

Družba za upravljanje terjatev bank, d.d. (BAMC), Davčna ulica 1, Ljubljana (hereinafter: the "Seller") hereby publishes the following

**PUBLIC TENDER FOR COLLECTION OF BINDING BIDS
FOR THE PURCHASE OF CLAIMS**

The Seller hereby publishes, on its own behalf and for its own account, a public tender for the collection of binding bids for the purchase of the Seller's claims against companies within the Papirus Group:

GORIČANE tovarna papirja Medvode, d.d., Ladja 10, 1215 Medvode, registration no.: 5042291000 (hereinafter: Goričane);

PAPIGOR, holding, d.o.o., Ladja 10, 1215 Medvode, registration no.: 1639943000 (hereinafter: Papigor); and

PAPIRUS, holding, d.o.o., Goričane 38, 1215 Medvode, registration no.: 2010798000 (hereinafter: Papirus).

All three companies are hereinafter referred to as the Companies, the Obligors or the Papirus Group.

1. Subject of the sale

The Seller is selling all of its claims against the Companies, together with appertaining amounts and ancillary rights, as at 30 November 2021 (hereinafter: the Claims).

In the event that a sales agreement is concluded, the amount of the Claims shall be increased by all appertaining amounts from 30 November 2021 until the date of payment, and reduced by payments received in that period to which the Seller is entitled.

With the purchase of the Claims, the Buyer shall enter into a full contractual relationship with the Obligors and third parties relating to the Claims and the associated collateral.

Data for individual Claims shall be available in the virtual data room (VDR) under the terms described in Point 2.2.

The subject of the sale shall be all claims against all Companies as a whole. Potential investors may only submit a bid for the entire package of claims (i.e. the Seller's total exposure to all three Obligors), where a separate price shall be set for claims against each individual obligor. The Seller shall only consider bids for claims that are submitted for the entire package of claims against all three Companies.

The principal activity of Goričane, d.d. is the production of high-quality, wood-free paper. Goričane, d.d. generated EUR 69.4 million in sales revenue in 2020, 90.2% of that amount on foreign markets. The non-current financial liabilities of the Papirus Group amounted to EUR 26.5 million on a consolidated basis as at 31 December 2020.

Public information regarding Goričane and the Papirus Group are accessible on the AJPES website (<https://www.ajpes.si/jolp>) and the website of Goričane (<http://www.goricane.si/en/company/annual-reports/>).

2. Bid collection procedure

The collection of binding bids and the sale of the Claims shall be conducted by the Seller. Slovenian and foreign natural persons and legal entities that submit a written bid for the purchase of the Claims in accordance with the conditions stated below and that are permitted to acquire the Claims under this public tender in accordance with the applicable Slovenian legislation may participate in the Claims sale procedure.

The Seller shall accept binding bids for the purchase of the Claims sent by registered post in a sealed envelope or wrapper to the following address: Družba za upravljanje terjatev bank, d.d., Davčna ulica 1, 1000 Ljubljana, Slovenia

marked: **“DO NOT OPEN – BID FOR PURCHASE OF CLAIMS (PAPIRUS GROUP)”**.

The reverse side of the envelope or the parcel shall state the bidder’s name and surname or company name, and address. The deadline for the submission of binding bids shall be **2 pm on 21 February 2022, inclusive**. A bid shall be deemed to have been received on time if it arrives at the Seller’s address by 2 pm on the above-stated date.

All bidders shall be subject to the same deadline for the submission of binding bids following the completion of the due diligence phase, regardless of when an individual bidder accessed the data room.

2.1. Content of binding bids

During the sale process, the Seller shall take into account binding bids received in a timely manner, signed by a bidder or their legal representative and including the following content:

A. Presentation of the bidder:

- i. bidder’s full name or company name, address and tax number;
- ii. contact details of authorised person;
- iii. presentation – brief description of the business activities of the interested party, including the scope of business;
- iv. identity of the ultimate owner of the interested party;
- v. declaration that the interested party operates on its own behalf and for its own account;
- vi. description of the purpose of the purchase of the Claims;
- vii. declaration that the bidder has all internal and other authorisations required to submit a binding bid, and that all conditions have been met in connection with the acquisition of potential consents from the competent authorities required for the validity of the purchase of the Claims;
- viii. key financial information – balance sheet and income statement for the last three years, or for the entire period of the bidder’s operations, whichever is shorter; and
- ix. declaration that no wind-down, bankruptcy, compulsory composition, other insolvency or restructuring proceedings have been initiated against the bidder.

