



Sunce hoteli d.d.

**Financial Results
for the period January – March 2021
unconsolidated (unaudited)**

Zagreb, 30th April 2021

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1. GENERAL INFORMATION

Name

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

Registered office and legal form

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

Share capital and company shares

The Company's share capital as of 30th of April 2021 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 30th of April 2021 is 1.163.

Members of Management Board:

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

Supervisory Board:

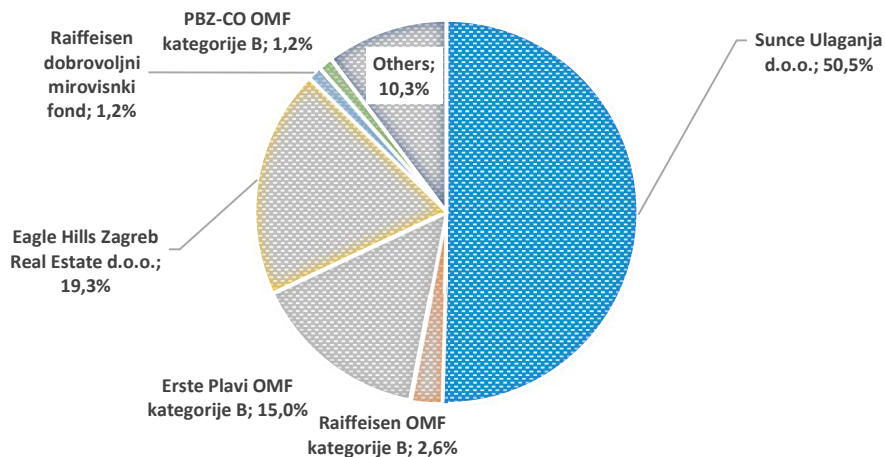
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratomir Ivičić, Member of the Supervisory Board

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 Company (30th of April 2021):



Source: Central Depository & Clearing Company Inc

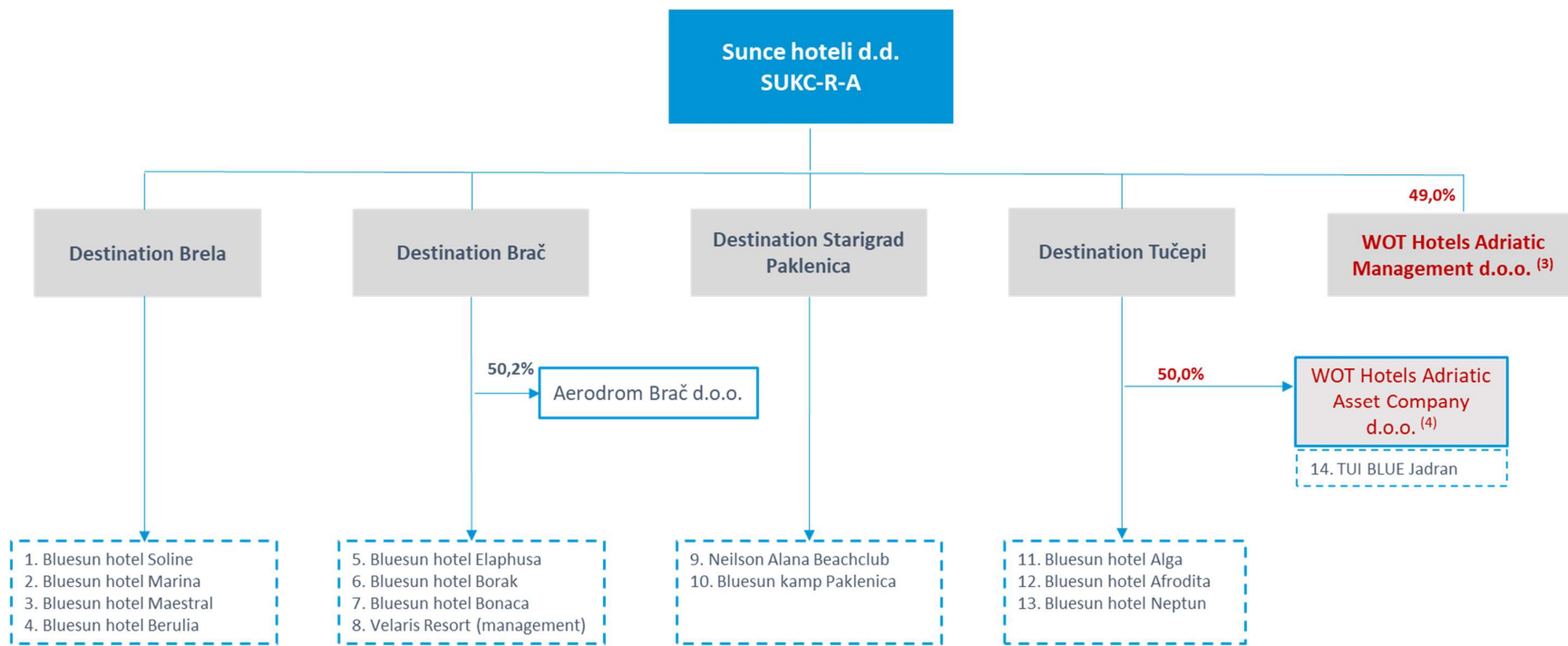
The Company has following subsidiaries and other holdings:

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 Jakiruš a 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 Company¹⁾:



(1) Data as of 31.03.2021; 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 2021

Key Financial Indicators - Sunce Hoteli d.d.				
HRKths				
Financial performance	Q1 2021	Q1 2020	△	2021/2020
Revenues	12.350	3.903	8.447	216,5%
Operating expenses	5.699	5.549	150	2,7%
Employee expenses	14.084	16.530	-2.446	-14,8%
Other operating expenses	2.282	2.236	47	2,1%
EBITDA ¹	-9.715	-20.411	10.697	-52,4%
EBITDA margin%	-78,7%	-523,0%		
Adjusted EBITDA	-9.715	-20.411	10.697	-52,4%
Adjusted EBITDA margin %	-78,7%	-523,0%		
EBIT	-24.643	-34.444	9.802	-28,5%
Net result	-26.845	-46.103	19.258	-41,8%
Financial position	31.03.2021	31.12.2020	△	2021/2020
Total assets	1.339.091	1.365.640	-26.550	-2%
Tangible assets	1.015.266	1.028.377	-13.112	-1%
Equity	747.291	774.136	-26.845	-3%
Total debt	515.925	513.418	2.507	0%
Net debt ²	512.171	495.639	16.532	3%
Ratios				
Equity / Total assets	55,8%	56,7%	-90 bp	
Debt / Equity	69,0%	66,3%	270 bp	

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

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.

Before commenting on the business result, it is important to note that given the business model and location of our hotels, the Company is highly seasonally oriented, which means that the **business result of the first quarter is not representative for year-round operations**. For example, the Company has only one facility open during its regular operations in the first quarter.

Following the business results, in the first quarter of 2021 the Company generated HRK **12,350 million** (first quarter of 2020: HRK 3,903 million) **of operating revenues**, which is an increase of 216.5% compared to the same period last year. The company generated **negative EBITDA in the amount of HRK 9,715 million** (first quarter of 2020: HRK -20,411 million), which is a smaller loss of almost HRK 10,697 million compared to the same period last year. **The reason for the lower loss at the EBITDA level** is partly that in the first quarter of 2021 the **revenue from direct state aid for job preservation** in activities affected by the COVID-19 virus was recorded, while in the same period last year the same revenue was recorded only for the month March in the total amount of HRK 2.1 million.

The largest part of operating expenses is staff costs in the amount of HRK 14,084 million, which is HRK 2,446 million lower in the first quarter of 2021 compared to the same period last year, while material costs amounted to HRK 5,699 million and are higher by 2.7% in the same period.

