



DURO ĐAKOVIĆ HOLDING d.d.

Dr. Mile Budaka 1

35 000 Slavonski Brod, Hrvatska

28 October 2014

This document - public invitation is the informal English translation of the Public invitation (Javni poziv) published in Croatian language on 28 October 2014 which has, at the same time, also represented the Notice on the way of publishing and acquiring the Prospectus (Obavijest o načinu na koji je Prospekt objavljen te gdje i na koji način ulagatelji mogu pribaviti Prospekt), pursuant to the Article 373, paragraph 4, of the Capital Market Act.

**PUBLIC INVITATION FOR SUBSCRIPTION OF UP TO 9,711,204 NEW REGULAR SHARES  
OF THE COMPANY**

**DURO ĐAKOVIĆ HOLDING d.d. in 1st and 2nd ROUND**

General Assembly of the company Đuro Đaković Holding d.d. having its registered seat in Slavonski Brod, Dr. Mile Budaka 1, entered in the Companies registry of the Commercial Court of Osijek, Permanent Service in Slavonski Brod under the Company Registration Number (MBS) 050002378, Personal Identification Number (PIN) 58828286397 (hereinafter referred to as: „the Issuer“), has on 03 July 2014 rendered a Decision on the increase of the share capital of the Issuer from the amount of HRK 64,741,360.00 for the amount of up to HRK 194,224,080.00 to the amount of up to HRK 258,965,440.00 (hereinafter referred to as: „the Decision in the increase of the share capital“). Increase of the share capital of the Issuer shall be executed by payment in cash, by issuing not more than 9,711,204 new shares in registered form, having an individual nominal value of HRK 20.00 (hereinafter referred to as: „New Shares“). Price range for the subscription amounts from HRK 20.00 to HRK 60.00 per one new share (hereinafter referred to as: „Price range“).

The Issuing Agent for implementation of the public offer of New Shares without the obligation of redemption will be Zagrebačka banka d.d. having its registered seat in Zagreb, Trg bana Josipa Jelačića 10, PIN: 92963223473, whereas the legal advisor is a Law firm Žurić i Partneri odvjetničko društvo d.o.o., having its registered seat in Zagreb, Ivana Lučića 2a, PIN: 03894745705.

Pursuant to the provisions of the Capital Market Act, the Issuer shall conduct the issue of shares by public offer, based on the prospectus of the issue which has been, after being approved by the Croatian Financial Supervisory Agency, published on 27 October 2014, published on the website of the Zagrebačka burza d.d. [www.zse.hr](http://www.zse.hr) and the Issuer [www.duro-dakovic.com](http://www.duro-dakovic.com) (hereinafter referred to as: “Prospectus of the issue”). This public invitation for subscription of New Shares also represents a notice on the manner of publication and obtaining of the Prospectus of the issue pursuant to the provision of Article 373 paragraph 4 of the Capital Market Act and other regulations defining the manner of publication of data on the prospectus. Printed issue of the Prospectus of the issue shall be



available at the request in the registered seat of the Issuer until the expiry of the offer, without any fees or charges. At the request of an investor, Issuer or Issuing Agent shall deliver him/her a printed version of the Prospectus of the issue, without any fees or charges.

By this public invitation for subscription of New Shares the Issuer invites all persons entitled to subscription of New Shares pursuant to the Decision on increase of the share capital (hereinafter referred to as: "Investors") to subscribe a total of up to 9,711,204 New Shares of the Issuer in the 1st and 2nd round of subscription.

If the conditions for conducting the 3rd subscription round for New Shares are met, pursuant to the Decision on the increase of the share capital of the Issuer and Prospectus of the issue, the Issuer shall upon expiry of the 1st and 2nd subscription round, publish a public invitation for subscription of New Shares in the 3rd round.

