

INVITATION TO TENDER FOR THE PURCHASE OF CLAIMS

Družba za upravljanje terjatev bank, d.d. (BAMC), Davčna ulica 1, 1000 Ljubljana (hereinafter: the Seller) hereby publishes, on its own behalf and for its own account, an invitation to tender for the binding purchase of the Seller's claims arising from business relationships entered into with legal entities.

1. Subject of the sale

The subject of this tender is past-due claims against 39 legal entities deriving from business relationships in the form of loans, guarantees and transaction accounts.

The subject of the invitation to tender are the claims detailed in the above-stated package (hereinafter: the Claims), together with appertaining amounts and ancillary rights, the total value of which amounts to EUR 128,199,894.12 on the cut-off date, i.e. 1 January 2022. Data for individual Claims will be available in the virtual data room (subject to the terms described in Point 4).

The subject of the sale is a package of Claims as a whole, so that each bidder may only submit a binding purchase for the entire package of Claims.

2. Tender procedure binding purchase and payment of security deposit

The sales procedure shall be conducted by the Seller. Domestic and foreign natural persons and legal entities who submit a bid for the purchase of the Claims in accordance with the conditions set out below may participate in the sales process.

The Seller shall process binding bids for the purchase of the Claims sent by registered mail in a sealed envelope or wrapper to the address: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana, marked as: »NE ODPIRAJ - PONUDBA ZA ODKUP TERJATEV DO PRAVNIH OSEB – 39 T3 MB«. The following shall be printed on the back of the envelope or wrapper: the full name and address or the company name and registered office of the bidder. **The binding bids shall be submitted no later than by 14:00 on 29 March 2022.** A bid shall be deemed to have been received on time if it arrives at the Seller's address by 14:00 on the above-stated date. The bid shall be submitted in Slovene or English. Each bidder may submit only one bid.

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

The timely submission of a bid and the preliminary payment of a security deposit in the amount of EUR 10,000 to the Seller's account held with UniCredit banka d.d. No. SI56 2900 0005 1319 162, SWIFT: BACXSI22, stating reference number SI00 983, are conditions precedent for a binding bid to be valid. Before making a wire transfer of the funds the Buyer must send the details of the account from which the security deposit will be paid.

3. Content of binding bids

During the sale process, the Seller shall take into account valid binding bids which, if submitted by a legal entity, have been signed by the bidder's legal representative and include the following content:

A. Bidder profile:

- i. name and surname or company name, permanent residence or registered office and tax number (for legal entities);
- ii. contact details for the person responsible at the bidder;
- iii. identity of the ultimate owner of the bidder;
- iv. description of the purpose of the purchase of the Claims;
- v. declaration that the bidder has all internal and other authorisations needed for submitting a binding bid, and that all conditions have been met in relation to the obtaining of consents, if applicable, from the competent bodies required for the validity of the purchase of the Claims;
- vi. brief description of the bidder's activity and basic financial information: balance sheet and income statement for the last three years, or for the entire period of the bidder's operations if that period is shorter;
- vii. declaration that no winding-up, bankruptcy, compulsory composition, other insolvency or restructuring proceedings have been initiated against the bidder;
- viii. declaration that the bidder acts on its own behalf and for its own account;
- ix. extract from the relevant register in which the bidder is entered as a legal entity, if the bidder is a foreign legal entity, where such an extract shall not be more than 30 days old.
- x. bidders shall submit a declaration regarding their links with the debtors of the Claims. That declaration shall state whether there are ownership, management or any other links between an individual bidder and the debtors of the Claims, in terms of the rules governing companies, and whether a bidder, in terms of the same rules, is linked with companies that are tied, through ownership or otherwise, with the debtors of the Claims or with the owners and members of the governance bodies of those companies, or whether such a link existed in the past (Declaration on the absence of links with the debtors of Claims);

