

**INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER OF 2021**

ARENA

HOSPITALITY GROUP

29 APRIL 2021

A MEMBER OF PPHE HOTEL GROUP

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INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY – MARCH 2021

CONSOLIDATED RESULTS

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

As expected, the trading environment in the first quarter was subdued as countries across Europe are still in various degrees of lockdown aimed at reducing the number of COVID-19 infections. As a result, international and domestic travel across Europe is severely impacted. During the period, most of our properties operated at limited capacity and in Croatia, as is the case each year due to the seasonal nature, most of our properties were closed.

In light of the above, reported Group revenue decreased by 84.8% to HRK 8.6 million (2020: HRK 56.5 million) whilst EBITDA loss increased by 66.5% to negative HRK 32.8 million (2020: negative HRK 19.7 million). Accommodation revenue experienced a decrease of 87.2% to HRK 5.2 million compared to last year (2020: HRK 40.7 million) as a result of lower occupancy by 3,977.5 bps to 9.6% and a drop in average daily rate by 38.8% which amounted to HRK 398.1 (2020: occupancy 49.4% and ADR HRK 650.8, respectively).



The Group continues to utilise Governments’ support in its countries of operations to navigate through these challenging times and is focussed on preserving its liquidity and sustainability by further optimising its costs.

CROATIA

The first three months are generally marked by extremely low business activity as most of our properties are closed. This year due to the pandemic and measures undertaken by the Croatian, as well as other governments, we had to keep closed most of the properties that would otherwise either remain open off-season or would typically open ahead of Easter. Easter this year occurred in the first week of April, and in normal circumstances bookings and arrivals start weeks in advance. Total revenues decreased by 49.0% to HRK 5.1 million (2020: HRK 10.0 million). The decrease in accommodation revenue by 60.0% is the result of a 6.9% decline in average daily rate to HRK 333.1 (2020: HRK 357.9) and a 2,668.9 bps retraction in occupancy to 15.1%.

EBITDA loss improved by 20.2% to HRK 20.9 million (2020: HRK 26.2 million). Typically, during the first quarter the Company prepares for the season, which includes hiring part time employees and incurs various costs such as those related to revamping the properties ahead of opening. In the current circumstances, due to the delay to the start of the season, and as part of cost mitigation, these costs were not incurred in the first quarter. As and when circumstances permit, we will be in a position to swiftly prepare the properties and ramp up our operations. Moreover, the Company continues to utilise measures enacted by the Government, which help companies bearing a significant part of the cost of payroll. For the Company, this amounted to approximately HRK 9.7 million during the reported period. The Government’s support has been extended in Croatia until May 2021.

During the first quarter, a total of HRK 19.4 million was invested predominantly in the refurbishment of Grand Hotel Brioni Pula.

In Croatia, the repositioning programme of Hotel Brioni in Pula proceeded on schedule, with the Group closely monitoring the market conditions before it commits to an appropriate launch and opening date.

Grand Hotel Brioni Pula



GERMANY, HUNGARY AND SERBIA

Our properties in Germany experienced very low business activity levels and operated with reduced inventory whilst our property in Hungary was closed due to the imposed lockdown. Total revenues during the period therefore decreased by 93.2% to HRK 3.0 million (2020: HRK 43.9 million). Accommodation revenues recorded a drop of 93.2% to HRK 2.3 million (2020: 33.7 million) driven by a 33.5% reduction in average daily rate to HRK 520.6 (2020: 782.9) and an unprecedented drop in occupancy of 4,809.5 bps to 5.7 (2020: 53.8%). EBITDA decreased by 198.9 % to HRK 8.6 million negative (2020: HRK 8.7 million). The Group continues to utilise Government schemes available to ease the burden on its operations.

In addition to the ongoing payroll support (“Kurzarbeit”) the German state has announced new subsidies, which are effective retrospectively from October 2020 and continue this year till June 2021. The Group is seeking to take advantage of all the prevailing schemes and expect to see the benefit over the coming months. It is too early to estimate and accrue the exact amount of the benefit.

The Group has consolidated the results of its operations in Serbia for the first time after acquiring Hotel 88 rooms in Belgrade at the end of 2020. The hotel was closed in the first quarter due to Covid related restrictions.

Hotel 88 Rooms Belgrade



DOING BUSINESS RESPONSIBLY

Arena Hospitality Group is committed to supporting and making a positive contribution to the communities in which it develops, owns, and operates hotels, resorts, and campsites. Despite the challenges the Group faced in 2020 which continued in Q1 2021, initiatives aimed at well-being of our team members, guests and community have continued.

In Q1 2021, the safety, security, and wellbeing of our guests and team members remain our priority. Building on the initiatives undertaken during 2020 in terms of implementation of new Health & Safety and Hygiene measures and globally acknowledged Safe travel labels, in Q1 2021, Arena Hospitality Group has implemented Safe Stay in Croatia, a national safety label, in all properties. The Safe Stay in Croatia national safety label was issued by the Croatian Ministry of Tourism and Sport, following the safety protocols that meet the guidelines of the Croatian Institute of Public Health and the World Travel and Tourism Council, ensuring that the prescribed epidemiological measures and health & safety recommendations are in place.



Our successful cooperation with the Pula General Hospital and the Institute of Public Health of the Istrian County continued in Q1 2021. Together with these and many other stakeholders, we do our utmost to combat the pandemic in the Istria region. In Q1 2021, Arena Hospitality Group has, once again, recognised their efforts and hard work in these difficult and challenging times. In order to further raise their level of quality of work, the Group has co-financed the purchase of the vehicle of the Emergency Medical Service of the Pula branch office within the Institute of Emergency Medicine of the County of Istria.

Furthermore, as a long-standing support, in anticipation of the 25th Daffodil Day, a humanitarian action focused on breast cancer awareness organised by the Croatian League against Cancer and regional associations, which was celebrated on March 27, 2021, Arena Hospitality Group made a donation to the Club of Women Treated for Breast Cancer GEA – Pula.

Through the rest of the year, Arena Hospitality Group will continue with responsible business practices focusing on making a positive impact on our people, places, and planet.

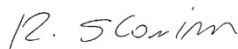
CURRENT TRADING AND OUTLOOK

The Group is currently operating at significantly reduced capacity across its portfolio. In Croatia properties are mostly closed and operations in Germany and Hungary have been significantly reduced.

