

INTERIM FINANCIAL REPORT
FOR THE FIRST QUARTER OF 2017

ARENA

HOSPITALITY GROUP

28 APRIL 2017

ARENA HOSPITALITY GROUP, A MEMBER OF PPHE HOTEL GROUP



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INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY - MARCH 2017

RELI SLONIM, CHIEF EXECUTIVE OFFICER



"We are pleased to report our first set of results incorporating the newly acquired operations in Germany and Hungary. As a result of this international expansion, total revenue in the first quarter increased by 395.3% to HRK 63.4 million (Q1 2016: HRK 12.8 million).

In addition, the underlying like-for-like performance in Germany and Hungary improved significantly against a soft first quarter in 2016 as several hotels were undergoing renovations. Reported revenue was further boosted by the first time contribution of Park Plaza Nuremberg, which opened in June 2016. During the period, we completed the acquisition of the freehold interests in art'otel cologne and art'otel berlin kudamm, in Germany.

We have continued – and are continuing – the transformation of the Company and the General Assembly has adopted a decision to increase the share capital and issue of ordinary shares by way of a public offering. To further support our international operations and expansion ambitions, we have renamed the Company to Arena Hospitality Group d.d.

Based on the start to the year in Germany and Hungary and the encouraging booking pace for the summer season in Croatia, we anticipate that the 2017 results will be in line with the Board's expectations."

A handwritten signature in black ink that reads "R. Slonim". The signature is written in a cursive, slightly slanted style.

RELI SLONIM
CHIEF EXECUTIVE OFFICER

SIGNIFICANT EVENTS DURING THE FIRST QUARTER

The most significant corporate events during the first quarter of 2017 were:

- First time consolidation of the operations of the portfolio of eight Park Plaza or art'otel branded owned/co-owned/leased/managed hotels in Germany and Hungary, following the Company's acquisition of 88% of the shares of the entities that own/operate these properties in December 2016, which has transformed the Company from being a highly seasonal domestic operator to a dynamic international company which operates year round.
- As a result, reported revenue in the first quarter increased by 395.3% to HRK 63.4 million (Q1 2016: HRK 12.8 million). The underlying like-for-like performance in Germany and Hungary improved significantly against a soft first quarter in 2016 as several hotels were undergoing renovations. Reported revenue was further boosted by the first time contribution of Park Plaza Nuremberg, which opened in June 2016.
- Completion of the acquisition of the freehold interests in art'otel cologne and art'otel berlin kudamm in Germany in February 2017.
- At the Company's General Assembly, held on 22 March 2017, the decision was adopted of increasing the share capital and issuing of ordinary shares by way of public offering.
- The Company was renamed to Arena Hospitality Group d.d. to support its international operations and expansion ambitions.



OPERATING REVIEW OF THE GROUP

The following table sets forth the Group's consolidated results of operations for the first quarter of 2017.

CONSOLIDATED KEY PERFORMANCE INDICATORS

	Reported ¹			Like-for-like ²		
	Three months ended 31 March 2017	Three months ended 31 March 2016	% change ³	Three months ended 31 March 2017	Three months ended 31 March 2016	% change ³
Total revenue (HRK million)	63.4	12.8	395.3	52.3	51.4	1.8
EBITDAR (HRK million)	(8.0)	(19.4)	(58.8)	(10.8)	(11.9)	9.2
EBITDA (HRK million)	(19.7)	(21.6)	(8.8)	(22.5)	(26.8)	16.0
Profit/(loss) before tax (HRK million)	(37.4)	(40.7)	(8.1)	(37.8)	(48.4)	(22.7)
Rooms available ⁴	130,895	99,870	31.1	114,965	163,752	29.8
Occupancy % ⁴	53.3	21.7	145.6	53.8%	38.3%	40.4
Average daily rate (HRK) ⁵	656.3	372.5	76.2	577.3	537.0	7.5
RevPAR (HRK)	349.7	80.9	332.3	310.9	205.7	51.1
Accommodation revenue (HRK million)	45.8	8.1	465.4	35.7	33.7	5.9

¹ The actual results.

² The like-for-like comparison figures for 2016 and 2017 include the Sugarhill Group as if it had been acquired on 1 January 2016 with the following exceptions:

- the results for Park Plaza Nuremberg are not included in 2017 as the hotel opened in June 2016 and so was not part of the results of Sugarhill for 2016.
- The like-for-like figures for 2016 do not include the financial effect of the changes to the management agreement with PPHE Hotel Group.

³ Percentage change figures are calculated from actual figures as opposed to the rounded figures included in the above table. Unless otherwise indicated, all figures in this report compare three months ended 31 March 2017 with three months ended 31 March 2016. All financial information in this report for accommodation revenue, total revenue EBITDAR and EBITDA reflects Arena Hospitality Group's interest.

⁴ Rooms available and the occupancy calculation are based on operating days.

⁵ Average daily rate represents total room revenues divided by the total number of paid units occupied by guests.

Total Group revenue increased by HRK 50.6 million to HRK 63.4 million (2016: HRK 12.8 million) due to the first time consolidation of the results of the German and Hungarian operations.

On a like-for-like basis, total revenue increased by HRK 0.9 million to HRK 52.3 million (Q1 2016: 51.4 million).

On a reported basis, the EBITDA loss decreased by HRK 1.9 million to HRK 19.7 million (Q1 2016: HRK 21.6 million loss). The lower year-on-year EBITDA reported in Croatia (due to a later start of the 2017 season) was offset by the first time EBITDA contributions of the German and Hungarian properties.

CROATIA PORTFOLIO PERFORMANCE

The following table sets forth the Group's results of operations in Croatia for the first quarter of 2017.

