



SUNCE HOTELI d.d.

Trpinjska 9
10000 Zagreb, Croatia

SUNCE HOTELI d.d.

Financial Results

for the period January - December 2019

(consolidated, unaudited)

Zagreb, 28th February 2020

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1. GENERAL INFORMATION

Name

The Company name is SUNCE HOTELI d.d. za turizam i ugostiteljstvo, 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 31st of December 2019 amounts to HRK 539.385.000,00 and is divided into 5.393.850 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.

Members of Management Board:

- Tonči Boras, President of the Management Board
- Kristijan Gagulić, Member of the Management Board
- Ivan Potkrajčić, Member of the Management Board

Supervisory Board:

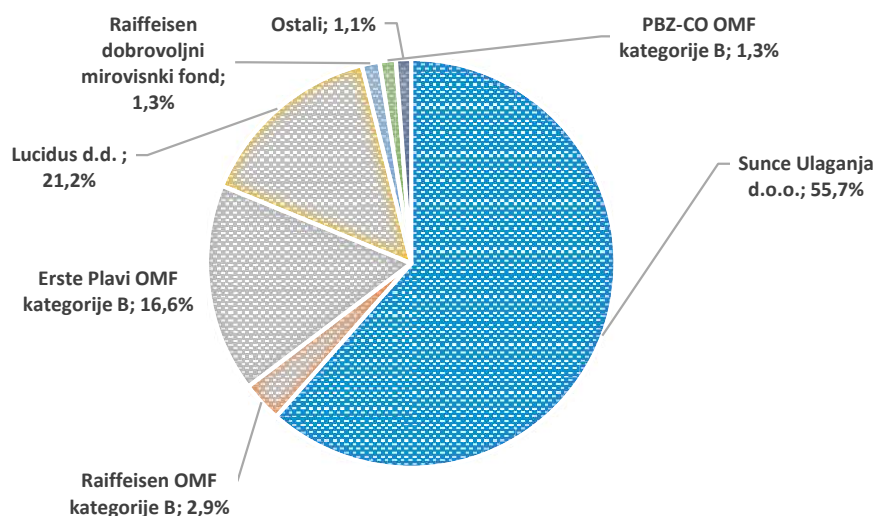
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratimir Ivičić, Member of the Supervisory Board

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 (31st of December 2019):



Source: Central Depository & Clearing Company Inc

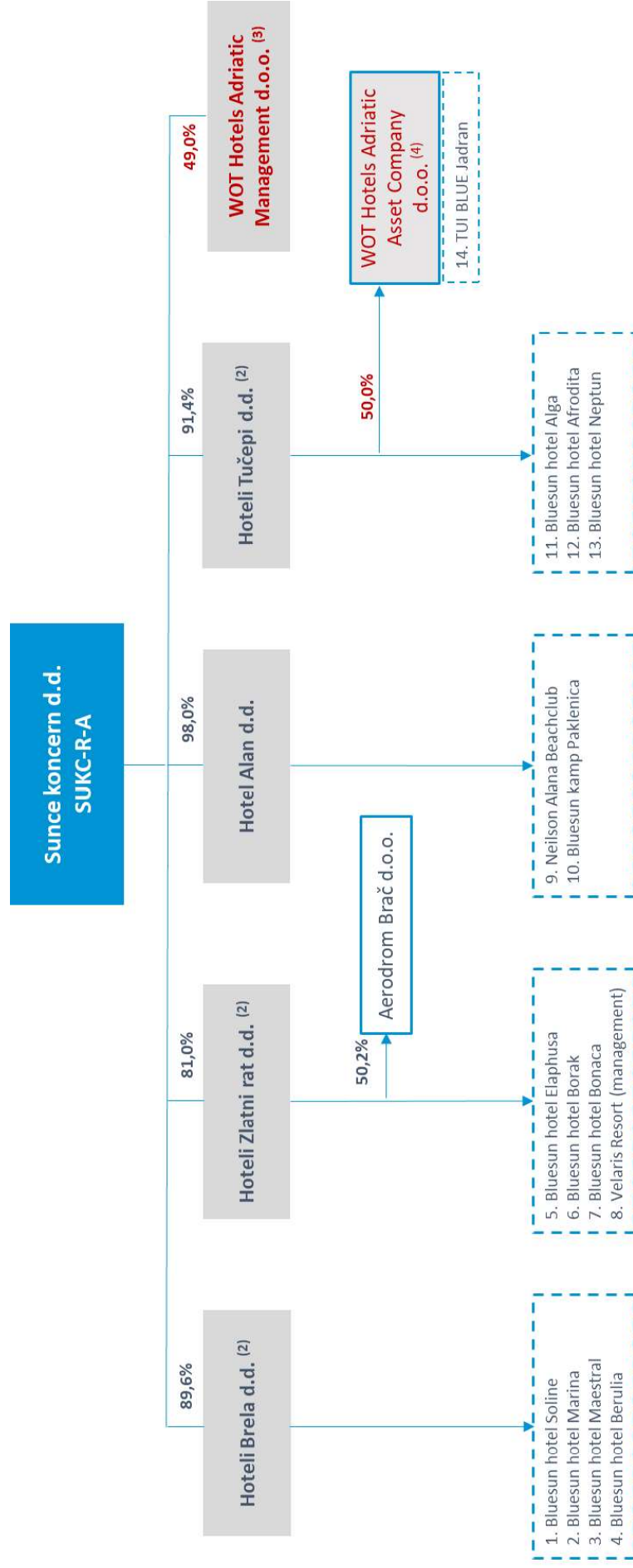
Subsidiaries included in the Group and other holdings:

Members of the Group:	HQ:	Business:	Ownership:
Sunce Konzern d.d.	Zagreb	Parent company	-
Hoteli Zlatni Rat d.d.	Bol	Hotels	80,99%
Hoteli Brela d.d.	Brela	Hotels	89,58%
Hoteli Tučepi d.d.	Tučepi	Hotels	91,41%
Hotel Alan d.d.	Starigrad	Hotels	97,96%
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	80,99%
Zlatni rat Servisi d.o.o.*	Bol	Maintenance	80,99%
Zlatni rat Tenis centar d.o.o.*	Bol	Tennis operator	80,99%
Plaža Zlatni Rat d.o.o.*	Bol	Beach operator	80,99%
Eko - promet d.o.o.*	Bol	Transport	38,28%
Brač 500 Plus d.o.o.	Bol	Cable management	56,24%
Brela Jakiruša d.o.o.	Brela	Preparation of food and beverages	89,58%
Društvo:**	Mjesto:	Priroda poslovanja:	Vlasništvo:
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 (1):



(1) Data as of 31.12.2019; Sunce koncern d.d. as a Group has some additional members, but they are immaterial for the Group's performance.

(2) Companies that are also listed on the regulated market of Zagreb Stock Exchange, together with the parent company Sunce koncern d.d.

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

(4) Joint Venture Company with TUI AG.

3. UNAUDITED BUSINESS RESULTS FOR THE YEAR 2019

Key Financial Indicators - Sunce Koncern d.d.				
HRK ths				
Financial performance	2019	2018	△	2019/2018
Revenues	446.945	425.240	21.705	5,1%
Operating expenses	128.973	129.889	-916	-0,7%
Employee expenses	148.096	148.404	-308	-0,2%
Other operating expenses	60.774	41.869	18.905	45,2%
EBITDA ¹	109.102	105.077	4.025	3,8%
EBITDA margin %	24,4%	24,7%	-10 bp	
Adjusted EBITDA	128.066	113.177	14.889	13,2%
Adjusted EBITDA margin %	86,5%	76,3%	-10 bp	
EBIT	43.849	49.974	-6.125	-12,3%
Net result	34.161	32.612	1.549	4,7%
Financijski positiom	31.12.2019	31.12.2018	△	2019/2018
Total assets	1.382.206	1.387.683	-5.477	-0,4%
Tangible assets	1.140.220	1.109.620	30.600	2,8%
Equity	833.647	799.598	34.049	4,3%
Total debt	451.918	503.957	-52.038	-10,3%
Net debt ²	442.304	458.877	-16.574	-3,6%
Ratios				
Equity / Total assets	60,3%	57,6%	-610 bp	
Debt / Equity	54,2%	63,0%	160 bp	