B. Declaration regarding the conditions of the purchase and the method for financing the purchase:

- i. description of the method for financing the purchase;
- ii. evidence or a reliable explanation that the interested party has or will have at their disposal sufficient financial means in an amount that is at least equal to the price stated in that party's binding bid (e.g. a statement issued by a bank regarding funds deposited by the interested party, or a statement issued by a bank confirming the purpose of financing);
- iii. detailed presentation of the actual source of funds for the purchase (including the amount financed from internal funds and from loans raised from third parties (banks etc.).
- iv. bidders shall describe in detail the method for financing the purchase of the Claims and the timing of payments. Should funds for the purchase of the Claims be provided by third parties: (i) the form of financing shall be described in detail; and (ii) a binding and irrevocable declaration on the availability of the funds for the purchase of the Claims provided by a third party as means of finance in favour of a bidder.
- v. identity of the ultimate owner of the bidder;
- vi. it shall be unambiguously clear from a bid that it is a binding bid. Binding bids, together with the accompanying declarations, shall be valid for at least another 90 days from the date of submission.

- C. Declaration on the bidder's possible liabilities (existing or potential) to BAMC, in which the interested party shall describe whether it has or could potentially have existing liabilities to BAMC.
- D. Declaration that there are no legal impediments regarding the conclusion of an Agreement on the sale of Claims in accordance with Article 13 of the Act Regulating Measures of the Republic of Slovenia to Strengthen the Stability of Banks (hereinafter: the ZUKSB; Official Gazette of the Republic of Slovenia, Nos. 105/12, 63/13, 23/14 and 104/15), in particular that the bidder is not:
- i. a person deemed to be associated with the Company in accordance with the law governing companies;
 - ii. a legal entity in which a person from the previous indent holds a participating interest, or whose management personnel or procurator is a person who served as a member of the Company's senior management or as the Company's procurator in the three years before the claim arose, unless it is a person affiliated with one of the persons referred to in the first indent of this paragraph such that the Republic of Slovenia is the controlling company in accordance with the law governing acquisitions;
 - iii. a natural person who was a member of the Company's senior management or the Company's procurator in the three years before the Claim arose;
 - iv. a natural person in a close relationship with the natural person referred to in the previous indent iii., as defined by the law governing insolvency proceedings;
 - v. a person who is irrefutably presumed, in accordance with the law governing acquisitions, to function in concert with one of the persons referred to in the preceding two indents, unless it is a person associated with one of the persons referred to in the previous two indents of this paragraph, such that the Republic of Slovenia is the controlling company in accordance with the law governing acquisitions;
 - vi. a legal entity which performed an asset quality review and stress tests for the banking system in 2013 (data regarding such legal entities can be provided by BAMC);
 - vii. a legal entity with capital links to another legal entity which performed an asset quality review and stress tests for the banking system in 2013;
 - viii. a legal entity which receives business advice from another legal entity that performed an asset quality review and stress tests for the banking system in 2013, or which receives business advice from an individual who participated in an asset quality review and stress tests for the banking system in 2013 as an employee of those legal entities or a subcontractor for those companies.

Templates for the majority of declarations have been predefined in terms of content by BAMC and are available on their website (<http://www.dutb.eu/si/terjatve.aspx>); Forms (know-your-customer (KYC) procedure).

E. Price for the purchase of the Claims, payment deadline and payment method

Bidders shall define the price for the purchase of the Claims precisely (for example: the price for the purchase of the package of the Seller's Claims arising from business relationships concluded with legal entities with appertaining amounts and ancillary rights is EUR [●] (in words: [●] 00/100 euros).

In its bid, a bidder shall describe the financing conditions in connection with the purchase of the Claims, together with evidence that the bidder has or will have at its disposal funds for the purchase of the Claims, including a detailed presentation of the actual source of funds for that purpose (e.g. a

statement issued by a bank regarding funds deposited on the bidder's bank account or a statement issued by a bank confirming the purpose of financing).

Bidders shall state the payment deadline in days, beginning from the conclusion of the agreement on the sale of the claims. Should the last payment day be a work-free day the next business day shall be deemed the last payment day.