CROATIA HOTELS, HOLIDAY APARTMENTS AND CAMPSITES OPERATIONS KEY PERFORMANCE INDICATORS

	Three months ended 31 March 2017	Three months ended 31 March 2016
Total revenue (HRK million)	9.5	13.0
EBITDAR (HRK million)	(25.9)	(20.5)
EBITDA (HRK million)	(28.1)	(23.2)
Rooms available ¹	51,785	99,870
Occupancy %	28.3%	21.7%
Average daily rate (HRK) ²	388.5	372.5
RevPAR (HRK)	109.8	80.9
Accommodation revenue (HRK million)	5.7	8.1
FTE ³	469	445

¹ Rooms available are based on operating days.

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

³ 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 Group's business in Croatia is highly seasonal with the majority of guest visits occurring from June to September. The first quarter of the year in Croatia is one of low business activity, with the exception of the Easter period (to the extent this falls within the quarter), with usually only one or two hotels in operation, whilst the Company bears various fixed costs, with the exception of the Easter period (to the extent this falls within the quarter).

Total revenue decreased by 26.9% to 9.5 million HRK (Q1 2016: HRK 13.0 million). The primary reason for the decrease in revenue was the timing of Easter, a period of holiday activity for certain of the Group's properties, which in 2017 fell in April.

In the first quarter of 2016, more properties were open due to Easter falling earlier in the year resulting in more operating days than in the first quarter of 2017, albeit with lower occupancies and average daily rates. Room revenue decreased by 29.6% to HRK 5.7 million (Q1 2016: HRK 8.1 million). Occupancy based on operating days increased by 660 bps to 28.3% (Q1 2016: 21.7%). The average daily rate increased by 4.3% to HRK 388.5 (Q1 2016: HRK 80.9). RevPAR based on operating days increased by 35.7% to HRK 109.8 (Q1 2016: HRK 80.9).

The EBITDA loss increased by 21.1% to HRK 28.1 million (Q1 2016 EBITDA loss: HRK 23.2 million). The main reasons for the decline in EBITDA were the lower revenue reported and increased expenses.

GERMAN AND HUNGARIAN PORTFOLIO PERFORMANCE

The following table sets forth the Group's results of operations in Germany and Hungary for the first quarter of 2017.

GERMANY AND HUNGARY OPERATIONS KEY PERFORMANCE INDICATORS

	Reported in HRK		Reported in Euros (€)		Like-for-like in HRK ¹	
	Three months ended 31 March 2017	Three months ended 31 March 2016	Three months ended 31 March 2017	Three months ended 31 March 2016	Three months ended 31 March 2017	Three months ended 31 March 2016
Total revenue (HRK million)	51.5	34.5	6.9	4.5	39.5	34.5
EBITDAR (HRK million)	14.6	7.4	2.0	1.0	11.8	7.4
EBITDA (HRK million)	5.3	(5.1)	0.7	(0.7)	2.5	(5.1)
Rooms available ²	79.110	63.882	79.110	63.882	63.180	63.882
Occupancy % ²	69.6	64.2	69.6	64.2	74.8	64.2
Average daily rate (HRK) ³	727.5	624.0	97.6	82.1	635.8	624.0
RevPAR (HRK)	506.7	400.8	68.0	52.7	475.7	400.8
Accommodation revenue (HRK million)	40.1	25.6	5.4	3.4	30.1	25.6
FTE ⁴	229	194	229	194	189	194

¹ The like-for-like comparison figures exclude Park Plaza Nuremberg in 2017 as the hotel opened in June 2016.

² Rooms available are based on operating days

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 performance of our hotels in Germany and Hungary improved year-on-year, with reported total revenue increasing by 49.2% to HRK 51.5 million (Q1 2016: HRK 34.5 million). The main driver for this growth was Park Plaza Nuremberg which opened in June 2016. In addition, several of our properties were undergoing renovations in the first quarter of 2016 and markets were relatively soft.

On a like-for-like basis, total revenue increased by 12.6% to HRK 39.5 million (Q1 2016: HRK 34.5 million). This growth was the result of a 1,106 bps increase in occupancy to 74.8% (Q1 2016: 64.2%) and a 1.9% increase in average daily rate to HRK 635.8 (Q1: HRK 624.0). Reported EBITDA increased by HRK 10.4 million to HRK 5.3 million (Q1 2016: HRK 5.1 million negative) primarily due to the first time contribution of Park Plaza Nuremberg, the acquisitions of the freeholds of art'otel cologne and art'otel berlin kudamm (which resulted in lower rental payments of HRK 2.8 million associated with the two operating leases formerly payable to third parties) and improved trading.

MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

The following table sets forth the Group's results of management and central services operations for the first quarter of 2017.

MANAGEMENT AND CENTRAL SERVICES

	Three months ended 31 March 2017	Three months ended 31 March 2016
Total revenue before elimination (HRK million)	24.1	12.0
Elimination of intra group revenue (HRK million)	(21.8)	(11.8)
Total reported revenue (HRK million)	2.3	0.2
EBITDA before elimination (HRK million)	3.1	1.6
FTE ¹	10	-

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

In December 2016, the Group indirectly acquired a controlling interest in Arena Hospitality Management d.o.o, the Group's hotel management company in respect of each of the Group's Croatian, German and Hungarian hotels and one managed hotel, moving certain activities from outside to within the Group. Arena Hospitality Group d.d. is owner/operator of a large part of its portfolio and as a result, all hotel management revenue related to those hotels is eliminated upon consolidation as intra-group revenue.