#### **PROCEDURE AND TIMELINE FOR SUBSCRIPTION IN THE 1ST AND 2ND ROUND**

Increase of the share capital of the Issuer shall be implemented by public offer with the priority right of the existing shareholders of the Issuer (as defined below) when subscribing New Shares.

In the 1st subscription round, right to subscribe New Shares shall rest with any legal and natural persons who were shareholders on 15 May 2014 (hereinafter referred to as: „Existing Shareholders“), relative to the share of their existing shares in the existing share capital of the Issuer, not including the Issuer’s treasury shares as of 15 May 2014 (hereinafter referred to as: „Day of establishing subscription right“). On the Day of establishing subscription right the share capital of the Issuer has been divided into 3,237,068 shares (hereinafter referred to as: „Existing shares“), whereby the Issuer had 46,998 treasury shares (hereinafter referred to as: „Treasury shares“).

In the 2nd subscription right, right to subscribe all New Shares not subscribed and paid for based on the priority right shall rest with the qualified investors specifically defined in the Decision on the increase of the share capital of the Issuer (hereinafter referred to as: „Qualified investors“). List of qualified investors entitled to subscription right for New Shares in the 2nd round forms and integral part of the Prospectus as its Schedule 1.

Subscription in the 1st and 2nd round shall begin simultaneously, however, when allocating the shares, priority right for subscription of New Shares used by the Existing shareholders by subscribing New Shares in the 2nd round shall be fully respected.



**In the 1st subscription round**, Existing shareholders may subscribe within 16 days, in the period from 17 November 2014 to 02 December 2014, including the specified dates.

Exact number of New Shares in relation to which the Existing shareholders have priority right shall be calculated in a manner that aggregate number of New Shares (9,711,204) is divided with a total number of the Existing Shareholders (3,237,068), decreased by the number of Treasury shares (46,998) and multiplied with a number of shares the Existing shareholder has on the Day of establishing subscription right, 15 May 2014. Therefore, each Existing Shareholder based on priority right, is entitled to subscribe the number of New Shares per following equation:

$$\begin{array}{l} \text{Number of New Shares per priority} \\ \text{right the Existing investor may} \\ \text{subscribe} \end{array} = \frac{9.711.204}{3.237.068 - 46.998} \times \begin{array}{l} \text{Number of shares the Existing} \\ \text{investor has on the Day of} \\ \text{establishing subscription right (15} \\ \text{May 2014)} \end{array}$$

In case the equation provided above does not give a total number, the result shall be rounded to the first lower total number.

Minimum number of shares for subscription in the 1st round is not specified. Existing shareholders may demand to subscribe even greater number of the New Shares than they are entitled to by their priority subscription right, if they elect such option when filling out the subscription form for the 1st round. New Shares subscribed by the Existing shareholders in the 1st round, exceeding the number in relation to those to which they are entitled to by their priority subscription right shall be allocated between the Existing shareholders and qualified investors who shall participate in the 2nd subscription round, following the allocation rules for the 2nd subscription round. Therefore, the Existing shareholders shall not be bound to submit a special subscription form in order to participate in the 2nd subscription round.

**In the 2nd subscription round**, Existing shareholders may subscribe within 10 days, in the period from 17 November 2014 to 26 November 2014, including the specified dates.

Minimum or maximum number of shares a Qualified investor may subscribe in the second round is not specified, except for the restriction provided by a maximum issue amount (9,711,204 New Shares).

Management Board of the Issuer, with the previous consent of the Supervisory Board, **shall set a final price of the New Shares**, depending on the situation with the subscription and payment of New Shares made until 26 November 2014, 17:00 hrs, and by applying the criteria specified herein (hereinafter referred to as: "Final price for New Shares"). Final price for New Shares shall be set within the Price range, specified in Croatian kuna and lipa, rounded to a total number of lipa and published on the website of the Zagrebačka burza d.d. [www.zse.hr](http://www.zse.hr) and the Issuer [www.duro-dakovic.com](http://www.duro-dakovic.com), as soon as possible and not later than 27 November 2014.

