

Project Lily Phase 1

For the attention of Mr. Daniel Polster

Dear Mr. Polster:

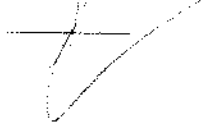
Further to Process Letter 1 acknowledged and signed off on July 22nd, 2020, hereby we are submitting our Non-Binding Offer for a Management Buyout / acquisition of 100% shares in Meta Group Sarajevo (hereinafter the Target)

Content and structure of this NBO is made in line with instructions set out in Process Letter 1, part (c) information to be included in NBO

We hope that our NBO will be taken into consideration and we are looking forward to be invited to proceed to Phase 2 of the sales process

August 3rd, 2020

Petra Džurđević



Daniela Vukobratović



Non-Binding Offer for Management Buy-out of Heta d.o.o. Sarajevo

1) Confirmation on committed funds to finance consideration for the transaction

Hereby, we confirm that there are in place committed funds sufficient to finance the considerations for the transaction, and such funding will remain in place until completion of the Transaction.

Contractual party in SPA will be a new company / SPV which will be established after Seller's confirmation on Management Buyout transaction approval (timing for establish the new SPV: 14-20 working days).

The considerations for the transaction are to be financed from two sources – part of "Purchase Price" is to be paid by newly formed SPV and the other part by dividends distribution.

As timing, we hereby confirm that transaction Closing is to be achieved in maximum 30 days after MBO transaction's approval by Seller (HETA).

Bank statements of personal accounts denominated in EUR currency of Petru Dinu Bindila and Zerir Hodo with most recent balances of personal funds available for Lilly transaction are enclosed. Financial statements of Target (Heta d.o.o.) are available (& uploaded in LiY VDR).

No third party financing is considered.

2) Consideration:

The total price (the "Purchase Price") which we are willing to pay for the Target is in amount of **EUR 685,000 (BAM 1,339,744.00)**.

The Purchase Price structure is to be considered as following:

- EUR 5,113 (which equals owner's equity as at 31.12.2019) to be paid by newly established SPV
- EUR 679,887 net proceeds to be received by HETA in form of dividend payment for YE2019

Hereby we confirm that Heta d.o.o. Sarajevo is in position to distribute EUR 679,887 as dividend payment for the year ended 31.12.2019, considering that net profit for the year ended 31.12.2019 amounts to EUR 3,205 thousands. Timing – immediately after approval / no constraints.

The total price ("Purchase Price") should also consider a **Non-Cash component** which is to be assessed and priced by HETA. Non-Cash Component in our view should quantify the "Opportunity Cost" for HETA, in case of selling the Target to a third party investor which do not have the same deep knowledge and proved experience in dealing with risks specific to a company as Target.

By "Opportunity cost" is to be considered "the loss of potential gain from other alternatives when one alternative is chosen" (NOAD)

Project Lily Phase 1

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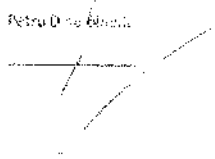
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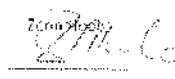
Further to Process Letter 1 acknowledged and signed off on 1st July 2020, hereby we are submitting our Final Binding Offer for a Management Buyout (acquisition of 100% of the shares) in accordance with the terms of the Target.

Content and structure of this BBO is consistent with our management and offer memorandum. It is hereby represented to be in accordance with the terms of the Target.

We would like our BBO to be taken into consideration and we are looking forward to your response to proceed to Phase 2 of the process.

August 14, 2020

Nero D. de Bona


Zoran Stokich


Non-Binding Offer for Management Buy-out of Heta d.o.o. Sarajevo

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By "**Opportunity cost**" is to be considered "*the loss of potential gain from other alternatives when one alternative is chosen*" (NOAD)

3) Pricing assumption:

a) The bases on which portfolio (& Target) is valued and IRR assumptions used

□ Our assumptions and basis for portfolio (& Target) valuation are those mentioned in Budgeting rounds / materials, with only some slight adjustments on receivables (reflecting recent developments) and costs (extended period).