Financial expenses are significantly **lower in the first quarter of 2021** due to **net negative exchange rate differences** in the amount of HRK 384 thousand, which together with HRK 3,144 million of interest expenses and HRK 113 thousand other financial expenses gives a total financial

expense of HRK 3,642 million, **which is a decrease of HRK 8,900 million compared to the first quarter of 2020**, when total financial expenses amounted to HRK 12,543 million.

Nominal debt to financial institutions amounted to HRK 516 million as at 31 March 2021 which represents an increase of HRK 2.8 million compared to 31 December 2020 (HRK 513 million).

The net loss in the observed period amounted to **HRK 26,845 million**, while in the same period last year the loss amounted to HRK 46,103 million. **The smaller loss in the current quarter is the result of the absence of the effect of negative exchange rate differences**, and higher revenues due to the recording of direct state aid for the preservation of jobs as income.

Significant business events

The most significant business events of the company Sunce hoteli d.d. in the period after 31.12.2020. years to the date of publication of this report are:

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

- a. 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.
- b. 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 hotel d.d. as a target company in terms of ZPDD.
- c. 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.
- d. The Offeror shall, within the deadline prescribed by the provisions of ZPDD, publish the mandatory takeover offer for takeover of the Target Company, upon approval of publication of the mandatory takeover offer by the Croatian Financial Services Supervisory Agency.
- e. 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.

- a. On March 24, 2021, the Management Board of the Company passed a decision to convene an Extraordinary General Meeting of the Company for May 3, 2021, which envisages the agenda of the decision to recall members of the Supervisory Board, elect new members of the Supervisory Board and amend the Articles of Association Society.
2. **COVID - 19 - impact on the Company's operations** - on March 16, 2020, the Company published on the Zagreb Stock Exchange information on the impact of the COVID-19 epidemic on the Company's operations, and updated the information in the announcement of business results for the first six, nine and 12 months of 2020 as well as the annual report for 2019. The impact of the COVID-19 crisis on the company's operations can be divided into the following main segments:
- a. **Employee safety** - During the first quarter of 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. Currently, the decision of the Management Board is in force which contracts the salary for all employees of the Company in the amount of 80% of the gross salary, and not less than HRK 4,000 net.
 - c. **Moratorium on financial liabilities** - on 27 July 2020, the Company was granted a moratorium on the loan installments due on 30 April 2020 (HRK 16.5 million) and 31 October 2020 (HRK 38.4 million) by the bank syndicate with which it has concluded a Loan Agreement. Given that the moratorium has a maturity of 12 months, the first installment of the loan matures on 30.04.2021. years together with principal and interest. Given the new liquidity of the Company, which is secured by the collection of receivables in the amount of HRK 91.9 million, until the publication of this report, the first installment of the loan maturing on April 30, 2021, together with the principal and interest, has been settled. Outstanding installments in 2020 are moved to the end of the repayment period on April 30, 2028, when they fall due once. The loan installments from 2020 for which a moratorium has been requested are transferred in full upon the expiration of the loan agreement on April 30, 2028 (bullet repayment).

