



## Invitation for Submission of Offers for the Acquisition of Shares in OT-OPTIMA TELEKOM d.d. (the “Invitation”)

### 1. Information on the Company and Shares

OT-OPTIMA TELEKOM d.d. is a Croatian joint-stock company having its registered seat in Zagreb, Bani 75/a and registered with the court register of the Commercial Court in Zagreb under the number MBS 040035070, PIN 36004425025 with share capital in the amount of HRK 694.432.640,00 (the “**Company**”). The Company’s shares are traded at Zagreb Stock Exchange, Official Market, under the security ticker: OPTE-R-A, ISIN: HROPTERA0001.<sup>1</sup>

HT holding d.o.o., a Croatian limited liability company having its registered seat in Zagreb, Radnička cesta 21, registered with the court register of the Commercial Court in Zagreb under the number MBS 081073059, PIN 25961316047 is a holder of shares in the Company representing approximately 17.41% of the share capital of the Company.

HT holding d.o.o. is a company entirely (100%) owned by Hrvatski Telekom d.d., a Croatian joint-stock company having its registered seat in Zagreb, Radnička cesta 21, registered with the court register of the Commercial Court in Zagreb under the number MBS 080266256, PIN 81793146560 (“**HT**”)

(“hereinafter HT holding and HT jointly referred to as the “**Seller**” or “**HT**”).

Zagrebačka banka d.d., a Croatian joint-stock company having its registered seat in Zagreb, Trg bana Josipa Jelačića 10, registered with the court register of the Commercial Court in Zagreb under the number 080000014, PIN 92963223473 (“**ZABA**”) holds approximately 36.90% of the share capital of the Company.

Pursuant to a decision of the Croatian Competition Agency from 9 June 2017, HT is required to initiate the sale of its shares in the Company at the latest between 1 and 31 January 2020, by means of a competitive international tender, and shall have the right to sell, under certain conditions, Company’s shares held by ZABA (“*drag-along*” right). The sale process shall be transparent, objective, non-discriminatory and in accordance with best practices. A management agreement between HT and ZABA dated 10 September 2013 enables HT to effectively control the Company. In addition, the management agreement gives HT the right – under certain conditions to co-sell also the Company’s shares held by ZABA (“*drag-along*” right and “*tag-along*” right).

The Seller hereby invites eligible parties / interested investors (each a “**Bidder**”) to submit their offers for the acquisition of the following shares of the Company:

- (A) 12,090,190 (twelve million ninety thousand one hundred and ninety) shares of the Company which the Seller holds, each in the nominal amount of HRK 10.00 (ten Croatian kuna) representing approximately 17.41% (seventeen point forty-one per cent) of the share capital of the Company (the “**HT Shares**”),

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<sup>1</sup> Details available on official web site of Zagreb Stock Exchange [www.zse.hr](http://www.zse.hr)



- (B) 25,625,853 (twenty-five million six hundred and twenty-five thousand eight hundred and fifty-three) shares of the Company which Zagrebačka banka d.d. holds, each in the nominal amount of HRK 10.00 (ten Croatian kuna) representing approximately 36.90% (thirty-six point ninety per cent) of the share capital of the Company (the “**ZABA Shares**”)

(the acquisition of the HT shares and ZABA Shares hereinafter the “**Transaction**”).

For avoidance of doubt, rights and obligations from management agreement are not transferable i.e. the Seller is not selling HT Shares with its rights from management agreement with ZABA.

The Bidders should be aware that surpassing a threshold of 25% of voting rights in the Company in principle gives rise to an obligation to announce a mandatory takeover bid in accordance with the Croatian Act on Takeover of Joint-Stock Companies. The Bidders are kindly asked to assess the effects of the Transaction according to applicable laws.

The Bidders are kindly asked to procure further information on the Company from the public domain or any other sources generally available to the public (e.g. web pages: [www.optima.hr](http://www.optima.hr), [www.zse.hr](http://www.zse.hr)). The Bidders who have interest in the Transaction are kindly asked to contact below listed Seller’s financial and/or legal advisors to receive an Info Package on the Company.

## **2. Bidders Eligible to Participate in Tender**

The Bidder must possess the financial resources.

## **3. Offers**

The Bidders satisfying the requirement set out above are invited to submit their offers to the Seller’s financial and legal advisors (at the addresses noted below in this Invitation) by 18 March 2020, 16:00, CET clearly referring to “**Optima Shares Offer**” as the subject matter of such correspondence.

The offer will have to include the following information and documents:

1. i) The identity of the Bidder including basic information of the Bidder (company, seat, registration number, etc.) and the details of its direct and ultimate shareholders or owners, and its affiliated persons with over 25% of holdings or management rights ii) the latest consolidated (and if not available, non-consolidated) financial statements of the Bidder, iii) a statement that no bankruptcy proceedings, pre-bankruptcy proceedings, liquidation proceedings or any similar proceedings have been commenced or threaten to be commenced against the Bidder and that no bankruptcy administrator, liquidator or similar officer has been appointed by any person in respect of the Bidder or all or any of its assets.
2. Explanation of the rationale behind the Bidder’s interest in the Transaction and post Transaction Business Model.



