
Share in result of joint ventures	(5.3)	(4.8)	10.4
Total income	425.5	229.3	85.6
Total expenditures	(352.7)	(364.6)	(3.3)
Profit/(loss) before tax	72.9	(135.3)	n/a
Income tax	(3.2)	25.6	n/a
Profit/(loss) after tax	69.6	(109.7)	n/a

Total operating income increased by 81.4% to HRK 414.9 million (2020: HRK 228.7 million) as a result of excellent summer season primarily in Croatia region. Total operating expenses increased by 20.1% to HRK 252.3 million (2020: HRK 210.1 million) due to increased business activity related to the operating at full capacity.

As a result of the aforementioned EBITDA profit from operations significantly improved to HRK 162.5 million (2020: HRK 18.6 million). EBIT profit from operations improved to HRK 85.1 million (2020: negative HRK 61.8 million). Depreciation decreased by 3.6% to HRK 77.5 million (2020: HRK 80.4 million).

Financial revenues increased by HRK 1.8 million to HRK 2.4 million as a result of positive foreign exchange differences, while last year this had a negative impact.

Financial expenses decreased to HRK 17.6 million (2020: HRK 38.7 million), mostly as a result of foreign exchange differences revenue, what is in this year shown under financial revenue, and last year we had HRK 15.7 million of expenses. Additionally, a lease waiver received for art'otel budapest has been recognised under Financial expenses which led to a decrease in expenses of HRK 4.5 million.

Other revenues amounted to HRK 8.2 million and relate predominantly to profit on the disposal of a fixed asset.

As a result of the foregoing the consolidated profit before tax significantly improved to HRK 72.9 million (2020: negative HRK 135.3 million).

The Group has not recognised deferred tax asset connected with investment tax incentives or tax losses carried forward compared to last year, which had an additional negative effect on our loss after tax.

Profit after tax improved to HRK 69.6 million (2020: negative HRK 109.7 million).



## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK millions)

	<b>30 September 2021</b>	31 December 2020	Variance %
	<b>(Unaudited)</b>	(Audited)	
Long-term assets	<b>2,733.4</b>	2,591.6	5.5
Short-term assets	<b>532.0</b>	451.2	17.9
<b>Total assets</b>	<b>3,265.4</b>	3,042.8	7.3
<b>Total equity</b>	<b>1,604.9</b>	1,531.5	4.8
Long-term liabilities and provisions	<b>1,404.2</b>	1,330.6	5.5
Short-term liabilities	<b>256.3</b>	180.7	41.8
<b>Total liabilities</b>	<b>1,660.5</b>	1,511.3	9.9
<b>Total equity and liabilities</b>	<b>3,265.4</b>	3,042.8	7.3

Long-term assets increased by HRK 141.8 million to HRK 2,733.4 million (year-end 2020: HRK 2,591.6 million) mostly as a result of investments.

Short-term assets increased by HRK 80.8 million to HRK 532.0 million (year-end 2020: HRK 451.2 million) predominantly driven by the increase in the Group's cash position. The cash position stood at HRK 493.0 million.

Long-term liabilities and provisions increased by HRK 73.6 million to HRK 1,404.2 million (year-end 2020: HRK 1,330.6 million) mostly due to the new loan under Brioni facility.

Short-term liabilities increased by HRK 75.6 million to HRK 256.3 million (year-end 2020: HRK 180.7 million) primarily due to increased trade payables for new capital investments, and other liabilities increased due to increased business activities.

## COMPANY BUSINESS RESULTS (NON-CONSOLIDATED)

### NON-CONSOLIDATED INCOME STATEMENT

	30 September 2021 (Unaudited)	30 September 2020 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	<b>385.7</b>	163.3	136.2
Total operating expenses	<b>(228.1)</b>	(140.3)	62.6
EBITDA	<b>157.6</b>	23.0	585.2
Depreciation	<b>(53.0)</b>	(51.3)	3.3
EBIT	<b>104.6</b>	(28.3)	n/a
Financial revenues	<b>3.9</b>	5.7	(31.6)
Financial expenses	<b>(10.6)</b>	(12.9)	(17.8)
Other revenues/expenses	<b>8.3</b>	(28.0)	n/a
Total income	<b>397.9</b>	169.0	135.4
Total expenditures	<b>(291.7)</b>	(232.5)	25.5
Profit/(loss) before tax	<b>106.2</b>	(63.5)	n/a
Income tax	<b>-</b>	25.8	n/a
Profit/(loss) after tax	<b>106.2</b>	(37.7)	n/a

Total operating income increased by 136.2% to HRK 385.7 million (2020: HRK 163.3 million) as a result of the opening of all of our facilities operating at full capacity and very intense booking activities in summer season. Consequently, total operating expenses increased by 62.6% to HRK 228.1 million (2020: HRK 140.3 million).

The EBITDA profit from operations improved significantly to HRK 157.6 million (2020: HRK 23.0 million) mostly as a result of the growth in operating income. EBIT profit from operations increased to HRK 104.6 million (2020: negative HRK 28.3 million). Depreciation grew slightly by 3.3% to HRK 53.0 million (2020: 51.3 million) due to previously undertaken investments. Financial revenues decreased by 31.6% due to higher positive foreign exchange differences in previous year. Financial expenses decreased by 17.8% to HRK 10.6 million (2020: HRK 12.9 million) as last year expense includes paid penalty interests for Riviera case in the amount of HRK 2.6 million. Other revenues/expenses refer predominantly to profit on disposed fixed asset, and last year Riviera settlement expense were included there.

As a result of the foregoing, the consolidated profit before tax improved to HRK 106.2 million (2020: negative HRK 63.5 million). Profit after tax increased to the same level of HRK 106.2 million (2020: negative HRK 37.7 million).

