

**Sunce hoteli d.d.**

**Financial Results**  
**for the year ended 31 December 2021**  
**unconsolidated (unaudited)**

Zagreb, 31<sup>th</sup> December 2021

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## **1. GENERAL INFORMATION**

### **Name**

The Company name is SUNCE HOTELI d.d., tourism and hospitality, tourist agency, 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, Radnička cesta 43, Republic of Croatia, telephone number: + 385 1 3844 044.

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

The Company`s share capital as of 31<sup>th</sup> of December 2021 amounts to HRK 714.480.200,00 and is divided into 7.144.802 ordinary registered shares, each in the nominal amount of HRK 100,00. 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.

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

- Shaikh Mubarak Ali Abdulla Hamad Alkhalifa, President of the Management Board
- Hrvoje Veselko, member of the Management Board until January 20, 2022

### **Supervisory Board:**

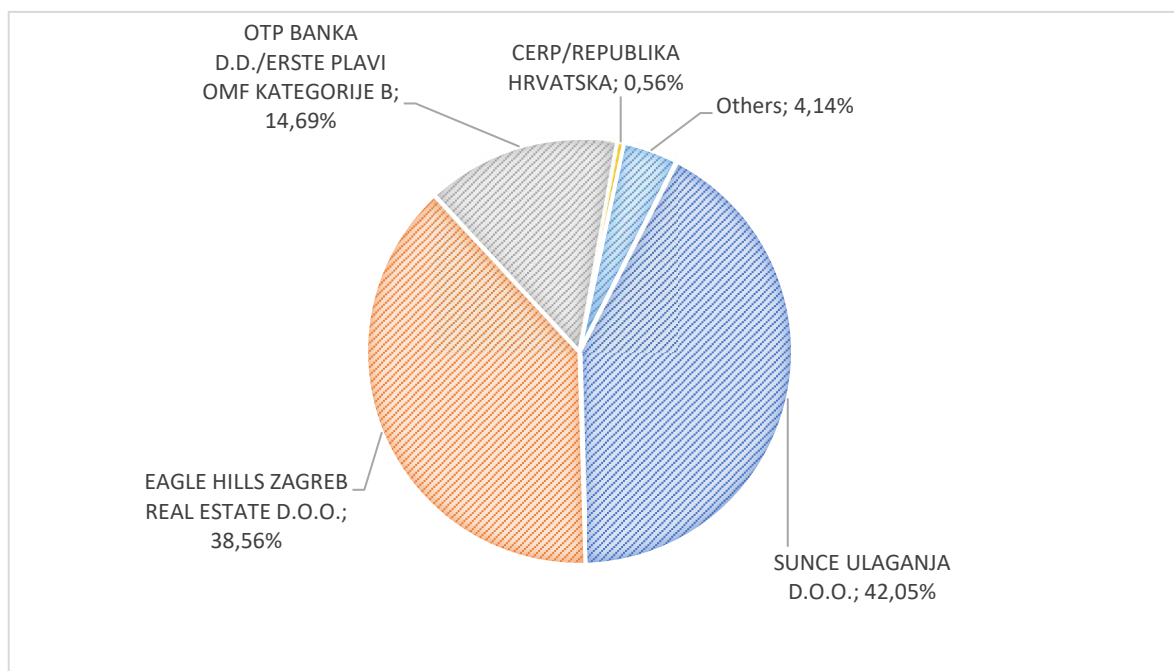
- Mohamed Ali Rashed Alabbar
- Ping Low
- Frederick William Howdon Durie
- Ratomir Ivičić

### **Audit Committee:**

- Ivan Augustin, President of the Audit Committee
- Ali Al Frayhat, Member of the Audit Committee
- Mohamed Bitar, Member of the Audit Committee