Further the Group has centralised services in Croatia for sales and marketing, maintenance, laundry, and administrative and general services for the properties in Croatia. The direct cost of these services is charged to the operating properties in Croatia. All service charge revenues related to those properties are eliminated upon consolidation as intra-group revenue.

RENOVATION PROJECTS AND PRODUCT IMPROVEMENTS

The Group regularly invests before and after the summer season in Croatia, further improving the quality of its offering in preparation for the following season. Current improvements being made, which are all anticipated to be completed prior to the start of the 2017 summer season, include:

- Hotel Holiday; refurbishment of the rooms and lobby area;
- Camp Pomer; installation of a new sewage system;
- Laundry; works related to the change of energy source;
- Camp Stoja; reconstruction of the diving club;
- Park Plaza Belvedere Medulin; construction of a third outdoor pool; and
- Punta Verudela area; replacement of external joinery.

The projected budgeted costs for the above investments and capital expenditure plan amount to HRK 56.2 million. At 31 March 2017 an amount of HRK 23.6 million has already been paid.

TRADING SINCE 31 MARCH 2017

Trading since 31 March 2017 has remained encouraging across our properties in Germany and Hungary and we expect to further benefit from the upgraded hotels and the maturing of Park Plaza Nuremberg. In Croatia, the majority of our properties opened just before the Easter holidays and bookings for the 2017 summer season are ahead compared to the same period last year.

COMPANY BUSINESS RESULTS (CONSOLIDATED)

CONSOLIDATED INCOME STATEMENT

	31 March 2017 (Unaudited)	31 March 2016 (Unaudited)	Index
Rooms sold	69,736	21,694	321
Average daily rate in HRK	656.3	372.5	176
In million			
Operating income	63.4	12.8	495
Ordinary operating expenses	(71.4)	(32.1)	222
EBITDA from operations	(19.7)	(21.6)	91
Depreciation	(15.0)	(14.8)	101
EBIT from operations	(34.7)	(36.4)	95
Financial revenues	7.2	-	-
Financial expenses	(9.5)	(4.3)	221
Total income	70.6	12.8	551
Total expenditures	(107.9)	(53.5)	202
Profit/(loss) before tax	(37.4)	(40.7)	92

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK million)

	31 March 2017 (unaudited)	31 December 2016 (audited)	Index
Long-term assets	1,905.0	1,468.8	130
Short-term assets	115.4	177.7	65
Total assets	2,020.4	1,646.5	123
Capital and reserves			
Capital	65.5	43.6	150
Share premium	438.2	-	
Unregistered capital	-	460.0	
Reserves*	366.0	368.3	99
Retained earnings*	(123.1)	(90.4)	136
Minority interest	22.3	22.7	98
Long-term liabilities	970.5	585.4	166
Short-term liabilities	280.9	256.9	109
Total liabilities	1,251.4	842.3	149
Total capital and liabilities	2,020.4	1,646.5	123

* In the table the results of the Bora Companies (Arenaturist Hoteli d.o.o., Arenaturist Zlatne Stijene d.o.o. and Arenaturist Turistička Naselja d.o.o.) until the date which they were merged into the Company are included in the Reserves. In the prescribed forms these result are included in Retained earnings.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

The increase in 2017 in the total assets of HRK 373.9 million to HRK 2,020.4 million results mainly from the acquisition of the freehold interests in art'otel cologne and art'otel berlin kudamm, in Germany in February 2017. The purchase price amounted to HRK 440.8 million (EUR 58.6 million).

The increase in 2017 in the total liabilities of HRK 409.1 million to HRK 1,251.4 million results mainly from the new loans to finance the purchase of the freehold interests in art'otel cologne and art'otel berlin kudamm. The Group entered into a EUR 38.0 million (HRK 286.0 million) loan agreement with Deutsche Hypo, a EUR 10.0 million (HRK 75.3 million) loan agreement with Verband der Zahnärzte Berlin and a EUR 11.0 million (HRK 82.8) with a related party to finance this purchase.

COMPANY BUSINESS RESULTS (NOT- CONSOLIDATED)

COMPANY INCOME STATEMENT

	31 March 2017 (Unaudited)	31 March 2016 (Unaudited)	Index
Rooms sold	14,639	21,694	67
Average daily rate in HRK	388.5	372,5	104
In million HRK			
Total operating income	10.4	13.9	75
Total operating expenses	(44.5)	(39.5)	113
EBITDA	(34.1)	(25.6)	133
Depreciation	(12.8)	(13.0)	98
EBIT	(46.9)	(38.6)	122
Financial revenues	7.7	3.9	197
Financial expenses	(7.8)	(4.5)	173
Total income	18.1	17.8	102
Total expenditures	(65.1)	(57.0)	114
Profit/(loss) before tax	(47.0)	(39.2)	120

COMPANY STATEMENT OF FINANCIAL POSITION AS OF 31 MARCH 2017

(all amounts in HRK million)

	31 March 2017 (unaudited)	31 December 2016 (audited)	Index
Long-term assets	1,745.0	1,661.0	105
Short-term assets	54.2	111.2	49
Total assets	1,799.2	1,772.2	102
Capital and reserves			
Capital	65.5	43.6	150
Share premium	438.1	-	
Unregistered capital	-	460.0	
Reserves*	661.9	661.9	100
Retained earnings*	(130.9)	(91.0)	144
Long-term liabilities	606.1	577.5	105
Short-term liabilities	158.5	120.2	132
Total liabilities	764.6	697.7	110
Total capital and liabilities	1,799.2	1,772.2	102

PRINCIPAL RISKS OF THE GROUP AND THE COMPANY

There are no changes to the principal risks as set out in the Company's consolidated financial statements for the year ended 31 December 2016, which may currently affect the Group's performance. The most significant risks relate to factors that are common to the hotel industry and beyond the Group's control, such as the global economic downturn, changes in travel patterns or in the structure of the travel industry and the increase in acts of terrorism. Further risks are pertaining to the legal framework which governs the concession agreements relating some of the Company's properties in Croatia, seasonality and adverse weather conditions in the high season, information technology and systems and exchange rate fluctuations. For a detailed discussion of the risks facing the Group, please refer to pages 20 and 21 of the Company's 2016 annual report.

