

**INTERIM FINANCIAL REPORT
FOR THE SECOND QUARTER AND FIRST HALF OF 2020**

ARENA

HOSPITALITY GROUP

28 JULY 2020

A MEMBER OF PPHE HOTEL GROUP



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INTERIM PERFORMANCE REPORT FOR THE PERIOD JANUARY - JUNE 2020

CONSOLIDATED RESULTS

"We are hereby presenting our results for first half of 2020. 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 the unconsolidated performance in Croatia.

January and February performance across our portfolio was in line with Management's expectations, and the bookings pace was above that of the previous year. Nevertheless, from the beginning of March, the Group's results were severely impacted by the Covid -19 pandemic, with demand for international travel across the travel and hospitality industry being heavily hindered.

Throughout March and April governments in several countries have implemented extraordinary measures to slow the spread of the virus. These included closure of borders, halt of travel, the adoption of social distancing policies, bans on large gatherings and events, the closure of restaurants, bars and other businesses as well as lockdowns. These measures have led to an immediate and significant deterioration in the hospitality market, with a high number of cancellations and no shows and very few new bookings. As a result of these extreme and unprecedented measures, the Group closed all its properties in Croatia and operated at reduced capacity across Germany and Hungary.

From the second half of May onwards governments across Europe and globally started easing the extraordinary measures enacted earlier. This has enabled travel to resume gradually and in response to this, the Group has started opening several of its properties across the markets in which it operates. The properties that opened and the level of operations within these properties reflected actual and expected customer volumes and market dynamics. All operations strictly adhere to the relevant local and international health authority guidelines (World Health Organisation) as well as the Group's, PPHE's and Radisson's health and wellbeing standards.

In light of the above, reported Group revenue decreased by 69.9% to HRK 79.9 million (2019: HRK 265.8 million) and an EBITDA loss of HRK 37.1 million (2019: profit of HRK 29.0 million). Accommodation revenue experienced a decrease of 71.4% to HRK 59.4 million compared to last year (2019: HRK 207.5 million) as a result of occupancy that halved to 23.6% (2019: 45.3%) and a drop in average daily rate by 1.5% which amounted to HRK 522.3 (2019: HRK 530.4).

The Group is utilizing Governments' support in its countries of operations to navigate through these challenging times and is focussed on preserving its liquidity and sustainability by further optimizing its costs. In addition, the Group has a long-standing and supportive group of banks with whom it is in regular dialogue to ensure there is the possibility to take all the necessary actions that are in the best interests of the Group in the current environment.

The opening of a majority of our properties following the ease of the restrictions across the regions in which we operate was marked by a positive pickup, notably in Croatia, which is our core market. Looking at the month of June alone, operating at reduced capacity, we managed to post a positive EBITDA result of over HRK 7 million



notwithstanding the pandemic. This is showing the strength of our lean business and the effect of our efficiency measures implemented during the lockdown. These measures will stay in place for the forthcoming period.

CROATIA

The first half was marked by the delayed opening of selected properties that started opening only at the end of May once the government started easing the lockdown measures implemented in March. The slowdown in bookings along with cancellations and severe delay in opening led to an unprecedented drop in revenues. Total revenues therefore decreased by 80.2% to HRK 28.3 million (2019: HRK 142.7 million). The decrease in accommodation revenue by 79.8% is the result of a 18.5% decline in average daily rate to HRK 337.4 (2019: HRK 414.0) and a 1,765.3 bps retraction in occupancy to 20.1%.

EBITDA loss amounted to negative HRK 33.5 million (2019: negative HRK 4.7 million). The Company applied for employee related as well as other measures related to taxes and contributions enacted by the Government. The total amount of such grants received from the Government amounted to HRK 15.4 million during the first half.

In the reported period the Company completed the investments that were under way and/or close to being finalised, or previously contracted. A total of HRK 155.5 million (2019: HRK 140.2 million) was invested in upgrading campsites, self-catering holiday apartment complexes and rooms, public areas and facilities of certain hotels. Highlights are as follows:

- Arena Grand Kažela Campsite: installation of 45 new mobile homes, refurbishment of existing restaurant and bar, addition of a new sanitary block and refurbishment of four existing sanitary blocks;
- Arena Verudela Beach Resort: refurbishment of 146 apartments and infrastructure works;
- Lighthouse restaurant refurbishment;
- Park Plaza Histria Pula: soft refurbishment of all the rooms;
- Yacht Bar & Restaurant refurbishment;
- Hotel Brioni Pula: construction works, as part of the repositioning programme, ongoing.

Park Plaza Histria Pula – Yacht Bar & Restaurant



GERMANY AND HUNGARY

The pandemic related circumstances influenced our operations dramatically. Total revenues during the period decreased by 59.7% to HRK 48.4 million (2019: HRK 120.1 million). Accommodation revenues recorded a drop of 61.9% to HRK 37.1 million (2019: 97.3 million) driven by an unprecedented drop in occupancy to 31.0% from 78.6% in 2019. Average daily rate remained at last year's level at HRK 777.8. EBITDA decreased to HRK 0.7 million from HRK 33.2 million the year before. The Group is using various Government schemes available to ease the burden on its operations. During the first half of 2020 it received grants in the total amount of HRK 4.2 million.

DOING BUSINESS RESPONSIBLY

By the end of 2020's first quarter, our operations rapidly shifted from growing to preserving business. Keeping employees safe, rapidly retooling resources toward the global fight against the pandemic and preserving core operations appropriately captured the full engagement of Management Board and team members. In order to be a sustainable business, our strategic goals focuses on our **People, Places & Planet**. Responsible Business initiatives continue in 2020 but look different setting in light of the Covid -19 pandemic. The pandemic reinforces the most pressing Responsible Business focus: that we operate in a globally connected world—economically and ecologically—with shared challenges. The 2020 efforts on preserving and returning the Group to “business as usual” are themselves a key Responsible Business success.

People

The Group is embracing bold decisions to keep employees safe, both in the work environment and through policies that promote safe working and living conditions. Our Operations Team has created two Standard Operating Procedures to be followed by all team members: New Health & Safety measures for opening facilities after Covid -19 and New hygiene measures during the Covid -19 pandemic, in order to continue to maintain a high level of safety, for guests and team members. To ensure that our guests can enjoy their holidays in a safe and relax manner, we have implemented a number of measures based on the recommendations of relevant national and international health organisations. The Company has implemented WTTC Safe Travel protocols which we display to inform our guests of the new standards that have been implemented. We also developed new services intended to minimise physical contact where possible (eg. online check-in and online food and beverage orders). Furthermore, in cooperation with Pula General Hospital, we have conducted risk assessments for all our facilities and training of key team members.



The Management Board endeavoured to keep in touch with team members on a regular basis during the lockdown and in June 2020 held a presentation to team members on the position of the Group and its properties, the measures it had taken to safeguard the health and wellbeing of team members and guests and the business recovery and reopening plans. After this presentation, the Company's Works Council and all present employees had the opportunity to participate in a Q&A session. The Company has strived to preserve as many jobs as possible, whilst adapting to new levels of demand. The Management Board did not forget that "Human touch" makes a difference and continues to support employees to the extent it can.

A HRK 44.7 million-grant agreement for the Regional Centre of Competence in Pula was signed on 2 June 2020. The beneficiary of the project is the Pula Tourism, Hospitality and Trade School along with 12 partners, one of which is Arena Hospitality Group. The allocated funds are intended for the introduction of education based on the needs of employers, who are active partners in the project.

Places

In response to the Covid -19 Pandemic, the Group is providing resources to support the local communities where we operate.

