



SUNCE HOTELI d.d.

Trpinjska 9  
10000 Zagreb, Croatia

**Sunce hoteli d.d.**

**Financial Results**

**for the period January – September 2020**

**unconsolidated (unaudited)**

Zagreb, 30<sup>th</sup> October 2020

1. General information.....	3
2. Organizational and shareholder structure.....	4
3. Unaudited business results for the first 9 months of 2020.....	6
<b>Appendix 1: Financial Statements.....</b>	<b>9</b>

## **1. GENERAL INFORMATION**

### **Name**

The Company name is SUNCE HOTELI d.d. za turizam i ugostiteljstvo, turistička agencija company registration number (MBS): 080502040, personal identification number (OIB): 06916431329. The Company`s short name is SUNCE HOTELI d.d.

### **Registered office and legal form**

SUNCE HOTELI d.d is joint stock company with registered office in Zagreb, Trpinjska 9, Republic of Croatia, telephone number: + 385 1 3844 044.

### **Share capital and company shares**

The Company`s share capital as of 30<sup>th</sup> of September 2020 amounts to HRK 595.458.500,00 and is divided into 5.954.585 ordinary registered shares, each in the nominal amount of HRK 100,0. The Company`s shares are recorded in a book-entry form in the accounts of book-entry securities in the computer system of the Central Depository and Clearing Company Inc. in accordance with special regulations under the ticker SUKC-R-A and ISIN HRSUKCRA0001. The number of treasury shares as of 30<sup>th</sup> of September 2020 is 1.163.

### **Members of Management Board:**

- Hrvoje Veselko, President of the Management Board
- Kristijan Gagulić, Member of the Management Board
- Ivan Potkrajčić, Member of the Management Board

### **Supervisory Board:**

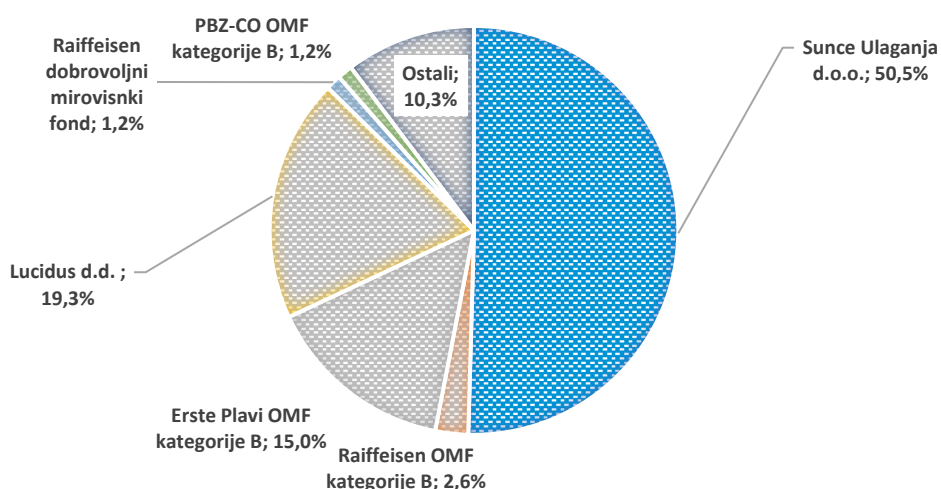
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratomir Ivičić, Member of the Supervisory Bord

### **Audit Committee:**

- Ivan Augustin, President of the Audit Committee
- Sanja Gagulić, Member of the Audit Committee
- Ružica Andabak, Member of the Audit Committee