1) EBITDA (eng. earnings before interest, taxes, depreciation and amortization) is calculated according to the formula: operating income - operating expenses + depreciation + value adjustments

2) Net debt: long-term and short-term liabilities to banks and other financial institutions + liabilities for loans, deposits and similar - cash in the bank - long-term and short-term securities investments - short-term loans, deposits, etc.

KPIs				
	2019	2018	△	2019/2018
Number of accommodation units	3.002	2.976	26	1%
Number of units sold	426.652	411.228	15.424	4%
Overnights	935.091	878.137	56.954	6%
Occupancy (operating days)	74,3%	80,7%	-2.350 bp	
ADR ³ (HRK)	839,7	831,8	7,9	1%
RevPAR ⁴ (HRK)	435,2	483,8	-48,6	-10%

3) ADR (eng. Average Daily Rate) represents cumulative hotel room revenue (accommodation and F&B board revenue) divided by total number of room nights sold for a given period

4) RevPAR (eng. Revenue per available room) is calculated by dividing hotel room revenue (without F&B revenue) by total number of room nights available to guests for a given period

Before commenting on the business results for the business year 2019, it is important to note that they are not fully comparable to the same period of the previous year for the following reasons:

- 1) **Exposure to the Thomas Cook Group** - The Group sells part of its accommodations through allotment agreements with various global tour operators and, inter alia,

individual members of the Thomas Cook Group that opened bankruptcy proceedings in their home countries at the end of September 2019. Total one-off cost related to claims against the Thomas Cook Group members amounted to HRK 20.4 million, which further breakdown is as follows: (i) 90% write-off of receivables which amounted HRK 17.5 million, or HRK 15.7 million, (ii) the lost from guarantees amounted to HRK 4.4 million. Given that this is a one-off write-off of receivables, we refer to the adjusted EBITDA indicator so that the operating result for the current year can be compared with the previous year. We consider the loss of the Thomas Cook Group as one of our allotment partners to a large extent as one-off impact on the current season, given the Group's greater orientation to its own sales, which recorded significant growth this year. Additional reasons are the following:

- Thomas Cook's default happened early enough in 2019 that sales can be adequately prepared for 2020 season;
- The realized prices under the respective contracts with Thomas Cook are on average lower than those realized by our own sales and/or OTA in the same hotels;
- 3 hotels accounting for 80% of the exposure to the Thomas Cook Group (Berulia, Soline and Neptune) have been recently refurbished (especially Berulia and Soline) and have recorded above-average results in the Group's own sales growth during 2019;
- Berulia, Neptune and Soline are our best rated hotels with a high level of customer satisfaction and rating;
- A long-term contract with Thomas Cook at the Neptune Hotel expires at the end of the 2019, and the 2020 season is already planned without Thomas Cook as a partner.

2) Net extraordinary income from asset swap – Hoteli Tučepi d.d. recorded a net extraordinary income of HRK 1.1 million due to asset swap and asset write off in 2019.

Overview of the one-off impact on the Group's business results:

ONE-OFF IMPACT ON BUESINSS RESULTS	AMOUNT HRK	DESCRIPTION
ONE-OFF IMPACT ON CONSOLIDATED AND UNAUDITED INCOME AND LOSS ACCOUNT FOR 2019		
THOMAS COOK BANKRUPTCY	20.067.357	The total one-off cost related to the bankruptcy of Thomas Cook Group is HRK 20.1 million. The cost can be further divided as follows: (1) Total receivables due from Thomas Cook Group amounted to HRK 17.5 million and a write-off of receivables of 90% was applied which resulted in the recognition of a loss of HRK 15.7 million. (2) The lost from guarantees amounted to HRK 4.4 million and for the same amount Group's revenue and EBITDA are lower.
NET EXTRAORDINARY INCOME FROM LAND ASSET SWAP	-1.103.051	Net extraordinary income of HRK 1.1 million was recorded in 2019 due to land asset swap.
UKUPNO	18.964.306	

- 3) Consolidation of Hotel Alan d.d.** - the current reporting period relating to the year 2019 also includes the financial results of Hotel Alan d.d., while in the previous comparable period the consolidation of the results of Hotel Alan d.d. begins as of 1st of August, 2018.
- 4) New investments - CAPEX** - The Group realized two investments for the 2019 season, which resulted in an increase in the number of accommodation units compared to the same period last year.

