

INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FIRST HALF OF 2019

ARENA

HOSPITALITY GROUP

30 JUNE 2019

A MEMBER OF PPHE HOTEL GROUP


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P L A Z A

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ARENA HOTELS &
APARTMENTS


ARENA CAMPSITES

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INTERIM PERFORMANCE REPORT FOR THE SIX MONTHS PERIOD ENDING 30 JUNE 2019

CONSOLIDATED RESULTS

"We are pleased to report our results for the first six months of 2019. 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 and Hungary, and unconsolidated performance in Croatia of AHG.

Reported Group revenue increased by 2.9% to HRK 265.8 million (first six months of 2018: HRK 258.4 million) and EBITDA improved by 19.8% to HRK 29.1 million (2018: HRK 24.3 million). Accommodation revenue experienced a growth of 5.0% to HRK 207.5 million compared to last year (first six months of 2018: HRK 197.6 million) as a result of improved occupancy by 260.0 bps and higher average daily rate by 5.9% which amounted to HRK 530.4.

I am delighted to report that the Company paid its first dividend in its history in the amount of HRK 5 per share.

Furthermore, the Management and Supervisory Boards announced a share buyback programme that will last until 30 June 2020 in the size of 20.000 shares.

With the 2019 summer season in Croatia underway, we look forward to benefiting from our past investments and to the continuation of our investment programme, together in excess of HRK 500.0 million, with which we expect to generate additional value for the Group and its shareholders.



CROATIA

The first half of the year is marked by lower business activity, notably during the first few months. As of Easter, the business starts to intensify and reaches its peak during July and August. During the first half, we typically focus on refurbishments and repositioning, with the exception of the Easter period and the month of June, when the summer season commences.

In 2019, our occupancy and ADR increased year-on-year resulting in a 5.1% growth in accommodation revenue which reached HRK 110.2 million (first six months of 2018: HRK 104.8 million). The growth was driven primarily by recent investments in Arena One 99 Glamping last year and this year's Arena Kažela Campsite. During June we unveiled our second newly repositioned Arena Kažela Campsite in Medulin, an investment worth over HRK 130 million.

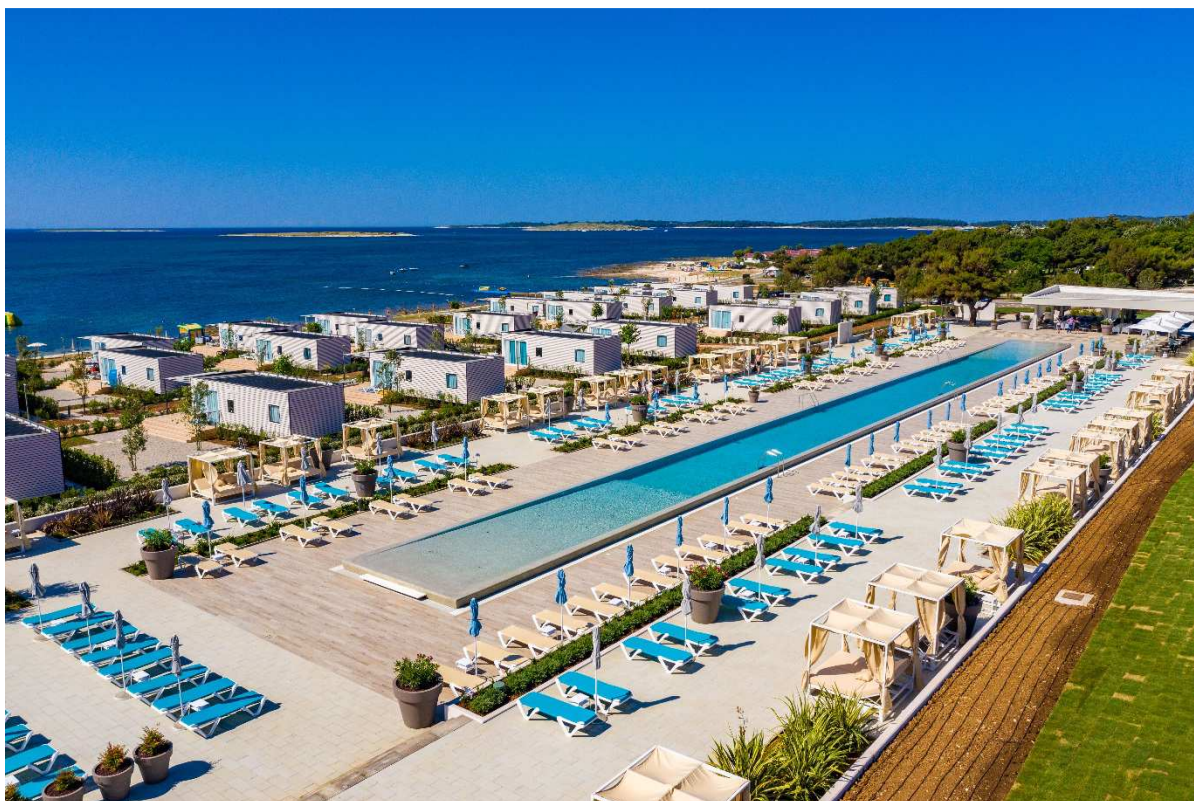
The first half typically generates negative EBITDA. This year pressures on the cost side coupled with an extremely rainy and cold May resulted into a negative reported EBITDA of HRK 4.7 million (first six months of 2018: HRK 0.8 million).

Highlights during the period were our investments in our Croatian operations. In the first six months of 2019, we invested HRK 167.8 million in upgrading a number of rooms, public areas and facilities of hotels, self-catering holiday apartment complexes and campsites with the following primary refurbishment projects completed:

- Arena Kažela Campsite: acquisition of 164 mobile homes, redevelopment of the reception area, creation of two swimming pools including an activity and relaxation area;

- Verudela Beach Resort: minor refurbishment of 10 apartments and infrastructure works, ahead of the full repositioning project due to commence after the 2019 summer season;
- Arena One 99 Glamping: addition of 10 additional tents, taking the total number of units to 193, landscaping and the upgrade of the beachfront;
- Park Plaza Histria Pula: replacement of outdoor furniture and terrace decking;
- Hotel Sensimar Medulin: refurbishment of the hotel's main swimming pool including the creation of a new bar;
- Acquisition of land in relation to the following self-catering apartment complexes: Zlatne Stijene, Verudela Beach Resort and Park Plaza Verudela Pula;
- Addition of four glamping tents in Arena Stoja Campsite; and
- Creation of an artpark in Verudela on the initiative of the Company and in conjunction with the city of Pula, the touristic board and local artists.

Arena Kažela Campsite



GERMANY AND HUNGARY

Revenue during the period increased by 3.1% to HRK 120.1 million (first six months of 2018: HRK 116.5 million). The main drivers for this revenue growth were art'otel berlin kudamm and Park Plaza Nuremberg.

The like-for-like¹ EBITDAR for 2019 shows a slight growth of 0.7% to HRK 34.5 million (first six months of 2018: HRK 34,3 million). The main drivers for this growth were improved performance of art'otel berlin kudamm and Park Plaza Nuremberg.

The like-for-like² EBITDA for 2019 shows a slight EBITDA drop by 0.5% to HRK 22.2 million (first six months of 2018: HRK 22.3 million). The improved performance of art'otel berlin kudamm and Park Plaza Nuremberg was offset by the increase in rental expense of Park Plaza Wallstreet Berlin Mitte and increased labour costs in art'otel budapest due to changing market conditions.

DOING BUSINESS RESPONSIBLY

The Group embraces an increased level of responsibility to our guests, team members, partners, shareholders and the communities in which we operate Responsible Experiences, our strategy designed to create a long-term sustainable and responsible business model.

We are committed to having a positive impact on the regions we touch and it is a great privilege to be part of a number of humanitarian actions. We are actively involved with a number of fundraising activities throughout the year that make a big difference to people's lives and the environment. We started the season with The Rocks & Stars @ Cave Romane Musical Festival, where Arena Hospitality Group and Bina Istra supported UNICEF's programme for young children in Croatia. The amount of HRK 150,000 was donated to the General Hospital in Pula to, amongst other things, improve the conditions for all future mothers in the maternity clinic.

We are proud to receive the Blue Flag golden plaque for 15 years of activity. The Blue Flag symbolises a well preserved, safe and pleasant environment for fun, relaxation and recreation activities. Beaches and marinas, which carry the Blue Flag, offer quality services, have a clean seacoast, and are adequately equipped.