## 2. ORGANIZATIONAL AND SHAREHOLDER STRUCTURE

### Major Shareholders of the Group (30<sup>th</sup> of September 2020):



Source: Central Depository & Clearing Company Inc

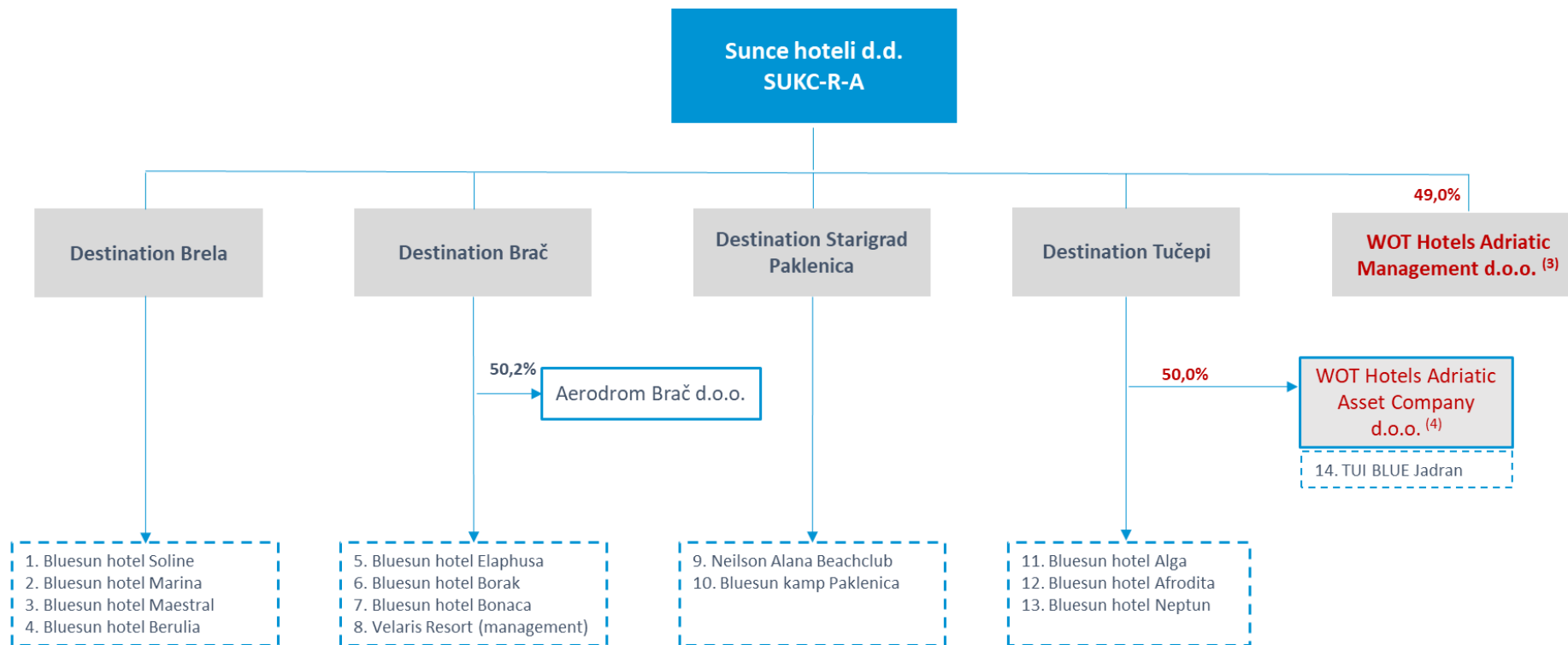
### Subsidiaries included in the Group and other holdings:

Members of the Group:	HQ:	Business:	Ownership:
Aerodrom Brač d.o.o.	Supetar	Airport	50,18%
Sunce Vital d.o.o.	Zagreb	Healthcare	100,00%
Zlatni rat Poljoprivreda d.o.o.*	Bol	Agriculture	100,00%
Zlatni rat Servisi d.o.o.*	Bol	Maintenance	100,00%
Zlatni rat Tenis centar d.o.o.*	Bol	Tennis operator	100,00%
Plaža Zlatni Rat d.o.o.*	Bol	Beach operator	100,00%
Eko - promet d.o.o.*	Bol	Transport	51,11%
Brač 500 Plus d.o.o.	Bol	Cable management	69,44%
Brela Jakiruša d.o.o.	Brela	Preparation of food and beverages	100,00%
Company:**	HQ:	Business:	Ownership:
WOT Hotels Adriatic Management d.o.o.	Tučepi	Holding company	49,00%
WOT Hotels Adriatic Asset d.o.o.	Tučepi	Hotels	50,00%
Praona d.o.o.	Makarska	Industrial Laundry	42,00%

\* Subscribed companies do not have recorded assets and liabilities (are not active in business), and applications have been submitted to the Tax Registry for deletion from the court register

\*\* Subject companies are not subject to consolidation but are accounted for according to accounting standards according to the equity method

**Organisational structure of the Group<sup>(1)</sup>:**



(1) Data as of 30.09.2020; Sunce hoteli d.d. as a Group has some additional members, but they are immaterial for the Group's performance.

