

Security: ARNT
LEI: 74780000Z0PH7TFW3185
ISIN: HRARNTRA0004
Home Member State: Croatia
Listing: Prime Market of the Zagreb Stock Exchange

Pula, 08.12.2020

- **ZAGREB STOCK EXCHANGE**
- **CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY**
- **CROATIAN NEWS AGENCY**
- **COMPANY WEB SITE**

Subject: Secured HRK 180m long-term financing for redevelopment

Arena Hospitality Group d.d. ("Group") with registered office in Pula, Smareglina 3, Croatia, hereby announces that on 8 December 2020 it has entered into a new c. HRK 180.0 million (EUR 24m) loan agreement with Erste & Steiermärkische banka d.d, and Zagrebačka banka d.d. in Croatia for the repositioning and redevelopment of Hotel Brioni in Pula.

Phase one of the repositioning and redevelopment of Hotel Brioni started in January of 2020. Phase two is currently underway and the opening of the repositioned hotel is expected to take place ahead of the 2021 summer season.

The hotel, which was built in early 1970', was one of the most prominent hotels in former Yugoslavia and many well-known personalities (including politicians, artists and actors) resided at the hotel. This iconic and landmark hotel, which occupies a spectacular location on a cliff providing wide views of the Adriatic and Brijuni islands, will be repositioned as a luxury upper upscale hotel with 227 rooms building upon the hotel's status and reputation, with the ambition for it to become the best in class hotel in Pula and the surrounding area.

The hotel will have seven floors and will offer an indoor pool, an outdoor infinity pool and an activity pool, an extensive wellness centre with saunas and relaxation rooms, a gym, kids playground, several restaurants and bars and meeting and event facilities.

The overall repositioning programme is expected to be approximately HRK 260.0 million and the new c. HRK 180 million long-term loan agreement will partly fund this repositioning and development. With the remainder funded from existing cash reserves. The new loan is split equally between the two lenders, is due 2033, and bears a fixed interest rate of 2.6%.

This financing reaffirms the ongoing support and long standing relationship the Group has from its lending partners. It is testament to the strategy the Group is pursuing with respect to both, ongoing business as well as new investments, which are expected to accelerate the growth of the Group going forward.

The pipeline of the Group for the short to medium term includes (i) completion of the acquisition and take over of hotel 88 Rooms in Belgrade in early 2021, (ii) the repositioning of campsite Stoja in Pula into an upper scale campsite, (iii) conversion of an iconic building in a prime location in the heart of the city of Zagreb into an upper scale 113 bedroom hotel which will include a destination restaurant and bar, wellness and spa facilities, fitness centre, event space and parking, and (iv) refurbishment of hotel Riviera in the heart of the city of Pula.

Arena Hospitality Group d.d.

Trgovački sud u Pazinu, MBS: 040022901; OIB: 47625429199; temeljni kapital 102.574.420,00 kn uplaćen u cijelosti, ukupan broj izdanih dionica 5.128.721; Predsjednik Nadzornog odbora: Boris Ernest Ivesha;
Predsjednik Uprave: Reuel Israel Gavriel Slonim; Članovi Uprave: Manuela Kraljević, Devansh Bakshi, Edmond Pinto
IBAN: HR7223600001101213690 Zagrebačka banka d.d. Zagreb.