

Slovenski državni holding d.d.

Mala ulica 5

1000 Ljubljana

hereby announces this call for bids for the purchase of a 100% holding in Mariborska livarna Maribor d.d., and for the provision of financial resources to the company

- 1.** The subject of the sale is a 100% holding in Mariborska livarna Maribor d.d., of Oreško nabrežje 9, 2000 Maribor, Slovenia (hereinafter: MLM), which is currently owned by Slovenski državni holding d.d. (Slovenian Sovereign Holding; hereinafter: SDH).
- 2.** SDH is the sole owner of MLM, and is simultaneously its largest creditor. SDH's receivables from MLM amounted to EUR 13.6 million as at 31 October 2023, and are secured by a mortgage on MLM's real estate and a lien on the majority of its equipment, inventories and trade payables.
- 3.** MLM operates in a demanding sector, and finds itself in a difficult financial situation, owing to which it needs additional financial resources for its current operations and ongoing development, either in the form of equity or a long-term financial loan, or a combination of the two. The report on MLM's financial restructuring measures was approved by its supervisory board on 27 October 2023.
- 4.** SDH is willing to execute the transaction under the following key conditions:
 - a. Upon the conclusion of the transaction the purchaser provides MLM with additional financial resources in the amount of at least EUR 5.0 million, in the form of a recapitalisation of at least EUR 2.0 million and the remainder as a long-term financial loan to MLM, or in any other appropriate manner that injects additional liquidity into the company.
 - b. SDH is selling its holding in MLM for EUR 1.00, whereby meeting the condition under point 4.a is essential for the completion of the transaction and the transfer of the holding in MLM from the vendor to the purchaser.
 - c. Should the purchaser so desire, SDH may purchase the entire real estate in Maribor where the company is currently pursuing its business activities, at its estimated market value of EUR 10.9 million, offsetting some of its receivables from MLM against the consideration. Should the purchaser so desire, SDH may let the real estate to MLM for a maximum tenancy of 10 years at an annual rent of EUR 1.1 million. The tenant shall pay all costs associated with the real estate for the entire duration of the tenancy (costs of current maintenance and investment maintenance, insurance, land use fees, etc.).

By 31 December of each year the tenant shall submit a plan of investment works for the following accounting period to the lessor, which the lessor shall approve in writing. The purchaser shall provide SDH with suitable guarantees for the payment of the rent in the amount of one year's rent.

- d. SDH is willing to reschedule all its (remaining) receivables from MLM into a 10-year financial loan at an interest rate of 8%, with a two-year moratorium on the repayment of principal at unchanged collateral terms or with replacement collateral of at least equal quality to be provided by the purchaser, and with the option of early repayment of the receivables at zero cost.
 - e. SDH may not recapitalise MLM, provide it with additional loans, write off receivables or otherwise increase its financial exposure to MLM or worsen its position as a creditor. Neither SDH nor the Republic of Slovenia may approve any additional grants to MLM in any form, as this would entail illegitimate state aid, the company having already received state aid in the form of grants in the last 10 years. It is not only directly awarded grants that are classed as state aid; any transaction that would not be executed by a private investor (e.g. write-off of secured receivables, letting of real estate under non-market terms, lending at non-market terms) is also classed as state aid. Bids with any elements of this kind shall be treated as ineligible.
5. A non-binding bid for the purchase of a 100% holding in MLM shall contain at least the following elements:
- a. **subject of the bid:** purchase of a 100% holding in MLM;
 - b. **information about the bidder:** the bidder's business name, precise address, registration number and tax number, and details of the bidder's contact person;
 - c. **the bid price** determined in accordance with point 4.b;
 - d. **the amount of additional financial resources** that the bidder will provide, and **the approach to investing in the company** (recapitalisation, financial loan, other);
 - e. **information about MLM's real estate in Maribor:**
 - i. an indication of whether the bidder wants **SDH to purchase the real estate from MLM** at the terms stated in point 4.c,
 - ii. an indication of whether the bidder wants **SDH to let the purchased real estate to MLM** at the terms stated in point 4.c, and an indication of what collateral will be provided as a guarantee for the amount of rent for one year;
 - f. information as to whether MLM's (remaining) liabilities to SDH will be repaid immediately, or whether the bidder wants SDH to reschedule them in accordance with the terms stated in point 4.d, and what form of collateral is envisaged (existing, replacement);
 - g. **the validity of the bid:** at least until **31 January 2024 inclusive**.
6. For the needs of preparing a non-binding bid as part of the sale process, a presentation document will be sent to interested parties at their request; a report on MLM's financial restructuring measures will also be made available to them (hereinafter: the documentation). Before receiving the documentation, interested parties shall sign a non-disclosure agreement, which the vendor shall send to interested bidders at their written request. After receiving eligible non-binding bids, SDH shall allow interested bidders at their request to conduct due diligence in collaboration with MLM, to tour the company's location, and to meet its senior management.

7. In evaluating the bids precedence shall be given to those that provide a higher amount of additional financial resources to MLM, all other conditions being satisfied; in the event of the amounts being equal, precedence shall be given to the bidder that is willing to provide more equity.
8. The transfer of ownership of the shares from the vendor to the purchaser shall be made after payment of the consideration in full, and after the provision of the additional financial resources to the company. The costs of the transfer of ownership shall be covered in full by the purchaser.
9. In the sales process the vendor does not give any kind of guarantees with regard to the company's performance, but merely provides the standard guarantees with regard to the ownership and lack of encumbrance of the shares, and guarantees with regard to the power to execute the transaction and the approval and consents for so doing.
10. Bids may be submitted by domestic and foreign legal and natural persons. Legal persons established in Slovenia shall attach a declaration to their bid stating that the bidder's statutory representatives or the persons authorised to represent the bidder in statutory matters are persons entered in the business register administered by the Agency for Public Legal Records and Related Services. A transcript from the companies register (or any other appropriate register) that is no more than 30 days old on the date of submission of the bid and that provides clear information about the bidder's business name and address and about the persons authorised to represent the bidder in statutory matters shall be attached to the bid by legal persons established outside Slovenia.
11. Should the vendor receive several bids that meet the conditions in this call for bids, it may decide to hold subsequent negotiations with the bidders. The vendor may also decide to negotiate with a single bidder.
12. The vendor bears no commitment on the basis of this call for bids to concluding a sale and purchase agreement for the shares or to concluding any other accompanying contracts with the preferred bidder or with any other bidder. A decision by the vendor not to conclude a sale and purchase agreement for the shares and not to conclude any other accompanying contracts shall not be grounds for any contractual penalty or liability for damages on its part.
13. The vendor is an obliged entity under the Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT-2), and is therefore required to conduct due diligence of the purchaser in accordance with law before concluding a sale and purchase agreement for the shares.
14. Slovenian law shall apply to procedures in connection with this call for bids and to the transaction itself. In the event of any disputes the competent court in Ljubljana shall have jurisdiction.
15. The vendor invites all interested parties to submit their non-binding bids for the purchase of shares in MLM to Slovenski državni holding, of Mala ulica 5, Ljubljana, Slovenia, to the email address of urska.podvratnik@sdh.si, with a subject of "*Bid for purchase of shares in MLM*". The bids shall be processed once received by the vendor, **by 12 pm on 5 December 2023**.
16. The opening of the bids shall not be public.
17. For more detailed information in connection with the transaction, interested bidders may contact Urška Podvratnik by emailing urska.podvratnik@sdh.si.

For the purpose of transparency and equal treatment of all potential investors, it is also published in newspapers.