Joint Venture with TUI AG by: (i) selling 50% of „Punta Zlatarac Tučepi d.o.o.”, (ii) forming new JV Management Company and (iii) acquisition of the Sutivan Land

17 November 2017
Important notice

Disclaimer

This presentation contains a number of statements related to the future development of Transaction and partnership of Sunce koncern d.d. ("Sunce") with TUI AG ("TUI"). These statements are based both on assumptions and estimates. Although we are convinced that these future-related statements are realistic, we or any involved party cannot guarantee them, for our assumptions involve risks and uncertainties which may give rise to situations in which the actual results differ substantially from the expected ones. Sunce or any involved party does not intend or assume any obligation to update any forward-looking statement to reflect events or circumstances after the date of these materials.

Note

Update on already published Transaction Announcement – JV Partnership with TUI. Following signs are used to easily navigate the reader through updated version versus previous presentation:

- Sign used (1) on top of the slides whereas update has been done or (2) on a completely new slide
- Sign used as indication within slide where an update has been done
I. Sunce koncern d.d. and TUI Group

II. Transaction structure: Key details and steps

III. Additional information on TUI BLUE Jadran and *Sutivan Land*
I. Sunce koncern d.d. and TUI Group
## Sunce koncern d.d. and TUI Group at a glance

<table>
<thead>
<tr>
<th></th>
<th>Local Company – domiciled in Croatia</th>
<th>Global Company – domiciled in Germany</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>42 million EUR*</td>
<td>19,5 billion EUR*</td>
</tr>
<tr>
<td>Underlying EBITDA</td>
<td>13.7 million EUR*</td>
<td>1.4 billion EUR*</td>
</tr>
<tr>
<td>ZSE listed</td>
<td></td>
<td>A FTSE 100 business</td>
</tr>
<tr>
<td>Market Capitalisation</td>
<td>101 million EUR**</td>
<td>9.2 billion EUR**</td>
</tr>
</tbody>
</table>

### Global Company – domiciled in Germany
- 859 employees in Croatia
- 760 thousands overnights
- 11 owned hotels with 2,464 beds + 2 under Bluesun management
- Airport Brač owned by Sunce koncern d.d.
- About 1.600 retail shops in Europe*

### Local Company – domiciled in Croatia
- 67,000 employees in 130 countries*
- More than 20 million customers from 31 source markets travelling to 180 destinations*
- Over 300 hotels with 214,000 beds*
- Around 150 aircraft*
- 14 cruise ships*

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* TUI - Based on 2015/2016 numbers; Sunce koncern – based on 2016 numbers  ** As 6th of November 2017
Sunce koncern d.d. and TUI Group partnership

**Sunce koncern**
- Long standing expertise in hotel operations in Croatia
- Knowledge of Croatian business and administrative environment
- Top beachfront hotel locations
- Insights into local development trends
- Trusted employer
- Profitable business model

**TUI Hotels & Resorts**
- Long-standing successful hotel partnerships
- Expertise in hotel management & operations with high customer satisfaction
- Proven track record of hotel growth
- Successful, well-known hotel brands
- Access to large customer base via own distribution channels

» Mutual benefits of JVs based on a robust and trustworthy relationship:
  » JV partners provide expertise
  » Require less invested capital on a consolidated basis
  » Delivering cash through dividend
II. Transaction structure: Key details and steps
# Transaction details

## Key transaction details

<table>
<thead>
<tr>
<th>Transaction/Target</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Step 1:</strong></td>
<td>The sale by Hoteli Tučepi d.d. to TUI 50% of Punta Zlatarac Tučepi d.o.o. (&quot;Target&quot;)</td>
</tr>
<tr>
<td><strong>Step 2:</strong></td>
<td>Acquisition of the Sutivan Land</td>
</tr>
<tr>
<td><strong>Step 3:</strong></td>
<td>Forming new JV Management Company (&quot;MgtCo&quot;), with Sunce 49% and TUI 51%</td>
</tr>
</tbody>
</table>

## Sutivan Land details

<table>
<thead>
<tr>
<th>Sutivan Land details</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>32ha plot located on the Island of Brač, Sutivan municipality</td>
<td></td>
</tr>
</tbody>
</table>

## Sutivan Land acquisition date


## Update on Transaction Structure

<table>
<thead>
<tr>
<th>Update on Transaction Structure</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.</td>
<td>TUI provided related loan to the Target thus matching outstanding related loans already provided by Sunce. The funds were used to finance acquisition of the Sutivan Land</td>
</tr>
<tr>
<td>2.</td>
<td>The Target acquired 32ha plot on the Island of Brač in order to develop up to three new TUI branded hotels</td>
</tr>
<tr>
<td>3.</td>
<td>Loans provided by the Parties will be converted into Equity of the Target</td>
</tr>
</tbody>
</table>
Before Transaction - Organigram Sunce koncern d.d.