Subscription for New Shares may be recalled or amended by the Investors until the last day of subscription in the subscription round relevant for them.



Final amount of the increase of the share capital shall be defined and published according to the situation with the subscription and payment on the expiry day of the deadline for payment of the New Shares in the 1st and 2nd round, or 3rd round if any, in the subsequent deadline of not later than 5 working days.

Management Board of the Issuer shall not later than 20 days after the closure of the 1st and 2nd subscription round decide on implementation of the 3rd round, if conditions for its implementation are met, and in a further deadline of not later than 20 days from rendering such decision, it shall publish a public invitation for subscription of the remaining New Shares in the 3rd round. Subscription right for all remaining shares not subscribed and paid in the 1st and 2nd round rests with all Existing shareholders, regardless of whether they participated in the 1st subscription round, within 10 days the most from the day specified in the public invitation for subscription of New Shares in the 3rd round.

The issue of the New Shares shall be deemed to have been successfully conducted if in the previously determined deadlines for the subscription and payment at least 4,000,000.00 New Shares are duly subscribed and paid for. According to the Decision on the increase of the share capital, if the increase of the share capital is not entered in the companies registry within 6 months from the day of rendering of this Decision, subscription statement (subscription form) shall no longer bind the Investor, and the Issuer shall, within 8 days after the expiry of the specified term, refund to the Investors the funds paid. In this case, the Issuer shall not bear the payment system costs nor pay interests to the Investors.

#### **PLACES AND PERIODS FOR SUBSCRIPTION AND DEADLINES FOR PAYMENT**

Investors- natural persons may subscribe New Shares only in selected subsidiaries of Zagrebačka banka d.d. at the following locations:

1. Zagreb, Savska 60
2. Osijek, Esseker center, Ribarska 4-6
3. Slavonski Brod, Korzo, I. B. Mažuranić 1
4. Rijeka, Korzo, A. Starčevića 10
5. Split, Dobri, Ivana Gundulića 26a

Investors- legal persons in both rounds subscribe New Shares only via Institutional sale of Zagrebačka banka d.d.

New shares in both rounds shall be subscribed by special statement – subscription form (hereinafter referred to as: “Subscription form”). Subscribed shares shall be paid for by the investors in full to the special account no: HR23 2360 0001 3000 9095 6, which has been opened for the purposes of the payment of the shares at Zagrebačka banka d.d., whereby valid payment for the 1st subscription round is only a payment made in favor of the specified account until 02 December 2014 to 23:59 hrs, and for the 2nd subscription round a payment made in favor of the specified account until 26 November 2014 to 17:00 hrs (hereinafter referred to as: “Final deadline for arrival of the payment”). If the Investors pay via different institutions executing payment system transactions, they should inform themselves with



the institution where they make the payment on the time required for the funds to be recorded in favor of the specified account in due time up to the Final deadline for arrival of payment.

**Investors shall in the 1st subscription round** have the opportunity to offer a maximum amount for which they wish to subscribe New Shares and a maximum price per New Share. Maximum number of New Shares which an investor wishes to subscribe shall be restricted by the result of the dividing the maximum amount for which the investor wishes to subscribe New Shares and lowest possible price of a share (HRK 20.00 or Final price of the New Shares, once it is set).

This right shall be provided for at the same Subscription form especially for New Shares based on the priority right and especially for the shares above the priority right. At the same occasion the investors shall have the opportunity to offer a different maximum price for New Shares based on the priority right and New Shares above the priority right. Additionally, for shares above the priority right, the investors shall have a chance to define a minimum number of New Shares they wish to subscribe. After the price of the issue is finally defined, the investors shall in a part of the Subscription form where the price is listed have the possibility to enter only the amount of the final issue price.

