



**Sunce hoteli d.d.**

**Financial Results  
for the period January – September 2021  
consolidated (unaudited)**

Zagreb, 30<sup>th</sup> September 2021

1. General information.....	3
2. Organizational and shareholder structure.....	4
3. Unaudited business results for the first nine months of 2021.....	6
<b>Appendix 1: Financial Statements.....</b>	<b>10</b>

## **1. GENERAL INFORMATION**

### **Name**

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

### **Registered office and legal form**

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

### **Share capital and company shares**

The Company's share capital as of 30<sup>th</sup> of September 2021 amounts to HRK 595.458.500,00 and is divided into 5.954.585 ordinary registered shares, each in the nominal amount of HRK 100,0. The Company's shares are recorded in a book-entry form in the accounts of book-entry securities in the computer system of the Central Depository and Clearing Company Inc. in accordance with special regulations under the ticker SUKC-R-A and ISIN HRSUKCRA0001. The number of treasury shares as of 30<sup>th</sup> of September 2021 is 1.163.

### **Members of Management Board:**

- Shaikh Mubarak Ali Abdulla Hamad Alkhalifa, President of the Management Board
- Hrvoje Veselko, Member of the Management Board

### **Supervisory Board:**

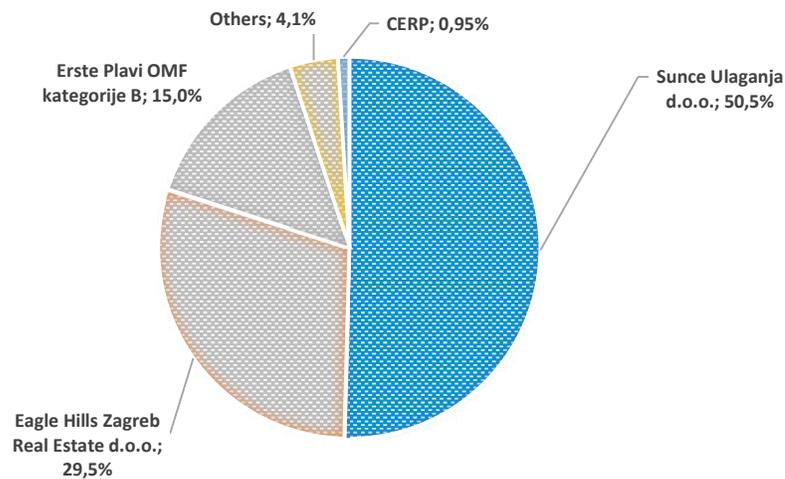
- Mohamed Ali Rashed Alabbar
- Ping Low
- Frederick William Howdon Durie
- Ratomir Ivičić

### **Audit Committee:**

- Ivan Augustin, President of the Audit Committee
- Ali Al Frayhat, Member of the Audit Committee
- Mohamed Bitar, Member of the Audit Committee

