

# ARENA

HOSPITALITY GROUP

ARENA HOSPITALITY GROUP, A MEMBER OF PPHE HOTEL GROUP  
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**Arena Hospitality Group d.d.**  
**Pula, Smareglina ulica 3**  
**Personal identification number (OIB) 47625429199**

Security: Ticker: ARNT  
ISIN: HRARNTRA0004

Listing: Zagreb Stock Exchange

Pula, December 20, 2018

## DIVIDEND POLICY

In accordance with the provision of Article 80 Par. 2 Item 5 of the Rules of the Zagreb Stock Exchange, Arena Hospitality Group d.d. (hereinafter: the Company) sets out its dividend policy.

As outlined in the Company's Prospectus dated 26 April 2017, as amended, the Company does not envisage paying any dividends for at least 18 months following the offering i.e. until end of 2018.

The Company reviewed its dividend policy in light of its capital investment plans aimed at upgrading a number of its properties and expansion in the CEE Region. Accordingly, the Company sets out its revised dividend policy in a way that the Company will continue to retain a part of its future earnings for investment purposes and may consider paying out to its shareholders up to 25% of its consolidated normalized net profits for the preceding business year, commencing in 2020 based on the 2019 financial results, assuming no change to the issued share capital of the Company, and conditional upon the overall financial position of the Company, its investment plans, working capital requirements, compliance with its current and future debt service requirements and covenants, cash flow generation, situation on the capital markets, situation in the industry and overall economy and other relevant factors at any specific point in time, which taken individually or jointly may affect such dividend distribution.

Any distribution of dividends may occur out of profits available for such purpose and will be in accordance with the provisions of the Croatian Companies Act. In addition, the Company will carry out a liquidity or cash flow test and balance sheet solvency test (hereinafter: Solvency Test) before any dividend or distribution payment can be proposed. The Solvency Test requires making of a forecast to consider whether the Solvency Test will be satisfied immediately after a distribution or dividend payment is made. If at the time a dividend or distribution payment is to be made, the Company believes that the Solvency Test cannot be passed, no payment shall be made to the shareholders of the Company.

In addition, since the Company conducts and intends to continue to conduct all or a significant part of its international operations through its subsidiaries, the Company's ability to pay dividends in the future may be affected by a number of additional factors, including the receipt of sufficient dividends from its subsidiaries. The Company's direct and indirect subsidiaries may be precluded from paying dividends or other amounts by various factors, such as their own financial condition, restrictions in existing or future financing agreements to which they are a party, tax considerations or applicable law. Any of the foregoing could also restrict the ability of the Company to pay dividends or reduce the amount of any such dividends.

Trgovački sud u Pazinu, MBS: 040022901; OIB: 47625429199; temeljni kapital 102.574.420,00 kn uplaćen u cijelosti,  
ukupan broj izdanih dionica 5.128.721; Predsjednik Nadzornog odbora: Boris Ernest Ivesha; Predsjednik Uprave:  
Reuel Israel Gavriel Slonim; Članovi Uprave: Milena Perković, Manuela Kraljević IBAN: HR722360001101213690 Zagrebačka banka d.d. Zagreb.



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No assurances can be made that the Company will make dividend payments.

The Company may revise this dividend policy in the future taking into account the above factors and circumstances including growth opportunities available to the Company.

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