3. Valuation of the Company (for 100% of the shares) on cash free / debt free basis (i.e. enterprise value of the Company), including a brief description of the valuation methodology and assumptions which represent a basis for the offer.
4. Price per share offered by the Bidder for the acquisition of the HT Shares and the ZABA Shares including an Enterprise Value to Equity Value bridge.
5. Key contractual terms and conditions for the Transaction.
6. A commitment to procure that the Company continues to fulfil the obligations arising from pre-bankruptcy settlement of the Company entered into before the Commercial Court in Zagreb on 30 April 2014 (File no. Stpn-354/13) and the pre-bankruptcy settlement of the merged company H1 TELEKOM d.d., Dračevac 2/d, Split entered into before the Commercial Court in Split on 29 December 2014 (File no. Stpn-74/2014).
7. A commitment to procure that the Company fully repays all loans provided to the Company by HT.
8. Description of the Bidder's proposed financing in respect of the Transaction, including the details of the financing structure to be employed and conditions thereto and the assumed level of leverage. In particular, the offer should state whether the Bidder intends to finance the acquisition of the HT Shares and the ZABA Shares from its own internal capital resources or any external funding will be required. Where external financing is proposed, the Bidder should provide the details of the financing, including letter(s) from providers, which outline the key terms and conditions of such financing, the degree of work undertaken to date and required to turn their proposals into fully committed financing and their confidence that such financing will be available.
9. A confirmation that the Bidder has or will have, financial capacity to fulfil financial obligations arising from the Act on Takeover of Joint-Stock Companies and purchase shares subject to the mandatory takeover bid.
10. The details and implications of any conditions and requirements (including internal, regulatory, governmental or other approvals or consents) necessary to complete the Transaction, and any other factors that might affect the timing and/or success of completion of the Transaction.
11. A confirmation that the Bidder is acting alone as principal and not in conjunction with, or as agent or broker for, any other party.
12. Indication of the scope and the expected time necessary for the performance of the due diligence process required by the Bidder.
13. Any other matter of importance for the offer or any other matter which may be of importance to the Seller for the assessment of the offer.
14. Indication of the expected time necessary for signing of the transaction documentation, including a timeline and any material considerations that might affect the ability to meet the indicated timeline.



15. The offer must be executed by a duly authorized signatory, who is capable of issuing an offer on behalf of the Bidder with the validity of the offer of at least three months.
16. The name, telephone number, fax number and e-mail address of the person who should be contacted in respect of all communication relating to the offer.

The offer should be submitted in written form and in English language via e-mail to the Seller's financial and legal advisors, and the original of the submitted offer delivered by registered post to the address of financial and legal advisors:

Financial advisors:

GRUBISIC & Partners - Globalscope LLC, Roberta M. Frangeša 9/11, 10000 Zagreb, Croatia, addressed to the Partner Andrej Grubišić, e-mail:  
[andrej.grubisic@grubisic-partneri.net](mailto:andrej.grubisic@grubisic-partneri.net)

Legal advisors:

MADIRAZZA & PARTNERS Attorneys at Law LLC, Masarykova 21, 10000 Zagreb, Croatia; addressed to the Managing Partner Josip Madirazza; e-mail:  
[jmadirazza@madirazza.hr](mailto:jmadirazza@madirazza.hr)

Nothing in this Invitation shall constitute a contract between the Bidder and the Seller.

The Seller does not undertake to accept any offer submitted in response to this Invitation and reserves the right to organise tender process in a different way. The Seller reserves the right to change any aspect of this Invitation at any time during the process.

The Bidders may be shortlisted and/or rejected at any time and/or asked to clarify or re-submit its offer, without any obligation of the Seller to give any reasons for any rejection or for any other decision made in connection with this Invitation. The Seller reserves the right to enter negotiations with one or more Bidders at its sole discretion.

#### **4. Further information on the process**

It is envisaged that the bidding process would be conducted in two phases.

In the first phase of the process, the Bidders are expected to submit their offers in accordance with this Invitation. The Seller will assess the offers received and at its sole discretion may invite the Bidders to participate in the next phase of the process. Invited Bidders will receive a process letter containing further bidding instructions and an overview of the next phase.



## **5. Other**

The Bidders shall bear all costs, expenses or fees of any nature whatsoever associated with or relating to the preparation and submission of their offer and the Seller shall not be responsible in any way for such costs, expenses or fees, regardless of the conduct or outcome of the process following this Invitation.

The process described herein shall be governed and construed in accordance with Croatian law. All disputes arising out of this Invitation or the process following the Invitation shall be governed by Croatian law, excluding its conflicts of law provision. For any queries that may arise in relation to this Invitation, please contact above listed financial and legal advisors.

The Croatian text of this Invitation is available at the following link [www.t.ht.hr/tender-hr](http://www.t.ht.hr/tender-hr).