(i) **Starting point** – Cash Flow according to Budget. No adjustments and no rationale in using NPV, IRR tools

CFS1. Cash-Flow according to Scenario 1 (Budget) - used only for simulation purpose

	YF 2019	2020	2021	2022	2023	2024	2025	TEUR
Liquidity YE 2019	9.556,00							Total (Nominal CF)
Total Cash-inflow		188,00	1.623,46	318,50	2.230,35	0,00	0,00	9.556,00
Loans		188,00	1.623,46	125,50	2.150,35			4.360,31
Assets				193,00	80,00			
Total Cash-outflow		-2.200,97	-1.580,26	-1.494,82	-8.574,37	0,00	0,00	-13.850,42
Personal		-1.061,68	-749,51	-594,00	-292,00			
Adm		-722,89	-567,89	-416,82	-382,37			
Provisions		-145,70	-221,86	-327,00	-7.736,00			
Others		-270,70	-41,00	-157,00	-164,00			
NET Cash-Flow		-2.012,97	43,19	-1.176,32	-6.344,02	0,00	0,00	65,89
NPV (@ 0% Discount Rate)		65,89						(Liquidity EOP)
NPV (@ 10% Discount Rate)		2.544,89						
NPV (@ 20% Discount Rate)		4.168,36						
								Higher % Discount Rate, higher NPV (???) Do not frame with NPV correct profile, providing distorted image on company value!!!
NPV for @ 20% Discount Rate								
Sum(NPV)	4.168,36	9.556,00	-2.012,97	43,19	-1.176,32	-6.344,02	0,00	0,00
NPV_0	9.556,00	9.556,00						
NPV_1	-1.677,47		-2.012,97					
NPV_2	30,00		0	43,19				
NPV_3	-680,74		0	0	-1.176,32			
NPV_4	-3.059,42		0	0	0	-6.344,02		
NPV_5	0,00		0	0	0	0	0,00	
NPV_6	0,00		0	0	0	0	0	0,00

As stated in the heading, above table is just for simulation purpose in order to show the potential "traps" of unappropriated using of NPV, IRR for valuation of a company such as the Target.

- (ii) **Final assessment.** Forecasted Cash-Flow, simulation on NPV depending on different Discount rates and sensitivity analyze depending on Price are shown in below table:

CFS1 Plus. Adjusted CFS1 (avoiding yearly negative CFs & distortions on NPV & IRR, integrating potential gains coming from recent developments & some additional costs for 2024 as compared to the Budget)

	YE 2019	2020	2021	2022	2023	2024	TEJR 2025	Total [Nominal CF]
Liquidity		496,00						496,00
Liquidity YE 2019	9.556,00							
Liquidity -> term deposit / 2023		-7.230,00						
Liquidity -> term deposit / 2022		-1.160,00						
		-670,00						
Total Cash-inflow		2.488,00	1.600,16	1.501,70	8.579,25	498,00	0,00	14.667,11
Loans		188,00	1.623,46	125,50	1.652,35	498,00		
Assets				193,00	80,00			
Potential upside on Loans		2.300,00	-700,00		-600,00			
Liquidity -> term deposit / 2023					7.446,90			
Liquidity -> term deposit / 2022				1.183,20				
Liquidity -> term deposit / 2021			676,70					
Total Cash-outflow		-2.200,97	-1.580,26	-1.494,82	-8.574,37	-483,19	0,00	-14.333,60
PEREX		-1.061,68	-749,51	-594,00	-292,00	-292,00		
Admin		-722,89	-567,89	-416,82	-382,37	-191,19		
Litigations, severance payments employees		-145,70	-221,86	-327,00	-7.736,00	0,00		
Others		-270,70	-41,00	-157,00	-164,00	0,00		
NET Cash-Flow		783,03	19,89	6,88	4,88	14,81	0,00	829,50
								<i>(Liquidity EOP)</i>
NPV [@ 0% Discount Rate]		829,50						
NPV [@ 10% Discount Rate]		745,99						
NPV [@ 20% Discount Rate]		678,63						

