



Sunce Koncern d.d.

Trpinjska 9
10000 Zagreb, Hrvatska

Sunce koncern d.d.

Financial Results

for the period January - September 2019

consolidated (unaudited)

Zagreb, 31st October 2019.

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1. GENERAL INFORMATION

Name

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

Registered office and legal form

SUNCE KONCERN 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 amounts to HRK 539.385.000,00 and is divided into 5.393.850 ordinary registered shares, each in the nominal amount of HRK 100,0. The Company's shares are recorded in a book-entry form in the accounts of book-entry securities in the computer system of the Central Depository and Clearing Company Inc. in accordance with special regulations under the ticker SUKC-R-A and ISIN HRSUKCRA0001.

Members of Management Board:

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

Supervisory Board:

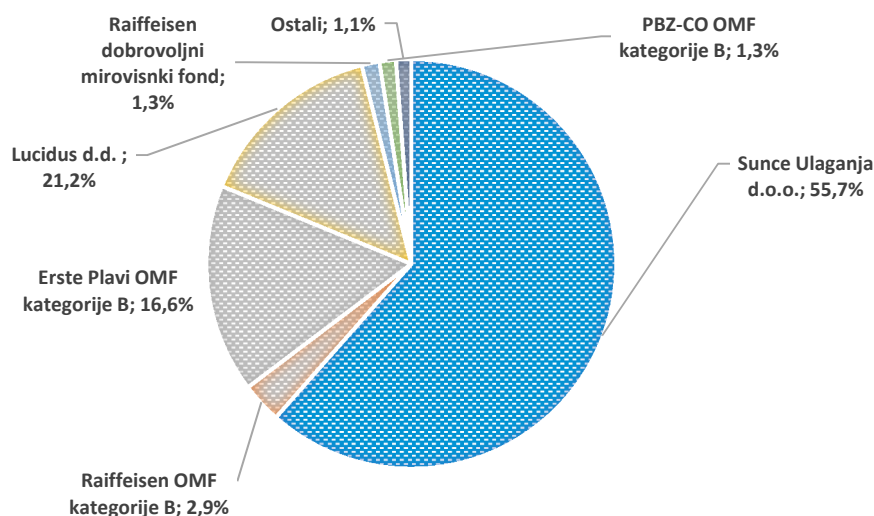
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratimir Ivičić, Member of the Supervisory Board

Audit Committee:

- Ivan Augustin, President of the Audit Committee
- Sanja Gagulić, Member of the Audit Committee
- Ružica Andabak, Member of the Audit Committee

2. ORGANIZATIONAL AND SHAREHOLDER STRUCTURE

Major Shareholders of the Group:



Source: Central Depository & Clearing Company Inc

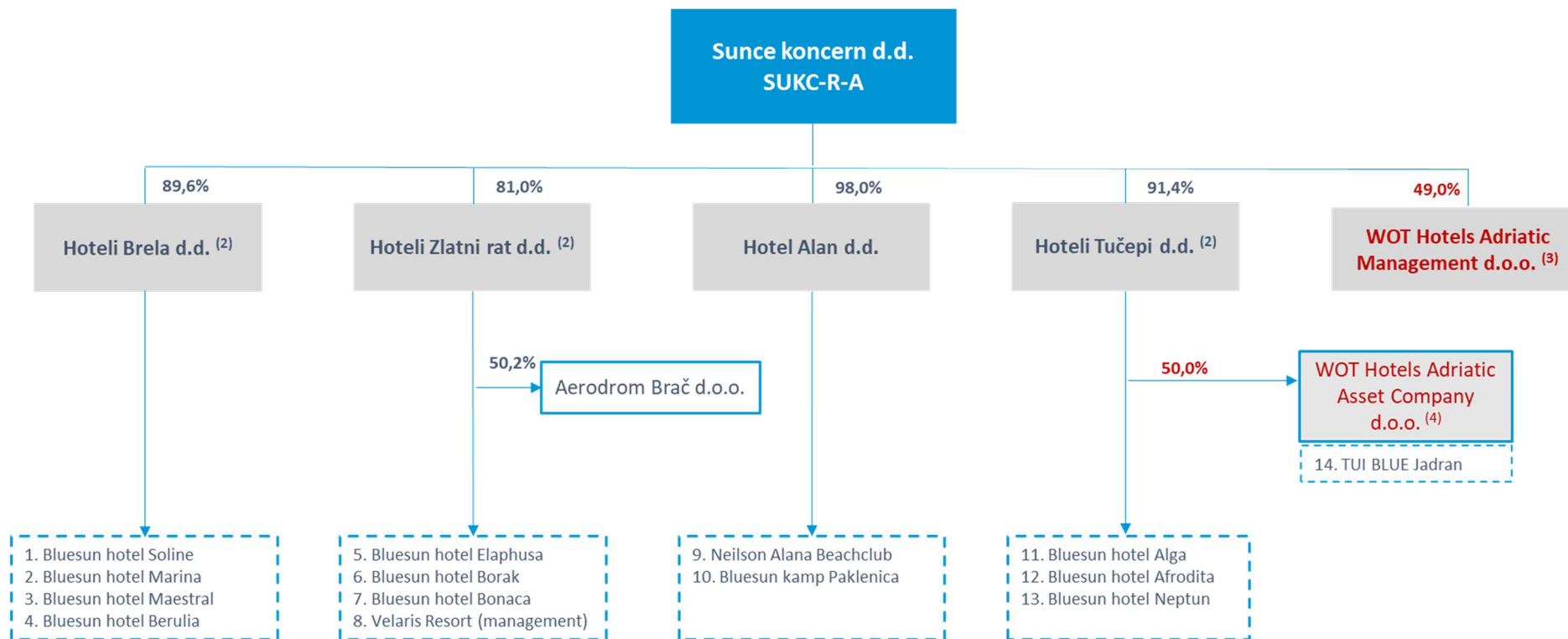
Subsidiaries included in the Group and other holdings:

Members of the Group:	HQ:	Business:	Ownership:
Sunce Konzern d.d.	Zagreb	Parent company	-
Hoteli Zlatni Rat d.d.	Bol	Hotels	80,99%
Hoteli Brela d.d.	Brela	Hotels	89,58%
Hoteli Tučepi d.d.	Tučepi	Hotels	91,41%
Hotel Alan d.d.	Starigrad	Hotels	97,96%
Aerodrom Brač d.o.o.	Supetar	Airport	50,18%
Sunce Vital d.o.o.	Zagreb	Healthcare	100,00%
Zlatni rat Poljoprivreda d.o.o.*	Bol	Agriculture	80,99%
Zlatni rat Servisi d.o.o.*	Bol	Maintenance	80,99%
Zlatni rat Tenis centar d.o.o.*	Bol	Tennis operator	80,99%
Plaža Zlatni Rat d.o.o.*	Bol	Beach operator	80,99%
Eko - promet d.o.o.*	Bol	Transport	38,28%
Brač 500 Plus d.o.o.	Bol	Cable management	56,24%
Brela Jakiruša d.o.o.	Brela	Preparation of food and beverages	89,58%
Društvo:**	Mjesto:	Priroda poslovanja:	Vlasništvo:
WOT Hotels Adriatic Management d.o.o.	Tučepi	Holding company	49,00%
WOT Hotels Adriatic Asset d.o.o.	Tučepi	Hotels	50,00%
Praona d.o.o.	Makarska	Industrial Laundry	42,00%

* Subscribed companies do not have recorded assets and liabilities (are not active in business), and applications have been submitted to the Tax Registry for deletion from the court register

** Subject companies are not subject to consolidation but are accounted for according to accounting standards according to the equity method

Organisational structure of the Group⁽¹⁾:



(1) Data as of 30.09.2019; Sunce koncern d.d. as a Group has some additional members, but they are immaterial for the Group's performance.

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

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

(4) Joint Venture Company with TUI AG.