(2) Management Company established with TUI AG, where TUI AG holds 51% share.

(3) Joint Venture Company with TUI AG.

### 3. UNAUDITED BUSINESS RESULTS FOR THE FIRST 9 MONTHS OF 2020

As at 31 December 2019, companies Hotel Alan d.d., Hoteli Brela d.d., Hoteli Tučepi d.d. and Hoteli Zlatni rat d.d. merged into Sunce Hoteli d.d., therefore business results for the first nine months of 2020 are not comparable to those for the first nine months of 2019. For commenting on business results, please see the consolidated information published.

#### Significant business events

The most significant business events of the company Sunce hoteli d.d. in the period after 31.12.2019. years to the date of publication of this report are:

1. **COVID - 19 - impact on the Company's operations** - on March 16, 2020, the Company published on the Zagreb Stock Exchange information on the impact of the COVID-19 epidemic on the Company's operations, and updated the information in the announcement of business results for the first nine months of 2020 as well as the 2019 annual report. The impact of the COVID-19 crisis on the company's operations can be divided into the following main segments:
  - a. **Employee safety** - work from home was organized for all employees from mid-March 2020 to 18 May 2020, after which return to office work has been organized under strict safety conditions such as wearing protective masks in common areas, keeping distance between employees in the same office, increased disinfection of the work area, etc. The company approaches flexibly according to the way of work, and measures are taken to protect the safety of employees. The Management Board of the company will monitor the epidemiological situation in the Republic of Croatia and, if necessary, make decisions on working from home for part or all employees of the company Sunce hoteli d.d.
  - b. **Employee salaries** - in the period from 1 April to 30 June 2020, the gross salary of all employees, including the Management Board, was reduced by 40%. However, after economic activity intensified, hotels began to open and the inflow of guest reservations was initiated, the Management Board issued a Decision by which in the period from 1 July to 30 September 2020 all employees with a gross salary of more than 10 thousand kuna Gross I reduction salaries from the previous 40% adjusted to a reduction of 20%, ie 80% of gross salary was paid, and at the same time Gross I salary could not be lower than 10 thousand kuna, as a result of which all employees with a salary lower than 10 thousand kuna were provided full contracted salary. Due to the extremely short business activity this year and reduced income in relation to costs, and with the aim of preserving all jobs, the Management Board made a new decision to reduce salaries in the period from 1<sup>st</sup> October 2020 by which the new contracted salary is paid for all employees of the Company in the amount of 80% of gross salary, and not less than 4,000 kuna net. The said decision is in force until 31<sup>st</sup> of December 2020 when the Management Board will revise the financial flow again and make a new decision in relation to the salary policy in these times of crisis.
  - c. **Hotels opening** - due to the COVID-19 crisis, the company partially opened its accommodation facilities, and on June 10, 2020, one facility was opened in each of the destinations: i) Bluesun Hotel Berulia in Brela, ii) Bluesun Hotel Alga in

Tučepi, iii) Bluesun Resort Velaris in Supetar, iv) Bluesun Hotel Elaphusa in Bol, and c) Bluesun Camp Paklenica in Starigrad Paklenica. At the beginning of July, the following facilities were additionally opened: i) Bluesun Hotel Soline in Brela, ii) Bluesun Hotel Neptun in Tučepi, iii) Bluesun Hotel Alan in Starigrad Paklenica, iv) Bluesun Hotel Bonaca in Bol. At the end, in August the Bluesun Hotel Marina in Brela was opened.

