

**PUBLIC TENDER FOR COLLECTION OF BINDING OFFERS FOR THE PURCHASE OF
A PARTICIPATING INTEREST IN DRUŽBA ZA NEKRETNINE, d.o.o. and the RECEIVABLES OF DRUŽBA
ZA NEKRETNINE, d.o.o.**

Družba za upravljanje terjatev bank, d.d. (hereinafter: “the **Seller**”) invites you to submit a binding offer to purchase the receivables of the company DRUŽBA ZA NEKRETNINE d.o.o., Šetalište Svetog Bernardina bb, Krk, Croatia, ID No.: 11083745287 (hereinafter also: the **Company**) and to purchase a 100% participating interest in that Company, which is directly owned by the Seller.

1. Subject of the sale

The Seller intends to sell its holdings of all of the Company’s receivables (through which the buyer shall also receive all accessory rights), which as at 23 October 2020 amount to EUR 6,403,746.84 (hereinafter: the **Receivables**).

The Seller reserves the right that through the purchase of the Receivables, the buyer will be obliged to enter into a full contractual relationship with the obligor and third parties relating to the Receivables and the associated accessory rights.

Together with the Receivables, the Seller also intends to sell a 100% participating interest in the Company, in the form of an initial outlay amounting to EUR 19,287.93 (i.e. HRK 146,000.00), which is held by the Seller (hereinafter: the **Participating Interest**).

The Company owns building land in Split, in the Kila neighbourhood. The total area of the land is 8,822 m², and it is designated for residential construction.

The Receivables and the Participating Interest may only be sold jointly. The Participating Interest, which is the subject of a joint sale with the Receivables, shall only be sold in its entirety (i.e. 100%). In all cases, the purchase of the entire Receivables shall be deemed to be a condition for the purchase of the Participating Interest.

2. Bid collection procedure

The sale will be conducted by the Seller. Domestic and foreign natural persons and legal entities who submit a written bid to purchase the Receivables and Participating Interest in accordance with the conditions set out below, and who are entitled to acquire the Receivables and Participating Interest in accordance with the applicable laws of the Republic of Slovenia and the applicable laws of the Republic of Croatia, may participate in the procedure for the sale of the Receivables and Participating Interest.

2.1. Deadline for submitting binding offers

The Seller shall accept bids for the purchase of the Receivables and Participating Interest sent by registered post in a sealed envelope or wrapper to the following address: DUTB, d.d., Davčna ulica 1, SI-1000 Ljubljana, Slovenia, marked: “DO NOT OPEN – BID FOR PURCHASE OF RECEIVABLES AND PARTICIPATING INTEREST – DZN”.

The bidder's name and address must be written on the back of the envelope or wrapper. The binding offers shall be submitted on or before 28. 12. 2020. An offer shall be deemed to have been received on time if it arrives at the Seller's address by 10 am on the above-stated date.

2.2. Content of binding offer

During the sale process, the Seller shall take into account the binding offers received on time, signed by the bidder's legal representative and including the following content:

A. Buyer's details:

- I. Bidder's name and tax number;
- II. Contact details for the bidder's responsible person;
- III. Presentation of the bidder (brief description of the bidder's activity, including the volume of operations, experience/knowledge of the company's area of activity, identity of the bidder's ultimate owner, presentation of basic financial information (balance sheet and income statement for the last three years or the entire period of the bidder's operations));
- IV. Declaration that no wind-down, bankruptcy, compulsory composition, other insolvency or restructuring proceedings have been initiated against the bidder;
- V. Description of the purpose of purchasing the Receivables and Participating Interest and description of further development of the Company by the bidder;
- VI. Description of the method and circumstances of financing the intended acquisition of the Receivables and Participating Interest, including evidence of or a reliable explanation that the bidder has or will have at its disposal sufficient financial means in an amount that is at least equal to the price stated in that party's binding offer (e.g. a statement issued by a bank regarding funds deposited by the bidder or an irrevocable statement issued by a bank confirming the purpose of financing), where the bidder must also specifically state the actual source of funds for the acquisition of the Receivables and Participating Interest (including the level of financing from own funds and funds acquired from third parties);
- VII. Declaration that the bidder is acting on its own behalf and for its own account;
- VIII. Declaration by the bidder of any debts (existing or potential) to the Seller, in which the bidder describes whether it has any current or potential debts/liabilities towards the Seller;
- IX. Declaration that the bidder has all the internal and other authorisations for the submission of a binding offer, where the bidder shall also be required to state in the declaration other authorisations that it potentially requires for the purchase of the Receivables and Participating Interest.

