



SUNCE HOTELI d.d.

Trpinjska 9
10000 Zagreb, Croatia

Sunce hoteli d.d.

Financial Results

for the period January - March 2020

consolidated (unaudited)

Zagreb, 30th April 2020

1. General information.....	3
2. Organizational and shareholder structure.....	4
3. Unaudited business results for the first 3 months of 2020.....	6
Appendix 1: Financial Statements.....	11

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:

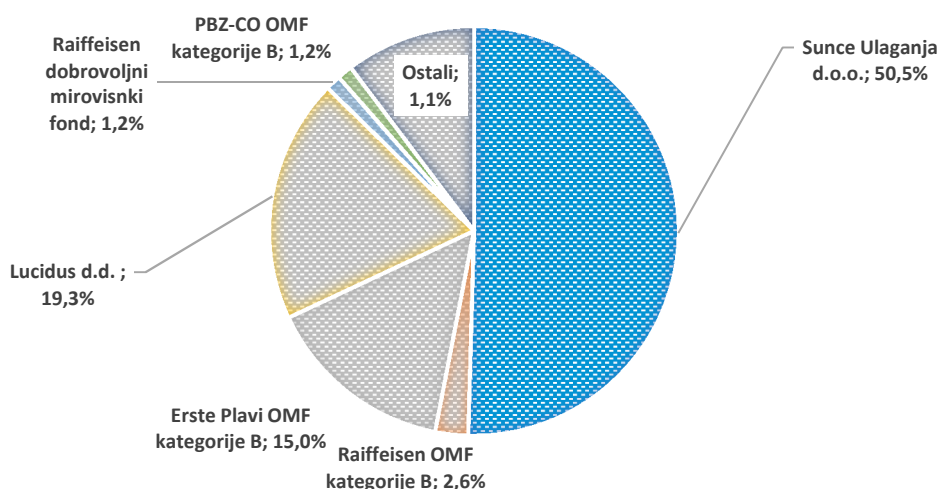
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratimir Ivičić, Member of the Supervisory Board

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

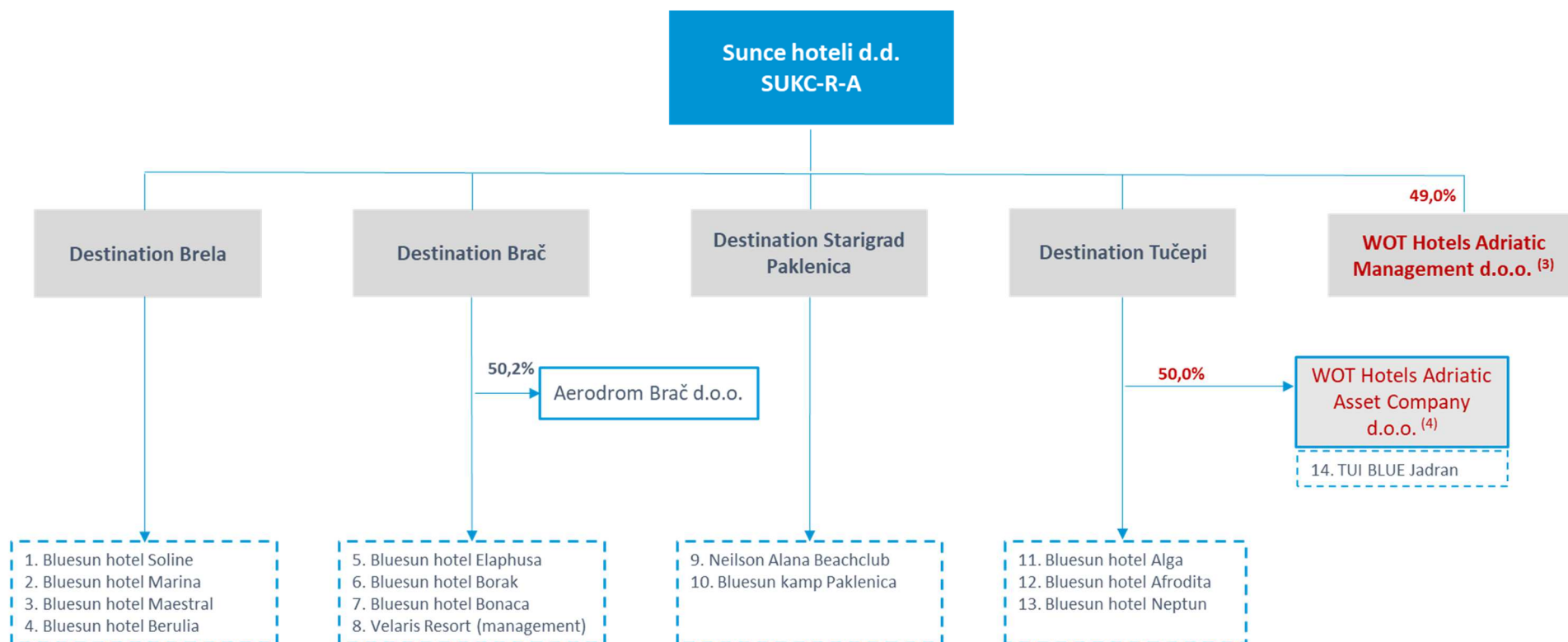
Subsidiaries included in the Group and other holdings:

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

Key Financial Indicators - Sunce Hoteli d.d.				
HRKths				
Financial performance	Q1 2020	Q1 2019	△	2020/2019
Revenues	4.046	2.724	1.322	48,5%
Operating expenses	5.677	8.520	-2.844	-33,4%
Employee expenses	17.405	17.872	-468	-2,6%
Other operating expenses	2.344	4.408	-2.064	-46,8%
EBITDA ¹	-21.379	-28.076	6.697	-23,9%
EBITDA margin %	-528,4%	-1030,6%	-50.200 bp	
Adjusted EBITDA	-21.379	-28.076	6.697	-23,9%
Adjusted EBITDA margin %	-528,4%	-1030,6%	-50.200 bp	
EBIT	-35.975	-41.788	5.813	-13,9%
Net result	-47.422	-43.450	-3.972	9,1%
Financial position	31.3.2020	31.12.2019	△	2020/2019
Total assets	1.396.720	1.382.206	14.515	1,1%
Tangible assets	1.127.270	1.140.220	-12.950	-1,1%
Equity	783.862	833.647	-49.785	-6,0%
Total debt	510.118	451.918	58.200	12,9%
Net debt ²	486.439	442.304	44.135	10,0%
Ratios				
Equity / Total assets	56,1%	60,3%	-419 bp	
Debt / Equity	65,1%	54,2%	1.087 bp	

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

2) Neto 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 Company's business model and the location of our hotels, the Company is highly seasonally oriented, which means that **the first quarter's business result is not representative of the Company's year-round operations**. For instance, the Company has only one facility open during the ordinary course of its business in the first quarter.

In the first quarter of 2020, the Company generated **HRK 4,046 million** (Q1 2019: HRK 2,724 million) **of revenues**, an increase of 48.5% over the same period last year. The Company generated **negative EBITDA of HRK 21,379 million** (Q1 2019: HRK 28,076 million), which represents a lower loss of almost HRK 6.7 million compared to the same period last year. **The reason for the lower loss at the EBITDA level** is partly due to the fact that in the first quarter of 2020 revenue from direct state aid for the preservation of jobs in activities affected by the COVID-19 virus for March amounted to HRK 2.1 million, and partly because other operating expenses were reduced by a total of HRK 2.0 million as a result of lower maintenance costs and small inventory costs.

The largest part of operating expenses consists of personnel expenses in the amount of HRK 17,405 million, which is slightly lower in the first quarter of 2020 compared to the same period of the previous year, while material costs amount to HRK 5,677 million and they decreased by 33,4% in the same period.

Financial expenses increased substantially in the first quarter of 2020 **as net foreign exchange rate loss amounted to HRK 9,738 million**, which, in addition to HRK 2,642 million in interest expense and 166 thousand of other financial expenses, gives a total financial expense

of HRK 12,547 million, **an increase of HRK 9,262 million compared to the first quarter of 2019** when total financial expenses amounted to HRK 3,285 million.

Nominal debt to financial institutions amounted to HRK 510 million as at 31 March 2020, which represents an increase of HRK 58 million compared to 31.12.2019 when nominal debt to financial institutions amounted to HRK 452 million. However, it is important to note that foreign exchange rate losses of HRK 11 million resulted in increase of debt to financial institutions booked at Balance sheet.

Net loss in the observed period amounted to **HRK 47,421 million**, while in the same period of the previous year the loss amounted to HRK 43,450 million. **The higher loss in the current quarter is a result of the growth of foreign exchange losses**, since in the same period EBITDA and EBIT were lower when compared to the same period of the previous year.