- d. **Booking status** - Given the specific crisis, the direct channel and OTA sales channel were the dominant sales channels, and the Company made targeted investments in online marketing. Most of the reservations through the two mentioned channels were on the "free cancellation" principle, ie. no advances paid by guests. Such fees can be cancelled without paying a fee to the Company, which was the only way sales functioned during the summer 2020 season. The allotment sales channel has been under special pressure this season due to the disruption of commercial lines. Despite the challenging business environment, the Company generated in August 56.2% of last year's revenues from August, while the realization in facilities that were open in August was up to 80%. Unfortunately, with the worsening epidemiological situation in the country, and being put on the red list by our trading partners, the performance in September fell to only 16.2%, which had significant negative repercussions on the business result of the first 9 months.
- e. **Moratorium on financial liabilities** - In relation to financial liabilities due in 2020, on July 27, 2020, the Company was granted a moratorium by the Bank syndicate on loan instalments due on 30 April 2020 (HRK 16.5 million) and 31 October 2020 (HRK 38.4 million). Given that the moratorium has a maturity of 12 months, this means that the first instalment of the loan is due on 30.04.2021. years together with principal and interest. The loan will continue to be repaid regularly from April 30, 2021, when interest is due for the period from November 1, 2019 to April 30, 2021. Outstanding instalments in 2020 are moved to the end of the repayment period on April 30, 2028, when they fall due once. The loan instalments from 2020 for which a moratorium has been requested are transferred in full upon the expiration of the loan agreement on April 30, 2028 (bullet repayment).
- f. **Additional liquidity** - In addition to the aforementioned deferral of payment of financial obligations until April 30, 2021, the Company has also taken measures and directed communication to potential creditors to provide additional liquidity that will be required after October 31, 2020. The level of required additional liquidity is lower than the initial calculations before the summer season showed due to the fact that we had a better inflow during the main season than expected and the measures of the Government of the Republic of Croatia are still in force.
- g. **Aid for job preservation** - the company used the measures of the Government of the Republic of Croatia related to aid for job preservation for the months of March, April, May and June. A detailed explanation of grants and savings has already been presented and published in the announcement of results for the first 6 months of 2020, as well as in announcements on the Zagreb Stock Exchange. We hereby only inform:
- i. that the company has applied for aid for the preservation of jobs in the activities affected by Coronavirus for the months of July and August, which are still in the process of being resolved by official body. Since the Company

meets all the conditions for the measure of preserving jobs, this report shows income for these two months, while funds have not yet been received by the date of publication of this report. Incentives are expected to be received through the fourth quarter of 2020 for the months of July and August. In accordance with the published measure for the preservation of jobs for the months of September to December 2020, the Company expects to use the support for the months of October, November and December 2020, as it meets all the conditions for use. Support for September 2020 was not requested as the company had a revenue decline of less than 60% in August 2020.

- ii. In addition to receiving the minimum compensation under the measure for the preservation of jobs for the months of March, April and May, the company received a decision accepting a write-off of 95% for the same months on the following salary benefits: *(i)* I. pillar pension insurance, *(ii)* taxes and surcharges, *(iii)* health insurance contributions.
  - h. **Capital investments** - The Company did not have capital investments for the 2020 season, however all investments in the preparation of future investments were suspended until a revised capital investment plan is made depending on the development of the situation caused by the COVID-19 crisis. Following the above, the investment in the preparation of project-technical documentation for the development of Brač Airport is currently suspended.
2. **Changes in the Management of Sunce hoteli d.d.** - On 13 July, 2020, announced changes related to the Management Board of the Company. At the Supervisory Board of the Company, Tonči Boras resigned for personal reasons and announced his resignation from the position of President of the Management Board. The Supervisory Board appointed Hrvoje Veselko, Šestinska cesta 52, Zagreb, OIB: 28020764233, to the position of President of the Management Board for a term of 5 years. Hrvoje Veselko is coming to the position of President of the Management Board with many years of experience at project and managerial functions, mostly related to Sales and Marketing in various sectors. Hrvoje Veselko took over the position of President of the Management Board on August 1, 2020.
  3. **Confirmation of investment support beneficiary** - the company received the confirmation of investment support under the Investment Promotion Act for investments related to Bluesun Hotel Berulia (2017), Bluesun Hotel Alga (2018 and 2019), Bluesun Hotel Soline (2019). The total approved amount of eligible costs is HRK 129 million, of which the aid intensity is 25% or HRK 32.3 million. The support can be used until 2027.