Although the challenges around the COVID-19 pandemic persist in some of our main source markets, we are encouraged by the increasing pace of the vaccination programmes. The timing of when international travel can resume still remains uncertain and it is therefore not possible to provide meaningful guidance for the current financial year.

However, we have significant experience of being able to open and reopen properties quickly and benefit from returning demand. Many of our properties have undergone extensive refurbishments in recent years and our teams have introduced robust new health and safety protocols and standards. We offer a contactless guest experience in most properties and a large part of our operations allows for self-catering holidays, including a vast array of camping, and glamping options, which proved particularly popular in recent years.

These factors, combined with the efficiency measures that have been implemented and our strong capitalisation with our cash position exceeding HRK 363.9 million, mean that the Group is well positioned to withstand a continued and significant decrease in business activity or take full advantage of when government measures are eased and travel demand returns.”



RELI SLONIM, PRESIDENT OF THE MANAGEMENT BOARD

SIGNIFICANT EVENTS DURING THE FIRST THREE MONTHS OF 2021

There were no other significant events during the reported period.

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 first three months of 2021.

CONSOLIDATED KEY PERFORMANCE INDICATORS

	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance %
Total revenue (HRK million)	8.6	56.5	(84.8)
Accommodation revenue (HRK million)	5.2	40.7	(87.2)
EBITDAR (HRK million)	(28.7)	(17.4)	64.9
EBITDA (HRK million)	(32.8)	(19.7)	66.5
Profit / (loss) before tax (HRK million)	(66.2)	(69.6)	(4.9)
Rooms available ¹	135,329	126,421	7.0
Occupancy % ³	9.6	49.4	(3,977.5)
Average daily rate (HRK) ²	398.1	650.8	(38.8)
RevPAR (HRK)	38.3	321.7	(88.1)

¹ Rooms available and the occupancy calculation are based on operating days.

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

³ In Basis Points (bps).

The situation with the pandemic remains challenging with demand for international and domestic travel being still hindered. Governments in several countries have extended lockdowns to slow the spread of the virus, with new mutations surfacing in the news on a regular basis. Although borders are not completely closed rules to cross them remain strict with most countries imposing quarantine measures upon return. Social distancing policies remain in place, bans on large gatherings and events, closure or restricted operations of restaurants, bars and other businesses is still a reality. These measures continue to weigh on the travel and hospitality market. The Group's operations have to be analysed in this context, notably as in 2020 most of the observed quarter was business as usual, where lockdowns were enacted only from mid-March onwards.

Total revenues decreased by 84.8% to HRK 8.6 million (2020: HRK 56.5 million). Accommodation revenue dropped by 87.2% to HRK 5.2 million (2020: HRK 40.7 million) whereby occupancy decreased by 3,977.5 bps to 9.6% and the average daily rate reduced by 38.8% to HRK 398.1 (2020: HRK 650.8).

As a result of the above, on a reported basis, EBITDA loss increased by 66.5% to HRK 32.8 million (2020: negative HRK 19.7 million).

The Group continues to utilise Governments' support in its countries of operations to navigate through these challenging times. Moreover, the Group is focussed on preserving its liquidity and sustainability by further optimising its costs. Importantly, the Group is liquid, and its cash position exceeds HRK 363.9 million, which is providing an additional safety net in the currently uncertain and unpredictable environment. More information on the specific measures by country are detailed below.

CROATIAN PORTFOLIO PERFORMANCE

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

KEY PERFORMANCE INDICATORS

	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance %
Total revenue (HRK million)	5.1	10.0	(49.0)
Accommodation revenue (HRK million)	2.8	7.0	(60.0)
EBITDAR (HRK million)	(16.9)	(24.1)	(29.9)
EBITDA (HRK million)	(20.9)	(26.2)	(20.2)
Rooms available ¹	56,219	46,432	21.1
Occupancy % ²	15.1	41.8	(2,668.9)
Average daily rate (HRK) ³	333.1	357.9	(6.9)
RevPAR (HRK)	50.4	149.7	(66.3)
FTE ⁴	350.0	372.9	(6.1)

¹ Rooms available and occupancy are based on operating days.

² In Basis Points (bps)

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

⁴ 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.

During the observed period our operations in Croatia were mostly closed, apart from Park Plaza Belvedere and campsite Arena Grand Kažela. The business generated is mostly related to hotel Park Plaza Belvedere and the sporting professionals which came to train and use our sports' facilities offered in this hotel. These circumstances led to a decrease in total revenues by 49.0% to HRK 5.1 million (2020: HRK 10.0 million). Accommodation revenues decreased by 60.0% as a result of a decrease in average daily rate of 6.9% to HRK 333.1 (2020: 357.9) and a reduction in occupancy by 2,668.9 bps to 15.1% (2020: HRK 41.8%). This translated in a RevPAR of HRK 50.4 which represents a decrease of 66.3% over last year (2020: HRK 149.7).

EBITDA loss improved by 20.2% to HRK 20.9 million (2020: HRK 26.2 million). The Company keeps utilising employee related measures enacted by the Government, which help companies bearing a significant part of the cost of payroll. Currently the Government assists companies with the payment of salaries.

GERMAN, HUNGARIAN AND SERBIAN PORTFOLIO PERFORMANCE

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

KEY PERFORMANCE INDICATORS

	Reported / in HRK			Reported / in EUR		
	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance %	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance %
Total revenue (millions)	3.0	43.9	(93.2)	0.4	5.9	(93.2)
Accommodation revenue (millions)	2.3	33.7	(93.2)	0.3	4.5	(93.3)
EBITDAR (millions)	(8.6)	8.8	n/a	(1.1)	1.2	n/a
EBITDA (millions)	(8.6)	8.7	n/a	(1.1)	1.2	n/a
Rooms available ¹	79,110	79,989	(1.1)	79,110	79,989	(1.1)
Occupancy % ²	5.7	53.8	(4,809.5)	5.7	53.8	(4,809.5)
Average daily rate ³	520.6	782.9	(33.5)	68.8	105.6	(34.1)
RevPAR	29.7	421.5	(93.0)	3.9	56.9	(93.1)
FTE ⁴	101.4	147.3	(31.1)	101.4	147.3	(31.1)

¹ Rooms available and occupancy are based on operating days.

