



SUNCE HOTELI d.d.

Trpinjska 9
10000 Zagreb, Croatia

Sunce hoteli d.d.

Financial Results

for the period January - March 2020

unconsolidated (unaudited)

Zagreb, 30th April 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 March 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 31st of March 2020 is 1.163.

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:

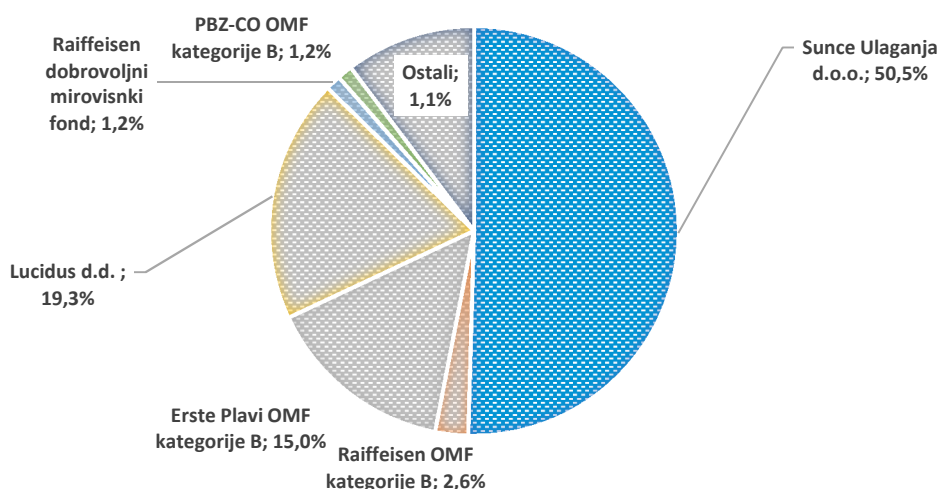
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratimir Ivičić, Member of the Supervisory Board

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 March 2020):



Source: Central Depository & Clearing Company Inc

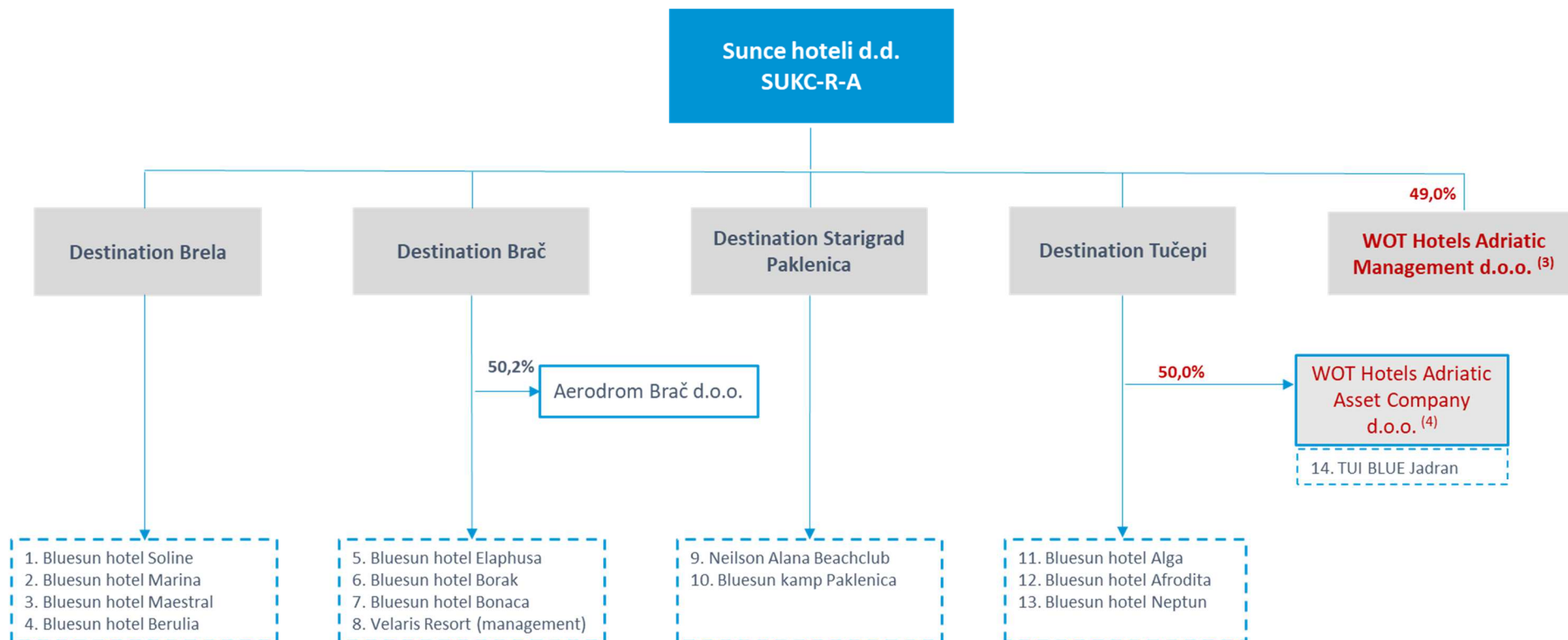
Subsidiaries included in the Group and other holdings:

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%
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 31.03.2020; 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 3 MONTHS OF 2020

Ključni financijski pokazatelji - Sunce Hoteli d.d.				
HRKt				
Financial performance	Q1 2020	Q1 2019	△	2020/2019
Revenues	3.903	7.346	-3.444	-46,9%
Operating expenses	5.549	2.481	3.068	123,7%
Employee expenses	16.530	4.684	11.846	252,9%
Other operating expenses	2.236	815	1.421	174,4%
EBITDA ¹	-20.411	-633	-19.778	3125,2%
EBITDA margin %	-523,0%	-8,6%	-51.400 bp	
Adjusted EBITDA	-20.411	-633	-19.778	3125,2%
Adjusted EBITDA margin %	-523,0%	-8,6%	-51.400 bp	
EBIT	-34.444	-823	-33.621	4085,9%
Net result	-46.103	-743	-45.360	6107,3%
Financijski position	31.03.20	31.12.19	△	2020/2019
Total assets	1.323.674	640.836	682.837	107%
Tangible assets	1.089.364	14.614	1.074.750	7354%
Equity	712.239	601.936	110.303	18%
Total debt	510.118	14.563	495.555	3403%
Net debt ²	486.493	14.563	471.930	3241%
Ratios				
Equity / Total assets	53,8%	60,3%	-651 bp	
Debt / Equity	71,6%	54,2%	1.741 bp	

1) EBITDA (eng. earnings before interest, taxes, depreciation and amortization) je računata po formuli: poslovni prihodi - poslovni rashodi + amortizacija

2) Neto dug: dugoročne i kratkoročne obveze prema bankama i drugim financijskim institucijama + obveze za zajmove, depozite i slično - novac u banci i blagajni - dugoročna i kratkoročna ulaganja u vrijednosne papire - dani kratkoročni zajmovi, depoziti i sl.

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 three months of 2020 are not comparable to those for the first three months of 2019. For commenting on business results, please see the consolidated information published.

COVID -19 - Impact on the Company's operations

Sunce hoteli d.d. published information on the Zagreb Stock Exchange (COVID-19 Business Impact Statement)¹ on 16 March 2020 in accordance with the issued ESMA (European Securities and Capital Markets Supervisory) recommendations to issuers and capital market participants regarding the announcement business activities with respect to the impact of the COVID-19 disease epidemic on financial markets. **The Company hereby publishes the latest information available to it regarding the impact of COVID-19 on its operations.**

The global tourism sector was one of the main drivers of global service sector growth before the COVID 19 escalation and according to the World Tourism Organization (UNWTO), global tourist arrivals reached 1.5 billion at the end of 2019, an increase of 4% over 2018, with a concomitant growth forecast between 3% and 4% in 2020 before the COVID 19 crisis escalates. Croatia as a destination has also seen a steady increase in arrivals and overnight stays in the last decade, with record levels of tourist arrivals and overnight stays in recent years. The positive impact of the tourism sector on the growth of the world economy, and thus on the growth of the entire domestic tourism sector and, consequently, domestic economic activity, is suddenly interrupted

