

Security:	SUKC-R-A
ISIN:	HRSUKCRA0001
LEI:	7478000070X8LWJUBX45
Home member state:	Croatia
Market segment:	Official market

Zagreb, January 13, 2020

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Notification on acquisition of treasury shares in the Merger process

Sunce Hoteli d.d., Trpinjska 9, Zagreb, OIB: 06916431329 ("**Sunce**" or the "**Company**") hereby submits a notice in accordance with **Article 474 of the Capital Markets Act**, which requires the issuer acquiring treasury shares to disclose to the public information on the acquisition and the number of treasury shares it holds in the absolute and relative amount.

At its regular General Assembly held on June 28, 2019, the Company made a decision on the increase of its Share Capital and the Issuance of Shares for the purpose of the Merger of companies Hotel Alan d.d., Hoteli Tučepi d.d., Hoteli Zlatni rat d.d. and Hoteli Brela d.d. ("**Acquired Companies**") into Sunce hoteli d.d.

On December 31, 2019, the Merger of the Acquired Companies and the Increase of the Share capital of the Company was registered with the Court Register of the Commercial Court of Zagreb.

The Share capital of the Company was increased by HRK 56,073,500.00 by issuing 560,735 new ordinary shares ("**New Shares**"), so that the new total Share capital of the Company amounts to HRK 595,458,500.00 and is divided into **5,954,585** shares.

On January 10, 2020, the Central Depository and Clearing Company (CDCC) implemented the Corporate Merger action as well as the increase of the Company's Share Capital in its information system.

The New Shares were transferred to the minority shareholders of the Acquired Companies in exchange for the shares they held in the Acquired Companies according to the exchange ratio and the rules set out in the related Merger Agreement.

Given that a number of the Company's New Shares remained unallocated to the shareholders of the Acquired Companies, such shares were allocated to the Company's treasury shares.

In conclusion, after completion of the Corporate Merger action, Sunce acquired 1,163 of treasury shares, representing 0.0195% of the Company's Share capital.

Prior to the said acquisition, the Company did not own any of treasury shares.

SUNCE HOTELI d.d.
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