In the newly opened Arena Kažela Campsite we placed two electric car charging stations, encouraging our guests to choose environmentally friendly mobility options.

In Germany we continued with the concept of not cleaning guest rooms every day, saving energy and resources. The guest in turn receives a value added incentive.

¹ The like-for-like comparison figures for 2018 exclude revenues from art'otel dresden.

² The like-for-like comparison for 2019 excludes the influence of IFRS 16, which was issued in January 2016 and applies to annual reporting periods beginning on or after 1st January 2019. Please refer to page 113 of the Group's 2018 annual report for further detail. Furthermore, like-for-like comparison figures for 2018 exclude art'otel Dresden operational results.

CURRENT TRADING AND OUTLOOK

Trading since 30 June 2019 is in line with expectations across our two operating regions. The third quarter of the year is typically the strongest quarter in Croatia whilst somewhat quieter in Germany and Hungary.

We will continue to progress our repositioning and refurbishments in Croatia, prepare for investments in our German operations and explore new expansion opportunities in Croatia and Central and Eastern Europe.

The Management Board expects trading for the 2019 financial year to be in line with expectations.”



RELI SLONIM, PRESIDENT OF THE MANAGEMENT BOARD

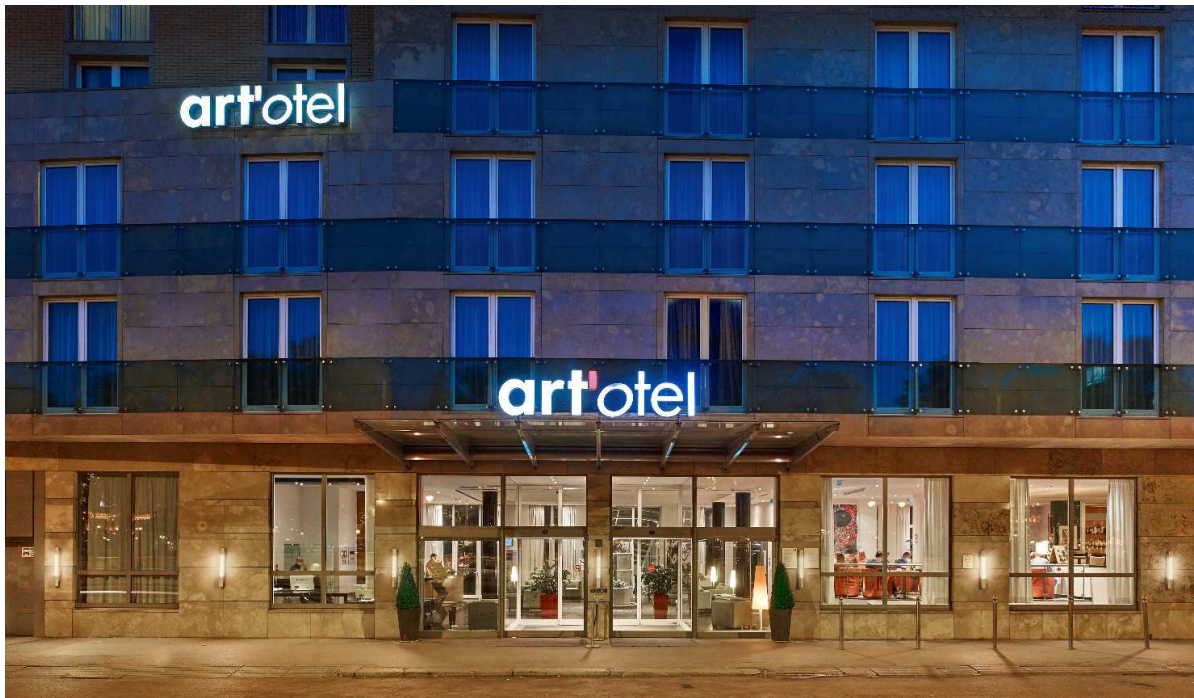
SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2019

- The Group renewed the lease of art'otel budapest for a further 20 years, effective from 1 January 2019;
- The Company has entered into a Loan Agreement with Erste Bank for the amount of EUR 10.2 million for the partial funding of the repositioning of Arena Kažela Campsite. The maturity is 10 years;
- The Group, through its subsidiary Sugarhill Investments B.V. has entered into a framework agreement with MK Aviation Services d.o.o. pursuant to which the Group will acquire the 88 Rooms Hotel, a 4 star hotel in Belgrade, Serbia (the “Hotel”). The contemporary hotel is minutes away from the historic old town. It offers 88 rooms and suites, a restaurant, bar and conference room and fitness facilities. The completion of the transaction is subject to certain steps and conditions to be fulfilled. The Group expects the conditions in relation to the completion of the transaction to be fulfilled this year. The transaction value is HRK 47 million;
- The Company operates Guest House Riviera (Riviera) for decades and has been in discussions with the Ministry of Assets to formalize the informal arrangement and acquire the property. The Republic of Croatia recently initiated legal proceedings against the Company for repossession and compensation. The Company has taken legal advice and disputes the claim on various grounds;
- The Company paid its first ever dividend in the amount of HRK 5 per share;
- The Company has received a formal approval from the Ministry of Economy on the usage of tax benefits related to its investments. The Income tax return for 2018 amounted to HRK 11.8 million; and
- The Management and Supervisory Boards have voted in favour of a share buyback programme of up to 20.000 shares lasting until 30 June 2020.

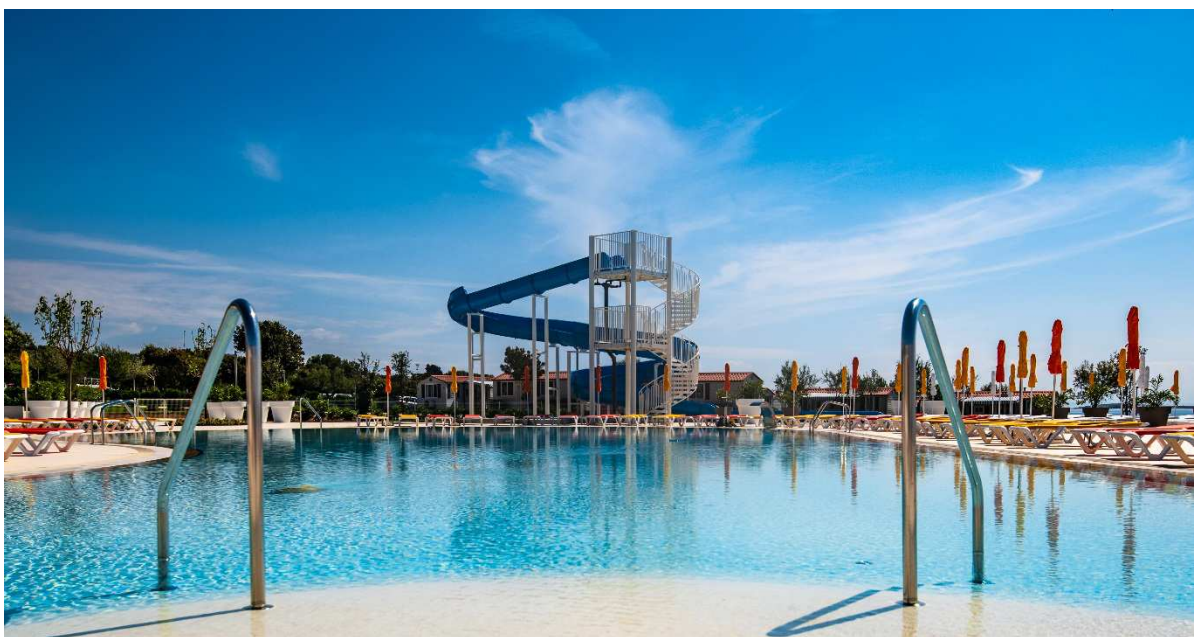
EVENTS AFTER THE BALANCE SHEET DATE

- Within the share buyback programme set up at the end of June, the Company acquired 9,543 shares into treasury as at 30th July

art'otel budapest



Arena Kažela Campsite



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 half of 2019.

