

INTERIM FINANCIAL REPORT  
FOR THE THIRD QUARTER AND NINE MONTHS OF 2022

---

# ARENA

HOSPITALITY GROUP

27 OCTOBER 2022

A MEMBER OF PPHE HOTEL GROUP

  
PARK  
PLAZA

art'otel

ARENA  
HOTELS &  
APARTMENTS

ARENA  
CAMPSITES

---

PARTNER BRAND

  
RADISSON  
COLLECTION

## **CONTENTS**

INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY – SEPTEMBER 2022 .....	4
PRINCIPAL RISKS OF THE GROUP AND THE COMPANY.....	23
CORPORATE GOVERNANCE REPORT .....	24
MANAGEMENT BOARD’S RESPONSIBILITY STATEMENT.....	28
APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED).....	30

# ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP

  
PARK  
PLAZA

art'otel

  
ARENA  
HOTELS &  
APARTMENTS

  
ARENA  
CAMPSITES

PARTNER BRAND

  
RADISSON  
COLLECTION

## **INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY – SEPTEMBER 2022**

### **Overview**

We are hereby presenting our results for the nine months of 2022. 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, Serbia and Austria, and unconsolidated performance in Croatia.

### ***Record performance, driven by strong summer season***

We are pleased to report outstanding results for the third quarter ending 30<sup>th</sup> September 2022. We were looking forward to a strong summer season and our inaugural season for the new Grand Hotel Brioni and we subsequently delivered our best results in the history of our Group. This is a testament to our focus and resilience in delivering on our core values. We consistently deliver an exceptional guest experience, update product quality through continued investment in our portfolio, transform market demand to yield more revenue and create long term value for the shareholders.

With the recovery of the travel industry across many European markets continuing to gain traction, the group's year to date performance surpassed 2019 levels with a meaningful acceleration in overall growth in revenue of 7% and EBITDA of 10% when compared to the same period in 2019. Versus last year, the group's year to date revenue at HRK 739.6 million grew 78% and EBITDA at HRK 274.6 million grew 69%.

This growth over 2019 and an exceptional increase over last year now also marks a recovery of the business on the whole, especially in Croatia where the year-to-date revenue exceeded 18% and EBITDA exceeded 22% over 2019.

The first nine months' performance was particularly supported by strong third quarter (July – September) results, where the total revenue exceeded our 2019 third quarter performance by 21% and EBITDA by 22%. It is also worth noting that this was a record high revenue and EBITDA for a quarter in the history of the group. RevPAR improved significantly driven by strong occupancy and an impressive rate gain across all customer segments.

That said the Group experienced an increasingly optimistic and notable performance in period July – September 2022, whereby its RevPAR and total revenue surpassed Q3 2019. This encouraging performance was supported by 32% RevPAR growth in Croatia owing to a strong rate growth across its Hotels, Campsites and Apartment Resorts. On the other hand, the German region continued with its recovery with a 9% RevPAR growth and 4% revenue growth versus period July – September 2019. This marks a positive recovery of the Group's city portfolio business. In September the German hotels achieved an occupancy of 77% and an ADR of EUR 167.3 which is 26.5% above 2019 ADR and were supported by a strong performance of the fairs and events segment.

### ***Foundations for future growth***

Arena's clear strategy over the years has seen us emerge stronger and more resilient after the pandemic. The Group's recent investments in Arena Verudela Beach resort, the Arena Grand Kazela campsite and Arena Stoja campsite (phase one), have allowed for a repositioning of these properties and their new upscale market positioning has resulted in a strong growth in average daily rates. Their combined revenues grew 46% over 2019 thus resulting in a strong return on our investment.

Arena One 99 Glamping continued its upward growth trajectory, with the campsite achieving its best performance ever with a revenue growth of 31% over 2019.

These results further support Arena's vision of continually investing and repositioning its existing portfolio driving organic growth.

# ARENA

HOSPITALITY GROUP

Grand Hotel Brioni, A Radisson Collection Hotel, performed in line with our initial expectations after the hotel's soft launch in May 2022. This being its first partial year of operation, the hotel has been positioned at the high-end scale and has achieved very strong average daily rates in excess of HRK 2.600 per night.

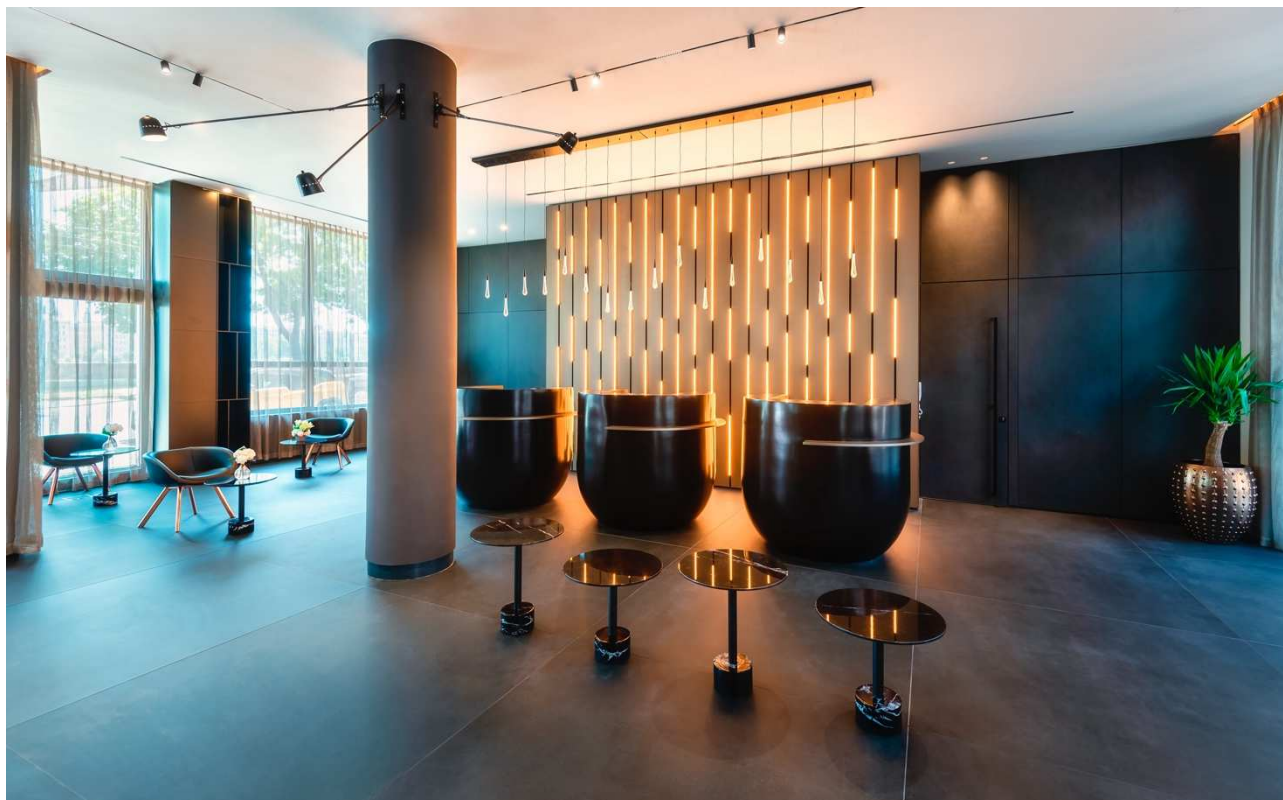
art'otel budapest is performing per expectations since it opened in June 2022 after a successful completion of its phase one repositioning. The hotel's extensive redesign and refurbishment of its guest public areas has been well received by its customers.

The investment in Arena Franz Ferdinand in Nassfeld Austria, is progressing to plan and we aim to complete the works prior to start of the winter season in December 2022. This phase of investment will result in a fully air-conditioned hotel and a newly created wellness facility with an indoor and outdoor swimming pool.

The group remains exposed to the prevailing Europe-wide high inflation, which is adversely impacting cost of acquiring goods and services. The forecasted profitability for the coming months is affected by the increasing operating cost, utilities and payroll. The group is working on numerous initiatives to conserve energy across its operations and also planning to invest in solar energy with a view to offset energy costs.

The Group launched its second Treasury Share Buyback Programme with the intention to purchase up to 100.000 of its shares. This programme was launched on 15 September 2022 and will last until 15 September 2024. The programme marks a continuation of the Management's effort to enhance its shareholders' value and is aimed, among other things, to boost liquidity in the shares.

art'otel budapest



## Highlights

- Total consolidated revenue to date of HRK 739.6 million, representing 78% growth year on year and 7% of 2019 total revenue, indicating a strong summer season in Croatia and continuation of recovery trends in other operating regions, especially Germany.
- Croatian operations performed with total revenue to date of HRK 591.0 million showing 55% growth year on year and surpassing 2019 total revenue for 18%.
- Successful ramp up of campsites in Croatia after renovation, especially Arena Grand Kažela Campsites and Arena One 99 Glamping, delivering strong average rate growth through repositioned product offering.
- Change to the business segment mix with higher proportion of revenue contribution from campsites in Croatia, which generated 38% of total revenue in 9 months of 2022, compared to 34% in same period 2019. Strengthening of hotels contribution in total revenue performance with newly opened Grand Hotel Brioni Pula reaching the highest average rate of HRK 2,842.0 in August.
- German region shows continuation of accelerating recovery trends, with 251% total revenue growth year on year and overpassing for 4% total revenue performed in Q3 2019. In September the German hotels achieved an occupancy of 77% and an ADR of EUR 167.3 which is 26.5% above 2019 ADR.
- Consolidated cash position of HRK 410.0 million improving liquidity and supporting growth.
- Second phase of renovation of our hotel Arena Franz Ferdinand, Nassfeld, Austria, to extend the wellness facilities and create an outdoor swimming pool. Renovation of hotel in Zagreb is in progress, with expected completion of work prior to Q2 2023.