The number of accommodation units increased from 2,976 by 26 to 3,002. Investments are related to:

- **Hotel Soline (Hoteli Brela d.d.):**
 - Description: Renovation of common areas: part of basement, ground floor and first floor. The existing cafe bar was not changed during the basement renovation, while the souvenir shop and the gallery were converted into a wine cellar. During the interventions in the basement of the hotel, the existing restaurant and kitchen have been renovated and an a la carte restaurant stands out in its southern part;
 - Number of new rooms: 2 new apartments;
 - Total investment value: HRK 27 million;
 - Categorization: after completion of the investment the hotel is categorized with 4* compared to 3* before the investment;
 - Opening: April 28, 2019.
- **Hotel Alga (Hoteli Tučepi d.d.):**
 - Description: The second phase of the Alga Hotel renovation by remodelling the remaining 156 accommodation units to bring additional freshness and adapt the design to the requirements of the guests;
 - Number of new rooms: 24 new rooms;
 - Total investment value: HRK 20 million;
 - Categorization: categorization remains unchanged, i.e. 4*;
 - Opening: March 31, 2019.

5) IFRS 16 - Leases - The Group has adopted a new reporting standard as of January 1, 2019. The effect of this standard is lower rental costs by HRK 8.7 million and at the same time higher depreciation expense by HRK 7.5 million and higher interest expense by HRK 1.2 million in 2019 when compared to 2018 year.

Consequently, the Group generated HRK 446.9 million (2018: HRK 425.2 million) of operating revenues in 2019, an increase of 5.1% compared to the same period last year. The major contributor to revenue growth is the consolidation of Hotel Alan d.d. entering into the financial results of the entire current reporting period.

The Group also achieved an EBITDA result of HRK 109.1 million (2018: HRK 105.0 million), an increase of 3.8% compared to the same period last year. **However, adjusted EBITDA for the one-off write-off of receivables related to the Thomas Cook Group in the amount of HRK 20.1 million and extraordinary income from the asset swap of HRK 1.1 million is HRK 128.1 million, an increase of 14.9 million compared to the same reporting period of the previous year.** Additionally, if the Adjusted EBITDA indicator is compared on a comparable basis in 2019 versus the same period of the previous year, then the Adjusted EBITDA growth would be HRK 7.4 million as a result of the adoption of the new IFRS 16 reporting standard as of 1st of January, 2019 which results in higher depreciation expense by HRK 7.5 million and higher interest expense by HRK 1.2 million and a lower rental cost of HRK 8.7 million.

There has been a **decline in occupancy** from 80.7% in 2018 to 74.3% in 2019. There are two reasons for the decline in occupancy: **(i)** calculation for 2018 assumes period from 1st of August (start of consolidation) until 31st December 2018 while calculation for 2019 includes the whole year. Hotel Alan d.d. in addition to the hotel has also a campsite which has lower occupancy rate than hotel facilities. Consequently, excluding the data for Hotel Alan d.d. in 2018 and 2019 to get comparable data, then the occupancy rate was 79% in 2019 compared to 82% in 2018. **(ii)** The second reason for the fall in occupancy can be explained by the bad weather in May 2019 resulting in fewer rooms sold and consequently occupancy. Specifically, in May 2019, there were 19% fewer occupied rooms compared to May 2018. Therefore, despite the higher **average daily rate (ADR)**, **RevPAR** saw a decrease of 10.1% yoy, i.e. from HRK 483.8 in 2018 to HRK 435.2 in 2019.