B. "Know your client" (KYC) declarations

As part of the "know your client" procedure regarding the background of a potential investor, bidders must enclose with their binding offers the following completed declarations/forms, which can be found on the Seller's website (<https://dutb.eu/en/equity-holdings/>):

- Declaration on (non-)affiliation of business entities,
- Declaration on beneficial owners of a potential investor,
- Declaration of affiliation of potential investor,

- Declaration of circumstances surrounding the purchase of receivables, participating interests or real estate,
- Form: Presentation of potential investor – natural person; or Presentation of potential investor – legal entity,
- Declaration on associated persons. If the bidder is a legal entity, this declaration must be completed by all the bidder’s statutory representatives,
- Declaration on beneficial owners of a potential investor.

C. Price tendered for the purchase of the Receivables and Participating Interest

The bidder must specify a price in EUR for the purchase of the Receivables and Participating Interest, rounded to two decimal places. The bidder must offer a single price for the purchase of the Receivables and Participating Interest, whereby the price must be specified such that the value of the Receivables and the value of the Participating Interest are stated separately (e.g.: the price for the purchase of the Receivables is EUR 100.00 [in words: one hundred and 00/100 euros], the price for the purchase of the Participating Interest is EUR 100.00 [in words: one hundred and 00/100 euros]).

In their binding offer, bidders shall state the payment deadline in days, beginning from the conclusion of the agreement on the sale of the Receivables and Participating Interest. If the final day of the payment deadline coincides with a date that is legally defined as a public holiday, the next business day shall be deemed the final day of the payment deadline.

To avoid doubt, the Participating Interest cannot be purchased without the Receivables and vice versa.

The Seller reserves the right to set a reserve price during the course of the procedure. In that case, the final price may not be lower than the reserve price.

D. Other:

Binding offers must be valid until at least 31. 3. 2021.

The bidder may state its expectations with regard to the further procedure for the sale of the Receivables and Participating Interest (e.g. with regard to the content of the documentation that it would like to review as part of the due diligence review). The bidder may also make other suggestions regarding the procedure for the sale of the Receivables and Participating Interest.

If the bidder is a foreign legal entity, a certified translation from the relevant register in which the bidder is entered as a legal entity must be enclosed with the bid, the extract from the relevant register being no older than 30 days.

When submitting a binding offer, and at any time at the request of the Seller, the bidder must prove by means of the appropriate documents that it is a suitable entity with integrity as defined by the Prevention of Money Laundering and Terrorist Financing Act – ZPPDFT-1 (Official Gazette RS, No. 68/2016) and secondary regulations issued on the basis of this Act. If this is not the case, the Seller can immediately eliminate the bidder from the procedure without stating grounds.

Each bidder may submit only one bid. If a bidder submits more than one bid, all of its bids shall be excluded.

3. Due diligence

Bidders shall have the opportunity to conduct a due diligence review of the documentation regarding the Receivables and Participating Interest that are the subject of the sale. The scope of the due diligence review shall be at the sole discretion of the Seller. The due diligence review may be carried out from 9 a.m. to 7 p.m. every day from 16. 11. 2020 until 23. 12. 2020. The due diligence review shall be carried out at the Company's headquarters, following prior notice to the Company's Managing Director Maja Maračić, email info@odvjetnicki-ured-maracic.hr. Interested bidders must send a notice of the due diligence review at least one business day prior to the intended performance of the due diligence review.

Access to the documentation and the performance of a due diligence review shall be conditional upon the signing of a Non-Disclosure Agreement (NDA) and a completed Know Your Client (KYC) declaration, which can be found on the Seller's website (<https://dutb.eu/en/equity-holdings/>). Access to the information in the VDR will be provided only to users listed in the NDA.

The Seller reserves the right to refuse an individual bidder access to the virtual data room, or to withhold or refuse access to specific documents and information, without providing a reason.