## CONSOLIDATED RESULTS

Reported revenue increased significantly to HRK 739.6 million (nine months of 2021: HRK 414.9 million). Accommodation revenue experienced a strong growth to HRK 620.3 million compared to last year (nine months of 2021: HRK 352.5 million) as a result of both, improved occupancy by 1,038.1 bps, more accommodation sold for 41.6% and higher average daily rates by 24.5% which amounted to HRK 732.7 (nine months of 2021: HRK 588.4).

EBITDA was positive amounting to HRK 274.6 million (2021: HRK 162.5 million), mainly due to outstanding performance in revenues in all our operating regions and RevPAR reaching 60.9% over last year.

## CROATIA

Since the Group's half year results announcement on 28 July 2022, trading at its Croatian operations during Q3 has exceeded the Management Board's expectations, with the aggregate revenue during this key demand period overpassing revenue generated in the same period in 2019 for 24%.

During the third quarter, the business activity was at record levels in results with all our properties operating and serving guests.

Total revenues increased by 55.4% to HRK 591.0 million (2021: HRK 380.2 million). The increase in accommodation revenue by 54.7% is the result of a 29.7% increase in rooms sold. Average daily rate increased by 19.3% and amounted to HRK 699.3 (2021: HRK 586.3) while occupancy increased by 745.6 bps to 46.3%.

EBITDA was positive amounting to HRK 230.9 million (2021: HRK 159.6 million).

Despite the strong increase in revenues, EBITDA was additionally affected, and our profitability lowered mainly due to increased expenses such as utilities and food expenses. The increase in payroll expenses is a result of recruiting a higher number of employees required to deliver service during normalising peak summer season. This also increased other payroll benefits such as recruitment costs, employee meals, accommodation and transportation along with employee training expenses. This is in part the result of an increased share of



international employees. Additionally, during the first nine months, we have recognised some one-off expenses connected with the launch of the new Grand Hotel Brioni.

## GERMANY

Generally, market conditions in Germany have significantly improved in third quarter, resulting in very positive booking trends. In period July – September we have operated four hotels and achieved an occupancy of 67% and an ADR of HRK 1.045 which is 36% above same period 2019. Results in September 2022 are supported by strong fair's in Berlin (IFA, Inotrans) and in Nuremberg (GalaBau). This uplift in occupancy with a sustained high average daily rates is a sign of recovered confidence in travel and tourism in the country.

The profitability is adversely affected by the increasing payroll expenses and higher inflation related cost of acquiring goods and services.

For this region the total revenues during the period increased significantly by 251.1% to HRK 109.2 million (2021: HRK 31.1 million). Accommodation revenues increased by 268.2% to HRK 93.9 million (2021: HRK 25.5 million) driven by a 51.8% increase in average daily rate to HRK 956.4 (2021: HRK 630.1) and an increase in occupancy of 2,962.4 bps to 50.4% (2021: 20.8%).

EBITDA was positive and improved significantly to HRK 43.6 million (2021: HRK 7.1 million) mostly due to the increase in business activity but also due to the government's grants for both payroll costs as well as operating expenses. Total grants recorded for the nine months amounted to HRK 21.7 million.

## CEE REGION (Hungary, Serbia, Austria)

Our CEE operating region, which consists of Hungary, Serbia and Austria, reported an increase in business activities in the nine months primarily as the result of the integration of the Arena Franz Ferdinand hotel in Nassfeld, Austria. This hotel had a solid performance reaching occupancy of 58.3%. The hotel closed on September 18th for a second phase of renovation works and is planned to reopen in the second week of December when the winter season starts.

art'otel budapest reopened on June 15th after an extensive redesign and with all public areas renovated to a upper upscale standard. During period July – September hotel was not operating at its full capacity.

Arena 88 rooms, Belgrade stayed opened throughout the year. During July – September period hotel reached the solid occupancy of 47% and on year-to-date level gained the ADR of HRK 402.

For this region total revenues significantly increased to HRK 33.9 million compared to HRK 1.8 million in last year. Average daily rate amounted to HRK 806.5 while occupancy was 30.0% compared to 4.6% same period last year.

EBITDA was positive, amounting to HRK 0.3 million. The Government's grants in Austria amounted to HRK 0.6 million.

On a like-for-like basis (excluding Arena Franz Ferdinand hotel and art'otel budapest from 2022), revenues increased from HRK 1.5 million to HRK 4.9 million, mostly as a result of the improved performance of our hotel in Belgrade compared to last year with the occupancy of 36.0% compared to 20.6% in 2021.

Like-for-like EBITDA remained negative HRK 0.5 million compared to negative HRK 1.1 in last year.

## Development Pipeline

### Arena Franz Ferdinand, Nassfeld Austria

The Group plans to invest HRK 22 million to extend the wellness facilities, create an outdoor swimming pool and upgrade the bedrooms and public areas. The second phase of renovation started in the second half of September after a solid summer season performance. The planned project completion is December 2022 and

will result in the repositioning of the hotel as an upscale leisure resort, with extended operating opportunities during the winter and summer seasons.

Arena Franz Ferdinand



## Conversion project in Zagreb

Development of this upper upscale lifestyle hotel in Zagreb city centre commenced in autumn 2021. This project involves the conversion of an iconic building in a prime location in the historic heart of the city. Once opened, this 118-room hotel will include a destination restaurant and bar, wellness and spa facilities, fitness centre, event space and parking. The hotel will also feature the first and only roof top swimming pool and bar in Zagreb offering guests striking views of the city.

Whilst the project is progressing without any underlying construction or structural issues, the supply chain related delays and complications are adversely impacting the work schedule. As a result, the project is planned to complete in Q2 2023.

## Arena Stoja Campsite, Pula

Following completion of the phase one renovation in the first half of 2022, the phase two repositioning of the Arena Stoja Campsite (estimated at HRK 20 million), is expected to commence in November. This phase two includes a new arrival and entrance area for the campsite, an extensive renovation of its main restaurant and coffee shop along with major infrastructure upgrades further strengthening the campsite's offering and customer appeal.



## DOING BUSINESS RESPONSIBLY

The Supervisory Board of the Company established the Sustainability Committee with the purpose of further strengthening the Company in creation and implementation of the strategy on sustainable business practice in the future.

The Group continues its commitment to supporting and making a positive contribution to the communities in which it develops, owns, and operates hotels, resorts, and campsites.

### Supporting the community

In Q3, Arena Hospitality Group continued with its tradition of supporting selected cultural and sports events aiming to promote the Group's main market.

Traditionally, in July, the Group supported the 10th edition of ISFMF -International Sound & Film Music Festival, which took place in Pula Amphitheatre. The festival's culmination was the screening of one of the most significant historical films, Ridley Scott's Gladiator, and awarding Mr Scott Millan ISFMF Lifetime Achievement Award. As part of the support to ISFMF, the Group had the pleasure to host the four-time Oscar® winning re-recording mixer, Scott Millan, at the newly opened Grand Hotel Brioni Pula, A Radisson Collection Hotel.

In cooperation with the Tourist Board of Istria, the Group's Grand Hotel Brioni Pula, A Radisson Collection Hotel, was the proud host of the captains, players and management of the Legends Team Cup. The tournament, held for the first time in the world, started in Pula, following the finals in Dubai. Famous names like Ivan Lendl and Pat Cash have ensured that tennis matches were broadcast worldwide and were an excellent promotion of Pula and Istria.

The Group supported "Trka na prstenac" in Barban, a knight's game that is part of Istria's cultural heritage and tradition but also represents an exciting tourist attraction.

In Q3, the Group was a partner of the Pula Marathon and the Visualia light festival, which brought many visitors from the region to Pula in mid-September.

Furthermore, the Group has continued with initiatives to support sports clubs and associations in the domain of culture, including the Pula Swimming Club, the Medulin Athletics Club, Fight Nation Championship, Backstage Live Jazz Festival, PUF (Pula Street Art Festival), among other.

To support the firefighters fighting many fires during the summer, the Group donated the nutrients they needed to perform their daily duties more efficiently.

### Sustainable Operations with Green Key

Arena Hospitality Group strives to promote sustainable development in societies in which we mark our footprint with our environmental, social and governance practices. We understand sustainable development as ensuring a healthy environment for present and future generations. For that reason, the company has decided to join the Green Key initiative. Green Key is awarded to tourist facilities that meet ecological and social sustainability criteria in 13 different areas. The Company aims to obtain the Green Key certificates for all of its properties by the end of 2022, whereby by July 2022 all of its German operations were already awarded with the respective certificates. Austrian, Croatian and Serbian operations will follow.



**Green Key**


## CURRENT TRADING AND OUTLOOK

Trading since 30 September 2022 is in line with expectations across all of our operating regions. The fourth quarter of the year is usually a strong quarter in Germany, Hungary and Serbia whilst the Croatian operations are closing down for a period of preventative maintenance following the peak summer season. The winter season in Austria will start at the beginning of December.

Across the Group, the current impact of the conflict in Ukraine on our business performance is minimal and the share of Russian and Ukrainian customers was approximately 2% of Group's total number of guests.

We will continue to progress our committed investment projects in Croatia and Austria, prepare for investments in our German operations and explore new expansion opportunities in Croatia and Central and Eastern Europe.

We are well positioned to benefit from the continued recovery in our markets and we are encouraged by the demand and activity seen across the portfolio. We remain positive about this renewed momentum in the travel and tourism industry and given our newly refurbished and repositioned products we expect strong growth over the coming years.



