



**Sunce koncern d.d.**

**Transaction Announcement – JV Partnership with TUI**

Joint Venture with TUI AG by selling 50% of „Punta Zlatarac Tučepi d.o.o.” and forming new JV Management Company

**13 November 2017**

# Content

I. Sunce koncern d.d. and TUI Group

3

II. Transaction structure: Key details and steps

6

III. Additional information on TUI BLUE Jadran

13

I.

Sunce koncern d.d. and TUI Group

	 <b>bluesun</b> HOTELS & RESORTS			 <b>bluesun</b> HOTELS & RESORTS	
	Local Company – domiciled in Croatia	Global Company – domiciled in Germany		859 employees in Croatia	67.000 employees in 130 countries*
	Revenues of 42 million EUR*	Revenues of 19,5 billion EUR*		760 thousands overnights	More than 20 million customers from 31 source markets travelling to 180 destinations*
	Underlying EBITDA of 13,7 million EUR*	Underlying EBITDA of 1,4 billion EUR*		11 owned hotels with 2.464 beds + 2 under Bluesun management	Over 300 hotels with 214.000 beds*
	ZSE listed business	A FTSE 100 business		Airport Brač owned by Sunce koncern d.d.	Around 150 aircraft*
	Market Capitalisation 101 million EUR**	Market Capitalisation 9,2 billion EUR**		-	14 cruise ships*
				-	About 1.600 retail shops in Europe*

\* TUI - Based on 2015/2016 numbers; Sunce koncern – based on 2016 numbers \*\* As 6<sup>th</sup> of November 2017

## 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 based on a robust and trustworthy relationship:

- » JV partners provide expertise
  - » Require less invested capital on a consolidated basis
  - » Delivering cash through dividend
- 