## 2. ORGANIZATIONAL AND SHAREHOLDER STRUCTURE

### Major Shareholders of the Company (30<sup>th</sup> of September 2021):



Source: Central Depository & Clearing Company Inc

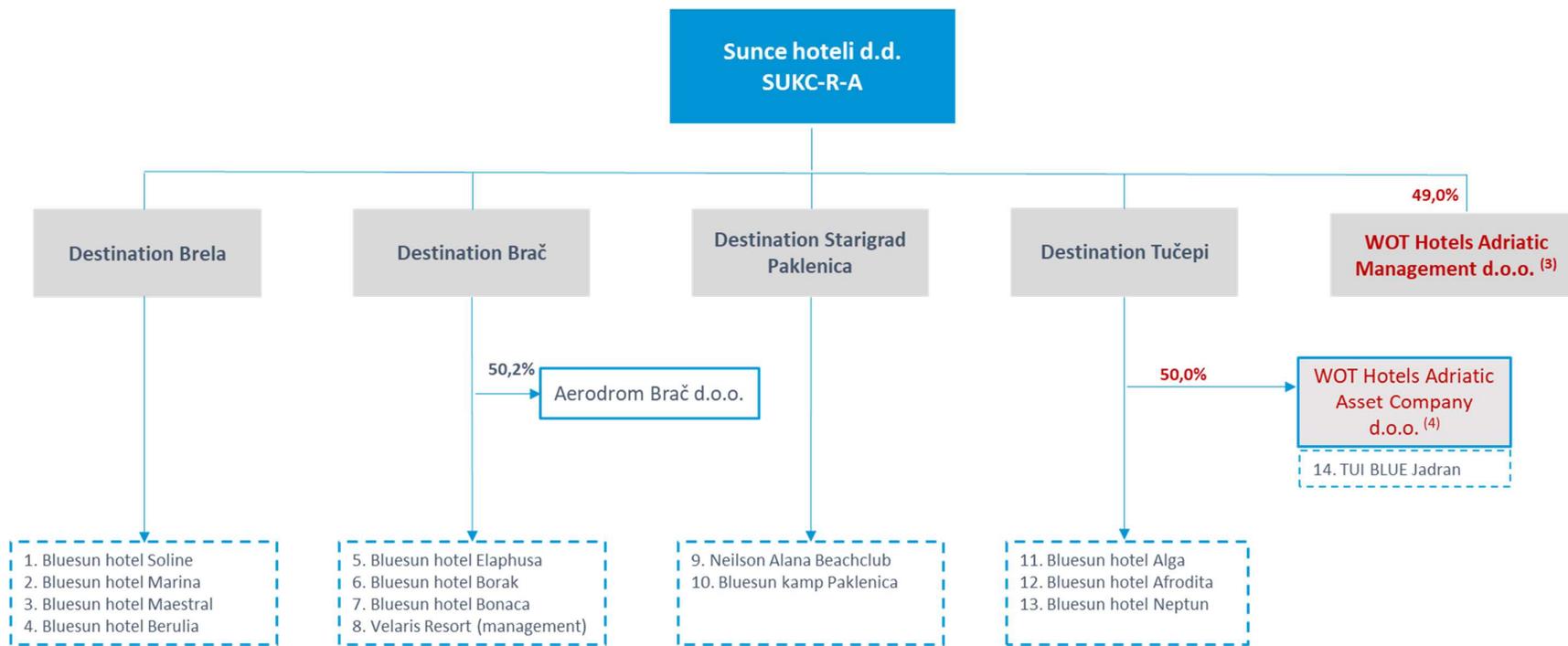
### The Company has following subsidiaries and other holdings:

Subsidiaries:	HQ:	Business:	Ownership:
Aerodrom Brač d.o.o.	Supetar	Airport	50,18%
Sunce Vital d.o.o.	Zagreb	Healthcare	100,00%
Zlatni rat Poljoprivreda d.o.o.*	Bol	Agriculture	100,00%
Zlatni rat Servisi d.o.o.*	Bol	Maintenance	100,00%
Zlatni rat Tenis centar d.o.o.*	Bol	Tennis operator	100,00%
Plaža Zlatni Rat d.o.o.*	Bol	Beach operator	100,00%
Eko - promet d.o.o.*	Bol	Transport	51,11%
Brač 500 Plus d.o.o.	Bol	Cable management	69,44%
Brela Jakiruša d.o.o.	Brela	Preparation of food and beverages	100,00%
Company:**	HQ:	Business:	Ownership:
WOT Hotels Adriatic Management d.o.o.	Tučepi	Holding company	49,00%
WOT Hotels Adriatic Asset d.o.o.	Tučepi	Hotels	50,00%
Praona d.o.o.	Makarska	Industrial Laundry	42,00%

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

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

**Organisational structure of the Company<sup>1)</sup>:**



(1) Data as of 30.09.2021; Sunce hoteli d.d. as a Group has some additional members, but they are immaterial for the Group's performance.  
 (2) Management Company established with TUI AG, where TUI AG holds 51% share.  
 (3) Joint Venture Company with TUI AG.