CORPORATE GOVERNANCE REPORT

BOARD OF DIRECTORS MEETINGS

In the first quarter of 2017 two Board meetings were held. The meeting on 16 February was a meeting in preparation of the General Assembly at which decisions were adopted to increase the share capital, decisions related to a public offer concept and related changes to the Company's Articles. In the meeting held on 20 March, the Board of Directors approved the annual report and accounts of the Company for the year 2016.

All members of the Board were present at both meetings and voted unanimously.

The Audit Committee held a meeting on 18 March to review the annual report and accounts of the Company.

GENERAL ASSEMBLY MEETING

The General Assembly held a meeting on 22 March 2017 which agenda was announced via the Company's web site: www.arenaturist.hr. and the Commercial court web site. The announcement was also published on the ZSE, HANFA and HINA web sites.

The General Assembly, among others, made the following decisions:

- Decision on change of Company name – from Arenaturist d.d. to Arena Hospitality Group d.d.;
- Decision on amendments to the Company's Articles of Association ;
- Decision on full exclusion of the pre-emptive right of the existing shareholders of the Company when subscribing new shares of the Company;
- Decision on increase of share capital and issuance of ordinary shares by way of public offering; and
- Decision on listing on the Official Market of the Zagreb Stock Exchange, 1,091,250 existing shares, issued in December 2016, and up to 2,000,000 new shares to be issued by way of public offering.

COMMUNICATION WITH SHAREHOLDERS

The decisions made at the General Assembly meetings have been publicly announced and are available to shareholders. Invitations for the General Assembly meetings were published in accordance with the provisions of the Company's Articles of Association.

MAJOR SHAREHOLDERS

Following the share capital increase in February 2017, the share capital of the Company is HRK 65,475,000.00 HRK and is divided into 2,182,500.00 ordinary shares under the ticker symbol ARNT-R-A and 1,091,250 ordinary shares under the ticker symbol ARNT-R-B with a nominal value of HRK 20.00 each. The shareholder, Dvadeset Osam d.o.o. (a member of PPHE Hotel Group) has 77.09% voting rights.

As at 31 March 2017, the registered share capital of the Company was 3,273,750 of which 169 shares were held as treasury shares.

Shareholders with holdings of 3% or more of the Company's register capital as at 31 March 2017 are:

		Share in registered capital
1	DVADESET OSAM D.O.O.	77.09
2	SOCIETE GENERALE-SPLITSKA BANKA D.D./AZ OMF KATEGORIJE B – Custody account	5.08

CORPORATE GOVERNANCE CODE

Each year, the Company is obliged to state, in its annual report and on its website, in the required form, whether it complies with the recommendations of the Corporate Governance Code. The Company complies with the recommendations of the Code based on the principle “comply or explain”, so if the Company fails to comply with the recommendations of the Code, it must provide reasons for its non-compliance. The Company abides by this principle and, where relevant, provided reasons for non-compliance with the recommendations of the Code. The Company's last published the required form on ZSE on 22 March 2017.

SHARE PRICE AND MARKET CAPITALISATION (ALL IN HRK)

Highest	Lowest	Last	Market capitalisation
600.00	470.00	485.00	1,058,512,500

STATEMENT OF RESPONSIBILITIES OF THE EXECUTIVE DIRECTORS

Pursuant to the provisions of the Capital Market Act, Article 410, Paragraph 2, the Executive Directors of the Company make the following statement:

To the best of our best knowledge:

- The short set of non-consolidated unaudited quarterly 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 quarterly 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 Sugarhill Group had no contribution to the 2016 consolidated income statement, since the acquisition took place in December 2016;
- The Financial Statements and Consolidated Financial Statements have not been audited; and
- The Executive Directors' Interim Report for the period from 1 January through 31 March 2017 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.

Chief Executive Officer



REUEL ISRAEL GAVRIEL SLONIM

Executive Officer
and Chief Financial Officer



MILENA PERKOVIĆ

APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

Consolidated balance sheet

Consolidated profit and loss statement

Consolidated cash flow statement

Consolidated statement of changes in equity

Company balance sheet

Company profit and loss statement

Company cash flow statement

Company statement of changes in equity

Annex 1.

Reporting period

01.01.2017.

to

31.03.2017.

Quarterly financial report TFI-POD

Tax number (MB): 03203263

Company registration number (MBS): 040022901

Personal identification number (OIB): 47625429199

Issuing company: Arena Hospitality Group d.d.