CONSOLIDATED KEY PERFORMANCE INDICATORS

	Reported			Like-for-like ¹		
	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %
Total revenue (HRK million)	265.8	258.4	2.9	265.8	257.7	3.1
Accommodation revenue (HRK million)	207.5	197.6	5.0	207.5	197.6	5.0
EBITDAR (HRK million)	35.5	41.5	(14.4)	35.5	40.8	(13.0)
EBITDA (HRK million)	29.1	24.3	19.8	17.7	23.6	(25.0)
Profit / (loss) before tax (HRK million)	(24.7)	(23.7)	4.2	(25.5)	(23.0)	10.9
Rooms available ²	863,646	923,847	(6.5)	863,646	923,847	(6.5)
Occupancy % ²	45.3	42.7	260 ⁴	45.3	42.7	260 ⁴
Average daily rate (HRK) ³	530.4	501.0	5.9	530.4	501.0	5.9
RevPAR (HRK)	240.3	213.9	12.3	240.3	213.9	12.3

¹ The like-for-like comparison for 2019 excludes the influence of IFRS 16, which was issued in January 2016 and applies to annual reporting periods beginning on or after 1st January 2019. Please refer to page 113 of the Group's 2018 annual report for further detail. Furthermore, like-for-like comparison figures for 2018 exclude management fee revenues from art'otel dresden.

² Rooms available and the occupancy calculation are based on operating days.

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

⁴ In Basis Points (bps).

Total revenue increased by 2.9% to HRK 265.8 million (first six months of 2018: HRK 258.4 million) as a result of improved trading in our Croatian, German and Hungarian operations.

Accommodation revenue increased by 5.0% to HRK 207.5 million (first six months of 2018: HRK 197.6 million) on the back of improved occupancy (up by 260 bps) and a 5.9% increase in average daily rate, to HRK 530.4 (first six months of 2018: HRK 501.0).

On a reported basis, EBITDA increased by 19.8% to HRK 29.1 million (first six months of 2018: HRK 24.3 million). The EBITDA increased by HRK 4.8 million as a result of the application of IFRS 16. The entire effect from IFRS 16 is generated from our leases in Germany and Hungary.

On a like-for-like basis, excluding the impact of IFRS 16 and the loss of revenue from art'otel dresden in 2018 as we discontinued the management of that hotel, the EBITDA decreased by 25.0% to HRK 17.7 million (first six months of 2018: HRK 23.6 million) primarily as a result of weaker May performance due to extremely poor weather, higher expenses related to preparation for the upcoming summer season in Croatia, increase in labour and waste management costs.

CROATIAN PORTFOLIO PERFORMANCE

The following table sets out the results for the Group's operations in Croatia for the first half of 2019:

KEY PERFORMANCE INDICATORS

	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %
Total revenue (HRK million)	142.7	137.3	3.9
Accommodation revenue (HRK million)	110.2	104.8	5.1
EBITDAR (HRK million)	0.4	5.5	(93.6)
EBITDA (HRK million)	(4.7)	0.8	(678.7)
Rooms available ¹	704,547	764,748	(7.9)
Occupancy % ¹	37.8	35.2	260 ²
Average daily rate (HRK) ³	414.0	389.6	6.3
RevPAR (HRK)	156.4	137.1	14.1
FTE ⁴	565.6	533.5	6.0

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.

Total revenue increased by 3.9% to HRK 142.7 million. The most significant contributors to our revenue growth were Arena One 99 Glamping and Arena Kažela Campsite, notwithstanding late opening due to delay in construction due to bad weather conditions. This was further enhanced by hotel Sensimar Medulin, hotel Park Plaza Belvedere Medulin and Resort Park Plaza Punta Verudela, Pula. This growth was underpinned by a 6.3% increase in average daily rate and 260 bps increase in occupancy. As a result, accommodation revenue increased by 5.1% to HRK 110.2 million. RevPAR at HRK 156.4 was up 14.1% compared to 2018.

In order to reduce a workforce deficit and to ensure a smooth operation we engaged workers outside the region. We provided accommodation in our facilities, thus reducing the number of rooms available during this period. Rooms available decreased by 7.9% to 704,547 (first six months of 2018: 764,748).

EBITDAR decreased by HRK 5.1 million and EBITDA by HRK 5.5 million. This softening of our operating performance was a result of the costs incurred for the preparations for the upcoming summer season coupled with weaker May performance due to poor weather with 21 rainy days, a material increase in labour and waste management costs and general market conditions.

This season, Croatia has been experiencing competitive market conditions due to increase in supply coupled with a bolder return of Greece, Turkey and Egypt to the Mediterranean market. In the first half of 2019, Croatia recorded an increase of bed supply of over 100.000 of which 85% came from private accommodation. Istria recorded an increase in supply of over 11.000 beds of which over 80% came from private accommodation.

GERMAN AND HUNGARIAN PORTFOLIO PERFORMANCE

The following table sets out the Group's results of operations in Germany and Hungary for the first half of 2019:

KEY PERFORMANCE INDICATORS

	Reported / in HRK			Reported / in EUR		Like-for-like ¹ / in HRK		
	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %	Six months ended 30 June 2019	Six months ended 30 June 2018	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %
Total revenue (millions)	120.1	116.5	3.1	16.2	15.7	120.1	116.5	3.1
Accommodation revenue (millions)	97.3	92.8	4.9	13.1	12.5	97.3	92.8	4.9
EBITDAR (millions)	34.5	34.3	0.6	4.7	4.6	34.5	34.3	0.6
EBITDA (millions)	33.2	22.3	49.3	4.5	3.0	22.2	22.3	(0.5)
Rooms available ²	159,099	159,099	0.0	159,099	159,099	159,099	159,099	0.0
Occupancy % ²	78.6	78.8	(17) ³	78.6	78.8	78.6	78.8	(17) ³
Average daily rate ⁴	778.1	740.0	5.1	105.0	99.5	778.1	740.0	5.1
RevPAR	611.8	583.1	4.9	82.5	78.4	611.8	583.1	4.9
FTE ⁵	220.7	223.4	(1.2)	220.7	223.4	220.7	223.4	(1.2)

¹ The like-for-like comparison figures for 2019 exclude the influence of IFRS 16, which was issued in January 2016 and applies to annual reporting periods beginning on or after 1 January 2019. Please, refer to page 113 of the Group's 2018 Annual Report.

² Rooms available and occupancy are based on operating days.

³ In Basis Points (bps)

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

⁵ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full time employee to arrive at a total for Full Time Equivalent Employees.

Total reported revenue increased by 3.1% to HRK 120.1 million (first six months of 2018: HRK 116.5 million). The most significant contributors to our revenue growth were art'otel berlin kudamm and Park Plaza Nuremberg. ADR improved for the first six months of 2019 compared to 2018 whilst occupancy remained at last year's level. This led to an improvement in RevPar by 4.9% and a corresponding improvement in accommodation revenue which stood at HRK 97.3 million.

The Group's operations in Germany and Hungary delivered EBITDAR growth in the first six months. EBITDAR increased by 0.6% to HRK 34.5 million (first six months of 2018: HRK 34.3 million). The like-for-like performance in 2019, which exclude IFRS 16 influence, shows a negligent EBITDA drop of 0.5% to HRK 22.2 million (first six months of 2018: HRK 22.3 million). The most important contributors to this drop were Park Plaza Wallstreet Berlin Mitte (due to higher rental expense) and art'otel budapest (due to increased labour costs).

MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

The following table sets out the Group's results of management and central services operations for the first half of 2019:

KEY PERFORMANCE INDICATORS

	Reported / in HRK			Like-for-like ¹ / in HRK		
	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %	Six months ended 30 June 2019	Six months ended 30 June 2018	Variance %
Total revenue before elimination (HRK million)	54.9	50.3	9.2	54.9	49.6	10.7
Elimination of intra group revenue (HRK million)	(51.3)	(45.0)	14.0	(51.3)	(45.0)	14.0
Total reported revenue (HRK million)	3.6	5.3	(31.2)	3.6	4.6	(21.7)
EBITDA (HRK million)	0.5	1.2	(58.3)	0.1	0.5	(80.0)
FTE ²	263.5	268.7	(1.9)	263.5	222,4	(1.9)

¹ The like-for-like comparison figures for 2018 exclude revenues from art'otel dresden.

²The 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 and Hungary. 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.

Total reported revenue decreased by 31.2% to HRK 3.6 million mostly as a result of the decreased revenue from hotel art'otel dresden in respect of which the management contract has been terminated effective from 31 July 2018, which resulted in the loss of management fee revenues of HRK 0.7 million. Additionally, in the first six months 2019 we had less other miscellaneous income.