COVID -19 - Impact on the Company's operations

Since 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 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**

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

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

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

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 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 Brač 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:	<input type="text" value="1.1.2020"/>	to	<input type="text" value="31.12.2020"/>
Year:	<input type="text" value="2020"/>		
Quarter:	<input type="text" value="1."/>		

Quarterly financial statements

Registration number (MB):	<input type="text" value="01869647"/>	Issuer's home Member State code:	<input type="text" value="HR"/>
Entity's registration number (MBS):	<input type="text" value="080502040"/>		
Personal identification number (OIB):	<input type="text" value="06916431329"/>	LEI:	<input type="text" value="7478000070X8LWJUBX45"/>
Institution code:	<input type="text" value="5158"/>		

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 31.03.2020			
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	1.293.675.514	1.280.707.919
I INTANGIBLE ASSETS (ADP 004 to 009)	003	738.667	731.915
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	688.368	681.616
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	1.140.219.756	1.127.270.069
1 Land	011	115.408.292	115.408.292
2 Buildings	012	881.610.993	873.948.731
3 Plant and equipment	013	89.670.086	86.014.017
4 Tools, working inventory and transportation assets	014	3.270.929	3.065.564
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	21.412.663	21.938.832
8 Other tangible assets	018	28.846.793	26.894.633
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	145.090.447	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	100.931.394	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	44.149.253	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	2.100.069	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	2.100.069	2.088.913
V DEFERRED TAX ASSETS	036	5.526.575	5.526.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	83.169.304	101.721.511
I INVENTORIES (ADP 039 to 045)	038	4.048.455	4.289.267
1 Raw materials and consumables	039	3.755.284	3.996.724
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	251.558	250.930
5 Advances for inventories	043	41.613	41.613
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	37.467.688	41.718.040
1 Receivables from undertakings within the group	047	13.456.172	15.414.425
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	13.070.268	11.468.640
4 Receivables from employees and members of the undertaking	050	31.725	28.860
5 Receivables from government and other institutions	051	9.874.978	13.766.383
6 Other receivables	052	1.034.545	1.039.732
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	32.038.333	32.035.000
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	32.035.000	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	3.333	0
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	9.614.828	23.679.204
D) PREPAID EXPENSES AND ACCRUED INCOME	064	5.360.959	14.290.979
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.382.205.777	1.396.720.409
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	833.647.262	783.861.993
I INITIAL (SUBSCRIBED) CAPITAL	068	539.385.000	595.458.500
II CAPITAL RESERVES	069	67.836.894	112.157.388
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	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	
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 portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	97.297.143	126.745.831
1 Retained profit	082	97.297.143	126.745.831
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	29.448.688	-46.759.915
1 Profit for the business year	085	29.448.688	0
2 Loss for the business year	086	0	46.759.915
VIII MINORITY (NON-CONTROLLING) INTEREST	087	89.375.971	-14.043.377
B) PROVISIONS (ADP 089 to 094)	088	2.048.977	2.008.180
1 Provisions for pensions, termination benefits and similar obligations	089	1.442.563	1.401.766
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	429.857.954	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 interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	396.134.603	432.432.752
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	29.299.592	27.478.832
11 Deferred tax liability	106	1.078.042	1.078.042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	116.651.584	146.514.893
1 Liabilities to undertakings within the group	108	2.261.433	928.157
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	55.783.840	77.685.659
7 Liabilities for advance payments	114	4.237.854	22.220.904
8 Liabilities to suppliers	115	25.854.995	16.917.147
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	6.648.983	4.681.986
11 Taxes, contributions and similar liabilities	118	4.340.680	2.445.726
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	17.523.799	21.635.314
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.382.205.777	1.396.720.409
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	2.724.297	2.724.297	4.046.371	4.046.371
1 Income from sales with undertakings within the group	126	798.699	798.699	389.368	389.368
2 Income from sales (outside group)	127	0	0		
3 Income from the use of own products, goods and services	128	0	0		
4 Other operating income with undertakings within the group	129	0	0		
5 Other operating income (outside the group)	130	1.925.598	1.925.598	3.657.003	3.657.003
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	44.512.468	44.512.468	39.790.784	39.790.784
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	8.520.476	8.520.476	5.676.727	5.676.727
a) Costs of raw materials and consumables	134	1.743.653	1.743.653	923.012	923.012
b) Costs of goods sold	135	450.000	450.000	32	32
c) Other external costs	136	6.326.823	6.326.823	4.753.683	4.753.683
3 Staff costs (ADP 138 to 140)	137	17.872.142	17.872.142	17.404.583	17.404.583
a) Net salaries and wages	138	9.692.894	9.692.894	9.576.285	9.576.285
b) Tax and contributions from salary costs	139	5.316.511	5.316.511	5.479.809	5.479.809
c) Contributions on salaries	140	2.862.737	2.862.737	2.348.489	2.348.489
4 Depreciation	141	13.711.844	13.711.844	14.365.364	14.365.364
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	4.408.006	4.408.006	2.344.110	2.344.110
III FINANCIAL INCOME (ADP 155 to 164)	154	1.623.043	1.623.043	870.299	870.299
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	851.299	851.299	870.078	870.078
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	221	221
8 Exchange rate differences and other financial income	162	206.487	206.487	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	565.257	565.257	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	3.285.259	3.285.259	12.547.839	12.547.839
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	2.352.367	2.352.367	2.642.863	2.642.863
4 Exchange rate differences and other expenses	169	0	0	9.738.042	9.738.042
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	932.892	932.892	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	4.347.340	4.347.340	4.916.670	4.916.670
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	47.797.727	47.797.727	52.338.623	52.338.623
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-43.450.387	-43.450.387	-47.421.953	-47.421.953
1 Pre-tax profit (ADP 177-178)	180	0	0	0	0
2 Pre-tax loss (ADP 178-177)	181	-43.450.387	-43.450.387	-47.421.953	-47.421.953
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-43.450.387	-43.450.387	-47.421.953	-47.421.953
1 Profit for the period (ADP 179-182)	184	0	0	0	0
2 Loss for the period (ADP 182-179)	185	-43.450.387	-43.450.387	-47.421.953	-47.421.953

