

Pursuant to Article 40 of the Law on Takeover of Joint Stock Companies (“Official Gazette of the RS, No. 46/2006, 107/2009, 99/2011 and 108/2016) and Article 17 of the Rulebook on Contents and Form of an Offer for Takeover of Shares (“Official Gazette of the RS”, No. 7/2017), Management of Energoprojekt Holding Plc. is hereby

PUBLISHING

**OPINION RELATING TO TAKEOVER BID**

**of the related persons acting in concert, which are Mr. Dobroslav Bojović, Napred razvoj Plc. Belgrade, Construction Company Napred Plc. Belgrade, Montinvest properties Ltd. Belgrade and Jopag AG Vaduz, Switzerland**

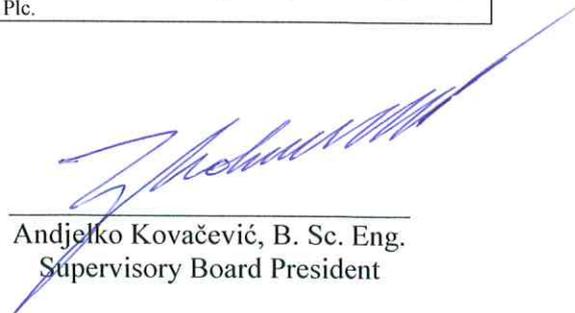
**A general note:** Due to all the irregularities in the course of the takeover procedure, Company Management instituted relevant proceedings before the Securities Commission due to illicit dealings in equity market, Prosecutor’s Office for organized crime, Anti-Money Laundering Directorate, Tax Police, Commercial Court in Belgrade for exclusion from the Company, Commercial Court in Belgrade for determining nullity of the agreement on joint construction of facilities in Block 26, State Attorney’s Office, Commission for Protection of Competition and the National Bank of Serbia. We expect that the above listed authorities will, while acting *ex officio*, determine all the facts of relevance so if the takeover procedure were to take place before completion of these proceedings irreparable damage that could not be removed or mitigated later on would be incurred.