² In Basis Points (bps)

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

⁴ 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.

The COVID-19 outbreak had tangible repercussions on our operations. Lockdowns have been active throughout the quarter with only minor easing related to education and retail. We operated with a limited portfolio of properties. Total reported revenue decreased by 93.2% to HRK 3.0 million (2020: HRK 43.9 million). Accommodation revenue dropped by 93.2% to HRK 2.3 million (2020: 33.7 million) whereby ADR experienced a minor reduction of 33.5% to HRK 520.6, but occupancy fell sharply by 4,809.5 bps to 5.7% (2020: 53.8%). This resulted in RevPar deteriorating by 93.0% to HRK 29.7 (2020: HRK 421.5).

The hotel in Belgrade, Serbia, remained closed during the observed period.

As a result of the above developments, reported EBITDA was adversely affected amounting to a loss of HRK 8.6 million (2020: HRK 8.7 million positive).

In Germany the Group continues to utilise the "Kurzarbeit" measures enacted by the Government as a response to the COVID-19 outbreak. These measures enable regular working hours to be reduced and the Government compensates the difference to regular hours to employees thereby alleviating some pressure on the payroll side. These Government measures reduced the payroll expense by HRK 3.5 million during the observed period.

In Hungary we received payroll subsidy in Q1, equal to fifty percent of the payroll expenses and amounted to HRK 0.2 million.

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

MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

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

	Three months ended 31 March 2021	Three months ended 31 March 2020	Variance %
Total revenue before elimination (HRK million)	10.6	19.1	(44.5)
Elimination of intra group revenue (HRK million)	(10.0)	(16.5)	(39.4)
Total reported revenue (HRK million)	0.6	2.6	(76.9)
EBITDA (HRK million)	(3.3)	(2.2)	57.1
FTE ¹	237.9	262.3	(9.3)

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

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

In line with the operations in Croatia and abroad, total reported revenue decreased by 44.5% from HRK 19.1 million in the first quarter of 2020 to HRK 10.6 million in the first quarter of 2021. External revenues decreased from HRK 2.6 million to HRK 0.6 million. EBITDA loss increased to HRK 3.3 million (2020: HRK 2.2 million) predominantly as a result of the drop in revenues.

RELATED PARTIES

Parties are considered to be related if one of the parties has the power to exercise control over the other party or if it has significant influence over the other party in making financial and/or operational decisions. The Company is controlled by Dvadeset Osam d.o.o., which owns 52.48% of the Company's shares (52.95% excluding treasury shares) as at 31 March 2021. The Company's ultimate parent is PPHE Hotel Group Limited which indirectly owns 100% of the shares of Dvadeset Osam d.o.o. All other subsidiaries of PPHE Hotel Group Limited are also treated as related parties. For a detailed list of all subsidiaries included in the Group, please refer to page 124 of the Group's 2020 annual report.

a. Balances with related parties

	Group		Company	
	As at 31 March 2021 HRK'000	As at 31 December 2020 HRK'000	As at 31 March 2021 HRK'000	As at 31 December 2020 HRK'000
Assets:				
Short-term receivables – Park Plaza Hotels Europe B.V.	681	794	681	681
Short-term receivables – from joint ventures	591	572	-	-
Short-term receivables – PPHE Nuernberg Operator Hotelbetriebsgesellschaft mbh	-	-	49	49
Short-term receivables – Arena Hospitality Management d.o.o.	-	-	1,266	1,426
Short term receivables – PPHE (Germany) B.V.	114	-	-	-
Short term receivables – Park Plaza (Germany) Services GmbH	-	-	176	-
Short-term receivables – Germany Real Estate B.V.	-	-	6,779	5,679
Short-term receivables – Sugarhill Investments B.V.	-	-	272	171
Long-term loans to joint ventures	42,951	42,558	-	-
Long-term loans to Sugarhill Investments B.V.	-	-	24,222	5,276
Long-term loan to Germany Real Estate B.V.	-	-	145,231	144,605
Liabilities:				
Trade payables – PPHE (Germany) B.V.	13,579	13,181	-	-
Trade payables – Park Plaza Hotels Europe B.V.	768	702	768	702

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b. Transactions with related parties

	Group		Company	
	As at 31 March 2021 HRK'000	As at 31 March 2020 HRK'000	As at 31 March 2021 HRK'000	As at 31 March 2020 HRK'000
Management fee revenue from joint ventures	19	381	-	-
Reimbursement of employees expenses – Arena Hospitality Management d.o.o.	-	-	1,469	1,682
Service charge revenue- joint ventures	220	621	-	-
Management fees expense – Arena Hospitality Management d.o.o.	-	-	94	197
Sales and marketing fees – Park Plaza Hotels Europe B.V.	183	309	183	309
Sales and marketing fees – PPHE (Germany) B.V.	118	1,761	-	-
Interest income – Sugarhill Investments B.V.	-	-	81	20
Interest income – Germany Real Estate B.V.	-	-	1,074	803
Interest income – joint venture	209	196	-	-

COMPANY BUSINESS RESULTS (CONSOLIDATED)

CONSOLIDATED INCOME STATEMENT

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	8.6	56.5	(84.8)
Total operating expenses	(41.4)	(76.2)	(45.7)
EBITDA from operations	(32.8)	(19.7)	66.5
Depreciation	(27.1)	(26.5)	2.3
EBIT from operations	(59.9)	(46.2)	29.7
Financial revenues	0.2	0.2	0.0
Financial expenses	(7.9)	(21.6)	(63.4)
Other revenues/expense	3.6	(1.0)	(700.0)
Share in result of joint ventures	(2.1)	(1.0)	110.0
Total income	12.4	56.7	(78.1)
Total expenditures	(78.5)	(126.3)	(37.8)
Loss before tax	(66.1)	(69.6)	(5.0)
Income tax	(0.8)	23.4	(103.4)
Loss after tax	(66.9)	(46.2)	44.8

Total operating income decreased by 84.8% to HRK 8.6 million (2020: HRK 56.5 million) as a result of continuing lockdowns caused by the COVID-19 pandemic. Total operating expenses decreased by 45.7% to HRK 41.4 million (2020: HRK 76.2 million) due to decreased business activity related to the pandemic outbreak.

