

**INTERIM FINANCIAL REPORT
FOR THE FOURTH QUARTER 2018**

ARENA

HOSPITALITY GROUP

28 FEBRUARY 2019

A MEMBER OF PPHE GROUP



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INTERIM PERFORMANCE REPORT FOR THE FOURTH QUARTER 2018

As per the Capital Markets Law, article 468. (NN 65/18.) we are delivering the audited financial statements for Arena Hospitality Group d.d., both unconsolidated and consolidated, for the quarter ended December 31st, 2018.

The fourth quarter is a period of low activity due to the extremely high seasonal character of our business.

Since the vast majority of our business activities took place in previously reported periods, notably in the second and third quarter, the report of the Management Board that shows a comprehensive overview of the results and the financial position of both the Company (Arena Hospitality Group d.d.) and the Group (Company and its consolidated Subsidiaries), and the description of the most significant risks the Group and the Company are exposed to, are presented in the audited Annual report and Financial statements for 2018, which is released at the same time as the legal requirement for the release of the quarterly statement.

Financial statements consolidated for the Group and the standalone statements for the Company

The Financial statements for the Group and the standalone statements for the Company for the quarter ending December 31st, 2018 are submitted with the quarterly report.

STATEMENT OF RESPONSIBILITIES OF THE COMPANY MANAGEMENT BOARD

The management confirms that, to the best of their knowledge, the consolidated and standalone financial statements for the quarter ending December 31st, 2018 are in line with the International Financial Reporting Standards (IFRS) as adopted by the European Union, and that they represent truly and fairly the assets, liabilities and financial position of the Group and of the Company.

The most significant risks and uncertainties that the Group and the Company are exposed to are presented in detail in the Annual report of the Group and of the Company.

MANAGEMENT BOARD

PRESIDENT:

REUEL ISRAEL GAVRIEL SLONIM



MEMBERS:

MILENA PERKOVIĆ



MANUELA KRALJEVIĆ



DEVANSH BAKSHI



APPENDIX 1 FINANCIAL STATEMENTS (AUDITED)

Consolidated balance sheet

Consolidated profit and loss statement

Consolidated cash flow statement

Consolidated statement of changes in equity

Company balance sheet

Company profit and loss statement

Company cash flow statement

Company statement of changes in equity

Annex 1.

Reporting period

01.01.2018.

to

31.12.2018.

Quarterly financial report TFI-POD

Tax number (MB): 03203263

Company registration number (MBS): 040022901

Personal identification number (OIB): 47625429199

Issuing company: Arena Hospitality Group d.d.

Postal code and place: 52100 Pula

Street and house number: Smareglina ulica 3

E-mail address: uprava@arenahospitalitygroup.comInternet address: www.arenahospitalitygroup.com

Municipality/city code and name: 359 Pula

County code and name: 18 Istarska

Number of employees: 826

Consolidated report: YES

(period end)

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

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

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

Sugarhill Investments B.V. | Nizozemska, Amsterdam | 320830051

Germany Real Estate B.V. | Nizozemska, Amsterdam | 67278027

Bookkeeping service:

Contact person: Čale Neven
(only surname and name)

Telephone: 052/223 811

Telefaks: 052/212 132

E-mail address: ncale@arenahospitalitygroup.comFamily name and name: Reuel Israel Gavriel Slonim, Milena Perković, Manuela Kraljević, Devansh Bakshi
(person authorized to represent the company)

Documents disclosed:

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

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as at 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.852.099.135	1.934.026.795
I. INTANGIBLE ASSETS (004 do 009)	003	1.335.177	1.369.911
1. Expenditure for development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	777.408	812.142
3. Goodwill	006	0	0
4. Advances for purchase of intangible assets	007	0	0
5. Intangible assets in progress	008	557.769	557.769
6. Other intangible assets	009	0	0
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.785.451.049	1.857.787.639
1. Land	011	314.633.041	320.627.860
2. Buildings	012	1.320.668.857	1.345.848.772
3. Plant and equipment	013	116.181.553	131.206.562
4. Tools, working inventory and transportation assets	014	2.416.232	5.660.501
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	819.282	10.878.077
7. Tangible assets in progress	017	22.044.723	34.979.642
8. Other tangible assets	018	8.687.360	8.586.225
9. Investment in real-estate	019	0	0
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	37.322.574	50.591.045
1. Share in related parties	021	0	0
2. Loans to related parties	022	0	0
3. Participating interests (shares)	023	207.698	1.748.203
4. Loans to companies with participating interest	024	33.838.976	34.179.550
5. Investments in securities	025	0	0
6. Loans, deposits, etc.	026	3.275.899	14.663.292
7. Other non-current financial assets	027	0	0
8. Equity-accounted investments	028	0	0
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSET	033	27.990.335	24.278.200
C) CURRENT ASSETS (035+043+050+058)	034	824.275.151	826.801.299
I. INVENTORIES (036 do 042)	035	4.395.963	3.222.669
1. Raw materials and supplies	036	3.892.544	2.859.542
2. Production in progress	037	0	0
3. Finished products	038	0	0
4. Merchandise	039	2.216	39.542
5. Advances for inventories	040	501.203	323.585
6. Long term assets held for sale	041	0	0
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	19.573.119	20.865.629
1. Receivables from related parties	044	781.843	145.140
2. Receivables from end-customers	045	12.969.775	13.949.121
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	0	0
5. Receivables from government and other institutions	048	1.012.963	1.103.950
6. Other receivables	049	4.808.537	5.667.418
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	205.345	198.775
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	205.345	198.775
6. Loans, deposits, etc.	056	0	0
7. Other financial assets	057	0	0
IV. CASH AND CASH EQUIVALENTS	058	800.100.724	802.514.226
D) PREPAYMENTS AND ACCRUED INCOME	059	0	0
E) TOTAL ASSETS (001+002+034+059)	060	2.676.374.287	2.760.828.094
F) OFF BALANCE SHEET ITEMS	061	0	0

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.565.756.406	1.648.303.761
I. SUBSCRIBED SHARE CAPITAL	063	102.574.420	102.574.420
II. CAPITAL RESERVES	064	1.142.742.013	1.142.738.633
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	326.304.607	323.141.107
1. Legal reserves	066	2.182.500	5.128.721
2. Reserve for own shares	067	3.380	3.380
3. Treasury shares and shares (deductible items)	068	3.380	3.380
4. Statutory reserves	069	0	0
5. Other reserves	070	324.122.107	318.012.386
IV. REVALUATION RESERVES	071	111.690	105.120
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	-94.058.950	-8.922.546
1. Retained earnings	073	0	0
2. Loss carried forward	074	94.058.950	8.922.546
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	88.082.626	88.667.027
1. Net profit for the period	076	88.082.626	88.667.027
2. Net loss for the period	077	0	0
VII. MINORITY INTEREST	078	0	0
B) PROVISIONS (080 do 082)	079	62.748.579	69.395.643
1. Provisions for pensions, severance pay and similar liabilities	080	1.348.259	1.576.054
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	61.400.320	67.819.589
C) NON-CURRENT LIABILITIES (084 do 092)	083	882.190.997	894.087.998
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits, etc.	085	75.135.996	0
3. Liabilities to banks and other financial institutions	086	807.055.001	891.590.309
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	2.497.689
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	165.678.306	149.040.692
1. Liabilities to related parties	094	22.533.586	12.089.598
2. Liabilities for loans, deposits, etc.	095	0	0
3. Liabilities to banks and other financial institutions	096	38.221.202	46.178.883
4. Liabilities for advances	097	12.451.670	15.253.106
5. Trade payables	098	23.632.849	19.943.233
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	16.091.425	16.107.935
9. Taxes, contributions and similar liabilities	102	29.754.721	16.796.473
10. Liabilities arising from share in the result	103	0	0
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	22.992.854	22.671.464
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	2.676.374.287	2.760.828.094
G) OFF BALANCE SHEET ITEMS	108	0	0
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	1.565.756.406	1.648.303.761
2. Attributable to minority interest	110	0	0