In Croatia, we have continued with our support of the Pula General Hospital with the preparation of packed lunches for personnel, donated LCD TVs and mounting racks to patient rooms, provided skilled and dedicated housekeeping team members to assist in the cleaning and preparation and purchased medical equipment in cooperation with our long-time partner Kamgrad d.o.o.. The total equipment cost of HRK 362,500 was shared equally between Kamgrad and the Company.

In Germany, we have continued to support our local communities with valuable activities, including donation of tableware from Edgar Fuchs to Manna (day care centre), provided conference rooms free of charge and donations to the worldwide relief agency - Malteser International.

Planet

The Group is committed to working with local communities and affecting positive change in the environments we operate our hotels, resorts and campsites. Where possible, we upcycle, or donate used linen to charity or local community groups. We have completely removed single-use plastics straws and stirrers from our operations. While the Covid -19 pandemic may have temporarily redirected Responsible Business activities, the lessons learned will inspire greater momentum towards realising new goals perhaps even sooner than they would have otherwise happened.

CURRENT TRADING AND OUTLOOK

The Group is currently still operating at reduced capacity across its portfolio. In Croatia several properties remain closed and operations in Germany and Hungary are operating at reduced levels.

Given the fast-moving nature of the Covid -19 pandemic and the resulting ongoing uncertainty regarding disruption to the hospitality industry and our markets, it is not possible to provide meaningful guidance for the current financial year. However, taking into account the measures that have been implemented and our strong capitalisation with our cash position exceeding HRK 500.0 million, the Group is well positioned to withstand a continued and significant decrease in business activity across our markets during 2020.”

R. Slonim

RELI SLONIM , PRESIDENT OF THE MANAGEMENT BOARD

Arena One 99 Glamping



SIGNIFICANT EVENTS DURING THE FIRST HALF OF 2020

- On 20 January 2020 the Company successfully completed its share buyback programme, set up at the end of June 2019. The Company holds 45.169 shares in treasury, representing 0.88% of its issued share capital;
- On 28 January 2020 the Supervisory Board appointed a fourth member of the Management Board, Mr Edmond Pinto, effective from 1 March 2020. Mr Pinto is responsible for the Group's operations;
- On 29 January 2020 the Group entered into a 45-year lease for the development and operation of a contemporary branded hotel in Zagreb, Croatia. The development, which is subject to obtaining the necessary permits, involves the conversion of an iconic building in a prime location in the historic heart of the city. Once opened, this 115 room hotel will include a destination restaurant and bar, wellness and spa facilities, fitness centre, event space and parking. The hotel is expected to open within 24 months;
- On 2 March 2020 share options have been awarded to and accepted by members of the Management Board of the Company with respect to a total of 18.240 treasury shares of the Company, which shall be transferred to Management Board members pursuant to the terms and conditions of the Company's Share Award Plan; and
- The Company has been operating Guesthouse Riviera ("Riviera") in Pula for decades and has been in discussions with the Croatian Ministry of State Assets to formalize the informal arrangement and acquire the property. Further to legal proceedings initiated by the Republic of Croatia against the Company for repossession of the property and compensation, the Company received the decision of the Government of the Republic of Croatia to enter into a proposed settlement offer for the aforementioned court dispute for Riviera. After careful consideration the Company accepted the settlement and, on 2 June 2020, signed the sale and purchase agreement for Riviera with the Republic of Croatia for an amount of HRK 36.5 million. The purchase concludes the ownership status of this historic heritage hotel. This important milestone enables the Company to finally commence with the plans to reposition this property into a luxury, branded, 80 rooms hotel and give back to it the status that this asset deserves. This project is of a strategic importance to Pula, to the county, to the overall community and in general to Croatian tourism.

POST BALANCE SHEET DATE EVENTS

- The Group is still awaiting the completion of certain conditions precedent related to the acquisition of Hotel 88 Rooms in Belgrade, Serbia; and
- On 7 July 2020 the Company entered into a new loan agreement with OTP banka d.d. in Croatia for the purchase and refurbishment of Hotel Riviera. The facility is in a total amount of EUR 10 million (HRK 75 million), consisting of two tranches, due 2030 at a fixed interest rate of 2.125%.

Artists' Impression – Repositioned Hotel Brioni, Pula



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 six months of 2020.

CONSOLIDATED KEY PERFORMANCE INDICATORS

	Reported			Like-for-like ¹		
	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %
Total revenue (HRK million)	79.9	265.8	(69.9)	79.9	261.2	(69.4)
Accommodation revenue (HRK million)	59.4	207.5	(71.4)	59.4	203.9	(70.9)
EBITDAR (HRK million)	(33.1)	35.5	n/a	(33.1)	36.4	n/a
EBITDA (HRK million)	(37.1)	29.0	n/a	(37.1)	30.1	n/a
Profit / (loss) before tax (HRK million)	(152.3)	(24,8)	514.1	(152.3)	(23.5)	548.1
Rooms available ²	481,711	863,646	(44.2)	481,711	847,686	(43.2)
Occupancy % ²	23.6	45.3	(2,169.2) ⁴	23.6	45.1	(2,151.9) ⁴
Average daily rate (HRK) ³	522.3	530.4	(1.5)	522.3	533.1	(2.0)
RevPAR (HRK)	123.3	240.3	(48.7)	123.3	240.6	(48.8)

¹ The like-for-like comparison excludes the contribution of Hotel Brioni’s operations in 2019 and 2020, as this hotel is currently closed and under refurbishment.

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).

The Covid -19 outbreak has increasingly taken a toll on global economies, and the hospitality industry is severely impacted. An initial reduced demand for international and domestic travel resulting in an increase in cancellations and a slowdown in bookings has escalated dramatically. Governments in several countries have announced further extraordinary measures to slow the spread of the virus. These included closure of borders, halt of travel, the adoption of social distancing policies, bans on large gatherings and events, the closure of restaurants, bars and other businesses as well as general lockdowns. These measures have led to an immediate and significant deterioration in the hospitality market, with a high number of cancellations and no shows and very few new bookings. The Group’s operations and results have to be analysed in this context.

Total revenues decreased by 69.9% to HRK 79.9 million (2019: HRK 265.8 million). Accommodation revenue dropped by 71.4% to HRK 59.4 million (2019: HRK 207.5 million) whereby occupancy halved to 23.6% and the average daily rate reduced by 1.5% to HRK 522.3 (2019: HRK 530.4). The Group’s operations were on a strong footing, pursuing and capitalizing on its strategy for the current year, where total revenues were growing at a pace of over 3% until the end of February. Following the worsening of the Covid -19 outbreak during March and all the subsequent lockdowns, the Group witnessed a swift deterioration of its business whereby total revenues dropped by over 60% in March alone. From the second half of May onwards, as lockdowns started easing across Europe, the business activities of the Group started resuming, but at a cautious pace, with many uncertainties as to the pace of volume of business coming in, and with a series of new standards and practices that needed to be implemented across the business.

As a result of the above, on a reported basis, the Group posted an EBITDA loss of HRK 37.1 million (2019: profit of HRK 29.0 million).

The Group used Governments' support in its countries of operations to navigate through these challenging times. The start dates of these Government schemes vary, however all were available for a period of at least three months. In total, the Group received HRK 19.6 million in grants. Moreover, the Group is focussed on preserving its liquidity and sustainability by further optimising its costs, significantly reducing payroll, including furlough of employees, the non-renewal of fixed-term employment contracts, halting of contract labour and shortening of working hours. In addition, the Group has a long-standing and supportive group of banks with whom it is in regular dialogue to ensure there is the possibility to take all the necessary actions that are in the best interests of the Group in the current environment. More information on the specific measures by country are detailed below.