3.1. Opening of the binding offers

The opening of the binding offers shall not be public. The bidder shall be selected on the basis of the following criteria: highest final price offered for the purchase of the Receivables and Participating Interest, and financing method. The suitability of the bids shall be assessed at the Seller's discretion. If several bidders offer the same price, negotiations shall be held with each bidder separately, using the same criteria as used for selection of the bid. The Seller reserves the right to call on bidders to improve their offers, or to continue individual negotiations with all or only certain bidders. The Seller also reserves the right to not select the most favourable bidder and to reject all offers as unsuitable.

4. Conclusion of the agreement

Within a provisional deadline of 60 days after the expiry of the deadline for the submission of binding offers, the Seller is expected (but shall not be bound) to select the bidder that submitted an appropriate and most favourable bid (hereinafter: the **Selected Bidder**) and conclude an agreement on the sale of the Receivables and Participating Interest with them. In accordance with the laws of the Republic of Croatia, the agreement will be drawn up in the form of a directly enforceable deed, or in another form if so determined under the relevant laws of the Republic of Croatia.

The agreement with the Selected Bidder will be concluded in Croatian and Slovene, or in Croatian and English if the buyer is not a Slovene natural person or legal entity. The agreement shall contain provisions that are customary for transactions concerning the purchase/sale of receivables and participating interests, including a 'top up' clause, in accordance with which the buyer makes a commitment to the seller to cover the difference between the price agreed in the sales agreement and any potential higher price agreed in a subsequent purchase or sale of the Receivables or Participating Interest, i.e. 12 months after the transfer of ownership of the Receivables and Participating Interest.

The timely settlement of consideration shall be an essential component of the agreement. If the buyer is in arrears in settlement of consideration, the agreement shall be deemed null and void.

If the selected bidder fails to conclude a sales agreement, the Seller has the right (but shall not be obliged) to enter into an agreement with the bidder who submitted the second or next most suitable and favourable binding offer, without repeating the collection of bids for the purchase of the Receivables and Participating Interest.

The transfer of the Receivables and Participating Interest shall be carried out in accordance with the sales agreement following the full payment of the consideration (purchase price). All taxes, fees and costs, including notarial costs, in connection with the transfer of the Receivables and Participating Interest shall be paid by the selected bidder (buyer). The Receivables and Participating Interest shall be purchased on an 'as-is' basis, where the Seller's Receivables, including appertaining costs and accessory rights, and the Participating Interest, shall be transferred to the buyer in their entirety, to the fullest extent permitted by the law.

The Seller reserves the right not to select any bidder in the procedure, and shall not be obliged to conclude a contract of sale for the Receivables or Participating Interest with any bidder.

5. Other

Bidders shall bear their own costs of participation in the procedure for the purchase of the Receivables and Participating Interest and any costs associated therewith, regardless of their success in the sales procedure. The Seller reserves the right to amend the procedure and conditions for the sale of the Receivables and Participating Interest.

This invitation to tender is available in Slovene and English. By participating in the sales procedure, bidders are deemed to agree with the conditions of the procedure.

If an application (e. g. bid) under this invitation is subject to a time limit, it will be deemed to have been submitted on time if it arrives at the Seller's address before the deadline expires. If the last day of the deadline is a Saturday, Sunday or public holiday or other non-working day as laid down by the act governing public holidays, the deadline shall expire at the end of the next business day.

The Seller recognises the possibility of errors in the text of the published invitation.

6. Right to suspension and exclusion of Seller's liability for damages

The Seller shall not be held liable for any damages whatsoever.

The Seller reserves the right to change the planned course, steps, conditions or other elements of the procedure at any time and without explanation, and may also suspend the bid collection process, sales and/or negotiations procedures, and shall bear no liability whatsoever in this regard. Bidders may not file any claims against the Seller as a result of the aforementioned actions. The Seller is also obliged to honour any statutory or other pre-emptive rights.

7. Additional information

Potential bidders may obtain additional information from the Seller's representative:

Mr Gregor Krajnc, tel.: +386 1 429 34 61, email: gregor.krajnc@dutb.eu

8. Applicable law and jurisdiction

This public tender and procedures associated with this tender, the collection of bids and the agreement on the sale of the Receivables and Participating Interest shall be subject to Slovenian law. In the event of any dispute, the court of subject-matter jurisdiction in Ljubljana shall have exclusive competence.

Družba za upravljanje terjatev bank, d.d.