3. BUSINESS RESULTS FOR THE FIRST NINE MONTHS 2019

Key Financial Indicators - Sunce Koncern d.d.				
HRKths				
Financial performance	1.1.-30.9.2019	1.1.-30.9.2018	△	2019/2018
Revenues	411.312	398.700	12.612	3,2%
Operating expenses	109.219	111.078	-1.858	-1,7%
Employee expenses	117.927	115.046	2.881	2,5%
Other operating expenses	51.860	32.622	19.238	59,0%
EBITDA ¹	132.306	139.955	-7.649	-5,5%
EBITDA margin %	32,2%	35,1%	-290 bp	
Adjusted EBITDA ²	148.062	139.955	8.108	5,8%
EBITDA margin %	36,0%	35,1%	+90 bp	
EBIT	82.695	103.385	-20.690	-20,0%
Net result	78.452	96.604	-18.152	-18,8%
Financijski position	30.9.2019	31.12.2018	△	2019/2018
Total assets	1.527.298	1.387.683	139.616	10,1%
Tangible assets	1.151.865	1.109.620	42.245	3,8%
Equity	878.391	799.598	78.793	9,9%
Total debt	494.811	503.957	-9.146	-1,8%
Net debt ²	411.190	458.877	-47.688	-10,4%
Ratios				
Equity / Total assets	57,5%	57,6%	-10 bp	
Debt / Equity	56,3%	63,0%	-670 bp	

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

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

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

KPIs				
	9M 2019	9M 2018	△	2019/2018
Number of accommodation units	3.002	2.976	26	0,9%
Number of units sold	375.887	368.484	7.403	2,0%
Overnights	851.035	808.331	42.704	5,3%
Occupancy (operating days)	76,2%	81,1%	-490 bp	
ADR ⁴ (HRK)	870,7	871,1	-0,4	-0,1%
RevPAR ⁵ (HRK)	460,3	516,4	-56,1	-10,9%

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

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

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

- **Exposure to the Thomas Cook Group** - The Group sells part of its accommodations through allotment agreements with various global tour operators and, inter alia, individual members of the Thomas Cook Group that opened bankruptcy proceedings in

their home countries at the end of September 2019. On 30 of September 2019 the Group's claims against the Thomas Cook Group members amounted to HRK 17.5 million, of which a 90% write-off of receivables was made, or HRK 15.7 million. Given that this is a one-off write-off of receivables, we refer to the adjusted EBITDA indicator so that the operating result for the current year can be compared with the previous year.

- **Consolidation of Hotel Alan d.d.** - the current reporting period relating to the first 9 months of 2019 also includes the financial results of Hotel Alan d.d., while in the previous comparable period the consolidation of the results of Hotel Alan d.d. begins as of 1st of August, 2018.
- **New investments - CAPEX** - The Group realized two investments for the current season, which resulted in an increase in the number of accommodation units compared to the same period last year. The number of accommodation units increased from 2,976 by 26 to 3,002. Investments are related to:
 - Hotel Soline (Hoteli Brela d.d.):
 - Description: Renovation of common areas: part of basement, ground floor and first floor. The existing cafe bar was not changed during the basement renovation, while the souvenir shop and the gallery were converted into a wine cellar. During the interventions in the basement of the hotel, the existing restaurant and kitchen have been renovated and an a la carte restaurant stands out in its southern part.
 - Number of new rooms: 2 new apartments
 - Total investment value: HRK 27 million
 - Categorization: after completion of the investment the hotel is categorized with 4* compared to 3* before the investment
 - Opening: April 28, 2019.
 - Hotel Alga (Hoteli Tučepi d.d.):
 - Description: The second phase of the Alga Hotel renovation by remodeling the remaining 156 accommodation units to bring additional freshness and adapt the design to the requirements of the guests.
 - Number of new rooms: 24 new rooms
 - Total investment value: HRK 20 million
 - Categorization: categorization remains unchanged, i.e. 4*
 - Opening: March 31, 2019
- **IFRS 16 - Leases** - The Group has adopted a new reporting standard as of January 1, 2019. The effect of this standard is higher depreciation expense by HRK 6.7 million in the first 9 months of 2019, while rental costs were reduced by the same amount. For more details on the expected impacts of IFRS 16, please see the 2018 Annual Report.

Consequently, in the first nine months of 2019, the Group generated HRK 411.3 million (first nine months of 2018: HRK 398.7 million) of operating revenues, an increase of 3.2% compared to the same period last year. The major contributor to revenue growth is the consolidation of Hotel Alan d.d. entering into the financial results of the entire current reporting period.