Income statement

period 01.01.2018 to 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	717.162.557	74.184.123	757.712.287	79.139.479
1. Rendering of services	112	711.983.827	73.497.281	744.702.038	69.912.920
2. Other operating income	113	5.178.731	686.843	13.010.249	9.226.559
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	566.770.595	117.445.696	615.317.278	129.252.958
1. Change in inventories of work in progress	115	0	0	0	0
2. Material expenses (117 do 119)	116	239.363.839	36.824.636	257.595.549	39.802.679
a) Costs of raw materials	117	105.044.038	14.376.712	115.250.777	16.315.235
b) Cost of goods sold	118	0	0	133.895	133.895
c) Other material expenses	119	134.319.801	22.447.924	142.210.877	23.353.549
3. Employee benefits expenses (121 do 123)	120	217.395.615	54.190.018	233.319.083	56.291.653
a) Net salaries	121	146.802.343	37.559.315	154.241.762	37.438.083
b) Tax and contributions from salary expenses	122	44.910.321	10.563.394	51.122.963	12.195.865
c) Contributions on salary	123	25.682.951	6.067.309	27.954.358	6.657.705
4. Depreciation and amortisation	124	62.470.961	15.995.221	69.241.874	18.593.414
5. Other expenses	125	0	0	0	0
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	0	0	0	0
7. Provisions	129	0	0	1.032.636	1.032.636
8. Other operating costs	130	47.540.180	10.435.821	54.128.136	13.532.576
III. FINANCIAL INCOME (132 do 136)	131	6.060.911	0	823.313	242.997
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	0	0	0	11.830
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	6.060.911	0	823.313	230.926
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	0	0	0	241
IV. FINANCIAL EXPENSES (138 do 141)	137	43.945.971	13.219.516	30.579.637	7.836.543
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	3.251.784	124.885	385.445	0
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	36.348.582	8.749.026	30.192.210	7.836.543
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	4.345.606	4.345.606	1.982	0
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	0	0	1.205.282	169.386
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	962.309	1.583.822	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	723.223.468	74.184.123	759.740.882	79.551.862
X. TOTAL EXPENSES (114+137+143+145)	147	611.678.876	132.249.035	645.896.915	137.089.501
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	111.544.593	-58.064.911	113.843.967	-57.537.639
1. Profit before taxes (146-147)	149	111.544.593	0	113.843.967	0
2. Loss before taxes (147-146)	150	0	58.064.911	0	57.537.639
XII. TAXATION	151	23.461.967	-8.902.063	25.176.940	-8.053.990
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	88.082.626	-49.162.848	88.667.027	-49.483.649
1. Profit for the period (149-151)	153	88.082.626	0	88.667.027	0
2. Loss for the period (151-148)	154	0	49.162.848	0	49.483.649
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	0	0	0	0
2. Attributable to minority interest	156	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	88.082.626	-49.162.848	88.667.027	-49.483.649
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	75.361	684.945	-5.008.726	-2.249.094
1. Exchange differences from international settlement	159	-1.629.368	-169.114	-2.842.825	-83.193
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161	-3.066	-3.066	-6.570	-6.570
4. Profit or loss from cash flow hedging	162	0	0	0	0
5. Profit or loss from hedging of foreign investments	163	1.707.795	857.125	-2.159.331	-2.159.331
6. Share of other comprehensive income/loss from associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	75.361	684.945	-5.008.726	-2.249.094
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	88.157.987	-48.477.903	83.658.301	-51.732.743
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	87.568.982	-49.162.848	88.667.027	-49.483.649
2. Attributable to minority interest	170	513.644	0	0	0