¹ <https://zse.hr/userdocsimages/novosti/TnK4Zmgp8N3LjqN1suLY2g==.pdf>

by the disruption caused by the COVID-19 crisis.² The primary focus of almost all world countries and economic entities is on the health and safety of people, which directly affects the economic growth of economies and the profitability of companies. The unprecedented crisis has resulted in a major disruption in the tourism sector as almost all global destinations are heavily influenced by travel restrictions that have been introduced successively since January 2020 as a response by countries around the world to attempt to curb the pandemic itself. A World Tourism Organization survey indicates that 96% of the world's destinations are affected by travel restrictions and that almost 90 destinations have completely or partially closed tourist borders, while an additional 44 destinations are closed to certain tourists depending on their country of origin.³

The domestic tourism sector is directly influenced by all disturbances caused by the COVID-19 crisis, however, due to the seasonality of the tourist season itself, the significance of the crisis will be reflected most in July and August this year. At the moment, it is very uncertain to predict the volume of the main tourist season, because it depends mainly on the development of the situation in the eminent markets and restrictions on travel of countries from which the majority of guests would otherwise come on vacation to the Republic of Croatia (Germany, Austria, Slovenia, Italy, etc.), and depends also about the development of the situation in the Republic of Croatia. **The current booking state of the Company's sales as of April 27, 2020 is 46% lower than in the same period of the previous year, so existing bookings were actually made prior to the escalation of the COVID-19 crisis, and in the meantime, there were no inflows of new reservations.** Bookings for the month of May have been cancelled entirely, while the cancellation of bookings for the beginning of June has been stepped up, however, cancellation of bookings for July and August are still relatively low. On the other hand, the booking process has not yet normalized and the inflow of new reservations is very low. In the case of the tourist season in July and August, it is expected that in this case potential guests will make last minute reservations.

The Company has taken a number of actions and measures in response to the disruption caused by the COVID-19 crisis in order to adapt to the new circumstances. Measures and actions taken relate to the independent measures of the company, but also those that are enabled by legal changes to assist the tourism sector adopted by the Government of the Republic of Croatia. All measures and actions can be summarized as follows:

1. **EMPLOYEES SAFETY** - The Company has increased the safety and disinfection of employees' workplaces at an early stage of the outbreak of the epidemic in the Republic of Croatia, however, since mid-March 2020, home-based work for all employees has been organized. Working from home in these circumstances increases the safety of our employees and their families. Depending on the development of the epidemiological situation in the Republic of Croatia and the gradual opening of various activities and freedom of movement, the Company will in the coming period make a timely decision to suspend the work of all employees from home.
2. **CASH FLOW STABILIZATION** - After increasing the security of employees and their families, the internal team has started working on identification of the main measures and actions to be taken in order to preserve the liquidity of the company and stabilize the cash flow that needed to be adjusted to the new circumstances. The following actions and measures have been taken with a primary focus on wages given that they account for 75% of the total fixed cost:
 - a. In accordance with the measures to preserve jobs in the activities affected by the Coronavirus (COVID 19), grants were requested and approved to secure a minimum wage of HRK 4,000 for 679 employees of Sunce hoteli d.d. as well as 21 employees of the subsidiary Brač Airport d.o.o, which gives a total of 700

² <https://www.unwto.org/world-tourism-barometer-n18-january-2020>

³ <https://www.unwto.org/news/covid-19-response-travel-restrictions>

employees. The Contract on Grant for Preservation of Jobs in the Activities Affected by the Coronavirus with the Croatian Employment Service was signed, accepting the Request for the Grant of the Support for the company Sunce hoteli d.d. and subsidiary Airport Brac d.o.o. for payment of wages for a total of 700 workers in the period from 01.03.2020. to 31.05.2020. amounting to HRK 7.4 million.