### 3. UNAUDITED BUSINESS RESULTS FOR THE FIRST 9 MONTHS OF 2021

Key Financial Indicators - Sunce Hoteli d.d.				
HRKths				
Financial performance	1.1.-30.9.2021	1.1.-30.9.2020	△	2021/2020
Revenues	333.825	161.170	172.655	107,1%
Material expenses	85.042	53.599	31.442	58,7%
Employee expenses	98.528	75.087	23.441	31,2%
Other operating expenses	33.851	18.728	15.122	80,7%
EBITDA <sup>1</sup>	116.405	13.755	102.650	746,3%
EBITDA margin%	34,9%	8,5%		
Adjusted EBITDA	116.405	13.755	102.650	746,3%
Adjusted EBITDA margin %	34,9%	8,5%		
EBIT	70.970	-33.015	103.985	-315,0%
Net result	68.837	-45.651	114.488	-250,8%
Financial position	30.09.2021	31.12.2020	△	2021/2020
Total assets	1.416.479	1.373.023	43.455	3%
Tangible assets	1.045.415	1.065.640	-20.224	-2%
Equity	838.788	769.879	68.909	9%
Total debt	463.469	513.508	-50.039	-10%
Net debt <sup>2</sup>	328.706	495.515	-166.809	-34%
Ratios				
Equity / Total assets	59,2%	56,1%	310 bp	
Debt / Equity	55,3%	66,7%	-1.140 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.

In the first nine months of 2021, the Group generated **HRK 333,825 million** (1-9 2020: HRK 161,170 million) **of operating revenues**, which is an increase of 107.1% compared to the same period last year. The Group achieved a **positive EBITDA of HRK 116,405 million** (1-9 2020: HRK 13,755 million), which is a better result of HRK 102,650 million compared to the same period last year. The main reason for the strong growth of EBITDA is the growth of operating revenues from the sale of accommodation services and non-board revenues.

The largest part of operating expenses is staff costs in the amount of HRK 98,528 million, which is HRK 23,441 million higher in the first nine months of 2021 compared to the same period last year, while material costs amount to HRK 85,042 million and are higher by HRK 58.7 % in the same period mainly due to higher activity and operating revenues generated from the sale of accommodation services.

**Financial expenses** are significantly **lower in the first nine months of 2021**, mainly due to the absence of net negative exchange rate differences. Total financial expenses amount to HRK 9,741 million, which is a **decrease of HRK 8,196 million compared to the first nine months of 2020**, when total financial expenses amounted to HRK 17,937 million.

Nominal debt to financial institutions amounted to HRK 463 million on 30.09.2021. which represents a decrease of HRK 50 million compared to 31.12.2020. (HRK 513 million). The decrease in nominal debt to financial institutions is a consequence of the payment of the loan installment on 30.04.2021. of the due debt of Podravska banka on 01.07.2021. in the amount of HRK 8.2 million, OTP long-term loan HRK 11.2 million and short-term HRK 3.8 million.

**Net profit** in the observed period amounted to **HRK 68,837 million**, while in the same period last year the loss amounted to HRK 45,650 million.

