



ĐURO ĐAKOVIĆ GROUP Plc., Dr. Mile Budaka 1, 35 000 Slavonski Brod  
web: www.duro-dakovic.com

4<sup>th</sup> April 2017

**PUBLIC INVITATION FOR SUBSCRIPTION OF MAXIMUM 7.600.000 NEW ORDINARY SHARES OF THE COMPANY ĐURO ĐAKOVIĆ GROUP Plc.**

The General Assembly of the company Đuro Đaković Group Plc. with the seat in Slavonski Brod, Dr. Mile Budaka 1, registered in the Court register of the Commercial court in Osijek, permanent attendance in Slavonski Brod under the register number 050002378, PIN: 58828286397 (hereinafter: "**Issuer**") reached on 21st March 2017. the Decision on nominal capital increase of the Issuer by cash contributions and by issuing New Shares with complete exclusion of priority rights from the existing shareholders in the course of subscription for New Shares, according to Article 308 Paragraph 4 of the Companies Act, by using exception from the obligation to previously publish a prospectus regarding the securities offer from Article 351 Paragraph 1 Item 3 of the Capital Market Act (hereinafter: "**Decision on nominal capital increase**"). By the decision on nominal capital increase the nominal capital of the Issuer is increased from the amount of 151.933.680 HRK for the amount of 152.000.000 HRK at the most, to the amount of 303.933.680 HRK at the most. The nominal capital increase of the Issue, will be carried out by cash contributions by issuing 7.600.000 new ordinary shares at the most, each with the nominal value of 20,00 HRK (hereinafter: "**New Shares**").

The New Shares are issued in intangible form, in the form of an electronic Subscription form in the computer system of the Central depository and clearing company Ltd. (hereinafter: "**CDCC**"), with the stock ticker assigned by CDCC. Each New Share gives the right to one voice at the General Assembly of the Issuer, as well as all other rights identical to the rights acquired by the existing Issuer shares, according to the Law and the Issuer's Statute, from the day on which the nominal capital increase was registered in the court register.

The existing Issuer's regular shares are listed in the Zagreb Stock Exchange Plc. Regular market (hereinafter: "**ZSE**"), with the ticker DDJH-R-A, ISIN HRDDJHRA0007. The Issuer will undertake all necessary activities for listing New Shares in the ZSE Regular market.

New Shares can be issued for the amount bigger than the part of the nominal capital that refers to them. In the sense of Article 304 Paragraph 3 of the applicable Companies Act, New Shares will not be issued for the amount smaller than the one defined by the provision of Article 164 Paragraph 2 of the applicable Companies Act, i.e. of the nominal amount of each share of 20,00 HRK.

The Issuer's legal counsel for conducting the public offering of New Shares is the law firm Žurić i Partneri d.o.o. with the head office in Zagreb, Ivana Lučića 2a, PIN: 03894745705.

The nominal capital increase of the Issuer will be carried out with complete exclusion of priority rights from the existing Issuer's shareholders in the course of subscription for New Shares. Nevertheless, all existing Issuer's shareholders have the possibility to participate in the New Share subscription procedure under the same conditions as other investors.

Pursuant to Article 351, paragraph 1, item 3 of the applicable Capital Market Act, there is no obligation for publishing a prospectus, since the offer of New Shares refers to investors who will pay at least 800.000,00 HRK for New Shares per investor, for each individual offer. Therefore the Issuer will not publish the prospectus prior to the New Share offer implementation.

On 21<sup>st</sup> March 2017 General Assembly of the Issuer also reached the decision by which acquirers who acquire New Shares pursuant to the Decision on nominal capital increase are given approval for acquiring New Shares without the obligation to announce the takeover bid, if by this acquiring of New Shares the acquirers would have the obligation to announce the takeover bid, all according to the provisions of article 14 paragraph 1 item 3 of the applicable Act on the Takeover of Joint Stock Companies.