	Sensitivity analyze depending on Price			
Price (initial investment)	-685,00	-1.000,00	-2.000,00	-3.000,00
Net CF2020	783,03	783,03	783,03	783,03
Net CF2021	19,89	19,89	19,89	19,89
Net CF2022	6,88	6,88	6,88	6,88
Net CF2023	4,88	4,88	4,88	4,88
Net CF2024	14,81	0,00	0,00	0,00
Net CF2025	0,00	0,00	0,00	0,00
IRR	19%	-17%	-54%	-66%

In a nutshell:

- ✓ **Our approach** is to offer the maximum potential funds repatriation to the owner/seller, without endangering future operations and obligations of the Target, with a final goal of orderly discontinuation of Heta's operations in Bosnia, aiming to silently liquidate the Target (preferably after HAR / Heta AG ceased to exist / depending on future developments).
- ✓ **Cash Inflows.**
 - **Receivables** – despite complex and unstable business environment, specific legal frame (consistently less favorable to Creditor comparing with EU) and specific issues / challenges (legacy loans / see Court verdict on Loan Agreement nullity, Brush loans / transfer agreement challenged by Bankruptcy Managers, leasing / see Aran case – nullity of Leasing agreement), we still believe that we are able to realize forecasted cash
 - **High concentration.**
 - ↳ Top 4 clients represent 86% of total remaining exposure,
 - ↳ Complex cases with complicated and long lasting legal procedures and some of them very influential local players.
 - ↳ Bankruptcy proceedings opened for 3 of them, out of which for 2 clients the Target's claims are still not accepted.

settlements) **although there is a Potential Cash-out of Eur 27.2 mio (including legal penalties) related to existing passive lawsuits and EUR (? difficult to estimate) potential future cash-out related to new passive lawsuits which will occur (it is not a matter of "if" but "when"). To be mentioned that EUR 22.7 mio of potential cash-out is related to clients with no active exposure (no potential for trade-off)**

↳ Above risk undertaking is based on specific knowledge of cases (& historical facts) and proved skills of the local team, even there is an inherent risk for final Cash-out to be higher.

▪ **Bolero related.**

↳ Based on HETA statement in Phase 1 disclosed in materials "**HBiH does not carry economic risk resulting from the BOLERO transaction**" - our understanding is that all potential Cash-out related to Bolero transaction (including cash-out for passive lawsuits where Buyer reject the responsibility) will be covered by HETA.

↳ Above stated HETA position is acceptable for us, but we dare to express again our concern – in wrong hands, full guarantee from HETA could trigger and lead to high risks and future consistent cash-out (it's a matter of time until the opportunity will be noticed in the market)

- **Tax risks.** Previously identified risk by one of the Big 4 companies on unregistered taxable presence of the Target in RS & VAT risk, was assessed and quantified in the amount **between Eur 0.4 and 3.6 mio.** To be assumed by us.

□ **Alternative scenario analyzed compared with proposed business plan, but rejected (due to inherent high risks) or with uncertain future impact in above Forecast. Not considered.**

- **Scenario:** considering the time gap between forecasted Cash Inflow and Cash Outflow realization, an opportunity would come from developing a business in NPL area.
- **Assessed options:**
 - Provide Collection services for local Banks. According to local legal frame, Target can perform only amicable collection activities for third party's portfolios. More than this, Target do not have a real Collection platform (collection software, human resources) in order to service Banks' portfolios of loans with small DPD. Investment (cash-out) in building / supporting a real platform and efficient Call Center, would be a consistent one with uncertain returns in years.
 - Buying an NPL portfolio. It could be an option but with high risk and returns after long time, in this kind of unregulated and unstable market. Wrong assessment of portfolio can trigger significant loss. More than this, specific legal frame is strongly in detriment of Creditor (examples: (i) no fines / penalties in auctions for fake bidders and correlated with limited number of possible auctions [max. 3], there are a lot of cases when Creditor have to restart the proceeding; (ii) 3-5 years for an enforcement proceeding to reach auction stage & 2-3 years for bidder to enter in possession of bought real estate in auction are both standards usual in the local market, (iii) imperfect bankruptcy legal

frame which usually turn against Creditor in terms of collection amount, timing and related costs, etc.)