As a result of the aforementioned EBITDA loss from operations deteriorated by 66.5% to HRK 32.8 million (2020: HRK 19.7 million). EBIT loss from operations deteriorated by 29.7% to HRK 59.9 million (2020: HRK 46.2 million). Depreciation grew by 2.3% to HRK 27.1 million (2020: HRK 26.5 million) due to previously undertaken investments. Financial expenses decreased significantly to HRK 7.9 million (2020: HRK 21.6 million), mostly as a result of lower unrealized foreign exchange differences expenses. Other revenues amounted to HRK 3.6 million and relate predominantly to profit on disposed fixed asset.

As a result of the foregoing the consolidated loss before tax decreased by 5.0% to HRK 66.1 million (2020: HRK 69.6 million).

The Group has not recognized deferred tax asset connected with investment tax incentives or tax losses carried forward compared to last year, what has extra negative effect on our loss after tax.

Loss after tax increased by 44.8% to HRK 66.9 million (2020: HRK 46.2 million).

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK millions)

	31 March 2021	31 December 2020	Variance %
	(Unaudited)	(Audited)	
Long-term assets	2,597.0	2,591.6	0.2
Short-term assets	390.1	451.2	(13.5)
Total assets	2,987.1	3,042.8	(1.8)
Total equity	1,466.8	1,531.5	(4.2)
Long-term liabilities and provisions	1,318.1	1,330.6	(0.9)
Short-term liabilities	202.2	180.7	11.9
Total liabilities	1,520.3	1,511.3	0.6
Total equity and liabilities	2,987.1	3,042.8	(1.8)

Long-term assets increased by HRK 5.4 million to HRK 2,597.0 million (year-end 2020: HRK 2,591.6 million) mostly as a result investments.

Short-term assets decreased by HRK 61.1 million to HRK 390.1 million (year-end 2020: HRK 451.2 million) predominantly driven by the decrease in the Group's cash position. The cash position stood at HRK 363.9 million.

Long-term liabilities and provisions decreased by HRK 12.5 million to HRK 1,318.1 million (year-end 2020: HRK 1,330.6 million) mostly due repayment of bank loans.

Short-term liabilities increased by HRK 21.5 million to HRK 202.2 million (year-end 2020: HRK 180.7 million) primarily due to increased trade payables for new capital investments.

COMPANY BUSINESS RESULTS (NON-CONSOLIDATED)

NON-CONSOLIDATED INCOME STATEMENT

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	6.8	12.8	(46.9)
Total operating expenses	(27.4)	(39.1)	(29.9)
EBITDA	(20.6)	(26.3)	(21.7)
Depreciation	(17.7)	(16.8)	5.4
EBIT	(38.3)	(43.1)	(11.1)
Financial revenues	1.2	3.0	(60.0)
Financial expenses	(3.6)	(3.2)	12.5
Other revenues/ expenses	3.6	(0.6)	n/a
Total income	11.6	15.8	(26.6)
Total expenditures	(48.7)	(59.7)	(18.4)
Loss before tax	(37.1)	(43.9)	(15.5)
Income tax	-	23.3	n/a
Loss after tax	(37.1)	(20.6)	80.1

Total operating income decreased by 46.9% to HRK 6.8 million (2020: HRK 12.8 million) as a result of the worsening situation caused by the Covid-19 pandemic and the respective halt in international and domestic travel coupled with lockdowns of countries across Europe and the rest of the world. Total operating expenses decreased by 29.9% to HRK 27.4 million (2020: HRK 39.1 million) as a result of decreased business activity related to the pandemic outbreak.

EBITDA from operations loss improved by 21.7% to HRK 20.6 million (2020: HRK 26.3 million) as the drop in operating expenses was more pronounced than the drop in total operating income. This development is primarily driven by lower costs incurred than usual at this time of the year since the preparations for the season is delayed, coupled with the positive effect of Government measures related to the payment of salaries which further reduced this expense. EBIT loss from operations decreased by 11.1% to HRK 38.3 million (2020: HRK 43.1 million). Depreciation grew by 5.4% to HRK 17.7 million (2020: 16.8 million) due to previously undertaken investments. Financial revenues decreased by 60.0% due to higher positive foreign exchange differences in previous year. Financial expenses increased by 12.5% to HRK 3.6 million (2020: HRK 3.2 million) as a result of the new bank loans taken during 2020. Other revenues/ (expenses) refers predominantly to profit on disposed fixed asset.

As a result of the foregoing, the consolidated loss before tax decreased by 15.5% to HRK 37.1 million (2020: HRK 43.9 million). Loss after tax increased by 80.1% to HRK 37.1 million (2020: HRK 20.6 million).

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK million)	31 March 2021 (Unaudited)	31 December 2020 (Audited)	Variance %
Long-term assets	2,326.5	2,294.6	1.4
Short-term assets	327.9	388.0	(15.5)
Total assets	2,654.4	2,682.6	(1.1)
Total equity	1,894.1	1,930.8	(1.9)
Long-term liabilities and provisions	658.2	664.1	(0.9)
Short-term liabilities	102.1	87.8	16.4
Total liabilities	760.3	751.8	1.1
Total equity and liabilities	2,654.4	2,682.6	(1.1)

Long-term assets increased by HRK 31.9 million to HRK 2,326.5 million (year-end 2020: HRK 2,294.6 million) as a result of capital investments undertaken in previous periods.

Short-term assets decreased by HRK 60.1 million to HRK 327.9 million (year-end 2020: HRK 388.0 million) predominantly driven by the decrease in the Group's cash position. The cash position stood at HRK 307.3 million.

Long-term liabilities and provisions decreased by HRK 5.9 million to HRK 658.2 million (year-end 2020: HRK 664.1 million) mostly due to amortization of existing bank loans.

Short-term liabilities increased by HRK 14.4 million to HRK 102.1 million (year-end 2020: HRK 87.7 million) primarily due to increased trade payables for new capital investments.

