



Sunce Koncern d.d.

Trpinjska 9
10000 Zagreb, Hrvatska

Sunce koncern d.d.

Financial Results

for the period January - June 2019

consolidated (unaudited)

Zagreb, 31st July 2019.

1. General information.....	1
2. Organisational and shareholder structure.....	4
3. Business results for the first 6 months 2019.....	5
4. Managements discussion.....	5
Appendix 1: Financial Statements.....	8

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:

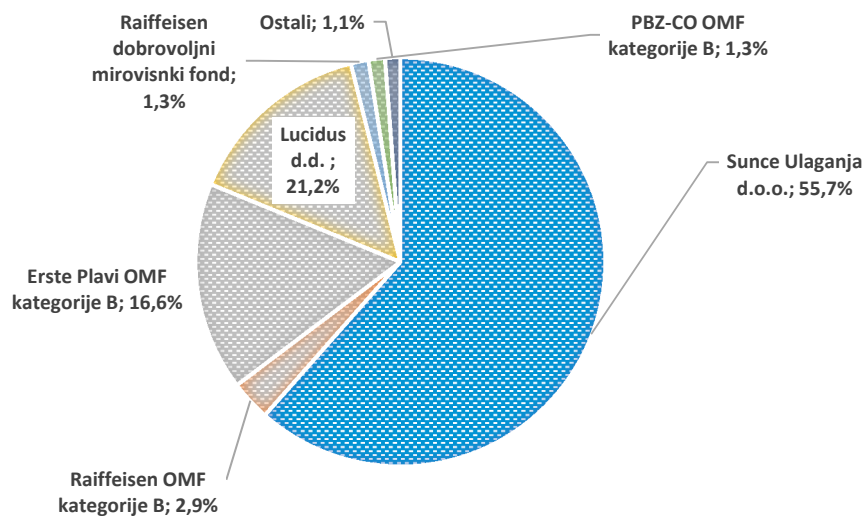
- Jako Andabak, Chairman of the Supervisory Board
- Sanja Gagulić, Deputy Chairman of the Supervisory Board
- Ružica Andabak, Member of the Supervisory Board
- Ana Volk, Member of the Supervisory Board
- Ratimir Ivičić, Member of the Supervisory Board*

Audit Committee:

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

*In accordance with the amendments to the Mandatory Pension Funds Act (OG 115/18), ERSTE d.o.o. On 30 June 2019, the mandatory and voluntary pension fund management company recalled its employee, Mr. Ivan Augustin, from his duties as a member of the Supervisory Board of the Company, and at the same time appointed Mr. Ratimir Ivičić, as a member of the Supervisory Board of the Company. July 1, 2019 to June 13, 2021.

Major Shareholders of the Group:



Source: Central Depository & Clearing Company Inc

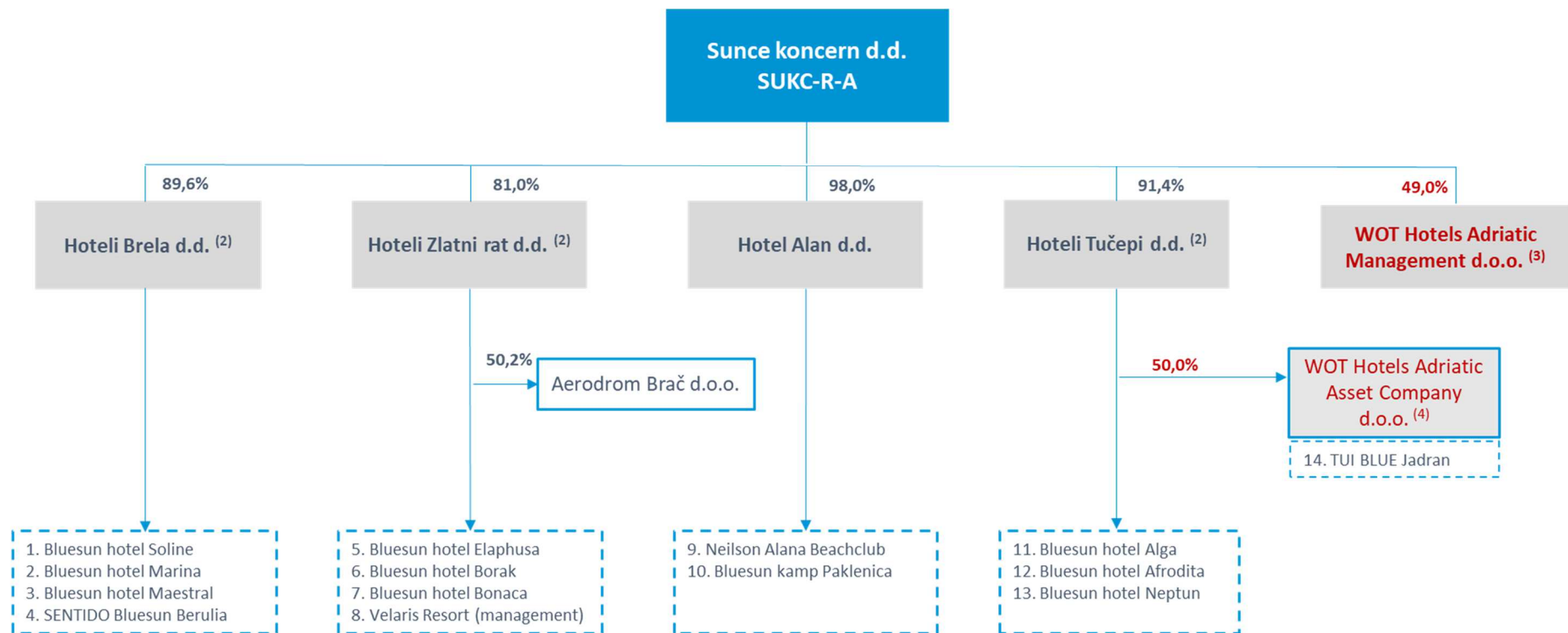
Subsidiaries included in the Group and other holdings:

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) Data as of 31.12.2018; 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.

HRK ths				
Financial performance	1H 2019	1H 2018	△	2019/2018
Revenues	112.030	108.790	3.241	3,0%
Operating expenses	49.845	50.201	-355	-0,7%
Employee expenses	61.242	59.510	1.731	2,9%
Other operating expenses	14.115	11.952	2.163	18,1%
EBITDA ¹	-13.172	-12.873	-298	2,3%
EBITDA margin %	-11,8%	-11,8%	-10 bp	
EBIT	-45.194	-36.268	-8.926	24,6%
Net result	-46.504	-35.582	-10.922	30,7%
Financijski position	30.06.19	31.12.18	△	2019/2018
Total assets	1.462.313	1.387.683	74.631	5,4%
Tangible assets	1.158.805	1.109.620	49.186	4,4%
Equity	753.597	799.598	-46.000	-5,8%
Total debt	486.794	503.957	-17.163	-3,4%
Net debt ²	478.429	458.877	19.552	4,3%
Ratios				
Equity / Total assets	51,5%	57,6%	-610 bp	
Debt / Equity	64,6%	63,0%	160 bp	

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

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

KPIs				
	1H 2019	1H 2018	△	2019/2018
Number of accommodation units	3.002	2.485	517	21%
Number of units sold	134.709	134.769	-60	0%
Overnights	282.833	276.796	6.037	2%
Occupancy (operating days)	45,3%	68,8%	-2.350 bp	
ADR ³ (HRK)	653,4	641,4	12,0	2%
RevPAR ⁴ (HRK)	220,0	309,9	-89,9	-29%

3) 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

4) 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 six 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:

- **Consolidation of Hotel Alan d.d.** - the current reporting period relating to the first 6 months of 2019 also includes the financial results of Hotel Alan d.d., while in the same period last year financial results were not subject to consolidation. Consolidation of the financial results of Hotel Alan d.d. started as of August 1, 2018.
- **Number of operational days** - in the current reporting period the number of operational days of hotel operation is lower compared to the same period last year primarily due to

the worse weather condition in May. Management applied active approach and closed certain hotels during the month of May due to bad weather, which resulted in lower revenues, but with a simultaneous cost control, the decline in revenue was amortized, which ultimately had a positive effect on the Group's operating result and profitability.

