



REPUBLIC OF CROATIA

HOTELI MAESTRAL plc, Dubrovnik

TRANSACTION

The Republic of Croatia intends to sell its shares of Hoteli Maestral plc through a public tender, according to the Law on the Management and Disposal of Assets Owned by the Republic of Croatia (Official Gazette 94/13, 18/16) and the Regulation on the Sale of Shares and Business Interests (Official Gazette 129/13 and 66/14). The tender will be conducted in two rounds:

- The first round: determining investor interest in purchasing shares/business interests,
- The second round: investors who expressed interest by submitting a Letter of Intent in the first round will be invited to submit a binding bid for the purchase of shares/ business interests.

After submitting a formal Letter of Intent, receiving a bid invitation, and signing an NDA, potential investors can participate in the due diligence procedure. Upon bid submission, the best bidder will be selected based on the tender criteria.

There is currently no open tender for the sale of Hoteli Maestral plc shares.



COMPANY

Hoteli Maestral plc is a hotel company in Dubrovnik that owns and operates five hotels and one annex (with rooms only) situated on a unique location along one street in Lapad Bay. The facilities have an excellent waterfront position (or in its vicinity) and are easy to reach from the Old Town of Dubrovnik (3.5 km) and Dubrovnik International Airport (24 km).

The hotels were built between 1935 and 1965 and some of them were renovated during the 1990s (Komodor and Splendid) and 2000s (Uvala), while Adriatic and Vis were

partially renovated. The best accommodation is offered in the four star Uvala Hotel (renovated in 2003 and 2004), known for its fashionably designed and spacious wellness & SPA centre of 580 m².

The most important source markets are the United Kingdom, Scandinavian countries and Germany, followed by France, Russia, Spain and Croatia. There is a tendency of constant growth of guests from overseas markets (America, Australia and New Zealand).

SALE

Shares on sale: **355,520 (68.94% of share capital)**

Average price on stock market: **37.25 EUR (28.6.2017)**

This project, under the conditions stipulated by the Law on Investment Promotion (OG 102/15) can qualify for investment incentives. For more information, please refer to Section 5: Incentive Measures for Investments Projects.

FINANCIAL DATA (in EUR:)

Year	2014	2015	2016
Operating revenues	6,517,543	6,609,035	6,818,265
Operating expenses	5,761,210	5,844,576	5,911,761
EBIT	756,333	764,459	906,504
EBITDA	1,256,718	1,248,910	1,355,845
Net income	254,968	336,487	515,193
Total assets	25,854,604	25,361,874	25,740,266
Total liabilities	10,039,732	9,019,221	8,586,213
Number of employees	169	162	155

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REAL ESTATE PORTFOLIO

HOTELS:

Uvala Hotel (**):** 4 levels, 51 accommodation units, size 4,941 m², built in 1967, renovated 2003/2004, allowed construction density (KIG) 0.36, allowed construction efficiency (KIS) 1.06,

Splendid Hotel (*):** 3 levels, 59 accommodation units, size 2,733 m², built 1935 and 1964, renovated in 1997, KIG 0.12, KIS 0.27,

Komodor Hotel (*):** 4 levels, 63 accommodation units, size 2,489 m², built in 1938, renovated in 1998, KIG 0.69, KIS 1.97,

Vis Hotel (*):** 3 levels, 151 accommodation units, size 5,818 m², constructed in 1935, 1956 and 1986, partly reconstructed in 2003-2005, KIG 0.33, KIS 0.90,

Adriatic Hotel ():** 3 levels, 107 accommodation units, size 6,365 m², constructed in 1962 and 1967, KIG 0.27, KIS 1.01.

Adriatic Rooms ():** 3 levels, 50 accommodation units, size 1,145 m², constructed in 1963, renovated in 2014.

BUSINESS CENTRE:

Uvala Hotel has two meetings rooms: The Solad Meeting Room and The Perpera Meeting Room with 80 seats.

SPORTS AND RECREATION FACILITIES:

Various entertainment and sports facilities, including indoor and outdoor swimming pools, tennis courts, snack bars and beach restaurants.

AREA:

Total facility area: 23,753 m²,

Net land area: 100,885 m².



DUBROVNIK-NERETVA COUNTY

Population (2011): **122,568**

GDP per capita (2014): **10,177 EUR**

Unemployment rate (2016): **18.3%**

Average gross salary: **1,027 EUR**

Average gross salary in the sector (tourism): **1,168 EUR**

Dubrovnik-Neretva County is comprised of five cities and 17 municipalities. The county also includes several islands covered in thick Mediterranean vegetation and forests, smaller settlements and agricultural land (olive groves and vineyards). Its main economic activities are the tourism and hospitality industries and maritime shipping. The area also has significant agricultural potential in the Neretva River delta and on the Pelješac Peninsula, known for its production of high quality wines.

The county is very easy to reach via Dubrovnik International Airport. It is also close to the modern A1 Zagreb-Split-Dubrovnik highway, the seaport of Dubrovnik, which can handle large cruise ships, and the important cargo port of Ploče (the gateway of the future Pan-European Transportation Corridor Vc).

Dubrovnik's famous medieval old town (a UNESCO World Heritage Site 1979) and the nearby island of Korčula has positioned Dubrovnik and the county as a high-end

European and global tourist destination. Dubrovnik has been declared the best congress destination in the region in 2017 (Conventa Fair in Ljubljana) and one of the top three destinations in the congress industry in CEE in 2015 by Congress Magazine. 10BEST and USA TODAY awarded it seventh place in the category Best Cinematic Destination, and it was also declared the best cruise destination by Spanish publication "Cruise News".

Through investments in new and existing hotels, sports and infrastructure capacities and their constant development, tourism has become an industry of great strategic importance for the county, currently with 15 five-star hotels and 24 four-star hotels. There are 3 marinas in the county (Lastovo, Slano and Korčula) with total capacity of 415 berths.

The potential for high-end tourism has already been recognized by international hotel chains (Sheraton, Hilton, Radisson Blu, Rixos, Uzel Holding, Adriatic Luxury Hotels and the Luksić Group). Amanresort also plans to open a hotel in Cavtat.

Educational infrastructure relevant to the sector includes higher schools for hospitality and catering and two universities with excellent programs related to tourism (RIT Croatia - a division of the Rochester Institute of Technology, New York and the University of Dubrovnik).

CONTACTS

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