Cash flow statement - indirect method
period 01.01.2018 to 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	111.544.593	113.843.967
2. Depreciation and amortisation	002	62.470.961	69.241.874
3. Decrease of current liabilities	003	2.971.266	0
4. Decrease of current receivables	004	19.405.132	0
5. Decrease of inventories	005	0	1.127.888
6. Other cash flow increases	006	0	0
I. Total increase of cash flow from operating activities	007	196.391.952	184.213.729
1. Decrease of current liabilities	008	0	8.342.422
2. Increase of current receivables	009	0	1.569.575
3. Increase of inventories	010	32.410	0
4. Other cash flow decreases	011	7.967.560	31.597.231
II. Total decrease of cash flow from operating activities	012	7.999.970	41.509.228
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	188.391.982	142.704.501
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	0	1.124.733
2. Proceeds from sale of non-current financial assets	016	0	0
3. Interest received	017	174.773	47.324
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	48.045.660	0
III. Total cash inflows from investing activities	020	48.220.433	1.172.057
1. Purchase of non-current assets	021	506.452.561	150.429.101
2. Purchase of non-current financial assets	022	0	0
3. Other cash outflows from investing activities	023	0	11.623.599
IV. Total cash outflows from investing activities	024	506.452.561	162.052.700
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	458.232.128	160.880.643
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027	741.657.528	0
2. Proceeds from loans and borrowings	028	993.923.849	143.086.971
3. Other proceeds from financing activities	029	0	0
V. Total cash inflows from financing activities	030	1.735.581.377	143.086.971
1. Repayment of loans and bonds	031	727.743.141	121.590.406
2. Dividends paid	032	0	0
3. Repayment of finance lease	033	0	0
4. Purchase of treasury shares	034	0	0
5. Other cash outflows from financing activities	035	68.303.082	906.921
VI. Total cash outflows from financing activities	036	796.046.223	122.497.327
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	939.535.154	20.589.644
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows	039	669.695.008	2.413.502
Total decreases of cash flows	040	0	0
Cash and cash equivalents at the beginning of period	041	130.405.716	800.100.724
Increase of cash and cash equivalents	042	669.695.008	2.413.502
Decrease of cash and cash equivalents	043	0	0
Cash and cash equivalents at the end of period	044	800.100.724	802.514.226

STATEMENT OF CHANGES IN EQUITY

period **01.01.18** to **31.12.18**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	102.574.420	102.574.420
2. Capital reserves	002	1.142.742.013	1.142.738.633
3. Reserves from profit	003	326.304.607	323.141.107
4. Retained earnings or loss carried forward	004	-94.058.950	-8.922.546
5. Net profit or loss for the period	005	88.082.626	88.667.027
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	111.690	105.120
10. Total equity and reserves (AOP 001 to 009)	010	1.565.756.406	1.648.303.761
11. Foreign exchange differences from foreign investments	011	0	0
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	0	0
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	0	0
16. Other changes	016	0	0
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	1.565.756.406	1.648.303.761
17 b. Attributable to minority interest	826	0	0

Annex 1.

Reporting period

01.01.2018.

to

31.12.2018.

Quarterly financial report TFI-POD

Tax number (MB): 03203263

Company registration number (MBS): 040022901

Personal identification number (OIB): 47625429199

Issuing company: Arena Hospitality Group d.d.

Postal code and place: 52100

Pula

Street and house number: Smareglina ulica 3

E-mail address: uprava@arenahospitalitygroup.comInternet address: www.arenahospitalitygroup.com

Municipality/city code and name: 359 Pula

County code and name: 18 Istarska

Number of employees: 549

Consolidated report: NO

(period end)

NKD code: 5510

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: Kalagac Sandra
(only surname and name)

Telephone: 052/223 811

Telefaks: 052/212 132

E-mail address: skalagac@arenahospitalitygroup.com

Family name and name: Reuel Israel Gavriel Slonim, Milena Perković, Manuela Kraljević, Devansh Bakshi

(person authorized to represent the company)

Documents disclosed:

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

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as at 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED NOT PAID CAPITAL	001	0	0
B) NON-CURRENT ASSETS (003+010+020+029+033)	002	1.753.726.899	1.927.723.396
I. INTANGIBLE ASSETS (004 do 009)	003	1.335.177	1.369.414
1. Expenditure for development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	777.408	811.645
3. Goodwill	006	0	0
4. Advances for purchase of intangible assets	007	0	0
5. Intangible assets in progress	008	557.769	557.769
6. Other intangible assets	009	0	0
II. PROPERTY, PLANT AND EQUIPMENT (011 do 019)	010	1.128.757.937	1.211.189.629
1. Land	011	216.589.130	223.836.997
2. Buildings	012	815.976.463	854.101.285
3. Plant and equipment	013	63.044.031	73.543.059
4. Tools, working inventory and transportation assets	014	2.416.232	5.660.501
5. Biological assets	015	0	0
6. Advances for purchase of tangible assets	016	819.282	10.878.077
7. Tangible assets in progress	017	21.225.441	34.583.484
8. Other tangible assets	018	8.687.358	8.586.226
9. Investment in real-estate	019	0	0
III. NON-CURRENT FINANCIAL ASSETS (021 do 028)	020	597.063.801	691.677.906
1. Share in related parties	021	528.348.609	528.552.622
2. Loans to related parties	022	68.347.402	151.521.392
3. Participating interests (shares)	023	0	0
4. Loans to companies with participating interest	024	0	0
5. Investments in securities	025	0	0
6. Loans, deposits, etc.	026	367.790	11.603.892
7. Other non-current financial assets	027	0	0
8. Equity-accounted investments	028	0	0
IV. RECEIVABLES (030 do 032)	029	0	0
1. Receivables from related parties	030	0	0
2. Receivables arising from sales on credit	031	0	0
3. Other receivables	032	0	0
V. DEFERRED TAX ASSET	033	26.569.984	23.486.447
C) CURRENT ASSETS (035+043+050+058)	034	729.812.330	696.534.505
I. INVENTORIES (036 do 042)	035	1.923.794	2.055.030
1. Raw materials and supplies	036	1.420.375	1.691.903
2. Production in progress	037	0	0
3. Finished products	038	0	0
4. Merchandise	039	2.216	39.542
5. Advances for inventories	040	501.203	323.585
6. Long term assets held for sale	041	0	0
7. Biological assets	042	0	0
II. RECEIVABLES (044 do 049)	043	11.259.312	11.895.993
1. Receivables from related parties	044	4.877.175	3.919.114
2. Receivables from end-customers	045	1.787.176	5.537.874
3. Receivables from participating parties	046	0	0
4. Receivables from employees and members of the company	047	167.785	95.954
5. Receivables from government and other institutions	048	913.701	524.327
6. Other receivables	049	3.513.475	1.818.724
III. CURRENT FINANCIAL ASSETS (051 do 057)	050	218.317	198.775
1. Share in related parties	051	0	0
2. Loans to related parties	052	0	0
3. Participating interests (shares)	053	0	0
4. Loans to companies with participating interest	054	0	0
5. Investments in securities	055	205.345	198.775
6. Loans, deposits, etc.	056	12.972	0
7. Other financial assets	057	0	0
IV. CASH AND CASH EQUIVALENTS	058	716.410.907	682.384.707
D) PREPAYMENTS AND ACCRUED INCOME	059	0	0
E) TOTAL ASSETS (001+002+034+059)	060	2.483.539.229	2.624.257.901
F) OFF BALANCE SHEET ITEMS	061	0	0