The Group also achieved an EBITDA result of HRK 132.3 million (first nine months of 2018: HRK 139.9 million), a decrease of 5.5% compared to the same period last year. **However, the adjusted EBITDA for the write-off of receivables related to Thomas Cook Group in the amount of HRK 15.7 million is HRK 148.0 million, which is an increase of HRK 8.1 mn compared to the same reporting period of the previous year.** However, if the Adjusted EBITDA indicator is compared on a comparable basis in the first 9 months of 2019 compared to the same period of the previous year, then the Adjusted EBITDA growth would be HRK 1.4 million as a result of the adoption of the new IFRS 16 reporting standard as of 1st of January, 2019 which results in higher depreciation expense and a lower rental cost of HRK 6.7 million.

The largest part of **operating expenses** consist of personnel expenses in the amount of HRK 117.9 million and material expenses in the amount of HRK 109.2 million. In the current year, labor costs were HRK 2.8 million higher in the first nine months of 2019 than in the same period of the previous year primarily due to full consolidation of Hotel Alan d.d., but at the same time the share of labor costs fell from 28.86% last year to 28.67%, while material costs decreased by an absolute amount of HRK 1.8 million in the same period, and their share decreased from 27.8% last year to 26.5% in the current reporting period for the first 9 months of 2019. years.

Financial revenues in the first 9 months of 2019 amounted to HRK 5.8 million, a decrease of 53% compared to the same period of the previous year, primarily due to lower appreciation of the exchange rate, while at the same time, as a result of refinancing of the Group's total financial debt, **financial expenses** decreased by 47 %, or HRK 19.3 million in the first nine months of 2018 to HRK 10.1 million in the current reporting period.

The group made a **net profit** of HRK 78.4 million in the nine-month period ended September 30, 2019.

After the successful merger of Sunce Global d.o.o. and consolidation of Hotel Alan d.d., the parent company Sunce Koncern d.d. continues to carry out the process of increasing the efficiency of the Group, first of all by simplifying and optimizing the organizational structure. Therefore, in accordance with the previously announced decision of the General Assembly held on June 28, 2019 **to increase the share capital of Sunce Koncern d.d. and the issue of new shares for the purpose of merger of the companies Hotel Alan d.d., Hotels Tučepi d.d., Zlatni rat Hotels d.d. and Hotels Brela d.d.** the intention of the Sunce concern d.d. is to carry out the merger by registering in the commercial courts by the end of the current year.

Annex 1**ISSUER'S GENERAL DATA**

Reporting period:

01.01.2019

to

30.9.2019

Year:

2019

Quarter:

2

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 koncern 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

1179

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Hoteli Tučepi d.d.**Tučepi, Dračevice 35****Hoteli Brela d.d.****Brela, trg Gospe od Karmela 1****Hoteli Zlatni Rat d.d.****Bol, Bračka cesta 31****Hotel Alan d.d.****Starigrad, trg Franje Tuđmana 14****Sunce Vital d.o.o.****Zagreb, Braće Domany 6****Aerodrom Brač d.o.o.****Bol, Bračka cesta 31**