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. proof or a reliable explanation that the interested party has or will have sufficient financial means at its disposal 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, etc.); and

- iii. detailed presentation of the actual source of funds for the purchase (including the amount financed from own funds and from loans received from third parties (e.g. banks)).
- C. Declaration regarding any bidder's liabilities (existing or potential) to the BAMC, in which the interested party states whether it has or could potentially have an existing debt vis-à-vis the BAMC.
 - D. Declaration regarding the bidder's links with the Companies, in which the bidder shall state whether there are ownership, management or any other links between the bidder and the Companies, in accordance with the rules governing companies, and whether the bidder, in accordance with the same rules, is linked with the Companies' owners and members of the Companies' management and supervisory bodies, or with companies that are associated with the Companies through ownership or in any other way, or the owners and members of the management and supervisory bodies of those Companies, or whether such a link existed in the past.
 - E. Separate declaration for each Papirus Group company that there are no legal impediments to the conclusion of an agreement on the sale of the Claims in accordance with Article 13 of the Government Measures to Strengthen the Stability of Banks Act (ZUKSB; Official Gazette of the Republic of Slovenia, Nos. 105/2012, 63/2013, 23/2014 and 104/2015) stating that the bidder is not:
 - i. a person who is deemed affiliated with the Obligor in accordance with the law governing companies;
 - ii. a legal entity in which a person from the previous indent (i) holds a participating interest, or whose management personnel or procurator is a person who served as a member of the Obligor's senior management or as its procurator in the three years before the Claims 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 Obligor's senior management or its procurator in the three years before the Claims arose;
 - iv. a natural person in a close relationship with the 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 that is a person associated with one of the persons referred to in the previous two indents of this paragraph where the Republic of Slovenia is the controlling company in accordance with the law governing acquisitions;
 - vi. a legal entity that performed an asset quality review and stress tests for the banking system in 2013 (data regarding such legal entities can be provided by the BAMC);
 - vii. a legal entity with capital links to another legal entity that performed an asset quality review and stress tests for the banking system in 2013;
 - viii. a legal entity that receives business advice from another legal entity that performed an asset quality review and stress tests for the banking system in 2013, or that 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 the subcontractor of those companies.

Templates for the majority of declarations have been predefined in terms of content by the BAMC and are available on the latter's website (<https://dutb.eu/en/claims/>); Forms (know-your-customer procedure – KYC_2021_ENG.zip).

F. Bid price for the purchase of the Claims, and payment deadline and method

Bidders shall define the price for the purchase of the Seller's Claims against the Companies precisely (for example: the price for the purchase of the Seller's Claims against Goričane, Papigor and Papirus, together with appertaining amounts and ancillary rights amounts to EUR [●] (in words: [●] 00/100 euro)), where the price shall be specified by stating the value of the Seller's Claims to an individual company (for example: the price for the purchase of the Seller's Claims against Goričane shall be EUR [●] (in words: [●] 00/100 euro), the price for the purchase of the Seller's Claims against Papigor shall be EUR [●] (in words: [●] 00/100 euro), and the price for the purchase of the Seller's Claims against Papirus shall be EUR [●] (in words: [●] 00/100 euro)).

Bidders shall state the payment deadline in days, beginning from the conclusion of the agreement on the sale of the Claims. 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, it is only possible to purchase the Claims against all three Companies (Goričane, Papigor and Papirus) as a whole.

Binding bids, together with the binding accompanying declarations regarding the availability of funds, shall be valid at a minimum until 21 April 2022.

Bidders who are foreign legal entities shall attach an extract from the relevant register in which the bidder is entered as a legal entity, where that extract shall not be more than 30 days old.

Bids 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.

G. Bid bond

The Seller shall accept binding bids from bidders that pay a bid bond deposit in the amount of EUR 50,000.00 by no later than 2 pm on 21 February 2022 to the Seller's account at UniCredit Banka d.d., no. SI56 2900 0005 1319 162, SWIFT: BACXSI22, ref no. SI00 983–3034585, and that submit proof of payment of the bid bond together with their binding bid.