### **Significant business events during and after the reporting period**

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

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

- a. Eagle Hills Zagreb Real Estate d.o.o, with its registered office in Zagreb, Hektorovićeve ulica 2, OIB: 63572346734 (the "Offeror") entered into Share Purchase Agreement dated March 23, 2021 with Mr. Jako Andabak with residing in Zagreb, Gornje Prekrižje 28, Republic of Croatia and other related parties ("Share Purchase Agreement"). Pursuant to the said contract, the Offeror, partly directly and partly indirectly, in terms of article 8 par. 3 of the Croatian Takeover Act ("ZPDD") acquired a total of 4,151,092 ordinary series A share of SUNCE HOTELI d.d., designation SUKC-R-A, ISIN: HRSUKCRA0001, with a nominal amount of HRK 100.00 per share, and which represent 69.71% of the share capital of the Target Company.
- b. Thus, the Offeror, partly directly and partly indirectly, acquired shares of the Target Company with voting rights that exceed the threshold of 25% of all shares with voting rights, resulting in obligation to publish a takeover bid, under article 9 par. 1 of ZPDD. Therefore, on the same day (March 22, 2021), the Offeror submitted a notification on the occurrence of requirement for publication of the mandatory takeover offer for the takeover of Sunce hotel d.d. as a target company in terms of ZPDD.
- c. The main activities of the Offeror and Eagle Hills Group are real estate investments and real estate development with a focus on emerging markets throughout Europe, the Middle East and Africa. The Eagle Hills Group designs and develops mixed-use facilities including residential, commercial and catering facilities, shopping malls, retail and healthcare facilities.
- d. On 26 April 2021, the transaction in question was completed, when, among other things, the entire receivables from related parties were collected in the total amount of HRK 91.9 million. In addition, the sellers at the same time undertook to release the Company from all guarantees under the loans of related parties within 60 days from the completion of the transaction. Until the date of publication of this report, repayment was made by the seller, on the basis of which the Company was released from all guarantees on loans to related parties.
- e. On May 3, 2021, an extraordinary General Assembly was held at which the company received the resignations of members of the Supervisory Board, namely the President of the Supervisory Board Jake Andabak, Deputy Chairman of the Supervisory Board Sanja Gagulić, and members of the Supervisory Board Ružica Andabak and Ana Volk. A new Supervisory Board was elected with the following composition: Mr. Mohamed Ali Rashed Alabbar, Mr. Ping Low, Mr. Frederick William Howdon Durie, Mr. Mark Gordon Kirby, Mr. Ratomir Ivičić.
- f. On 17 June 2021, the Croatian Financial Services Supervisory Agency issued a decision CLASS: UP / I 976-02 / 21-02 / 02, REGISTRATION NUMBER: 326-01-60-

62-21-9 approving the Bidder's publication of the bid for taking over the company Sunce hoteli d.d. Accordingly, the takeover bid was published on June 18, 2021 and is available via the following link: [COI-SUKC-eb82dc01df235e4b05c4378163b24f8a.pdf \(zse.hr\)](https://www.zse.hr/COI-SUKC-eb82dc01df235e4b05c4378163b24f8a.pdf)

- g. On August 2, 2021, a takeover report was published showing that 523 shareholders had accepted the takeover bid. Following the offer, the majority owner holds 4,763,225 ordinary Series A shares in Sunce hoteli d.d. which represents 79.99% of the share capital. The report is available via the following link: [COI-SUKC-7a0a20b0246291edbb8dbbd43af72015.pdf \(zse.hr\)](https://www.zse.hr/COI-SUKC-7a0a20b0246291edbb8dbbd43af72015.pdf)

## 2. COVID - 19 - impact on the Company's operations:

- a. **Employee safety** - During the first quarter of 2021, as well as during the second half of 2020, employees returned to work from the office while ensuring safety conditions such as wearing protective masks in common areas, greater distance between employees in the same office, increased care for disinfection workspace, etc. The company has a flexible approach to the way of works, and measures have been taken to protect the safety of employees. In future periods, the Management Board of the company will monitor the epidemiological situation in the Republic of Croatia and, if necessary, make decisions on working from home for part or all employees of the company Sunce hoteli d.d.
- b. **Employee salaries** - During 2020, the Management Board actively managed the salary policy in accordance with the expectations and development of the COVID-19 crisis, as well as by monitoring economic activity and the tourist summer 2020 season. In the period from April 1, 2020, the salary of all employees was initially reduced, including the Management Board, and from that period onwards the Management Board actively made new decisions on the amount of employee remuneration, taking into account primarily job preservation, taking into account short business activity during 2020 and a decline in revenue compared to 2019. Until 31 May 2021, the decision of the Management Board was in force, by which the Company's employees received a salary in the amount of 80% of the gross salary, and not less than HRK 4,000 net. As of June 1, 2021, all employees are working and have full salaries by the end of this year. In June 2021, the company made a decision and paid net bonuses of HRK 1,000 for all employees who worked for the company in July and August.
- c. **Sales 2021** - During the third quarter of 2021, sales trends were very favorable. The dynamics of booking through July, August and September was extremely favorable in the last minute sales. With date 30.09. in the first 9 months of 2021, the company realized 71% of board revenues in 2019. We expect a similar level of realization on an annual basis.
- d. **New liquidity** - Considering the transaction and collection of receivables from related parties in the amount of HRK 91.9 million in April this year and the solid tourist season, the company's liquidity situation is positive. Management does not consider new liquidity borrowings. The company has enough money for regular repayment of existing loans according to the current repayment plan.
- e. **Aid for the preservation of jobs** - the Company used the measures of the Government of the Republic of Croatia related to aid for the preservation of jobs during 2020, and all aid was realized and collected. Furthermore, as a continuity

of the use of aid from 2020, the Company received grants for the months of January, February, March, April, May, June 2021. The company additionally exercised its right during the 3rd quarter and collected full support for the month of July 2021. The company's management does not expect further support for job preservation.