Binding bids, together with the binding accompanying declarations regarding the availability of funds, shall be valid until at least 30 June 2022. The bidder must attach an extract from the relevant register in which it is entered as a legal entity if the bidder is a foreign legal entity. That extract shall not be more than 30 days old.

The bid shall be submitted in Slovene or English. Each bidder may submit only one bid for the purchase of the Claims. If a bidder submits more than one bid, all of its bids shall be excluded.

4. Due diligence

Bidders shall be given the opportunity to conduct due diligence of documentation in connection with the Claims under the condition that:

- they sign a non-disclosure agreement; and
- pay a security deposit in the amount of EUR 10,000.00 to the Seller's account held with UniCredit banka d.d., no. SI56 2900 0005 1319 162, SWIFT: BACXSI22, stating reference no. SI00 983. Before making a wire transfer of the funds the Buyer must send the details of the account from which the security deposit will be paid..

The bidder shall also provide the Seller data regarding the account to which the aforementioned security deposit will be returned (without interest), in the event the bidder's bid for the purchase of the Claims is unsuccessful.

The scope of due diligence shall be at the sole discretion of the Seller. Due diligence shall be performed in a virtual data room, and may be carried out every day from 22 February 2022 until 14:00 on 22 of March 2022. Due diligence shall be performed electronically 24 hours a day. A review of documentation in physical form shall be possible during the Seller's business hours based on a special agreement. Bidders may submit written questions during the aforementioned review. Written answers to the questions of an individual bidder party to this part of the procedure shall be sent to all other participants.

The Seller reserves the right to refuse the review of documentation by an individual bidder, without stating grounds therefor, or may prevent a bidder from reviewing certain information.

During the due diligence process, bidders shall be given the opportunity to review a draft agreement on the sale of the claims. The agreement on the sale of the claims shall be concluded in the form of a directly enforceable notarial record or in another form, if so defined by the law or if so required by the Seller at its own discretion.

5. Opening of binding bids

The opening of binding bids shall not be public. The Seller is expected (but shall not be obliged) to adopt a decision regarding the appropriateness of binding bids received within 45 days following the expiry of the deadline for the submission of bids, and shall inform bidders in writing of its decision, which it shall not be obliged to substantiate. Bidders whose binding bids are deemed appropriate at the Seller's discretion may be invited to participate in the next phase of the sales process and shall be provided with instructions regarding the next steps of the process. The Seller reserves the right to

invite bidders who submitted a binding purchase after the expiry of the deadline for the submission thereof to improve or supplement their bids, or to continue individual negotiations with all or only certain bidders. In the event the bidders are called on to increase their bids this shall not be deemed a refusal of the existing bids.

6. Selection of a bidder and conclusion of an agreement

Within 45 days following the expiry of the deadline for the submission of binding bids, the Seller is expected (but shall not be obliged) to select the bidder that submitted the most suitable and advantageous bid (hereinafter: the Selected Bidder), and to conclude with them an agreement on the sale of the Claims (hereinafter: the Agreement).

The agreement on the sale of the Claims shall also include a “top-up” clause (payment of the difference between paid consideration and higher consideration in the event of a subsequent sale within one year consideration payment was made), a “re-sale” clause (under which the buyer shall not sell the Claims to the related parties set out in the ZUKSB for a period of five years) and a provision that the Seller may make the information regarding the sale of the Claims and the identity of the Buyer available to public.

All inflows which the Seller receives to their account for the repayment of the Claims from the cut-off date to the date on which the consideration is paid belong to the Seller.

A bidder who offers the highest final price for the purchase of the claims shall be selected the best bidder. If more than one bidder offers the same price, the bid with the shorter payment deadline shall be deemed the best bid.

The winning partner will subsequently have to submit additional information pursuant to the provisions of the Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT-1).

The Seller reserves the right not to select any bidder in the public tender procedure, and shall not be obliged to enter into any agreement or contract whatsoever with any bidder with respect to their cooperation in the sale of the Claims.