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	-43.450.387	-47.421.953
2 Adjustments (ADP 003 to 010):	002	16.223.123	23.404.074
a) Depreciation	003	13.711.844	14.365.364
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	
d) Interest and dividend income	006	-851.299	-870.078
e) Interest expenses	007	2.352.367	2.642.863
f) Provisions	008	0	
g) Exchange rate differences (unrealised)	009	0	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.010.211	7.265.925
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-27.227.264	-24.017.879
3 Changes in the working capital (ADP 013 to 016)	012	12.282.793	-6.395.886
a) Increase or decrease in short-term liabilities	013	14.979.735	7.961.491
b) Increase or decrease in short-term receivables	014	2.056.918	-4.250.352
c) Increase or decrease in inventories	015	-1.928.249	-240.812
d) Other increase or decrease in working capital	016	-2.825.611	-9.866.213
II Cash from operations (ADP 011+012)	017	-14.944.471	-30.413.765
4 Interest paid	018	0	0
5 Income tax paid	019	-1.183.570	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-16.128.041	-30.413.765
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	5.000	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	5.000	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-27.961.405	-1.408.925
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	-27.961.405	-1.408.925
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-27.956.405	-1.408.925
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	0	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	0	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	0	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	-44.084.446	14.064.376
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	45.079.510	9.614.828
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)	050	995.064	23.679.204

STATEMENT OF CHANGES IN EQUITY																	
for the period from 1.1.2020 to 31.3.2020																	in HRK
Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deducible 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	655.925	0	0	0	6.591.581	3.056.059	0	0	0	55.819.891	26.176.205	714.950.933	84.646.977	799.597.910
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	655.925	0	0	0	6.591.581	3.056.059	0	0	0	55.819.891	26.176.205	714.950.933	84.646.977	799.597.910
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	29.448.688	29.448.688	4.712.460	34.161.148
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	-15.429.378	0	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	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	26.176.205	-26.176.205	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.056.059	0	0	0	97.553.805	29.448.688	744.527.952	89.375.971	833.903.923
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	-15.429.378	0	0	0	0	0	0	0	0	0	15.557.709	0	128.331	16.534	144.865
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05-24)	25	0	-15.429.378	0	0	0	0	0	0	0	0	0	15.557.709	29.448.688	29.577.019	4.728.994	34.306.013
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	26.176.205	-26.176.205	0	0	0

Current period																	
1 Balance on the first day of the current business year	27	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.056.059	0	0	0	97.553.805	29.448.688	744.527.952	89.375.971	833.903.923
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.056.059	0	0	0	97.553.805	29.448.688	744.527.952	89.375.971	833.903.923
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	-46.759.915	-46.759.915	-662.038	-47.421.953	0
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	56.073.500	44.320.494	0	0	0	0	0	1	0	0	0	-256.662	0	100.137.333	-102.757.310	-2.619.977
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	29.448.688	-29.448.688	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	595.458.500	112.157.388	655.925	0	0	0	6.591.581	3.056.060	0	0	0	126.745.831	-46.759.915	797.905.370	-14.043.377	783.861.993
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	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31-50)	51	0	0	0	0	0	0	0	0	0	0	0	-46.759.915	-46.759.915	-662.038	-47.421.953	0
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	1	0	0	0	29.192.026	-29.448.688	100.137.333	-102.757.310	-2.619.977

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