CROATIAN PORTFOLIO PERFORMANCE

The following table sets out the results for the Group's operations in Croatia the first six months of 2020:

KEY PERFORMANCE INDICATORS

	Reported			Like-for-like ¹		
	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %
Total revenue (HRK million)	28.3	142.7	(80.2)	28.3	138.1	(79.5)
Accommodation revenue (HRK million)	22.3	110.2	(79.8)	22.3	106.6	(79.1)
EBITDAR (HRK million)	(29.7)	0.4	n/a	(29.7)	1.3	n/a
EBITDA (HRK million)	(33.5)	(4.7)	(612.8)	(33.5)	(3.6)	823.7
Rooms available ²	327,912	704,547	(53.5)	327,912	688,587	(52.4)
Occupancy % ³	20.1	37.8	(1,765.0) ²	20.1	37.4	(1,726.6) ²
Average daily rate (HRK) ⁴	337.4	414.0	(18.5)	337.4	414.0	(18.5)
RevPAR (HRK)	67.9	156.4	(56.6)	67.9	154.8	(56.1)
FTE ⁵	314.3	565.6	(44.4)	314.3	535.6	(41.3)

¹ The like-for-like comparison excludes the contribution of Hotel Brioni's operations in 2019, as this hotel is currently closed and under refurbishment.

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.

The outbreak of the pandemic in Croatia led the Government to enact a total lockdown on 19 March 2020. In the weeks preceding the lockdown, the effects of the pandemic could be increasingly felt on the operations in Croatia as sport's groups started cancelling their arrivals and/or shortening their stays as their respective countries (including Italy, Slovenia, Germany, Austria) announced lockdowns. We also witnessed cancellations for the pre-season, including the Easter break, which this year occurred in the first half of April. Selected operations started opening in the second half of May, reflecting expected customer volumes and market dynamics. All operations strictly adhere to the relevant local and international health authority guidelines as well as the Group's, PPHE's and Radisson's health and wellbeing standards.

These circumstances led to a decrease in total revenues by 80.2% to HRK 28.3 million (2019: HRK 142.7 million). Accommodation revenues decreased by 79.8% as a result of a decrease in average daily rate of 18.5% to HRK 337.4 (2019: 414.0) and a reduction in occupancy to 20.1% (2019: 37.8%). This translated in a RevPAR of HRK 67.9, which represents a decrease of 56.6% over last year (2019: HRK 156.4).

EBITDA loss increased to negative HRK 33.5 million (2019: negative HRK 4.7 million). The Company applied for employee related measures as well as other measures related to taxes and contributions enacted by the Government. The total amount of such grants received from the Government amounted to HRK 8.8 million during the first half within the operating business, and additional HRK 6.6 million at the Management and Central Services level. As at 30 June 2020 the Company had 585 full time and/or permanent seasonal employees towards which these measures applied. The Company is also using the waiver in payments of concessions granted by the enacted package until November 2020.

GERMAN AND HUNGARIAN PORTFOLIO PERFORMANCE

The following table sets out the Group's results of operations in Germany and Hungary the first six months of 2020:

KEY PERFORMANCE INDICATORS

	Reported / in HRK			Reported / in EUR	
	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %	Six months ended 30 June 2020	Six months ended 30 June 2019
Total revenue (millions)	48.4	120.1	(59.7)	6.4	16.2
Accommodation revenue (millions)	37.1	97.3	(61.9)	4.9	13.1
EBITDAR (millions)	0.9	34.5	(97.4)	0.1	4.7
EBITDA (millions)	0.7	33.2	(97.7)	0.1	4.5
Rooms available ¹	153,799	159,099	(3.3)	153,799	159,099
Occupancy % ²	31.0	78.6	(4,758.5) ³	31.0	78.6
Average daily rate ³	777.8	778.1	(0.0)	103.3	105.0
RevPAR	241.4	611.8	(60.5)	35.0	82.5
FTE ⁴	132.2	162.7	(18.7)	132.2	162.7

¹ Rooms available and occupancy are based on operating days.

² In Basis Points (bps)

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

⁴ The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full time employee to arrive at a total for Full Time Equivalent Employees.

The Covid -19 outbreak had tangible repercussions on our operations. Governments in Germany and Hungary introduced lockdowns on 23 and 31 March 2020, respectively. The negative trends already felt in the weeks leading to the implementation of these measures were exacerbated and the business essentially stopped. The operations started gradually resuming in late May noting that pickup has been somewhat subdued as operations are adjusting to distancing measures, consumers are regaining confidence and international travel resumes.

Total reported revenue therefore decreased by an unprecedented 59.7% to HRK 48.4 million (2019: HRK 120.1 million). Accommodation revenue dropped by 61.9% to HRK 37.1 million (2019: 97.3 million) almost entirely as a result of a material drop in occupancy to 31.0% (2019: 78.6%). This resulted in RevPAR deteriorating by 60.5% to HRK 241.4 (2019: HRK 611.8).

As a result of the above developments the operating business just about covered its operating costs and reported EBITDA breaking even (2019: HRK 33.2 million).

In Germany the Group is using the "Kurzarbeit" measures enacted by the Government as a response to the Covid-19 outbreak. These measures enable regular working hours to be reduced and the Government

compensates the difference to regular hours to employees thereby alleviating some pressure on payroll expenses. These measures are applicable to 185 permanent employees. Other measures included the deferral of taxes (such as income tax and solidarity tax). Hungary introduced the reduced working hours' programme and waiver of employment taxes. During the first half it received grants in the total amount of HRK 3.2 million within the operational business and additional HRK 1.0 million at Management and Central Services level.

The Group has deferred rental payments for the period April – June with the repayment of these amounts to stretch between year-end 2020 and 2023. Moreover, it has rescheduled its principal repayment coming due between April and September to the end of 2021.

MANAGEMENT AND CENTRAL SERVICES PERFORMANCE

The following table sets out the Group's results of management and central services operations the first six months of 2020:

KEY PERFORMANCE INDICATORS

	Reported / in HRK			Like-for-like ¹ / in HRK		
	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %	Six months ended 30 June 2020	Six months ended 30 June 2019	Variance %
Total revenue before elimination (HRK million)	28.7	54.9	(47.7)	28.7	53.9	(46.7)
Elimination of intra group revenue (HRK million)	(25.3)	(51.3)	(50.7)	(25.3)	(50.3)	(49.7)
Total reported revenue (HRK million)	3.4	3.6	(5.5)	3.4	3.6	(5.5)
EBITDA (HRK million)	(4.3)	0.5	n/a	(4.3)	(0.5)	760
FTE ²	236.2	255.2	(7.5)	236.2	255.2	(7.5)

¹ The like-for-like comparison excludes the contribution of Hotel Brioni's operations in 2019, as this hotel is currently closed and under refurbishment.

² The FTE number is an estimate based on the total hours paid for all employees divided by the hours paid for an average full time employee to arrive at a total for Full Time Equivalent Employees.

Arena Hospitality Management d.o.o., a subsidiary of the Company, entered into management agreements for all the properties owned, partially owned, leased or managed by the Group in Croatia, Germany 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.

In line with the operations in Croatia and abroad, total reported revenue decreased by 47.7% from HRK 54.9 million in the first half of 2019 to HRK 28.7 million in the first half of 2020. External revenues decreased from HRK 3.6 million to HRK 3.4 million in the first half of 2020. EBITDA loss amounted to negative HRK 4.3 million (2019: HRK 0.5 million) predominantly as a result of the drop in revenues.