- **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. 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 3.7 million in the first 6 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.

In the first half of 2019, the Group generated HRK 112 million (1H 2018: HRK 108.8 million) in **revenues**, representing an increase of 3% compared to the same period last year. The Group also reported negative **EBTIDA** in the amount of HRK 13.2 million (1H 2018: HRK 12.9 million), which is a decrease of 2.3% compared to the same period last year. The reason for the growth of negative EBTIDA is the impact of the consolidation of Hotel Alan d.d. which realized negative EBTIDA in the 1H 2019 in the amount of HRK 488 thousand while in the same period last year results of Hotel Alan d.d. are not included as consolidation started as of August 1, 2018.

Most of the operating expenses consists of staff costs in the amount of HRK 61,242 thousand and operating expenses in the amount of 49,845 thousand. Labor costs increased by HRK 1,731 thousand in the first six months of 2019 compared to the same period last year. However, when the consolidation of Hotel Alan d.d. is excluded, on a comparable basis, labor costs in the same period are actually lower by HRK 2,849 thousand, which represents a decrease of 4.8%. The lower cost of operation on a comparable basis is the result of optimization of the process of managing the cost of work and the lower number of operational days of hotel operation.

Financial income in the first 6 months of 2019 amounted to HRK 3,394 thousand, which is a decrease of 67% compared to the same period last year, primarily due to the 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 51%, or from HRK 9,521 thousand in the first half of 2018 to HRK 4,705 thousand over the current six-month period.

In the half year period ended June 30, 2019, the Group recorded **net loss** in the amount of HRK 46,504 thousand.

In the first six months, the Group had **3,002 accommodation units**, an increase of 517 units compared to the same period last year. The reason for the increase is 24 newly built rooms in the Alga Hotel and 2 apartments in the Soline Hotel, while the number of 491 represents an increase due to the merger and consolidation of the Hotel Alan d.d., of which the Alana Beachclub has 187 accommodation units, while the camp has 304 accommodation units.

The number of units sold for the first six months of 2019 did not deviate significantly from the previous period in 2018. However, the impact of the consolidation of Hotel Alan d.d. whose financial result is included in the reporting period of the current year as opposed to the previous year. Consequently, excluding the number of units sold at Hotel Alan d.d., i.e. hotels and camps, the realized number of units sold decreased by 15,419, which is a decrease of 11.4% compared to the same period last year. The reason for the lower number of units sold in the first half of 2019 is the smaller **number of operational days** of the Group's operations. When Hotel and Camp Alan are excluded, the hotels had a total of 638 operating days during the first half of 2019, compared to last year's six months when the hotels were operational 724 days, representing a decrease of 13.5%. As explained earlier, due to an active approach management, and as a result of bad weather, certain hotel facilities were opened later than initially planned, reducing the number of operating days of hotel operation which resulted in lower revenues, while maintaining high profitability due to the costs control.

Excluding the Alan Hotel effect, the **nights spent** decreased by 31,478 compared to the same period last year, which is a relative decrease of 11,4%. This is in line with the smaller number of units sold and the number of operational days worked.

ADR is 2% higher in the first half of 2019 compared to the same period last year. If the ADR indicator is adjusted for the consolidation of Hotel Alan d.d., then the adjusted ADR indicator is HRK 666 for the first 6 months of 2019, which is actually an increase of 4%. This is a result of the continued increase in the **direct sales and OTA channels share in the sales strategy**, which we have already announced in our Annual Report for 2018. The group continued into 2019 with an additional focus on direct sales and digital marketing channels. Although allotment contracts are the Group's single largest sales channel, we must maintain an adequate share of all channels and maintain a healthy balance in our distribution strategy, not only to maximize prices, but also to be flexible and responsive to market changes.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	01.01.2019	to	30.06.19
Year:	2019		
Quarter:	1		