EBITDA decreased by HRK 0.4 million due to increased labour costs and loss of the aforementioned 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 51.97% of the Company's shares as at 30 June, 2019. 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 146 of the Group's 2018 annual report.

a. Balances with related parties

	Group		Company	
	As at 30 June 2019 HRK'000	As at 31 December 2018 HRK'000	As at 30 June June 2019 HRK'000	As at 31 December 2018 HRK'000
Assets:				
Short-term receivables – Park Plaza Hotels Europe B.V.	1,556	29	1,528	-
Short-term receivables – art'otel berlin mitte Park Plaza Betriebsgesellschaft mbH	447	222	-	-
Short-term receivables – Park Plaza Betriebsgesellschaft mbH	290	166	-	-
Short-term receivables – PPHE (Germany) B.V.	-	112	-	-
Short-term receivables – Arena Hospitality Management d.o.o.	-	-	1,267	681
Short-term receivables – Germany Real Estate B.V.	-	-	1,884	3,222
Short-term receivables – Sugarhill Investments B.V.	-	-	-	2
Short-term receivables – Ulika d.o.o.	-	-	-	16
Long-term loans to joint ventures	34,297	34,180	-	-
Long-term loan to Germany Real Estate B.V.	-	-	144,148	151,521
Liabilities:				
Trade payables – Arena Hospitality Management d.o.o.	-	-	-	2,990
Trade payables – PPHE (Germany) B.V.	10,192	10,410	-	-
Trade payables – Euro Sea Hotels N.V.	39	-	-	-
Trade payables – Park Plaza Hotels Europe B.V.	-	1,728	-	1,728

b. Transactions with related parties

	Group		Company	
	As at 30 June 2019 HRK'000	As at 30 June 2018 HRK'000	As at 30 June 2019 HRK'000	As at 30 June 2018 HRK'000
Management fee revenue – art'otel dresden Park Plaza Betriebsgesellschaft mbH	-	783	-	-
Management fee revenue from joint ventures	1,351	1,165	-	-
Service charge revenue – art'otel dresden Park Plaza Betriebsgesellschaft mbH	-	661	-	-
Service charge revenue – joint ventures	1,515	1,244	-	-
Reimbursement of employee expenses – Arena Hospitality Management d.o.o.	-	-	3,362	3,265
Management fees expense – Arena Hospitality Management d.o.o.	-	-	2,998	2,968
Sales and marketing fees – Park Plaza Hotels Europe B.V.	5,696	5,484	5,696	5,484
Sales and marketing fees – PPHE (Germany) B.V.	4,800	4,660	-	-
Interest expense – Euro Sea Hotels N.V.	-	285	-	-
Interest income – Germany Real Estate B.V.	-	-	2,883	2,256
Interest income – joint ventures	229	383	-	-

COMPANY BUSINESS RESULTS (CONSOLIDATED)

CONSOLIDATED INCOME STATEMENT

	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	265.8	258.4	2.9
Total operating expenses	(236.7)	(234.1)	1.1
EBITDA from operations	29.1	24.3	19.8
Depreciation	(46.6)	(33.0)	41.2
EBIT from operations	(17.5)	(8.7)	101.1
Financial revenues	0.2	0.4	(50.0)
Financial expenses	(14.5)	(13.3)	9.0
Other income/expense	7.0	(1.7)	(511.8)
Share in result of joint ventures	0.1	(0.4)	(125.0)
Total income	266.0	258.8	2.8
Total expenditures	(290.7)	(282.5)	2.9
Profit / (loss) before tax	(24.7)	(23.7)	4.2
Income tax	15.9	2.9	448.3
Profit / (loss) after tax	(8.8)	(20.8)	(57.7)

Total operating income increased by 2.9% to HRK 265.8 million (first six months of 2018: 258.4 million) as a result of growth generated both in Croatia and Germany. Total operating expenses increased by 1.1% to HRK 236.7 million (first six months of 2018: 234.1 million) as a result of the increase in cost of labour, waste management and expenses related to the preparation for the summer season. This increase was partially offset by the implementation of IFRS 16. Under rules of IFRS 16, the Group no longer books any rent expense as part of operational expenses. The treatment now affects Depreciation and Financial expenses. The Group paid HRK 11.4 million of Rent expense, which has not been booked under Operational expenses as it was in 2018. Furthermore, Payroll expenses increased by HRK 8 million.

As a result of the aforementioned EBITDA from operations improved by 19.8% to HRK 29.1 million (first six months of 2018: HRK 24.3 million). EBIT from operations loss increased by 101,1% to HRK 17.5 million negative (first six months 2018: HRK 8.7 million negative) as a result of the increase in Depreciation which grew by 41.2% to HRK 46.6 million (first six months 2018: HRK 33.0 million). Depreciation grew predominantly due to the implementation of IFRS 16 which affected this item by HRK 10.1 million. The rest of the increase is attributable to capital expenditures undertaken in previous periods. Financial revenues decreased by 50% year-on-year and relate to positive foreign exchange differences. Financial expenses increased by 9.0% to HRK 14.5 million (first six months 2018: HRK 13.3 million) and the increase is driven predominantly by the interest expense on lease liability in the amount of HRK 2.4 million as a result of the implementation of IFRS 16. Other income which positively contributed to the bottom line in the amount of HRK 7.0 is attributable mostly to the settlement reached with Herculanea d.o.o and the related release of litigation provision.

As a result of the foregoing, the consolidated loss before tax grew by 4.2% to HRK 24.7 million negative (first six months of 2018: HRK 23.7 million negative).

Loss after tax was reduced to HRK 8.8 million (first six months of 2018: HRK 20.8 million) predominantly by the tax return for FY 2018 and related to the benefits granted by the Ministry of Economy linked to the previous investments the Group has undertaken in Croatia.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK millions)

	30 June 2019 (Unaudited)	31 December 2018 (Audited)	Variance %
Long-term assets	2,296.5	1,934.0	18.7
Short-term assets	709.3	826.8	(14.2)
Total assets	3,005.8	2,760.8	8.9
Total equity	1,612.5	1,648.3	(2.2)
Long-term liabilities and provisions	1,132.5	963.5	17.5
Short-term liabilities	260.8	149.0	75.0
Total liabilities	1,393.3	1,112.5	25.2
Total equity and liabilities	3,005.8	2,760.8	8.9

Long-term assets increased by HRK 362.5 million to HRK 2,296.5 million (year-end 2018: HRK 1,934.0 million) mostly as a result of first time implementation of IFRS 16. The Group recognised HRK 234.8 million of Right of use of assets and a similar amount of Lease liability as of 1 January 2019.

Additionally, the outstanding increase in long-term assets relates to capex during the year as described in detail at the beginning of this report.

Short-term assets decreased by HRK 117.5 million to HRK 709.3 million (year-end 2018: HRK 826.8 million) mostly as a result of a decreased cash position due to the undertaken investments to date.

Long-term liabilities and provisions increased by HRK 169.0 million to HRK 1,132.5 million (year-end 2018: HRK 963.5 million) mostly as a result of the implementation of IFRS 16. Total long-term liabilities increase driven by the implementation of IFRS 16 as of 30 June 2019 amounted to HRK 212.0 million. At the same time provisions for litigations decreased by HRK 24.7 million to HRK 7.3 million as a result of the settlement with Herculanea.

Short-term liabilities increased by HRK 111.8 million to HRK 260.8 million (year-end 2018: HRK 149.0 million) primarily due to increased trade payables for new capex and increased advances received from guests.

COMPANY BUSINESS RESULTS (NON-CONSOLIDATED)

NON-CONSOLIDATED INCOME STATEMENT

	30 June 2019 (Unaudited)	30 June 2018 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	146.2	141.3	3.5
Total operating expenses	(151.1)	(144.0)	4.9
EBITDA	(4.9)	(2.7)	81.5
Depreciation	(27.7)	(24.7)	12.1
EBIT	(32.6)	(27.4)	19.0
Financial revenues	2.9	2.3	26.1
Financial expenses	(7.7)	(6.7)	14.9
Other revenues / expenses	7.0	(1.7)	(511.8)
Total income	156.1	143.6	8.7
Total expenditures	(186.5)	(177.1)	5.3
Profit / (loss) before tax	(30.4)	(33.5)	(9.3)
Income tax	17.2	6.0	186.7
Profit / (loss) after tax	(13.2)	(27.5)	(52.0)

Total operating income increased by 3.5% to 146.2 million (first six months of 2018: 141.3 million) as a result of the improved trading of hotels, self-catering apartment complexes and campsites.