➤ **Final outcome:**

- Looking to public financial statements of existing players on NPL market, it is not the right time to invest in such a business, **especially when existing cash have to be preserved for future risks with high probability to materialize.**
- Opportunity to cooperate with third party investment funds in NPL portfolio transactions (third party investment) & servicing, it could be an option but difficult to quantify and consider it in the Forecast presented above (small and risky market).

□ **Final considerations on portfolio (& Target) valuation and used assumptions :**

- **MBO - Assumed total Cash-out** in amount EUR 7.9 mio for litigations to be lost in Court, future settlements and tax risks **versus** total assessed **Potential Cash-out in amount of over EUR 30 mio**
- IRR is not relevant in this transaction. Why?
 - Purchase Price (as defined) we are able to pay is limited by ethical approach considering all existing and inherent future risks. Higher price can endanger future operational activity and final objective of closing this entity in a silent and clean way
 - One of the triggers in applying for a MBO transaction is also to cover our back. We know what we can do with our team and by MBO implementation we would have the chance to do it. Otherwise, if something will go wrong, **especially if change of actual business strategy and approach by 3rd party investor, people in charge**, etc. and there will not be enough money to cover future cash-out in next years, problems will occur. HETA's decisions & position as former owner can be challenged, but our personal liability as well.
- If some investor would be willing to pay higher purchase price, **it would either be due to wrong assessment** of Target (existing assets and risks) **or due to bad intentions**. No matter which of the two, HETA would be the final beneficiary of all future risks that would materialize.

b) **External financing assumptions** – NOT the case

c) **Other material commercial and financial assumptions**

As mentioned above, the total price (“Purchase Price”) should also consider a **Non-Cash component** which is **to be assessed and priced by HETA**. Non-Cash Component in our view should quantify the “**Opportunity Cost**” for HETA, in case of selling the Target to a third party investor which do not have the same deep knowledge and proved experience in dealing with risks specific to a company as Target.

Statement:

- ↳ **Heta BiH financial equation is “on the edge”**. Considering the timeline and running costs needed to close the entity, there is a risk that actual liquidity position and potential future cash-in would not cover future cash-out even in the case of slight deviation from the best case scenario related to passive litigations (the gap between assessed BCS and WCS on passive lawsuits is objectively and inherently huge). **Need for specific knowledge of the Target, closed and active portfolios (active / passive) and skills in order to be able to accomplish the mission (close the local entity and avoid negative financial post-closing impact on HETA), for which the local team is ready to commit.**

No reason for a serious investor to deal with such risk if the investor is diligent and able to properly assess the Target. But this kind of “on the edge” opportunity can be of interest for a small or inexperienced investor which at the first sign of trouble would run away (and probably with Heta BiH money) with potential future negative exposure on HETA.

In assessment and quantification of “**Opportunity cost**” and its impact on the “**Purchase Price**” HETA should take into consideration following triggers related to MBO transaction:

- ✓ Is actual local team a trustful partner (already proved competencies / historical track records?) and does it have a real capabilities to ensure appropriate corporate governance aiming for orderly discontinuation of Heta’s operations in Bosnia, in order to silently liquidate Target after HETA ceases to exist? ***How important is for HETA and should HETA consider any potential loss by choosing to sell the Target to other investor? If yes, how much value behind / which should be the impact on total price?***
- ✓ Flexibility in transaction structuring. Smooth, fast and clean country exit for economically justified payment. ***How much value behind / which should be the impact on total price comparing with other alternatives?***
- ✓ There are valid reasons to consider that local team will be more successful in managing the “**Risks**” emphasized below in comparison to third party investors (having no specific knowledge of Target)? ***How important is for HETA and should HETA consider any potential loss by choosing to sell the Target to other investor? If yes, how much value behind / which should be the impact on total price?***