Following the May-2020 changes per the Tourist and Other Construction Land Act (Land Act), the Company has aligned its concessions rent expense calculation method in accordance with the new mechanism based on a prudent approach, which is higher compared to previous years. The new regulation implementation is long overdue and is expected to result in significantly higher rent expenses for all land concessions as per the Land Act.

## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK million)	30 September 2021 (Unaudited)	31 December 2020 (Audited)	Variance %
Long-term assets	2,496.4	2,294.6	8.8
Short-term assets	460.2	388.0	18.6
<b>Total assets</b>	<b>2,956.6</b>	2,682.6	10.2
<b>Total equity</b>	<b>2,038.2</b>	1,930.8	5.6
Long-term liabilities and provisions	753.8	664.1	13.5
Short-term liabilities	164.6	87.8	87.5
<b>Total liabilities</b>	<b>918.4</b>	751.8	22.2
<b>Total equity and liabilities</b>	<b>2,956.6</b>	2,682.6	10.2

Long-term assets increased by HRK 201.8 million to HRK 2,496.4 million (year-end 2020: HRK 2,294.6 million) as a result of capital investments.

Short-term assets increased by HRK 72.2 million to HRK 460.2 million (year-end 2020: HRK 388.0 million) predominantly driven by the increase in the Group's cash position. The cash position stood at HRK 424.0 million.

Long-term liabilities and provisions increased by HRK 89.7 million to HRK 753.8 million (year-end 2020: HRK 664.1 million) mostly due to the amortisation of existing bank loans.

Short-term liabilities increased by HRK 76.8 million to HRK 164.6 million (year-end 2020: HRK 87.8 million) primarily due to increased trade payables for new capital investments and other liabilities due to increased business activities.

PRINCIPAL RISKS OF THE GROUP AND THE COMPANY  
CORPORATE GOVERNANCE REPORT

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



## **PRINCIPAL RISKS OF THE GROUP AND THE COMPANY**

As set out in the Company's financial statements for the year ended 31 December 2020, there are no changes to the principal risks that currently affect the Group's performance.

The Company faces risks which are common to the tourism and travel industry. These risks include the COVID-19 pandemic, the related containment and social distancing strategies of local and intentional governments to control the pandemic and the ongoing impact of climate change on tourism.

The most significant of these risks at the moment relate to factors that are common to the hotel industry and beyond the Company's control. Notwithstanding the limited control the Company has over these risks, continuous efforts are taken to ensure the Company can utilise resources and assets to act with agility and continue to attract revenue sources under strained market conditions. Additionally, the Company is well positioned to weather these risks in a socially responsible manner through cost rationalisation and prioritising commercial activities which benefit the long term interests of the Company and its stakeholders.

For a detailed discussion of the risks facing the Group, please refer to pages from 26 to 32 of the Company's 2020 annual report.

## **CORPORATE GOVERNANCE REPORT**

### **CORPORATE GOVERNANCE CODE**

The Company applies the Corporate Governance Code of the Zagreb Stock Exchange 2020 (the New Code) as adopted by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange (the ZSE) in October 2019 based on the "comply or explain" principle. The Company abides by this principle and, where relevant, provides reasons for non-compliance. The Company has submitted its annual corporate governance questionnaires for 2020 in which it has provided the details on its application of the New Code. The Company also applies the Rules of the ZSE (the ZSE Rules) in its day-to-day business.

### **GENERAL ASSEMBLY MEETING**

The General Assembly of the Company took place on 31 May 2021. On that General Assembly:

- the Company's Annual Report for 2020 (consolidated and non-consolidated) as well as the report of the Supervisory Board for its work in 2020 were considered;
- the decision on offset of losses realised in 2020 was adopted;
- the decisions on granting discharge to the members of the Supervisory Board and the Management Board for their work in 2020 were adopted;
- the decision on adoption of the Report on remuneration of the Management Board and Supervisory Board members in 2020 was adopted;
- the auditor of the Company for consolidated and non-consolidated reports for 2021 was appointed.

### **SUPERVISORY BOARD MEETINGS**

The members of the Supervisory Board are: Boris Ernest Ivesha (Chairman), Yoav Arie Papouchado (Vice-Chairman), Kevin Michael McAuliffe, Marino Derossi, Amra Pende, Lorena Škuflić and Goran Nikolić.

The Supervisory Board of the Company held three meetings in the first nine months of 2021:

- on 24 February 2021 whereat, inter alia, the Annual Report and the annual financial statements of the Company for the year 2020 (audited, consolidated and non-consolidated) were approved;
- on 28 April 2021 whereat, inter alia, unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2021 were discussed, the Supervisory Board reached decisions related to the Annual General Assembly of the Company and the Report on remuneration of the Management Board and Supervisory Board members in 2020 was adopted;
- on 28 July 2021. whereat, inter alia, unaudited consolidated and non-consolidated quarterly report of the Company for the second quarter of 2021 and the unaudited consolidated and non-consolidated half-year report of the Company for the first six months of 2021 were discussed and the Supervisory Board decided to reappoint the current members of the Management Board of the Company for another two-year mandate, starting with 6 September 2021.

## **SUPERVISORY BOARD COMMITTEES**

In the nine months of 2021 the following Supervisory Board Committees' meetings were held:

- the Nomination and Remuneration Committee held a meeting on 23 February 2021 at which it considered the recommendation for the Company to adopt a decision on the deferred rewards to the Company's employees, on 23 April 2021 at which it considered recommending to the President of the Supervisory Board execution of an annex to the existing employment contract with the Management Board member, Mrs Manuela Kraljević, and on 28 April 2021 at which, inter alia, it recommended to the Supervisory Board the adoption of the Report on remuneration of the Management Board and Supervisory Board members in 2020;
- the Audit Committee held a meeting on 23 February 2021 at which it considered the Financial Statements of the Company for 2020 (audited, consolidated and non-consolidated) and a meeting on 28 April 2021 at which, inter alia, it adopted the recommendation for the appointment of Company's auditor for the year 2021;
- the Nomination and Remuneration Committee held a meeting on 28 July 2021 at which it considered the recommendation for the Supervisory Board to reappoint the current members of the Management Board of the Company for another two-year mandate.