RELI SLONIM, PRESIDENT OF THE MANAGEMENT BOARD

## SIGNIFICANT EVENTS DURING NINE MONTHS OF 2022

Treasury Share Buyback Programme with the intention to purchase up to 100.000 of treasury shares has launched. The programme was launched on 15 September 2022 and will last until 15 September 2024. The programme marks a continuation of the Management's effort to enhance its shareholders' value and is aimed, among other things, to boost liquidity of the shares.

## 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 2022.

### CONSOLIDATED KEY PERFORMANCE INDICATORS

	Reported			Like-for-like <sup>1</sup>		
	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %
Total revenue (HRK million)	739.6	414.9	78.3	683.4	414.1	65.0
Accommodation revenue (HRK million)	620.3	352.5	76.0	581.5	352.5	65.0
EBITDAR (HRK million)	287.3	174.6	64.5	288.0	177.8	62.0
EBITDA (HRK million)	274.6	162.5	69.0	275.5	165.7	66.3
Profit/(loss) before tax (HRK million)	134.0	72.9	83.8	183.4	79.6	130.4
Rooms available <sup>2</sup>	1,845,375	1,686,429	9.4	1,743,168	1,638,074	6.4
Occupancy % <sup>2</sup>	45.9	35.5	1,038.1 <sup>4</sup>	47.1	36.6	1,050.0 <sup>4</sup>
Average daily rate (HRK) <sup>3</sup>	732.7	588.4	24.5	707.6	587.8	20.4
RevPAR (HRK)	336.2	209.0	60.9	333.6	215.2	55.0

<sup>1</sup> Like-for-like comparison figures for 2022 exclude performance of Arena Franz Ferdinand, Nassfeld, Austria, Grand Hotel Brioni Pula and art’otel budapest.

<sup>2</sup> Rooms available and the occupancy calculation are based on operating days.

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

<sup>4</sup> In Basis Points (bps).

Total revenues increased by 78.3% to HRK 739.6 million (2021: HRK 414.9 million). Accommodation revenue increased by 76.0% to HRK 620.3 million (2021: HRK 352.5 million) whereby occupancy increased by 1,038.1 bps to 45.9% and the average daily rate increased by 24.5% to HRK 732.7 (2021: HRK 588.4).

EBITDA increased for 69.0% and amounted to HRK 274.6 million (2021: HRK 162.5 million) mainly due to higher business activity and government grants received in Germany.

The Group continued to utilise government support in our German and Austrian operations. Total Government’s support for payroll costs amounted to HRK 1.5 million (2021: HRK 32.6 million) while support for operating expenses amounted to HRK 21.2 million for the period January – September 2022 (2021: HRK 17.0 million).

Moreover, the Group is focussed on preserving its liquidity and sustainability by further optimising its costs. Importantly, the Group’s cash position is liquid, and it has a cash position of HRK 410.0 million, which is providing an additional safety net in the currently uncertain and unpredictable environment.

## CROATIAN PORTFOLIO PERFORMANCE

The following table sets out the results for the Group's operations in Croatia for the nine months of 2022:

### KEY PERFORMANCE INDICATORS

	Reported			Like-for-like <sup>1</sup>		
	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %
Total revenue (HRK million)	591.0	380.2	55.4	563.8	379.7	48.5
Accommodation revenue (HRK million)	504.1	325.9	54.7	484.1	325.9	48.5
EBITDAR (HRK million)	243.0	171.5	41.7	244.5	171.2	42.8
EBITDA (HRK million)	230.9	159.6	44.7	232.6	159.3	46.0
Rooms available <sup>2</sup>	1,558,310	1,433,499	8.7	1,524,495	1,433,499	6.3
Occupancy % <sup>2</sup>	46.3	38.8	745.6 <sup>3</sup>	46.8	38.8	800.0 <sup>3</sup>
Average daily rate (HRK) <sup>4</sup>	699.3	586.3	19.3	678.8	586.3	15.8
RevPAR (HRK)	323.5	227.4	42.3	317.5	227.4	39.6
FTE <sup>5</sup>	797.8	545.1	46.4	680.2	545.1	24.8

<sup>1</sup> Like-for-like comparison figures for 2022 exclude performance of Grand Hotel Brioni Pula.

<sup>2</sup> Rooms available and occupancy are based on operating days.

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

<sup>4</sup> Average daily rate represents total accommodation revenues divided by the total number of paid units occupied by guests.

<sup>5</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.

Total revenue generated for the nine months of 2022 was 55.4% higher than in last year and even 18% above recorded 2019. This increase is driven by increased RevPAR together with an increased number of accommodations sold.

ADR was 19.3% above last year, due to an increased ADR in all accommodation types but a different split in segments also had significant impact on this increase (this year we have a much higher proportion of hotels in total revenues while last year's total revenue was mainly driven by campsite revenues which have much lower ADR compared to other segments).

EBITDA profit increased to 230.9 million (2021: HRK 159.6 million). Increased utility expense, cost of food and payroll increase had a negative impact on our profitability. Furthermore, comparing with last year we have not received any government grants (2021: HRK 14.0 million).

On like-for-like basis, EBITDA profit was HRK 232.6 million, which is a slight increase with Grand Hotel Brioni launching later in the year than initially expected. The Group has gradually developed occupancy while successfully focusing on its rate-led strategy. As a result of this opening period, the hotel's fixed cost base including committed payroll is having an adverse impact on the bottom line.

## GERMAN PORTFOLIO PERFORMANCE

The following table sets out the Group's results of operations in Germany for the nine months of 2022:

### KEY PERFORMANCE INDICATORS

	Reported / in HRK			Reported / in EUR		
	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %
Total revenue (millions)	109.2	31.1	251.1	14.5	4.1	253.7
Accommodation revenue (millions)	93.9	25.5	268.2	12.5	3.4	267.6
EBITDAR (millions)	43.6	7.2	509.2	5.8	1.0	510.0
EBITDA (millions)	43.6	7.1	513.9	5.8	0.9	514.7
Rooms available <sup>1</sup>	194,922	194,922	0.0	194,922	194,922	0.0
Occupancy % <sup>1</sup>	50.4	20.8	2,962.4 <sup>2</sup>	50.4	20.8	2,962.4 <sup>2</sup>
Average daily rate <sup>3</sup>	956.4	630.1	51.8	126.9	83.7	51.6
RevPAR	481.9	130.8	268.3	64.0	17.4	267.8
FTE <sup>4</sup>	92.4	73.3	26.0	92.4	73.3	26.0

<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.

We have operated all our hotels and we achieved occupancy levels in our hotels of 50.4%.

Total reported revenue significantly increased by 251.1% to HRK 109.2 million (2021: HRK 31.1 million). Accommodation revenue increased by 268.2% to HRK 93.9 million (2021: HRK 25.5 million) whereby average daily rate increased by 51.8% to HRK 956.4 and occupancy increased by 2,962.4 bps to 50.4% (2021: 20.8%). This resulted in RevPAR significantly increased by 268.3% to HRK 481.9 (2021: HRK 130.8).

Reported EBITDA experienced a significant increase and amounting to HRK 43.6 million (2021: HRK 7.1 million).

The Government measures reduced the payroll expenses by HRK 0.5 million and operating expenses by HRK 21.2 million during January - September period.

Looking ahead, our profitability for the coming months is expected to be affected by the increasing operating cost, utilities and payroll caused by the high inflation and collective labour agreements. The German Government has announced a cap for gas and electricity cost to support small and midsized businesses, but full details of such support measurement have not been made available as yet.

## OTHER CEE PORTFOLIO PERFORMANCE

The following table sets out the Group's results of operations in Hungary, Serbia and Austria for the nine months of 2022:

### KEY PERFORMANCE INDICATORS

	Reported			Like-for-like <sup>1</sup>		
	Nine months ended	Nine months ended	Variance %	Nine months ended	Nine months ended	Variance %
	30 Sept 2022	30 Sept 2021		30 Sept 2022	30 Sept 2021	
Total revenue (millions)	33.9	1.8	1,783.3	4.9	1.5	226.7
Accommodation revenue (millions)	22.3	1.0	2,130.0	3.4	1.0	240.0
EBITDAR (millions)	0.5	(4.5)	n/a	(0.3)	(1.0)	(70.0)
EBITDA (millions)	0.3	(4.6)	n/a	(0.5)	(1.1)	(54.5)
Rooms available <sup>2</sup>	92,143	58,008	58.8	23,751	12,963	83.2
Occupancy % <sup>2</sup>	30.0	4.6	2,540.9 <sup>3</sup>	36.0	20.6	1,540.0 <sup>3</sup>
Average daily rate <sup>4</sup>	806.5	390.1	106.7	402.4	378.0	6.4
RevPAR	242.1	18.0	1,247.7	143.2	77.1	85.6
FTE <sup>5</sup>	88.5	33.8	161.7	33.3	18.1	84.0

<sup>1</sup> Like-for-like comparison figures for 2022 exclude performance of Arena Franz Ferdinand, Nassfeld, Austria and art'otel budapest, Hungary.

<sup>2</sup> Rooms available and occupancy are based on operating days.

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

<sup>4</sup> Average daily rate represents total accommodation revenues divided by the total number of paid units occupied by guests.

<sup>5</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.

This operating region consisting of operations in Hungary, Serbia and Austria.

The newly acquired winter resort in Nassfeld, Austria closed on September 18th for a second phase of renovation and upgrade of the hotel where, among others, anew swimming pool will be installed. The reopening of the hotel is planned for the second week of December when the winter season starts.

Our hotel in Budapest, reopened in June for the first time after the pandemic and the completion of a refurbishment of the public areas, and is still not operating at full capacity.