Bidders may submit a written declaration with their binding bid requesting that the security deposit for accessing the VDR referred to in point 2.2 below be used as a bid bond, and submit confirmation of payment of the aforementioned security deposit.

Bidders may only effect valid payment of a bid bond by depositing funds from a bank in Slovenia or from their own bank account at a bank headquartered in the EU (except Cyprus, Romania, Bulgaria and Luxembourg).

Prior to the transfer of the bid bond, bidders shall communicate the account from which the funds for the bid bond will be transferred.

The bid bond will be returned (without interest) to bidders whose bids are assessed by the BAMC as unsuitable or are not selected by the BAMC.

2.2. Due diligence

Bidders shall have the opportunity to conduct due diligence of the documentation regarding the Claims that are the subject of the sale (hereinafter: Documentation). Due diligence may be carried out every business day from 3 January 2022 until 2 pm on 18 February 2022, inclusive. Due diligence shall be carried out electronically via the VDR, 24 hours a day, except for the last day when the VDR closes at 2 pm. Bidders may submit written questions during that time. Written answers to questions from any bidder shall be sent within one working day, at the latest. Written answers to the questions of an individual bidder who is party to this part of the procedure shall be sent to all other participants. Bidders who pay a security deposit for accessing the VDR in the amount of EUR 50,000.00 to the Seller's current account at UniCredit Banka d.d., no. SI56 2900 0005 1319 162, reference SI00 983–3034585, purpose: Access to VDR – Papirus Group, shall be eligible for conducting due diligence.

Bidders may only effect valid payment of the security deposit for accessing the VDR by depositing funds from a bank in Slovenia or from their own bank account at a bank headquartered in the EU (except Cyprus, Romania, Bulgaria and Luxembourg). Prior to the transfer of the security deposit for accessing the VDR, bidders shall communicate the account from which the aforementioned amount will be transferred.

The security deposit for accessing the VDR shall be returned to bidders, without interest, within five (5) days following the closure of the VDR, to the current account from which it was paid, unless a bidder submits a written declaration requesting that the security deposit for accessing the VDR be used as the bid bond referred to in point 2.1.G.

If a bidder wishes to leave the VDR early, they shall submit a written request to exit the VDR. In this case, the BAMC shall terminate access to the VDR by the bidder in question in the shortest possible time, and the security deposit for accessing the VDR shall be returned to the bidder, without interest, within five (5) days following the termination of access to the VDR by that bidder, to the current account from which it was paid.

Conditions for conducting due diligence:

1. a signed non-disclosure agreement, which the Seller shall send to interested parties upon their written request; and
2. evidence regarding the transfer of the security deposit for accessing the VDR.

The Seller reserves the right to deny any individual bidder access to the Documentation, without providing a reason, or to prevent access to specific information.

During the due diligence process, bidders shall be given the opportunity to review a draft agreement on the sale of the Claims and to provide their feedback regarding that agreement. That feedback shall be sent to all bidders who access the VDR. The sales agreement shall be concluded in the form of a

directly enforceable notarial deed or in another form, if so defined by the law or if so required by the Seller at its own discretion.

3. Opening of binding bids

The opening of binding bids shall not be public. The Seller shall adopt a decision regarding the appropriateness of binding bids received within four (4) business days following the expiry of the deadline for the submission of bids. The Seller shall not be obliged to explain that decision.

The Seller reserves the right to call on bidders to improve or supplement their bids, or to continue individual negotiations with all or only certain bidders. A potential call by the BAMC for bidders to improve their bids during the procedure shall not be deemed the rejection of those bids according to the second paragraph of Article 29 of the Obligations Code, meaning those bids shall remain valid until the end of the procedure or until the improvement of a bid by an individual bidder, with which that bidder shall expressly agree. The Seller reserves the right not to select any bidder in the public tender procedure, i.e. to reject all submitted bids, and shall not be obliged to enter into any agreement or contract whatsoever with any bidder with respect to their participation in the Claims sale procedure.

4. Conclusion of the agreement

The Seller shall (but shall not be bound to) select the bidder who submitted the most suitable and the most favourable bid (hereinafter: the selected bidder), and shall conclude an agreement on the sale and assignment of the Claims with that bidder under the suspensive condition that the pre-emptive right holder does not exercise their pre-emptive right.