The largest part of **operating expenses** are staff expenses in the amount of HRK 148.1 million and material expenses in the amount of HRK 128.9 million. In 2019, the Group put emphasize on cost efficiency, thus employee costs were by approximately HRK 300 thousand, and consequently the share of employee costs dropped from 34.9% in 2018 to 33.1% last year, while material costs decreased in absolute terms by approximately HRK 1.0 million in the same period, and their share decreased from 30.5% in 2018 to 28.8% in the current reporting period for 2019.

Financial revenues in 2019 amounted to HRK 7.6 million, which is a decrease of 50.9% compared to the same period of the previous year, primarily due to lower appreciation of the exchange rate, while at the same time, as a result of refinancing of the Group's total financial debt, **financial expenses** decreased by 44.5 %, i.e. from HRK 30.1 million in 2018 to HRK 16.7 million in the current reporting period.

The group made a **net profit** of HRK 34.1 million in 2019.

Significant business events in last quarter of 2019

Merger process completed

After the successful merger of Sunce Global d.o.o. and consolidation of Hotel Alan d.d., the parent company Sunce Koncern d.d. continues to carry out the process of increasing the efficiency of the Group, first of all by simplifying and optimizing the organizational structure. Therefore, in accordance with the previously announced decision of the General Assembly held on June 28, 2019 **to increase the share capital of Sunce Koncern d.d. and the issue of new shares for the purpose of merger of the companies Hotel Alan d.d., Hotels Tučepi d.d., Zlatni rat Hotels d.d. and Hotels Brela d.d.** on December 31, 2019 the Merger was registered with the Court Register of the Commercial Court of Zagreb and at the same time the company was renamed from Sunce koncern d.d. to Sunce hoteli d.d. The new shares were transferred to minority shareholders of the Acquired Companies in exchange for the shares they held in the Acquired Companies according to the Share exchange ratio and rules set out in the related Merger Agreement. As a result of the Corporate Merger action, the Company increased the percentage of free-float and the number of individual shareholders, which combined should have a positive effect on the liquidity of the Company's shares. As of February 28, 2020, the percentage of free-float in accordance with the Zagreb Stock Exchange Rules is 30,32%, while around 2,200 individual shareholders of the Company were registered in the Central Depository & Clearing Company system.

Project "Development of Airport Brač" entered the List of Strategic Projects

Although the focus in 2019 was on enhancing the Group's efficiency by simplifying and optimizing its organizational structure, the Company finished investments in Hotel Soline and Hotel Alga, a continuation of the three-year CAPEX cycle that began in 2017 with investments in TUI Blue Hotel Adriatic and Bluesun Hotel Berulia, and in 2018 continued with an increase in the portfolio and accommodation capacity through the acquisition of Hotel Alan dd and the lease of the VELARIS Resort.

The Company is still considering the opportunities for growth and development, and in accordance with the long-term goals of the Company, is preparing project-technical documentation for the development of Brač Airport. **The Brač Airport Development Project includes (i)** the extension and widening of the runway from the current 1,760x30 meters to 2,400x45 meters, **(ii)** the reconstruction of the existing passenger terminal to allow for the smooth movement of an increased number of passengers and to provide a higher level of service quality, **(iii)** modernization of the airport through the procurement of technical equipment and security systems and other necessary equipment.

For the purpose of better coordination and faster preparation of the project and technical documentation, all in accordance with the Law on Strategic Investment Projects of the Republic

of Croatia, the subsidiary Aerodrom Brac d.o.o. initiated the application process of the project "Development of Brac Airport" to the **Ministry of Economy, Entrepreneurship and Crafts**, which after a positive administrative review submitted a request for consideration and evaluation to the Committee for Evaluation and Determination of Proposals for Strategic Projects established by the Government of the Republic of Croatia. On **December 12, 2019**, at the meeting of the Committee for Evaluation and Determination of Proposals for Strategic Projects, it was unanimously decided to include the project "Development of Brac Airport" on the **List of Strategic Projects**. The technical documentation is being prepared and a final investment decision will be made subsequently.