Postal code and place: 52100

Pula

Street and house number: Smareglina ulica 3

E-mail address: uprava@arenaturist.hrInternet address: www.arenaturist.com

Municipality/city code and name: 359 Pula

County code and name: 18 Istarska

Number of employees: 872

(period end)

Consolidated report: YES

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Mažurana d.o.o. | Zagreb, Radnička cesta 80 | 080662589

Ulika d.o.o. | Zagreb, Radnička cesta 80 | 080662845

Sugarhill Investments B.V. | Nizozemska, Amsterdam | 320830051/ Trg.komora Nizozemska

Germany Real Estate B.V. | Nizozemska, Amsterdam | 35832975/Trg. komora Nizozemska

Bookkeeping service:

Contact person: Kalagac Sandra
(only surname and name)

Telephone: 052/223 811

Telefaks: 052/212 132

E-mail address: skalagac@arenaturist.hrFamily name and name: Reuel Israel Gavriel Slonim, Milena Perković
(person authorized to represent the company)

Documents disclosed:

1. Financial statements (Balance Sheet, Income Statement, Cash Flow Statement, Statement of Changes in Equity and notes to financial statements);
2. Management Interim Report;
3. Declaration of the persons responsible for preparing the issuer's statements;

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as at 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.468.819.290	1.904.951.321
I. INTANGIBLE ASSETS (004 do 009)	003	1.386.961	1.470.408
1. Expenditure for development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	829.192	912.639
3. Goodwill	006	0	0
4. Advances for purchase of intangible assets	007	0	0
5. Intangible assets in progress	008	557.769	557.769
6. Other intangible assets	009	0	0
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.352.707.568	1.785.594.862
1. Land	011	217.884.356	281.538.292
2. Buildings	012	984.858.617	1.268.409.837
3. Plant and equipment	013	102.775.333	121.490.295
4. Tools, working inventory and transportation assets	014	2.904.616	2.782.433
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	2.701.391	1.446.143
7. Tangible assets in progress	017	32.322.001	101.357.475
8. Other tangible assets	018	9.261.254	8.570.387
9. Investment in real-estate	019	0	0
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	84.734.206	81.010.577
1. Share in related parties	021	8	0
2. Loans to related parties	022	33.293.604	32.905.324
3. Participating interests (shares)	023	0	150.017
4. Loans to companies with participating interest	024	0	0
5. Investments in securities	025	0	0
6. Loans, deposits, etc.	026	51.440.594	43.444.206
7. Other non-current financial assets	027	0	4.511.030
8. Equity-accounted investments	028	0	0
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSET	033	29.990.555	36.875.474
C) CURRENT ASSETS (035+043+050+058)	034	177.700.505	115.425.698
I. INVENTORIES (036 do 042)	035	3.798.616	2.841.028
1. Raw materials and supplies	036	3.634.477	2.413.821
2. Production in progress	037	0	0
3. Finished products	038	0	0
4. Merchandise	039	1.679	1.679
5. Advances for inventories	040	162.460	425.528
6. Long term assets held for sale	041	0	0
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	43.287.762	35.223.105
1. Receivables from related parties	044	137.151	151.428
2. Receivables from end-customers	045	21.139.524	19.923.425
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	0	0
5. Receivables from government and other institutions	048	10.025.627	8.588.955
6. Other receivables	049	11.985.460	6.559.297
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	208.411	6.539.649
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	208.411	208.411
6. Loans, deposits, etc.	056	0	6.331.238
7. Other financial assets	057	0	0
IV. CASH AND CASH EQUIVALENTS	058	130.405.716	70.821.916
D) PREPAYMENTS AND ACCRUED INCOME	059	0	0
E) TOTAL ASSETS (001+002+034+059)	060	1.646.519.795	2.020.377.019
F) OFF BALANCE SHEET ITEMS	061	0	0

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	804.243.984	768.939.289
I. SUBSCRIBED SHARE CAPITAL	063	43.650.000	65.475.000
II. CAPITAL RESERVES	064	460.005.525	438.180.525
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	371.827.653	369.637.183
1. Legal reserves	066	2.182.500	2.182.500
2. Reserve for own shares	067	3.380	3.380
3. Treasury shares and shares (deductible items)	068	3.380	3.380
4. Statutory reserves	069	0	0
5. Other reserves	070	369.645.153	367.454.683
IV. REVALUATION RESERVES	071	114.756	114.756
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	20.197.276	-94.058.950
1. Retained earnings	073	20.197.276	0
2. Loss carried forward	074	0	94.058.950
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	-114.256.226	-32.758.686
1. Net profit for the period	076	0	0
2. Net loss for the period	077	114.256.226	32.758.686
VII. MINORITY INTEREST	078	22.705.000	22.349.461
B) PROVISIONS (080 do 082)	079	56.906.647	133.071.300
1. Provisions for pensions, severance pay and similar liabilities	080	1.606.868	1.606.868
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	55.299.779	131.464.432
C) NON-CURRENT LIABILITIES (084 do 092)	083	528.472.978	837.479.864
1. Liabilities to related parties	084	7.661.532	75.997.730
2. Liabilities for loans, deposits, etc.	085	0	0
3. Liabilities to banks and other financial institutions	086	520.811.446	761.482.134
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	0
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	256.896.186	280.886.566
1. Liabilities to related parties	094	33.969.748	27.527.309
2. Liabilities for loans, deposits, etc.	095	0	0
3. Liabilities to banks and other financial institutions	096	135.431.755	138.629.437
4. Liabilities for advances	097	0	0
5. Trade payables	098	43.001.110	55.931.082
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	6.378.492	9.225.663
9. Taxes, contributions and similar liabilities	102	9.010.719	6.827.267
10. Liabilities arising from share in the result	103	0	0
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	29.104.362	42.745.808
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.646.519.795	2.020.377.019
G) OFF BALANCE SHEET ITEMS	108	0	0
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	781.538.984	746.589.828
2. Attributable to minority interest	110	22.705.000	22.349.461