Reported EBITDA was positive, amounting to HRK 0.3 million (2021: negative HRK 4.6 million).



## MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

The following table sets out the Group's results of management and central services operations for the nine months of 2022:

	Nine months ended 30 Sept 2022	Nine months ended 30 Sept 2021	Variance %
Total revenue before elimination (HRK million)	88.6	55.3	60.2
Elimination of intra group revenue (HRK million)	(81.6)	(52.7)	54.8
Total reported revenue (HRK million)	7.0	2.6	169.2
EBITDA (HRK million)	(0.2)	0.4	n/a
FTE <sup>1</sup>	285.1	273.6	4.2

<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, Serbia and Austria. 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 60.2% to HRK 88.6 million (2021: HRK 55.3 million). External revenues increased from HRK 2.6 million to HRK 7.0 million. EBITDA was negative and amounted to HRK 0.2 million (2021: positive HRK 0.4 million).

## 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 (53.15% excluding treasury shares) as at 30 September 2022. 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 138 of the Group's 2021 annual report.

### a. Balances with related parties

	Group		Company	
	As at 30 Sept 2022 HRK'000	As at 31 December 2021 HRK'000	As at 30 Sept 2022 HRK'000	As at 31 December 2021 HRK'000
<b>Assets:</b>				
Short-term receivables – Park Plaza Hotels Europe B.V.	33	-	33	-
Short-term receivables – from joint ventures	565	68	-	-
Short-term receivables – PPHE (Germany) B.V.	13	-	-	-
Short-term receivables – PPHE Nuernberg Operator	-	-	14	63
Short-term receivables – Parkvondel Hotel Operator B.V.	14	-	-	-
Short-term receivables – Arena Hospitality Management d.o.o.	-	-	740	736
Short term receivables – Park Plaza (Germany) Services GmbH	-	-	2	2
Short term receivables – Park Plaza Germany Holdings GmbH	-	-	5	-
Short-term receivables – Germany Real Estate B.V.	-	-	3,409	9,993
Short-term receivables – Arena 88 rooms d.o.o.	-	-	227	208
Short-term receivables – Arena Franz Ferdinand GmbH	-	-	26	1,379
Short-term receivables – SW Szállodaüzemeltető Kft	-	-	483	-
Short-term receivables – Sugarhill Investments B.V.	-	-	3,972	1,376
Short-term receivables – Ulika d.o.o.	-	-	534	47
Short-term receivables – Mažurana d.o.o.	-	-	231	-
Long-term loans to joint ventures	52,177	46,832	-	-
Long-term loans to Sugarhill Investments B.V.	-	-	148,692	99,226
Long-term loans to Ulika d.o.o.	-	-	38,300	5,800
Long-term loans to Mažurana d.o.o.	-	-	120	-
Long-term loan to Germany Real Estate B.V.	-	-	135,087	144,227
<b>Liabilities:</b>				
Trade payables – Arena Hospitality Management d.o.o.	-	-	10,722	4,655
Trade payables – PPHE (Germany) B.V.	6,053	16,115	-	-
Trade payables – PPHE Nuernberg Operator	-	-	184	-
Trade payables – Arena Franz Ferdinand GmbH	-	-	5	-
Trade payables – SW Szállodaüzemeltető Kft	-	-	-	-
Trade payables – Park Plaza Hotels Europe B.V.	8,700	2,432	8,700	2,432

b. Transactions with related parties

	Group		Company	
	As at 30 Sept 2022 HRK'000	As at 30 Sept 2021 HRK'000	As at 30 Sept 2022 HRK'000	As at 30 Sept 2021 HRK'000
Management fee revenue from joint ventures	2,086	261	-	-
Reimbursement of employees expenses – Arena Hospitality Management d.o.o.	-	-	5,275	4,986
Service charge revenue- joint ventures	1,810	784	-	-
Management fees expense – Arena Hospitality Management d.o.o.	-	-	20,019	13,472
Sales and marketing fees – Park Plaza Hotels Europe B.V.	23,617	15,175	23,617	15,175
Sales and marketing fees – PPHE (Germany) B.V.	4,648	1,260	-	-
Interest income – Sugarhill Investments B.V.	-	-	2,596	592
Interest income – Ulika d.o.o.	-	-	497	-
Interest income – Mažurana d.o.o.	-	-	1	-
Interest income – Germany Real Estate B.V.	-	-	2,732	3,229
Interest income – joint venture	794	653	-	-

## COMPANY BUSINESS RESULTS (CONSOLIDATED)

### CONSOLIDATED INCOME STATEMENT

	30 Sept 2022 (Unaudited)	30 Sept 2021 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	739.6	414.9	78.3
Total operating expenses	(465.0)	(252.3)	84.3
EBITDA from operations	274.6	162.6	68.9
Depreciation	(84.2)	(77.5)	8.6
EBIT from operations	190.4	85.1	123.7
Financial revenues	1.0	2.4	(58.3)
Financial expenses	(46.6)	(17.6)	164.8
Other expense	(12.3)	(4.2)	193.8
Other revenue	0.1	12.4	(99.3)
Share in result of joint ventures	1.4	(5.3)	(126.4)
Total income	742.1	425.5	74.4
Total expenditures	(608.1)	(352.7)	72.4
Profit before tax	134.0	72.9	84.0
Income tax	(1.3)	(3.2)	(59.4)
Profit after tax	132.7	69.6	90.6

Total operating income increased by 78.3% to HRK 739.6 million (2021: HRK 414.9 million) as a result of outstanding business activity across our regions and recovery of the tourism industry from the pandemic. Total operating expenses increased by 84.3% to HRK 465.0 million (2021: HRK 252.3 million) due to increased business activity.

As a result of the aforementioned, EBITDA profit from operations amounted to HRK 274.6 million (2021: HRK 162.6 million). EBIT profit from operations amounted to HRK 190.4 million (2021: HRK 85.1 million). Depreciation increased by 8.6% to HRK 84.2 million (2021: HRK 77.5 million), as a result of investments in this and the previous year.

Financial revenues amounted to HRK 1.0 million (2021: HRK 2.4 million) while financial expenses increased to HRK 46.6 million (2021: HRK 17.6 million), mostly as a result of foreign exchange differences expense while in previous year foreign exchange differences had positive impact.

Other expense amounted to HRK 12.3 million and relates predominantly to preopening expenses of hotels that were under refurbishment works (art'otel Budapest and Grand Hotel Brioni).

As a result of the foregoing the consolidated Profit before tax increased to HRK 134.0 million (2021: HRK 72.9 million).

Profit after tax amounted to HRK 132.7 million (2021: HRK 69.6 million).

## CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK millions)

	<b>30 Sept 2022</b>	31 December 2021	Variance %
	<b>(Unaudited)</b>	(Audited)	
Long-term assets	<b>3,004.0</b>	2,896.3	3.7
Short-term assets	<b>492.3</b>	440.0	11.9
<b>Total assets</b>	<b>3,496.3</b>	3,336.3	4.8
<b>Total equity</b>	<b>1,717.3</b>	1,569.0	9.5
Long-term liabilities and provisions	<b>1,465.9</b>	1,484.2	(1.2)
Short-term liabilities	<b>313.1</b>	283.1	10.6
<b>Total liabilities</b>	<b>1,779.0</b>	1,767.3	0.7
<b>Total equity and liabilities</b>	<b>3,496.3</b>	3,336.3	4.8

Long-term assets increased by HRK 107.7 million to HRK 3,004.0 million (year-end 2021: HRK 2,896.3 million) mostly as a result of investments.

Short-term assets increased by HRK 52.3 million to HRK 492.3 million (year-end 2021: HRK 440.0 million) predominantly driven by the increase in the Group's cash position. The cash position stood at HRK 410.0 million.

Long-term liabilities and provisions decreased by HRK 18.3 million to HRK 1,465.9 million (year-end 2021: HRK 1,484.2 million) mostly due to repayment of bank loans and decrease in financial lease obligation.

In February the Group signed an amendment to the lease agreement for the new hotel in Zagreb. Based on the amendment, due to the circumstances caused by the COVID-19 pandemic and the earthquake that hit the Zagreb area and their impact on the reconstruction, there was waiver received, exempting from paying the part of the Annual Fee for the year of 2023, and paying only the amount of EUR 43,000 in the name of the Annual Fee for 2023. Original Annual fee was EUR 430,000. Since reduction in lease payments affects only payments due after June 2022, the practical expedient from IFRS 16 could not be applied, and waived amount reduced amount of Right of use assets.

Short-term liabilities increased by HRK 30.0 million to HRK 313.1 million (year-end 2021: HRK 283.1 million) mostly due to increased trade payables.

## COMPANY BUSINESS RESULTS (NON-CONSOLIDATED)

### NON-CONSOLIDATED INCOME STATEMENT

	30 Sept 2022 (Unaudited)	30 Sept 2021 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	598.0	385.7	55.0
Total operating expenses	(380.1)	(228.1)	66.6
EBITDA	217.9	157.6	38.3
Depreciation	(56.7)	(53.0)	7.0
EBIT	161.2	104.6	54.1
Financial revenues	6.0	3.9	53.8
Financial expenses	(11.6)	(10.6)	9.4
Other expense	(7.2)	(4.0)	77.9
Other revenue	0.0	12.3	n/a
Total income	604.0	397.9	51.8
Total expenditures	(455.6)	(291.7)	56.2
Profit before tax	148.4	106.2	39.8
Income tax	0.0	0.0	n/a
Profit after tax	148.4	106.2	39.8

Total operating income increased by 55.0% to HRK 598.0 million (2021: HRK 385.7 million) as a result of increasing business activities and a strong summer season performance in Croatia with all properties operating at full capacity (except Grand Hotel Brioni which launched in May, gradually building occupancy while focusing on our rate led strategy). Consequently, total operating expenses increased by 66.6% to HRK 380.1 million (2021: HRK 228.1 million).