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)

BALANCE SHEET
balance as at 31.12.2019

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.251.799.856	1.293.675.514
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.027.702	738.667
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	948.872	688.368
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	23.875	0
6 Other intangible assets	009	54.955	50.299
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.109.619.748	1.140.219.756
1 Land	011	111.620.873	115.408.292
2 Buildings	012	872.374.732	881.610.993
3 Plant and equipment	013	91.072.982	89.670.086
4 Tools, working inventory and transportation assets	014	3.454.719	3.270.929
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	30.793.623	21.412.663
8 Other tangible assets	018	302.819	28.846.793
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	133.203.116	145.090.447
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	101.478.666	100.931.394
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	31.714.650	44.149.253
9 Other investments accounted for using the equity method	029	9.800	9.800
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	2.422.715	2.100.069
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	2.422.715	2.100.069
V DEFERRED TAX ASSETS	036	5.526.575	5.526.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	135.882.912	83.169.304
I INVENTORIES (ADP 039 to 045)	038	3.734.536	4.048.455
1 Raw materials and consumables	039	3.349.944	3.755.284
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	185.350	251.558
5 Advances for inventories	043	199.242	41.613
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	42.623.449	37.467.688
1 Receivables from undertakings within the group	047	9.174.606	13.456.172
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	20.802.863	13.070.268
4 Receivables from employees and members of the undertaking	050	45.287	31.725
5 Receivables from government and other institutions	051	4.807.159	9.874.978
6 Other receivables	052	7.793.534	1.034.545
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	44.445.417	32.038.333
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	44.427.084	32.035.000
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	18.333	3.333
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	45.079.510	9.614.828
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	5.360.959
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.387.682.768	1.382.205.777
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	799.597.910	833.647.262
I INITIAL (SUBSCRIBED) CAPITAL	068	539.385.000	539.385.000
II CAPITAL RESERVES	069	83.266.272	67.836.894
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	7.247.507	7.247.507
1 Legal reserves	071	655.925	655.925
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	6.591.582	6.591.582
IV REVALUATION RESERVES	076	3.056.059	3.056.059
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	55.819.891	97.297.143
1 Retained profit	082	55.819.891	97.297.143
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	26.176.205	29.448.688
1 Profit for the business year	085	26.176.205	29.448.688
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	84.646.976	89.375.971
B) PROVISIONS (ADP 089 to 094)	088	2.002.566	2.048.977
1 Provisions for pensions, termination benefits and similar obligations	089	1.396.152	1.442.563
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	606.414	606.414
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	453.680.969	429.857.954
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	449.257.211	396.134.603
7 Liabilities for advance payments	102	3.345.717	3.345.717
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	29.299.592
11 Deferred tax liability	106	1.078.041	1.078.042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	132.401.323	116.651.584
1 Liabilities to undertakings within the group	108	2.932.534	2.261.433
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating	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	54.699.699	55.783.840
7 Liabilities for advance payments	114	2.266.207	4.237.854
8 Liabilities to suppliers	115	38.488.382	25.854.995
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	6.627.120	6.648.983
11 Taxes, contributions and similar liabilities	118	7.837.393	4.340.680
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	19.549.988	17.523.799
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.387.682.768	1.382.205.777
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019. to 31.12.2019.