Quarterly financial statements

Registration number (MB):	01869647	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080502040		
Personal identification number (OIB):	06916431329	LEI:	7478000070X8LWJUBX45
Institution code:	5158		

Name of the issuer: **Sunce 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.****Boj, 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.****Boj, 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 30.06.2019

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	1.300.760.688
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.027.702	831.332
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	948.872	763.872
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	1.158.805.291
1 Land	011	111.620.873	113.500.873
2 Buildings	012	872.374.732	874.902.280
3 Plant and equipment	013	91.072.982	93.832.865
4 Tools, working inventory and transportation assets	014	3.454.719	3.127.934
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	49.175.280
8 Other tangible assets	018	302.819	24.266.059
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	133.203.116	133.203.116
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	31.714.650
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	2.394.374
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	2.394.374
V DEFERRED TAX ASSETS	036	5.526.575	5.526.575
C) CURRENT ASSETS (ADP 038+046+053+063)	037	135.882.912	151.370.020
I INVENTORIES (ADP 039 to 045)	038	3.734.536	9.842.945
1 Raw materials and consumables	039	3.349.944	8.889.953
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	185.350	596.528
5 Advances for inventories	043	199.242	356.464
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	88.727.046
1 Receivables from undertakings within the group	047	9.174.606	13.132.535
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	20.802.863	58.303.307
4 Receivables from employees and members of the undertaking	050	45.287	420.029
5 Receivables from government and other institutions	051	4.807.159	5.168.861
6 Other receivables	052	7.793.534	11.702.314
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	44.445.417	44.435.417
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	44.427.084
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	8.333
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	45.079.510	8.364.612
D) PREPAID EXPENSES AND ACCRUED INCOME	064	0	10.182.692
E) TOTAL ASSETS (ADP 001+002+037+064)	065	1.387.682.768	1.462.313.400
OFF-BALANCE SHEET ITEMS	066	0	0

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	799.597.910	753.597.418
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	-40.595.440
1 Profit for the business year	085	26.176.205	0
2 Loss for the business year	086	0	40.595.440
VIII MINORITY (NON-CONTROLLING) INTEREST	087	84.646.976	79.241.924
B) PROVISIONS (ADP 089 to 094)	088	2.002.566	2.031.236
1 Provisions for pensions, termination benefits and similar obligations	089	1.396.152	1.424.822
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	460.252.349
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	431.809.930
7 Liabilities for advance payments	102	3.345.717	3.506.496
8 Liabilities to suppliers	103	0	
9 Liabilities for securities	104	0	
10 Other long-term liabilities	105	0	23.857.881
11 Deferred tax liability	106	1.078.041	1.078.042
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	132.401.323	246.432.397
1 Liabilities to undertakings within the group	108	2.932.534	4.800.324
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	
3 Liabilities to companies linked by virtue of participating	110	0	
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	
5 Liabilities for loans, deposits etc.	112	0	
6 Liabilities to banks and other financial institutions	113	54.699.699	54.984.007
7 Liabilities for advance payments	114	2.266.207	51.843.341
8 Liabilities to suppliers	115	38.488.382	81.068.033
9 Liabilities for securities	116	0	10.907.568
10 Liabilities to employees	117	6.627.120	8.655.071
11 Taxes, contributions and similar liabilities	118	7.837.393	11.826.469
12 Liabilities arising from the share in the result	119	0	
13 Liabilities arising from fixed assets held for sale	120	0	
14 Other short-term liabilities	121	19.549.988	22.347.584
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	1.387.682.768	1.462.313.400
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019. to 30.06.2019.

