



Based on the decision of the Assembly of Creditors dated September 18, 2023, the bankruptcy trustee of the ULJANIK Brodogradilište d.d. in bankruptcy, OIB: 21764428190, Pula, Flaciusova 1, as the Seller (*hereinafter: the Seller*) announces the following

INVITATION FOR PARTICIPATION IN THE AUCTION

I. DATA ON THE SUBJECT OF SALE

The subject of the sale is two business shares in the company ULJANIK Brodogradnja 1856 d.o.o., OIB: 77553867416, Pula (City of Pula - Pola), Flaciusova ulica - Via Mattia Flaccio 1 (hereinafter: the Company), which correspond to a share of 54.77% of the share capital.

Business shares are sold collectively.

The total nominal value of business shares amounts to EUR 17,738,376.80 / HRK 133,649,800.00.

The total share capital of the Company amounts to EUR 32,385,639.39 / HRK 244,009,600.00 and is fully paid.

The company is entered in the court register at the Commercial Court in Pazin under MBS: 130082862.

II. TERMS AND SALE CONDITIONS

1. SALE CONDITIONS

Business shares are sold collectively.

There are no liens on business shares.

The sale is made on the principle of "SEE-BUY" and the Seller's liability for defects is excluded.

Determined value of the sale item:

17,738,376.80 EUR / 133,649,800.00 HRK

Starting bidding price:

9.676.156,35 EUR / 72.905.000,02 HRK

Taxes, fees and notary expenses are borne by the buyer

Auction step amount:

EUR 500,000.00 / HRK 3,767,250.00

Payment of the purchase price:

45 days from the day of signing the purchase agreement.

1. SALE METHOD

The sale of business shares will be done based on verbally collected offers.

The collection of bids is done at an auction in front of the bankruptcy trustee with the participation of a public notary who keeps a record of the auction as evidence of the facts.

The auction will be held on **Friday, October 20, 2023, starting at 12:00 p.m.** and will continue until its conclusion.

The auction is held at the Seller's headquarters in **Pula, Flaciusova 1.**

III. THE BIDDER'S ABILITY CONDITIONS

Bidders who meet the following conditions can participate in the auction:

- the Bidder must be a legal entity that has been validly established and has been operating for at least 3 years prior to the date of the auction;
- no liquidation proceedings, bankruptcy proceedings, pre-bankruptcy settlement proceedings or any other forced administration proceedings and/or proceedings that may lead to the termination of a legal entity or the sale of assets have been completed, initiated or opened against the Bidder in the last 2 (two) years from the date of the auction nor is the execution of the plan or obligations undertaken in that procedure underway;
- absence of obligations based on taxes, mandatory contributions and/or other public benefits in the Republic of Croatia;
- giving a binding statement on retaining the shipbuilding activity.

The Bidder proves the fulfilment of the conditions of ability ad 1) and ad 2) with an extract from the court register or a certificate from a court or other competent body or the appropriate register in the country of business establishment, not older than 30 days from the date of the auction, certified and translated into Croatian by an authorized court interpreter.

The Bidder proves the fulfilment of the conditions of ability ad 3) with a certificate from the Tax Administration.

Documents proving the conditions of ability must be submitted to an authorized person of the Seller at the company headquarters no later than **Wednesday, October 18, 2023, at 12:00 p.m.**

Exceptionally, the bankruptcy trustee can also approve participation in the auction to Bidders who have not submitted evidence in accordance with these conditions within the deadline if they make their existence probable, and the circumstances that they failed to obtain the requested documents within a certain period were present with the determination of an additional deadline for their delivery and the risk of losing the bid guarantee.

IV. BID GUARANTEE

Bidders who have submitted a bid guarantee have the right to participate in the auction.

Bid guarantee is submitted in the form of a cash deposit.

Bid guarantee amounts to **2,000,000.00 EUR / 15,069,000.00 HRK.**

Bid guarantee must be paid to the bank account of the Seller IBAN: HR81 2500 0091 1014 88116 opened at ADDIKO BANK d.d. Zagreb, the recipient: "ULJANIK Brodogradilište d.d. in bankruptcy, OIB: 21764428190, Pula, Flaciusova 1, description of payment: "10_St-34/2019 - guarantee" no later than **Wednesday, October 18, 2023.** The deadline for the payment of the bid guarantee is considered to be the deadline by which the funds must be paid into the Seller's account, regardless of the date of issuing the payment order.

If the Bidder withdraws from the auction before the start of the auction, the bid guarantee will be returned to him.

If the Bidder withdraws from the given bid after the start of the auction, he loses the right to bid guarantee and the Seller retains it in full.

Bidders who are not selected will have their bid guarantee returned no later than 8 days after the end of the auction.

For the selected Bidder, the bid guarantee will be included as the down payment upon the conclusion of the purchase agreement.

V. ADVERTISING AND ASSET INSPECTION

The invitation to participate in the auction was published on the websites www.uljanik.hr and www.sudacka-mreza.hr.

Notice of publication of the Invitation to participate in the auction is submitted for publication in "Narodne novine", "Jutarnji list" and "Glas Istra" and the Register of Assets that are sold in bankruptcy proceedings of the FINANCIAL AGENCY (hereinafter: Advertisement) and is delivered to interested subjects who have previously expressed an interest in participating in the public offer bidding process.

VI. AUCTION RULES

The auction is conducted by the bankruptcy trustee of the Seller with the participation of a public notary who keeps a record of the auction as evidence of the facts.

The auction is conducted in Croatian language.