## 2. ORGANIZATIONAL AND SHAREHOLDER STRUCTURE

### Major Shareholders of the Company (31th of December 2021):



Source: Central Depository & Clearing Company Inc

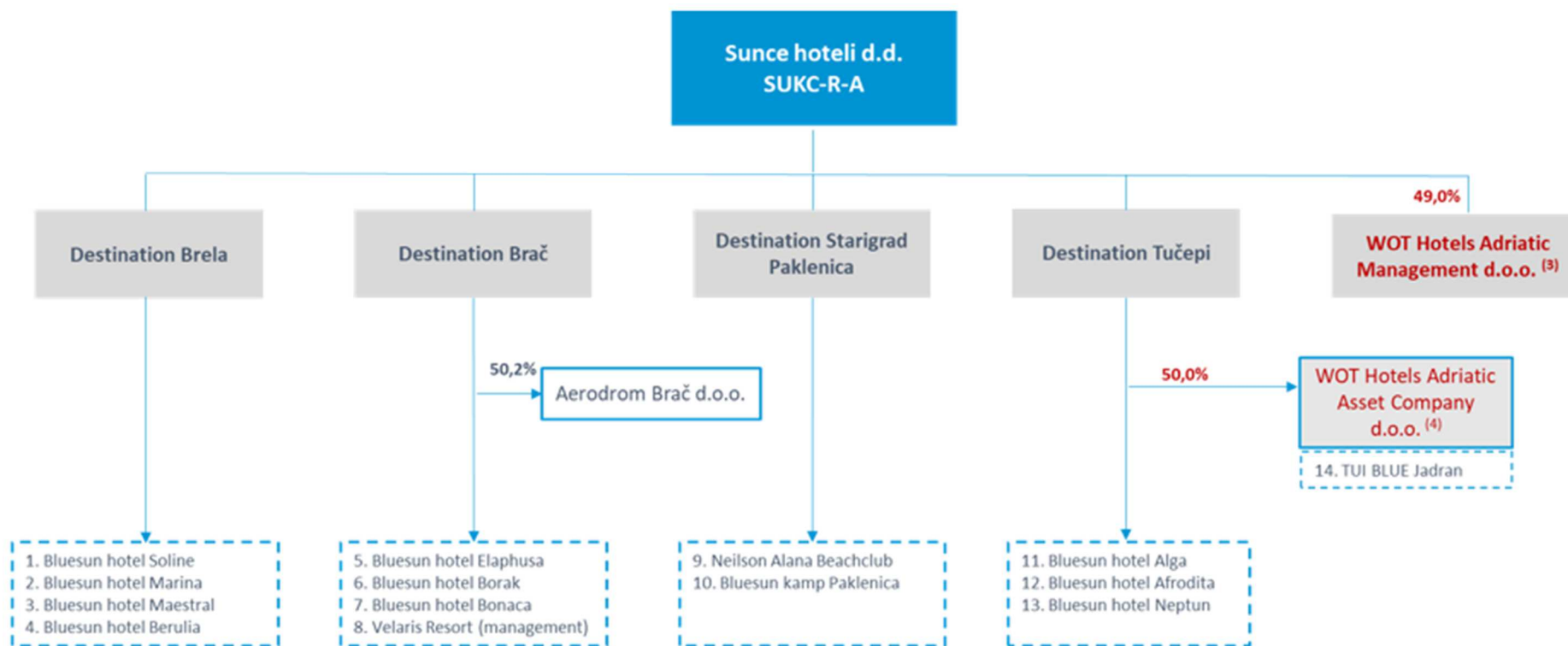
### The Company has following subsidiaries and other holdings:

Subsidiaries:	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 Jakiruća 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 Company<sup>1)</sup>:**





(1) Data on 31.12.2021; Sunce hoteli d.d. as a Group, has some additional members, but they are immaterial for Group's performance.

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

(3) Joint venture company with TUI AG. Company name until September 2018. Punta Zlatarac Tučepi d.o.o.