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ARENA
HOTELS &
APARTMENTS

ARENA
CAMPSITES

PRINCIPAL RISKS OF THE GROUP AND THE COMPANY

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

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

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

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

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The Company applies the Corporate Governance Code of the Zagreb Stock Exchange 2020 (the New Code) as adopted by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange (the ZSE) in October 2019 based on the "comply or explain" principle. The Company abides by this principle and, where relevant, provides reasons for non-compliance. The Company will publish its annual corporate governance questionnaires for 2020 in which it will provide 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 is scheduled to take place on 31 May 2021. The Company will convene the meeting and publish all relevant preparatory materials for the meeting in line with prescribed deadlines and requirements.

SUPERVISORY BOARD MEETINGS

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

The Supervisory Board of the Company held one meeting in the first quarter of 2021:

- on 24 February 2021 whereat, inter alia, the Annual Report and the annual financial statements of the Company for the year 2020 (audited, consolidated and non-consolidated) were approved.

SUPERVISORY BOARD COMMITTEES

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

- the Nomination and Remuneration Committee held a meeting on 23 February 2021 at which it considered the recommendation for the Company to adopt a decision on the deferred rewards to the Company's employees;
- the Audit Committee held a meeting on 23 February 2021 at which it considered the Financial Statements of the Company for 2020 (audited, consolidated and non-consolidated).

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 meetings to review operational activities in the Group.

The most important Management Board meeting in the first quarter of 2021 was:

- 24 February 2021 where, *inter alia*, the interim report for the fourth quarter of 2020 and the Annual Report of the Company for 2020 (consolidated and non-consolidated) were adopted.

MAJOR SHAREHOLDERS

The share capital of the Company is HRK 102,574,420.00 HRK and is divided into 5,128,721 ordinary shares under the ticker ARNT-R-A, each without nominal value. As at 31 March 2021, 45,169 shares were held as treasury shares. Shareholders with holdings of 3% or more of the Company's registered capital are listed below:

		Percentage holding of Share Capital including treasury shares	Percentage holding of Share Capital excluding treasury shares
1	DVADESET OSAM D.O.O. (a member of the PPHE Hotel Group)	52.48%	52.95%
2	OTP BANKA D.D./ AZ OMF kategorije B	11.93%	12.04%
3	ADDIKO BANK d.d. / PBZ CO OMF-kategorije B	9.13%	9.22%
4	OTP BANKA D.D./ ERSTE PLAVI OMF kategorije B	7.35%	7.72%

VALUATION

In HRK	First three months of 2021		
	High	Low	Last
Share price	366	302	326
Market capitalisation ¹	1,860,580,032	1,535,232,704	1,657,237,952
Net debt ²	1,017,486,215	1,017,486,215	1,017,486,215
EV ³	2,878,066,247	2,552,718,919	2,674,724,167
EV/EBITDA ⁴	n/a	n/a	n/a

Note: High and Low related to the price in the period for the three months ending 31 March 2021. Last refers to the price as at 31 March 2021

¹ Number of shares outstanding as at 31 March 2021 was 5,128,721 of which 45,169 were held as treasury shares.

² 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

³ EV represents the enterprise value calculated as the sum of market capitalization and net debt

⁴ EBITDA for the twelve months ended 31 March 2021. LTM EBITDA amounted to negative HRK 31,364,810 therefore the EV/EBITDA is n/a

**MANAGEMENT BOARD'S
RESPONSIBILITY STATEMENT**

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



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 three 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 three 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 31 March 2021 contains a true presentation of the business results and financial position and operations of the Company and the companies included in the consolidation, with a description of the most significant risks and uncertainties to which the Company and the companies included in the consolidation are exposed as a whole.

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

MANAGEMENT BOARD:

President:



Reuel Israel Gavriel Slonim

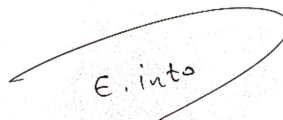
Members:



Devansh Bakshi



Manuela Kraljević



Edmond Pinto

APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

Consolidated balance sheet

Consolidated profit and loss statement

Consolidated cash flow statement

Consolidated statement of changes in equity

Notes to the consolidated financial statement

Company balance sheet

Company profit and loss statement

Company cash flow statement

Company statement of changes in equity

Notes to the financial statement for Company

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.21

to

31.03.21

Year:

2021

Quarter:

1.