**Investors shall in the 2nd subscription round** have the opportunity to offer a maximum amount for which they wish to subscribe New Shares, maximum price per New Share and a minimal number of New Shares they wish to subscribe. Thereby the maximum number of New Shares which an investor wishes to subscribe shall be restricted by the result of the dividing the maximum amount for which the investor wishes to subscribe New Shares and lowest possible price of a share (HRK 20.00 or Final price of the New Shares, once it is set).

In case an investor does not pay the entire amount for New Shares subscribed, New Shares shall be allocated pursuant to the amount less paid. In case an investor pays more than the amount of subscribed New Shares, when allocating New Shares, the amount specified in the Application Form shall be taken into account, and excess amount shall be refunded to the investors within 8 days after the expiry of the subscription period for a particular subscription round.

In other case of excess amounts, if any, by certain Investors (excess of funds after allocation) or the recalling of the subscription, Issuer shall within 8 days from the expiry of deadline for subscription and payment of New shares in the first round refund the excess amounts, or, in case of recalling the subscription, aggregate funds paid, to such Investors, to the account number specified by Investors in the Application Form.

When subscribing New Shares, the Investors, or their legal representatives, shall present an identification document (ID card or passport), document presenting their Personal Identification Number (PIN) and data in the bank account to which refunds shall be done, if any. Bank account shall be IBAN-based.

Except personally, subscription of shares may be executed via proxy. Besides identification document, when subscribing New Shares, proxies shall present a special power of attorney in Croatian, certified by a notary public. In case the certification has been done abroad, text of the certification shall be translated into Croatian by a certified court interpreter.

Power of attorney certified abroad shall be certified in (i) consulate of the Republic of Croatia, or (ii) before a certified body of a third state which has signed the Hague convention on abolishing the requirement of legalisation for foreign



public documents, with the fulfillment of all the conditions for the validity of certification pursuant to this Convention.

Text of the power of attorney form has been published in the Issuer's website.

In case the shares of the Issuer are kept by a custody bank for the account of a shareholder, subscription may be done by the custody bank or the shareholder himself/herself, to which the bank has issued a power of attorney as described above.

This Public invitation does not represent a complete presentation of the procedure for subscription and payment of New Shares. Detailed and complete rules regulating the subscription and payment procedure for New Shares, as well as allocation rules for New Shares in case a greater number of shares is subscribed or paid for during the subscription and payment than the number set forth by the Decision on the increase of the share capital, are contained and available to the investors in the Prospectus of the issue.

Prior to deciding on subscription of New Shares, the Issuer invites all the shareholders to study the Prospectus of the issue and all other publicly available documents of the Issuer published on the Zagrebačka burza website and Issuer's website and independently assess financial situation, potential and risk factors related to the Issuer and New Shares and only then, based on the above, decide on subscription of New Shares, if any.

All additional information related to subscription and payment of the New Shares may be required by the Investors from:

**For Investors natural persons**

Zagrebačka banka d.d.  
Investment banking sector  
Savska 60, Zagreb  
Tel. +385 1 6305 295, +385 1 6305 075  
Fax: +385 1 6325 300  
e-mail: [capital.markets@unicreditgroup.zaba.hr](mailto:capital.markets@unicreditgroup.zaba.hr)

**For investors legal persons**

Zagrebačka banka d.d.  
Sector Market (Institutional sales)  
Savska 62, Zagreb  
Tel: + 385 1 6006 672, +385 1 6006 611,  
+ 385 1 6006 674  
Fax: + 385 1 6325 400  
e-mail: [institutional.sales@unicreditgroup.zaba.hr](mailto:institutional.sales@unicreditgroup.zaba.hr)

Public invitation shall be published in at least one daily newspapers, Official Gazette of the Republic of Croatia and via Zagrebačka burza ([www.zse.hr](http://www.zse.hr)) and shall be delivered to the Official registry of prescribed information at the Croatian Financial Services Supervisory Agency.

DURO ĐAKOVIĆ HOLDING d.d.