- f. **Capital investments** - In the current year, the company has invested around HRK 7 million in assets to prepare for the 2021 season. Management is preparing a future investment plan for the existing portfolio for the coming periods. During the third quarter, significant financial resources were allocated for project preparation.
3. **Changes in the Management Board of Sunce hoteli d.d.** - Mr. Ivan Potkrajčić resigned on September 17, 2021 as a member of the Management Board. Additionally, at the meeting of the Supervisory Board on September 27, 2021, a decision was made to change the position of the President of the Management Board Mr. Hrvoje Veselko, residing at Šestinska cesta 52, Zagreb, by becoming a member of the Management Board, authorized to represent the Company together with the president of the board or another member of the board. The new President of the Management Board is Mr. Shaikh Mubarak Ali Abdulla Hamad Alkhalifa, residing in Villa 1791, Road 4648, Block 946, Awali, Bahrain, with the authority to represent the Association together with another member of the Management Board.
4. **Changes in the Supervisory Board of Sunce hoteli d.d.** - Mr. Mark Gordon Kirby resigned on July 19, 2021 as a member of the Supervisory Board.

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:	1.1.2021	to	30.9.2021
Year:	2021		
Quarter:	3.		

## Quarterly financial statements

Registration number (MB):	01869647	Issuer's home Member State code:	HR
Entity's registration number (MBS):	080502040		
Personal identification number (OIB):	06916431329	LEI:	7478000070X8LWJUBX45
Institution code:	5158		
Name of the issuer:	Sunce Hoteli d.d.		
Postcode and town:	10000	Zagreb	
Street and house number:	Trpinjska 9		
E-mail address:	racunovodstvo@bluesunhotels.com		
Web address:	www.bluesunhotels.com		
Number of employees (end of the reporting period):	1205		
Consolidated report:	KD	(KN-not consolidated/KD-consolidated)	
Audited:	RN	(RN-not audited/RD-audited)	
Names of subsidiaries (according to IFRS):	Registered office:	MB:	
Sunce Vital d.o.o.	Zagreb, Braće Domany 6		
Aerodrom Brač d.o.o.	Bol, Bračka cesta 31		
Brač 500 Plus 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)		

<b>BALANCE SHEET</b>			
balance as at 30.9.2021			
			in HRK
<b>Submitter: Sunce Hoteli d.d.</b>			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	1.308.416.316	1.199.603.373
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	23.014.905	18.686.124
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	740.957	922.569
3 Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	57.600
6 Other intangible assets	<b>009</b>	22.273.948	17.705.955
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	1.065.639.705	1.045.415.415
1 Land	<b>011</b>	116.322.745	116.345.745
2 Buildings	<b>012</b>	848.045.409	819.772.427
3 Plant and equipment	<b>013</b>	76.036.472	67.354.891
4 Tools, working inventory and transportation assets	<b>014</b>	2.519.775	1.246.018
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	0	0
7 Tangible assets in preparation	<b>017</b>	22.715.304	40.378.302
8 Other tangible assets	<b>018</b>	0	318.032
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	151.512.240	78.722.919
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	0	0
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	75.370.505	78.590.919
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	76.141.735	132.000
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	11.500.314	29.764
1 Receivables from undertakings within the group	<b>032</b>	11.308.337	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	0
4 Other receivables	<b>035</b>	191.977	29.764
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	56.749.152	56.749.151
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	38.750.464	192.101.920
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	3.987.904	6.331.579
1 Raw materials and consumables	<b>039</b>	3.746.577	5.998.304
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	241.327	333.275
5 Advances for inventories	<b>043</b>	0	0
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	16.769.531	51.007.447
1 Receivables from undertakings within the group	<b>047</b>	5.600.245	0
2 Receivables from companies linked by virtue of participating interests	<b>048</b>	0	3.314.105
3 Customer receivables	<b>049</b>	5.245.576	41.074.877
4 Receivables from employees and members of the undertaking	<b>050</b>	38.320	420.767
5 Receivables from government and other institutions	<b>051</b>	3.964.900	4.249.334
6 Other receivables	<b>052</b>	1.920.490	1.948.364
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	0	0
1 Investments in holdings (shares) of undertakings within the group	<b>054</b>	0	0
2 Investments in other securities of undertakings within the group	<b>055</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>056</b>	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	<b>057</b>	0	0
5 Investment in other securities of companies linked by virtue of participating interests	<b>058</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>059</b>	0	0
7 Investments in securities	<b>060</b>	0	0
8 Loans, deposits, etc. given	<b>061</b>	0	0
9 Other financial assets	<b>062</b>	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	17.993.029	134.762.894
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	25.856.509	24.773.456
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	1.373.023.289	1.416.478.749
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	0	0