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 30.09.2019

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	1.251.799.856	1.338.358.285
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.027.702	779.200
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	948.872	711.740
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	23.875	23.875
6 Other intangible assets	009	54.955	43.585
II TANGIBLE ASSETS (ADP 011 to 019)	010	1.109.619.748	1.151.865.164
1 Land	011	111.620.873	113.500.873
2 Buildings	012	872.374.732	888.530.570
3 Plant and equipment	013	91.072.982	93.637.046
4 Tools, working inventory and transportation assets	014	3.454.719	3.341.842
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	30.793.623	24.454.641
8 Other tangible assets	018	302.819	28.400.192
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	133.203.116	177.672.719
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	101.478.666	101.478.666
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	31.714.650	76.184.253
9 Other investments accounted for using the equity method	029	9.800	9.800
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	2.422.715	2.514.627
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	2.422.715	2.514.627
V DEFERRED TAX ASSETS	036	5.526.575	5.526.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	135.882.912	179.267.729
I INVENTORIES (ADP 039 to 045)	038	3.734.536	7.302.706
1 Raw materials and consumables	039	3.349.944	6.713.476
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	185.350	487.042
5 Advances for inventories	043	199.242	102.188
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	42.623.449	88.340.174
1 Receivables from undertakings within the group	047	9.174.606	9.427.801
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	20.802.863	63.182.454
4 Receivables from employees and members of the undertaking	050	45.287	362.047
5 Receivables from government and other institutions	051	4.807.159	5.609.094
6 Other receivables	052	7.793.534	9.758.778
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	44.445.417	3.333
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	44.427.084	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	18.333	3.333
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	45.079.510	83.621.516
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	9.672.404
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.387.682.768	1.527.298.418
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	799.597.910	878.391.153
I INITIAL (SUBSCRIBED) CAPITAL	068	539.385.000	539.385.000
II CAPITAL RESERVES	069	83.266.272	83.266.272
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	7.247.507	7.247.507
1 Legal reserves	071	655.925	655.925
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	6.591.582	6.591.582
IV REVALUATION RESERVES	076	3.056.059	3.056.059
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	55.819.891	81.996.096
1 Retained profit	082	55.819.891	81.996.096
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	26.176.205	68.603.509
1 Profit for the business year	085	26.176.205	68.603.509
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	84.646.976	94.836.710
B) PROVISIONS (ADP 089 to 094)	088	2.002.566	2.028.939
1 Provisions for pensions, termination benefits and similar obligations	089	1.396.152	1.422.525
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	606.414	606.414
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	453.680.969	464.642.805
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	449.257.211	432.159.045
7 Liabilities for advance payments	102	3.345.717	3.404.690
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	28.001.028
11 Deferred tax liability	106	1.078.041	1.078.042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	132.401.323	182.235.521
1 Liabilities to undertakings within the group	108	2.932.534	4.070.215
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	0
6 Liabilities to banks and other financial institutions	113	54.699.699	62.652.137
7 Liabilities for advance payments	114	2.266.207	10.869.308
8 Liabilities to suppliers	115	38.488.382	45.622.303
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	6.627.120	8.830.543
11 Taxes, contributions and similar liabilities	118	7.837.393	20.125.284
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	19.549.988	30.065.731
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.387.682.768	1.527.298.418
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019. to 30.09.2019.

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	398.700.255	290.306.257	411.311.838	299.565.608
1 Income from sales with undertakings within the group	126	393.410.073	288.557.731	403.833.345	296.238.146
2 Income from sales (outside group)	127				
3 Income from the use of own products, goods and services	128				
4 Other operating income with undertakings within the group	129				
5 Other operating income (outside the group)	130	5.290.182	1.748.526	7.478.493	3.327.462
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	295.315.517	150.576.065	328.617.320	169.184.610
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	111.077.782	61.056.414	109.219.383	60.211.139
a) Costs of raw materials and consumables	134	64.106.499	37.383.828	66.496.264	39.231.410
b) Costs of goods sold	135	1.262.811	799.299	984.357	696.114
c) Other external costs	136	45.708.473	22.873.287	41.738.762	20.283.615
3 Staff costs (ADP 138 to 140)	137	115.045.899	55.426.453	117.926.950	55.026.209
a) Net salaries and wages	138	77.713.710	39.007.639	79.734.267	39.979.991
b) Tax and contributions from salary costs	139	24.265.923	11.821.546	24.825.244	9.780.012
c) Contributions on salaries	140	13.066.266	4.597.268	13.367.439	5.266.206
4 Depreciation	141	36.569.975	13.175.151	49.611.288	14.970.104
5 Other costs	142	0	0	0	0
6 Value adjustments (ADP 144+145)	143	0	0	15.756.464	15.756.464
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	15.756.464	15.756.464
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	32.621.861	20.918.047	36.103.235	23.220.694
III FINANCIAL INCOME (ADP 155 to 164)	154	12.537.583	1.590.932	5.864.604	1.748.064
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	5.166.960	1.590.932	2.623.007	870.715
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	0	0	0	0
8 Exchange rate differences and other financial income	162	7.370.623	0	3.241.597	877.349
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	19.318.357	9.071.810	10.106.972	3.890.342
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	22.110	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	17.165.752	7.601.855	6.492.674	2.515.374
4 Exchange rate differences and other expenses	169	0	0	2.302.241	1.136.507
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	2.152.605	1.469.955	1.289.947	238.461
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	411.237.838	291.897.189	417.176.442	301.313.672
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	314.633.874	159.647.875	338.724.292	173.074.952
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	96.603.964	132.249.314	78.452.150	128.238.720
1 Pre-tax profit (ADP 177-178)	180	96.603.964	132.249.314	78.452.150	128.238.720
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	96.603.964	132.249.314	78.452.150	128.238.720
1 Profit for the period (ADP 179-182)	184	96.603.964	132.249.314	78.452.150	128.238.720
2 Loss for the period (ADP 182-179)	185	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 30.09.2019.

in HRK

Submitter: Sunce Koncern d.d.

Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	96.603.964	78.452.150
2 Adjustments (ADP 003 to 010):	002	51.285.487	52.227.660
a) Depreciation	003	36.569.975	49.611.288
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	-5.166.960	-2.623.007
e) Interest expenses	007	17.165.752	6.492.674
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	1.579.169	-1.279.667
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.137.551	26.372
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	147.889.450	130.679.810
3 Changes in the working capital (ADP 013 to 016)	012	-31.838.324	-12.953.378
a) Increase or decrease in short-term liabilities	013	79.952.279	42.640.217
b) Increase or decrease in short-term receivables	014	-89.964.453	-62.822.173
c) Increase or decrease in inventories	015	-3.525.645	-3.568.168
d) Other increase or decrease in working capital	016	-18.300.505	10.796.746
II Cash from operations (ADP 011+012)	017	116.051.126	117.726.432
4 Interest paid	018	-13.765.127	-3.707.868
5 Income tax paid	019	-3.926.006	-1.183.570
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	98.359.993	112.834.994
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	1.512.761	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	15.000
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	1.512.761	15.000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-70.664.677	-63.607.172
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	-41.257.800	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-111.922.477	-63.607.172
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-110.409.716	-63.592.172
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	212.435.002	11.064.999
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	212.435.002	11.064.999
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-141.614.348	-21.765.815
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	-141.614.348	-21.765.815
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	70.820.654	-10.700.816
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	58.770.931	38.542.006
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	27.049.996	45.079.510
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	85.820.927	83.621.516

STATEMENT OF CHANGES IN EQUITY																	
for the period from 1.1.2019 to 30.9.2019																	in HRK
Item	ADP code	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	Minority (non-controlling) interest	Total capital and reserves
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	488.706.200	24.420.000	655.925	0	0	0	6.814.852	3.032.241	0	0	0	138.692.239	0	662.321.457	80.252.749	742.574.206
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	488.706.200	24.420.000	655.925	0	0	0	6.814.852	3.032.241	0	0	0	138.692.239	0	662.321.457	80.252.749	742.574.206
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	26.176.205	26.176.205	3.844.144	30.020.349
6 Exchange rate differences from translation of foreign operations	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	23.818	0	0	0	0	0	23.818	495	24.313
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	50.678.800	71.035.136	0	0	0	0	0	0	0	0	0	0	0	121.713.936	0	121.713.936
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	-95.284.483	0	-95.284.483	549.589	-94.734.894
21 Transfer to reserves according to the annual schedule	21	0	-12.188.864	0	0	0	0	-223.271	0	0	0	0	12.412.135	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	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	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
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	23.818	0	0	0	0	0	23.818	495	24.313
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	23.818	0	0	0	0	26.176.205	26.200.023	3.844.639	30.044.662
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	50.678.800	58.846.272	0	0	0	0	-223.271	0	0	0	0	-82.872.348	0	26.429.453	549.589	26.979.042

Current period																	
1 Balance on the first day of the current business year	27	539.385.000	83.266.272	655.925	0	0	0	6.591.581	3.056.059	0	0	0	55.819.891	26.176.205	714.950.933	84.646.977	799.597.910
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	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	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	31	0	0	0	0	0	0	0	0	0	0	0	68.603.509	68.603.509	9.848.641	78.452.150	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	341.093	341.093	
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	26.176.205	-26.176.205	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	539.385.000	83.266.272	655.925	0	0	0	6.591.581	3.056.059	0	0	0	81.996.096	68.603.509	783.554.442	94.836.711	878.391.153
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	341.093	341.093
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31-50)	51	0	0	0	0	0	0	0	0	0	0	0	68.603.509	68.603.509	10.189.734	78.793.243	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	26.176.205	-26.176.205	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

Tonči Boras

Board member

Kristijan Gagulić

Član Uprave

Board member