<p>Opinion on price offered</p>	<p><b>Offered price of RSD 1.501,00 per share of the target company is not adequate and it is lower than the accounting value of individual shares of RSD 1,761.40.</b></p> <p><b>The related parties that are acting in concert as the Bidder has not delivered their offer for the subsidiary companies Energoprojekt Entel Plc. and Energoprojekt Garant Ltd., despite the fact that they were ordered to do so by means of the <i>Decision of Securities Commission of the Republic of Serbia, No. 6/0-40-289/133-17</i> and they did not provide prior consent from the National Bank of Serbia for acquisition of qualified indirect equity share in Energoprojekt Garant Ltd. in compliance with the act of the NBS No. KG 2219/9/17.</b></p> <p>The price of RSD 1,501.00 per share, which was offered by the issuer Energoprojekt Holding Plc., is not relevant here, since the person acquiring the shares, i.e. the related parties that are acting as the Bidder, made such offered price only after the Commission for Securities determined that these persons were related and that they, by concealing their concerted action, committed violation of <b>Articles 4, 5 and 41a, paragraph 1</b> of the Law on Takeover of Joint Stock Companies, i.e. Commission for Securities of the Republic of Serbia, by means of the above mentioned decision, prohibited the related parties acting in concert as the Bidder from voting following January 31, 2017, and ordered them to submit an application to the Commission for Securities within the legally prescribed time limit for approval of their offer for takeover of shares of Energoprojekt Holding Plc, Energoprojekt Entel Plc. and Energoprojekt Garant Ltd. Upon inspection of the Bidder’s Offer and dates when the shares were acquired (point 4.8 of the Offer), we have established the following:</p> <ul style="list-style-type: none"> <li>• The related parties comprising the Bidder, during the period following January 31, 2017, contrary to the Article 36 of the Law on Takeover of Joint Stock Companies, jointly acquired the total of 568.835 shares of the target company, Energoprojekt Holding Plc., at different prices which were lower than the offered price of RSD 1.501 per share. Thus, the price was set according to manipulative criteria, since the persons selling the shares sold these shares without being aware of the occurrence of the obligation to publish the takeover bid for the Bidder, which would have contained the price whereby the shareholders’ interests would be protected, had it been published in compliance with the law.</li> <li>• Thus, we are of the opinion that the relevant price cannot be determined on the basis of illegal transactions in the Belgrade Stock Exchange, purchase of shares of the target company Energoprojekt Holding Plc. by Napred razvoj Plc. and Jopag AG Switzerland, members of the related parties acting as the Bidder, as it was stated in point 3.3. of the Bid; Sufficient proof of illegality of these transactions can be found in the very dates of the trade conducted on Belgrade Stock Exchange – on April 3, 2017, April 7, 2017, April 10, 2017, April 12, 2017, April 18, 2017 and May 23, 2017, which were realized in spite of the ban on acquiring the shares of the target company under the decision of the Commission for Securities No. 6/0-40-289/133-17 and contrary to Article 36 of the Law on Takeover of Joint Stock Companies.</li> </ul>
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Opinion on the intention of the Bidder with regard to the future business operations of the target company	The intentions of the Bidder in respect of the future business operations presented in the Bid are of no relevance. In addition to the irregularities determined in the <i>Decision of the Commission for Securities of the Republic of Serbia No. 6/0-40-289/133-17</i> , the enclosed abbreviated income statement of the related parties of the Bidder corroborate their over-indebtedness and debt above the shareholders' equity level. We are thus of the opinion that the Bidder did not present truthful or authentic intentions and we are hereby expressing our expectations that the competent institutions with which Energoprojekt Holding Plc. filed relevant accusations, evidence and applications, will sanction these unauthorized and illegal activities in compliance with the law.
Opinion on strategic plans of the Bidder with regard to the target company and potential consequences of the realisation of the above presented plans on the employment policy and equal status of employees in the target company, including material changes in criteria for employment	The related parties that are acting as the Bidder did not present their strategic plans with a sufficient level of details with regard to the target company and subsidiaries of the target company in the country or abroad, which make a complex system of companies that are pursuing their business activities in the Republic of Serbia, in Algeria, Ghana, Nigeria, Uganda, Rwanda, Zimbabwe, Zambia, Botswana, Belarus, Russia, Kazakhstan, Oman, United Arab Emirates, Qatar, Bahrain, Great Britain, Germany and Peru.  The related parties that are acting as the Bidder did not prove their business capacity by means of their own companies whose abbreviated income statement were enclosed with their Offer.  From the experience of the former employees and from the publicly available data on employment policy and attitude towards the employees in Napred razvoj Plc. Belgrade, we learnt that following the takeover of Napred Plc. by Dobroslav Bojovic and companies under his control, a large number of employees of that company was laid off shortly afterwards and also that the salaries of employees who remained employed with it were reduced significantly. In addition to that, on occasion of share purchase in the takeover procedure, the price of shares was reduced in excess of eight times, which can be corroborated by the court decision passed in proceedings initiated upon the action filed by small shareholders of Napred razvoj Plc. Belgrade. It can be concluded from all the above said that the same series of events can reasonably be expected to ensue in the case of takeover of Energoprojekt Holding Plc. Belgrade as well, with the only difference being that the Energoprojekt Holding Plc. Belgrade, as the parent company, could be able to exert some influence over the employment policy in all the subsidiary companies and thus a significantly larger number of employees would be affected by that and damaged in case of a successful takeover.
State whether there were any negotiations between the Bidder and persons with which the Bidder acts in concert on one side and the Management members on the other side in relation to the offer for takeover of shares, inclusive of the outcome of such negotiations.	There were no discussions or negotiations between the members of Supervisory Board, Executive Board or the General Director with the related parties that are acting as the Bidder concerning the Bid.
Information on any contracts or agreements between the Bidder and the persons acting in concert with the Bidder and the Management members, which pertain to payments of gratuities and/or other benefits to the Management members because to the early removal owing to takeover of control over Company management or which pertain to further conducting of jobs of such members	There are no contracts or agreements, either written or verbal, between the Management members with the related persons acting in concert as the Offeror.
If any false information was indicated in the takeover bid for shares, truthful contents of such information should be stated here.	Due to continuous illegal and manipulative behaviour and actions of all the members from the group comprising the Bidder, which were undertaken in the equity market over an extended period of time preceding the publication of their Bid, there is doubt regarding the accuracy, truthfulness and legality of information presented in the Bid.
Clear expression of the opinion of the Management on whether they support the takeover bid or not.	Management of Energoprojekt Holding Plc. Belgrade unanimously do not support the Takeover Bid due to the above stated reasons, and primarily due to the multitude of illegalities, distrust in the professional, financial and ethical capacity of the related persons acting as the Bidder, as well as due to the dubious activities in the equity market whereby damage has been incurred to Energoprojekt Holding Plc., the shareholders, equity market, as well as to the Republic of Serbia which is the single largest shareholder of Energoprojekt Holding Plc.

In Belgrade, on July 14, 2017



  
Andjelko Kovačević, B. Sc. Eng.  
Supervisory Board President

ENERGOPROJEKT

Unitary Trade Union Organisation

Presidency

In Belgrade, on July 18, 2017

ENERGOPROJEKT HOLDING Plc.

SUPERVISORY BOARD

Ref.: OPINION OF THE UNITARY TRADE UNION ORGANISATION OF ENERGOPROJEKT

The Unitary Trade Union Organisation is fully supportive of the efforts to protect the interests of the state, shareholders and employees of Energoprojekt by all means available.

Property that is currently owned by Energoprojekt has been acquired over decades, through laborious and devoted efforts and work of generations of employees. Since Energoprojekt is the last in a series of Companies that survived the era of illegal privatisations, its employees hope that the Republic of Serbia will protect Energoprojekt and take all the measures to prevent any impact of the ownership structure of the Company on its employment policy and attitude towards its employees, and in particular that it would not lead to any layoffs of employees. It would lead to a further increase in unemployment rate, which is contrary to the efforts of the state. We are aware that until now, Energoprojekt has never faced such a turning point, and the Trade Union is uncompromisingly fighting for the rights and jobs of its employees. The international reputation of this state is at stake here as well, and these are not the things that could be traded with.

Bearing in mind all the above said, we believe that the Republic of Serbia, its state institutions and Energoprojekt will take all the legally permitted measures to ensure that the laws of equity market and of the takeover procedures are respected completely, in order to protect the interest of employees, their families and all the shareholders of the most powerful Serbian construction giant, the Energoprojekt Company.

Sincerely Yours,

Presidency of the

UNITARY TRADE UNION ORGANISATION  
ENERGOPROJEKT

Miroslav Drekić