Some of the **Risks** which could trigger negative impact on HETA (to be considered for Opportunity cost)

- ***Future inadequate management of Target liquidity position*** (as a result of improper handling of passive lawsuits with risk for cash-out, see tax risk above) would endanger HETA position as former owner (in liquidation process, creditors / bankruptcy manager can challenge dividends payments made in 2018 (EUR 17,3 mio) as well as payment of difference in capital decreased in December 2019 (EUR 5,8 mio) or any decision that affected liquidity position in detriment of company creditors made in 3 years before such event). Subject of certain conditions are met, status of limitation can extend for 15 years
- ***Bolero***. Improper handling of assumed front-running obligations, improper monitoring and handling of passive lawsuits with potential cash-out (& for any new passive lawsuits after

Closing, the Buyer has the right not to assume it / risks can remain on Target / HETA), improper handling of future expected Buyer's claim related to potential breach of W&R according to MSPA, could result in significant cash-out for HETA (note: Bora related ones, should be considered also)

- **Target has long and very complex history** (established in 2001 with main business activity of granting loans / leasing financings; leasing license was obtained in 2010 after Law on Leasing was passed, but withdrawn in June 2011; more than 16,000 loans/leasing contracts concluded; Brush transactions performed in 2014 & 2016; Drava portfolio sold in 2017, Bolero portfolio sold in 2017-2019).

Considering the outbreak and underlying rulings in *Lijanovic* and *Aran* cases (see below), **the risks for contamination and new wave of passive lawsuits cannot be neglected and ignored.** Potential future negative impact is difficult to quantify.

- [i] *Lijanovic* - verdict of Supreme Court on nullity of Loan Agreement. *To be mentioned that Target had granted more than 13.000 loans without proper license at the time;*
- [ii] *Aran* - valid verdict for Leasing Agreement nullity as it was considered by Court being a loan under the mask of Leasing Agreement. *To be mentioned that more than 3.000 leasing contracts financed by Target and there is no clear image on how many similar cases,*

- **46 criminal cases which have to be properly managed** in order to not give opportunities for charges / reputational risks for HETA
- **Key people.** Loosing (control) on actual key people with deep knowledge on Heta BiH history (& related sensible facts) can turn against HETA in the future.

Based on all above, the final "Purchase Price" is to be assessed / quantified by HETA.

4) Confirmation that the purchase will be cash-funded in Euros, payable by no later than closing of the Transaction

Hereby, we confirm that purchase price will be cash-funded in Euros and paid no later than Closing of the transaction, expected to be in 30 days after MBO approval.

5) Details on legal, financial and other professional advisors to be engaged

Hereby, we confirm that no legal, financial or other professional advisors have been engaged for NBO stage. No intention to engage someone for second phase, also.

6) Confirmation on NBO validity

Hereby, we confirm that our NBO submitted on 3rd of August 2020 is valid for 90 days.

7) Outline of prior experience

7.1 Personal experience before joining Target (Heta d.o.o.)

Petru Bindila assumed the position of CEO of Heta d.o.o. (Target) in May 2016. With nearly 25 years of professional experience in the financial institutions, Bindila has in particular been focused on the field of restructuring and collection management (last 13 years). Before joining Heta d.o.o., as key representative on NPL stream for a Romanian Bank in Top 3 (country level), he played decisive role in building the assignment of receivables local market (more than 30 sold portfolios starting with 2009), as a viable alternative for banks in dealing with NPL increased burden. Also, he was one of the key player (again on Bank's side) in first and biggest secured NPL transaction in Romania.