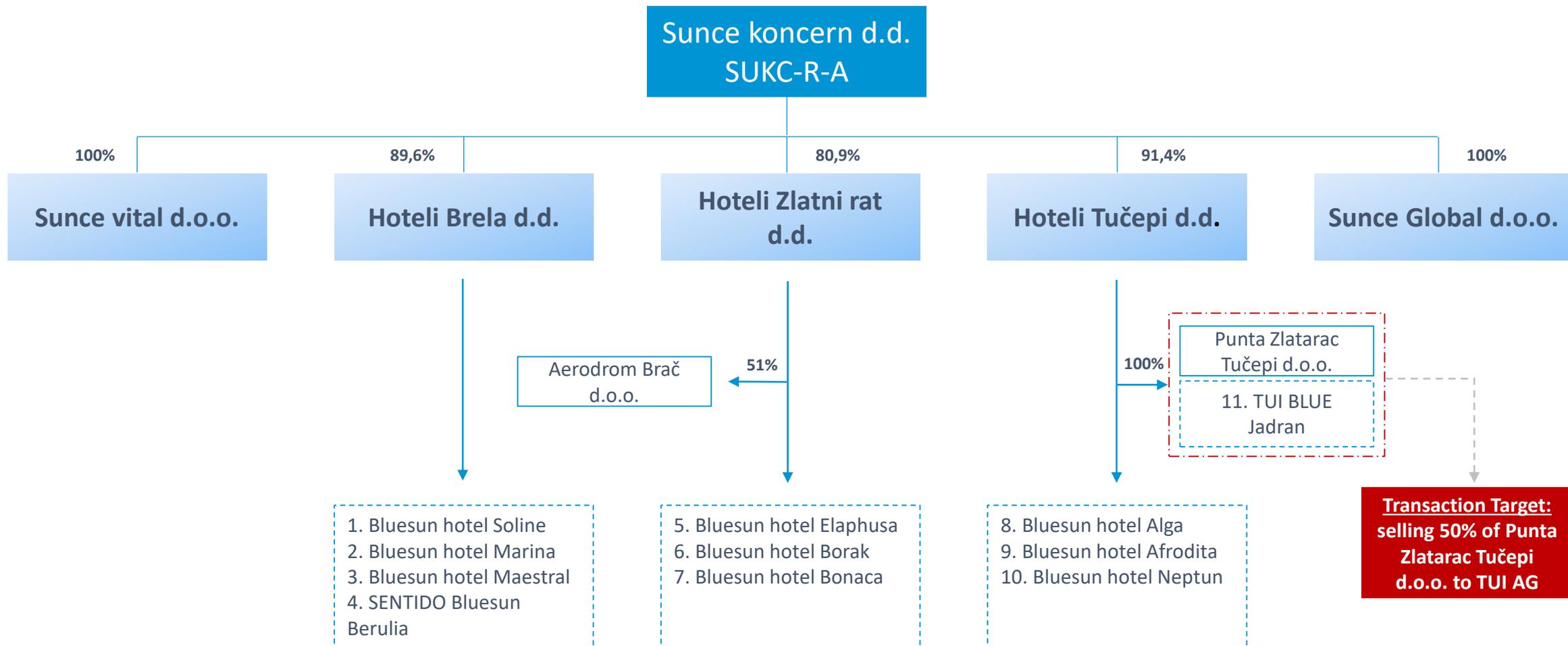


II.

Transaction structure: Key details and steps

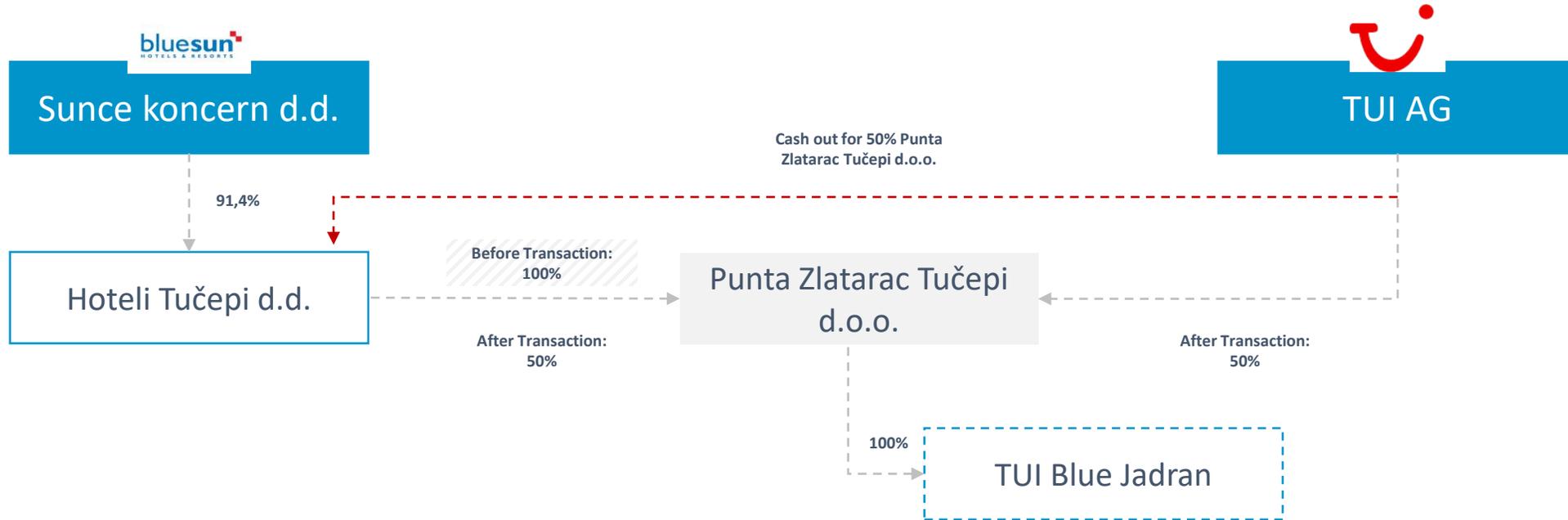
Key transaction details	Description
Transaction/Target	<p><b>Step 1:</b> The sale by Hoteli Tučepi d.d. to TUI 50% of Punta Zlatarac Tučepi d.o.o. ("Target")</p> <p><b>Step 2:</b> Forming new JV Management Company ("MgtCo"), whereas Sunce holds 49% and TUI holds 51%</p>
Purchase price	The Enterprise Value of EUR 31.500.000 minus debt of the Target.
Closing date	10.11.2017.

