

Družba za upravljanje terjatev bank, d.d., Davčna ulica 1 Ljubljana, registration number: 6339620000 (hereinafter: the Seller) hereby publishes a

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

The Seller hereby publishes, on its own behalf and for its own account, a public invitation to tender for the collection of binding bids for the purchase of the Seller's claims against larger debtors that are legal entities (hereinafter: Companies).

1. Subject of the sale

The Seller is selling all its claims, together with pertaining sums and ancillary rights, against Companies. As at 23.03.2022, these amounted, with pertaining sums, to EUR 402.691.063,43 (hereinafter: Claim or Claims). In the event that an agreement is concluded, the amount of the Claims shall be increased by all interest and fees accruing from 23.03.2022 to the day of payment.

The Claims shall only be sold as a single package. The precondition for the disclosure of Companies and exposure or the level of the Claims that are the subject of the sale is the signing of a non-disclosure agreement or declaration to be submitted by the Seller to interested bidders at their written request. Detailed information for individual Claims shall be available in the virtual data room under the terms and conditions stated in Point 2.2. of this invitation to tender.

2. Collection of binding bids

The procedure for sale of the Claims shall be conducted by the Seller. Slovenian and foreign natural persons and legal entities that submit a written offer for the purchase of the Claims in accordance with the stated conditions may participate in the sales 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, marked with the words: 'DO NOT OPEN – BID FOR THE PURCHASE OF CLAIMS (LARGER DEBTORS)'.

The reverse side of the envelope or the parcel must 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 25.05.2022.** 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 date.

2.1. Content of binding bids

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

A. Buyer's details:

- i. bidder's name or company name, address and tax number;

- ii. contact details of authorised personnel;
 - 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 is operating 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 for issuing a binding offer, and that all conditions have been met in connection with the acquisition of any permits from the competent authorities required for the validity of the purchase of the Claims;
 - viii. basic 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;
 - ix. declaration that no wind-down, bankruptcy, compulsory composition, other insolvency or restructuring proceedings have been initiated against the buyer.
- 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. Declaration 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; Uradni list RS, Nos 105/2012, 63/2013, 23/2014 and 104/2015) stating that the bidder is not:
- i. a person deemed to be affiliated with the Companies pursuant to the act governing companies;
 - ii. a legal entity in which a person from the previous indent (i) holds a stake, or whose management personnel or procurator is a person who served as a member of any of the Companies’ senior management or as the procurator of any of the Companies in the three-year period 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 Company's senior management or the Company's procurator in the three-year period 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 reviewed bank asset quality and implemented bank stress tests 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 BAMC's website (<https://dutb.eu/vse-terjatve/>); Forms (know-your-customer (KYC) procedure).

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

Bidders shall define the price for the purchase of the Seller's Claims against Companies precisely (for example: The price for the purchase of the package of the Seller's Claims against the Companies together with pertaining sums and ancillary rights is EUR [●] (in words: [●] 00/100 euros). A potential investor shall, in the bid for the package of Claims against Companies, specify a positive price for the Claims against each individual Company separately and provide a statement to the effect that the bid also applies to individual Claims within the portfolio.

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.

Binding offers, together with the binding accompanying declarations regarding the availability of funds, must be valid until at least 25.08.2022.

Bidders that are foreign legal entities must attach an extract from the relevant register in which the bidder is entered as a legal entity (official certified translation). That extract may not be more than 30 days old.

Bids shall be submitted in Slovenian or English. Each bidder may submit only one bid for the package of Claims (and for individual Claims within the package). If a bidder submits more than one bid for the same package of Claims (or an individual Claim), all of its bids shall be excluded.

G. Security deposit

The Seller shall accept binding offers from bidders that pay a security deposit no later than by 25.05.2022 to the Seller's account at UniCredit banka d.d., no SI56 2900 0005 1319 162, SWIFT: BACXSI22, ref no SI00 983 in the amount of EUR 1 million, and that submit proof of payment of the security deposit together with the binding offer.

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 for due diligence.

