



CROATIAN FINANCIAL SERVICES
SUPERVISORY AGENCY
10 000 Zagreb
Miramarska 24

ZAGREB STOCK EXCHANGE d.d.
10 000 Zagreb
Ivana Lučića 2a

In Slavonski Brod, 13th September 2017

Subject: Notice on a received binding offer for investment in the capital of the Company

Hereby we notify the shareholders and the investment community that the Company has received a binding offer for investment in the capital of the Company from the company Crni čelik d.o.o., Roberta Frangeša Mihanovića 9, Zagreb, PIN: 53037622125, in the amount of 250.000.000,00 HRK.

Crni čelik d.o.o. makes the binding offer conditional on the following:

- that the General Assembly of the Company that will be held on 21st September 2017. reaches the following decisions:
 - 1) Decision on nominal capital increase of the company by cash contributions made by the Company Crni čelik d.o.o. in the amount of 250.000.000,00 HRK by issuing new shares, each of the nominal value of 20,00 HRK and with the price of 20,00 HRK per share, with the exclusion of priority rights from the existing shareholders, which will ultimately be more than 50% of the total ownership of the Company;
 - 2) Decision on giving approval for the acquisition of shares by the company Crni čelik d.o.o. without the obligation to announce the takeover bid;
 - 3) Decision on election of four out of seven Supervisory Board members for a term that will expire no later than 60 days from the day of the subscription implementation of the nominal capital increase of the Company by the company Crni čelik d.o.o.

Moreover, the company Crni čelik d.o.o. states that their only interest in the nominal capital increase of the Company is to participate with the abovementioned amount and under the abovementioned conditions. In no other case does Crni čelik d.o.o. intend to participate in the nominal capital increase of the Company.

Since the Company has just completed the process of nominal capital increase by cash contributions in the amount of 51.130.920,00 HRK, which is the minimum amount that had to be reached in order to implement the nominal capital increase, the Management Board thinks that the amount collected still does not satisfy the capital adequacy of the Company, insufficiently improves the liquidity of the Company and is greatly insufficient to ensure financial stability of the Company.

The Management Board thinks that the amount offered by Crni čelik d.o.o. greatly satisfies all the needs of the Company for financial consolidation of the Company, investments in development and in partnership with the bidders creates a basis for a more significant breakthrough in the foreign market and for creating appropriate creditworthiness toward credit institutions.

Considering the fact that the Management Board of the Company has been working intensively for more than a year on informing and attracting potential investors in the capital of the Company and that the first attempt of entering the capital market has failed, and in the second the minimum amount of money has been collected, the Management Board thinks that there are no other interested bidders on the market and that this is an offer that represents exactly what is necessary for the Company.

The Management Board has informed the Supervisory Board of the Company on all the above mentioned facts.

President of the Management Board

»ĐURO ĐAKOVIĆ« Tomislav Mazal
GRUPA d.d.
Slav. Brod, Dr. M. Budaka 1
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