The EBITDA profit from operations amounted to HRK 217.9 million (2021: profit HRK 157.6 million). EBIT profit from operations increased to HRK 161.2 million (2021: HRK 104.6 million). Depreciation increased to HRK 56.7 million (2021: 53.0 million). Financial revenues increased by 53.8% to HRK 6.0 million due to interest income on loans to related parties. Financial expenses increased by 9.4% to HRK 11.6 million (2021: HRK 10.6 million) mostly as a result of more interest expense on bank loans.

As a result of the foregoing, the profit before tax increased to HRK 148.4 million (2021: HRK 106.2 million). Profit after tax increased to the same level of HRK 148.4 million (2021: HRK 106.2 million).



## NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK million)	<b>30 Sept 2022</b> (Unaudited)	31 December 2021 (Audited)	Variance %
Long-term assets	2,735.7	2,594.7	5.4
Short-term assets	369.0	312.6	18.0
<b>Total assets</b>	<b>3,104.7</b>	2,907.3	6.8
<b>Total equity</b>	<b>2,122.9</b>	1,978.0	7.3
Long-term liabilities and provisions	756.0	766.0	(1.3)
Short-term liabilities	225.8	163.3	38.3
<b>Total liabilities</b>	<b>981.8</b>	929.3	5.6
<b>Total equity and liabilities</b>	<b>3,104.7</b>	2,907.3	6.8

Long-term assets increased by HRK 141.0 million to HRK 2,735.7 million (year-end 2021: HRK 2,594.7 million) mostly as a result of capital investments and given loans to related parties.

Short-term assets increased by HRK 56.4 million to HRK 369.0 million (year-end 2021: HRK 312.6 million) predominantly driven by the increase in the cash position. The cash position stood at HRK 317.0 million.

Long-term liabilities and provisions decreased by HRK 10.0 million to HRK 756.0 million (year-end 2021: HRK 766.0 million) mostly due to repayment of bank loans.

Short-term liabilities increased by HRK 62.5 million to HRK 225.8 million (year-end 2021: HRK 163.3 million) primarily due to increased trade payables and bank loans.

PRINCIPAL RISKS OF THE GROUP AND THE COMPANY  
CORPORATE GOVERNANCE REPORT

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



PARTNER BRAND



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

Our principal risks and uncertainties are set out in the Company's financial statements for the year ended 31 December 2021. We continually assess and monitor our changing risk management environment.

We are aware of the emerging threats associated with unusually high inflation, fluctuations in currency rates and the conflict in Ukraine.

High inflation is impacting the current cost of procuring goods and services, which is difficult to mitigate. The recent event in Eastern Europe is also increasing the price of fuel and energy. All of these are putting pressure on financial performance. These changes are being viewed in short to medium term, however difficult to assess the lasting effects of these economic developments. These cost increases are being recouped and reflected in customer pricing for the foreseeable future.

The group continues to procure and spend in the currency of its income as much as possible therefore the impact of currency fluctuations is minimised to a great deal.

Whilst the supply chain disruption continues, we are not experiencing any major issues that impact our ability to serve our customers effectively and we are able to deliver quality service as usual.

The two financing loans taken in 2022 were at a very competitive fixed interest rates in line with our expectations therefore we have not experienced adverse interest rates situation as majority of our interest rates are fixed rates.

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 24 to 30 of the Company's 2021 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 published its annual corporate governance questionnaires for 2021 in which it provided the details on its application of the New Code within the deadlines specified in the relevant regulations. 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<sup>st</sup> May 2022. On that General Assembly:

- the Company’s Annual Report for 2021 (consolidated and non-consolidated) as well as the report of the Supervisory Board for its work in 2021 were considered;
- the decision on distribution of profits realised in 2021 was adopted;
- the decisions on granting discharge to the members of the Supervisory Board and the Management Board for their work in 2021 were adopted;
- the decision on adoption of the Report on remuneration of the Management Board and Supervisory Board members in 2021 was adopted;
- the auditor of the Company for consolidated and non-consolidated reports for 2022 was appointed
- the decision on election of Supervisory Board members was adopted;
- the decision on granting the approval to Management Board for acquisition of treasury shares was adopted.

### **SUPERVISORY BOARD MEETINGS**

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

The Supervisory Board of the Company held five meetings in the first nine months of 2022:

- on 25 February 2022 whereat, inter alia, the Annual Report and the annual financial statements of the Company for the year 2021 (consolidated and non-consolidated) were approved and the Sustainability Committee was established, with the purpose of further strengthening the Company in creation and implementation of the strategy on sustainable business practice in the future;
- on 27 April 2022 whereat, inter alia, unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2022 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 2021 was adopted;
- On 31 May 2022 whereat, following the decision on the appointment of the of Supervisory Board members by the General Assembly, the new Supervisory Board of the Company was constituted, and the members of the Audit Committee, Nomination Committee, Remuneration Committee and Sustainability Committee were appointed;

- On 27th July 2022, whereat, *inter alia*, unaudited consolidated and non-consolidated quarterly report of the Company for the second quarter of 2022 and the unaudited consolidated and non-consolidated half year report of the Company for the first six months of 2022 were discussed.
- On 14th September 2022, whereat the Company's Treasury Shares Buy-Back Programme was approved.

## SUPERVISORY BOARD COMMITTEES

In the first nine months of 2022 the following Supervisory Board Committees' meetings were held:

- the Remuneration Committee held a meeting on 27 April 2022 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 2021, and on 27<sup>th</sup> July 2022 at which, *inter alia*, the variable part of remuneration of the Management Board members of the Company was discussed;
- the Audit Committee held a meeting on 25 February 2022 at which it considered the Financial Statements of the Company for 2021 (consolidated and non-consolidated), a meeting on 27 April 2022 at which, *inter alia*, it adopted the recommendation for the appointment of Company's auditor for the year 2022 and a meeting on 27 July 2022 at which, *inter alia*, it discussed the topics of its future work agenda and rules of procedure;
- the Nomination Committee held a meeting on 27 April 2022 at which, *inter alia*, it adopted the recommendation for the Supervisory Board to propose to the General Assembly to adopt the decision on election of the Supervisory Board members;
- the Sustainability Committee held a meeting on 27 July 2022 at which, *inter alia*, it recommended to the Supervisory Board of the Company to adopt the Decision on Terms of Reference of the Sustainability Committee.

## 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 (and more often, if needed) meetings to review operational activities in the Group.

The most important Management Board meeting in the first nine months of 2022 were:

- on 25 February 2022 whereat, *inter alia*, the interim report for the fourth quarter of 2021 and the Annual Report of the Company for 2021 (consolidated and non-consolidated) were adopted;
- on 27 April 2022 whereat, *inter alia*, the unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2022 was adopted;
- on 27 July 2022, whereat, *inter alia*, unaudited consolidated and non-consolidated quarterly report of the Company for the second quarter of 2022 and the unaudited consolidated and non-consolidated half year report of the Company for the first six months of 2022 were adopted;
- on 14 September 2022, whereat, *inter alia*, the Treasury Shares Buy-Back Programme was 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 of 30 September 2022, 64,084 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%	53.15%
2	OTP BANKA D.D./ AZ OMF kategorije B	11.93%	12.08%
3	ERSTE & STEIERMARKISCHE BANK D.D./ PBZ CO OMF - KATEGORIJA B	8.61%	8.72%
4	OTP BANKA D.D./ ERSTE PLAVI OMF kategorije B	7.35%	7.45%

## VALUATION

In HRK	Twelve months ending 30 Sept 2022		
	High	Low	Last
<b>Share price</b>	<b>322</b>	<b>224</b>	<b>230</b>
Market capitalisation <sup>1</sup>	1,630,813,114	1,134,478,688	1,164,866,510
Net debt <sup>2</sup>	1,141,021,710	1,141,021,710	1,141,021,710
EV <sup>3</sup>	2,771,834,824	2,275,500,398	2,305,888,220
<b>EV/EBITDA<sup>4</sup></b>	<b>10,06X</b>	<b>8,26X</b>	<b>8,37X</b>

Note: High and Low related to the price in the period for the twelve months ending 30 September 2022. Last refers to the share price as at 30 September 2022

<sup>1</sup> Number of shares outstanding as at 30 September 2022 was 5,128,721 of which 64,084 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 2022.