Zerin Hodo joined HETA in May 2015 as COO primarily responsible for resolution of Cluster 3/real estate stream as well as operations. Since 2017 he assumed CFRO function as well including accounting and financial & risk controlling. Prior to joining Heta d.o.o., Zerin was manager in Deloitte Advisory Services in Adria Region (Bosnia, Croatia and Slovenia) and he was managing Brush project in 2014 in Bosnia as independent external project manager from Deloitte.

As it relates to licenses and regulatory approval requirements, considering that HETA d.o.o. Sarajevo is non-regulated entity, licensing by relevant regulator in Bosnian market is not envisaged and not required.

7.2 Outline on achievements after joining Heta d.o.o. (Target)

- Significant amount of repayments to HETA, despite of a very specific and complex business and legal environment.

	YE 2015	YE 2016	YE 2017	YE 2018	MEUR 2019
Refi-lines	7,2	43,6	26,0	-	-
Dividends, capital repayment	-	-	-	17,3	5,8
Bolero					56,0
Total repayments	7,2	43,6	26,0	17,3	61,8
					155,9

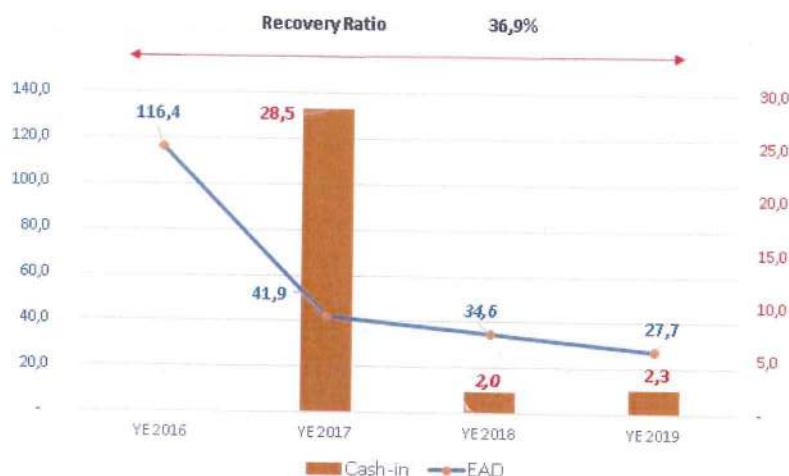
Note: in addition, Heta BiH paid in 2019 the insurance premium fee in amount of EUR 0,7 mio

Overall wind-down strategy adjusted in the beginning of 2016 to local constraints which in the end allowed us to squeeze the portfolios in a timely and efficient way, in order to create a positive track records for one of the last major milestones of Heta business in Bosnia → Bolero project.

And yes, Bolero project (share deal on Bora, portfolio sale on Heta) was a successful one considering:

- (i) Outstanding purchase price obtained (considering the quality and collectability of sold portfolios from time and cost perspective),
- (ii) The way of structuring the deal, allowing us to achieve full exit for the cleanest entity (Bora / in terms of passive lawsuits and issues that could have negatively impacted the price), but also to maximize the overall return (cash-in) for Heta BiH (residual entity) by a good selection of clients to be sold, which allowed us to further close the refi-lines and to pay consistent amount of dividends.

Heta Residual overview - Loans



Note:

- (i) Reference point - Bolero start -> Remaining residual portfolio out of Bolero scope was triggered by existing negotiation as of the end of 2016 (considered at that time as being 'safe cash, to be closed until YE 2017'), existing legal constraints (performing financing contracts), existing passive lawsuits with potential cash-out and exclusions made by the Bolero Buyer due to KYC reasons
- (ii) Most of remaining clients as of YE 2019 proved to be very complex cases with complicated and long lasting legal procedures.