Income statement

period 01.01.2017 to 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	12.766.251	12.766.251	63.393.167	63.393.167
1. Rendering of services	112	12.630.398	12.630.398	62.580.617	62.580.617
2. Other operating income	113	135.853	135.853	812.550	812.550
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	49.168.981	49.168.981	98.191.513	98.191.513
1. Change in inventories of work in progress	115	0	0	0	0
2. Material expenses (117 do 119)	116	13.528.279	13.528.279	39.137.115	39.137.115
a) Costs of raw materials	117	6.858.599	6.858.599	14.759.982	14.759.982
b) Cost of goods sold	118	0	0	0	0
c) Other material expenses	119	6.669.680	6.669.680	24.377.133	24.377.133
3. Employee benefits expenses (121 do 123)	120	16.009.644	16.009.644	34.344.325	34.344.325
a) Net salaries	121	9.599.775	9.599.775	20.277.544	20.277.544
b) Tax and contributions from salary expenses	122	4.220.106	4.220.106	8.823.552	8.823.552
c) Contributions on salary	123	2.189.763	2.189.763	5.243.229	5.243.229
4. Depreciation and amortisation	124	14.808.600	14.808.600	14.973.913	14.973.913
5. Other expenses	125	0	0	0	0
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	0	0	0	0
7. Provisions	129	0	0	0	0
8. Other operating costs	130	4.822.458	4.822.458	9.736.160	9.736.160
III. FINANCIAL INCOME (132 do 136)	131	0	0	7.179.189	7.179.189
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	0	0	0	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	0	0	7.179.189	7.179.189
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	0
IV. FINANCIAL EXPENSES (138 do 141)	137	4.286.107	4.286.107	9.507.237	9.507.237
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	3.331.661	3.331.661	530.335	530.335
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	954.446	954.446	8.976.902	8.976.902
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	0	0
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	0	0	0	0
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	0	0	288.532	288.532
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	12.766.251	12.766.251	70.572.356	70.572.356
X. TOTAL EXPENSES (114+137+143+145)	147	53.455.088	53.455.088	107.987.282	107.987.282
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-40.688.837	-40.688.837	-37.414.925	-37.414.925
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	40.688.837	40.688.837	37.414.925	37.414.925
XII. TAXATION	151	-6.994.411	-6.994.411	-4.656.239	-4.656.239
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-33.694.426	-33.694.426	-32.758.686	-32.758.686
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	33.694.426	33.694.426	32.758.686	32.758.686
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	0	0	0	0
2. Attributable to minority interest	156	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	0	0	0	0
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	-2.546.000	-2.546.000
1. Exchange differences from international settlement	159	0	0	-3.431.000	-3.431.000
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161	0	0	0	0
4. Profit or loss from cash flow hedging	162	0	0	885.000	885.000
5. Profit or loss from hedging of foreign investments	163	0	0	0	0
6. Share of other comprehensive income/loss from associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	-2.546.000	-2.546.000
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	0	0	-2.546.000	-2.546.000
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	0	0	-32.707.556	-32.707.556
2. Attributable to minority interest	170	0	0	-51.130	-51.130

Cash flow statement - indirect method
period 01.01.2017 to 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-40.688.837	-37.414.925
2. Depreciation and amortisation	002	14.808.600	14.973.913
3. Decrease of current liabilities	003	18.565.352	19.950.073
4. Decrease of current receivables	004	0	9.056.048
5. Decrease of inventories	005	1.690.997	1.618.936
6. Other cash flow increases	006	0	288.533
I. Total increase of cash flow from operating activities	007	-5.623.888	8.472.578
1. Decrease of current liabilities	008	0	0
2. Increase of current receivables	009	3.981.748	0
3. Increase of inventories	010	0	0
4. Other cash flow decreases	011	0	545.230
II. Total decrease of cash flow from operating activities	012	3.981.748	545.230
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	7.927.348
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	9.605.636	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	0	0
2. Proceeds from sale of non-current financial assets	016	0	0
3. Interest received	017	0	0
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	0	1.512.916
III. Total cash inflows from investing activities	020	0	1.512.916
1. Purchase of non-current assets	021	10.430.486	452.824.206
2. Purchase of non-current financial assets	022	0	0
3. Other cash outflows from investing activities	023	0	194.992
IV. Total cash outflows from investing activities	024	10.430.486	453.019.198
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	10.430.486	451.506.282
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027	0	0
2. Proceeds from loans and borrowings	028	0	425.499.565
3. Other proceeds from financing activities	029	0	0
V. Total cash inflows from financing activities	030	0	425.499.565
1. Repayment of loans and bonds	031	14.592.623	36.993.401
2. Dividends paid	032	0	0
3. Repayment of finance lease	033	0	0
4. Purchase of treasury shares	034	0	0
5. Other cash outflows from financing activities	035	0	4.511.030
VI. Total cash outflows from financing activities	036	14.592.623	41.504.431
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	383.995.134
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	14.592.623	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	34.628.745	59.583.800
Cash and cash equivalents at the beginning of period	041	147.786.817	130.405.716
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	34.628.745	59.583.800
Cash and cash equivalents at the end of period	044	113.158.072	70.821.916

STATEMENT OF CHANGES IN EQUITY

period **1.1.2017** to **31.3.2017**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	43.650.000	65.475.000
2. Capital reserves	002	460.005.525	438.180.525
3. Reserves from profit	003	371.827.653	369.637.183
4. Retained earnings or loss carried forward	004	20.197.276	-94.058.950
5. Net profit or loss for the period	005	-114.256.226	-32.758.686
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	114.756	114.756
10. Total equity and reserves (AOP 001 to 009)	010	781.538.984	746.589.828
11. Foreign exchange differences from foreign investments	011	0	0
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	0	0
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	0	0
16. Other changes	016	0	0
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	781.538.984	746.589.828
17 b. Attributable to minority interest	019	22.705.000	22.349.461

Annex 1.

Reporting period

01.01.2017.

to

31.03.2017.