RELATED PARTIES

Parties are considered to be related if one of the parties has the power to exercise control over the other party or if it has significant influence over the other party in making financial and/or operational decisions. The Company is controlled by Dvadeset Osam d.o.o., which owns 52.48% of the Company's shares (52.95% excluding treasury shares) as at 30 June 2020. 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 150 of the Group's 2019 annual report.

a. Balances with related parties

	Group		Company	
	As at 30 June 2020 HRK'000	As at 31 December 2019 HRK'000	As at 30 June 2020 HRK'000	As at 31 December 2019 HRK'000
Assets:				
Short-term receivables – Park Plaza Hotels Europe B.V.	3,166	30	3,158	-
Short-term receivables –Victoria Hotel Operator Ltd.	1	-	-	-
Short-term receivables – Sugarhill Investments B.V.	-	-	80	562
Short-term receivables – joint ventures	405	709	-	-
Short-term receivables – Park Plaza Nuremberg Operator	-	-	49	64
Short-term receivables – Arena Hospitality Management d.o.o.	-	-	2,464	-
Short-term receivables – Germany Real Estate B.V.	-	-	3,196	711
Long – term loans to joint ventures	36,057	35,111	-	-
Long – term loan to Sugarhill Investments B.V.	-	-	5,291	-
Long – term loan to Germany Real Estate B.V.	-	-	145,026	142,795
Liabilities:				
Trade payables – Arena Hospitality Management d.o.o.	-	-	1,837	2,283
Trade payables – PPHE (Germany) B.V.	11,247	10,285	-	-
Trade payables – Euro Sea Hotels N.V.	-	-	-	-
Trade payables – Park Plaza Hotels Europe B.V.	-	1,825	-	1,825

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b. Transactions with related parties

	Group		Company	
	As at 30 June 2020 HRK'000	As at 30 June 2019 HRK'000	As at 30 June 2020 HRK'000	As at 30 June 2019 HRK'000
Management fee revenue from joint ventures	273	1,351	-	-
Reimbursement of employees expenses – Arena Hospitality Management d.o.o.	-	-	3,362	3,362
Service charge revenue- joint ventures	997	1,515	-	-
Management fees expense – Arena Hospitality Management d.o.o.	-	-	562	2,998
Sales and marketing fees – Park Plaza Hotels Europe B.V.	1,089	5,696	1,089	5,696
Sales and marketing fees – PPHE (Germany) B.V.	1,936	4,800	-	-
Interest income – Sugarhill Investments B.V.	-	-	80	-
Interest income – Germany Real Estate B.V.	-	-	2,461	2,883
Interest income –joint venture	397	229	-	-

COMPANY BUSINESS RESULTS (CONSOLIDATED)

CONSOLIDATED INCOME STATEMENT

	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	79.9	265.8	(69.9)
Total operating expenses	(117.0)	(236.7)	(50.6)
EBITDA from operations	(37.1)	29.1	(227.5)
Depreciation	(53.0)	(46.6)	13.7
EBIT from operations	(90.1)	(17.5)	414.9
Financial revenues	0.4	0.2	100.0
Financial expenses	(29.5)	(14.5)	103.4
Other revenues/expense	(29.7)	7.0	(524.3)
Share in result of joint ventures	(3.4)	0.1	(3,500.0)
Total income	80.3	266.0	(69.8)
Total expenditures	(232.6)	(290.7)	(20.0)
Profit/(loss) before tax	(152.3)	(24.7)	516.6
Income tax	27.4	15.9	72.3
Profit/(loss) after tax	(124.9)	(8.8)	1,319.3

Total operating income decreased by 69.9% to HRK 79.9 million (2019: HRK 265.8 million) as the Covid -19 pandemic escalated which led to an almost complete halt in international and domestic travel coupled with lockdowns of countries across Europe and the rest of the world. Total operating expenses decreased by 50.6% to HRK 117.0 million (2019: HRK 236.7 million) due to decreased business activity related to the pandemic outbreak.

As a result of the aforementioned EBITDA from operations was negative HRK 37.1 million (2019: HRK 29.1 million). EBIT from operations deteriorated by 414.9% to negative HRK 90.1 million (2019: negative HRK 17.5 million). Depreciation grew by 13.7% to HRK 53.0 million (2019: HRK 46.6 million) due to previously undertaken investments. Financial revenues increased by 100.0% year-on-year and relate to due to interest received from JVs. Financial expenses increased significantly to HRK 29.5 million (2019: HRK 14.5 million), over half of which relates to unrealised foreign exchange differences predominantly related to the translation effect of lease liability in Hungary. Other expenses amounted to negative HRK 29.7 million and relate mostly to Hotel Brioni's repositioning and its designation as a non-operating asset until fully repositioned and opened and the settlement achieved with the Government on Hotel Riviera.

As a result of the foregoing the consolidated loss before tax increased by 516.4% to HRK 152.3 million (2019: HRK 24.7 million). Income tax increased by 72.3% to HRK 27.4 million (2019: HRK 15.9 million). Benefits granted by the Ministry of Economy linked to the previous investments the Group has undertaken in Croatia and the deferred tax asset recognised on tax losses carried forward caused the income tax to be positive, and higher by 72,3% compared to the previous year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK millions)

	30 June 2020	31 December 2019	Variance %
	(Unaudited)	(Audited)	
Long-term assets	2,615.6	2,349.5	11.3
Short-term assets	547.1	745.9	(26.7)
Total assets	3,162.7	3,095.4	2.2
Total equity	1,632.5	1,756.5	(7.1)
Long-term liabilities and provisions	1,310.3	1,171.8	11.8
Short-term liabilities	219.9	167.1	31.6
Total liabilities	1,530.2	1,338.9	14.3
Total equity and liabilities	3,162.7	3,095.4	2.2

Long-term assets increased by HRK 266.1 million to HRK 2,615.6 million (year-end 2019: HRK 2,349.5 million) mostly as a result investments coupled with the recognition of the long-term lease signed for the property in the centre of Zagreb, where the Group plans to develop a hotel.

Short-term assets decreased by HRK 198.8 million to HRK 547.1 million (year-end 2019: HRK 745.9 million) predominantly driven by the decrease in the Group's cash position. The Group's cash position decreased as a result of the epidemic and respective lockdowns which caused us to close our properties and hence we could not generate enough revenues. Moreover, the Group kept investing across its portfolio in Croatia. The cash position stood at HRK 504.0 million.

Long-term liabilities and provisions increased by HRK 138.6 million to HRK 1,310.3 million (year-end 2019: HRK 1,171.8 million) mostly due to the recognition of the long-term lease signed for the property in the centre of Zagreb but also due to the net increase in bank loans drawn for the capital investments undertaken during the period.

Short-term liabilities increased by HRK 52.8 million to HRK 219.9 million (year-end 2019: HRK 167.1 million) primarily due to increased trade payables for new capital investments.

COMPANY BUSINESS RESULTS (NON-CONSOLIDATED)

NON-CONSOLIDATED INCOME STATEMENT

	30 June 2020 (Unaudited)	30 June 2019 (Unaudited)	Variance %
<i>In HRK millions</i>			
Total operating income	33.2	146.2	(77.3)
Total operating expenses	(64.5)	(151.1)	(57.3)
EBITDA	(31.3)	(4.9)	538.8
Depreciation	(33.6)	(27.7)	21.3
EBIT	(64.9)	(32.6)	99.1
Financial revenues	4.2	2.9	44.8
Financial expenses	(9.0)	(7.7)	16.9
Other revenues/ expenses	(27.3)	7.0	(490.0)
Total income	37.4	156.1	(76.0)
Total expenditures	(134.4)	(186.5)	(27.9)
Profit/(loss) before tax	(97.0)	(30.4)	219.1
Income tax	27.1	17.2	57.6
Profit/(loss) after tax	(69.9)	(13.2)	429.5

Total operating income decreased by 77.3% to HRK 33.2 million (2019: HRK 146.2 million) as the Covid -19 pandemic escalated which led to an almost complete halt in international and domestic travel coupled with lockdowns of countries across Europe and the rest of the world. Total operating expenses decreased by 57.3% to HRK 64.5 million (2019: HRK 151.1 million) as a result of decreased business activity related to the pandemic outbreak.