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	425.240.115	27.964.682	446.945.230	33.215.341
1 Income from sales with undertakings within the group	126	415.179.516	21.997.245	432.004.109	27.864.627
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	10.060.599	5.967.437	14.941.121	5.350.714
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	375.266.611	80.674.356	403.096.595	74.238.699
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	129.889.401	19.003.295	128.972.961	13.061.083
a) Costs of raw materials and consumables	134	71.150.184	7.434.554	74.595.163	8.072.228
b) Costs of goods sold	135	1.477.919	224.492	1.490.135	517.208
c) Other external costs	136	57.261.298	11.344.249	52.887.663	4.471.647
3 Staff costs (ADP 138 to 140)	137	148.404.220	33.211.003	148.095.938	30.261.618
a) Net salaries and wages	138	99.663.502	21.802.474	101.586.667	19.596.607
b) Tax and contributions from salary costs	139	30.840.805	7.415.544	28.835.748	6.612.307
c) Contributions on salaries	140	17.899.913	3.992.985	17.673.523	4.052.704
4 Depreciation	141	55.103.929	19.217.471	65.253.315	23.815.107
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	15.455.832	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	15.455.832	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	41.869.061	9.242.587	45.318.549	7.100.891
III FINANCIAL INCOME (ADP 155 to 164)	154	15.562.162	2.645.255	7.633.907	1.798.072
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	5.601.125	2.155.977	3.453.408	938.446
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	0	0	0	0
8 Exchange rate differences and other financial income	162	9.961.037	489.278	4.180.499	859.626
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	30.184.201	9.938.185	16.774.394	8.236.375
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	22.110	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	17.816.688	6.162.336	11.068.722	4.131.478
4 Exchange rate differences and other expenses	169	5.826.741		5.082.980	3.002.643
5 Unrealised losses (expenses) from financial assets	170	0		0	0
6 Value adjustments of financial assets (net)	171	0		0	0
7 Other financial expenses	172	6.540.772	3.775.849	600.582	1.102.254
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	80.000	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	2.738.980	0	627.000	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	440.802.277	30.609.937	454.659.137	35.013.413
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	408.189.792	90.612.541	420.497.989	82.475.074
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	32.612.485	-60.002.604	34.161.148	-47.461.661
1 Pre-tax profit (ADP 177-178)	180	32.612.485	0	34.161.148	0
2 Pre-tax loss (ADP 178-177)	181	0	-60.002.604	0	-47.461.661
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	32.612.485	-60.002.604	34.161.148	-47.461.661
1 Profit for the period (ADP 179-182)	184	32.612.485	0	34.161.148	0
2 Loss for the period (ADP 182-179)	185	0	-60.002.604	0	-47.461.661

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 31.12.2019.

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	32.612.485	34.161.148
2 Adjustments (ADP 003 to 010):	002	66.663.664	76.562.275
a) Depreciation	003	55.103.929	65.253.315
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	1.353.279	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	1.403.010	0
d) Interest and dividend income	006	-5.601.125	-3.453.408
e) Interest expenses	007	17.816.688	11.068.723
f) Provisions	008	389.197	0
g) Exchange rate differences (unrealised)	009	-3.948.158	-502.836
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	146.844	4.196.481
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	99.276.149	110.723.423
3 Changes in the working capital (ADP 013 to 016)	012	-4.483.910	-15.393.900
a) Increase or decrease in short-term liabilities	013	-7.131.057	-19.480.115
b) Increase or decrease in short-term receivables	014	3.054.385	-11.691.913
c) Increase or decrease in inventories	015	-599.127	-313.917
d) Other increase or decrease in working capital	016	191.889	16.092.045
II Cash from operations (ADP 011+012)	017	94.792.239	95.329.523
4 Interest paid	018	-21.410.653	-9.882.964
5 Income tax paid	019	-3.914.018	-1.183.570
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	69.467.568	84.262.989
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	21.759.121	18.330
6 Other cash receipts from investment activities	026	2.066.299	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	23.825.420	18.330
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-61.998.398	-66.717.493
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	-62.794.142	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-124.792.540	-66.717.493
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-100.967.121	-66.699.163
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	706.306.632	11.064.999
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	706.306.632	11.064.999
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-656.620.605	-64.093.506
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-156.961	0
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
VI Total cash payments from financing activities (ADP 040 to 044)	045	-656.777.566	-64.093.506
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	49.529.066	-53.028.507
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	18.029.514	-35.464.681
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	27.049.996	45.079.510
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	45.079.510	9.614.829