## **MANAGEMENT BOARD MEETINGS**

The Management Board primarily adopts its decisions in meetings and by correspondence in accordance with the applicable laws and the Company's Articles of Association. The Management Board has regular monthly (or, if required, more frequent) meetings to review operational activities in the Group, minutes of these meetings are recorded and kept for any future reference and reviews.

Noteworthy Management Board meetings in the first nine months of 2021 were:

- 24 February 2021 where, inter alia, the interim report for the fourth quarter of 2020 and the Annual Report of the Company for 2020 (consolidated and non-consolidated) were adopted;
- on 28 April 2021 whereat the unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2021 was adopted;

- on 28 July 2021 whereat the unaudited consolidated and non-consolidated quarterly report of the Company for the second quarter of 2021 and the unaudited consolidated and non-consolidated half-year report of the Company for the first six months of 2021 were adopted.

## MAJOR SHAREHOLDERS

The share capital of the Company is HRK 102,574,420.00 HRK and is divided into 5,128,721 ordinary shares under the ticker ARNT-R-A, each without nominal value. As at 30 September 2021, 45,169 shares were held as treasury shares. Shareholders with holdings of 3% or more of the Company's registered capital are listed below:

		Percentage holding of Share Capital including treasury shares	Percentage holding of Share Capital excluding treasury shares
1	DVADESET OSAM D.O.O. (a member of the PPHE Hotel Group)	52.48%	52.95%
2	OTP BANKA D.D./ AZ OMF kategorije B	11.93%	12.04%
3	ADDIKO BANK d.d. / PBZ CO OMF-kategorije B	9.13%	9.22%
4	OTP BANKA D.D./ ERSTE PLAVI OMF kategorije B	7.35%	7.42%

## VALUATION

<i>In HRK</i>	Nine months of 2021		
	High	Low	Last
<b>Share price</b>	<b>366</b>	<b>302</b>	<b>314</b>
Market capitalisation <sup>1</sup>	1,860,580,032	1,535,232,704	1,596,235,328
Net debt <sup>2</sup>	969,786,026	969,786,026	969,786,026
EV <sup>3</sup>	2,830,366,058	2,505,018,730	2,566,021,354
<b>EV/EBITDA<sup>4</sup></b>	<b>22,5X</b>	<b>19,9X</b>	<b>20,4X</b>

*Note: High and Low related to the price in the period for the nine months ending 30 September 2021. Last refers to the share price as at 30 September 2021*

<sup>1</sup> Number of shares outstanding as at 30 September 2021 was 5,128,721 of which 45,169 were held as treasury shares.

<sup>2</sup> Net debt calculated as current and non-current bank borrowings and other current and non-current loans less cash and cash equivalents. Finance lease obligations are included.

<sup>3</sup> EV represents the enterprise value calculated as the sum of market capitalisation and net debt.

<sup>4</sup> EBITDA for the twelve months ended 30 September 2021.



**MANAGEMENT BOARD'S  
RESPONSIBILITY STATEMENT**

**ARENA**

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP

**artotel**

  
P A R K  
P L A Z A

ARENA  HOTELS &  
APARTMENTS

ARENA  CAMPSITES

## MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Article 468. of the Capital Market Act (NN 65/18, 17/20) the Company's Management Board makes the following statement:

To the best of our knowledge:

- The short set of non-consolidated unaudited nine months' financial statements of the Company (the **Financial Statements**) provides a comprehensive and true presentation of assets and liabilities, profit and loss, financial position and operation of the Company; set up in accordance with relevant financial reporting standards;
- The consolidated unaudited nine months' financial statements (the **Consolidated Financial Statements**) provide a comprehensive overview of assets and liabilities, profit and losses of the Group. The consolidated financial data for the period, reported in line with the approach applied are contained in the prescribed forms attached to this report;
- The Financial Statements and Consolidated Financial Statements have not been audited; and
- The Management Board's Interim Report for the period from 1 January to 30 September 2021 contains a true presentation of the business results and financial position and operations of the Company and the companies included in the consolidation, with a description of the most significant risks and uncertainties to which the Company and the companies included in the consolidation are exposed as a whole.

Signed by the Management Board: Reuel Israel Gavriel Slonim (President of the Management Board), Devansh Bakshi (Member of the Management Board & Chief Financial Officer), Manuela Kraljević (Member of the Management Board & Marketing and Sales Director) and Edmond Pinto (Member of the Management Board & Chief Operation Officer).

### MANAGEMENT BOARD:

#### President:



Reuel Israel Gavriel Slonim

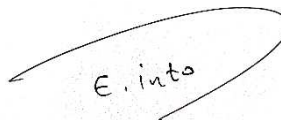
#### Members:



Devansh Bakshi



Manuela Kraljević



Edmond Pinto

# APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

# ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



## **APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)**

Consolidated balance sheet

Consolidated profit and loss statement

Consolidated cash flow statement

Consolidated statement of changes in equity

Notes to the consolidated financial statement

Company balance sheet

Company profit and loss statement

Company cash flow statement

Company statement of changes in equity

Notes to the financial statement for Company

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

01.01.21

to

30.09.21

Year:

2021

Quarter:

3.

## Quarterly financial statements

Registration number (MB):

03203263

Issuer's home Member

State code:

HR

Entity's registration  
number (MBS):

040022901

Personal identification  
number (OIB):

47625429199

LEI:

74780000Z0PH7TFW3I85

Institution  
code:

1665

Name of the issuer: **Arena Hospitality Group d.d.**

Postcode and town:

52100

Pula

Street and house number:

Smareglina ulica 3

E-mail address:

uprava@arenahospitalitygroup.com

Web address:

www.arenahospitalitygroup.com

Number of employees  
(end of the reporting

1079

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Mažurana d.o.o.