### 3. UNAUDITED BUSINESS RESULTS FOR THE YEAR ENDED 31 DECEMBER 2021

Key financial indicators - Sunce Hoteli d.d.				
<i>in thousands of HRK</i>				
<b>Financial performance</b>	<b>2021.</b>	<b>2020.</b>		<b>2021/2020</b>
Revenues	348.030	171.155	176.875	103,3%
Material expenses	98.870	60.238	38.632	64,1%
Staff expenses	121.170	86.097	35.074	40,7%
Other business expenses	52.455	22.552	29.902	132,6%
EBITDA <sup>1</sup>	75.535	2.268	73.267	3230,1%
EBITDA margin%	21,7%	1,3%		
Adjusted EBITDA	75.535	2.268	73.267	3230,1%
Adjusted EBITDA margin%	21,7%	1,3%		
EBIT	16.784	-60.903	77.686	-127,6%
Net profit / (loss)	105	-47.954	48.058	-100,2%
<b>Financial position</b>	<b>2021.</b>	<b>2020.</b>		<b>2021/2020</b>
Total assets	1.483.008	1.351.699	131.308	9,7%
Tangible assets	1.024.783	1.028.377	-3.594	-0,3%
Equity	993.240	759.303	233.937	30,8%
Nominal debt to financial institutions	424.216	513.418	-89.202	-17,4%
Net debt <sup>2</sup>	182.814	495.639	-312.825	-63,1%
<b>Ratios</b>	<b>2021.</b>	<b>2020.</b>		<b>2021/2020</b>
Equity / Total assets	67,0%	56,2%		19,2%
Debt / Equity	42,7%	67,6%		-36,8%

In 2021, the Company generated HRK 348,030 thousand (2020: HRK 171,155 thousand) of operating revenues, which is an increase of 103% compared to the same period last year. The company generated positive EBITDA in the amount of HRK 75,535 thousand (2020: HRK 2,268 thousand), which is a significant improvement compared to the same period last year. The main reason for the strong growth of EBITDA is the growth of operating revenues from the sale of accommodation services and non-board revenues.

The largest part of operating expenses consists of personnel costs in the amount of HRK 121,170 thousand, which is by HRK 35,074 thousand higher compared to the same period last year, while material costs amount to HRK 98,870 thousand and are higher by 64.1% compared to the comparable period. Higher activities and business revenues generated from the sale of accommodation services.

Total financial expenses amount to HRK 21,589 thousand, which is an increase of HRK 3,609 thousand compared to the comparable period when total financial expenses amounted to HRK 17,980 thousand.

Nominal debt to financial institutions amounted to HRK 424 million as at 31 December 2021, which represents a decrease of HRK 89 million to the comparable period (HRK 513 million). The decrease in nominal debt to financial institutions is a consequence of the payment of the loan installment on 30.04.2021. of the due debt of Podravska banka on 01.07.2021. in the amount of HRK 8.2 million, OTP long-term loan HRK 11.2 million and short-term loan HRK 3.8 million.

Net profit in the observed period amounted to HRK 104 thousand, while in the same period last year a loss of HRK 47,954 thousand was realized.

## **Significant business events during and after the reporting period**

The most significant business events:

### **1. Occurrence of the obligation to publish a takeover bid:**

- a. Sunce hoteli d.d., Radnička cesta 43, Zagreb, OIB: 06916431329 („Sunce“ or „Company“), hereby announces that Mr. Hrvoje Veselko on January 19, 2022., resigned as a Member of the Management Board of the Company. The resignation shall take effect from January 20, 2022.
- b. Sunce hoteli d.d., Radnička cesta 43, Zagreb, OIB: 06916431329 ("Company" or "Issuer"), hereby informs that an increase in Share Capital (through the issuance of New Shares) and amendments to the provisions of the Articles of Association have been entered in the Court Register of the Commercial Court in Zagreb, all based on the decision by the General Assembly of the Company dated December 20, 2021. Thus, the Issuer's share capital was increased from HRK 595,458,500.00 by HRK 119,021,700.00 to HRK 714,480,200.00 by issuing a total of 1,190,217 new ordinary shares of the Company in the name, in dematerialized form, of an individual nominal amount of HRK 100.00.
- c. Sunce hoteli d.d., Radnička cesta 43, Zagreb, OIB: 06916431329 ("Sunce" or the "Company"), informs that the Supervisory Board of the Company has approved investments for further improvement of quality and services in its hotels for 2022, amounting to approximately EUR 44,2 million. These investments confirm the intention of the majority shareholders in terms of developing the future business of the Company, through strengthening the market position by implementing new and developing existing capacities and services, as well as continuing investments in raising the quality of accommodation for its employees. Out of a total of EUR 44 million of investments, approximately EUR 29 million is planned to be raised through Capital increase by issuing new shares for the purpose of which the Extraordinary General Meeting of the Company is convened on 20 December 2021. The Company plans to raise the remaining funds by borrowing from Commercial banks, using the possibility of withdrawing funds for this purpose as agreed when refinancing the Company's financial liabilities from November 2, 2021.
- d. Sunce hoteli d.d., Radnička cesta 43, Zagreb, OIB: 06916431329 (“Sunce” or the “Company”), informs that on November 2, 2021, signed an agreement on refinancing the financial debt of the Company with representatives of Erste& Steiermärkische Bank d.d. and OTP Banka d.d., The total value of the transaction is EUR 71,5 million, with the largest part (EUR 56,5 million) related to the refinancing of the entire existing financial debt, while the rest relates to the financing of the Company's investments in raising the quality of its hotels for the 2022 season. With this arrangement, the Company has further improved the existing financing conditions while extending the maturity of its liabilities.
- e. Eagle Hills Zagreb Real Estate d.o.o, with its registered office in Zagreb, Hektorovićeve ulica 2, OIB: 63572346734 (the “Offeror”) entered into Share