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

773

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

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 31.03.2021

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	2.591.618.682	2.597.022.497
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.407.134	1.969.647
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.407.134	1.969.647
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
II TANGIBLE ASSETS (ADP 011 to 019)	010	2.469.150.056	2.475.466.240
1 Land	011	337.138.033	337.519.941
2 Buildings	012	1.552.239.268	1.541.702.125
3 Plant and equipment	013	150.700.723	144.161.366
4 Tools, working inventory and transportation assets	014	3.767.632	3.420.360
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	13.331.450	7.847.376
7 Tangible assets in preparation	017	131.108.486	164.799.756
8 Other tangible assets	018	280.864.464	276.015.316
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	55.347.563	53.870.035
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	39.828.807	38.284.121
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	15.518.756	15.585.914
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	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
V DEFERRED TAX ASSETS	036	65.713.929	65.716.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	451.157.063	390.075.590
I INVENTORIES (ADP 039 to 045)	038	2.464.503	2.659.998
1 Raw materials and consumables	039	2.250.798	2.437.269
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	16.468	22.866
5 Advances for inventories	043	197.237	199.863
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	22.855.787	23.204.888
1 Receivables from undertakings within the group	047	794.072	794.564
2 Receivables from companies linked by virtue of participating interests	048	571.816	590.915
3 Customer receivables	049	7.728.944	8.376.578
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	6.140.402	4.400.785
6 Other receivables	052	7.620.553	9.042.046
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	223.960	223.960
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	223.960	223.960
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	425.612.813	363.986.744
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	3.042.775.745	2.987.098.087
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.531.450.549	1.466.750.394
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.742.013	1.142.742.013
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	317.154.752	317.560.592
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	312.026.031	312.431.871
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	-9.962.664	-8.127.365
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	130.305	130.305
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	-9.826.022	-8.392.678
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	-266.947	135.008
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	206.224.758	-21.057.972
1 Retained profit	084	206.224.758	0
2 Loss brought forward	085	0	21.057.972
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-227.282.730	-66.941.294
1 Profit for the business year	087	0	0
2 Loss for the business year	088	227.282.730	66.941.294
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	46.686.363	46.686.363
1 Provisions for pensions, termination benefits and similar obligations	091	1.328.606	1.328.606
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	45.357.757	45.357.757
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	1.283.896.409	1.271.378.238
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	1.275.984.952	1.264.648.144
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	7.911.457	6.730.094
11 Deferred tax liability	108	0	0
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	180.742.424	202.283.092
1 Liabilities to undertakings within the group	110	13.883.510	14.376.848
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	113.698.314	116.824.815
7 Liabilities for advance payments	116	9.491.828	11.626.071
8 Liabilities to suppliers	117	25.073.300	38.567.158
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	7.798.182	8.738.382
11 Taxes, contributions and similar liabilities	120	1.246.562	0
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	9.550.728	12.149.818
E) ACCRUALS AND DEFERRED INCOME	124	0	0
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	3.042.775.745	2.987.098.087
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: Arena Hospitality Group d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	56.553.942	56.553.942	12.212.138	12.212.138
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	55.119.556	55.119.556	7.994.673	7.994.673
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	1.434.386	1.434.386	4.217.465	4.217.465
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	103.723.613	103.723.613	68.512.896	68.512.896
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	28.002.499	28.002.499	15.569.304	15.569.304
a) Costs of raw materials and consumables	010	13.259.307	13.259.307	7.248.845	7.248.845
b) Costs of goods sold	011	0	0	0	0
c) Other external costs	012	14.743.192	14.743.192	8.320.459	8.320.459
3 Staff costs (ADP 014 to 016)	013	37.585.668	37.585.668	17.243.549	17.243.549
a) Net salaries and wages	014	22.400.458	22.400.458	10.381.965	10.381.965
b) Tax and contributions from salary costs	015	10.153.466	10.153.466	4.563.784	4.563.784
c) Contributions on salaries	016	5.031.744	5.031.744	2.297.800	2.297.800
4 Depreciation	017	26.523.042	26.523.042	27.100.909	27.100.909
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	11.612.404	11.612.404	8.599.134	8.599.134
III FINANCIAL INCOME (ADP 031 to 040)	030	196.613	196.613	213.696	213.696
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	196.613	196.613	209.820	209.820
8 Exchange rate differences and other financial income	038	0	0	3.876	3.876
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	21.631.185	21.631.185	7.921.028	7.921.028
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	6.460.736	6.460.736	7.894.739	7.894.739
4 Exchange rate differences and other expenses	045	15.113.617	15.113.617	0	0
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	56.832	56.832	26.289	26.289
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	993.084	993.084	2.143.745	2.143.745
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	56.750.555	56.750.555	12.425.834	12.425.834
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	126.347.882	126.347.882	78.577.669	78.577.669
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-69.597.327	-69.597.327	-66.151.835	-66.151.835
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-69.597.327	-69.597.327	-66.151.835	-66.151.835
XII INCOME TAX	058	-23.369.215	-23.369.215	789.459	789.459
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-46.228.112	-46.228.112	-66.941.294	-66.941.294
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-46.228.112	-46.228.112	-66.941.294	-66.941.294

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-46.228.112	-46.228.112	-66.941.294	-66.941.294
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	3.166.548	3.166.548	1.835.299	1.835.299
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	3.166.548	3.166.548	1.835.299	1.835.299
1 Exchange rate differences from translation of foreign operations	088	3.953.819	3.953.819	401.955	401.955
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	-787.271	-787.271	1.433.344	1.433.344
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	3.166.548	3.166.548	1.835.299	1.835.299
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-43.061.564	-43.061.564	-65.105.995	-65.105.995
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	-43.061.564	-43.061.564	-65.105.995	-65.105.995
1 Attributable to owners of the parent	100	-43.061.564	-43.061.564	-65.105.995	-65.105.995
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021. to 31.03.2021.

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-69.597.327	-66.151.835
2 Adjustments (ADP 003 to 010):	002	62.196.542	35.416.122
a) Depreciation	003	26.523.042	27.100.909
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	635.721	-3.671.663
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	-196.613	-208.865
e) Interest expenses	007	6.460.736	7.894.739
f) Provisions	008	1.190.615	0
g) Exchange rate differences (unrealised)	009	26.589.957	1.751.417
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	993.084	2.549.585
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-7.400.785	-30.735.713
3 Changes in the working capital (ADP 013 to 016)	012	-13.656.818	8.517.902
a) Increase or decrease in short-term liabilities	013	-10.040.728	6.875.893
b) Increase or decrease in short-term receivables	014	-4.506.355	376.688
c) Increase or decrease in inventories	015	890.265	1.265.321
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-21.057.603	-22.217.811
4 Interest paid	018	-9.860.318	-10.447.138
5 Income tax paid	019	-1.740.552	-1.803.111
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-32.658.473	-34.468.060
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	4.400.825
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	143	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	143	4.400.825
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-80.270.044	-19.902.697
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-80.270.044	-19.902.697
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-80.269.901	-15.501.872
Cash flow from financing activities			
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	21.014.769	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	21.014.769	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-5.833.019	-10.926.460
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-15.950.733	-231.864
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-536.619	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-22.320.371	-11.158.324
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-1.305.602	-11.158.324
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-2.837.671	-497.813
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-117.071.647	-61.626.069
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	718.890.634	425.612.813
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	601.818.987	363.986.744