A bidder shall be selected on the basis of the following criteria: the highest final price tendered for the purchase of the Seller's Claims against all three Companies, payment method and any requirements regarding the content of the agreement on the sale of the Claims. The assessment of the suitability of bids shall be at the Seller's discretion. If several bidders tender the same price, negotiations shall be held with each bidder individually according to the same criterion used for the selection of the bid.

The bid bond referred to in point 2.1.G shall be included in the consideration and deemed to be the selected bidder's down payment following the conclusion of the agreement on the sale of the Claims. The agreement shall also include legal provisions regarding any consents from competent authorities required for the validity thereof.

The selected bidder shall subsequently provide additional information pursuant to the provisions of the Prevention of Money Laundering and Terrorist Financing Act (ZPPDFT). The selected bidder shall provide data regarding the bank account from which the consideration will be transferred (if the bank account is not open at a bank headquartered in the EU (with the exception of Cyprus, Romania, Bulgaria and Luxembourg), this shall be subject to an additional decision by the Seller's committee on the approval of the sale of the Claims).

The Seller and the selected bidder shall conclude an agreement, at the Seller's request, no later than within 15 days of the notice of selection of the bidder, under a suspensive condition that shall enter into force if the pre-emptive right holder does not exercise their pre-emptive right. If the bidder selected by the Seller fails to enter into an agreement, the Seller shall be entitled to retain the bid bond referred to in point 2.1.G (i.e. the bid bond shall not be returned to the bidder). In this case, the Seller shall have the right (but shall not be obliged) to enter into an agreement with the bidder who

submitted the second or next most favourable binding bid, without repeating the collection of bids for the purchase of the Claims.

Bid bonds shall be returned in a lump sum (without interest), within three business days following the expiry of deadline for the signing of the agreement on the sale of the Claims, to bidders whose bids are deemed inappropriate or who are not selected by the Seller or if an agreement is signed with the pre-emptive right holder, provided that bidders submit a written statement indicating the account to which the bid bond is to be returned. If a bidder does not submit a declaration, the bid bond shall be returned (without interest) to the account from which it was paid, on the seventh business day following the expiration of the deadline for the conclusion of an agreement on the sale of the Claims. In the case referred to in this paragraph, the bid bond shall not have the nature of a down payment, and unselected bidders shall not be entitled to request the repayment of double the amount of the bid bond or to file a claim for potential damages if they were not selected.

The Claims shall be transferred in accordance with the agreement following the full payment of consideration. The timely settlement of the full amount of consideration shall be an essential component of the agreement. The buyer shall pay all taxes and costs (including any notary fees) associated with the transfer of the Claims. The Claims shall be sold on an 'as-is' basis, where the Seller's Claims shall be transferred to the buyer in their entirety, together with appertaining fees and ancillary rights, to the fullest extent permitted by the law. The Seller shall only guarantee the existence of the Claims, and not the existence of collateral or the recoverability thereof.

The agreement shall also include a 'top-up' clause (payment of the difference between paid consideration and higher consideration in the event of a subsequent sale), a 're-sale' clause (under which the buyer shall not sell the Claims to related parties as set out in Article 13 of the ZUKSB for a period of five (5) years and, in the event of a breach thereof, the buyer shall be obliged to pay the Seller a contractual penalty amounting to 50% of the consideration), and a provision that the Seller may publish information regarding the sale of the Claims and the identity of the buyer.

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

5. Other

Bidders shall bear the costs of their participation in this public tender procedure, i.e. procedure for the sale of the Claims, 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 tender procedure shall be conducted in Slovene. The Seller may also publish or submit specific documents in another language (e.g. English).

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

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

The Seller reserves the right to change the planned course, steps 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 shall not be held liable for any damages whatsoever.

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

7. Additional information

Basic public information about the Company is accessible at: www.dutb.eu. Potential bidders may obtain additional information from the Seller's representative: Urška Podvratnik, tel. no.: +386 1 42 93 465, mobile no.: +386 31 536 098, email: urska.podvratnik@dutb.eu.

8. Applicable law and jurisdiction

Slovenian law shall apply to this public tender, i.e. the announcement of and procedures associated with this tender, the collection of bids 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. In the event of discrepancy between the two language versions, the Slovenian version shall prevail.

Družba za upravljanje terjatev, d.d.