<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>769.878.985</b>	<b>838.788.452</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	595.458.500	595.458.500
II CAPITAL RESERVES	069	112.157.388	112.157.388
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	106.983.140	106.983.140
1 Legal reserves	071	496.868	496.868
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	106.486.272	106.486.272
IV REVALUATION RESERVES	076	183.280	183.280
V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)	077	0	0
1 Financial assets at fair value through other comprehensive income (i.e. available for sale)	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective	080	0	0
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)	083	-986.723	-35.840.586
1 Retained profit	084	0	0
2 Loss brought forward	085	986.723	35.840.586
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)	086	-34.889.639	68.744.680
1 Profit for the business year	087	0	68.744.680
2 Loss for the business year	088	34.889.639	0
VIII MINORITY (NON-CONTROLLING) INTEREST	089	-9.026.961	-8.897.950
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>1.446.969</b>	<b>1.355.994</b>
1 Provisions for pensions, termination benefits and similar obligations	091	1.446.969	1.355.994
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>439.555.452</b>	<b>411.595.833</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating	100	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	422.374.008	399.623.057
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	15.934.332	10.725.664
11 Deferred tax liability	108	1.247.112	1.247.112
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>145.760.446</b>	<b>133.135.139</b>
1 Liabilities to undertakings within the group	110	3.081.164	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating	112	0	923.760
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	0	0
6 Liabilities to banks and other financial institutions	115	91.133.983	63.845.506
7 Liabilities for advance payments	116	10.487.765	9.218.057
8 Liabilities to suppliers	117	26.056.079	30.900.112
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	4.525.179	10.899.355
11 Taxes, contributions and similar liabilities	120	2.793.146	9.765.496
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	7.683.130	7.582.853
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>16.381.437</b>	<b>31.603.331</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>1.373.023.289</b>	<b>1.416.478.749</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