As a result of the above, EBITDA from operations loss amounted to HRK 31.3 million (2019: HRK -4.9 million). EBIT from operations deteriorated by 99.1% to negative HRK 64.9 million (2019: negative HRK 32.6 million). Depreciation grew by 21.3% to HRK 33.6 million (2019: 27.7 million) due to previously undertaken investments. Financial revenues increased by 44.8% year-on-year as a result of positive foreign exchange differences. Financial expenses increased by 16.9% to HRK 9.0 million (2019: HRK 7.7 million) predominantly as a result of higher interest expense driven by a net increase in borrowings. Other expenses amounted to negative HRK 27.3 million and relate mostly to Hotel Brioni's repositioning and its designation as a non-operating asset until fully repositioned and opened and the settlement achieved with the Government on Hotel Riviera.

As a result of the foregoing, the consolidated loss before tax increased to negative HRK 97.0 million (2019: negative HRK 30.4 million). Loss after tax decreased by 429.5% to HRK 69.9 million (2019: HRK negative 13.2 million). Loss after tax is reduced by the tax income related to the benefits granted by the Ministry of Economy linked to the previous investments the Group has undertaken in Croatia.

NON-CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(all amounts in HRK million)	30 June 2020 (Unaudited)	31 December 2019 (Audited)	Variance %
Long-term assets	2,320.6	2,122.8	9.3
Short-term assets	437.9	613.1	(28.6)
Total assets	2,758.5	2,735.9	0.8
Total equity	1,963.4	2,033.2	(3.4)
Long-term liabilities and provisions	646.2	611.3	5.7
Short-term liabilities	148.9	91.4	62.9
Total liabilities	795.1	702.7	13.1
Total equity and liabilities	2,758.5	2,735.9	0.8

Long-term assets increased by HRK 197.8 million to HRK 2,320.6 million (year-end 2019: HRK 2,122.8 million) as a result of capital investments undertaken in previous periods.

Short-term assets decreased by HRK 175.2 million to HRK 437.9 million (year-end 2019: HRK 613.1 million) predominantly driven by the decrease in the Company's cash position. The Company's cash position decreased as a result of the epidemic and respective lockdowns which caused us to close our properties and hence we could not generate enough revenues. Moreover, the Company kept investing across its portfolio in Croatia. The cash position stood at HRK 400.7 million.

Long-term liabilities and provisions increased by HRK 34.9 million to HRK 646.2 million (year-end 2019: HRK 611.3 million) mostly due to the net increase in bank loans drawn for the capital investments undertaken.

Short-term liabilities increased by HRK 57.5 million to HRK 148.9 million (year-end 2019: HRK 91.4 million) primarily due to increased trade payables for new capital investments.

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

Other than the Covid - 19 risk, which continues to evolve, the risks that affect the Group's performance are the same as set out in the Group's consolidated financial statements for the year ended 31 December 2019.

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

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

For a detailed discussion of the risks facing the Group, please refer to pages from 34 to 38 of the Company's 2019 annual report.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE CODE

The 2020 Corporate Governance Code (the "Code"), as adopted by the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange (the **ZSE**) in October 2019, has been implemented across the Company as of Q1 2020. The Code provides that compliance is on a "comply or explain basis", whereby Companies can explain how their activities reflect the principals of the Code where certain elements deviate from strict compliance. 'Comply or explain' is intended to enforce enhanced governance standards uniformly across ZSE listed companies without austere imposition of a one size fits all approach to corporate governance.

The Company is well positioned to submit and publish its 2020 annual corporate governance related questionnaires in line with the provisions of the new Corporate Governance Code, the Rules of the ZSE and other applicable regulations and will do so within the prescribed deadlines.

GENERAL ASSEMBLY MEETING

The General Assembly of the Company was initially scheduled for 27 April 2020. Due to the extraordinary circumstances caused by Covid -19 pandemic, the Company decided to postpone the General Assembly to the second half of the year 2020. The Company aims to reconvene its General Assembly on 31 August 2020.

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 Damir Lučić.

The Supervisory Board of the Company held the following meetings in the first half of 2020:

- on 28 January 2020 whereat, inter alia, a fourth member of the Management Board. Mr Edmond Pinto. was appointed (effective from 1st March 2020) and a Share Award Plan was adopted for the purpose of creating a basis for rewarding employees;
- on 26 February 2020 whereat, inter alia, the Annual Report and the annual financial statements of the Company for the year 2019 (audited, consolidated and non-consolidated) were approved; and
- on 27 April 2020 whereat, inter alia, unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2020 were discussed.

SUPERVISORY BOARD COMMITTEES

In the first six months of 2020 the following Supervisory Board Committees' meetings were held:

- the Nomination and Remuneration Committee held a meeting 28 January 2020 and recommended to the Supervisory Board adoption of the Share Award Plan and appointment of Mr Edmond Pinto as the new Management Board member and a meeting on 2 March 2020 to discuss granting of share options to the Management Board members; and
- the Audit Committee held a meeting on 26 February 2020 at which it considered the Financial Statements of the Company for 2019 (audited, consolidated and non-consolidated).

MANAGEMENT BOARD MEETINGS

The Management Board primarily adopts its decisions in meetings and by correspondence in accordance with the applicable laws and the Company's Articles of Association. The Management Board has regular monthly meetings to review operational activities in the Company.

The most important Management Board meetings of 2020 so far were:

- on 26 February 2020 where, *inter alia*, the interim report for the fourth quarter of 2019 and the Annual Report of the Company for 2019 (consolidated and non-consolidated) were adopted;
- on 27 April 2020 whereat unaudited consolidated and non-consolidated quarterly report of the Company for the first quarter of 2020 was adopted.

Given the Covid -19 pandemic related circumstances the Management Board also held a number of meetings in the second quarter in which the special measures were discussed and enacted with an aim to ensure safety of employees, create safe customer experience and cost containment measures to mitigate the impact of anticipated loss of income.

MAJOR SHAREHOLDERS

The share capital of the Company is HRK 102,574,420.00 HRK and is divided into 5,128,721 ordinary shares under the ticker ARNT-R-A. each without nominal value. As at 30 June 2020 45,169 shares were held as treasury shares. Shareholders with holdings of 3% or more of the Company's registered capital are listed below:

		Percentage holding of Share Capital including treasury shares	Percentage holding of Share Capital excluding treasury shares
1	DVADESET OSAM D.O.O. (a member of the PPHE Hotel Group)	52.48%	52.95%
2	OTP BANKA D.D./ AZ OMF kategorije B	11.94%	12.05%
3	ADDIKO BANK d.d. / PBZ CO OMF-kategorije B	9.13%	9.22%
4	OTP BANKA D.D./ ERSTE PLAVI OMF kategorije B	6.98%	7.04%
5	PRIVREDNA BANKA ZAGREB D.D./ SKRBNIČKI ZBIRNI RAČUN KLIJENTA	2.91%	2.94%

VALUATION

In HRK	First six months of 2020		
	High	Low	Last
Share price	388	189	260
Market capitalisation ¹	1,972,418,176	960,791,328	1,321,723,520
Net debt ²	830,536,187	830,536,187	830,536,187
EV ³	2,802,954,363	1,791,327,515	2,152,259,707
EV/EBITDA ⁴	17.2x	11.0x	13.2x

Note: High and Low related to the price in the period for the six months ending 30 June 2020. Last refers to the price as at 30 June 2020

¹ Number of shares outstanding as at 30 June 2020 was 5,128,721 of which 45,169 were held as treasury shares.