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	108.789.638	105.601.114	112.030.442	109.370.299
1 Income from sales with undertakings within the group	126	104.492.717	103.589.216	108.520.837	107.865.129
2 Income from sales (outside group)	127	0	0	0	0
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	4.296.921	2.011.898	3.509.605	1.505.170
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	145.057.872	104.194.018	157.224.308	108.682.928
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	50.200.704	40.602.664	49.845.451	42.142.516
a) Costs of raw materials and consumables	134	21.740.478	20.265.985	27.302.503	24.281.527
b) Costs of goods sold	135	5.467.335	4.233.163	288.243	288.243
c) Other external costs	136	22.992.891	16.103.516	22.254.705	17.572.746
3 Staff costs (ADP 138 to 140)	137	59.510.407	43.865.894	61.241.551	45.073.508
a) Net salaries and wages	138	38.597.032	30.454.201	40.430.489	32.441.694
b) Tax and contributions from salary costs	139	14.221.095	8.717.601	14.176.495	8.463.315
c) Contributions on salaries	140	6.692.280	4.694.093	6.634.567	4.168.499
4 Depreciation	141	23.394.823	11.890.831	32.022.210	12.736.260
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	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	11.951.938	7.834.629	14.115.097	8.730.644
III FINANCIAL INCOME (ADP 155 to 164)	154	10.206.943	5.069.847	3.394.292	2.586.608
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	3.111.381	3.473	1.752.291	901.285
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	7.095.562	5.066.374	1.642.001	1.685.323
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	9.520.859	5.239.756	4.704.706	2.196.804
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	14.122	8.746
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	8.838.210	4.778.528	4.379.046	2.184.710
4 Exchange rate differences and other expenses	169	0	0	0	0
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	682.649	461.228	311.538	3.348
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	118.996.581	110.670.961	115.424.734	111.956.907
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	154.578.731	109.433.774	161.929.014	110.879.732
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-35.582.150	1.237.187	-46.504.280	1.077.175
1 Pre-tax profit (ADP 177-178)	180	0	1.237.187	0	1.077.175
2 Pre-tax loss (ADP 178-177)	181	-35.582.150	0	-46.504.280	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-35.582.150	1.237.187	-46.504.280	1.077.175
1 Profit for the period (ADP 179-182)	184	0	1.237.187	0	1.077.175
2 Loss for the period (ADP 182-179)	185	-35.582.150	0	-46.504.280	0

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. to 30.06.2019.

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	-35.582.153	-46.504.280
2 Adjustments (ADP 003 to 010):	002	36.527.983	33.165.347
a) Depreciation	003	23.394.823	32.022.210
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	-4.430	-1.752.291
e) Interest expenses	007	10.089.435	4.393.168
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	3.048.155	-1.497.740
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	945.830	-13.338.933
3 Changes in the working capital (ADP 013 to 016)	012	-1.331.468	54.873.091
a) Increase or decrease in short-term liabilities	013	76.355.260	114.607.030
b) Increase or decrease in short-term receivables	014	-39.477.655	-45.917.841
c) Increase or decrease in inventories	015	-5.623.224	-6.108.407
d) Other increase or decrease in working capital	016	-32.585.849	-7.707.691
II Cash from operations (ADP 011+012)	017	-385.638	41.534.158
4 Interest paid	018	0	-3.707.868
5 Income tax paid	019	-1.183.570	-1.183.570
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-1.569.208	36.642.720
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	2.610.542	10.000
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	2.610.542	10.000
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-30.506.381	-57.153.500
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	-79.524.425	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-110.030.806	-57.153.500
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-107.420.264	-57.143.500
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	156.882.273	0
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	156.882.273	0
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-39.983.183	-16.214.118
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-52.350	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	-40.035.533	-16.214.118
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	116.846.740	-16.214.118
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	7.857.268	-36.714.898
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	34.907.264	8.364.612

STATEMENT OF CHANGES IN EQUITY																	in HRK	
for the period from 01.01.19 to 30.06.19																		
Item	ADP code	Attributable to owners of the parent															Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	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	23.818	0	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	-40.595.441	-40.595.441	-5.405.051	-46.000.492	
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	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	
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	-40.595.441	674.355.492	79.241.926	753.597.418
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	-40.595.441	-40.595.441	-5.405.051	-46.000.492	
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	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

Board member

Board member