<b>STATEMENT OF PROFIT OR LOSS</b>					
for the period 01.01.2021. to 30.09.2021.					
					in HRK
Submitter: Sunce Hoteli d.d.					
Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>161.170.152</b>	<b>130.482.501</b>	<b>333.825.344</b>	<b>276.764.727</b>
1 Income from sales with undertakings within the group	002	0	0	0	0
2 Income from sales (outside group)	003	133.987.724	125.196.993	302.807.126	270.896.459
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	27.182.428	5.285.508	31.018.218	5.868.268
<b>II OPERATING EXPENSES (ADP 008+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>194.185.582</b>	<b>107.627.466</b>	<b>262.855.337</b>	<b>156.390.627</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	53.599.245	37.006.764	85.041.519	59.889.559
a) Costs of raw materials and consumables	010	27.194.911	22.367.128	47.389.077	38.174.715
b) Costs of goods sold	011	329.141	219.319	694.147	371.308
c) Other external costs	012	26.075.193	14.420.317	36.958.295	21.343.536
3 Staff costs (ADP 014 to 016)	013	75.087.370	39.351.774	98.528.048	54.844.646
a) Net salaries and wages	014	51.234.633	27.975.094	70.734.593	41.062.492
b) Tax and contributions from salary costs	015	14.824.715	7.394.842	18.065.746	8.958.400
c) Contributions on salaries	016	9.028.022	3.981.838	9.727.709	4.823.754
4 Depreciation	017	46.770.520	17.633.463	45.434.928	15.033.446
5 Other costs	018	0	0	0	0
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	18.728.447	13.635.465	33.850.842	26.622.976
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>5.302.556</b>	<b>2.238.993</b>	<b>4.388.238</b>	<b>1.208.439</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	2.620.239	879.818	1.786.659	138
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	0	0	0	0
8 Exchange rate differences and other financial income	038	2.682.317	1.359.175	1.734.796	1.208.301
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	0	0	866.783	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>17.937.911</b>	<b>1.089.489</b>	<b>9.741.160</b>	<b>5.014.692</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	8.213.888	450.681	9.259.926	3.011.576
4 Exchange rate differences and other expenses	045	8.970.352	638.808	0	1.732.216
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	753.671	0	481.234	270.900
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</b>	<b>0</b>	<b>0</b>	<b>3.220.414</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049+050)</b>	<b>053</b>	<b>166.472.708</b>	<b>132.721.494</b>	<b>341.433.996</b>	<b>277.973.166</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051+052)</b>	<b>054</b>	<b>212.123.493</b>	<b>108.716.955</b>	<b>272.596.497</b>	<b>161.405.319</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>-45.650.785</b>	<b>24.004.539</b>	<b>68.837.499</b>	<b>116.567.847</b>
1 Pre-tax profit (ADP 053-054)	056	0	24.004.539	68.837.499	116.567.847
2 Pre-tax loss (ADP 054-053)	057	-45.650.785	0	0	0
<b>XII INCOME TAX</b>	<b>058</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>-45.650.785</b>	<b>24.004.539</b>	<b>68.837.499</b>	<b>116.567.847</b>
1 Profit for the period (ADP 055-059)	060	0	24.004.539	68.837.499	116.567.847
2 Loss for the period (ADP 059-055)	061	-45.650.785	0	0	0

<b>STATEMENT OF CASH FLOWS - indirect method</b>			
for the period 01.01.2021. to 30.09.2021.			
			in HRK
Submitter: _____			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-45.650.785	68.837.499
2 Adjustments (ADP 003 to 010):	002	58.454.225	49.035.507
a) Depreciation	003	46.770.520	45.434.928
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	-2.620.239	-1.134.072
e) Interest expenses	007	8.213.888	9.259.926
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	6.138.544	-2.448.937
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-48.488	-2.076.338
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>12.803.440</b>	<b>117.873.006</b>
3 Changes in the working capital (ADP 013 to 016)	012	-7.186.006	-7.357.822
a) Increase or decrease in short-term liabilities	013	12.151.528	28.131.674
b) Increase or decrease in short-term receivables	014	-5.098.117	-33.132.602
c) Increase or decrease in inventories	015	-601.139	-2.343.674
d) Other increase or decrease in working capital	016	-13.638.278	-13.220
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>5.617.434</b>	<b>110.515.184</b>
4 Interest paid	018	0	-14.938.530
5 Income tax paid	019	-411.697	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>5.205.737</b>	<b>95.576.654</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	2.207.333
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	12.463.705
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	76.141.735
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>0</b>	<b>90.812.773</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-3.521.595	-24.257.060
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
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-3.521.595</b>	<b>-24.257.060</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-3.521.595</b>	<b>66.555.713</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	45.887.067	0
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>45.887.067</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	-40.075.935
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-74.485	-77.899
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	-5.208.668
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-74.485</b>	<b>-45.362.502</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>45.812.582</b>	<b>-45.362.502</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>47.496.724</b>	<b>116.769.865</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>9.536.633</b>	<b>17.993.029</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>57.033.357</b>	<b>134.762.894</b>