Quarterly financial report TFI-POD

Tax number (MB): 03203263

Company registration number (MBS): 040022901

Personal identification number (OIB): 47625429199

Issuing company: Arena Hospitality Group d.d.

Postal code and place: 52100

Pula

Street and house number: Smareglina ulica 3

E-mail address: uprava@arenaturist.hrInternet address: www.arenaturist.com

Municipality/city code and name: 359 Pula

County code and name: 18 Istarska

Number of employees: 581

Consolidated report: NO

(period end)
NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: Kalagac Sandra
(only surname and name)

Telephone: 052/223 811

Telefaks: 052/212 132

E-mail address: skalagac@arenaturist.hrFamily name and name: Reuel Israel Gavriel Slonim, Milena Perković
(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as at 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.661.014.897	1.744.977.439
I. INTANGIBLE ASSETS (004 do 009)	003	1.386.961	1.470.408
1. Expenditure for development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	829.192	912.639
3. Goodwill	006	0	0
4. Advances for purchase of intangible assets	007	0	0
5. Intangible assets in progress	008	557.769	557.769
6. Other intangible assets	009	0	0
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.127.986.729	1.138.738.782
1. Land	011	203.950.034	203.950.034
2. Buildings	012	813.378.634	808.704.272
3. Plant and equipment	013	65.747.527	63.329.847
4. Tools, working inventory and transportation assets	014	2.904.616	2.782.433
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	2.701.391	1.446.143
7. Tangible assets in progress	017	30.035.148	49.955.666
8. Other tangible assets	018	9.269.379	8.570.387
9. Investment in real-estate	019	0	0
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	502.128.110	568.211.502
1. Share in related parties	021	460.045.532	460.045.532
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023	0	0
4. Loans to companies with participating interest	024	0	0
5. Investments in securities	025	0	0
6. Loans, deposits, etc.	026	42.082.578	108.165.970
7. Other non-current financial assets	027	0	0
8. Equity-accounted investments	028	0	0
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSET	033	29.513.097	36.556.747
C) CURRENT ASSETS (035+043+050+058)	034	111.242.378	54.203.172
I. INVENTORIES (036 do 042)	035	1.618.904	2.020.385
1. Raw materials and supplies	036	1.454.765	1.593.178
2. Production in progress	037	0	0
3. Finished products	038	0	0
4. Merchandise	039	1.679	1.679
5. Advances for inventories	040	162.460	425.528
6. Long term assets held for sale	041	0	0
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	16.950.983	16.890.877
1. Receivables from related parties	044	24.435	863.395
2. Receivables from end-customers	045	8.908.060	4.688.522
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	80.859	179.109
5. Receivables from government and other institutions	048	4.709.042	5.643.359
6. Other receivables	049	3.228.587	5.516.492
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	208.411	208.411
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	208.411	208.411
6. Loans, deposits, etc.	056	0	0
7. Other financial assets	057	0	0
IV. CASH AND CASH EQUIVALENTS	058	92.464.080	35.083.499
D) PREPAYMENTS AND ACCRUED INCOME	059	0	0
E) TOTAL ASSETS (001+002+034+059)	060	1.772.257.275	1.799.180.611
F) OFF BALANCE SHEET ITEMS	061	0	0

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.074.548.226	1.034.624.585
I. SUBSCRIBED SHARE CAPITAL	063	43.650.000	65.475.000
II. CAPITAL RESERVES	064	460.005.525	438.180.525
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	661.729.528	661.729.528
1. Legal reserves	066	2.182.500	2.182.500
2. Reserve for own shares	067	3.380	3.380
3. Treasury shares and shares (deductible items)	068	3.380	3.380
4. Statutory reserves	069	0	0
5. Other reserves	070	659.547.028	659.547.028
IV. REVALUATION RESERVES	071	114.756	114.756
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	20.983.842	-90.951.581
1. Retained earnings	073	20.983.842	0
2. Loss carried forward	074	0	90.951.581
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	-111.935.425	-39.923.643
1. Net profit for the period	076	0	0
2. Net loss for the period	077	111.935.425	39.923.643
VII. MINORITY INTEREST	078	0	0
B) PROVISIONS (080 do 082)	079	56.906.647	58.162.686
1. Provisions for pensions, severance pay and similar liabilities	080	1.606.868	1.606.868
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	55.299.779	56.555.818
C) NON-CURRENT LIABILITIES (084 do 092)	083	520.635.782	547.995.054
1. Liabilities to related parties	084	0	67.597.193
2. Liabilities for loans, deposits, etc.	085	0	0
3. Liabilities to banks and other financial institutions	086	520.635.782	480.397.861
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	0
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	120.166.620	158.398.286
1. Liabilities to related parties	094	20.517.736	20.395.755
2. Liabilities for loans, deposits, etc.	095	0	0
3. Liabilities to banks and other financial institutions	096	57.684.079	59.001.937
4. Liabilities for advances	097	3.466.010	23.247.485
5. Trade payables	098	20.162.023	40.861.105
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	10.980.490	7.160.353
9. Taxes, contributions and similar liabilities	102	3.005.835	2.768.836
10. Liabilities arising from share in the result	103	0	0
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	4.350.447	4.962.815
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	1.772.257.275	1.799.180.611
G) OFF BALANCE SHEET ITEMS	108	0	0
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	0	0
2. Attributable to minority interest	110	0	0