		STATEMENT OF CHANGES IN EQUITY															
		for the period from 1.1.2019 to #####											in HRK				
Item	ADP code	Attributable to owners of the parent											Total 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	Profits/loss for the business year
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 (18+17)
Previous period																	
1	Balance on the first day of the previous business year	488,706,200	24,420,000	655,925	0	0	0	6,814,852	3,032,241	0	0	0	138,652,239	0	682,321,457	80,252,749	742,574,206
2	Changes in accounting policies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3	Correction of errors	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)	488,706,200	24,420,000	655,925	0	0	0	6,814,852	3,032,241	0	0	0	138,652,239	0	682,321,457	80,252,749	742,574,206
5	Profit/loss of the period	0	0	0	0	0	0	0	0	0	0	0	0	26,176,205	26,176,205	3,844,144	30,020,349
6	Exchange rate differences from translation of foreign operations	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	0	0	0	0	0	0	0	23,818	0	0	0	0	0	23,818	485	24,313
8	Profit or loss arising from subsequent measurement of financial assets available for sale	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	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	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	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other changes in equity unrelated to owners	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14	Tax on transactions recognised directly in equity	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 investing profit and other than arising from the pre-bankruptcy settlement procedure)	50,078,800	71,035,136	0	0	0	0	0	0	0	0	0	0	0	121,113,936	0	121,113,936
16	Increase in initial (subscribed) capital arising from the investment of profit	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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18	Redemption of treasury shares/holdings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Payment of share in profit/dividend	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Other distribution to owners	0	0	0	0	0	0	0	0	0	0	0	-85,284,483	0	-85,284,483	549,589	-84,734,894
21	Transfer to reserves according to the annual schedule	0	-12,168,864	0	0	0	0	-223,271	0	0	0	0	12,412,135	0	0	0	0
22	Increase in reserves arising from the pre-bankruptcy settlement procedure	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)	539,385,000	83,265,272	655,925	0	0	6,591,581	3,056,059	0	0	0	0	55,619,091	26,176,205	714,950,933	84,646,977	799,597,910
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
24	OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 08 to 14)	0	0	0	0	0	0	23,818	0	0	0	0	0	0	23,818	485	24,313
25	COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05-24)	0	0	0	0	0	0	23,818	0	0	0	0	0	26,176,205	26,200,023	3,844,639	30,044,662
26	TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	50,078,800	59,846,272	0	0	0	-223,271	0	0	0	0	0	-82,872,348	0	26,429,453	549,589	26,979,042

Current period																	
1	Balance on the first day of the current business year	27	539,385,000	83,266,272	655,925	0	0	0	6,591,581	3,056,059	0	0	55,819,891	26,176,205	714,950,933	84,646,977	799,597,910
2	Changes in accounting policies	28	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
4	Balance on the first day of the current business year (restated) (ALP 27 to 29)	30	539,385,000	83,266,272	655,925	0	0	0	6,591,581	3,056,059	0	0	55,819,891	26,176,205	714,950,933	84,646,977	799,597,910
5	Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	29,448,888	29,448,888	4,712,460	34,161,348
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
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
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
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
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
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
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
13	Other changes in equity unrelated to owners	39	0	-15,428,378	0	0	0	0	0	0	0	0	15,557,709	0	128,331	16,534	144,865
14	Tax on transactions recognised directly in equity	40	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 investing profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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
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
18	Redemption of treasury shares/holdings	44	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
20	Other distribution to owners	46	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	26,176,205	-26,176,205	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
23	Balance on the last day of the current business year reporting period (ALP 30 to 48)	49	539,385,000	67,836,894	655,925	0	0	0	6,591,581	3,056,059	0	0	97,553,805	29,448,888	744,527,952	89,375,971	833,903,923
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
50	OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ALP 32 to 40)		0	-15,428,378	0	0	0	0	0	0	0	0	15,557,709	0	128,331	16,534	144,865
51	II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ALP 31-50)		0	-15,428,378	0	0	0	0	0	0	0	0	15,557,709	29,448,888	28,577,019	4,728,954	34,306,013
52	III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ALP 41 to 48)		0	0	0	0	0	0	0	0	0	0	26,176,205	-26,176,205	0	0	0

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

Predsjednik Uprave

Tonči Boras

Board member


Kristijan Gagulić

Board member


Ivan Potkrajčić