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	1.885.026.366	1.950.663.284
I. SUBSCRIBED SHARE CAPITAL	063	102.574.420	102.574.420
II. CAPITAL RESERVES	064	1.142.738.633	1.142.738.633
III. RESERVES FROM PROFIT (066+067-068+069+070)	065	570.777.947	572.817.249
1. Legal reserves	066	2.182.500	5.128.721
2. Reserve for own shares	067	3.380	3.380
3. Treasury shares and shares (deductible items)	068	3.380	3.380
4. Statutory reserves	069	0	0
5. Other reserves	070	568.595.447	567.688.528
IV. REVALUATION RESERVES	071	111.690	105.120
V. RETAINED EARNINGS OR LOSS CARRIED FORWARD (073-074)	072	0	65.877.455
1. Retained earnings	073	0	65.877.455
2. Loss carried forward	074	0	0
VI. NET PROFIT OR LOSS FOR THE PERIOD (076-077)	075	68.823.676	66.550.407
1. Net profit for the period	076	68.823.676	66.550.407
2. Net loss for the period	077	0	0
VII. MINORITY INTEREST	078	0	0
B) PROVISIONS (080 do 082)	079	62.747.172	69.393.988
1. Provisions for pensions, severance pay and similar liabilities	080	1.348.259	1.576.054
2. Provisions for tax liabilities	081	0	0
3. Other provisions	082	61.398.913	67.817.934
C) NON-CURRENT LIABILITIES (084 do 092)	083	456.126.654	527.207.950
1. Liabilities to related parties	084	0	0
2. Liabilities for loans, deposits, etc.	085	0	0
3. Liabilities to banks and other financial institutions	086	456.126.654	527.207.950
4. Liabilities for advances	087	0	0
5. Trade payables	088	0	0
6. Commitments on securities	089	0	0
7. Liabilities to companies with participating interest	090	0	0
8. Other non-current liabilities	091	0	0
9. Deferred tax liabilities	092	0	0
D) CURRENT LIABILITIES (094 do 105)	093	79.639.037	76.992.679
1. Liabilities to related parties	094	5.600.767	4.669.615
2. Liabilities for loans, deposits, etc.	095	0	0
3. Liabilities to banks and other financial institutions	096	24.622.959	38.340.412
4. Liabilities for advances	097	4.421.887	4.198.773
5. Trade payables	098	8.065.836	5.833.751
6. Commitments on securities	099	0	0
7. Liabilities to companies with participating interest	100	0	0
8. Liabilities to employees	101	12.109.489	12.756.938
9. Taxes, contributions and similar liabilities	102	20.655.388	6.967.141
10. Liabilities arising from share in the result	103	0	0
11. Liabilities arising from non-current assets held for sale	104	0	0
12. Other current liabilities	105	4.162.711	4.226.049
E) ACCRUED EXPENSES AND DEFERRED INCOME	106	0	0
F) TOTAL EQUITY AND LIABILITIES (062+079+083+093+106)	107	2.483.539.229	2.624.257.901
G) OFF BALANCE SHEET ITEMS	108	0	0
ADDITION TO BALANCE SHEET (only for consolidated financial statements)			
ISSUED CAPITAL AND RESERVES			
1. Attributable to majority owners	109	0	0
2. Attributable to minority interest	110	0	0