Purchase Agreement dated March 23, 2021 with Mr. Jako Andabak with residing in Zagreb, Gornje Prekrižje 28, Republic of Croatia and other related parties ("Share Purchase Agreement"). Pursuant to the said contract, the Offeror, partly directly and partly indirectly, in terms of article 8 par. 3 of the Croatian Takeover Act ("ZPDD") acquired a total of 4,151,092 ordinary series A share of SUNCE HOTELI d.d., designation SUKC-R-A, ISIN: HRSUKCRA0001, with a nominal amount of HRK 100.00 per share, and which represent 69.71% of the share capital of the Target Company.

- f. Thus, the Offeror, partly directly and partly indirectly, acquired shares of the Target Company with voting rights that exceed the threshold of 25% of all shares with voting rights, resulting in obligation to publish a takeover bid, under article 9 par. 1 of ZPDD. Therefore, on the same day (March 22, 2021), the Offeror submitted a notification on the occurrence of requirement for publication of the mandatory takeover offer for the takeover of Sunce hoteli d.d. as a target company in terms of ZPDD.
- g. The main activities of the Offeror and Eagle Hills Group are real estate investments and real estate development with a focus on emerging markets throughout Europe, the Middle East and Africa. The Eagle Hills Group designs and develops mixed-use facilities including residential, commercial and catering facilities, shopping malls, retail and healthcare facilities.
- h. On 26 April 2021, the transaction in question was completed, when, among other things, the entire receivables from related parties were collected in the total amount of HRK 91.9 million. In addition, the sellers at the same time undertook to release the Company from all guarantees under the loans of related parties within 60 days from the completion of the transaction. Until the date of publication of this report, repayment was made by the seller, on the basis of which the Company was released from all guarantees on loans to related parties.
- i. On May 3, 2021, an extraordinary General Assembly was held at which the company received the resignations of members of the Supervisory Board, namely the President of the Supervisory Board Jake Andabak, Deputy Chairman of the Supervisory Board Sanja Gagulić, and members of the Supervisory Board Ružica Andabak and Ana Volk. A new Supervisory Board was elected with the following composition: Mr. Mohamed Ali Rashed Alabbar, Mr. Ping Low, Mr. Frederick William Howdon Durie, Mr. Mark Gordon Kirby, Mr. Ratomir Ivičić.
- j. On 17 June 2021, the Croatian Financial Services Supervisory Agency issued a decision CLASS: UP / I 976-02 / 21-02 / 02, REGISTRATION NUMBER: 326-01-60-62-21-9 approving the Bidder's publication of the bid for taking over the company Sunce hoteli d.d. Accordingly, the takeover bid was published on June 18, 2021 and is available via the following link: [COI-SUKC-eb82dc01df235e4b05c4378163b24f8a.pdf \(zse.hr\)](https://www.zse.hr/COI-SUKC-eb82dc01df235e4b05c4378163b24f8a.pdf)
- k. On August 2, 2021, a takeover report was published showing that 523 shareholders had accepted the takeover bid. Following the offer, the majority owner holds 4,763,225 ordinary Series A shares in Sunce hoteli d.d. which represents 79.99% of the share capital. The report is available via the following link: [COI-SUKC-7a0a20b0246291edbb8dbbd43af72015.pdf \(zse.hr\)](https://www.zse.hr/COI-SUKC-7a0a20b0246291edbb8dbbd43af72015.pdf)