STATEMENT OF CHANGES IN EQUITY
for the period from 01.01.21 to 31.03.21

in HRK

Item	ADP code	Attributable to owners of the parent																			
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)		
Previous period																					
1 Balance on the first day of the previous business year	01	102.574.420	1.142.736.633	5.128.721	16.334.757	16.334.757	0	314.960.230	0	127.000	0	0	0	-9.060.816	0	-2.481.508	54.101.721	148.976.037	1.756.464.457	0	1.756.464.457
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	3.380	0	0	0	0	-3.150.380	0	0	0	0	0	0	0	3.147.000	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	102.574.420	1.142.742.013	5.128.721	16.334.757	16.334.757	0	311.209.850	0	127.000	0	0	0	-9.060.816	0	-2.481.508	57.248.721	148.976.037	1.756.464.457	0	1.756.464.457
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	2.214.562	0	0	0	2.214.562	0	2.214.562
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	3.285	0	0	0	0	0	0	0	0	3.285	0	3.285
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	-765.206	0	0	0	0	0	0	-765.206	0	-765.206
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	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	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	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	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	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	536.619	536.619	-536.619	0	0	0	0	0	0	0	0	0	0	-536.619	0	-536.619
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	0	
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	1.352.800	0	0	0	0	0	0	0	0	0	0	1.352.800	0	1.352.800
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	148.976.037	-148.976.037	0	0	0	0	
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	312.026.031	0	130.305	0	-9.826.022	0	-266.947	206.224.758	-227.282.730	1.531.450.549	0	1.531.450.549		
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																					
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	0	0	0	0	0	0	3.285	0	-765.206	0	2.214.562	0	0	1.452.641	0	1.452.641		
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	0	0	0	0	0	0	3.285	0	-765.206	0	2.214.562	0	-227.282.730	-225.830.089	0	-225.830.089		
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	536.619	536.619	0	816.181	0	0	0	0	0	0	148.976.037	-148.976.037	816.181	0	816.181		

Current period																			
1 Balance on the first day of the current business year	28	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	312.026.031	0	130.305	0	-9.826.022	0	-266.947	206.224.758	-227.282.730	1.531.450.549	0	1.531.450.549
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	312.026.031	0	130.305	0	-9.826.022	0	-266.947	206.224.758	-227.282.730	1.531.450.549	0	1.531.450.549
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-66.941.294	-66.941.294	-66.941.294	-66.941.294
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	401.955	0	0	401.955	0	401.955
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	405.840	0	0	0	0	0	0	0	0	0	405.840	405.840
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-227.282.730	227.282.730	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
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	102.574.420	1.142.742.013	5.128.721	16.871.376	16.871.376	0	312.431.871	0	130.305	0	-8.382.676	0	135.008	-21.057.972	-66.941.294	1.466.750.304	0	1.466.750.304
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 41)	52	0	0	0	0	0	0	0	0	0	0	1.433.344	0	401.955	0	0	1.835.299	0	1.835.299
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)	53	0	0	0	0	0	0	0	0	0	0	1.433.344	0	401.955	0	-66.941.294	-65.105.995	0	-65.105.995
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	405.840	0	0	0	0	0	0	-227.282.730	227.282.730	405.840	0	405.840

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

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

Personal identification number (OIB): 47625429199

Reporting period: 01.01.2021 to 31.03.2021

Notes to financial statements for quarterly periods include:

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

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

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

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

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

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

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

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

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

- N/A

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

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

- see General data.

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

- There were no changes

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

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

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

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

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

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

6. average number of employees during the financial year

- 689.

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

- Total capitalised cost is amounted to HRK 123.499 (net salary of HRK 73.309 kuna, taxes and contributions from salaries of HRK 32.840 poreza and contribution on salary of HRK 17.350)

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

- N/A

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

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

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

- N/A

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

- N/A

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

- N/A

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

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

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

- same as the answer under 13.

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

- N/A

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

- N/A

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

- N/A

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.21

to

31.03.21

Year:

2021

Quarter:

1.

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

615

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 31.03.2021

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	2.294.580.668	2.326.519.638
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.275.547	1.845.421
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.275.547	1.845.421
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
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.526.307.681	1.537.040.797
1 Land	011	235.413.623	235.355.089
2 Buildings	012	1.028.668.452	1.017.972.250
3 Plant and equipment	013	105.290.273	100.733.710
4 Tools, working inventory and transportation assets	014	3.767.632	3.420.360
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	13.331.450	7.847.376
7 Tangible assets in preparation	017	126.883.312	160.214.118
8 Other tangible assets	018	12.952.939	11.497.894
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	703.854.849	724.490.829
1 Investments in holdings (shares) of undertakings within the group	021	541.563.804	542.573.804
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	149.880.907	169.453.191
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	12.410.138	12.463.834
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	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
V DEFERRED TAX ASSETS	036	63.142.591	63.142.591
C) CURRENT ASSETS (ADP 038+046+053+063)	037	388.042.963	327.896.580
I INVENTORIES (ADP 039 to 045)	038	1.728.164	1.897.412
1 Raw materials and consumables	039	1.514.459	1.674.683
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	16.468	22.866
5 Advances for inventories	043	197.237	199.863
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	15.212.411	18.463.316
1 Receivables from undertakings within the group	047	8.006.178	9.222.775
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	2.719.174	4.178.917
4 Receivables from employees and members of the undertaking	050	27.927	22.452
5 Receivables from government and other institutions	051	3.292.604	3.943.997
6 Other receivables	052	1.166.528	1.095.175
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	223.960	223.960
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	223.960	223.960
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	370.878.428	307.311.892
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.682.623.631	2.654.416.218
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.930.818.282	1.894.107.086
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.742.013	1.142.742.013
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	557.298.673	557.704.511
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.871.376	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.871.376	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	552.169.952	552.575.790
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	130.305	130.305
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	130.305	130.305
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	231.245.206	128.072.871
1 Retained profit	084	231.245.206	128.072.871
2 Loss brought forward	085	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-103.172.335	-37.117.034
1 Profit for the business year	087	0	0
2 Loss for the business year	088	103.172.335	37.117.034
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	46.685.173	46.685.173
1 Provisions for pensions, termination benefits and similar obligations	091	1.327.425	1.327.425
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	45.357.748	45.357.748
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	617.364.839	611.476.921
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	617.364.839	611.476.921
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
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	87.755.337	102.147.038
1 Liabilities to undertakings within the group	110	702.387	797.148
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	54.837.489	51.400.106
7 Liabilities for advance payments	116	4.522.762	6.463.589
8 Liabilities to suppliers	117	13.586.691	24.942.346
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	7.371.640	8.048.308
11 Taxes, contributions and similar liabilities	120	806.320	0
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	5.928.048	10.495.541
E) ACCRUALS AND DEFERRED INCOME	124	0	0
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	2.682.623.631	2.654.416.218
G) OFF-BALANCE SHEET ITEMS	126	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021 to 31.03.2021