- Successful strategy implemented on passive lawsuits management in order to minimize the potential cash-out (steering the proceeding in Court, settlements where / when it was possible and opportune, etc.) which concretized in avoiding escalation of phenomena and significant decrease of stock (80% closed litigations in terms of claims in dispute)

HETA BIH - Passive lawsuits	YE 2015	YE 2016	YE 2017	YE 2018	YE 2019	March 2020	MEUR
New lawsuits (started during the year)		9,9	13,7	12,8	2,3	0,0	
Closed during the year		1,4	157,6	4,1	12,3	1,0	
Correction factor (update of claims in Court, division of cases, case became known after, case became irrelevant)		6,3	1,5	4,0	-0,3	0,0	
Total Value in dispute YE	163,6	178,5	36,0	48,7	38,4	37,4	
Out of which, passive lawsuits with risk for Cash out							
- Heta Residual, related (*)							15,5
- Bolero related (**)							9,9

Note:

(*) legal penalties for cases with EoS < 50% in amount of more than EUR 3 mio not included. No provisions in BS for legal penalties

(**) legal penalties for cases with EoS < 50% in amount of more than EUR 2,4 mio not included. No provisions in BS for Bolero related passive lawsuits

- Clean and smoothly reorganization process implemented with no impact on operational efficiency / business strategy implementation.



- Managed to keep in-house the key people with deep knowledge on Heta BiH history with all related sensible info as well as knowledge on remaining active & passive cases, thus creating the premises for avoiding future risks for the owner on medium / long term.

8) Intention about employees of HBIH

Involvement of key employees in MBO holding structure is key factor to ensure that all future legal, tax, regulatory and reputational risks arising from Heta's long and complex history in BiH market, are adequately managed and controlled.

Our intention is to keep the structure as-is until needed, for each segment of the business. To be mentioned that actual Target collection capabilities could hardly be referred as a "collection platform" as it was subject of gradual reorganization processes meant to adjust the structure to minimum needed resources for managing actual portfolios (assets – receivables & NYOS, lawsuits).

9) Confirmation on meeting proposed timetable

Hereby, we confirm that we are able to meet proposed timetable and process set out by you in Process Letter 1:

<i>Deadline for NBOs</i>	<i>03 August 2020, 1pm (CEST)</i>
<i>Deadline Binding Offer (to be confirmed in Process letter 2)</i>	<i>September/October 2020</i>
<i>Expected signing of binding transaction documentation</i>	<i>Q4/2020</i>

From the analysis we have performed, it can be concluded that a MBO transaction is not subject to any regulatory approval neither from financial market regulator (Heta d.o.o. Sarajevo is non-regulated entity), nor approval from Competition Council.

In accordance with Article 14 of Law on Competition in BiH (Official Gazzete of BiH No. 48/05, 76/07 and 80/09), in order for a transaction to be notifiable to the Competition Council of BiH, the following thresholds must be met:

- a. worldwide threshold - income of all undertakings realized on the world market is at least BAM 100 mio in the year preceding the concentration; and
 - b. local threshold - income of each of at least two undertakings realized in BiH market is at least BAM 8 mio in the year preceding the concentration or their joint market share on the relevant market exceeds 40%.
- Considering provisions of the Law above, it can be concluded that Transaction between HETA and newly formed SPV which had no previous turnover would not require notification to the Competition Council of BiH given that neither the worldwide nor local threshold has been met.

In relation to the local market, although the Target exceeds the local threshold (Heta d.o.o. Sarajevo revenue for the year ended 31.12.2019 exceed BAM 8 mio), the acquiring company and beneficial owners do not. Therefore, the cumulative conditions set out in the Competition Council are not met.

Final conclusion on above is that **Closing for an MBO transaction is possible in maximum one month after transaction approval by Seller, compared with 4-6 months regular timing required for a Buyer who is obliged to notify and obtain clearance from the Competition Counsel.**

10) Description of investor(s)

Contracting party as Buyer will be newly formed company / SPV with following ownership structure:

	<i>Position in Target / Heta d.o.o.</i>	<i>Name</i>	<i>% ownership</i>
i)	Director	Petru Dinu Bindila	50%
ii)	Executive director	Zerin Hodo	25%
iii)	Head of Legal	Dino Aganovic	15%
iv)	Head of Exit management	Sinisa Vidovic	<u>10%</u>
			100%

The decisions will be taken with large majority of votes (over 50%). If no large majority, Petru Dinu Bindila will have the decisive vote.