**Annex 1****ISSUER'S GENERAL DATA**

Reporting period:  to

Year:

Quarter:

**Quarterly financial statements**

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

Entity's registration number (MBS):

Personal identification number (OIB):  LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting period):

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

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

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

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

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

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

Telephone:

E-mail address:

Audit firm:  (name of the audit firm)

Certified auditor:  (name and surname)

<b>BALANCE SHEET</b>			
balance as at 30.09.2020			
			in HRK
<b>Submitter: Sunce Hoteli d.d.</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	621.388.115	1.270.433.618
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	12.522.725	21.538.243
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	126.316	563.151
3 Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	0
6 Other intangible assets	<b>009</b>	12.396.409	20.975.092
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	2.268.206	1.041.006.769
1 Land	<b>011</b>	0	115.170.456
2 Buildings	<b>012</b>	0	827.101.461
3 Plant and equipment	<b>013</b>	441.727	77.061.708
4 Tools, working inventory and transportation assets	<b>014</b>	1.826.479	1.870.519
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	0	0
7 Tangible assets in preparation	<b>017</b>	0	19.448.539
8 Other tangible assets	<b>018</b>	0	354.086
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	606.597.184	183.068.861
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	595.007.770	106.815.422
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	11.478.973	76.121.439
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	110.441	132.000
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	11.924.882
1 Receivables from undertakings within the group	<b>032</b>	0	10.505.141
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	1.346.831
4 Other receivables	<b>035</b>	0	72.910
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	12.894.863
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	14.991.481	101.396.014
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	0	4.533.652
1 Raw materials and consumables	<b>039</b>	0	4.383.114
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	0	150.538
5 Advances for inventories	<b>043</b>	0	0
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	14.728.864	37.330.922
1 Receivables from undertakings within the group	<b>047</b>	13.320.904	1.282.386
2 Receivables from companies linked by virtue of participating interests	<b>048</b>	0	2.853.251
3 Customer receivables	<b>049</b>	867.020	13.846.984
4 Receivables from employees and members of the undertaking	<b>050</b>	16.352	83.951
5 Receivables from government and other institutions	<b>051</b>	524.588	8.081.973
6 Other receivables	<b>052</b>	0	11.182.377
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	50.000	2.694.775
1 Investments in holdings (shares) of undertakings within the group	<b>054</b>	0	0
2 Investments in other securities of undertakings within the group	<b>055</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>056</b>	50.000	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>057</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>058</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>059</b>	0	2.694.775
7 Investments in securities	<b>060</b>	0	0
8 Loans, deposits, etc. given	<b>061</b>	0	0
9 Other financial assets	<b>062</b>	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	212.617	56.836.665
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	832.887	5.631.414
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	637.212.483	1.377.461.046

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>599.819.059</b>	<b>763.397.655</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	539.385.000	595.458.500
II CAPITAL RESERVES	069	67.836.894	112.157.388
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	122.671	106.983.140
1 Legal reserves	071	122.671	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	0	106.983.140
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
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	0	-51.201.373
1 Retained profit	082	0	0
2 Loss brought forward	083	0	51.201.373
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-7.525.506	0
1 Profit for the business year	085	0	0
2 Loss for the business year	086	7.525.506	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>1.930.437</b>
1 Provisions for pensions, termination benefits and similar obligations	089	0	1.324.022
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	606.415
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>23.550.564</b>	<b>421.030.866</b>
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	12.808.210	401.082.543
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	10.742.354	18.741.443
11 Deferred tax liability	106	0	1.206.880
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>13.842.860</b>	<b>191.102.088</b>
1 Liabilities to undertakings within the group	108	851.113	1.493.327
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	3.367.403	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	1.754.549	108.413.781
7 Liabilities for advance payments	114	0	11.592.877
8 Liabilities to suppliers	115	2.266.043	35.376.484
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	1.098.500	6.623.161
11 Taxes, contributions and similar liabilities	118	1.878.623	13.027.411
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	2.626.629	14.575.047
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>0</b>	<b>0</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>637.212.483</b>	<b>1.377.461.046</b>