Total operating expenses increased by 4.9% to 151.1 million (first six months of 2018: 144.0 million). The increase of total operating expenses resulted from increased labour costs, waste management expenses and costs related to the preparation for the season.

As a result of the aforementioned EBITDA from operations loss posted an increase of 81.5% to HRK 4.9 million (first six months 2018: HRK 2.7 million negative). EBIT from operations loss increased by 19.0% to HRK 32.6 million negative (first six months 2018: HRK 27.4 million negative) as a result of the increase in Depreciation which grew by 12.1% to HRK 27.7 million (first six months 2018: HRK 24.7 million). Growth in Depreciation is attributable to capital expenditures undertaken in previous periods. Financial revenues increased by 26.1% to 2.9 million (first six months 2018: HRK 2.3 million) predominantly due to interest received. Financial expenses increased by 14.9% to HRK 7.7 million (first six months 2018: HRK 6.7 million) due to the increase in the debt position.

As a result of the foregoing, the non-consolidated loss before tax decreased by 9.3% to HRK 30.4 million (first six months of 2018: HRK 33.5 million). Loss after tax decreased by 52.0% to HRK 13.2 million (first six months of 2018: HRK 27.5 million loss) as a result of the tax return for FY 2018 and related to the benefits granted by the Ministry of Economy linked to the previous investments the Group has undertaken.

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 30 JUNE 2019

(all amounts in HRK million)	30 June 2019 (Unaudited)	31 December 2018 (Audited)	Variance %
Long-term assets	2,062.7	1,927.7	7.0
Short-term assets	579.5	696.5	(16.8)
Total assets	2,642.2	2,624.2	0.7
Total equity	1,911.8	1,950.7	(2.0)
Long-term liabilities and provisions	557.0	596.6	(6.6)
Short-term liabilities	173.4	76.9	125.5
Total liabilities	730.4	673.5	8.4
Total equity and liabilities	2,642.2	2,624.2	0.7

Long-term assets increased by HRK 135.0 million to HRK 2,062.7 million (year-end 2018: HRK 1,927.7 million) mostly as a result of additional capex during the year as described in detail at the beginning of this report.

Short-term assets decreased by HRK 117.0 million to HRK 579.5 million (year-end 2018: HRK 696.5 million) mostly as a result of a decreased cash position used to finance investments.

Long-term liabilities and provisions decreased by HRK 39.6 million to HRK 557.0 million primarily due to release of the litigation provision related to the settlement with Herculanea d.o.o. As previously disclosed, the Company was a defendant in five disputes relating to claims of utility companies Pula Herculanea d.o.o. (one case) and Vodovod Pula d.o.o. (four cases), all relating to payment of fees and charges for maintenance and development of the water supply and sewage infrastructure system charged to the Company based on water consumption. Sufficient provisions were provided for in the accounts for these disputes. These cases have now been settled. Consequently, the relevant provisions in the accounts are now released, which release results in HRK 8.5 million in extraordinary revenues.

Short-term liabilities increased by HRK 96.5 million to HRK 173.4 million primarily due to increased trade payables and received advances.

PRINCIPAL RISKS OF THE GROUP AND THE COMPANY
CORPORATE GOVERNANCE REPORT

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



PRINCIPAL RISKS OF THE GROUP AND THE COMPANY

There are no changes to the principal risks as set out in the Company's consolidated financial statements for the year ended 31 December 2018, 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.

For a detailed discussion of the risks facing the Group, please refer to pages from 34 to 37 of the Company's 2018 annual report.

CORPORATE GOVERNANCE REPORT

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 a corporate governance code. The Company applies the Corporate Governance Code of the Zagreb Stock Exchange (the **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, provides reasons for non-compliance with the recommendations of the Code. The Company published its annual corporate governance questionnaire for 2018 on ZSE on 28 February 2019.

GENERAL ASSEMBLY MEETINGS

The General Assembly was held on 30 April 2019, where the following occurred:

- the Company's Annual Report for 2018 (consolidated and non-consolidated) was considered;
- decision on the use of the profit realised in 2018;
- decision to grant discharge to the Supervisory Board and the Management Board members for their work in 2018;
- adoption of the decision for the appointment of the Company's auditor for 2019; and
- adoption of the decision on dividend payment from retained profit realised in 2017.

SUPERVISORY BOARD MEETINGS

The members of the Supervisory Board are: Boris Ernest Ivesha (Chairman), Yoav Arie Papouchado (Vice-Chairman), Kevin Michael McAuliffe, Abraham Thomas, Amra Pende, Lorena Škuflić and Vehbija Mustafić.

The Supervisory Board of the Company held the following meetings (including correspondence voting) in the first half of the year:

- on 27 February 2019 where the Annual Report of the Company for 2018 was approved;
- on 29 March 2019 whereat a proposal of decision on dividend payment from the retained profit realized in 2017 was adopted;
- on 28 June 2019 where the Treasury Shares Buy-Back Programme was adopted.

SUPERVISORY BOARD COMMITTEES

In the first half of the year, the Company's Audit Committee held a meeting 27 February 2019 and considered the Financial Statements of the Company for 2018 (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 meetings were:

- 27 February 2019 where, *inter alia*, the interim report for the fourth quarter of 2018 and the Annual Report of the Company for 2018 (consolidated and non-consolidated) were adopted;
- on 29 March 2019 whereat a proposal of decision on dividend payment was adopted;
- on 29 April 2019 whereat the unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2019 was adopted; and
- on 28 June 2019 where the Treasury Shares Buy-Back Programme was adopted.

MAJOR SHAREHOLDERS

Following the share capital increase in May 2017, the share capital of the Company is HRK 102,574,420.00 HRK and is divided into 5,128,721 ordinary shares under the ticker ARNT-R-A, each without nominal value.

As at 30 June 2019, 169 shares were held as treasury shares.

Shareholders with holdings of 3% or more of the Company's registered capital as at 30 June 2019 are listed below:

		Percentage holding of Share Capital
1	DVADESET OSAM D.O.O. (a member of the PPHE Hotel Group)	51.97%
2	OTP BANKA D.D./ AZ OMF kategorije B	10.66%
3	ADDIKO BANK d.d. / PBZ CO OMF-kategorije B	9.13%
4	OTP BANKA D.D./ ERSTE PLAVI OMF kategorije B	6.18%

VALUATION

	Q2 2019		
	High	Low	Last
Share price	370.0	340.0	362.0
Market capitalization ¹	1,897,626,770	1,743,765,140	1,856,597,002
Net debt ²	292,083,614	292,083,614	292,083,614
EV ³	2,189,710,384	2,035,848,754	2,148,680,616
EV/EBITDA⁴	10.5x	9.8x	10.3x

¹ Number of shares outstanding as at 30 June 2019 was 5,128,721

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 not accounted for (without the application of IFRS 16)

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

⁴ Like for like Q2 LTM EBITDA without the application of IFRS 16

MANAGEMENT BOARD'S
RESPONSIBILITY STATEMENT

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP


P A R K
P L A Z A

artotel


ARENA HOTELS &
APARTMENTS


ARENA CAMPSITES

MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

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

To the best of our knowledge:

- The short set of non-consolidated unaudited six 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 six months financial statements (the **Consolidated Financial Statements**) provide a comprehensive overview of assets and liabilities, profit and losses of the Group. The consolidated financial data for the period, reported in line with the approach applied, are contained in the prescribed forms attached to this report;
- The Financial Statements and Consolidated Financial Statements have not been audited; and
- The Management Board's Interim Report for the period from 1 January to 30 June 2019 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), Milena Perković (Member of Management Board & Chief Financial Officer), Manuela Kraljević (Member of Management Board & Marketing and Sales Director) and Devansh Bakshi (Member of Management Board & incoming CFO).

MANAGEMENT BOARD:

President:



Reuel Israel Gavriel Slonim

Members:



Milena Perković



Manuela Kraljević



Devansh Bakshi

APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP


PARK
PLAZA

artotel


ARENA
HOTELS &
APARTMENTS


ARENA
CAMPSITES

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

ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

30.6.2019

Year:

2019

Quarter:

2.

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

1398

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

Ulrika d.o.o.

Zagreb, Radnička cesta 80

Sugarhill Investments B.V.

Nizozemska, Amsterdam, Claude Debussylaan 14, Vinoly Tower

Germany Real Estate B.V.