With this public invitation for subscription of New Shares (hereinafter: "**Public invitation**") the Issuer invites all persons who are entitled to subscribe for New Shares according to the Decision on nominal capital increase for subscription of maximum 7.600.000 of Issuer's New Shares.

## Subscription procedure and schedule

The subscription of New Shares will be carried out in one round, in which all investors, who will each pay the amount of at least 800.000,00 HRK for the subscribed New Shares, for each individual offer, will have the right for subscription (hereinafter: "**Investors**"). Business day in the sense of this Public invitation is each day on which banks in Croatia are normally open for business, excluding Saturdays.

The investors can subscribe for New Shares within 5 (five) business days in the period from 9 a.m. on 8<sup>th</sup> May 2017 till 4 p.m. on 12<sup>th</sup> May 2017 (hereinafter: "**Subscription period**").

The minimum or maximum amount of New Shares that an individual Investor can subscribe for is not determined, apart from the limitation provided by the maximum amount of the issue (7.600.000 New Shares).

Application for subscription of New Shares can be withdrawn or changed by the Investors until the last moment of the Subscription period.

The issue will be considered successful if at least 5.000.000 New Shares have been properly subscribed and paid for within the specified time limits for subscription and payment (hereinafter: "**Success Threshold**").

## Subscription implementation and payment deadlines

New Shares are subscribed by means of written statements (hereinafter: "**Subscription forms**"). The Subscription form will be available for Investors prior to the beginning of the Subscription period at the Issuer's website ([www.duro-dakovic.com](http://www.duro-dakovic.com)) and on ZSE webpage ([www.zse.hr](http://www.zse.hr)).

New Shares can be subscribed during the Subscription period only at the Issuer's business premises, by submitting a properly filled out Subscription form (according to the instructions given below in this Public invitation) at the address stated below:

Strojarska cesta 20  
10 000 Zagreb  
Management Board Office  
in the period from 9 a.m. till 4 p.m.

At the time of subscription of New Shares, Investors, or persons authorised to represent the Investor, shall present a personal identification document (identity card or passport). Institutional investors (who are defined in more detail later in this Public invitation) shall present a copy of the personal identification document of the person authorised for representation who has signed the Subscription form. The investors shall also present a document from which PIN and information on the bank account in case that the funds have to be refunded (copy of the bank card or of the contract signed with the bank). The bank account must be formed on the IBAN principle.

In addition to personal subscription, shares can also be subscribed in the name of the investor by an authorised person. In addition to the personal identification document, authorised persons shall, during subscription for New Shares, submit a special power of attorney in Croatian authenticated by a notary public. The text of the power of attorney will be published on the Issuer's webpage prior to the beginning of the Subscription period.

Investors who are foreign legal persons shall also present Excerpt from the court register or from some other corresponding register for legal persons, not older than 30 days, and if that document does not include evidence on authorisations for representation they shall also present additional evidence on authorisations for representation, not older than 30 days (excerpt from some other corresponding register or a certificate by the notary public on authorised representatives).

Foreign documents are to be submitted translated into Croatian by a certified court interpreter and authenticated according to the international regulations on legalisation and apostille (Apostille - Hague Convention Abolishing the Requirement for Legalisation for Foreign Public Documents from 5th October 1961)

In case that an individual Investor submits several Subscription forms, only the last received Subscription form that meets all the criteria from the Public invitation will be considered valid, and all previous Subscription forms will be considered revoked.

When subscribing for New Shares, each Investor must state three offer parameters in the Subscription form:

- Maximum acceptable amount of money for the subscription of New Shares (in HRK), (hereinafter: "**1. Parameter**");
- Maximum acceptable subscription price per New Share (in HRK), (hereinafter: "**2. Parameter**");
- Minimum acceptable amount of New Shares for subscription (whole number), (hereinafter: "**3. Parameter**").

Permissible value of the 1. Parameter for each individual Investor is between 800.000,00 HRK and the result of multiplying (i) the 2. Parameter (ii) with the maximum amount of shares in this issue (7.600.000 New Shares).