STATEMENT OF CHANGES IN EQUITY																			
for the period from 1.1.2021 to 30.6.2021																			
																			in HRK
Item	ADP code	Attributable to owners of the parent																	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets through other comprehensive income (available for sale)	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation effective portion	Other fair value reserves	Exchange rate differences from translation of foreign operations	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18 (3 to 6 - 7 + 8 to 17)	19	20 (18+19)
<b>Previous period</b>																			
1 Balance on the first day of the previous business year	01	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.631.033	0	0	0	0	0	97.414.507	3.307.580	718.822.520	86.791.944	805.614.464
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	539.385.000	67.836.894	655.925	0	0	0	6.591.581	3.631.033	0	0	0	0	0	97.414.507	3.307.580	718.822.520	86.791.944	805.614.464
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	0	0	-34.889.639	-34.889.639	-1.029.120	-35.918.759
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	183.280	0	0	0	0	0	0	0	183.280	0	183.280
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	-159.057	0	0	0	99.894.691	-3.631.033	0	0	0	0	0	-101.708.810	0	-5.604.209	-94.789.785	-100.393.994
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	15	56.073.500	44.320.494	0	0	0	0	0	0	0	0	0	0	0	0	0	100.393.994	0	100.393.994
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	21	0	0	0	0	0	0	0	0	0	0	0	0	0	3.307.580	-3.307.580	0	0	0
22 Transfer to reserves according to the annual schedule	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	23	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the previous business year reporting period (ADP 04 to 23)	24	595.458.500	112.157.388	496.868	0	0	0	106.486.272	183.280	0	0	0	0	0	-986.723	-34.889.639	778.905.946	-9.026.961	769.878.985
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	25	0	0	-159.057	0	0	0	99.894.691	-3.447.753	0	0	0	0	0	-101.708.810	0	-5.420.929	-94.789.785	-100.210.714
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+25)	26	0	0	-159.057	0	0	0	99.894.691	-3.447.753	0	0	0	0	0	-101.708.810	-34.889.639	-40.310.568	-95.816.905	-136.129.473
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 23)	27	56.073.500	44.320.494	0	0	0	0	0	0	0	0	0	0	0	3.307.580	-3.307.580	100.393.994	0	100.393.994

Current period																			
1 Balance on the first day of the current business year	28	595,458,500	112,157,388	496,868	0	0	0	106,486,272	183,280	0	0	0	0	0	-986,723	-34,889,639	778,905,946	-9,026,961	769,878,985
2 Changes in accounting policies	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	30	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 28 to 30)	31	595,458,500	112,157,388	496,868	0	0	0	106,486,272	183,280	0	0	0	0	0	-986,723	-34,889,639	778,905,946	-9,026,961	769,878,985
5 Profit/loss of the period	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,744,680	68,744,680	92,819	68,837,499
6 Exchange rate differences from translation of foreign operations	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Gains or losses from subsequent measurement of financial assets at fair value through other comprehensive income (available for sale)	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Decrease in initial (subscribed) capital (other than arising from the pre-bankruptcy settlement procedure or from the reinvestment of profit)	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Decrease in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Decrease in initial (subscribed) capital arising from the reinvestment of profit	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payments from members/shareholders	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Payment of share in profit/dividend	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Other distributions and payments to members/shareholders	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	35,776	35,776	36,192	71,968
22 Carryforward per annual plane	49	0	0	0	0	0	0	0	0	0	0	0	0	0	-34,889,639	34,889,639	0	0	0
23 Increase in reserves arising from the pre-bankruptcy settlement procedure	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24 Balance on the last day of the current business year reporting period (ADP 31 to 50)	51	595,458,500	112,157,388	496,868	0	0	0	106,486,272	183,280	0	0	0	0	0	-35,676,362	68,780,456	847,686,402	-8,897,950	838,788,452
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																			
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 33 to 41)	52	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32 to 52)	53	0	0	0	0	0	0	0	0	0	0	0	0	0	0	68,744,680	68,744,680	92,819	68,837,499
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 42 to 50)	54	0	0	0	0	0	0	0	0	0	0	0	0	0	-34,889,639	34,925,415	35,776	36,192	71,968



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

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Shaikh Mubarak Ali Abdulla Hamad Alkhalifa

Board member

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Hrvoje Veselko