## 2. COVID - 19 - impact on the Company's operations:

- a. **Employee safety** - During year 2021, as well as during the second half of 2020, employees returned to work from the office while ensuring safety conditions such as wearing protective masks in common areas, greater distance between employees in the same office, increased care for disinfection workspace, etc. The company has a flexible approach to the way of works, and measures have been taken to protect the safety of employees. In future periods, 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** - During 2020, the Management Board actively managed the salary policy in accordance with the expectations and development of the COVID-19 crisis, as well as by monitoring economic activity and the tourist summer 2020 season. In the period from April 1, 2020, the salary of all employees was initially reduced, including the Management Board, and from that period onwards the Management Board actively made new decisions on the amount of employee remuneration, taking into account primarily job preservation, taking into account short business activity during 2020 and a decline in revenue compared to 2019. Until 31 May 2021, the decision of the Management Board was in force, by which the Company's employees received a salary in the amount of 80% of the gross salary, and not less than HRK 4,000 net. As of June 1, 2021, all employees are working and have full salaries by the end of this year. In June 2021, the company made a decision and paid net bonuses of HRK 1,000 for all employees who worked for the company in July and August.
- c. **New liquidity** - Considering the transaction and collection of receivables from related parties in the amount of HRK 91.9 million in April this year and the solid tourist season, the company's liquidity situation is positive. Management does not consider new liquidity borrowings. The company has enough money for regular repayment of existing loans according to the current repayment plan. General Assembly of the Company dated December 20, 2021. made a decision to increase the share capital of the Company. The Issuer's share capital was increased from HRK 595,458,500.00 by HRK 119,021,700.00 to HRK 714,480,200.00 by issuing a total of 1,190,217 new ordinary shares of the Company in the name, in dematerialized form, of an individual nominal amount of HRK 100.00.
- d. **Aid for the preservation of jobs** - the Company used the measures of the Government of the Republic of Croatia related to aid for the preservation of jobs during 2020, and all aid was realized and collected. Furthermore, as a continuity of the use of aid from 2020, the Company received grants for the months of January, February, March, April, May, June 2021. The company additionally exercised its right during the 3rd quarter and collected full support for the month of July 2021.
- e. **Capital investments** - In the current year, the company has invested around HRK 7 million in assets to prepare for the 2021 season. Management is preparing a future investment plan for the existing portfolio for the coming periods. During the third quarter, significant financial resources were allocated for project preparation. The Supervisory Board of the Company has approved investments

for further improvement of quality and services in its hotels for 2022, amounting to approximately EUR 44,2 million. These investments confirm the intention of the majority shareholders in terms of developing the future business of the Company, through strengthening the market position by implementing new and developing existing capacities and services, as well as continuing investments in raising the quality of accommodation for its employees. Out of a total of EUR 44 million of investments, approximately EUR 29 million is planned to be raised through Capital increase by issuing new shares for the purpose of which the Extraordinary General Meeting of the Company is convened on 20 December 2021. The Company plans to raise the remaining funds by borrowing from Commercial banks, using the possibility of withdrawing funds for this purpose as agreed when refinancing the Company's financial liabilities from November 2, 2021.