Nizozemska, Amsterdam, Claude Debussylaan 14, Vinoly Tower

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: Čale Neven

(only name and surname of the contact person)

Telephone: 052/223-811

E-mail address:

ncale@arenahospitalitygroup.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 30.06.2019

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	1.934.026.795	2.296.481.212
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.369.911	1.422.421
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	812.142	864.652
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	557.769	557.769
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.857.787.639	2.214.813.760
1 Land	011	320.627.860	331.883.143
2 Buildings	012	1.345.848.772	1.460.658.402
3 Plant and equipment	013	131.206.562	130.575.906
4 Tools, working inventory and transportation assets	014	5.660.501	5.204.042
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	10.878.077	4.698.052
7 Tangible assets in preparation	017	34.979.642	47.739.945
8 Other tangible assets	018	8.586.225	234.054.270
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	50.591.045	50.560.059
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	1.748.203	1.646.475
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	34.179.550	34.297.053
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	14.663.292	14.616.531
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	24.278.200	29.684.972
C) CURRENT ASSETS (ADP 038+046+053+063)	037	826.801.299	709.288.917
I INVENTORIES (ADP 039 to 045)	038	3.222.669	5.089.508
1 Raw materials and consumables	039	2.859.542	4.895.559
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	39.542	92.742
5 Advances for inventories	043	323.585	101.207
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	20.865.629	77.382.748
1 Receivables from undertakings within the group	047	145.140	1.564.406
2 Receivables from companies linked by virtue of participating interests	048	0	736.592
3 Customer receivables	049	13.949.121	64.970.540
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	1.103.950	5.289.330
6 Other receivables	052	5.667.418	4.821.880
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	198.775	198.775
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	198.775	198.775
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	802.514.226	626.617.886
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.760.828.094	3.005.770.129
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.648.303.761	1.612.519.650
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.738.633	1.142.738.633
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	328.617.643	332.269.547
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	3.380	3.380
3 Treasury shares and holdings (deductible item)	073	-3.380	-3.380
4 Statutory reserves	074	0	0
5 Other reserves	075	323.488.922	327.140.826
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	-5.371.416	-10.247.020
1 Fair value of financial assets available for sale	078	105.120	105.120
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	-5.476.536	-10.352.140
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-8.922.546	54.101.721
1 Retained profit	082	0	54.101.721
2 Loss brought forward	083	8.922.546	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	88.667.027	-8.917.651
1 Profit for the business year	085	88.667.027	0
2 Loss for the business year	086	0	8.917.651
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	69.395.643	47.554.151
1 Provisions for pensions, termination benefits and similar obligations	089	1.576.054	1.576.320
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	30.443.836	7.315.876
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	37.375.753	38.661.955
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	894.087.998	1.084.991.736
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	891.590.309	1.077.833.661
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	2.497.689	7.158.075
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	149.040.692	260.704.592
1 Liabilities to undertakings within the group	108	12.089.598	10.231.390
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	46.178.883	71.966.321
7 Liabilities for advance payments	114	15.253.106	44.970.838
8 Liabilities to suppliers	115	19.943.233	86.783.176
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	16.107.935	18.966.948
11 Taxes, contributions and similar liabilities	118	16.796.473	14.181.630
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	22.671.464	13.604.289
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	2.760.828.094	3.005.770.129
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.06.2019

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 126 to 130)	125	258.431.411	184.818.124	265.751.602	193.000.399
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	256.607.713	183.760.286	264.798.828	192.415.297
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	1.823.698	1.057.838	952.774	585.102
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	268.839.615	162.477.328	276.403.696	164.690.799
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	106.281.259	68.019.837	100.456.014	67.648.205
a) Costs of raw materials and consumables	134	50.315.165	33.369.805	52.237.069	36.037.860
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	55.966.094	34.650.032	48.218.945	31.610.345
3 Staff costs (ADP 138 to 140)	137	103.829.383	63.687.099	111.796.297	68.440.771
a) Net salaries and wages	138	66.303.312	42.232.506	73.343.922	46.328.463
b) Tax and contributions from salary costs	139	24.255.594	13.750.316	25.394.811	14.444.648
c) Contributions on salaries	140	13.270.477	7.704.277	13.057.564	7.667.660
4 Depreciation	141	32.991.615	16.774.620	46.624.624	23.090.719
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	-242.853
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	-242.853
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	25.737.358	13.995.772	17.526.761	5.753.957
III FINANCIAL INCOME (ADP 155 to 164)	154	393.950	0	229.360	115.493
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	393.950	0	229.360	115.493
8 Exchange rate differences and other financial income	162	0	0	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	13.377.898	6.993.813	14.510.572	7.877.259
1 Interest expenses and similar expenses with undertakings within the group	166	285.055	164.358	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	13.092.843	6.829.455	13.816.937	7.226.127
4 Exchange rate differences and other expenses	169	0	0	589.907	599.201
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	103.728	51.931
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	414.294	96.333	621.640
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	406.303	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	258.825.361	185.232.418	266.077.295	193.737.532
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	282.623.816	169.471.141	290.914.268	172.568.058
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-23.798.455	15.761.277	-24.836.973	21.169.474
1 Pre-tax profit (ADP 177-178)	180	0	15.761.277	0	21.169.474
2 Pre-tax loss (ADP 178-177)	181	-23.798.455	0	-24.836.973	0
XII INCOME TAX	182	-2.898.692	2.637.249	-15.919.322	-8.511.273
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-20.899.763	13.124.028	-8.917.651	29.680.747
1 Profit for the period (ADP 179-182)	184	0	13.124.028	0	29.680.747
2 Loss for the period (ADP 182-179)	185	-20.899.763	0	-8.917.651	0

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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
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 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	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	202	-20.899.763	13.124.028	-8.917.651	29.680.747
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-5.984.478	-3.807.721	-5.595.516	-3.256.885
1 Exchange rate differences from translation of foreign operations	204	-4.070.809	-1.894.052	-719.912	-956.898
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	-1.913.669	-1.913.669	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	-4.875.604	-2.299.987
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-5.984.478	-3.807.721	-5.595.516	-3.256.885
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-26.884.241	9.316.307	-14.513.167	26.423.862
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 216+217)	215	-20.899.763	13.124.028	-14.513.167	26.423.862
1 Attributable to owners of the parent	216	-20.899.763	13.124.028	-14.513.167	26.423.862
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 30.06.2019.

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	-23.798.455	-24.836.973	
2 Adjustments (ADP 003 to 010):	002	41.238.568	53.752.545	
a) Depreciation	003	32.991.615	46.624.624	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	372.213	132.946	
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	-390.623	-228.642	
e) Interest expenses	007	13.246.532	13.420.990	
f) Provisions	008	3.213.053	-4.339.800	
g) Exchange rate differences (unrealised)	009	-8.600.525	-1.761.240	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	406.303	-96.333	
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	17.440.113	28.915.572	
3 Changes in the working capital (ADP 013 to 016)	012	149.125	1.801.640	
a) Increase or decrease in short-term liabilities	013	59.725.336	65.356.504	
b) Increase or decrease in short-term receivables	014	-57.481.730	-52.255.975	
c) Increase or decrease in inventories	015	-2.094.481	-2.593.733	
d) Other increase or decrease in working capital	016	0	-8.705.156	
II Cash from operations (ADP 011+012)	017	17.589.238	30.717.212	
4 Interest paid	018	-13.188.108	-12.566.667	
5 Income tax paid	019	-19.792.026	1.681.057	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-15.390.896	19.831.602	
Cash flow from investment activities				
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0	
2 Cash receipts from sales of financial instruments	022	0	0	
3 Interest received	023	7.647	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	-5.143.291	4.371.818	
III Total cash receipts from investment activities (ADP 021 to 026)	027	-5.135.644	4.371.818	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-86.413.402	-142.105.863	
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	-2.967	
IV Total cash payments from investment activities (ADP 028 to 032)	033	-86.413.402	-142.108.830	
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-91.549.046	-137.737.012	
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	53.278.466	0	
4 Other cash receipts from financing activities	038	0	0	
V Total cash receipts from financing activities (ADP 035 to 038)	039	53.278.466	0	
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-17.437.410	-22.968.910	
2 Cash payments for dividends	041	0	-25.642.760	
3 Cash payments for finance lease	042	0	-9.446.190	
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0	
5 Other cash payments from financing activities	044	0	0	
VI Total cash payments from financing activities (ADP 040 to 044)	045	-17.437.410	-58.057.860	
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	35.841.056	-58.057.860	
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	-620.606	66.930	
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-71.719.492	-175.896.340	
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	800.100.724	802.514.226	
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	728.381.232	626.617.886	