- b. The Company is also exempted from the obligation to pay contributions for the amount of co-financed net salary paid on the basis of support to preserve jobs.
 - c. At the same time, gross wages were reduced by 40% for all employees and the Management Board, at least for the period from 1 April to 30 June 2020. During the duration of the Job Preservation Grant, as well as in the subsequent period when the hotels are not working, wages will be provided at 60% of the gross salary, but not less than the amount of the grant. In addition, each worker will be paid a monthly allowance of HRK 600.
 - d. Total monthly labor cost savings, including active measures and grants, are HRK 5.5 million, reducing the usual monthly labor cost from HRK 6.6 million to HRK 1.1 million.
 - e. All other unnecessary costs related to current maintenance investments and operating expenses not required at this time have been stopped.
- 3. CREDITOR RELATIONS AND COMPANY LIQUIDITY ASSURANCE** - Since the beginning of the COVID-19 crisis, the Company has been in communication with the bank syndicate (European Bank for Reconstruction and Development (EBRD), Erste & Steiermärkische Bank dd, Privredna banka Zagreb dd, Zagrebačka banka dd) in relation to measures of the Government of the Republic of Croatia relating to the "deferral of credit" and the measure "credit for maintaining financial stability", and a formal request was submitted through FINA as well as a direct request to the existing bank syndicate. Communication can be summarized in the following actions:
- a. With respect to financial liabilities due in the pre-season period, that is, until 30 June 2020, the Company has requested from the bank syndicate a moratorium on the loan instalment due on 30 April 2020 in the amount of 16.5 million of the principal, and a five-month moratorium was approved by the bank syndicate, which means that the loan instalment due on 30.04.2020. together with principal and interest is now due on 30.09.2020. Concerning financial liabilities beyond June 30, 2020, a payment moratorium will be sought or it will be settled from potential new liquidity and/or partially from potential inflows during the July and August tourist season.
 - b. However, it is important to note that the total financial debt as of December 31, 2020 is HRK 451 million and the moratorium on the principal amount of instalment is HRK 16.5 million, which leads to the conclusion that it will not have a significant impact on the change of the total position of the existing financial debt.
 - c. In addition to the aforementioned deferral of the loan instalment until June 30, 2020, the Company has also taken measures and directed communication to potential creditors of the Company to provide additional liquidity to the Company that will be required after June 30, 2020 in the event that significant inflows during the months of July and August are absent. Accordingly, the additional liquidity itself will primarily depend on (i) potential inflows during the high season and (ii) how long the Government of the Republic of Croatia measures will last.

d. At this time, the debt structure remains the same as shown in the Balance Sheet, however, as a moratorium is requested and approved on the loan instalment due on April 30, 2020, and there is a further possibility that the Company will request a moratorium on the maturity of the credit obligations after 30.06.2020. Therefore the structure of the financial debt itself may change in a way that either the maturity of the debt is extended or existing loan instalments are increased by the amount of principal for which the moratorium is requested. Nor do we exclude the possibility of another structure.

4. 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 was made depending on the development of the COVID-19 virus crisis situation.

In conclusion, all of the above measures relate to a rapid response and to mitigate the current situation of the Company. Depending on the further development of the situation, the Company will take further measures to improve financial stability and full employment while adapting the strategy to new circumstances. Consequently, we plan to provide additional information on the impact of COVID-19 on our business operations, i.e. primarily on July and August of the current season (which make up approximately 60% of regular season revenue and are crucial for generating the Company's profitability) **when publishing the audited annual reports , which the Company intends to disclose by 30 June 2020 at the latest**, in accordance with the opportunity provided by ESME and HANFA, and all in accordance with the Company's public announcement (Impact of COVID-19 on the timing of the financial statements)⁴ as of 23 April 2020.

⁴ <https://zse.hr/userdocsimages/novosti/8r0LkFLoNdFV4bY95Ts0MQ==.pdf>

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

01.01.20

to

31.03.20

Year:

2020

Quarter:

1.

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:

Trpinjska 9

E-mail address:

racunovodstvo@bluesunhotels.com

Web address:

www.bluesunhotels.comNumber of employees
(end of the reporting**673**

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: **Ivan Franić**

(only name and surname of the contact person)

Telephone:

01/6442-240

E-mail address:

ivan.franic@bluesunhotels.com

Audit firm:

Ernst & Young d.o.o., Zagreb

(name of the audit firm)

Certified auditor:

Zvonimir Madunić

(name and surname)