3. **Changes in the Management Board of Sunce hoteli d.d.** - Mr. Hrvoje Veselko on January 19, 2022., resigned as a Member of the Management Board of the Company. Mr. Ivan Potkrajčić resigned on September 17, 2021 as a member of the Management Board. Additionally, at the meeting of the Supervisory Board on September 27, 2021, a decision was made to change the position of the President of the Management Board Mr. Hrvoje Veselko, residing at Šestinska cesta 52, Zagreb, by becoming a member of the Management Board, authorized to represent the Company together with the president of the board or another member of the board. The new President of the Management Board is Mr. Shaikh Mubarak Ali Abdulla Hamad Alkhalifa, residing in Villa 1791, Road 4648, Block 946, Awali, Bahrain, with the authority to represent the Association together with another member of the Management Board.
4. **Changes in the Supervisory Board of Sunce hoteli d.d.** - Mr. Mark Gordon Kirby resigned on July 19, 2021 as a member of the Supervisory Board.

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

Reporting period:

1.1.2021

to

31.12.2021

Year:

2021

Quarter:

4.

**Quarterly financial statements**

Registration number (MB):

01869647

Issuer's home  
Member State code:

HR

Entity's registration  
number (MBS):

080502040

Personal identification  
number (OIB):

06916431329

LEI:

7478000070X8LWJUBX45

Institution  
code:

5158

Name of the issuer: **Sunce Hoteli d.d.**

Postcode and town:

10000

Zagreb

Street and house number:

Radnička cesta 43

E-mail address:

racunovodstvo@bluesunhotels.com

Web address:

www.bluesunhotels.com

Number of employees  
(end of the reporting

621

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:

Josip Marić

(only name and surname of the contact person)

Telephone:

01/6442-240

E-mail address:

racunovodstvo@bluesunhotels.com

Audit firm:

Ernst &amp; Young d.o.o., Zagreb

(name of the audit firm)

Certified auditor:

Zvonimir Madunić

(name and surname)

**BALANCE SHEET**  
balance as at 31.12.2021

in HRK

Submitter: Sunce Hoteli d.d.

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>	1.284.004.662	1.204.209.829
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	20.903.602	18.377.494
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	511.724	747.148
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	1.476.181
6 Other intangible assets	009	20.391.878	16.154.165
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1.028.377.487	1.024.783.129
1 Land	011	115.369.141	115.369.141
2 Buildings	012	818.841.098	785.791.228
3 Plant and equipment	013	72.552.999	78.484.206
4 Tools, working inventory and transportation assets	014	1.681.152	453.098
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	19.588.025	44.490.797
8 Other tangible assets	018	345.072	194.659
9 Investment property	019	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	178.192.642	96.553.433
1 Investments in holdings (shares) of undertakings within the group	021	101.918.907	96.443.433
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	76.141.735	0
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	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	132.000	110.000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	11.368.502	20.699
1 Receivables from undertakings within the group	032	11.308.524	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	59.978	20.699
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	45.162.429	64.475.074
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	55.878.600	265.257.640
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	3.873.097	3.284.957
1 Raw materials and consumables	039	3.734.527	3.166.454
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	138.570	118.503
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	31.808.313	17.632.804
1 Receivables from undertakings within the group	047	5.061.752	87.095
2 Receivables from companies linked by virtue of participating interests	048	3.130.882	3.687.199
3 Customer receivables	049	5.183.713	3.444.342
4 Receivables from employees and members of the undertaking	050	35.684	15.291
5 Receivables from government and other institutions	051	4.579.129	9.483.161
6 Other receivables	052	13.817.153	915.716
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	2.418.208	2.938.208
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	2.938.208
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	2.418.208	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	17.778.982	241.401.671
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	11.815.868	13.540.145
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	1.351.699.130	1.483.007.614
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0