STATEMENT OF CHANGES IN EQUITY
for the period from to

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		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 available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	102.574.420	1.142.738.633	2.182.500	3.380	3.380	0	327.442.693	0	111.690	0	-3.317.205	-94.058.950	88.082.625	1.565.756.406	0	1.565.756.406
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	102.574.420	1.142.738.633	2.182.500	3.380	3.380	0	327.442.693	0	111.690	0	-3.317.205	-94.058.950	88.082.625	1.565.756.406	0	1.565.756.406
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	-20.899.763	-20.899.763	0	-20.899.763
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-4.070.809	0	0	0	0	0	0	-4.070.809	0	-4.070.809
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
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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	09	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	-1.913.669	0	0	-1.913.669	0	-1.913.669
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
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
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	-96.627	0	0	0	0	0	0	-96.627	0	-96.627
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
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	2.946.221	0	0	0	0	0	0	0	0	85.136.404	-88.082.625	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	102.574.420	1.142.738.633	5.128.721	3.380	3.380	0	323.275.257	0	111.690	0	-5.230.874	-8.922.546	-20.899.763	1.538.775.538	0	1.538.775.538
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)	24	0	0	0	0	0	0	-4.167.436	0	0	0	-1.913.669	0	0	-6.081.105	0	-6.081.105
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-4.167.436	0	0	0	-1.913.669	0	-20.899.763	-26.980.868	0	-26.980.868
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	2.946.221	0	0	0	0	0	0	0	0	85.136.404	-88.082.625	0	0	0

Current period																	
1 Balance on the first day of the current business year	27	102.574.420	1.142.738.633	5.128.721	3.380	3.380	0	323.488.922	0	105.120	0	-5.476.536	-8.922.546	88.667.027	1.648.303.761	0	1.648.303.761
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	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 27 to 29)	30	102.574.420	1.142.738.633	5.128.721	3.380	3.380	0	323.488.922	0	105.120	0	-5.476.536	-8.922.546	88.667.027	1.648.303.761	0	1.648.303.761
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-8.917.651	-8.917.651	0	-8.917.651
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-719.912	0	0	0	0	0	0	-719.912	0	-719.912
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	0	0	0	0	0	0	0	0	0	0	-4.875.604	0	0	-4.875.604	0	-4.875.604
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	4.371.816	0	0	0	0	0	0	4.371.816	0	4.371.816
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase 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
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profits/dividend	45	0	0	0	0	0	0	0	0	0	0	-25.642.760	0	-25.642.760	0	-25.642.760	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	88.667.027	-88.667.027	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	102.574.420	1.142.738.633	5.128.721	3.380	3.380	0	327.140.826	0	105.120	0	-10.352.140	54.101.721	-8.917.651	1.612.519.650	0	1.612.519.650
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 40)	50	0	0	0	0	0	0	3.651.904	0	0	0	-4.875.604	0	0	-1.223.700	0	-1.223.700
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	3.651.904	0	0	0	-4.875.604	0	-8.917.651	-10.141.351	0	-10.141.351
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	63.024.267	-88.667.027	-25.642.760	0	-25.642.760

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: _____1 January - 30 June 2019_____

The Group adopted for the first time IFRS 16 during the year. New Standard become effective from 1 January 2019. The comparative information has not been adjusted, and it is prepared based on the accounting policies for leases that the Group had applied under IAS 17.

Application of IFRS 16 resulted in recognition of assets on 1 January 2019 (Right-of-use assets) in amount of HRK 236.710.757. Long term lease liabilities had recognized in amount of HRK 231.126.246. in period ended 30 June the Group recognized amount of HRK 10.122.510 depreciation expenses of assets recognized according to IFRS 16 and amount of HRK 2.378.692 of Interests expense on lease liability.

The amount of cash outflow which decreased lease liability stated in Cash flow statetmend on ADP 042 - Cash payments for finance lease amounted to HRK 9.446.190.

Due to application of IFRS 16 the Group reported less Operating expenses (rent expense) wich wehre shown in comparative information on ADP 136 - c) Other external costs.

Net book value of Right-of-use assets stated in the Balance sheen on ADP 018 - Other tangible assets were HRK 224.746.830. Long term liabililies (stated on ADP 101 - Liabililies to banks and other financial institutions as of balance sheet date were HRK 212.008.296, while short term liability (stated on ADP 113 - Liabililies to banks and other financial institutions s of balance sheet date were HRK 19.089.556.

Annex 1

ISSUER'S GENERAL DATA

Reporting period: to

Year:

Quarter:

Quarterly financial statements

Registration number (MB): Issuer's home Member State code:

Entity's registration number (MBS):

Personal identification number (OIB): LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting):

Consolidated report: (KN-not consolidated/KD-consolidated)

Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS): _____ Registered office: _____ MB: _____

Bookkeeping firm: (Yes/No) (name of the bookkeeping firm)

Contact person: (only name and surname of the contact person)

Telephone:

E-mail address:

Audit firm: _____ (name of the audit firm)

Certified auditor: _____ (name and surname)

BALANCE SHEET
balance as at 30.06.2019

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	1.927.723.396	2.062.700.196
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.369.414	1.421.924
1 Research and development	004	0	864.155
2 Concessions, patents, licences, trademarks, software and other rights	005	811.645	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	557.769	557.769
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.211.189.629	1.352.433.633
1 Land	011	223.836.997	235.405.012
2 Buildings	012	854.101.285	974.495.383
3 Plant and equipment	013	73.543.059	76.187.575
4 Tools, working inventory and transportation assets	014	5.660.501	5.204.042
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	10.878.077	4.698.052
7 Tangible assets in preparation	017	34.583.484	47.136.128
8 Other tangible assets	018	8.586.226	9.307.441
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	691.677.906	679.948.898
1 Investments in holdings (shares) of undertakings within the group	021	528.552.622	524.180.803
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	151.521.392	144.148.086
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	11.567.009
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	11.603.892	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	53.000
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	23.486.447	28.895.741
C) CURRENT ASSETS (ADP 038+046+053+063)	037	696.534.505	579.456.273
I INVENTORIES (ADP 039 to 045)	038	2.055.030	4.060.586
1 Raw materials and consumables	039	1.691.903	3.866.637
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	39.542	92.742
5 Advances for inventories	043	323.585	101.207
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	11.895.993	63.014.940
1 Receivables from undertakings within the group	047	3.919.114	4.680.130
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	5.537.874	54.139.004
4 Receivables from employees and members of the undertaking	050	95.954	35.683
5 Receivables from government and other institutions	051	524.327	3.444.406
6 Other receivables	052	1.818.724	715.717
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	198.775	219.475
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	198.775	198.775
8 Loans, deposits, etc. given	061	0	20.700
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	682.384.707	512.161.272
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.624.257.901	2.642.156.469
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.950.663.284	1.911.778.672
I INITIAL (SUBSCRIBED) CAPITAL	068	102.574.420	102.574.420
II CAPITAL RESERVES	069	1.142.738.633	1.142.742.013
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	572.817.249	572.813.868
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	3.380	3.380
3 Treasury shares and holdings (deductible item)	073	-3.380	-3.380
4 Statutory reserves	074	0	0
5 Other reserves	075	567.688.528	567.685.147
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	105.120	105.120
1 Fair value of financial assets available for sale	078	105.120	105.120
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	65.877.455	106.785.103
1 Retained profit	082	65.877.455	106.785.103
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	66.550.407	-13.241.852
1 Profit for the business year	085	66.550.407	0
2 Loss for the business year	086	0	13.241.852
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	69.393.988	47.553.877
1 Provisions for pensions, termination benefits and similar obligations	089	1.576.054	1.576.054
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	32.019.890	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	35.798.044	45.977.823
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	527.207.950	509.423.291
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	527.207.950	509.423.291
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	76.992.679	173.400.629
1 Liabilities to undertakings within the group	108	4.669.615	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	38.340.412	38.499.958
7 Liabilities for advance payments	114	4.198.773	33.088.027
8 Liabilities to suppliers	115	5.833.751	67.970.938
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	12.756.938	17.142.045
11 Taxes, contributions and similar liabilities	118	6.967.141	10.783.548
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	4.226.049	5.916.113
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	2.624.257.901	2.642.156.469
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.06.2019