BALANCE SHEET
balance as at 31.03.2020

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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	616.465.988	1.242.715.922
I INTANGIBLE ASSETS (ADP 004 to 009)	003	176.614	645.875
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	126.315	595.576
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	50.299	50.299
II TANGIBLE ASSETS (ADP 011 to 019)	010	14.614.315	1.089.364.112
1 Land	011	0	113.605.853
2 Buildings	012	0	844.920.499
3 Plant and equipment	013	441.727	82.856.998
4 Tools, working inventory and transportation assets	014	1.826.479	2.110.577
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	0	18.975.552
8 Other tangible assets	018	12.346.109	26.894.633
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	601.675.059	145.090.447
1 Investments in holdings (shares) of undertakings within the group	021	595.007.770	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	6.505.941	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	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	161.348	44.149.253
9 Other investments accounted for using the equity method	029	0	9.800
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	0	2.088.913
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	0	2.088.913
V DEFERRED TAX ASSETS	036	0	5.526.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	18.560.085	66.673.068
I INVENTORIES (ADP 039 to 045)	038	0	4.179.345
1 Raw materials and consumables	039	0	3.886.802
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	250.930
5 Advances for inventories	043	0	41.613
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	18.015.221	38.868.845
1 Receivables from undertakings within the group	047	15.550.729	14.559.472
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	1.923.053	11.245.153
4 Receivables from employees and members of the undertaking	050	16.852	26.256
5 Receivables from government and other institutions	051	524.587	12.028.017
6 Other receivables	052	0	1.009.947
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	332.689	0
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	332.689	0
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	0	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	212.175	23.624.878
D) PREPAID EXPENSES AND ACCRUED INCOME	064	832.886	14.284.899
E) TOTAL ASSETS (ADP 001+002+037+064)	065	635.858.959	1.323.673.889
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	1.063.498.308	712.238.850
I INITIAL (SUBSCRIBED) CAPITAL	068	539.385.000	595.458.500
II CAPITAL RESERVES	069	67.836.893	112.157.388
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	461.684.723	56.134.346
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	461.562.052	56.011.675
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	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	0	-5.408.308
1 Retained profit	082	0	0
2 Loss brought forward	083	0	5.408.308
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-5.408.308	-46.103.076
1 Profit for the business year	085	0	0
2 Loss for the business year	086	5.408.308	46.103.076
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	0	2.005.680
1 Provisions for pensions, termination benefits and similar obligations	089	0	1.399.266
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	0	606.414
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	25.367.283	464.335.343
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	12.808.210	432.432.752
7 Liabilities for advance payments	102	0	3.345.717
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	12.559.073	27.478.832
11 Deferred tax liability	106	0	1.078.042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	13.532.860	145.094.016
1 Liabilities to undertakings within the group	108	1.728.711	927.401
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	3.367.403	
3 Liabilities to companies linked by virtue of participating	110	0	
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	
5 Liabilities for loans, deposits etc.	112	0	
6 Liabilities to banks and other financial institutions	113	1.754.549	77.685.659
7 Liabilities for advance payments	114	0	25.566.621
8 Liabilities to suppliers	115	2.266.037	15.895.307
9 Liabilities for securities	116	0	
10 Liabilities to employees	117	1.104.378	4.684.032
11 Taxes, contributions and similar liabilities	118	1.885.744	1.086.193
12 Liabilities arising from the share in the result	119	0	
13 Liabilities arising from fixed assets held for sale	120	0	
14 Other short-term liabilities	121	1.426.038	19.248.803
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.102.398.451	1.323.673.889
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS

for the period 01.01.2020. to 31.03.2020.

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
I OPERATING INCOME (ADP 126 to 130)	125	7.346.198	7.346.198	3.902.608	3.902.608
1 Income from sales with undertakings within the group	126	7.215.455	7.215.455	384.195	384.195
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	130.743	130.743	3.518.413	3.518.413
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	8.169.338	8.169.338	38.346.635	38.346.635
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	2.480.688	2.480.688	5.548.543	5.548.543
a) Costs of raw materials and consumables	134	159.558	159.558	882.738	882.738
b) Costs of goods sold	135	982.911	982.911	0	0
c) Other external costs	136	1.338.219	1.338.219	4.665.805	4.665.805
3 Staff costs (ADP 138 to 140)	137	4.683.548	4.683.548	16.529.795	16.529.795
a) Net salaries and wages	138	2.588.136	2.588.136	8.970.533	8.970.533
b) Tax and contributions from salary costs	139	1.341.064	1.341.064	5.215.891	5.215.891
c) Contributions on salaries	140	754.348	754.348	2.343.371	2.343.371
4 Depreciation	141	190.279	190.279	14.032.768	14.032.768
5 Other costs	142	814.823	814.823	2.235.529	2.235.529
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	0	0	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	249.846	249.846	884.453	884.453
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	249.708	249.708	884.279	884.279
4 Other interest income from operations with undertakings within the group	158	0	0	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	0	0
7 Other interest income	161	14	14	174	174
8 Exchange rate differences and other financial income	162	124	124	0	0
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	169.433	169.433	12.543.502	12.543.502
1 Interest expenses and similar expenses with undertakings within the group	166	51.267	51.267	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	95.093	95.093	2.640.843	2.640.843
4 Exchange rate differences and other expenses	169	19.725	19.725	9.735.725	9.735.725
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	3.348	3.348	166.934	166.934
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	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	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	7.596.044	7.596.044	4.787.061	4.787.061
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	8.338.771	8.338.771	50.890.137	50.890.137
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-742.727	-742.727	-46.103.076	-46.103.076
1 Pre-tax profit (ADP 177-178)	180	0	0	0	0
2 Pre-tax loss (ADP 178-177)	181	-742.727	-742.727	-46.103.076	-46.103.076
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-742.727	-742.727	-46.103.076	-46.103.076
1 Profit for the period (ADP 179-182)	184	0	0	0	0
2 Loss for the period (ADP 182-179)	185	-742.727	-742.727	-46.103.076	-46.103.076