<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>759.303.041</b>	<b>993.240.227</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	595.458.500	714.480.200
II CAPITAL RESERVES	069	112.157.388	212.135.616
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	106.983.140	106.983.140
1 Legal reserves	071	122.671	122.671
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	106.860.469	106.860.469
IV REVALUATION RESERVES	076	183.280	183.280
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	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-7.525.506	-40.646.617
1 Retained profit	082	0	0
2 Loss brought forward	083	7.525.506	40.646.617
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-47.953.761	104.608
1 Profit for the business year	085	0	104.608
2 Loss for the business year	086	47.953.761	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>1.615.004</b>	<b>1.315.575</b>
1 Provisions for pensions, termination benefits and similar obligations	089	1.378.572	1.315.575
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	236.432	0
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>446.883.941</b>	<b>397.680.733</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	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	427.006.298	380.304.158
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	18.630.531	16.129.463
11 Deferred tax liability	106	1.247.112	1.247.112
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>143.897.144</b>	<b>84.431.165</b>
1 Liabilities to undertakings within the group	108	1.852.417	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating	110	1.267.225	112.670
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	86.411.727	43.911.817
7 Liabilities for advance payments	114	10.656.607	4.477.747
8 Liabilities to suppliers	115	23.142.570	27.171.477
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	4.415.799	6.266.596
11 Taxes, contributions and similar liabilities	118	3.389.315	2.120.316
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	12.761.484	370.542
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>0</b>	<b>6.339.914</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1.351.699.130</b>	<b>1.483.007.614</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021. to 31.12.2021.

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>171.155.124</b>	<b>12.586.135</b>	<b>348.030.460</b>	<b>18.381.126</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	133.788.060	1.388.393	315.581.331	15.377.827
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	37.367.064	11.197.742	32.449.129	3.003.299
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>232.057.698</b>	<b>45.752.600</b>	<b>331.246.884</b>	<b>72.224.993</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	60.237.992	7.373.320	98.870.347	14.506.991
a) Costs of raw materials and consumables	134	28.727.377	1.744.436	52.953.591	5.747.670
b) Costs of goods sold	135	351.146	30.536	707.342	21.199
c) Other external costs	136	31.159.469	5.598.348	45.209.414	8.738.122
3 Staff costs (ADP 138 to 140)	137	86.096.779	13.418.036	121.170.304	24.537.398
a) Net salaries and wages	138	56.866.976	7.219.388	84.880.719	15.440.715
b) Tax and contributions from salary costs	139	18.999.372	4.029.121	23.588.230	5.912.844
c) Contributions on salaries	140	10.230.431	2.169.527	12.701.355	3.183.839
4 Depreciation	141	63.170.813	15.936.623	58.751.659	14.342.857
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar	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	22.552.114	9.024.621	52.454.574	18.837.747
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>3.557.828</b>	<b>1.764.556</b>	<b>4.386.852</b>	<b>647.119</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	3.557.828	880.331	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	1.147.189	4.565
7 Other interest income	161	0	0	0	0
8 Exchange rate differences and other financial income	162	0	884.225	2.372.880	642.554
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	866.783	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>17.980.066</b>	<b>5.425.522</b>	<b>21.588.848</b>	<b>11.684.637</b>
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	11.205.983	4.759.641	11.523.793	2.267.201
4 Exchange rate differences and other expenses	169	6.774.083	665.881	1.190.454	1.024.070
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	8.874.601	8.393.366
<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>523.028</b>	<b>523.028</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>4.896.515</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>174.712.952</b>	<b>14.350.691</b>	<b>352.940.340</b>	<b>19.551.273</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>254.934.279</b>	<b>51.178.122</b>	<b>352.835.732</b>	<b>83.909.630</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>-80.221.327</b>	<b>-36.827.431</b>	<b>104.608</b>	<b>-64.358.357</b>
1 Pre-tax profit (ADP 177-178)	180	0	0	104.608	0
2 Pre-tax loss (ADP 178-177)	181	-80.221.327	-36.827.431	0	-64.358.357
<b>XII INCOME TAX</b>	<b>182</b>	<b>-32.267.566</b>	<b>-32.267.566</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>-47.953.761</b>	<b>-4.559.865</b>	<b>104.608</b>	<b>-64.358.357</b>
1 Profit for the period (ADP 179-182)	184	0	0	104.608	0
2 Loss for the period (ADP 182-179)	185	-47.953.761	-4.559.865	0	-64.358.357

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021. to 31.12.2021.