The security deposit shall be included in the consideration and deemed to be a down payment following the conclusion of the Agreement.

The Agreement shall be concluded in Slovene or, if applicable, in English depending on the Buyer.

The timely payment of consideration shall be an essential component of the Agreement. If the Buyer is in default as to the remainder of the consideration (total consideration less the security deposit/down payment), the Agreement shall be deemed rescinded and the Seller shall retain the security deposit/down payment.

If the bidder selected by the Seller fails to enter into the Agreement within 15 days following the receipt of the Seller’s invitation to conclude the Agreement, the Seller shall be entitled to retain the security deposit (i.e. the security deposit shall not be returned to the selected bidder). In this case, the Seller has the right (but shall not be obliged) to enter into the Agreement with the bidder who submitted the second or next most advantageous binding bid, without repeating the invitation to tender for the purchase of the Claims.

The paid security deposits shall be returned (without interest) to bidders whose bids were deemed inappropriate by the Seller or who were not selected by the Seller within 5 (five) days following the Seller’s decision, with the amounts being wired to the transaction account of the bidder from which the security deposit was paid. In this case, the security deposit is not a down payment by nature, and

unselected bidders shall not be entitled to request the repayment of double the amount of the security deposit or to file a claim for potential damages in the event that they were not selected.

The Claims shall be transferred in accordance with the Agreement following the full payment of consideration. The selected bidder (Buyer) shall pay all taxes and costs (including potential notarial costs) associated with the transfer and/or the sale of the Claims. The Claims shall be sold on an "as-is" basis, where all of the Seller's Claims that are the subject of the sale shall be transferred to the Buyer, together with appertaining amounts and ancillary rights to the greatest extent permitted by the law. The Seller shall only guarantee the existence of the Claims, but not the existence of collateral or the recoverability thereof.

If there is no sales agreement concluded with the selected potential Buyer for reasons on the side of the potential Buyer, the Seller shall keep the security deposit. In this case the Seller has the right (but is not obliged) to conclude an agreement with a potential Buyer who submitted the second best or the next suitable and most advantageous bid without repeating the tender procedure.

If the selected potential Buyer fails to disclose the required information on beneficial owners or information on the origin of their assets, this shall constitute grounds for not concluding the sales agreement and the selected potential Buyer shall be responsible therefor.

If the buyer of the Claims is a foreign legal entity, it shall for the purposes of the sales agreement prior to the drafting of the same provide the Seller with a unique identification number (registration number) assigned by the Business Register of Slovenia (AJPES), or a unique personal identification number if the buyer is a foreign natural person.

7. Other

Bidders shall bear the costs of their participation in this public tender procedure for the purchase of the Claims and in the sale thereof, as well as all associated costs, regardless of the outcome of the public tender. The Seller reserves the right to amend the procedure and conditions of the sale of the Claims.

The selection process under this public tender procedure shall be conducted in Slovene. The Seller may also publish or submit specific documents in English.

By participating in this public tender procedure, bidders shall be deemed to agree with the conditions of the same.

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

The Seller reserves the right to change the planned flow, steps or other elements of the procedure at any time and without explanation, and may also suspend the invitation to tender procedure, sale and/or negotiations, and shall bear no liability whatsoever in this regard, and the bidders shall not be able to enforce any claims against the Seller as the result of the aforementioned actions.

The Seller reserves the right not to conclude the Agreement with any bidder.

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

9. Additional information

The basic publicly available information about the company is accessible at: www.dutb.eu.

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

Maja Stonič, tel. št.: +386 2 25 20 630, email: maja.stonic@dutb.eu.

10. Applicable law and jurisdiction

Slovenian law shall apply to this public tender, i.e. the announcement of and procedures associated with this tender, the invitation to tender and the agreement on the sale of the Claims. In the event of any dispute, the court in Ljubljana shall have exclusive subject-matter and territorial jurisdiction.

This tender shall be published in Slovene and English.

Družba za upravljanje terjatev bank, d.d.