- d. **Sales 2021** - Positive booking trend for 202 with a tendency of increasing the share of direct sales in total revenues. This is supported by the expected last-minute sales where direct sales channels are dominant. For the past few years, the company has focused on digitalization and direct sales in relation to the classic allotment sales channels, which proved to be an advantage in these crisis circumstances. There are no advances at the booking, so the expected last minute (ultra-last minute) is the form through which reservations are made. Therefore, the conditions of reservations are flexible due to the conditions and restrictions of travel, so it is to be expected a higher rate of cancellations than in previous years.
 - e. **New liquidity** - During 2020 and the beginning of 2021, the Company considered providing additional liquidity through new loans, however, given the deferral of payment of financial liabilities until April 30, 2021, better than expected inflows during the summer 2020 season, and measures Government of the Republic of Croatia, which are still in force, the level of new required liquidity was significantly lower than indicated in the initial calculations. However, as part of the entire transaction described in the introduction (Origin of the obligation to publish a takeover bid), the Company collected receivables from related parties in the amount of HRK 91.9 million, which significantly increased the Company's liquidity. Consequently, the Company will continue to closely monitor cash flow in the context of the upcoming summer 2021 season, and in the event of a negative outcome of the upcoming season and, if necessary, will approach potential lenders to ensure new liquidity. New liquidity is available through the Croatian Bank for Reconstruction and Development within the COVID-19 measure.
 - f. **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 realized and collected receivable for the months of January and February 2021, while for the month of March and April the application was submitted, but the receivable has not yet been collected.
 - g. **Capital investments** - The Company did not have any capital investments for the 2021 season, however, all investments in the preparation of future investments were suspended until a revised capital investment plan is made depending on the development of the situation caused by the crisis caused by the COVID-19 virus. This year's investments relate only to investments related to the preparation of the hotel for the upcoming 2021 summer season.
3. **Changes in the Management Board of Sunce hoteli d.d.** - Mr. Kristijan Gagulić resigned on April 26, 2021 as a member of the Management Board, which entered into force on the same day. Pursuant to the Articles of Association, the Company continues to be run by Mr. Hrvoje Veselko as president and Mr. Ivan Potkrajčić as a member of the Management Board.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	1.1.2021	to	31.3.2021
Year:	2021		
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:	5510		
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.com		
Number of employees (end of the reporting period):	650		
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 31.3.2021			
			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
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.299.357.443	1.285.652.378
I INTANGIBLE ASSETS (ADP 004 to 009)	003	22.942.427	21.498.704
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	668.479	644.451
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	22.273.948	20.854.253
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.028.377.488	1.015.265.962
1 Land	011	115.369.141	115.369.141
2 Buildings	012	818.841.098	809.257.024
3 Plant and equipment	013	72.898.072	69.264.736
4 Tools, working inventory and transportation assets	014	1.681.152	1.503.243
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	19.871.818
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	172.194.140	172.194.140
1 Investments in holdings (shares) of undertakings within the group	021	20.549.900	20.549.900
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	76.141.735
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	75.370.505	75.370.505
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	132.000
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	11.368.314	12.218.498
1 Receivables from undertakings within the group	032	11.308.337	12.171.211
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	59.977	47.287
V DEFERRED TAX ASSETS	036	64.475.074	64.475.074
C) CURRENT ASSETS (ADP 038+046+053+063)	037	40.429.094	25.574.680
I INVENTORIES (ADP 039 to 045)	038	3.872.973	3.946.523
1 Raw materials and consumables	039	3.734.527	3.806.085
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	138.446	140.438
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	16.358.965	15.235.397
1 Receivables from undertakings within the group	047	5.612.726	5.603.564
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	4.975.784	3.181.955
4 Receivables from employees and members of the undertaking	050	35.682	28.789
5 Receivables from government and other institutions	051	3.819.087	4.663.960
6 Other receivables	052	1.915.686	1.757.129
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	2.418.208	2.638.208
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	2.418.208	2.638.208
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	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	17.778.948	3.754.552
D) PREPAID EXPENSES AND ACCRUED INCOME	064	25.853.811	27.863.532
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.365.640.348	1.339.090.590