Zagreb, Radnička cesta 80

80662589

Ulrika d.o.o.

Pula, Smareglina ulica 3

80662845

Sugarhill Investments B.V.

Nizozemska, Amesterdam, Radarweg 60

320830051

Germany Real Estate B.V.

Nizozemska, Amesterdam, Radarweg 60

67278027

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: **Neven Čale**

(only name and surname of the contact person)

Telephone: **052/223-811**E-mail address: **ncale@arenahospitalitygroup.com**

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

**BALANCE SHEET**  
balance as at 30.09.2021

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	2.591.618.682	2.733.376.455
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	1.407.134	2.162.948
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.407.134	2.162.948
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	2.469.150.056	2.558.566.263
1 Land	011	337.138.033	335.908.202
2 Buildings	012	1.552.239.268	1.513.983.747
3 Plant and equipment	013	150.700.723	132.231.860
4 Tools, working inventory and transportation assets	014	3.767.632	3.206.110
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	13.331.450	18.610.594
7 Tangible assets in preparation	017	131.108.486	278.249.254
8 Other tangible assets	018	280.864.464	276.376.496
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	55.347.563	106.936.632
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	39.828.807	39.131.172
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	15.518.756	67.805.460
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	65.713.929	65.710.612
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	451.157.063	532.046.546
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	2.464.503	3.045.414
1 Raw materials and consumables	039	2.250.798	2.864.905
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	16.468	103.749
5 Advances for inventories	043	197.237	76.760
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	22.855.787	35.795.827
1 Receivables from undertakings within the group	047	794.072	207.673
2 Receivables from companies linked by virtue of participating interests	048	571.816	68.655
3 Customer receivables	049	7.728.944	28.306.936
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	6.140.402	4.314.356
6 Other receivables	052	7.620.553	2.898.207
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	223.960	223.960
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	223.960	223.960
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	425.612.813	492.981.345
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	0	0
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	3.042.775.745	3.265.423.001
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>1.531.450.549</b>	<b>1.604.868.961</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.742.013	1.142.742.013
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	317.154.752	318.372.272
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	312.026.031	313.243.551
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-9.962.664	-7.391.874
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	130.305	130.305
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	-9.826.022	-6.716.766
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-266.947	-805.413
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	206.224.758	-21.057.972
1 Retained profit	084	206.224.758	0
2 Loss brought forward	085	0	21.057.972
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-227.282.730	69.630.102
1 Profit for the business year	087	0	69.630.102
2 Loss for the business year	088	227.282.730	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>46.686.363</b>	<b>46.686.363</b>
1 Provisions for pensions, termination benefits and similar obligations	091	1.328.606	1.328.606
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	45.357.757	45.357.757
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>1.283.896.409</b>	<b>1.357.487.819</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	1.275.984.952	1.352.054.791
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	7.911.457	5.433.028
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>180.742.424</b>	<b>256.379.858</b>
1 Liabilities to undertakings within the group	110	13.883.510	25.194.505
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	113.698.314	110.581.400
7 Liabilities for advance payments	116	9.491.828	9.710.051
8 Liabilities to suppliers	117	25.073.300	58.413.152
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	7.798.182	18.704.886
11 Taxes, contributions and similar liabilities	120	1.246.562	0
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	9.550.728	33.775.864
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>0</b>	<b>0</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>3.042.775.745</b>	<b>3.265.423.001</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>



**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021 to 30.09.2021

in HRK

Submitter: Arena Hospitality Group d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>229.900.200</b>	<b>149.891.704</b>	<b>423.170.263</b>	<b>358.311.764</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	225.860.702	147.810.089	411.381.318	356.527.127
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	4.039.498	2.081.615	11.788.945	1.784.637
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>322.369.082</b>	<b>122.519.116</b>	<b>329.804.727</b>	<b>172.508.363</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	91.389.959	46.449.708	132.518.298	89.462.597
a) Costs of raw materials and consumables	010	43.850.174	22.113.986	61.666.123	40.600.033
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	47.539.785	24.335.722	70.852.175	48.862.564
3 Staff costs (ADP 014 to 016)	013	90.339.942	37.026.110	108.662.788	61.499.175
a) Net salaries and wages	014	56.847.422	22.492.008	74.530.213	44.821.061
b) Tax and contributions from salary costs	015	22.502.069	9.702.442	22.382.401	11.004.110
c) Contributions on salaries	016	10.990.451	4.831.660	11.750.174	5.674.004
4 Depreciation	017	80.445.620	27.447.159	77.480.990	25.783.620
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	60.193.561	11.596.139	11.142.651	-4.237.029
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>598.888</b>	<b>201.470</b>	<b>2.354.280</b>	<b>237.160</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	598.888	201.470	662.860	237.160
8 Exchange rate differences and other financial income	038	0	0	1.691.420	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>38.682.657</b>	<b>9.145.910</b>	<b>17.551.718</b>	<b>9.773.587</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	22.839.683	7.292.207	17.378.891	6.179.617
4 Exchange rate differences and other expenses	045	15.681.024	1.797.563	0	3.535.979
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	161.950	56.140	172.827	57.991
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>4.741.321</b>	<b>1.372.485</b>	<b>5.308.118</b>	<b>1.077.734</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>230.499.088</b>	<b>150.093.174</b>	<b>425.524.543</b>	<b>358.548.924</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>365.793.060</b>	<b>133.037.511</b>	<b>352.664.563</b>	<b>183.359.684</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-135.293.972</b>	<b>17.055.663</b>	<b>72.859.980</b>	<b>175.189.240</b>
1 Pre-tax profit (ADP 053-054)	056	0	17.055.663	72.859.980	175.189.240
2 Pre-tax loss (ADP 054-053)	057	-135.293.972	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>-25.596.262</b>	<b>1.762.639</b>	<b>3.229.878</b>	<b>1.889.121</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-109.697.710</b>	<b>15.293.024</b>	<b>69.630.102</b>	<b>173.300.119</b>
1 Profit for the period (ADP 055-059)	060	0	15.293.024	69.630.102	173.300.119
2 Loss for the period (ADP 059-055)	061	-109.697.710	0	0	0

