

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

Zagreb, June 29, 2020

Zagreb Stock Exchange
Croatian Financial Services Supervisory Agency
Croatian News Agency
ots@hina.hr
Company WEB site

Impact of COVID-19 outbreak on financial reports publication deadlines and operations

Sunce hoteli d.d., Trpinjska 9, Zagreb, OIB: 06916431329 ("**Sunce**" or the "**Company**"), in addition to previous notices¹, hereby informs the public about updated data related to the impact of COVID-19 on the deadlines for publication of financial statements and the Company's operations.

Despite all its efforts, **the Company will not be able to publish audited annual reports for 2019 until June 30, 2020**, as initially announced on April 23, 2020. The reasons are still primarily difficult communication and availability of necessary resources, which slowed down the processes of gathering the necessary data and documentation for the preparation of the audited reports.

The Company will continue to take all possible actions and steps to publish the audited annual reports for 2019 as soon as possible, **no later than July 20, 2020**, in accordance with the information we currently have.

The Company published **quarterly report** for the first quarter of 2020 on April 30, 2020. The Company also plans to publish quarterly report for the second quarter of 2020 within the legally prescribed deadline.

Regarding the impact of COVID-19 on the Company's operations, the following text is the **updated sales data as of June 26, 2020**.

On June 10, 2020, the Company opened one facility at each of its destinations. Bluesun Hotel Berulia in Brela, Bluesun Hotel Alga in Tučepi, Bluesun Resort Velaris in Supetar, Bluesun Hotel Elaphusa in Bol, and Bluesun Camp Paklenica in Starigrad Paklenica.

In accordance with the development of booking, which we expect primarily to be last-minute, the Company will be ready to open all accommodation facilities. The general strategy of the Company is to open an additional facility at the moment when the existing hotel is filled to about 85% occupancy, in order to limit the number of guests in a way that it is possible to comply with epidemiological measures.

As of June 26, 2020, the Company's sales is at 38% comparable to the same day of the previous year and 29% of the total last year's sales. In the current structure of sales, 57% of them is direct sales and OTA channel. The groups account for 17% of sales, which primarily relates to September and October period. The allotment channel accounts for 25% of the current sales, and this channel is associated with the most uncertainty due to start of the normalization of commercial lines.

Most reservations in OTA and direct channel are on a "free cancelation" principle, ie without advance payments by guests. Such reservations can be cancelled without paying a fee to the Company, which is the only way for the sale to function in the current circumstances.

¹ Impact of COVID-19 outbreak on financial reports publication deadlines as of April 23, 2020 <https://zse.hr/default.aspx?id=97586>
Updated announcement regarding COVID-19 impact as of April 30, 2020 <https://zse.hr/default.aspx?id=97914>

Direct channel and OTA will be the dominant sales channels this season, and the Company is conducting targeted investments primarily in online marketing.

The Company is in contact with the seasonal workforce, and in case of need it will be possible to hire enough seasonal workforce to open other accommodation facilities, while the priority at this time is to employ the vast majority of permanent workers.

SUNCE HOTELI d.d.

Investor Relations

ir@bluesunhotels.com

www.bluesunhotels.com/investors