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	774.135.691	747.290.635
I INITIAL (SUBSCRIBED) CAPITAL	068	595.458.500	595.458.500
II CAPITAL RESERVES	069	112.157.388	112.157.388
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 AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. 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
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-7.525.506	-40.646.617
1 Retained profit	084	0	0
2 Loss brought forward	085	7.525.506	40.646.617
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-33.121.111	-26.845.056
1 Profit for the business year	087	0	0
2 Loss for the business year	088	33.121.111	26.845.056
VIII MINORITY (NON-CONTROLLING) INTEREST	089	0	0
B) PROVISIONS (ADP 091 to 096)	090	1.378.572	1.383.782
1 Provisions for pensions, termination benefits and similar obligations	091	1.378.572	1.383.782
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
C) LONG-TERM LIABILITIES (ADP 098 to 108)	097	439.501.485	438.403.030
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	422.320.041	422.304.195
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	15.934.332	14.851.723
11 Deferred tax liability	108	1.247.112	1.247.112
D) SHORT-TERM LIABILITIES (ADP 110 to 123)	109	142.567.747	143.710.654
1 Liabilities to undertakings within the group	110	3.073.824	1.862.384
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	91.097.985	93.621.080
7 Liabilities for advance payments	116	10.487.765	10.759.042
8 Liabilities to suppliers	117	23.093.793	21.099.830
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4.416.569	4.539.713
11 Taxes, contributions and similar liabilities	120	2.726.876	3.968.373
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	7.670.935	7.860.232
E) ACCRUALS AND DEFERRED INCOME	124	8.056.853	8.302.489
F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)	125	1.365.640.348	1.339.090.590

STATEMENT OF PROFIT OR LOSS

for the period 01.01.2021. to 31.03.2021.

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
I OPERATING INCOME (ADP 002 to 006)	001	3.902.608	3.902.608	12.349.819	12.349.819
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	384.195	384.195	417.288	417.288
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	3.518.413	3.518.413	11.932.531	11.932.531
II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)	007	38.346.635	38.346.635	37.002.323	37.002.323
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	5.548.543	5.548.543	5.698.932	5.698.932
a) Costs of raw materials and consumables	010	882.738	882.738	937.677	937.677
b) Costs of goods sold	011	0	0	32.247	32.247
c) Other external costs	012	4.665.805	4.665.805	4.729.008	4.729.008
3 Staff costs (ADP 014 to 016)	013	16.529.795	16.529.795	14.093.563	14.093.563
a) Net salaries and wages	014	8.970.533	8.970.533	8.322.121	8.322.121
b) Tax and contributions from salary costs	015	5.215.891	5.215.891	3.751.437	3.751.437
c) Contributions on salaries	016	2.343.371	2.343.371	2.020.005	2.020.005
4 Depreciation	017	14.032.768	14.032.768	14.927.760	14.927.760
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	2.235.529	2.235.529	2.282.068	2.282.068
III FINANCIAL INCOME (ADP 031 to 040)	030	884.453	884.453	1.450.033	1.450.033
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	884.279	884.279	882.719	882.719
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	0	0	0	0
8 Exchange rate differences and other financial income	038	174	174	567.314	567.314
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	0	0
IV FINANCIAL EXPENSES (ADP 042 to 048)	041	12.543.502	12.543.502	3.642.585	3.642.585
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	2.640.843	2.640.843	3.144.952	3.144.952
4 Exchange rate differences and other expenses	045	9.735.725	9.735.725	384.329	384.329
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	166.934	166.934	113.304	113.304
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	049	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	050	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	051	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	052	0	0	0	0
IX TOTAL INCOME (ADP 001+030+049+050)	053	4.787.061	4.787.061	13.799.852	13.799.852
X TOTAL EXPENDITURE (ADP 007+041+051+052)	054	50.890.137	50.890.137	40.644.908	40.644.908
XI PRE-TAX PROFIT OR LOSS (ADP 053-054)	055	-46.103.076	-46.103.076	-26.845.056	-26.845.056
1 Pre-tax profit (ADP 053-054)	056	0	0	0	0
2 Pre-tax loss (ADP 054-053)	057	-46.103.076	-46.103.076	-26.845.056	-26.845.056
XII INCOME TAX	058	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)	059	-46.103.076	-46.103.076	-26.845.056	-26.845.056
1 Profit for the period (ADP 055-059)	060	0	0	0	0
2 Loss for the period (ADP 059-055)	061	-46.103.076	-46.103.076	-26.845.056	-26.845.056

STATEMENT OF CASH FLOWS - indirect method

for the period 01.01.2021. to 31.03.2021.