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	-80.221.327	104.608
2 Adjustments (ADP 003 to 010):	002	91.319.447	75.032.971
a) Depreciation	003	63.170.813	58.751.659
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	4.896.515	0
d) Interest and dividend income	006	-3.557.828	-1.134.072
e) Interest expenses	007	11.205.983	11.523.793
f) Provisions	008	0	-20.827
g) Exchange rate differences (unrealised)	009	5.566.578	-1.010.432
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	10.037.386	6.922.850
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>11.098.120</b>	<b>75.137.579</b>
3 Changes in the working capital (ADP 013 to 016)	012	-29.139.477	922.744
a) Increase or decrease in short-term liabilities	013	-8.210.811	-7.456.706
b) Increase or decrease in short-term receivables	014	-1.789.488	7.791.436
c) Increase or decrease in inventories	015	50.170	588.014
d) Other increase or decrease in working capital	016	-19.189.348	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-18.041.357</b>	<b>76.060.323</b>
4 Interest paid	018	0	-20.802.168
5 Income tax paid	019	-411.697	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-18.453.054</b>	<b>55.258.155</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	2.435.717
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	12.923.871
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	78.449.945
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>0</b>	<b>93.809.533</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-9.808.753	-60.544.922
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>-9.808.753</b>	<b>-60.544.922</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-9.808.753</b>	<b>33.264.611</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	218.999.928
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	45.887.067	388.764.583
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>45.887.067</b>	<b>607.764.511</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	-465.579.957
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-58.894	-77.899
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	-7.006.732
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-58.894</b>	<b>-472.664.588</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>45.828.173</b>	<b>135.099.923</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>17.566.366</b>	<b>223.622.689</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>212.616</b>	<b>17.778.982</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>17.778.982</b>	<b>241.401.671</b>

STATEMENT OF CHANGES IN EQUITY																		
for the period from 1.1.2020 to 31.12.2021																	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)	
<b>Previous period</b>																		
1 Balance on the first day of the previous business year	01	539.385.000	67.836.894	122.671	0	0	0	0	0	0	0	0	0	-7.525.506	599.819.059	0	599.819.059	
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	67.836.894	122.671	0	0	0	0	0	0	0	0	0	-7.525.506	599.819.059	0	599.819.059	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	-47.953.761	-47.953.761	0	-47.953.761	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	106.860.469	183.280	0	0	0	0	0	107.043.749	0	107.043.749	
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	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	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	-7.525.506	7.525.506	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	595.458.500	112.157.388	122.671	0	0	0	106.860.469	183.280	0	0	0	-7.525.506	-47.953.761	759.303.041	0	759.303.041	
<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	0	0	0	0	106.860.469	183.280	0	0	0	0	0	107.043.749	0	107.043.749	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	106.860.469	183.280	0	0	0	0	-47.953.761	59.089.988	0	59.089.988	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	56.073.500	44.320.494	0	0	0	0	0	0	0	0	0	-7.525.506	7.525.506	100.393.994	0	100.393.994	



Current period																	
1 Balance on the first day of the current business year	27	595,458,500	112,157,388	122,671	0	0	0	106,860,469	183,280	0	0	0	-7,525,506	-7,525,506	799,731,296	0	799,731,296
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	595,458,500	112,157,388	122,671	0	0	0	106,860,469	183,280	0	0	0	-7,525,506	-7,525,506	799,731,296	0	799,731,296
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	104,608	104,608	0	104,608
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	-33,121,111	7,525,506	-25,595,605	0	-25,595,605
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	119,021,700	99,978,228	0	0	0	0	0	0	0	0	0	0	0	218,999,928	0	218,999,928
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	714,480,200	212,135,616	122,671	0	0	0	106,860,469	183,280	0	0	0	-40,646,617	104,608	993,240,227	0	993,240,227
<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	0	0	0	0	0	0	0	0	0	-33,121,111	7,525,506	-25,595,605	0	-25,595,605
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31-50)	51	0	0	0	0	0	0	0	0	0	0	0	-33,121,111	7,630,114	-25,490,997	0	-25,490,997
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	119,021,700	99,978,228	0	0	0	0	0	0	0	0	0	0	0	218,999,928	0	218,999,928

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 and annual 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.

The 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 Management Board

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Shaikh Mubarak Ali Abdulla Hamad Alkhalifa