<b>STATEMENT OF PROFIT OR LOSS</b>					
for the period 01.01.2020. to 30.09.2020.					
in HRK					
Submitter: Sunce Hoteli d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>27.954.328</b>	<b>11.940.213</b>	<b>159.117.913</b>	<b>129.141.537</b>
1 Income from sales with undertakings within the group	126	26.360.032	10.987.567	132.461.445	123.840.396
2 Income from sales (outside group)	127	0	0	0	0
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	1.594.296	952.646	26.656.468	5.301.141
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>30.119.556</b>	<b>11.079.284</b>	<b>190.219.957</b>	<b>106.255.193</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
<b>2 Material costs (ADP 134 to 136)</b>	<b>133</b>	<b>11.844.714</b>	<b>4.626.524</b>	<b>53.019.266</b>	<b>36.655.463</b>
a) Costs of raw materials and consumables	134	845.401	380.229	27.021.795	22.292.833
b) Costs of goods sold	135	3.463.473	1.316.735	320.583	210.760
c) Other external costs	136	7.535.840	2.929.560	25.676.888	14.151.870
<b>3 Staff costs (ADP 138 to 140)</b>	<b>137</b>	<b>15.540.362</b>	<b>5.389.989</b>	<b>72.935.194</b>	<b>38.755.650</b>
a) Net salaries and wages	138	8.782.384	3.064.608	49.719.236	27.579.211
b) Tax and contributions from salary costs	139	4.887.675	1.674.364	15.090.373	7.264.685
c) Contributions on salaries	140	1.870.303	651.017	8.125.585	3.911.754
4 Depreciation	141	636.411	218.327	45.773.041	17.301.462
5 Other costs	142	0	0	0	0
<b>6 Value adjustments (ADP 144+145)</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
<b>7 Provisions (ADP 147 to 152)</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	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	2.098.069	844.444	18.492.456	13.542.618
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>575.523</b>	<b>134.582</b>	<b>5.344.104</b>	<b>2.255.325</b>
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	534.225	134.580	2.673.768	901.185
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	7.776	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	17	2	0	0
8 Exchange rate differences and other financial income	162	33.505	0	2.670.336	1.354.140
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>303.544</b>	<b>72.991</b>	<b>17.917.927</b>	<b>1.083.991</b>
1 Interest expenses and similar expenses with undertakings within the group	166	149.453	71.899	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	120.407	1.060	8.206.278	448.346
4 Exchange rate differences and other expenses	169	0	0	9.711.649	635.644
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	33.684	32	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>28.529.851</b>	<b>12.074.795</b>	<b>164.462.017</b>	<b>131.396.862</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>30.423.100</b>	<b>11.152.275</b>	<b>208.137.884</b>	<b>107.339.184</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>-1.893.249</b>	<b>922.520</b>	<b>-43.675.867</b>	<b>24.057.678</b>
1 Pre-tax profit (ADP 177-178)	180	0	922.520	0	24.057.678
2 Pre-tax loss (ADP 178-177)	181	-1.893.249	0	-43.675.867	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>-1.893.249</b>	<b>922.520</b>	<b>-43.675.867</b>	<b>24.057.678</b>
1 Profit for the period (ADP 179-182)	184	0	922.520	0	24.057.678
2 Loss for the period (ADP 182-179)	185	-1.893.249	0	-43.675.867	0

<b>STATEMENT OF CASH FLOWS - indirect method</b>			
for the period 01.01.2020. to 30.09.2020.			
			in HRK
Submitter: Sunce Hoteli d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-1.893.249	-43.675.867
2 Adjustments (ADP 003 to 010):	002	281.395	58.298.376
a) Depreciation	003	636.411	45.773.041
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0
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	-534.225	-2.673.768
e) Interest expenses	007	269.851	8.206.278
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-40.684	7.041.313
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-49.958	-48.488
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>-1.611.854</b>	<b>14.622.509</b>
3 Changes in the working capital (ADP 013 to 016)	012	-1.000.267	122.249
a) Increase or decrease in short-term liabilities	013	670.649	12.151.528
b) Increase or decrease in short-term receivables	014	-1.670.916	-5.098.117
c) Increase or decrease in inventories	015	0	-601.139
d) Other increase or decrease in working capital	016	0	-6.330.023
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-2.612.121</b>	<b>14.744.758</b>
4 Interest paid	018	-1.871.735	0
5 Income tax paid	019	0	-411.697
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-4.483.856</b>	<b>14.333.061</b>
<b>Cash flow from investment activities</b>			
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	5.002.886	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>5.002.886</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-135.767	-3.521.595
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-135.767</b>	<b>-3.521.595</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>4.867.119</b>	<b>-3.521.595</b>
<b>Cash flow from financing activities</b>			
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	45.887.067
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>0</b>	<b>45.887.067</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-3.254.760	0
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	-74.486
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-3.254.760</b>	<b>-74.486</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-3.254.760</b>	<b>45.812.582</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-2.871.497</b>	<b>56.624.048</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>3.480.131</b>	<b>212.617</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>608.634</b>	<b>56.836.665</b>