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	-47.421.953	-26.845.057
2 Adjustments (ADP 003 to 010):	002	23.404.074	17.186.612
a) Depreciation	003	14.365.364	14.927.760
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	-870.078	-882.719
e) Interest expenses	007	2.642.863	3.529.281
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	-15.199
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	7.265.925	-372.511
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-24.017.879	-9.658.445
3 Changes in the working capital (ADP 013 to 016)	012	-6.395.886	-2.609.733
a) Increase or decrease in short-term liabilities	013	7.961.491	-2.136.177
b) Increase or decrease in short-term receivables	014	-4.250.352	-400.007
c) Increase or decrease in inventories	015	-240.812	-73.549
d) Other increase or decrease in working capital	016	-9.866.213	0
II Cash from operations (ADP 011+012)	017	-30.413.765	-12.268.178
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	-30.413.765	-12.268.178
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	-1.408.925	-673.607
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
IV Total cash payments from investment activities (ADP 028 to 032)	033	-1.408.925	-673.607
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-1.408.925	-673.607
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	45.887.066	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	45.887.066	0
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	-1.082.610
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	-1.082.610
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	45.887.066	-1.082.610
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	14.064.376	-14.024.395
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	9.614.828	17.778.947
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	23.679.204	3.754.552

STATEMENT OF CHANGES IN EQUITY																			
for the period from 1.1.2021 to 31.3.2021																			
																			in HRK
Item	ADP code	Attributable to owners of the parent																	
		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 through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
Previous period																			
1 Balance on the first day of the previous business year	01	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.631.033	0	0	0	0	0	97.414.507	3.307.580	718.822.520	0	718.822.520
2 Changes in accounting policies	02	0	0	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	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	655.925	0	0	0	6.591.581	3.631.033	0	0	0	0	0	97.414.507	3.307.580	718.822.520	0	718.822.520
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-33.121.111	-33.121.111	0	-33.121.111
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	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	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	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	09	0	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	10	0	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	11	0	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	12	0	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	13	0	0	-374.197	0	0	0	0	0	0	0	0	0	0	0	0	0	-374.197	-374.197
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	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	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	-7.525.506	7.525.506	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	539.385.000	67.836.894	281.728	0	0	0	6.591.581	3.631.033	0	0	0	0	0	89.889.001	-22.288.025	685.327.212	0	685.327.212
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)	25	0	0	-374.197	0	0	0	0	0	0	0	0	0	0	0	0	-374.197	0	-374.197
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	-374.197	0	0	0	0	0	0	0	0	0	0	0	-33.121.111	-33.495.308	0	-33.495.308
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	0	0	0	0	0	0	0	0	0	0	0	0	-7.525.506	7.525.506	0	0	0	0

Current period																					
1 Balance on the first day of the current business year	28	595,458,500	112,157,388	122,671	0	0	0	0	106,860,469	183,280	0	0	0	0	0	0	-7,525,506	-33,121,111	774,135,691	0	774,135,691
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	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 28 to 30)	31	595,458,500	112,157,388	122,671	0	0	0	0	106,860,469	183,280	0	0	0	0	0	0	-7,525,506	-33,121,111	774,135,691	0	774,135,691
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,845,056	-26,845,056	0	-26,845,056
6 Exchange rate differences from translation of foreign operations	33	0	0	0	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	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	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	36	0	0	0	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	37	0	0	0	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	38	0	0	0	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	39	0	0	0	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	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease 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	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Carry forward per annual plans	49	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,121,111	-33,121,111	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	595,458,500	112,157,388	122,671	0	0	0	0	106,860,469	183,280	0	0	0	0	0	0	25,595,605	-93,087,278	747,290,635	0	747,290,635
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 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-26,845,056	-26,845,056	0	-26,845,056
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	33,121,111	-33,121,111	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

Hrvoje Veselko

Board member

Ivan Potkrajčić