

Zagreb, May 7, 2019

**Zagreb Stock Exchange
Croatian Financial Services Supervisory Agency
Croatian News Agency
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Company WEB site**

Notice on the held sessions of the Management Board and Supervisory Board

Pursuant to the Zagreb Stock Exchange Rules and following the Joint notification of intention to merge controlled companies on March 14, 2019 (<http://www.zse.hr/default.aspx?id=91144>) and Announcement of the sessions of the Management Board and Supervisory Board on April 30, 2019, (<http://www.zse.hr/default.aspx?id=92095>) Sunce koncern d.d., Trpinjska 9, Zagreb („Sunce”, the “Company” or the „Group“), hereby announces that after its sessions held on **6 May 2019**, the Management Board signed the **Merger Agreement** and the Management Board and the Supervisory Board adopted the proposal for **Capital increase** by issuance of new ordinary shares in the process of merger between Sunce koncern d.d., Zagreb as the transferee company and (i) Hoteli Brela d.d., Brela (ii) Hoteli Tučepi d.d., Tučepi (iii) Hoteli Zlatni rat d.d., Bol and (iv) Hotel Alan d.d., Starigrad as transferor companies.

The proposed decision to approve the Merger Agreement and Capital increase by issuing new shares for the purpose of merger will be submitted to the General Assembly of the Company.

Decisions on convening the General Assembly meeting and on proposals of decisions on renaming the Company, amending the Company's Articles of Association, covering of the 2018 losses (unconsolidated), granting discharge to members of the Management Board and the Supervisory Board and appointment of the Company's auditor for 2019 were also adopted at the mentioned meetings of the Management Board and the Supervisory Board.

The notice for the General Assembly of the Company will be published within the term prescribed by the Companies Act, via the website of the court register and the website of the Company.

Sunce koncern d.d.

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