Only Bidders, the bankruptcy trustee and his assistants, and the public notary can participate in the auction. Only legal representatives or proxies based on a certified power of attorney can participate on behalf of the Bidder. The power of attorney must indicate the power of attorney's authorization to participate in the auction and to submit bids. In the power of attorney, the authorization of the attorney for representation can be limited only in relation to the highest amount of the offer. If the power of attorney is given contrary to these Rules, the bankruptcy trustee may deny the power of attorney the right to participate in the auction.

The auction starts after the persons present, their characteristics, powers of attorney and conditions of ability have been previously determined.

The auction begins with a call from the bankruptcy trustee to submit bids.

The initial bid cannot be lower than the amount of the initial bidding price established in the sales conditions.

If within 10 (ten) minutes from the beginning of the auction no bid is made, the auction is completed, and the bankruptcy trustee announces that the auction is closed.

In the auction, the Bidders compete by highlighting the auction steps. The auction step is determined by the conditions of the sale.

During the auction, the auction step can be increased only at the proposal of the bankruptcy trustee of the Seller and with the consent of all Bidders.

Bidders submit bids independently, without being called. Bids can only be placed for a higher amount than the amount of the last bid in the amount of the auction step.

Offers can be placed within 10 (ten) minutes from the last offer being placed.

If, after 10 (ten) minutes have passed since the last bid, no further bids are made, the bankruptcy trustee of the Seller will invite Bidders three times to make bids, and if no new bids are made, he will close the auction and announce the most favorable Bidder and the amount of the most favorable offers.

During the auction, Bidders can request a break of 10 (ten) minutes, which is decided by the bankruptcy trustee with a free assessment. The bankruptcy trustee can determine the break and its duration.

It is forbidden to record the auction and the participants with audio-visual aids.

VII. SALE DECISION

After the end of the auction, the bankruptcy trustee proposes to the Creditors' Council to make a decision on the sale to the most favorable Bidder.

The Seller reserves the right not to accept any offer.

VIII. CONCLUSION OF THE PURCHASE AGREEMENT

After making the decision on the sale, the bankruptcy trustee will offer the selected Bidder to enter into a purchase agreement within 3 working days.

If the selected Bidder does not accept the conclusion of the purchase agreement within 8 days, it will be considered that he has given up the offer and loses the right to the bid guarantee, which the Seller will retain in full.

The bankruptcy trustee can propose to the Creditors' Council to make a decision on the sale to the next best Bidder or repeat the invitation to participate in a new auction.

IX. DUE DILIGENCE OF THE COMPANY

Interested persons who wish to participate in the auction will be provided with a Due Diligence procedure of the Company.

Due Diligence procedure of the Company is carried out by entering the Virtual Data Room (hereinafter: VDR) and by visiting the Company and talking with the management staff.

Access to the VDR will be granted to persons who will sign a Non-Disclosure Agreement (NDA) and pay a fee for accessing the data.

The request for access to the VDR is submitted to the bankruptcy trustee exclusively to the e-mail loris.rak@optinet.hr in the Croatian language or translated into Croatian by an authorized court interpreter, if it is a foreign investor.

The fee for accessing the data in the Due Diligence procedure amounts to EUR 1,327.23 and is paid to the account of ULJANIK Brodogradilište d.d. in bankruptcy, OIB: 21764428190, Pula, Flaciusova 1, IBAN: HR8125000091101488116, which is managed by ADDIKO BANK d.d.

Bidders will have the opportunity, according to the previous announcement to the bankruptcy trustee, to visit the Company during the period from October 9, 2023 to October 12, 2023, review business documentation, inspect the location and facilities, ask questions to the Company's management and management staff, and perform appropriate additional necessary activities in accordance with the following conditions:

- all visits with the purpose of in-depth recording of the Company will be organized by the Seller and carried out within the time schedule determined by the Seller;
- All costs related to participation in the Auction, including the costs of the Due Diligence procedure, are borne by the Bidder;
- All requests for interviews with the board members or management staff of the Company, in order to obtain copies of documents and/or for the purpose of any other activity related to Due diligence, will be agreed exclusively with the Seller;
- The potential Bidder will have the opportunity to review information about the Company at the Company's headquarters, at the address in Pula, Flaciusova 1, upon prior agreement and in coordination with the Company's responsible person appointed by the Company's management.

The Seller decides on all requests for extension of deadlines, on multiple visits by the same Bidder, additional data and information and/or visits after the expiration of the deadlines.

X. COMMUNICATION

All communication and requests related to the interpretation of these Rules, the signing of the NDA, the delivery of the second part of the documentation and the organization and Due Diligence visits of the Company will be carried out through the Seller.

Communications will be carried out through the following persons in one of the following ways:

Name and surname of the representative: Loris Rak, bankruptcy trustee

E-mail: loris.rak@optinet.hr

Tel.: +385915370611

The bankruptcy trustee can redirect communication to employees and associates for faster data exchange.

XI. OBLIGATIONS AND LIABILITY LIMITATION

It will not be considered that any agreement has been reached regarding the purchase and sale of the Subject of Sale until the Seller and the most favorable Bidder conclude a Purchase Agreement. Until that moment, the Seller will not have any obligations towards the Bidders in relation to the Company and/or the Subject of the sale.

After signing the Purchase Agreement, the Seller's obligations towards the most favorable Bidder will be exclusively determined and defined in the Purchase Agreement.

The Seller does not represent or give any warranty or guarantee, express or implied, in connection with the Subject of the Sale, except those expressly assumed in the Purchase Agreement.

Bidders should conduct their own independent due diligence of the Company and submit their bids based solely on their independent research and findings, without reliance on any information received by the Seller, including information contained in information memorandums or documents used in previous sales attempts.

These rules are translated from Croatian language to English language. The version of the rules in the Croatian language will be authoritative for the interpretation of these rules.

ULJANIK Brodogradilište d.d. in bankruptcy

Loris Rak, bankruptcy trustee