MANAGEMENT BOARD'S  
RESPONSIBILITY STATEMENT

---

# ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



---

PARTNER BRAND



## 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:

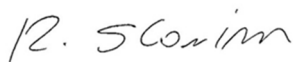
To the best of our knowledge:

- 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 2022 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

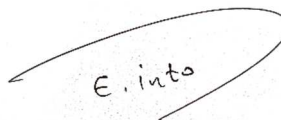
#### Members:



Devansh Bakshi



Manuela Kraljević



Edmond Pinto

# APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

# ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



PARTNER BRAND



## **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:

1.1.2022

to

30.9.2022

Year:

2022

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

1591

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 30.09.2022

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>	2.896.272.731	3.004.030.676
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	2.166.712	4.528.196
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	2.166.712	4.528.196
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>	2.688.914.131	2.778.346.955
1 Land	011	357.028.321	357.004.103
2 Buildings	012	1.584.465.260	1.827.675.671
3 Plant and equipment	013	140.197.292	200.948.790
4 Tools, working inventory and transportation assets	014	2.879.277	3.029.039
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6.511.252	211.786
7 Tangible assets in preparation	017	327.374.358	130.971.358
8 Other tangible assets	018	270.458.371	258.506.208
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	107.613.836	123.576.398
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	38.700.449	46.492.928
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	68.913.387	68.906.655
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	8.176.815
<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>	97.578.052	97.579.127
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	440.052.850	492.335.792
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	2.888.858	4.890.679
1 Raw materials and consumables	039	2.700.504	4.584.584
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	63.451	278.610
5 Advances for inventories	043	124.903	27.485
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>	96.059.532	77.453.339
1 Receivables from undertakings within the group	047	150	60.018
2 Receivables from companies linked by virtue of participating interests	048	67.744	564.656
3 Customer receivables	049	10.889.105	45.314.704
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	32.050.549	4.878.280
6 Other receivables	052	53.051.984	26.635.681
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	200.965	0
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	200.965	0
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>	340.903.495	409.991.774
<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>	3.336.325.581	3.496.366.468
<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>1.569.004.570</b>	<b>1.717.315.924</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	318.778.110	315.299.946
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	21.567.060
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-21.567.060
4 Statutory reserves	074	0	0
5 Other reserves	075	313.649.389	310.171.225
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-5.546.307	13.476.882
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	107.310	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	-5.377.897	8.166.923
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-275.720	5.309.959
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-21.057.972	10.456.334
1 Retained profit	084	0	10.456.334
2 Loss brought forward	085	21.057.972	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	31.514.306	132.766.329
1 Profit for the business year	087	31.514.306	132.766.329
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>49.309.370</b>	<b>50.409.370</b>
1 Provisions for pensions, termination benefits and similar obligations	091	3.951.613	5.051.613
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>1.434.878.048</b>	<b>1.415.447.775</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	1.430.551.307	1.415.447.775
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	4.326.741	0
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>283.133.593</b>	<b>313.193.399</b>
1 Liabilities to undertakings within the group	110	18.547.193	14.752.404
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	109.326.309	135.565.710
7 Liabilities for advance payments	116	11.758.489	14.609.492
8 Liabilities to suppliers	117	65.330.490	58.927.754
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	17.580.879	25.583.771
11 Taxes, contributions and similar liabilities	120	5.401.625	14.028.266
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	55.188.608	49.726.002
<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>3.336.325.581</b>	<b>3.496.366.468</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 01.01.2022 to 30.09.2022

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>423.170.263</b>	<b>358.311.764</b>	<b>739.666.135</b>	<b>512.782.818</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	411.381.318	356.527.127	732.187.307	508.990.943
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	11.788.945	1.784.637	7.478.828	3.791.875
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>329.804.727</b>	<b>172.508.363</b>	<b>561.545.348</b>	<b>277.082.216</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	132.518.298	89.462.597	235.454.252	131.349.877
a) Costs of raw materials and consumables	010	61.666.123	40.600.033	125.983.701	64.341.857
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	70.852.175	48.862.564	109.470.551	67.008.020
3 Staff costs (ADP 014 to 016)	013	108.662.788	61.499.175	209.548.077	98.526.941
a) Net salaries and wages	014	74.530.213	44.821.061	146.358.946	71.494.181
b) Tax and contributions from salary costs	015	22.382.401	11.004.110	40.988.792	17.538.027
c) Contributions on salaries	016	11.750.174	5.674.004	22.200.339	9.494.733
4 Depreciation	017	77.480.990	25.783.620	84.208.628	29.225.279
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	11.142.651	-4.237.029	32.334.391	17.980.119
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>2.354.280</b>	<b>237.160</b>	<b>1.020.431</b>	<b>300.516</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	662.860	237.160	892.316	300.516
8 Exchange rate differences and other financial income	038	1.691.420	0	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	128.115	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>17.551.718</b>	<b>9.773.587</b>	<b>46.561.007</b>	<b>18.088.299</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	17.378.891	6.179.617	22.748.137	8.265.246
4 Exchange rate differences and other expenses	045	0	3.535.979	23.558.132	9.747.604
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	172.827	57.991	254.738	75.449
<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>1.438.919</b>	<b>585.832</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>5.308.118</b>	<b>1.077.734</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>425.524.543</b>	<b>358.548.924</b>	<b>742.125.485</b>	<b>513.669.166</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>352.664.563</b>	<b>183.359.684</b>	<b>608.106.355</b>	<b>295.170.515</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>72.859.980</b>	<b>175.189.240</b>	<b>134.019.130</b>	<b>218.498.651</b>
1 Pre-tax profit (ADP 053-054)	056	72.859.980	175.189.240	134.019.130	218.498.651
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>3.229.878</b>	<b>1.889.121</b>	<b>1.252.801</b>	<b>-723.049</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>69.630.102</b>	<b>173.300.119</b>	<b>132.766.329</b>	<b>219.221.700</b>
1 Profit for the period (ADP 055-059)	060	69.630.102	173.300.119	132.766.329	219.221.700
2 Loss for the period (ADP 059-055)	061	0	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>69.630.102</b>	<b>173.300.119</b>	<b>132.766.329</b>	<b>219.221.700</b>
1 Attributable to owners of the parent	<b>076</b>	69.630.102	173.300.119	132.766.329	219.221.700
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>69.630.102</b>	<b>173.300.119</b>	<b>132.766.329</b>	<b>219.221.700</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>2.570.790</b>	<b>1.058.356</b>	<b>19.130.499</b>	<b>6.678.550</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>2.570.790</b>	<b>1.058.356</b>	<b>19.130.499</b>	<b>6.678.550</b>
1 Exchange rate differences from translation of foreign operations	<b>088</b>	-538.466	387.394	5.585.679	2.131.802
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>	3.109.256	670.962	13.544.820	4.546.748
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>2.570.790</b>	<b>1.058.356</b>	<b>19.130.499</b>	<b>6.678.550</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>72.200.892</b>	<b>174.358.475</b>	<b>151.896.828</b>	<b>225.900.250</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>72.200.892</b>	<b>174.358.475</b>	<b>151.896.828</b>	<b>225.900.250</b>
1 Attributable to owners of the parent	<b>100</b>	72.200.892	174.358.475	151.896.828	225.900.250
2 Attributable to minority (non-controlling) interest	<b>101</b>	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2022. to 30.09.2022.

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	72.859.980	134.019.130
2 Adjustments (ADP 003 to 010):	002	87.037.747	126.976.548
a) Depreciation	003	77.480.990	84.208.628
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-9.361.342	385.078
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	-653.393	-1.020.431
e) Interest expenses	007	17.378.891	22.748.137
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-4.333.041	20.876.535
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	6.525.642	-221.399
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>159.897.727</b>	<b>260.995.678</b>
3 Changes in the working capital (ADP 013 to 016)	012	56.622.749	28.833.986
a) Increase or decrease in short-term liabilities	013	65.540.648	23.253.029
b) Increase or decrease in short-term receivables	014	-11.573.444	16.904.432
c) Increase or decrease in inventories	015	2.655.545	-11.323.475
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>216.520.476</b>	<b>289.829.664</b>
4 Interest paid	018	-25.179.643	-27.585.569
5 Income tax paid	019	-4.227.044	-1.273.182
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>187.113.789</b>	<b>260.970.913</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	12.329.968	0
2 Cash receipts from sales of financial instruments	022	0	181.770
3 Interest received	023	0	3.149.820
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>12.329.968</b>	<b>3.331.590</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-154.024.885	-193.608.872
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-3.507.564	-7.545.565
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-52.398.082	297.604
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-209.930.531</b>	<b>-200.856.833</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-197.600.563</b>	<b>-197.525.243</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	124.485.413	68.165.339
4 Other cash receipts from financing activities	038	0	265.809
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>124.485.413</b>	<b>68.431.148</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-42.465.907	-44.912.242
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-5.230.688	-15.598.995
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-4.695.684
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>-47.696.595</b>	<b>-65.206.921</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>76.788.818</b>	<b>3.224.227</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	1.066.488	2.418.382
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>67.368.532</b>	<b>69.088.279</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>425.612.813</b>	<b>340.903.495</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>492.981.345</b>	<b>409.991.774</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from **1.1.2022** to **30.9.2022**

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 (16+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	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	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	0	0	0	0	0	0	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	16.871.376	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	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	-8.773	0	31.514.306	31.514.306	0	31.514.306
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	-22.995	0	0	0	0	0	0	-22.995	0	-22.995
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	4.448.125	0	0	0	0	4.448.125	0	4.448.125
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	1.623.358	0	0	0	0	0	0	0	0	1.623.358	0	1.623.358
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	-227.282.730	227.282.730	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	313.649.389	0	107.310	0	-5.377.897	0	-275.720	-21.057.972	31.514.306	1.569.004.570	0	1.569.004.570
<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	-22.995	0	4.448.125	0	-8.773	0	0	4.416.357	0	4.416.357
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05-25)	26	0	0	0	0	0	0	0	0	-22.995	0	4.448.125	0	-8.773	0	31.514.306	35.930.663	0	35.930.663
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	1.623.358	0	0	0	0	0	0	-227.282.730	227.282.730	1.623.358	0	1.623.358

Current period																			
<b>1 Balance on the first day of the current business year</b>	28	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	313.649.389	0	107.310	0	-5.377.897	0	-275.720	-21.057.972	31.514.306	1.569.004.570	0	1.569.004.570
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>	31	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	313.649.389	0	107.310	0	-5.377.897	0	-275.720	-21.057.972	31.514.306	1.569.004.570	0	1.569.004.570
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	132.766.329	132.766.329	0	132.766.329
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	5.585.679	0	0	5.585.679	0	5.585.679
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	-107.310	0	0	0	0	0	0	-107.310	0	-107.310
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	13.544.820	0	13.544.820
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	4.695.684	4.695.684	0	-4.695.684	0	0	0	0	0	0	0	0	-4.695.684	0	-4.695.684
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	31.514.306	-31.514.306	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>	51	102.574.420	1.142.742.013	5.128.721	21.567.060	21.567.060	0	310.171.225	0	0	0	8.166.923	0	5.309.959	10.456.334	132.766.329	1.717.315.924	0	1.717.315.924
<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>	52	0	0	0	0	0	0	0	0	-107.310	0	13.544.820	0	5.585.679	0	0	19.023.189	0	19.023.189
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)</b>	53	0	0	0	0	0	0	0	0	-107.310	0	13.544.820	0	5.585.679	0	132.766.329	151.789.518	0	151.789.518
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	54	0	0	0	4.695.684	4.695.684	0	-3.478.164	0	0	0	0	0	31.514.306	-31.514.306	0	-3.478.164	0	-3.478.164

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: 01.01.2022 to 30.09.2022

Notes to the financial statements are to be drawn up in accordance with the International Financial Reporting Standards (hereinafter: IFRS) in such a way that they:

- a) present information about the basis for the preparation of the financial statements and the specific accounting policies used in accordance with the International Accounting Standard 1 (IAS 1),
- b) disclose any information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity,
- c) provide additional information that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, but is relevant for un of them.