Copies of private individuals ID card / passport are attached to NBO.

11) Description of envisaged transaction structure

Share deal transaction through share purchase agreement (SPA) on transfer of 100% shares in HETA d.o.o. Sarajevo between seller Heta Asset Resolution GmbH and newly formed company/SPV with ownership structure as mentioned above in point 10)

Closing to be achieved in 30 days after confirmation by Seller that MBO transaction was approved.

12) Confirmations on acting on our own account

Signed confirmation by each interested party in MBO – attached to NBO.

13) Confirmation on NBO review and approval by senior management

Not the case.

14) Required public licenses or approval, together with an assessment of related length of time

No license or approval is required in order to proceed for Closing.

As mentioned above / point 9), the transaction **Closing for an MBO** transaction is possible in **maximum one month** after transaction approval by Seller (HETA), **compared with 4-6 months** regular time needed for a Buyer who is obliged to notify and obtain clearance from the Competition Counsel.

From the Buyer's perspective, there are no other facts, circumstances of contingency of any kind that might adversely affect the timing or certainty of completion.

15) Outline of the due diligence undertaken by us in Phase 1 and a confirmation that your due diligence in Phase 1 was completed to our satisfaction.

Hereby, we confirm that we are fully aware of all aspects (facts, benefits, risks) related to Target.

Hereby, in a good faith, we state our opinion that the disclosure level decided by Project Team for Phase 1 (on facts, benefits, risks) was a limited but not a neutral one, rather providing positive representation of facts.

Considering the specificity of what HETA is selling, we kindly ask HETA and Deloitte for proper disclosure of relevant facts and circumstances pertaining to the Target in the Phase 2, in order for a third party investors to be able to properly assess the Target. For the benefit of all parties but especially to the benefit of HETA (avoiding wrong assessment of Target and future related risks).

16) Any further information you consider would be relevant or helpful for HETA and Deloitte when assessing your NBO and,..

Additional reasons for supporting the conclusion that MBO should be the safest and most favorable option for HETA:

- ✓ It will provide comfort of maximum effort engaged by local team to avoid future legal / tax / regulatory / reputational risks for the benefit of HETA, considering that interest of HETA are in line with interests of the shareholders in acquiring company (see shareholder structure of acquiring company)
- ✓ If needed, local entity will provide full support in dealing with potential Bolero Buyer's claims related to Bora's receivables, company taxes and any other potential liabilities arising from MSPA. Front-running costs (Heta BiH in-house costs) are to be assumed by Heta BiH, and all external costs related to lawyers

and Court fees are to be supported by HETA. Support is to be provided for next 3 years (liability period according to MSPA).

- ✓ There is full openness for potential future transaction at a fair price, if Heta AG intend to clean any remaining portfolios residing in Bosnia or surrounding regions (receivables or REOs).

17) Hereby, we confirm that information provided by us in relation to this NBO is complete, true and accurate and that we will notify the Project team and HETA, immediately such provided information materially change.

Confirmation on acting in Lily Project

With respect to my participation in potential Management buyout transaction of Heta d.o.o. Sarajevo as one of the shareholders in future SPV that will be a contractual party to Heta Asset Restructuring GmbH in SPA governing the sale and purchase of 100% shares of Heta d.o.o. Sarajevo, hereby I, Petru Cinu Bincila:

Confirm that I act on my own account in this transaction and not as a partner or agent for any person or as part of an alliance, consortium or joint venture of any kind.

In Sarajevo, 28 of July, 2020

.....
Signed by Petru Cinu Bincila

Serial number of passport:

Attachment to confirmation: copy of passport