<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	<b>063</b>	0	0	0	0
2 Pre-tax loss on discontinued operations	<b>064</b>	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	<b>066</b>	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	<b>067</b>	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	<b>069</b>	0	0	0	0
2 Pre-tax loss (ADP 068)	<b>070</b>	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	<b>073</b>	0	0	0	0
2 Loss for the period (ADP 071-068)	<b>074</b>	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>-109.697.710</b>	<b>15.293.024</b>	<b>69.630.102</b>	<b>173.300.119</b>
1 Attributable to owners of the parent	<b>076</b>	-109.697.710	15.293.024	69.630.102	173.300.119
2 Attributable to minority (non-controlling) interest	<b>077</b>	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>-109.697.710</b>	<b>15.293.024</b>	<b>69.630.102</b>	<b>173.300.119</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>1.176.291</b>	<b>123.395</b>	<b>2.570.790</b>	<b>1.058.356</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	<b>081</b>	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	<b>082</b>	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	<b>083</b>	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	<b>084</b>	0	0	0	0
5 Other items that will not be reclassified	<b>085</b>	0	0	0	0
6 Income tax relating to items that will not be reclassified	<b>086</b>	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>1.176.291</b>	<b>123.395</b>	<b>2.570.790</b>	<b>1.058.356</b>
1 Exchange rate differences from translation of foreign operations	<b>088</b>	2.429.768	-114.064	-538.466	387.394
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	<b>089</b>	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	<b>090</b>	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	<b>091</b>	-1.253.477	237.459	3.109.256	670.962
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	<b>092</b>	0	0	0	0
6 Changes in fair value of the time value of option	<b>093</b>	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	<b>094</b>	0	0	0	0
8 Other items that may be reclassified to profit or loss	<b>095</b>	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	<b>096</b>	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	<b>1.176.291</b>	<b>123.395</b>	<b>2.570.790</b>	<b>1.058.356</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>-108.521.419</b>	<b>15.416.419</b>	<b>72.200.892</b>	<b>174.358.475</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>-108.521.419</b>	<b>15.416.419</b>	<b>72.200.892</b>	<b>174.358.475</b>
1 Attributable to owners of the parent	<b>100</b>	-108.521.419	15.416.419	72.200.892	174.358.475
2 Attributable to minority (non-controlling) interest	<b>101</b>	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021. to 30.09.2021.

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-135.293.972	72.859.980
2 Adjustments (ADP 003 to 010):	002	148.738.720	87.037.747
a) Depreciation	003	80.445.620	77.480.990
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	13.128.748	-9.361.342
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-597.390	-653.393
e) Interest expenses	007	22.822.263	17.378.891
f) Provisions	008	2.893.267	0
g) Exchange rate differences (unrealised)	009	24.357.928	-4.333.041
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	5.688.284	6.525.642
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>13.444.748</b>	<b>159.897.727</b>
3 Changes in the working capital (ADP 013 to 016)	012	-20.653.658	56.622.749
a) Increase or decrease in short-term liabilities	013	-12.430.883	65.540.648
b) Increase or decrease in short-term receivables	014	-4.070.978	-11.573.444
c) Increase or decrease in inventories	015	-4.151.797	2.655.545
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-7.208.910</b>	<b>216.520.476</b>
4 Interest paid	018	-24.056.713	-25.179.643
5 Income tax paid	019	-1.032.151	-4.227.044
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-32.297.774</b>	<b>187.113.789</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.165.065	12.329.968
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>1.165.065</b>	<b>12.329.968</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-212.720.090	-154.024.885
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-3.507.564
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	-52.398.082
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-212.720.090</b>	<b>-209.930.531</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-211.555.025</b>	<b>-197.600.563</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	91.929.288	124.485.413
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>91.929.288</b>	<b>124.485.413</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-25.214.258	-42.465.907
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-16.227.027	-5.230.688
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-536.619	0
5 Other cash payments from financing activities	044	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-41.977.904</b>	<b>-47.696.595</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>49.951.384</b>	<b>76.788.818</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-2.379.034	1.066.488
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-196.280.449</b>	<b>67.368.532</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>718.890.634</b>	<b>425.612.813</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>522.610.185</b>	<b>492.981.345</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from **01.01.21** to **30.09.21**

in HRK

Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	102.574.420	1.142.736.633	5.128.721	16.334.757	16.334.757	0	314.360.230	0	127.000	0	0	0	-9.060.816	54.101.721	148.976.037	1.756.464.457	0	1.756.464.457
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	3.380	0	0	0	0	-3.150.380	0	0	0	0	0	0	3.147.000	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	102.574.420	1.142.742.013	5.128.721	16.334.757	16.334.757	0	311.209.850	0	127.000	0	0	0	-9.060.816	57.248.721	148.976.037	1.756.464.457	0	1.756.464.457
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	227.282.730	-227.282.730	0	-227.282.730
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	2.214.562	0	0	2.214.562	0	2.214.562
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	3.285	0	0	0	0	0	0	3.285	0	3.285
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	-765.206	0	0	0	0	-765.206	0	-765.206
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	536.619	536.619	-536.619	0	0	0	0	0	0	0	0	-536.619	0	-536.619
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	1.352.800	0	0	0	0	0	0	0	0	1.352.800	0	1.352.800
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	148.976.037	-148.976.037	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	312.026.031	0	130.305	0	-9.826.022	0	-266.947	206.224.758	-227.282.730	1.531.450.549	0	1.531.450.549
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	3.285	0	-765.206	0	2.214.562	0	0	1.452.641	0	1.452.641
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	3.285	0	-765.206	0	2.214.562	0	-227.282.730	-225.830.089	0	-225.830.089
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	536.619	536.619	0	816.181	0	0	0	0	0	0	148.976.037	-148.976.037	816.181	0	816.181