² Net debt calculated as current and non-current bank borrowings and other current and non-current loans less cash and cash equivalents. Finance lease obligations are included

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

⁴ EBITDA for the twelve months ended 30 June 2020

**MANAGEMENT BOARD'S
RESPONSIBILITY STATEMENT**

ARENA
HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



MANAGEMENT BOARD'S RESPONSIBILITY STATEMENT

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

To the best of our knowledge:

- The short set of non-consolidated unaudited first half 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 first half 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 2020 contains a true presentation of the business results and financial position and operations of the Company and the companies included in the consolidation, with a description of the most significant risks and uncertainties to which the Company and the companies included in the consolidation are exposed as a whole.

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


MANAGEMENT BOARD:

President:



Reuel Israel Gavriel Slonim

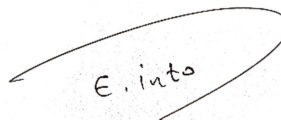
Members:



Devansh Bakshi



Manuela Kraljević



Edmond Pinto

APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

ARENA

HOSPITALITY GROUP

A MEMBER OF PPHE HOTEL GROUP



APPENDIX 1 FINANCIAL STATEMENTS (UNAUDITED)

Consolidated balance sheet

Consolidated profit and loss statement

Consolidated cash flow statement

Consolidated statement of changes in equity

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:

01.01.20

to

30.06.20

Year:

2020

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

911

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****Ulika d.o.o.****Zagreb, Radnička cesta 80****Sugarhill Investments B.V. Nizozemska, Amesterdam, Claude Debussylaan 14, Vinoly Tower****Germany Real Estate B.V. Nizozemska, Amesterdam, 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 30.06.2020

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	2.349.464.423	2.615.633.167
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.065.422	919.228
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	1.065.422	919.228
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	2.236.459.769	2.476.317.174
1 Land	011	332.183.773	333.700.403
2 Buildings	012	1.468.292.542	1.438.470.660
3 Plant and equipment	013	131.567.140	128.674.220
4 Tools, working inventory and transportation assets	014	5.952.488	5.079.576
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	16.019.960	18.075.282
7 Tangible assets in preparation	017	58.325.930	240.470.086
8 Other tangible assets	018	224.117.936	311.846.947
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	53.288.913	51.393.244
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	3.607.062	540.092
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	35.110.693	36.057.182
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	14.571.158	14.795.970
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	58.650.319	87.003.521
C) CURRENT ASSETS (ADP 038+046+053+063)	037	745.869.844	547.111.239
I INVENTORIES (ADP 039 to 045)	038	3.104.950	3.523.005
1 Raw materials and consumables	039	3.056.450	3.265.816
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	48.500	57.189
5 Advances for inventories	043	0	200.000
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	23.653.585	39.338.848
1 Receivables from undertakings within the group	047	31.422	3.167.435
2 Receivables from companies linked by virtue of participating interests	048	709.354	405.320
3 Customer receivables	049	14.029.026	15.936.207
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	3.121.326	13.941.592
6 Other receivables	052	5.762.457	5.888.294
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	220.675	220.675
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	220.675	220.675
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	718.890.634	504.028.711
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	3.095.334.267	3.162.744.406
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.756.464.457	1.632.531.261
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	317.007.442	319.555.916
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.334.757	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.334.757	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	311.878.721	314.427.195
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	-8.933.796	-10.424.732
1 Fair value of financial assets available for sale	078	127.020	127.020
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	-9.060.816	-10.551.752
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	54.101.721	203.077.758
1 Retained profit	082	54.101.721	203.077.758
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	148.976.037	-124.990.734
1 Profit for the business year	085	148.976.037	0
2 Loss for the business year	086	0	124.990.734
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	42.869.091	44.854.136
1 Provisions for pensions, termination benefits and similar obligations	089	1.549.812	1.549.131
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	41.319.279	43.305.005
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	1.128.922.744	1.265.416.290
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	1.122.480.938	1.257.120.582
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	6.441.806	8.295.708
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	167.077.975	219.942.719
1 Liabilities to undertakings within the group	108	12.110.106	11.247.219
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	77.889.017	81.762.996
7 Liabilities for advance payments	114	13.984.496	20.928.771
8 Liabilities to suppliers	115	28.757.698	75.280.281
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	15.942.553	9.917.998
11 Taxes, contributions and similar liabilities	118	7.642.771	10.733.623
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	10.751.334	10.071.831
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	3.095.334.267	3.162.744.406
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020 to 30.06.2020

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	265.751.602	193.000.399	80.008.496	23.454.554
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	264.798.828	192.415.297	78.050.613	22.931.057
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	952.774	585.102	1.957.883	523.497
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	276.403.696	164.690.799	199.849.966	96.126.353
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	100.456.014	67.648.205	44.940.251	16.937.752
a) Costs of raw materials and consumables	134	52.237.069	36.037.860	21.736.188	8.476.881
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	48.218.945	31.610.345	23.204.063	8.460.871
3 Staff costs (ADP 138 to 140)	137	111.796.297	68.440.771	53.313.832	15.728.164
a) Net salaries and wages	138	73.343.922	46.328.463	34.355.414	11.954.956
b) Tax and contributions from salary costs	139	25.394.811	14.444.648	12.799.627	2.646.161
c) Contributions on salaries	140	13.057.564	7.667.660	6.158.791	1.127.047
4 Depreciation	141	46.624.624	23.090.719	52.998.461	26.475.419
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	-242.853	0	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	0	-242.853	0	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	17.526.761	5.753.957	48.597.422	36.985.018
III FINANCIAL INCOME (ADP 155 to 164)	154	229.360	115.493	397.418	1.430.961
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	229.360	115.493	397.418	200.805
8 Exchange rate differences and other financial income	162	0	0	0	1.230.156
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	14.510.572	7.877.259	29.536.747	9.135.718
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	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	13.816.937	7.226.127	15.547.476	9.086.740
4 Exchange rate differences and other expenses	169	589.907	599.201	13.883.461	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	103.728	51.931	105.810	48.978
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	96.333	621.640	0	0
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	0	0	3.368.836	2.375.752
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	266.077.295	193.737.532	80.405.914	24.885.515
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	290.914.268	172.568.058	232.755.549	107.637.823
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-24.836.973	21.169.474	-152.349.635	-82.752.308
1 Pre-tax profit (ADP 177-178)	180	0	21.169.474	0	0
2 Pre-tax loss (ADP 178-177)	181	-24.836.973	0	-152.349.635	-82.752.308
XII INCOME TAX	182	-15.919.322	-8.511.273	-27.358.901	-3.989.686
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-8.917.651	29.680.747	-124.990.734	-78.762.622
1 Profit for the period (ADP 179-182)	184	0	29.680.747	0	0
2 Loss for the period (ADP 182-179)	185	-8.917.651	0	-124.990.734	-78.762.622

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	-8.917.651	29.680.747	-124.990.734	-78.762.622
1 Attributable to owners of the parent	200	-8.917.651	29.680.747	-124.990.734	-78.762.622
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	-8.917.651	29.680.747	-124.990.734	-78.762.622
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-5.595.516	-3.256.885	1.052.896	-2.113.652
1 Exchange rate differences from translation of foreign operations	204	-719.912	-956.898	2.543.832	-1.409.987
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	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	-4.875.604	-2.299.987	-1.490.936	-703.665
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	-5.595.516	-3.256.885	1.052.896	-2.113.652
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-14.513.167	26.423.862	-123.937.838	-80.876.274
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	-14.513.167	26.423.862	-123.937.838	-80.876.274
1 Attributable to owners of the parent	216	-14.513.167	26.423.862	-123.937.838	-80.876.274
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2020. to 30.06.2020.