Bidders may only effect valid payment of a security deposit 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, bidders shall specify the account from which the funds for the security deposit are to be transferred.

The security deposit shall be returned (without interest) to bidders whose bids are assessed by the BAMC as unsuitable or who 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 performed every day up to 2 pm on 24.05.2022.** Due diligence shall be performed electronically 24 hours a day. Bidders may submit written questions during that time. Written answers to the questions of any individual bidder that is party to this part of the procedure shall be sent to all other participants.

Conditions for conducting due diligence:

- a signed Non-Disclosure Agreement, which the Seller provides to interested parties at their written request;
- the payment of a security deposit in the amount of EUR 300,000 to the Seller's account at UniCredit banka d.d., no. SI56 2900 0005 1319 162, SWIFT: BACXSI22, ref no SI00 983. 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 is to be transferred.

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 review, bidders shall be given the opportunity to review a draft agreement on the sale of the Claims and to provide feedback regarding that agreement. 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 suitability of the binding bids received within 8 (eight) weeks following the expiry of the deadline for the submission of bids. The Seller shall not be obliged to explain the 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 to be a rejection of those bids under the second paragraph of Article 29 of the Code of Obligations, 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.

Should the Seller not assess as suitable any of the bids for the entire portfolio or package of Claims, it shall have the right to continue the sales procedure for individual Claims within the portfolio, where it shall only take into account those bids for which the bidders submitted a statement to the effect that the bid also applied to individual Claims within the portfolio. Security deposits paid by other bidders during the sales procedure shall be returned.

4. Conclusion of the agreement

The Seller is expected (but shall not be bound) to select the bidder that submitted an appropriate and most favourable bid (hereinafter: Selected Bidder) and conclude an Agreement on the Sale and Assignment of Claims with them.

A bidder shall be selected on the basis of the following criteria: highest final price offered for the purchase of the Seller's Claims against Companies, the payment deadline, the payment method, and any requirements regarding the content of the agreement on the sale of the Claims. Should several bidders tender the same price and payment deadline, negotiations shall be held with each bidder individually according to the same criterion used for the selection of the bid. The Seller also reserves the right to not select the most favourable bidder and to reject all bids as unsuitable. The Seller reserves the right to not enter into an agreement with any of the bidders, whereby it shall not be obliged to reimburse the bidders any costs they have incurred with their bid, nor any other damages.

The security deposit 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 of the agreement.

The Selected Bidder shall subsequently provide additional information pursuant to the provisions of the Prevention of Money Laundering and Terrorist Financing Act. The Selected Bidder shall provide information regarding the bank account from which the consideration is to 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 board 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 30 days after notice is given of the selection of the bidder. If the bidder selected by the Seller fails to enter into an agreement, the Seller shall be entitled to retain the security deposit referred to in Point 2.1.G (i.e. the security deposit 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.

Security deposits shall be returned, in a lump sum and without interest, to bidders whose bids are deemed unsuitable by the Seller or who are not selected by the Seller within three business days following the expiry of the deadline for the signing of the Agreement on the Sale of the Claims, provided that bidders submit a written statement indicating the account to which the security deposit is to be returned. If a bidder does not submit a declaration, the security deposit shall be returned (without interest) to the account from which it was paid on the seventh business day following the expiry of the deadline for the conclusion of the Agreement on the Sale of the Claims. In the case referred to in this paragraph, the security deposit 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 security deposit 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 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 pertaining sums 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 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 person, 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 pertaining to the sale of the Claims.

The tender procedure shall be conducted in the Slovenian language. 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 cannot be held liable for any damages whatsoever.

The Seller reserves the right to not enter into an agreement with any of the bidders, whereby it shall not be obliged to reimburse the bidders any costs they have incurred with their bid, nor any other costs.

7. Additional information

The basic public information on the Company is accessible at: www.dutb.eu. Potential bidders may obtain additional information from the Seller's representative: Saša Vergan Klabjan, Tel: 01/42-93-866, email: sasa.vergan-klabjan@dutb.eu.

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 the English language.

Družba za upravljanje terjatev bank, d.d.