in HRK

Submitter: Arena Hospitality Group d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 002 to 006)	001	12.821.184	12.821.184	10.423.659	10.423.659
1 Income from sales with undertakings within the group	002	1.681.238	1.681.238	1.469.494	1.469.494
2 Income from sales (outside group)	003	10.057.905	10.057.905	4.952.673	4.952.673
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	1.082.041	1.082.041	4.001.492	4.001.492
II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)	007	56.499.836	56.499.836	45.076.300	45.076.300
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	14.477.582	14.477.582	12.065.462	12.065.462
a) Costs of raw materials and consumables	010	6.166.503	6.166.503	4.705.526	4.705.526
b) Costs of goods sold	011	2.434	2.434	7.584	7.584
c) Other external costs	012	8.308.645	8.308.645	7.352.352	7.352.352
3 Staff costs (ADP 014 to 016)	013	19.827.872	19.827.872	10.972.710	10.972.710
a) Net salaries and wages	014	12.006.604	12.006.604	8.243.161	8.243.161
b) Tax and contributions from salary costs	015	5.324.689	5.324.689	2.031.462	2.031.462
c) Contributions on salaries	016	2.496.579	2.496.579	698.087	698.087
4 Depreciation	017	16.829.705	16.829.705	17.652.954	17.652.954
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	5.364.677	5.364.677	4.385.174	4.385.174
III FINANCIAL INCOME (ADP 031 to 040)	030	2.988.912	2.988.912	1.204.853	1.204.853
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	822.821	822.821	1.155.548	1.155.548
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	0	0	0	0
8 Exchange rate differences and other financial income	038	2.165.997	2.165.997	48.385	48.385
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	94	94	920	920
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	3.213.750	3.213.750	3.669.246	3.669.246
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	3.213.750	3.213.750	3.669.246	3.669.246
4 Exchange rate differences and other expenses	045	0	0	0	0
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
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049 +050)	053	15.810.096	15.810.096	11.628.512	11.628.512
X TOTAL EXPENDITURE (ADP 007+041+051 + 052)	054	59.713.586	59.713.586	48.745.546	48.745.546
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-43.903.490	-43.903.490	-37.117.034	-37.117.034
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-43.903.490	-43.903.490	-37.117.034	-37.117.034
XII INCOME TAX	058	-23.330.329	-23.330.329	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-20.573.161	-20.573.161	-37.117.034	-37.117.034
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-20.573.161	-20.573.161	-37.117.034	-37.117.034

DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 063-064)	062	0	0	0	0
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	065	0	0	0	0
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 055+062)	068	0	0	0	0
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
XVII INCOME TAX (ADP 058+065)	071	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)	072	0	0	0	0
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 076+077)	075	0	0	0	0
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	078	-20.573.161	-20.573.161	-37.117.034	-37.117.034
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)	079	0	0	0	0
III Items that will not be reclassified to profit or loss (ADP 081 to 085)	080	0	0	0	0
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
IV Items that may be reclassified to profit or loss (ADP 088 to 095)	087	0	0	0	0
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)	097	0	0	0	0
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)	098	-20.573.161	-20.573.161	-37.117.034	-37.117.034
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 100+101)	099	0	0	0	0
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021. to 31.03.2021.

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-43.903.490	-37.117.034
2 Adjustments (ADP 003 to 010):	002	26.111.283	18.119.042
a) Depreciation	003	16.829.705	17.652.954
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	31.445	-3.671.663
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	-822.915	-1.155.548
e) Interest expenses	007	3.213.750	3.669.245
f) Provisions	008	1.190.615	0
g) Exchange rate differences (unrealised)	009	5.668.683	1.218.214
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	405.840
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-17.792.207	-18.997.992
3 Changes in the working capital (ADP 013 to 016)	012	-10.037.326	5.311.294
a) Increase or decrease in short-term liabilities	013	-4.356.307	5.591.523
b) Increase or decrease in short-term receivables	014	-6.432.526	-1.543.927
c) Increase or decrease in inventories	015	751.507	1.263.698
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-27.829.533	-13.686.698
4 Interest paid	018	-6.664.269	-7.619.473
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-34.493.802	-21.306.171
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	4.400.825
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	94	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	943.043	0
6 Other cash receipts from investment activities	026	1.887	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	945.024	4.400.825
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-75.718.681	-19.431.921
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-5.326.462	-18.934.865
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-15.330.000	-1.010.000
IV Total cash payments from investment activities (ADP 028 to 032)	033	-96.375.143	-39.376.786
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-95.430.119	-34.975.961
Cash flow from financing activities			
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	21.014.769	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	21.014.769	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-2.282.768	-7.284.404
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	-536.619	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-2.819.387	-7.284.404
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	18.195.382	-7.284.404
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-111.728.539	-63.566.536
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	597.070.653	370.878.428
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	485.342.114	307.311.892

STATEMENT OF CHANGES IN EQUITY
for the period from to

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

Current period																			
1 Balance on the first day of the current business year	28	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	552,169,952	0	130,305	0	0	0	0	231,245,206	-103,172,335	1,930,818,282	0	1,930,818,282
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	552,169,952	0	130,305	0	0	0	0	231,245,206	-103,172,335	1,930,818,282	0	1,930,818,282
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	405,838	0	0	0	0	0	0	0	0	405,838	0	405,838
22 Carryforward per annual plan	49	0	0	0	0	0	0	0	0	0	0	0	0	-103,172,335	103,172,335	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	102,574,420	1,142,742,013	5,128,721	16,871,376	16,871,376	0	552,575,790	0	130,305	0	0	0	0	128,072,871	-37,117,034	1,894,107,086	0	1,894,107,086
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 50)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-37,117,034	-37,117,034	0	-37,117,034
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	405,838	0	0	0	0	0	0	-103,172,335	103,172,335	405,838	0	405,838

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

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

Personal identification number (OIB): 47625429199

Reporting period: 01.01.2021 till 31.03.2021

Notes to financial statements for quarterly periods include:

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

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

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

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

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

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

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

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

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

- N/A

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

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

- see General data.

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

- There were no changes

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

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

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

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

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

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

6. average number of employees during the financial year

- 562

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

- Total capitalised cost is amounted to HRK 123.499 (net salary of HRK 73.309 kuna, taxes and contributions from salaries of HRK 32.840 poreza and contribution on salary of HRK 17.350)

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

- N/A

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

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

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

- N/A

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

- N/A

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

- N/A

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

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

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

- same as the answer under 13.

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

- N/A

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

- N/A

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

- N/A