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	-24.836.973	-152.349.635
2 Adjustments (ADP 003 to 010):	002	53.752.545	109.363.947
a) Depreciation	003	46.624.624	52.998.461
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	132.946	13.189.057
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	-228.642	-396.809
e) Interest expenses	007	13.420.990	15.537.126
f) Provisions	008	-4.339.800	1.985.726
g) Exchange rate differences (unrealised)	009	-1.761.240	22.140.430
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-96.333	3.909.956
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	28.915.572	-42.985.688
3 Changes in the working capital (ADP 013 to 016)	012	1.801.640	-4.631.908
a) Increase or decrease in short-term liabilities	013	65.356.504	6.074.106
b) Increase or decrease in short-term receivables	014	-52.255.975	-11.687.654
c) Increase or decrease in inventories	015	-2.593.733	981.640
d) Other increase or decrease in working capital	016	-8.705.156	0
II Cash from operations (ADP 011+012)	017	30.717.212	-47.617.596
4 Interest paid	018	-12.566.667	-14.944.749
5 Income tax paid	019	1.681.057	-2.293.962
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	19.831.602	-64.856.307
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	0	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	4.371.818	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	4.371.818	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-142.105.863	-158.751.943
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	-2.967	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-142.108.830	-158.751.943
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-137.737.012	-158.751.943
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	0	49.112.340
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	49.112.340
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-22.968.910	-21.617.911
2 Cash payments for dividends	041	-25.642.760	0
3 Cash payments for finance lease	042	-9.446.190	-15.950.733
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-536.619
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-58.057.860	-38.105.263
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-58.057.860	11.007.077
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	66.930	-2.260.750
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	-175.896.340	-214.861.923
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	802.514.226	718.890.634
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	626.617.886	504.028.711

STATEMENT OF CHANGES IN EQUITY
for the period from **01.01.20** to **30.06.20**

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	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	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	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	05	0	0	0	0	0	0	0	0	0	0	0	0	148.976.037	148.976.037	0	148.976.037	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	349.360	0	0	0	0	0	0	349.360	0	349.360	
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	21.900	0	0	0	0	21.900	0	21.900	
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	-3.584.280	0	0	-3.584.280	0	-3.584.280	
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	4.371.816	0	0	0	0	0	0	4.371.816	0	4.371.816	
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	16.331.377	16.331.377	0	-16.331.377	0	0	0	0	0	0	-16.331.377	0	-16.331.377	
19 Payment of share in profit/dividend	19	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	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	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	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	16.334.757	16.334.757	0	311.878.721	0	127.020	0	-9.060.816	54.101.721	148.976.037	1.756.464.457	0	1.756.464.457	
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	4.721.176	0	21.900	0	-3.584.280	0	0	1.158.796	0	1.158.796	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	4.721.176	0	21.900	0	-3.584.280	0	148.976.037	150.134.833	0	150.134.833	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	16.331.377	16.331.377	0	-16.331.377	0	0	0	0	63.024.267	-88.667.027	-41.974.137	0	-41.974.137	

Current period																	
1 Balance on the first day of the current business year	27	102.574.420	1.142.738.633	5.128.721	16.334.757	16.334.757	0	311.878.721	0	127.020	0	-9.060.816	54.101.721	148.976.037	1.756.464.457	0	1.756.464.457
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	16.334.757	16.334.757	0	311.878.721	0	127.020	0	-9.060.816	54.101.721	148.976.037	1.756.464.457	0	1.756.464.457
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-124.990.734	-124.990.734	0	-124.990.734
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	2.543.973	0	0	0	0	0	0	2.543.973	0	2.543.973
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	-1.490.936	0	0	-1.490.936	0	-1.490.936
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	536.619	536.619	0	-536.619	0	0	0	0	0	0	-536.619	0	-536.619
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	541.120	0	0	0	0	0	0	541.120	0	541.120
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	148.976.037	-148.976.037	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	16.871.376	16.871.376	0	314.427.195	0	127.020	0	-10.551.752	203.077.758	-124.990.734	1.632.531.261	0	1.632.531.261
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	2.543.973	0	0	0	-1.490.936	0	0	1.053.037	0	1.053.037
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	2.543.973	0	0	0	-1.490.936	0	-124.990.734	-123.937.697	0	-123.937.697
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	536.619	536.619	0	4.501	0	0	0	0	148.976.037	-148.976.037	4.501	0	4.501

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 2020

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01.01.20

to

30.06.20

Year:

2020

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 period):

713

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Kalagac Sandra

(only name and surname of the contact person)

Telephone:

052/223-811

E-mail address:

skalagac@arenahospitalitygroup.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 30.06.2020

in HRK

Submitter: Arena Hospitality Group d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	2.122.844.011	2.320.628.269
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.064.923	918.729
1 Research and development	004	0	918.729
2 Concessions, patents, licences, trademarks, software and other rights	005	1.064.923	0
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.385.211.673	1.533.020.821
1 Land	011	235.066.582	235.066.582
2 Buildings	012	982.506.779	948.967.485
3 Plant and equipment	013	79.592.845	79.909.565
4 Tools, working inventory and transportation assets	014	5.952.488	5.079.576
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	16.019.960	18.075.282
7 Tangible assets in preparation	017	56.418.118	238.033.259
8 Other tangible assets	018	9.654.901	7.889.072
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	678.530.705	701.558.919
1 Investments in holdings (shares) of undertakings within the group	021	524.180.804	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	142.795.466	150.316.815
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	11.678.301
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	11.501.435	0
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	53.000	15.383.000
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	58.036.710	85.129.800
C) CURRENT ASSETS (ADP 038+046+053+063)	037	613.127.263	437.951.976
I INVENTORIES (ADP 039 to 045)	038	2.002.262	2.624.973
1 Raw materials and consumables	039	1.953.762	2.367.784
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	48.500	57.189
5 Advances for inventories	043	0	200.000
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	13.833.673	34.402.993
1 Receivables from undertakings within the group	047	1.337.248	8.949.971
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	5.320.140	12.471.945
4 Receivables from employees and members of the undertaking	050	76.809	28.340
5 Receivables from government and other institutions	051	5.687.145	12.110.342
6 Other receivables	052	1.412.331	842.395
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	220.675	220.675
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	220.675	220.675
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	597.070.653	400.703.335
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	0
E) TOTAL ASSETS (ADP 001+002+037+064)	065	2.735.971.274	2.758.580.245
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	2.033.171.151	1.963.354.442
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	556.485.871	556.486.991
1 Legal reserves	071	5.128.721	5.128.721
2 Reserves for treasury shares	072	16.334.757	16.871.376
3 Treasury shares and holdings (deductible item)	073	-16.334.757	-16.871.376
4 Statutory reserves	074	0	0
5 Other reserves	075	551.357.150	551.358.270
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	127.020	127.020
1 Fair value of financial assets available for sale	078	127.020	127.020
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	106.785.103	231.245.207
1 Retained profit	082	106.785.103	231.245.207
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	124.460.104	-69.821.209
1 Profit for the business year	085	124.460.104	0
2 Loss for the business year	086	0	69.821.209
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	42.868.402	44.854.127
1 Provisions for pensions, termination benefits and similar obligations	089	1.549.131	1.549.131
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	41.319.271	43.304.996
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	568.385.157	601.338.974
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	568.385.157	601.338.974
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	91.546.564	149.032.702
1 Liabilities to undertakings within the group	108	4.108.018	1.836.547
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	44.098.742	49.831.833
7 Liabilities for advance payments	114	4.796.423	14.617.088
8 Liabilities to suppliers	115	15.707.978	59.367.863
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	13.613.892	8.123.427
11 Taxes, contributions and similar liabilities	118	4.919.454	8.740.725
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	4.302.057	6.515.219
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	2.735.971.274	2.758.580.245
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2020 to 30.06.2020