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 126 to 130)	125	141.342.451	123.361.033	153.626.178	138.981.187
1 Income from sales with undertakings within the group	126	3.527.969	1.743.352	3.403.968	1.681.238
2 Income from sales (outside group)	127	136.854.013	121.223.994	142.467.810	129.722.886
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	960.469	393.687	7.754.400	7.577.063
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	170.898.493	111.869.723	179.541.951	119.751.498
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	64.299.267	47.923.092	69.075.910	52.573.017
a) Costs of raw materials and consumables	134	31.897.889	23.758.484	34.194.966	26.185.345
b) Costs of goods sold	135	31.559	31.559	63.927	61.327
c) Other external costs	136	32.369.819	24.133.049	34.817.017	26.326.345
3 Staff costs (ADP 138 to 140)	137	64.836.783	40.974.338	67.022.286	43.375.107
a) Net salaries and wages	138	40.191.695	25.468.102	42.587.753	27.573.005
b) Tax and contributions from salary costs	139	16.249.143	10.128.235	16.426.081	10.528.317
c) Contributions on salaries	140	8.395.945	5.378.001	8.008.452	5.273.785
4 Depreciation	141	24.730.316	12.365.936	27.679.217	13.816.161
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	519.858	261.365	242.853	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	519.858	261.365	242.853	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	16.512.269	10.344.992	15.521.685	9.987.213
III FINANCIAL INCOME (ADP 155 to 164)	154	2.279.882	1.142.727	2.899.858	1.444.642
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	15.895	15.895
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	2.267.401	1.142.727	2.883.448	1.428.232
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	12.481	0	515	515
8 Exchange rate differences and other financial income	162	0	0	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	6.229.182	3.409.572	7.409.703	3.752.915
1 Interest expenses and similar expenses with undertakings within the group	166	126.166	111.873	7.321	564
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	6.100.851	3.297.699	6.768.596	3.384.788
4 Exchange rate differences and other expenses	169	0	0	0	0
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	2.165	0	633.786	367.563
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173			0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174			0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175			0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176			0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	143.622.333	124.503.760	156.526.036	140.425.829
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	177.127.675	115.279.295	186.951.654	123.504.413
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-33.505.342	9.224.465	-30.425.618	16.921.416
1 Pre-tax profit (ADP 177-178)	180	0	9.224.465	0	16.921.416
2 Pre-tax loss (ADP 178-177)	181	-33.505.342	0	-30.425.618	0
XII INCOME TAX	182	-5.953.377	1.713.758	-17.183.766	-8.693.314
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-27.551.965	7.510.707	-13.241.852	25.614.730
1 Profit for the period (ADP 179-182)	184	0	7.510.707	0	25.614.730
2 Loss for the period (ADP 182-179)	185	-27.551.965	0	-13.241.852	0

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 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
XV INCOME TAX OF DISCONTINUED OPERATIONS	189				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194				
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
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 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200				
2 Attributable to minority (non-controlling) interest	201				
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202				
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204				
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206				
4 Profit or loss arising from effective cash flow hedging	207				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209				
7 Actuarial gains/losses on the defined benefit obligation	210				
8 Other changes in equity unrelated to owners	211				
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212				
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	0	0	0	0
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 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216				
2 Attributable to minority (non-controlling) interest	217				

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 30.06.2019.

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	-33.505.342	-30.425.618	
2 Adjustments (ADP 003 to 010):	002	25.246.134	26.323.615	
a) Depreciation	003	24.730.316	27.679.217	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	372.213	143.515	
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	-2.256.230	-2.883.449	
e) Interest expenses	007	6.514.982	7.018.770	
f) Provisions	008	3.213.053	-4.339.800	
g) Exchange rate differences (unrealised)	009	-7.328.200	-1.294.638	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0	
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-8.259.208	-4.102.003	
3 Changes in the working capital (ADP 013 to 016)	012	1.256.200	752.057	
a) Increase or decrease in short-term liabilities	013	57.639.123	59.684.083	
b) Increase or decrease in short-term receivables	014	-53.301.125	-47.584.907	
c) Increase or decrease in inventories	015	-3.081.798	-2.641.963	
d) Other increase or decrease in working capital	016	0	-8.705.156	
II Cash from operations (ADP 011+012)	017	-7.003.008	-3.349.946	
4 Interest paid	018	-6.514.982	-6.743.814	
5 Income tax paid	019	-14.202.836	6.296.069	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-27.720.826	-3.797.691	
Cash flow from investment activities				
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0	
2 Cash receipts from sales of financial instruments	022	0	0	
3 Interest received	023	4.333.314	4.238.917	
4 Dividends received	024	0	0	
5 Cash receipts from repayment of loans and deposits	025	0	6.906.712	
6 Other cash receipts from investment activities	026	0	4.371.818	
III Total cash receipts from investment activities (ADP 021 to 026)	027	4.333.314	15.517.447	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-76.889.416	-140.156.726	
2 Cash payments for the acquisition of financial instruments	029	0	0	
3 Cash payments for loans and deposits for the period	030	-2.422.097	0	
4 Acquisition of a subsidiary, net of cash acquired	031	0	0	
5 Other cash payments from investment activities	032	-503.080	-53.000	
IV Total cash payments from investment activities (ADP 028 to 032)	033	-79.814.593	-140.209.726	
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-75.481.279	-124.692.279	
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	22.140.000	0	
4 Other cash receipts from financing activities	038	0	0	
V Total cash receipts from financing activities (ADP 035 to 038)	039	22.140.000	0	
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-12.297.706	-16.090.704	
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	0	0	
5 Other cash payments from financing activities	044	-57.680	-25.642.760	
VI Total cash payments from financing activities (ADP 040 to 044)	045	-12.355.386	-41.733.464	
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	9.784.614	-41.733.464	
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	-93.417.491	-170.223.434	
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	716.410.908	682.384.706	
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	622.993.417	512.161.272	

STATEMENT OF CHANGES IN EQUITY
for the period from to

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		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 available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	102.574.420	1.142.738.633	2.182.500	3.380	3.380	0	568.595.447	0	111.690	0	0	0	68.823.676	1.885.026.366	0	1.885.026.366
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	102.574.420	1.142.738.633	2.182.500	3.380	3.380	0	568.595.447	0	111.690	0	0	0	68.823.676	1.885.026.366	0	1.885.026.366
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	-27.551.965	-27.551.965	0	-27.551.965
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	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	09	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
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
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
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	-57.680	0	0	0	0	0	0	-57.680	0	-57.680
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
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	2.946.221	0	0	0	0	0	0	0	0	65.877.455	-68.823.676	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	102.574.420	1.142.738.633	5.128.721	3.380	3.380	0	568.537.767	0	111.690	0	0	65.877.455	-27.551.965	1.857.416.721	0	1.857.416.721
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)	24	0	0	0	0	0	0	-57.680	0	0	0	0	0	0	-57.680	0	-57.680
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-57.680	0	0	0	0	0	-27.551.965	-27.609.645	0	-27.609.645
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	2.946.221	0	0	0	0	0	0	0	0	65.877.455	-68.823.676	0	0	0

Current period																		
1 Balance on the first day of the current business year	27	102.574.420	1.142.742.013	5.128.721	3.380	3.380	0	567.685.147	0	105.120	0	0	65.877.455	66.550.407	1.950.663.283	0	1.950.663.283	
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	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 27 to 29)	30	102.574.420	1.142.742.013	5.128.721	3.380	3.380	0	567.685.147	0	105.120	0	0	65.877.455	66.550.407	1.950.663.283	0	1.950.663.283	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-13.241.852	-13.241.852	0	-13.241.852	
6 Exchange rate differences from translation of foreign operations	32	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	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	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	35	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	36	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	37	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	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase 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	
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profits/dividend	45	0	0	0	0	0	0	0	0	0	0	0	-25.642.760	0	-25.642.760	0	-25.642.760	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	66.550.407	-66.550.407	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	102.574.420	1.142.742.013	5.128.721	3.380	3.380	0	567.685.147	0	105.120	0	0	106.785.102	-13.241.852	1.911.778.671	0	1.911.778.671	
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 40)	50	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 31+50)	51	0	0	0	0	0	0	0	0	0	0	0	0	-13.241.852	-13.241.852	0	-13.241.852	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	40.907.647	-66.550.407	-25.642.760	0	-25.642.760	

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: 1 January - 30 June 2019

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting 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
- 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 quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly 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
- d) a description of the financial performance in the case of the issuer whose business is seasonal.