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2020. to 31.03.2020.

in HRK

Submitter: Sunce Hoteli 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	-742.727	-46.103.076
2 Adjustments (ADP 003 to 010):	002	106.103	13.666.196
a) Depreciation	003	190.279	14.032.768
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	-249.722	-884.279
e) Interest expenses	007	146.360	2.640.843
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	19.186	-2.123.136
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-636.624	-32.436.880
3 Changes in the working capital (ADP 013 to 016)	012	-3.258.521	2.572.008
a) Increase or decrease in short-term liabilities	013	-1.133.878	7.961.491
b) Increase or decrease in short-term receivables	014	-2.992.736	-4.250.352
c) Increase or decrease in inventories	015	0	-240.812
d) Other increase or decrease in working capital	016	868.093	-898.319
II Cash from operations (ADP 011+012)	017	-3.895.145	-29.864.872
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-3.895.145	-29.864.872
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	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-31.413	-1.252.946
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-939.000	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-970.413	-1.252.946
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-970.413	-1.252.946
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	1.400.000	45.887.066
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	1.400.000	45.887.066
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	0
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	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	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	1.400.000	45.887.066
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	-3.465.558	14.769.248
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	3.480.131	8.855.630
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	14.573	23.624.878

STATEMENT OF CHANGES IN EQUITY																	in HRK	
for the period from 01.01.20 to 31.12.20																		
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)	
Previous period																		
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	-5.408.309	-5.408.309	0	-5.408.309	
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	0	0	0	0	0	0	0	0	0	0	
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	-15.429.378	-374.197	0	0	0	0	0	0	0	0	0	15.429.378	-374.197	0	-374.197	
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	67.836.894	122.671	0	0	0	0	0	0	0	0	0	-5.408.309	601.936.256	0	601.936.256	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	-5.408.309	-5.408.309	0	-5.408.309	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	-15.429.378	-374.197	0	0	0	0	0	0	0	0	0	15.429.378	-374.197	0	-374.197	

Current period																		
1 Balance on the first day of the current business year	27	539,385,000	67,836,894	122,671	0	0	0	0	0	0	0	0	0	0	-5,408,309	601,936,256	0	601,936,256
2 Changes in accounting policies	28	0	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	0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	539,385,000	67,836,894	122,671	0	0	0	0	0	0	0	0	0	0	-5,408,309	601,936,256	0	601,936,256
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	0	-46,103,076	-46,103,076	0	-46,103,076
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	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	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	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	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	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	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	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	56,011.675	0	0	0	0	0	0	0	56,011.675	0	56,011.675
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	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	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	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	0
18 Redemption of treasury shares/holdings	44	0	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	0
20 Other distribution to owners	46	0	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	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	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	122,671	0	0	0	56,011.675	0	0	0	0	0	0	-51,511,385	712,238,849	0	712,238,849
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	56,011.675	0	0	0	0	0	0	0	56,011.675	0	56,011.675
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31-50)	51	0	0	0	0	0	0	56,011.675	0	0	0	0	0	0	-46,103,076	9,908,599	0	9,908,599
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	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

Tonči Boras

Board member

Kristijan Gagulić

Član Uprave

Board member