Current period																			
<b>1 Balance on the first day of the current business year</b>	<b>28</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	312,026,031	0	130,305	0	-9,826,022	0	-266,947	206,224,758	-227,282,730	1,531,450,549	0	1,531,450,549
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 28 to 30)</b>	<b>31</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	312,026,031	0	130,305	0	-9,826,022	0	-266,947	206,224,758	-227,282,730	1,531,450,549	0	1,531,450,549
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	69,630,102	69,630,102	0	69,630,102
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	-538,466	0	0	-538,466	0	-538,466
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	3,109,256	0	0	0	0	3,109,256	0	3,109,256
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	1,217,520	0	0	0	0	0	0	0	0	1,217,520	0	1,217,520
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	-227,282,730	227,282,730	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the current business year reporting period (ADP 31 to 50)</b>	<b>51</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	313,243,551	0	130,305	0	-6,716,766	0	-805,413	-21,057,972	69,630,102	1,604,868,961	0	1,604,868,961
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 41)</b>	<b>52</b>	0	0	0	0	0	0	0	0	0	0	3,109,256	0	-538,466	0	0	2,570,790	0	2,570,790
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)</b>	<b>53</b>	0	0	0	0	0	0	0	0	0	0	3,109,256	0	-538,466	0	69,630,102	72,200,892	0	72,200,892
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	<b>54</b>	0	0	0	0	0	0	1,217,520	0	0	0	0	0	0	-227,282,730	227,282,730	1,217,520	0	1,217,520

NOTES TO FINANCIAL STATEMENTS - TFI  
(drawn up for quarterly reporting periods)

Name of the issuer: Arena Hospitality Group d.d.

Personal identification number (OIB): 47625429199

Reporting period: 01.01.2021 to 30.09.2021

Notes to financial statements for half year period include:

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

- see explanations in the text where business results for the period are commented.

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

- <https://www.arenahospitalitygroup.com/en/investors> and on the Zagreb Stock Exchange's website

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

- In preparation of financial statements for the reporting quarter period, we have applied the same accounting policies as in the last annual report.

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

- see explanations in the text where business results for the period are commented.

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

- N/A

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

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

- see General data.

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

- There were no changes

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

- There were no changes in relation to the published data in the annual report in the Note 13 and 14

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

- see explanations in the text where business results for the period are commented.

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

- There was no significant change in relation to the data published in the annual report for 2020 in the Notes 13 and 14

6. average number of employees during the financial year

- 926.

7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the cost of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

- Total capitalised cost is amounted to HRK 584.923 (net salary of HRK 394,615, taxes and contributions from salaries of HRK 129,146 and contribution on salary of HRK 61,162)

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

- N/A

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

- Data on undertakings in which the company holds a participation capital are published in the annual report for 2020 on page 124. The results of the undertaking's operations are included in the company's consolidated report in accordance with the applicable reporting framework.

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

- N/A

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

- N/A

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability

- N/A

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member

- the largest group of participants is Park Plaza Hotel Europe. In accordance with the legal framework, the company does not publish quarterly reports, but only semi-annual and annual reports, which can be found on the <https://www.pphe.com/investors> website

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13

- same as the answer under 13.

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

- N/A

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking

- N/A

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

- N/A

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

01.01.21

to

30.09.21

Year:

2021

Quarter:

3.

## Quarterly financial statements

Registration number (MB):

03203263

Issuer's home Member

State code:

HR

Entity's registration  
number (MBS):

040022901

Personal identification  
number (OIB):

47625429199

LEI:

74780000Z0PH7TFW3I85

Institution  
code:

1665

Name of the issuer: **Arena Hospitality Group d.d.**

Postcode and town:

52100

Pula

Street and house number:

Smareglina ulica 3

E-mail address:

uprava@arenahospitalitygroup.com

Web address:

www.arenahospitalitygroup.com

Number of employees  
(end of the reporting

904

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Sandra Kalagac

(only name and surname of the contact person)

Telephone:

052/223-811

E-mail address:

skalagac@arenahospitalitygroup.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

**BALANCE SHEET**  
balance as at 30.09.2021

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	2.294.580.668	2.496.423.523
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	1.275.547	1.633.176
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.275.547	1.633.176
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1.526.307.681	1.629.567.705
1 Land	011	235.413.623	234.735.463
2 Buildings	012	1.028.668.452	999.389.357
3 Plant and equipment	013	105.290.273	92.730.610
4 Tools, working inventory and transportation assets	014	3.767.632	3.206.110
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	13.331.450	18.610.594
7 Tangible assets in preparation	017	126.883.312	271.296.777
8 Other tangible assets	018	12.952.939	9.598.794
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	703.854.849	802.080.051
1 Investments in holdings (shares) of undertakings within the group	021	541.563.804	543.323.804
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	149.880.907	194.042.536
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	12.410.138	64.713.711
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	63.142.591	63.142.591
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	388.042.963	460.216.164
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	1.728.164	2.263.837
1 Raw materials and consumables	039	1.514.459	2.083.328
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	16.468	103.749
5 Advances for inventories	043	197.237	76.760
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	15.212.411	33.709.578
1 Receivables from undertakings within the group	047	8.006.178	10.664.517
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	2.719.174	21.082.250
4 Receivables from employees and members of the undertaking	050	27.927	31.222
5 Receivables from government and other institutions	051	3.292.604	439.964
6 Other receivables	052	1.166.528	1.491.625
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	223.960	223.960
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	223.960	223.960
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	370.878.428	424.018.789
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	0	0
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	2.682.623.631	2.956.639.687
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0