Income statement

period 01.01.2018 to 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Previous period	Current period	Current period
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING INCOME (112 do 113)	111	487.915.687	14.179.202	513.716.443	16.549.514
1. Rendering of services	112	485.793.167	13.616.636	509.828.026	15.413.241
2. Other operating income	113	2.122.520	562.566	3.888.417	1.136.273
II. OPERATING COSTS (115+116+120+124+125+126+129+130)	114	381.146.820	62.534.763	419.955.443	71.910.515
1. Change in inventories of work in progress	115	0	0	0	0
2. Material expenses (117 do 119)	116	159.099.299	14.897.069	177.010.847	16.982.355
a) Costs of raw materials	117	67.462.171	6.051.327	72.980.118	6.461.159
b) Cost of goods sold	118	2.362	0	133.895	4.934
c) Other material expenses	119	91.634.766	8.845.742	103.896.834	10.516.262
3. Employee benefits expenses (121 do 123)	120	127.528.341	29.115.859	142.875.739	33.528.764
a) Net salaries	121	80.847.368	19.090.594	90.782.540	22.345.062
b) Tax and contributions from salary expenses	122	30.236.412	6.495.825	34.359.809	7.404.406
c) Contributions on salary	123	16.444.561	3.529.440	17.733.390	3.779.296
4. Depreciation and amortisation	124	48.887.582	12.363.313	52.093.807	13.990.066
5. Other expenses	125	0	0	0	0
6. Write down of assets (127+128)	126	0	0	0	0
a) non-current assets (except financial assets)	127	0	0	0	0
b) current assets (except financial assets)	128	0	0	0	0
7. Provisions	129	1.100.679	547.079	1.032.636	1.032.636
8. Other operating costs	130	44.530.919	5.611.443	46.942.414	6.376.694
III. FINANCIAL INCOME (132 do 136)	131	9.564.163	1.336.405	3.550.963	1.242.718
1. Interest, foreign exchange differences, dividends and similar income from related parties	132	4.080.764	1.163.934	3.502.383	1.194.138
2. Interest, foreign exchange differences, dividends and similar income from third parties	133	5.310.528	0	0	0
3. Income from investments in associates and joint ventures	134	0	0	0	0
4. Unrealised gains (income) from financial assets	135	0	0	0	0
5. Other financial income	136	172.871	172.471	48.580	48.580
IV. FINANCIAL EXPENSES (138 do 141)	137	32.029.450	9.221.867	15.903.548	4.580.729
1. Interest, foreign exchange differences, dividends and similar income from related parties	138	2.760.435	97	1.169.065	1.042.888
2. Interest, foreign exchange differences, dividends and similar income from third parties	139	24.526.459	4.878.560	14.582.818	3.370.297
3. Unrealised losses (expenses) from financial assets	140	0	0	0	0
4. Other financial expenses	141	4.742.556	4.343.210	151.665	167.544
V. SHARE OF PROFIT FROM ASSOCIATED COMPANIES	142	0	0	0	0
VI. SHARE OF LOSS FROM ASSOCIATED COMPANIES	143	0	0	0	0
VII. EXTRAORDINARY - OTHER INCOME	144	0	0	0	0
VIII. EXTRAORDINARY - OTHER EXPENSES	145	0	0	0	0
IX. TOTAL INCOME (111+131+144)	146	497.479.850	15.515.607	517.267.406	17.792.232
X. TOTAL EXPENSES (114+137+143+145)	147	413.176.270	71.756.630	435.858.991	76.491.244
XI. PROFIT OR LOSS BEFORE TAXES (146-147)	148	84.303.580	-56.241.023	81.408.415	-58.699.012
1. Profit before taxes (146-147)	149	84.303.580	0	81.408.415	0
2. Loss before taxes (147-146)	150	0	56.241.023	0	58.699.012
XII. TAXATION	151	15.479.904	15.479.904	14.858.008	-10.523.980
XII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	68.823.676	-71.720.927	66.550.407	-48.175.032
1. Profit for the period (149-151)	153	68.823.676	0	66.550.407	0
2. Loss for the period (151-148)	154	0	71.720.927	0	48.175.032
ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	155	0	0	0	0
2. Attributable to minority interest	156	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD (=152)	157	68.823.676	-71.720.927	66.550.407	-48.175.032
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)	158	-3.066	-3.066	-6.570	-6.570
1. Exchange differences from international settlement	159	0	0	0	0
2. Changes in revaluation reserves of long-term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from re-evaluation of financial assets held for sale	161	-3.066	-3.066	-6.570	-6.570
4. Profit or loss from cash flow hedging	162	0	0	0	0
5. Profit or loss from hedging of foreign investments	163	0	0	0	0
6. Share of other comprehensive income/loss from associated companies	164	0	0	0	0
7. Actuarial gains/losses from defined benefit plans	165	0	0	0	0
III. TAXATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME FOR THE PERIOD (158 TO 166)	167	-3.066	-3.066	-6.570	-6.570
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	68.820.610	-71.723.993	66.543.837	-48.181.602
ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributable to majority owners	169	0	0	0	0
2. Attributable to minority interest	170	0	0	0	0

Cash flow statement - indirect method
period 01.01.2018 to 31.12.2018

Company: Arena Hospitality Group d.d.

Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	84.303.580	81.408.415
2. Depreciation and amortisation	002	48.887.582	52.093.807
3. Decrease of current liabilities	003	0	267.252
4. Decrease of current receivables	004	5.956.570	0
5. Decrease of inventories	005	114.669	0
6. Other cash flow increases	006	0	0
I. Total increase of cash flow from operating activities	007	139.262.401	133.769.474
1. Decrease of current liabilities	008	259.849	0
2. Increase of current receivables	009	0	1.261.437
3. Increase of inventories	010	0	131.237
4. Other cash flow decreases	011	8.873.657	25.520.727
II. Total decrease of cash flow from operating activities	012	9.133.506	26.913.401
A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES	013	130.128.895	106.856.073
A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Proceeds from sale of non-current assets	015	0	1.124.733
2. Proceeds from sale of non-current financial assets	016	0	0
3. Interest received	017	167.324	4.378.609
4. Dividend received	018	0	0
5. Other proceeds from investing activities	019	41.713.089	2.422.097
III. Total cash inflows from investing activities	020	41.880.413	7.925.439
1. Purchase of non-current assets	021	62.695.298	134.724.368
2. Purchase of non-current financial assets	022	0	0
3. Other cash outflows from investing activities	023	68.376.673	98.668.430
IV. Total cash outflows from investing activities	024	131.071.971	233.392.798
B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES	025	0	0
B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES	026	89.191.558	225.467.359
CASH FLOW FROM FINANCING ACTIVITIES			
1. Proceeds from issue of equity securities and debt securities	027	741.657.528	0
2. Proceeds from loans and borrowings	028	548.567.043	111.720.000
3. Other proceeds from financing activities	029	0	0
V. Total cash inflows from financing activities	030	1.290.224.571	111.720.000
1. Repayment of loans and bonds	031	638.912.008	26.227.994
2. Dividends paid	032	0	0
3. Repayment of finance lease	033	0	0
4. Purchase of treasury shares	034	0	0
5. Other cash outflows from financing activities	035	68.303.073	906.920
VI. Total cash outflows from financing activities	036	707.215.081	27.134.914
C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES	037	583.009.490	84.585.086
C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES	038	0	0
Total increases of cash flows	039	623.946.827	0
Total decreases of cash flows	040	0	34.026.200
Cash and cash equivalents at the beginning of period	041	92.464.080	716.410.907
Increase of cash and cash equivalents	042	623.946.827	0
Decrease of cash and cash equivalents	043	0	34.026.200
Cash and cash equivalents at the end of period	044	716.410.907	682.384.707

STATEMENT OF CHANGES IN EQUITY

period **01.01.18** to **31.12.18**

Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed share capital	001	102.574.420	102.574.420
2. Capital reserves	002	1.142.738.633	1.142.738.633
3. Reserves from profit	003	570.777.947	572.817.249
4. Retained earnings or loss carried forward	004	0	65.877.455
5. Net profit or loss for the period	005	68.823.676	66.550.407
6. Revaluation of tangible assets	006	0	0
7. Revaluation of intangible assets	007	0	0
8. Revaluation of available for sale assets	008	0	0
9. Other revaluation	009	111.690	105.120
10. Total equity and reserves (AOP 001 to 009)	010	1.885.026.366	1.950.663.284
11. Foreign exchange differences from foreign investments	011	0	0
12. Current and deferred taxes	012	0	0
13. Cash flow hedge	013	0	0
14. Change of accounting policies	014	0	0
15. Correction of significant mistakes of prior period	015	0	0
16. Other changes	016	0	0
17. Total increase or decrease of equity (AOP 011 to 016)	017	0	0
17 a. Attributable to majority owners	018	0	0
17 b. Attributable to minority interest	549	0	0