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	153.626.178	138.981.187	33.164.523	20.343.339
1 Income from sales with undertakings within the group	126	3.403.968	1.681.238	3.362.475	1.681.237
2 Income from sales (outside group)	127	142.467.810	129.722.886	28.428.407	18.370.502
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	7.754.400	7.577.063	1.373.641	291.600
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	179.541.951	119.751.498	125.337.171	68.837.335
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	69.075.910	52.573.017	27.857.600	13.380.018
a) Costs of raw materials and consumables	134	34.194.966	26.185.345	12.266.517	6.100.014
b) Costs of goods sold	135	63.927	61.327	6.859	4.425
c) Other external costs	136	34.817.017	26.326.345	15.584.224	7.275.579
3 Staff costs (ADP 138 to 140)	137	67.022.286	43.375.107	26.541.935	6.714.063
a) Net salaries and wages	138	42.587.753	27.573.005	19.000.390	6.993.786
b) Tax and contributions from salary costs	139	16.426.081	10.528.317	5.592.442	267.753
c) Contributions on salaries	140	8.008.452	5.273.785	1.949.103	-547.476
4 Depreciation	141	27.679.217	13.816.161	33.555.192	16.725.487
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	242.853	0	0	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	242.853	0	0	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	15.521.685	9.987.213	37.382.444	32.017.767
III FINANCIAL INCOME (ADP 155 to 164)	154	2.899.858	1.444.642	4.271.282	1.718.682
1 Income from investments in holdings (shares) of undertakings within the group	155	15.895	15.895	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	2.883.448	1.428.232	2.541.127	1.718.306
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	515	515	470	376
8 Exchange rate differences and other financial income	162	0	0	1.729.685	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	7.409.703	3.752.915	9.012.933	6.235.495
1 Interest expenses and similar expenses with undertakings within the group	166	7.321	564	2.654.838	2.654.838
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	6.768.596	3.384.788	6.357.195	3.143.445
4 Exchange rate differences and other expenses	169	0	0	0	436.312
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	633.786	367.563	900	900
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	156.526.036	140.425.829	37.435.805	22.062.021
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	186.951.654	123.504.413	134.350.104	75.072.830
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-30.425.618	16.921.416	-96.914.299	-53.010.809
1 Pre-tax profit (ADP 177-178)	180	0	16.921.416	0	0
2 Pre-tax loss (ADP 178-177)	181	-30.425.618	0	-96.914.299	-53.010.809
XII INCOME TAX	182	-17.183.766	-8.693.314	-27.093.090	-3.762.761
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-13.241.852	25.614.730	-69.821.209	-49.248.048
1 Profit for the period (ADP 179-182)	184	0	25.614.730	0	0
2 Loss for the period (ADP 182-179)	185	-13.241.852	0	-69.821.209	-49.248.048

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	-13.241.852	25.614.730	-69.821.209	-49.248.048
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	-13.241.852	25.614.730	-69.821.209	-49.248.048
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 01.01.2020. to 30.06.2020.

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	-30.425.618	-96.914.299
2 Adjustments (ADP 003 to 010):	002	26.323.615	59.175.173
a) Depreciation	003	27.679.217	33.555.192
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	143.515	12.678.225
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	-2.883.449	-2.541.597
e) Interest expenses	007	7.018.770	9.012.034
f) Provisions	008	-4.339.800	1.985.726
g) Exchange rate differences (unrealised)	009	-1.294.638	3.944.473
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	541.120
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-4.102.003	-37.739.126
3 Changes in the working capital (ADP 013 to 016)	012	752.057	-5.293.310
a) Increase or decrease in short-term liabilities	013	59.684.083	12.122.372
b) Increase or decrease in short-term receivables	014	-47.584.907	-18.201.032
c) Increase or decrease in inventories	015	-2.641.963	785.350
d) Other increase or decrease in working capital	016	-8.705.156	0
II Cash from operations (ADP 011+012)	017	-3.349.946	-43.032.436
4 Interest paid	018	-6.743.814	-9.374.964
5 Income tax paid	019	6.296.069	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-3.797.691	-52.407.400
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	4.238.917	470
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	6.906.712	0
6 Other cash receipts from investment activities	026	4.371.818	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	15.517.447	470
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-140.156.726	-155.477.481
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-5.206.240
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-53.000	-15.330.000
IV Total cash payments from investment activities (ADP 028 to 032)	033	-140.209.726	-176.013.721
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-124.692.279	-176.013.251
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	0	49.112.340
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	49.112.340
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-16.090.704	-16.522.387
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	-536.620
5 Other cash payments from financing activities	044	-25.642.760	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-41.733.464	-17.059.007
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-41.733.464	32.053.333
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	-170.223.434	-196.367.318
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	682.384.706	597.070.653
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	512.161.272	400.703.335

STATEMENT OF CHANGES IN EQUITY
for the period from **01.01.20** to **30.06.20**

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	5.128.721	3.380	3.380	0	567.688.527	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	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	5.128.721	3.380	3.380	0	567.688.527	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	05	0	0	0	0	0	0	0	0	0	0	0	0	124.460.104	124.460.104	0	124.460.104	
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	21.900	0	0	0	0	21.900	0	21.900	
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	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	16.331.377	16.331.377	0	-16.331.377	0	0	0	0	0	0	-16.331.377	0	-16.331.377	
19 Payment of share in profit/dividend	19	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	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	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	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	16.334.757	16.334.757	0	551.357.150	0	127.020	0	0	106.785.102	124.460.104	2.033.171.150	0	2.033.171.150	
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	0	0	21.900	0	0	0	0	21.900	0	21.900	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	21.900	0	0	0	124.460.104	124.482.004	0	124.482.004	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	16.331.377	16.331.377	0	-16.331.377	0	0	0	0	40.907.647	-66.550.407	-41.974.137	0	-41.974.137	

Current period																	
1 Balance on the first day of the current business year	27	102.574.420	1.142.738.633	5.128.721	16.334.757	16.334.757	0	551.357.150	0	127.020	0	0	106.785.103	124.460.104	2.033.171.151	0	2.033.171.151
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	16.334.757	16.334.757	0	551.357.150	0	127.020	0	0	106.785.103	124.460.104	2.033.171.151	0	2.033.171.151
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	-69.821.209	-69.821.209	0	0	-69.821.209
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	536.620	536.620	0	-536.620	0	0	0	0	0	0	-536.620	0	-536.620
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	3.380	0	0	0	0	537.740	0	0	0	0	0	0	541.120	0	541.120
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	124.460.104	-124.460.104	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	16.871.377	16.871.377	0	551.358.270	0	127.020	0	0	231.245.207	-69.821.209	1.963.354.442	0	1.963.354.442
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	-69.821.209	-69.821.209	0	-69.821.209
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	3.380	0	536.620	536.620	0	1.120	0	0	0	0	124.460.104	-124.460.104	4.500	0	4.500

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 2020