<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>1.930.818.282</b>	<b>2.038.228.236</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.742.013	1.142.742.013
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	557.298.673	558.516.191
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	552.169.952	553.387.470
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	130.305	130.305
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	130.305	130.305
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	231.245.206	128.072.871
1 Retained profit	084	231.245.206	128.072.871
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-103.172.335	106.192.436
1 Profit for the business year	087	0	106.192.436
2 Loss for the business year	088	103.172.335	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>46.685.173</b>	<b>46.685.173</b>
1 Provisions for pensions, termination benefits and similar obligations	091	1.327.425	1.327.425
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	45.357.748	45.357.748
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>617.364.839</b>	<b>707.101.906</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	617.364.839	707.101.906
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>87.755.337</b>	<b>164.624.372</b>
1 Liabilities to undertakings within the group	110	702.387	20.780.416
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	54.837.489	51.228.768
7 Liabilities for advance payments	116	4.522.762	4.791.333
8 Liabilities to suppliers	117	13.586.691	42.434.123
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	7.371.640	17.407.512
11 Taxes, contributions and similar liabilities	120	806.320	9.787.004
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	5.928.048	18.195.216
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>0</b>	<b>0</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>2.682.623.631</b>	<b>2.956.639.687</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021 to 30.09.2021

in HRK

Submitter: Arena Hospitality Group d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>163.251.224</b>	<b>130.086.701</b>	<b>394.026.671</b>	<b>334.900.917</b>
1 Income from sales with undertakings within the group	002	5.043.713	1.681.238	4.986.396	1.758.451
2 Income from sales (outside group)	003	156.428.031	127.999.624	379.217.888	332.801.295
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	1.779.480	405.839	9.822.387	341.171
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>219.598.820</b>	<b>94.261.649</b>	<b>281.073.805</b>	<b>168.269.455</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	71.369.229	43.511.629	128.213.662	91.060.494
a) Costs of raw materials and consumables	010	28.662.738	16.396.221	47.624.887	32.382.055
b) Costs of goods sold	011	63.904	57.045	141.143	116.118
c) Other external costs	012	42.642.587	27.058.363	80.447.632	58.562.321
3 Staff costs (ADP 014 to 016)	013	48.741.660	22.199.725	72.081.667	40.267.372
a) Net salaries and wages	014	32.701.888	13.701.498	48.629.454	27.642.298
b) Tax and contributions from salary costs	015	11.587.283	5.994.841	15.915.017	8.469.071
c) Contributions on salaries	016	4.452.489	2.503.386	7.537.196	4.156.003
4 Depreciation	017	51.324.181	17.768.989	52.961.424	17.644.291
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	48.163.750	10.781.306	27.817.052	19.297.298
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>5.759.661</b>	<b>1.488.379</b>	<b>3.908.699</b>	<b>1.427.450</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	3.830.073	1.288.946	3.820.541	1.419.317
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	532	62	0	0
8 Exchange rate differences and other financial income	038	1.929.056	199.371	78.758	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	9.400	8.133
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>12.926.901</b>	<b>3.913.968</b>	<b>10.669.129</b>	<b>3.668.275</b>
1 Interest expenses and similar expenses with undertakings within the group	042	2.694.726	39.888	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	10.230.375	3.873.180	10.669.129	3.485.054
4 Exchange rate differences and other expenses	045	0	0	0	183.221
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	1.800	900	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>169.010.885</b>	<b>131.575.080</b>	<b>397.935.370</b>	<b>336.328.367</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>232.525.721</b>	<b>98.175.617</b>	<b>291.742.934</b>	<b>171.937.730</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-63.514.836</b>	<b>33.399.463</b>	<b>106.192.436</b>	<b>164.390.637</b>
1 Pre-tax profit (ADP 053-054)	056	0	33.399.463	106.192.436	164.390.637
2 Pre-tax loss (ADP 054-053)	057	-63.514.836	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>-25.803.635</b>	<b>1.289.455</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-37.711.201</b>	<b>32.110.008</b>	<b>106.192.436</b>	<b>164.390.637</b>
1 Profit for the period (ADP 055-059)	060	0	32.110.008	106.192.436	164.390.637
2 Loss for the period (ADP 059-055)	061	-37.711.201	0	0	0

<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>078</b>	<b>-37.711.201</b>	<b>32.110.008</b>	<b>106.192.436</b>	<b>164.390.637</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>-37.711.201</b>	<b>32.110.008</b>	<b>106.192.436</b>	<b>164.390.637</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021. to 30.09.2021.

in HRK

Submitter: Arena Hospitality Group d.d.				
Item	ADP code	Same period of the previous year	Current period	
1	2	3	4	
<b>Cash flow from operating activities</b>				
1 Pre-tax profit	001	-63.514.836	106.192.436	
2 Adjustments (ADP 003 to 010):	002	80.967.755	50.421.928	
a) Depreciation	003	51.324.181	52.961.424	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	13.128.748	-9.361.342	
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0	
d) Interest and dividend income	006	-3.830.072	-3.820.541	
e) Interest expenses	007	12.925.100	10.669.131	
f) Provisions	008	2.893.267	0	
g) Exchange rate differences (unrealised)	009	3.579.571	-1.244.264	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	946.960	1.217.520	
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>17.452.919</b>	<b>156.614.364</b>	
3 Changes in the working capital (ADP 013 to 016)	012	-9.958.282	55.582.425	
a) Increase or decrease in short-term liabilities	013	-1.510.405	67.436.711	
b) Increase or decrease in short-term receivables	014	-4.035.764	-14.475.523	
c) Increase or decrease in inventories	015	-4.412.113	2.621.237	
d) Other increase or decrease in working capital	016	0	0	
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>7.494.637</b>	<b>212.196.789</b>	
4 Interest paid	018	-16.454.876	-15.248.049	
5 Income tax paid	019	0	0	
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-8.960.239</b>	<b>196.948.740</b>	
<b>Cash flow from investment activities</b>				
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.165.065	12.329.968	
2 Cash receipts from sales of financial instruments	022	0	0	
3 Interest received	023	0	0	
4 Dividends received	024	0	0	
5 Cash receipts from repayment of loans and deposits	025	0	0	
6 Other cash receipts from investment activities	026	0	0	
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>1.165.065</b>	<b>12.329.968</b>	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-205.842.607	-149.864.685	
2 Cash payments for the acquisition of financial instruments	029	0	0	
3 Cash payments for loans and deposits for the period	030	-5.206.240	-45.221.010	
4 Acquisition of a subsidiary, net of cash acquired	031	0	0	
5 Other cash payments from investment activities	032	-16.330.000	-54.130.983	
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-227.378.847</b>	<b>-249.216.678</b>	
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-226.213.782</b>	<b>-236.886.710</b>	
<b>Cash flow from financing activities</b>				
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0	
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0	
3 Cash receipts from credit principals, loans and other borrowings	037	91.929.288	124.485.413	
4 Other cash receipts from financing activities	038	0	151.655	
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>91.929.288</b>	<b>124.637.068</b>	
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-20.887.034	-31.558.737	
2 Cash payments for dividends	041	0	0	
3 Cash payments for finance lease	042	0	0	
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-536.619	0	
5 Other cash payments from financing activities	044	0	0	
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-21.423.653</b>	<b>-31.558.737</b>	
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>70.505.635</b>	<b>93.078.331</b>	
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0	
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-164.668.386</b>	<b>53.140.361</b>	
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>597.070.653</b>	<b>370.878.428</b>	
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>432.402.267</b>	<b>424.018.789</b>	