Income statement

period 01.01.2017 to 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	13.863.028	13.863.028	10.440.857	10.440.857
1. Rendering of services	112	13.822.659	13.822.659	9.811.089	9.811.089
2. Other operating income	113	40.369	40.369	629.768	629.768
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	52.515.669	52.515.669	57.287.488	57.287.488
1. Change in inventories of work in progress	115	0	0	0	0
2. Material expenses (117 do 119)	116	17.037.666	17.037.666	18.408.978	18.408.978
a) Costs of raw materials	117	6.427.889	6.427.889	6.187.269	6.187.269
b) Cost of goods sold	118	0	0	0	0
c) Other material expenses	119	10.609.777	10.609.777	12.221.709	12.221.709
3. Employee benefits expenses (121 do 123)	120	14.108.686	14.108.686	16.878.885	16.878.885
a) Net salaries	121	8.490.472	8.490.472	10.356.717	10.356.717
b) Tax and contributions from salary expenses	122	3.686.473	3.686.473	4.279.479	4.279.479
c) Contributions on salary	123	1.931.741	1.931.741	2.242.689	2.242.689
4. Depreciation and amortisation	124	12.982.028	12.982.028	12.807.063	12.807.063
5. Other expenses	125	8.387.289	8.387.289	9.192.562	9.192.562
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	0	0	0	0
7. Provisions	129	0	0	0	0
8. Other operating costs	130	0	0	0	0
III. FINANCIAL INCOME (132 do 136)	131	3.907.937	3.907.937	7.672.158	7.672.158
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	0	0	627.281	627.281
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	3.907.937	3.907.937	7.044.477	7.044.477
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	0	0	400	400
IV. FINANCIAL EXPENSES (138 do 141)	137	4.450.095	4.450.095	7.792.820	7.792.820
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	0	0	604.081	604.081
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	4.390.366	4.390.366	7.009.279	7.009.279
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	59.729	59.729	179.460	179.460
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	0	0	0	0
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	17.770.965	17.770.965	18.113.015	18.113.015
X. TOTAL EXPENSES (114+137+143+145)	147	56.965.764	56.965.764	65.080.308	65.080.308
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	-39.194.799	-39.194.799	-46.967.293	-46.967.293
1. Profit before taxes (146-147)	149	0	0	0	0
2. Loss before taxes (147-146)	150	39.194.799	39.194.799	46.967.293	46.967.293
XII. TAXATION	151	-6.994.411	-6.994.411	-7.043.650	-7.043.650
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	-32.200.388	-32.200.388	-39.923.643	-39.923.643
1. Profit for the period (149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	32.200.388	32.200.388	39.923.643	39.923.643
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	0	0	0	0
2. Attributable to minority interest	156	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	0	0	0	0
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	0	0	0	0
1. Exchange differences from international settlement	159	0	0	0	0
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-valuation of financial assets held for sale	161	0	0	0	0
4. Profit or loss from cash flow hedging	162	0	0	0	0
5. Profit or loss from hedging of foreign investments	163	0	0	0	0
6. Share of other comprehensive income/loss from associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	0	0	0	0
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	0	0	0	0
2. Attributable to minority interest	170	0	0	0	0

Cash flow statement - indirect method
period 01.01.2017 to 31.03.2017

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	-39.194.799	-46.967.293
2. Depreciation and amortisation	002	12.982.028	12.807.063
3. Decrease of current liabilities	003	7.930.451	38.169.847
4. Decrease of current receivables	004	0	60.108
5. Decrease of inventories	005	0	0
6. Other cash flow increases	006	0	0
I. Total increase of cash flow from operating activities	007	-18.282.320	4.069.725
1. Decrease of current liabilities	008	0	0
2. Increase of current receivables	009	2.366.992	0
3. Increase of inventories	010	481.250	401.481
4. Other cash flow decreases	011	210.821	0
II. Total decrease of cash flow from operating activities	012	3.059.063	401.481
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	0	3.668.244
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	21.341.383	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	730	0
2. Proceeds from sale of non-current financial assets	016	0	0
3. Interest received	017	0	0
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	0	0
III. Total cash inflows from investing activities	020	730	0
1. Purchase of non-current assets	021	9.293.222	23.642.563
2. Purchase of non-current financial assets	022	0	0
3. Other cash outflows from investing activities	023	4.957	66.083.392
IV. Total cash outflows from investing activities	024	9.298.179	89.725.955
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	9.297.449	89.725.955
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027	0	0
2. Proceeds from loans and borrowings	028	5.256.195	28.677.130
3. Other proceeds from financing activities	029	0	0
V. Total cash inflows from financing activities	030	5.256.195	28.677.130
1. Repayment of loans and bonds	031	8.692.548	0
2. Dividends paid	032	0	0
3. Repayment of finance lease	033	0	0
4. Purchase of treasury shares	034	0	0
5. Other cash outflows from financing activities	035	0	0
VI. Total cash outflows from financing activities	036	8.692.548	0
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	0	28.677.130
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	3.436.353	0
Total increases of cash flows	039	0	0
Total decreases of cash flows	040	34.075.185	57.380.581
Cash and cash equivalents at the beginning of period	041	113.421.141	92.464.080
Increase of cash and cash equivalents	042	0	0
Decrease of cash and cash equivalents	043	34.075.185	57.380.581
Cash and cash equivalents at the end of period	044	79.345.956	35.083.499

STATEMENT OF CHANGES IN EQUITY

period **1.1.2017** to **31.3.2017**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	43.650.000	65.475.000
2. Capital reserves	002	0	0
3. Reserves from profit	003	1.121.735.053	1.099.910.053
4. Retained earnings or loss carried forward	004	20.983.842	-90.951.581
5. Net profit or loss for the period	005	-111.935.425	-39.923.643
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	114.756	114.756
10. Total equity and reserves (AOP 001 to 009)	010	1.074.548.226	1.034.624.585
11. Foreign exchange differences from foreign investments	011	0	0
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	0	0
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	0	0
16. Other changes	016	0	0
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	019	0	0