Permissible value of the 2. Parameter for each individual Investor is the value that has to be in accordance with the provision of Article 164 Paragraph 2 of the Companies Act, i.e. not lower than 20,00 HRK. Permissible value of the 3. Parameter for each individual Investor is the value between zero and the result of dividing the 1. Parameter with the 2. Parameter.

All Investors who take part in the subscription of New Shares must have a previously opened account at CDCC, or a custodial account at CDCC and enter that account in the Subscription form. Also, all Investors must enter their bank account number in the Subscription form in the IBAN format that will be used in case of possible repayment to the Investor.

Besides delivering the Subscription forms on time, the condition for subscription of an individual Investor is the timely payment by the Investor as well, according to the conditions from this Public Invitation. All investors who are not Institutional investors (as defined by the Decision on nominal capital increase and in the following text of this Public Invitation) are obliged to pay the amount equal to the 1. Parameter stated in the Subscription form before the expiry of the Subscription period. If the amount that had been paid does not equal to that amount, the payment is considered valid, but the smaller of the two amounts is considered as the 1. Parameter (the first parameter specified in the Subscription form or the amount paid), where payments smaller than 800 000,00 HRK in total per Investor will not be taken into consideration and such Investors will be excluded from participation in the offer procedure. The number of shares stated in the Subscription form as the minimum acceptable amount of New Shares for subscription will still be considered as the 3. Parameter, and the allocation of New Shares will be performed on the basis of that number. Pension funds, open funds with public offer, loan-offices and insurance companies with the seat in the Republic of Croatia or in some of the EU member states (hereinafter: "**Institutional investors**") are obliged to effect the payment at the defined final price of New Shares and allocation, according to the payment instruction that will be provided to them on 15<sup>th</sup> May 2017 at the latest.

Investors are obliged to effect corresponding payments on the special-purpose bank account number: IBAN HR57 2360 0001 3001 1459 4 (SWIFT ZABHR2X), which was opened for the purpose of payment for the shares. Only payments received and credited by an Investor who is not an Institutional investor to the above stated bank account not later than 5 p.m. on 12<sup>th</sup> May 2017 shall be considered valid. Only payments received and credited by an Institutional Investor to the above stated bank account not later than 10 a.m. on 17<sup>th</sup> May 2017 shall be considered valid.

If Investors effect their payment in any other institution for payment operations, they should inquire in time with the institution through which they are effecting the payment about the time needed for the funds to be received in time on the above stated bank account before the expiry of payment deadlines, as noted above.

### **Final price determination**

The procedure of determining the final amount for which individual New share will be issued (hereinafter: "**Final price**") will be carried out according to the criteria established by the Decision on nominal capital increase, i.e. according to the rules stated below (hereinafter: "**Price determining principles**"). Final price will be equal to the highest possible price for which Success threshold for this issue is met. To be more precise:

- For each possible price of a New share, as well as each valid offer in which the 2.Parameter is not lower than that price, the Individual demand for that price is defined as the division result of the 1.Parameter of the offer concerned with the price concerned and rounded down (hereinafter: "**Individual demand**");
- For each possible price of a New share the total demand for that price is defined as the sum of all Individual demands for that price (hereinafter: "**Total demand**");
- Final price will be equal to the highest price for which Total demand for that price is not smaller than the Success threshold.

Final price will be determined and announced by the Management Board of the Issuer on 15<sup>th</sup> May 2017. Final price will be announced on Issuer's web page ([www.duro-dakovic.com](http://www.duro-dakovic.com)) and ZSE web pages ([www.zse.hr](http://www.zse.hr)).

### **Allocation**

The procedure for determining final allocation of New Shares to Investors will be carried out according to the criteria established by the Decision on nominal capital increase, i.e. according to the rules stated below (hereinafter: "**Allocation principles**").

Each Investor with a valid offer, whose 2. Parameter of the offer is lower than the Final price, will be allocated zero shares.