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 01.01.21 to 30.09.21

in HRK

Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	102.574.420	1.142.736.633	5.128.721	16.334.757	16.334.757	0	551.357.151	0	127.000	0	0	0	0	106.785.102	124.460.104	2.033.171.151	0	2.033.171.151
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	3.380	0	0	0	0	-3.380	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	102.574.420	1.142.742.013	5.128.721	16.334.757	16.334.757	0	551.353.771	0	127.000	0	0	0	0	106.785.102	124.460.104	2.033.171.151	0	2.033.171.151
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-103.172.335	-103.172.335	0	-103.172.335
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	3.285	0	0	0	0	0	0	3.285	0	3.285
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	536.619	536.619	-536.619	0	0	0	0	0	0	0	0	-536.619	0	-536.619
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	1.352.800	0	0	0	0	0	0	0	0	1.352.800	0	1.352.800
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	124.460.104	-124.460.104	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	552.169.952	0	130.305	0	0	0	0	231.245.206	-103.172.335	1.930.818.282	0	1.930.818.282
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	3.285	0	0	0	0	0	0	3.285	0	3.285
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	3.285	0	0	0	0	0	-103.172.335	-103.169.050	0	-103.169.050
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	536.619	536.619	0	816.181	0	0	0	0	0	0	124.460.104	-124.460.104	816.181	0	816.181

Current period																			
<b>1 Balance on the first day of the current business year</b>	<b>28</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	552,169,952	0	130,305	0	0	0	0	231,245,206	-103,172,335	1,930,818,282	0	1,930,818,282
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 28 to 30)</b>	<b>31</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	552,169,952	0	130,305	0	0	0	0	231,245,206	-103,172,335	1,930,818,282	0	1,930,818,282
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	106,192,436	106,192,436	0	106,192,436
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	1,217,518	0	0	0	0	0	0	0	0	1,217,518	0	1,217,518
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	-103,172,335	103,172,335	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>24 Balance on the last day of the current business year reporting period (ADP 31 to 50)</b>	<b>51</b>	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	553,387,470	0	130,305	0	0	0	0	128,072,871	106,192,436	2,038,228,236	0	2,038,228,236
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 41)</b>	<b>52</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)</b>	<b>53</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	106,192,436	106,192,436	0	106,192,436	
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	<b>54</b>	0	0	0	0	0	0	1,217,518	0	0	0	0	0	0	-103,172,335	103,172,335	1,217,518	0	1,217,518

NOTES TO FINANCIAL STATEMENTS - TFI  
(drawn up for quarterly reporting periods)

Name of the issuer: Arena Hospitality Group d.d.

Personal identification number (OIB): 47625429199

Reporting period: 01.01.2021 till 30.09.2021

Notes to financial statements for half year period include:

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

- see explanations in the text where business results for the period are commented.

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

- <https://www.arenahospitalitygroup.com/en/investors> and on the Zagreb Stock Exchange's website

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

- In preparation of financial statements for the reporting quarter period, we have applied the same accounting policies as in the last annual report.

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

- see explanations in the text where business results for the period are commented.

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

- N/A

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

1. undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration

- see General data.

2. adopted accounting policies (only an indication of whether there has been a change from the previous period)

- There were no changes

3. the total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately

- There were no changes in relation to the published data in the annual report in the Note 13 and 14

4. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence

- see explanations in the text where business results for the period are commented.

5. amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security

- There was no significant change in relation to the data published in the annual report for 2020 in the Notes 13 and 14

6. average number of employees during the financial year

- 798

7. where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries

- Total capitalized cost is amounted to HRK 584,923 (net salary of HRK 394,615, taxes and contributions from salaries of HRK 129,146 and contribution on salary of HRK 61,162)

8. where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year

- N/A

9. the name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking

- Data on undertakings in which the company holds a participation capital are published in the annual report for 2020 on page 124. The results of the undertaking's operations are included in the company's consolidated report in accordance with the applicable reporting framework.

10. the number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital

- N/A

11. the existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer

- N/A

12. the name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability

- N/A

13. the name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member

- the largest group of participants is Park Plaza Hotel Europe. In accordance with the legal framework, the company does not publish quarterly reports, but only semi-annual and annual reports, which can be found on the <https://www.pptie.com/investors> website

14. the name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13

- same as the answer under 13.

15. the place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available

- N/A

16. the nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking

- N/A

17. the nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet

- N/A