STATEMENT OF CHANGES IN EQUITY																	
for the period from 1.1.2020 to 30.6.2020																	in HRK
Item	ADP code	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	Minority (non-controlling) interest	Total capital and reserves
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)
<b>Previous period</b>																	
1 Balance on the first day of the previous business year	01	539.385.000	83.266.272	496.868	0	0	0	0	0	0	0	0	0	-15.429.378	607.718.762	0	607.718.762
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	539.385.000	83.266.272	496.868	0	0	0	0	0	0	0	0	0	-15.429.378	607.718.762	0	607.718.762
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	-7.525.506	-7.525.506	0	-7.525.506
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	-374.197	0	0	0	0	0	0	0	0	0	0	-374.197	0	-374.197
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	0	0	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	539.385.000	83.266.272	122.671	0	0	0	0	0	0	0	0	0	-22.954.884	599.819.059	0	599.819.059
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	-374.197	0	0	0	0	0	0	0	0	0	0	-374.197	0	-374.197
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	-374.197	0	0	0	0	0	0	0	0	0	-7.525.506	-7.899.703	0	-7.899.703
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

Current period																	
1 Balance on the first day of the current business year	27	539,385,000	67,836,894	655,925	0	0	0	6,591,581	3,056,059	0	0	0	97,553,805	29,448,688	744,527,952	89,375,971	833,903,923
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	539,385,000	67,836,894	655,925	0	0	0	6,591,581	3,056,059	0	0	0	97,553,805	29,448,688	744,527,952	89,375,971	833,903,923
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-69,499,752	-69,499,752	0	-69,499,752
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	-655,925	0	0	0	100,391,559	-3,056,059	0	0	0	-105,079,311	-29,448,688	-37,848,424	-89,375,971	-127,224,395
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	56,073,500	44,320,494	0	0	0	0	0	0	0	0	0	0	0	100,393,994	0	100,393,994
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in 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	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	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	595,458,500	112,157,388	0	0	0	0	106,983,140	0	0	0	0	-7,525,506	-69,499,752	737,573,770	0	737,573,770
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	-655,925	0	0	0	100,391,559	-3,056,059	0	0	0	-105,079,311	-29,448,688	-37,848,424	-89,375,971	-127,224,395
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	-655,925	0	0	0	100,391,559	-3,056,059	0	0	0	-105,079,311	-98,948,440	-107,348,176	-89,375,971	-196,724,147
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	56,073,500	44,320,494	0	0	0	0	0	0	0	0	0	0	0	100,393,994	0	100,393,994

Pursuant to the Capital Market Act (OG 88/08, 146/08, 74/09, 54/13, 159/13, 18/15, 110/15), we make the following statement to the best of our knowledge:

**Statement by the persons responsible for the preparation of the report**

A shortened set of quarterly financial statements of the issuer, prepared using the applicable financial reporting standards, provide a complete and fair view of the assets and liabilities, losses and gains, financial position and operations of the issuer and the companies included in the consolidation as a whole.

The interim business report contains a true presentation of the development and results of the business and the position of the issuer and the company included in the consolidation, with a description of the most significant risks and uncertainties that the issuer and the company are exposed as a whole.

President of the Board

---

Hrvoje Veselko

Board member

---

Kristijan Gagulić

Board member

---

Ivan Potkrajčić