For Investors with valid offers, whose 2. Parameter of the offer is not lower than the Final price, allocation will be carried out in the following way:

- a. If the Total demand for the Final price is not bigger than the maximum amount of shares in this issue (7.600.000 New Shares), each such Investor will be allocated his Individual demand for the Final price.

- b. If the Total demand for the Final price of this issue is bigger than the maximum amount of shares in this issue (7.600.000 New Shares), each such Investor will be allocated proportionally reduced Individual demand for the Final price, if it is possible to do so and at the same time fulfil the above mentioned important conditions:
- Request for successfulness of this issue;
  - Requests stated in the 3. Parameter of all allocation offers; as well as
  - Subscription amount of each individual Investor is not smaller than 800.000,00 HRK.

If proportional reduction from Item b. is not possible, due to the possible breaking of conditions from the same Item, the offer with the smallest Individual demand will be excluded from the allocation, i.e. that Investor will be allocated zero New Shares (if there are more such offers, the one that has the latest subscription date will be excluded). The procedure specified above is repeated successively, by excluding one by one offer from the allocation and by carrying out proportional reduction from Item b. until the decidable allocation to the remaining Investors and fulfilment of all conditions from item b.

### **Successfulness of the issue**

The Management Board of the Issuer will determine the successfulness of the New Share issue, the exact amount of the nominal capital increase and the exact number of New Shares, based on the status of subscriptions and payments after the expiry of the deadline for the payment of New Shares on 18<sup>th</sup> May 2017.

If the subscription of New Shares was not successful, within eight business days after the expiry of the deadline for the subscription and payment of New Shares, i.e. not later than 29<sup>th</sup> May 2017, the Issuer will return the deposited funds to the Investors. In that case, the Issuer will neither bear the costs of payment transactions, nor pay any interests to the Investors.

If the subscription of New Shares was successful, but there is a need for refunding the money to some Investors (overpaid amounts, surplus of funds after the allocation, funds paid in before the revocation, etc.), the Issuer will refund the money to the investors within eight business days after the expiry of the deadline for determining the exact amount of the nominal capital increase, i.e. not later than 30<sup>th</sup> May 2017. In that case, the Issuer will neither bear the costs of payment transactions, nor pay any interests to the Investors.

If the nominal capital increase is not registered in the court register within 6 months from the day on which the above mentioned Decision on nominal capital increase was reached, the Subscription form will no longer oblige the Investor, and within 8 business days after the expiry of the specified deadline the Issuer will refund the money to the Investors. In that case, the Issuer will neither bear the costs of payment transactions, nor pay any interests to the Investors.

### **Other information**

Additional information concerning the Issuer, New Shares, as well as the New Shares subscription procedure is available in the Decision on nominal capital increase and in the Information Memorandum on the issuing of New Shares, which will be available on the website of the Zagreb Stock Exchange ([www.zse.hr](http://www.zse.hr)) and on the Issuer's website ([www.duro-dakovic.com](http://www.duro-dakovic.com)) no later than the beginning of Subscription period. Before making a decision on subscription of New Shares, the Issuer invites all Investors to study the Information Memorandum regarding the issuance of New Shares, as well as all other publicly disclosed documents of the Issuer published on the website of ZSE and on the Issuer's website, to independently evaluate the financial position, the potential and the risk factors relevant for the Issuer and for the New Shares, and only based on such evaluation make a decision regarding potential subscription of New Shares.

Any additional information regarding subscription and payment of New Shares will be available for Investors upon request at:

Duro Đaković Group Plc.

E-mail: [dokapitalizacija@duro-dakovic.com](mailto:dokapitalizacija@duro-dakovic.com)

Tel. +385 (0) 35 446-256

This Public Invitation will be published in at least one daily newspaper, on the Issuer's website and on the ZSE website, and it will be submitted to the Official Register of Regulated Information of the Croatian Financial Services Supervisory Agency.

Duro Đaković Group Plc.