Sunce koncern d.d. SUKC-R-A

100% 89,6% 80,9% 91,4% 100%

1. Bluesun hotel Soline
2. Bluesun hotel Marina
3. Bluesun hotel Maestral
4. SENTIDO Bluesun Berulia
5. Bluesun hotel Elaphusa
6. Bluesun hotel Borak
7. Bluesun hotel Bonaca
8. Bluesun hotel Alga
9. Bluesun hotel Afrodita
10. Bluesun hotel Neptun

Aerodrom Brač d.o.o. 51%

Punta Zlatarac Tučepi d.o.o.

11. TUI BLUE Jadran

Transaction Target: selling 50% of Punta Zlatarac Tučepi d.o.o. to TUI AG
**Step 1: Joint Venture formation through 50% acquisition of Punta Zlatarac Tučepi d.o.o.**

- **Sunce koncern d.d.**
  - 91.4%
  - 100%

- **Hoteli Tučepi d.d.**

- **Punta Zlatarac Tučepi d.o.o.**
  - 50%
  - 100%

- **TUI AG**

**Transaction structure:**

**TUI AG acquires 50% of Punta Zlatarac Tučepi d.o.o. for an EV of 31,500,000 EUR (100%).** Punta Zlatarac Tučepi d.o.o. is a 100% subsidiary of Hoteli Tučepi d.d., which is part of Sunce koncern d.d. Punta Zlatarac Tučepi d.o.o. is the owning company of the hotel TUI BLUE Jadran in Tučepi.
**Step 2:** TUI AG provides a shareholder loan to the new Joint Venture in order to jointly acquire a 32ha plot on the Island of Brač

The Joint Venture Punta Zlarac Tučepi d.o.o. acquires a 32 ha direct beach access plot on the Island of Brač, Croatia. TUI AG provides shareholder loan with the option to convert the shareholder loan into equity. Hotel Tučepi d.d. has provided shareholder loans to the JV in the same amount. The Joint Venture aims to construct up to 3 new TUI Hotels.

1 With identical conditions (maturity and interest rate) as shareholder loan already provided by Hotel Tučepi d.d.
**Step 3:** JV starting to plan construction of up to 3 new hotels, TUI & Sunce (51%/49%) with joint management for all hotels under Punta Zlatarac Tučepi d.o.o.
III. Additional information on TUI BLUE Jadran
Hotel TUI BLUE Jadran – Successful opening as 1st TUI BLUE in Croatia under Franchise agreement on 1st July 2017

TUI BLUE Jadran 4.5*

<table>
<thead>
<tr>
<th>Location</th>
<th>Tučepi, Croatia</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airport distance</td>
<td>SPU: 85 km (01:30h)</td>
</tr>
<tr>
<td>Opening</td>
<td>01st of July 2017</td>
</tr>
<tr>
<td># Rooms</td>
<td>161 (371 Beds)</td>
</tr>
</tbody>
</table>
| Facilities        | • 3 restaurants, 3 bars  
|                   | • 2 outdoor pools, exclusive swim-up pool  
|                   | • BLUEfit Park, Fitness room and various sports courts  
|                   | • Sauna, steam bath, 3 treatment rooms and a relaxation room |
| Target Group      | Couples, Families |
| Owner             | Punta Zlatarac Tučepi d.o.o. |
"Sutivan" plot on Brač Island: 32ha of rare direct beach access land with two lagoons

**Sutivan Project on Brač Island**

- **Location**: Brač Island, Croatia
- **Airport distance**: SPU: 50 km, BWK (Brač) 35 km
- **Beach**: 2 beaches
- **Plot**: 32 ha
- **Development**: Up to 3 new hotels
- **Potential Brands**: Yet to be determined