## Before Transaction - Organigram Sunce koncern d.d.



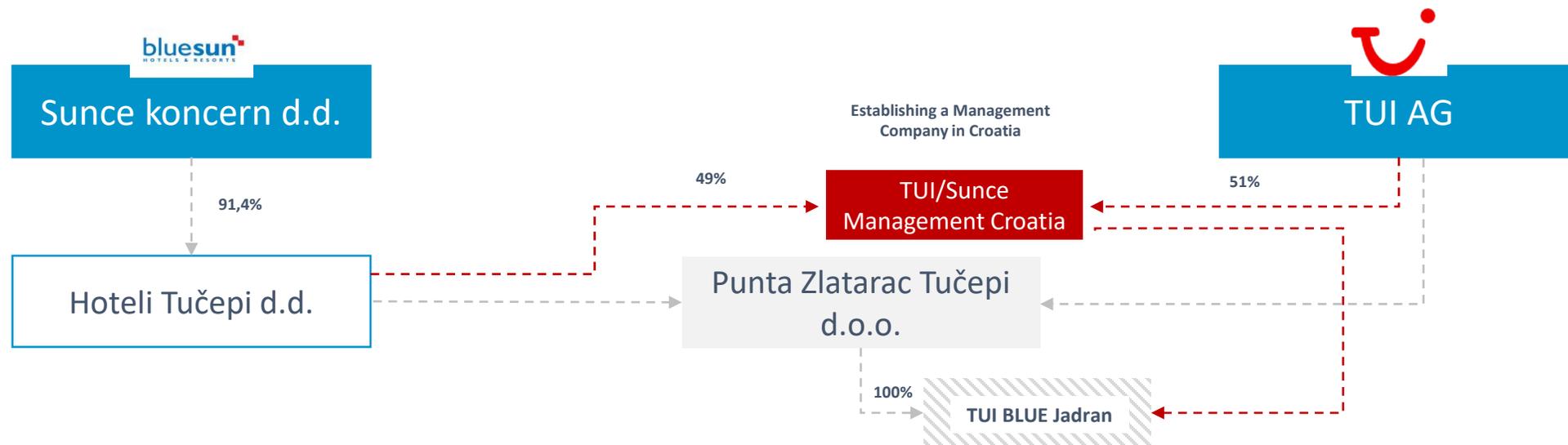
# Transaction structure: Step 1

**Step 1:** Joint Venture formation through 50% acquisition of Punta Zlatarac Tučepi d.o.o.



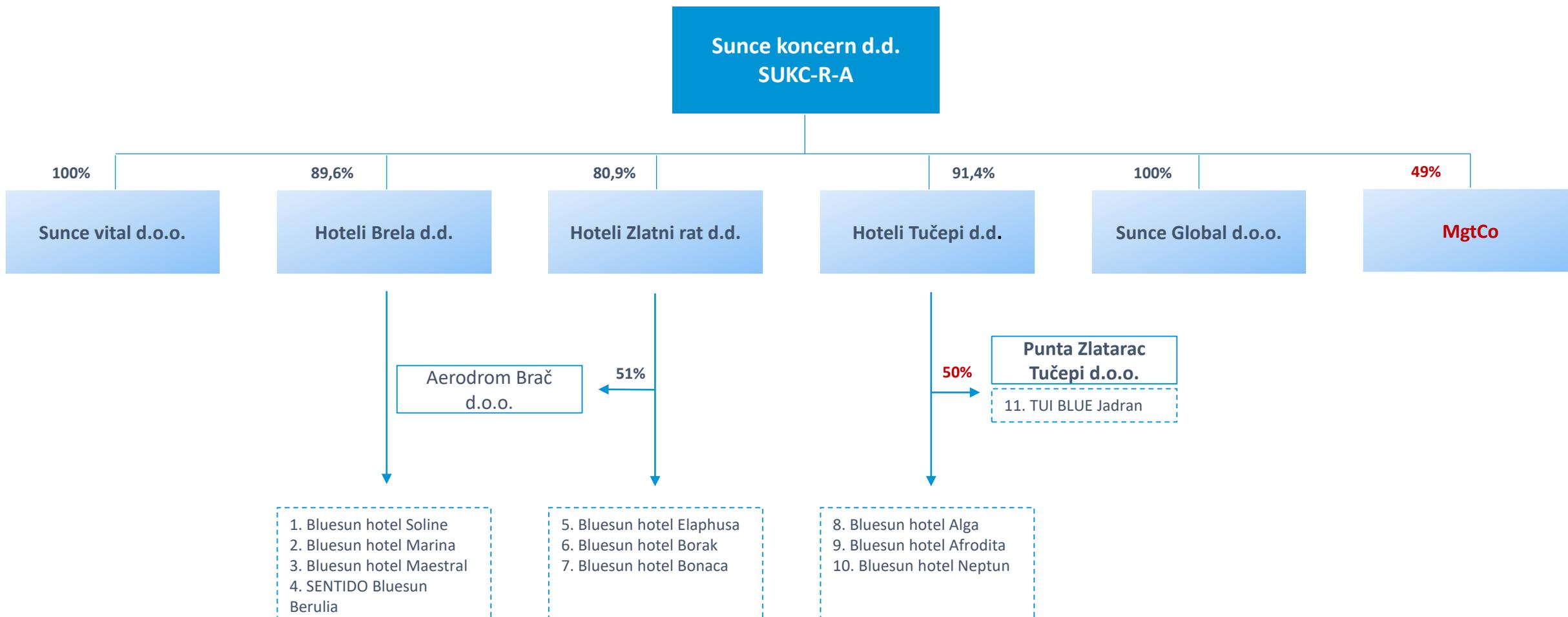
**TUI AG acquires 50% of Punta Zlatarac Tučepi d.o.o. for an EV of 31.500.000 EUR (100%).** Punta Zlatarac Tučepi d.o.o. is a 100% subsidiary of Hoteli Tučepi d.d., which is part of Sunce koncern d.d. Punta Zlatarac Tučepi d.o.o. is the owning company of the hotel TUI BLUE Jadran in Tučepi.

**Step 2:** Forming new JV Management Company ("MgtCo"), whereas Sunce holds 49% and TUI holds 51%



**Establishing a Management Company in Croatia.** Sunce koncern d.d. holds 49% equity stake in the newly formed Management Company that will enter into Management agreement with the Target.

# After Transaction - Organigram Sunce koncern d.d.



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\*

<b>Location</b>	Tučepi, Croatia
<b>Airport distance</b>	SPU: 85 km (01:30h)
<b>Opening</b>	01 <sup>st</sup> of July 2017
<b># Rooms</b>	161 (371 Beds)
<b>Facilities</b>	<ul style="list-style-type: none"> <li>• 3 restaurants, 3 bars</li> <li>• 2 outdoor pools, exclusive swim-up pool</li> <li>• BLUEfit Park, Fitness room and various sports courts</li> <li>• Sauna, steam bath, 3 treatment rooms and a relaxation room</li> </ul>
<b>Target Group</b>	Couples, Families
<b>Owner</b>	Punta Zlatarac Tučepi d.o.o.