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

1. issuer's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the issuer is undergoing liquidation, bankruptcy proceedings, shortened proceedings or extraordinary administration  
- See General data
2. adopted accounting policies  
- 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 concern concerning pensions of the issuer within the group or company linked by virtue of participating interest shall be disclosed separately  
- no change from the data published in the Annual Report for 2021 published in Notes 13 and 14.
4. the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, written-off or revoked commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category  
- N/D
5. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence  
- see explanations in the text where the business results in the period are commented.
6. amounts owed by the issuer and falling due after more than five years, as well as the total debts of the issuer covered by valuable security furnished by the issuer, specifying the type and form of security  
- no change from the data published in the Annual Report for 2021 published in Notes 13 and 14.
7. average number of employees during the financial year  
- 1264 employees.
8. where, in accordance with the regulations, the issuer 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 debit 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 amounted 451,045 HRK (net salaries 302,010 HRK, 97,610 HRK taxes and contributions from salaries and 51,425 HRK contributions on salaries)
9. the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered retirement pensions for former members of those bodies, with an indication of the total for each category  
- See Income Statement
10. the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken c net salaries and wages, tax costs and contributions from salaries, contributions on salaries and other salary costs, excluding cost allowances  
- See Income Statement
11. 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/D
12. the name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer's behalf, holds a participating interest, showing the proportion of th the amount of capital and reserves, and the profit or loss for the latest financial year of the company concerned for which financial statements have been adopted; the information concerning capital and reserves and the pr be omitted where the company concerned does not publish its balance sheet and is not controlled by another company  
- data on entrepreneurs in which the Company holds a participating share in the capital are published in the Annual Report for 2021 on p. 136. The results of operations of these companies are included in the consolidated n Company in accordance with the applied reporting framework.
13. 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/D
14. where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting value for each class  
- N/D
15. 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/D
16. the name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability  
- N/D
17. the name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member  
- The largest group of entrepreneurs is Park Plaza Hotel Europe. In accordance with the legal framework, this company does not publish quarterly reports, but only semi-annual and annual ones, which can be found at <https://www.pphe.com/investors>
18. the name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also in group of companies referred to in point 17.  
- same as point 17.
19. the place where copies of the consolidated financial statements referred to in points 17 and 18 may be obtained, provided that they are available  
- N/D
20. the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss  
- N/D
21. the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company of those arrangements, provided that the risks or benefits arising from 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 company  
- N/D
22. 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/D
23. the net income broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of pro provision of services are organised.
24. the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, i.e. annual consolidated financial statements, the total fees charged for other a: services, the total fees charged for tax advisory services and the total fees charged for other non-audit services, total research and development expenditure as the basis for granting state aid.

All remaining information is contained in the notes to the financial statements published in the Company's Annual Report.

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1.1.2022

to

30.9.2022

Year:

2022

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

1291

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 30.09.2022

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>	2.594.685.533	2.735.708.439
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	1.703.510	3.767.811
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.703.510	3.767.811
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>	1.639.583.654	1.702.166.761
1 Land	011	234.735.463	234.735.463
2 Buildings	012	986.373.122	1.237.192.993
3 Plant and equipment	013	88.009.871	154.006.915
4 Tools, working inventory and transportation assets	014	2.879.277	3.029.039
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	6.511.252	211.786
7 Tangible assets in preparation	017	312.774.267	55.441.990
8 Other tangible assets	018	8.300.402	17.548.575
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	858.390.056	934.765.554
1 Investments in holdings (shares) of undertakings within the group	021	543.323.804	546.700.804
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	249.253.345	322.198.768
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	65.812.907	65.865.982
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>	95.008.313	95.008.313
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	312.664.129	368.976.629
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	1.714.960	4.164.344
1 Raw materials and consumables	039	1.526.606	3.858.249
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	63.451	278.610
5 Advances for inventories	043	124.903	27.485
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>	25.257.574	47.750.870
1 Receivables from undertakings within the group	047	13.805.231	9.677.202
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	6.334.897	36.036.046
4 Receivables from employees and members of the undertaking	050	20.471	89.206
5 Receivables from government and other institutions	051	3.264.312	60.147
6 Other receivables	052	1.832.663	1.888.269
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	200.965	40.000
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	200.965	40.000
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>	285.490.630	317.021.415
<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>	2.907.349.662	3.104.685.068
<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>1.978.035.976</b>	<b>2.122.873.602</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	558.922.031	555.443.868
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	21.567.060
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-21.567.060
4 Statutory reserves	074	0	0
5 Other reserves	075	553.793.310	550.315.147
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	107.310	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	107.310	0
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	128.072.871	173.690.203
1 Retained profit	084	128.072.871	173.690.203
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	45.617.331	148.423.098
1 Profit for the business year	087	45.617.331	148.423.098
2 Loss for the business year	088	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>49.308.029</b>	<b>50.694.856</b>
1 Provisions for pensions, termination benefits and similar obligations	091	3.950.281	8.936.188
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	41.758.668
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>716.713.314</b>	<b>705.277.356</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	716.713.314	705.277.356
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>163.292.343</b>	<b>225.839.254</b>
1 Liabilities to undertakings within the group	110	7.086.439	19.610.332
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	60.268.088	82.519.678
7 Liabilities for advance payments	116	4.247.365	8.678.990
8 Liabilities to suppliers	117	24.940.420	42.078.958
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	15.846.627	22.817.597
11 Taxes, contributions and similar liabilities	120	2.988.663	11.873.127
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	47.914.741	38.260.572
<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>2.907.349.662</b>	<b>3.104.685.068</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 01.01.2022 to 30.09.2022

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>394.026.671</b>	<b>334.900.917</b>	<b>598.039.211</b>	<b>447.556.298</b>
1 Income from sales with undertakings within the group	002	4.986.396	1.758.451	5.471.897	1.784.853
2 Income from sales (outside group)	003	379.217.888	332.801.295	589.502.566	444.280.347
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	9.822.387	341.171	3.064.748	1.491.098
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>281.073.805</b>	<b>168.269.455</b>	<b>444.035.165</b>	<b>235.290.797</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	128.213.662	91.060.494	200.129.629	121.533.505
a) Costs of raw materials and consumables	010	47.624.887	32.382.055	90.677.091	48.550.423
b) Costs of goods sold	011	141.143	116.118	253.965	185.428
c) Other external costs	012	80.447.632	58.562.321	109.198.573	72.797.654
3 Staff costs (ADP 014 to 016)	013	72.081.667	40.267.372	140.165.851	64.178.828
a) Net salaries and wages	014	48.629.454	27.642.298	93.852.049	43.714.567
b) Tax and contributions from salary costs	015	15.915.017	8.469.071	30.333.215	13.437.690
c) Contributions on salaries	016	7.537.196	4.156.003	15.980.587	7.026.571
4 Depreciation	017	52.961.424	17.644.291	56.693.881	20.140.705
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	27.817.052	19.297.298	47.045.804	29.437.759
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>3.908.699</b>	<b>1.427.450</b>	<b>5.994.597</b>	<b>2.116.984</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	3.820.541	1.419.317	5.825.433	2.103.512
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	128.115	0
7 Other interest income	037	0	0	41.049	41.049
8 Exchange rate differences and other financial income	038	78.758	0	0	0
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	9.400	8.133	0	-27.577
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>10.669.129</b>	<b>3.668.275</b>	<b>11.575.545</b>	<b>4.571.380</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	10.669.129	3.485.054	10.990.497	4.390.238
4 Exchange rate differences and other expenses	045	0	183.221	585.048	181.142
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	0	0	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>397.935.370</b>	<b>336.328.367</b>	<b>604.033.808</b>	<b>449.673.282</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>291.742.934</b>	<b>171.937.730</b>	<b>455.610.710</b>	<b>239.862.177</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>106.192.436</b>	<b>164.390.637</b>	<b>148.423.098</b>	<b>209.811.105</b>
1 Pre-tax profit (ADP 053-054)	056	106.192.436	164.390.637	148.423.098	209.811.105
2 Pre-tax loss (ADP 054-053)	057	0	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>106.192.436</b>	<b>164.390.637</b>	<b>148.423.098</b>	<b>209.811.105</b>
1 Profit for the period (ADP 055-059)	060	106.192.436	164.390.637	148.423.098	209.811.105
2 Loss for the period (ADP 059-055)	061	0	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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	<b>076</b>	0	0	0	0
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>	106.192.436	164.390.637	148.423.098	209.811.105
<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	<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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	<b>088</b>	0	0	0	0
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>	0	0	0	0
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>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>	106.192.436	164.390.637	148.423.098	209.811.105
<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	<b>100</b>	0	0	0	0
2 Attributable to minority (non-controlling) interest	<b>101</b>	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2022. to 30.09.2022.

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	106.192.436	148.423.098	
2 Adjustments (ADP 003 to 010):	002	50.421.928	63.944.059	
a) Depreciation	003	52.961.424	56.693.881	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-9.361.342	385.055	
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	-3.820.541	-5.994.597	
e) Interest expenses	007	10.669.131	10.990.495	
f) Provisions	008	0	0	
g) Exchange rate differences (unrealised)	009	-1.244.264	651.705	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.217.520	1.217.520	
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>156.614.364</b>	<b>212.367.157</b>	
3 Changes in the working capital (ADP 013 to 016)	012	55.582.425	29.511.105	
a) Increase or decrease in short-term liabilities	013	67.436.711	57.819.607	
b) Increase or decrease in short-term receivables	014	-14.475.523	-16.667.166	
c) Increase or decrease in inventories	015	2.621.237	-11.641.336	
d) Other increase or decrease in working capital	016	0	0	
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>212.196.789</b>	<b>241.878.262</b>	
4 Interest paid	018	-15.248.049	-15.435.783	
5 Income tax paid	019	0	0	
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>196.948.740</b>	<b>226.442.479</b>	
<b>Cash flow from investment activities</b>				
1 Cash receipts from sales of fixed tangible and intangible assets	021	12.329.968	0	
2 Cash receipts from sales of financial instruments	022	0	181.770	
3 Interest received	023	0	41.049	
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>12.329.968</b>	<b>222.819</b>	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-149.864.685	-128.965.647	
2 Cash payments for the acquisition of financial instruments	029	0	0	
3 Cash payments for loans and deposits for the period	030	-45.221.010	-72.697.882	
4 Acquisition of a subsidiary, net of cash acquired	031	0	0	
5 Other cash payments from investment activities	032	-54.130.983	-3.377.000	
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-249.216.678</b>	<b>-205.040.529</b>	
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-236.886.710</b>	<b>-204.817.710</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	124.485.413	45.953.565	
4 Other cash receipts from financing activities	038	151.655	265.809	
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>124.637.068</b>	<b>46.219.374</b>	
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-31.558.737	-31.574.869	
2 Cash payments for dividends	041	0	0	
3 Cash payments for finance lease	042	0	-42.807	
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-4.695.684	
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>-31.558.737</b>	<b>-36.313.360</b>	
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>93.078.331</b>	<b>9.906.014</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>53.140.361</b>	<b>31.530.783</b>	
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>370.878.428</b>	<b>285.490.632</b>	
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>424.018.789</b>	<b>317.021.415</b>	

**STATEMENT OF CHANGES IN EQUITY**  
for the period from **1.1.2022** to **30.9.2022**

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	1.142.742.013	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	1.930.618.282	0	1.930.618.282
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	0	0	0	0	0	0	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	16.871.376	16.871.376	0	552.169.952	0	130.305	0	0	0	0	231.245.206	-103.172.335	1.930.618.282	0	1.930.618.282
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	45.617.331	45.617.331	0	45.617.331
6 Exchange rate differences from translation of foreign operations	06	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	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	-22.995	0	0	0	0	0	0	-22.995	0	-22.995
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	1.623.358	0	0	0	0	0	0	0	1.623.358	0	1.623.358
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	-103.172.335	103.172.335	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	
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	553.793.310	0	107.310	0	0	0	0	128.072.871	45.617.331	1.978.035.976	0	1.978.035.976
<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	-22.995	0	0	0	0	0	0	-22.995	0	-22.995
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05-25)	26	0	0	0	0	0	0	0	0	-22.995	0	0	0	0	0	45.617.331	45.594.336	0	45.594.336
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	0	1.623.358	0	0	0	0	0	-103.172.335	103.172.335	1,623,358	0	1,623,358

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	553,793,310	0	107,310	0	0	0	0	128,072,871	45,617,331	1,978,035,976	0	1,978,035,976
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	553,793,310	0	107,310	0	0	0	0	128,072,871	45,617,331	1,978,035,976	0	1,978,035,976
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	148,423,098	148,423,098	0	148,423,098
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	-107,310	0	0	0	0	0	0	0	-107,310	0	-107,310
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	4,695,684	4,695,684	0	-4,695,684	0	0	0	0	0	0	0	0	-4,695,684	0	-4,695,684
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	1,217,522	0	0	0	0	0	0	0	0	1,217,522	0	1,217,522
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	45,617,331	-45,617,331	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	21,567,060	21,567,060	0	550,315,148	0	0	0	0	0	0	173,690,202	148,423,098	2,122,873,602	0	2,122,873,602
<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	-107,310	0	0	0	0	0	0	-107,310	0	-107,310
<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	-107,310	0	0	0	0	0	148,423,098	148,315,788	0	148,315,788
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)</b>	<b>54</b>	0	0	0	4,695,684	4,695,684	0	-3,478,162	0	0	0	0	0	0	45,617,331	-45,617,331	-3,478,162	0	-3,478,162

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: 01.01.2022 till 30.09.2022

Notes to the financial statements are to be drawn up in accordance with the International Financial Reporting Standards (hereinafter: IFRS) in such a way that they:

- a) present information about the basis for the preparation of the financial statements and the specific accounting policies used in accordance with the International Accounting Standard 1 (IAS 1),
  - b) disclose any information required by IFRSs that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity,
  - c) provide additional information that is not presented elsewhere in the statement of financial position, statement of comprehensive income, statement of cash flows and statement of changes in equity, but is relevant for understanding any of them.
- (d) in the notes to the financial statements, in addition to the information stated above, information in respect of the following matters shall be disclosed:

1. issuer's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the issuer is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration  
- See General data
2. adopted accounting policies  
- 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 issuer within the group or company linked by virtue of participating interest shall be disclosed separately  
- no change from the data published in the Annual Report for 2021 published in Notes 13 and 14.
4. the amount of advances and credits granted to the members of the administrative, managerial and supervisory bodies, with indications of the interest rates, main conditions and any amounts repaid, written-off or revoked, as well as commitments entered into on their behalf by way of guarantees of any kind, with an indication of the total for each category  
- N/D
5. the amount and nature of individual items of income or expenditure which are of exceptional size or incidence  
- see explanations in the text where the business results in the period are commented.
6. amounts owed by the issuer and falling due after more than five years, as well as the total debts of the issuer covered by valuable security furnished by the issuer, specifying the type and form of security  
- no change from the data published in the Annual Report for 2021 published in Notes 13 and 14.
7. average number of employees during the financial year  
- 1064 employees.
8. where, in accordance with the regulations, the issuer 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 capitalised cost amounted 451,045 HRK (net salaries 302,010 HRK, 97,610 HRK taxes and contributions from salaries and 51,425 HRK contributions on salaries)
9. the amount of the emoluments granted in respect of the financial year to the members of the administrative, managerial and supervisory bodies by reason of their responsibilities, and any commitments arising or entered into in respect of retirement pensions for former members of those bodies, with an indication of the total for each category  
- See Income Statement
10. the average number of persons employed during the financial year, broken down by categories and, if they are not disclosed separately in the profit and loss account, the staff costs relating to the financial year, broken down between net salaries and wages, tax costs and contributions from salaries, contributions on salaries and other salary costs, excluding cost allowances  
- See Income Statement
11. 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/D
12. the name and registered office of each of the companies in which the issuer, either itself or through a person acting in their own name but on the issuer'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 company concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the company concerned does not publish its balance sheet and is not controlled by another company  
- data on entrepreneurs in which the Company holds a participating share in the capital are published in the Annual Report for 2021 on p. 136. The results of operations of these companies are included in the consolidated report of the Company in accordance with the applied reporting framework.
13. 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/D
14. where there is more than one class of shares, the number and the nominal value or, in the absence of a nominal value, the accounting value for each class  
- N/D
15. 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/D
16. the name, registered office and legal form of each of the companies of which the issuer is a member having unlimited liability  
- N/D
17. the name and registered office of the company which draws up the consolidated financial statements of the largest group of companies of which the issuer forms part as a controlled group member  
- The largest group of entrepreneurs is Park Plaza Hotel Europe. In accordance with the legal framework, this company does not publish quarterly reports, but only semi-annual and annual ones, which can be found at <https://www.pphe.com/investors>
18. the name and registered office of the company which draws up the consolidated financial statements of the smallest group of companies of which the issuer forms part as a controlled group member and which is also included in the group of companies referred to in point 17.  
- same as point 17.
19. the place where copies of the consolidated financial statements referred to in points 17 and 18 may be obtained, provided that they are available  
- N/D
20. the proposed appropriation of profit or treatment of loss, or where applicable, the appropriation of the profit or treatment of the loss  
- N/D
21. the nature and business purpose of the company's arrangements that are not included in the balance sheet and the financial impact on the company 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 company  
- N/D
22. 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/D
23. the net income broken down by categories of activity and into geographical markets, in so far as those categories and markets differ substantially from one another, taking account of the manner in which the sale of products and the provision of services are organised.
24. the total fees for the financial year charged by each statutory auditor or audit firm for the statutory audit of the annual financial statements, i.e. annual consolidated financial statements, the total fees charged for other assurance services, the total fees charged for tax advisory services and the total fees charged for other non-audit services, total research and development expenditure as the basis for granting state aid.

All remaining information is contained in the notes to the financial statements published in the Company's Annual Report.