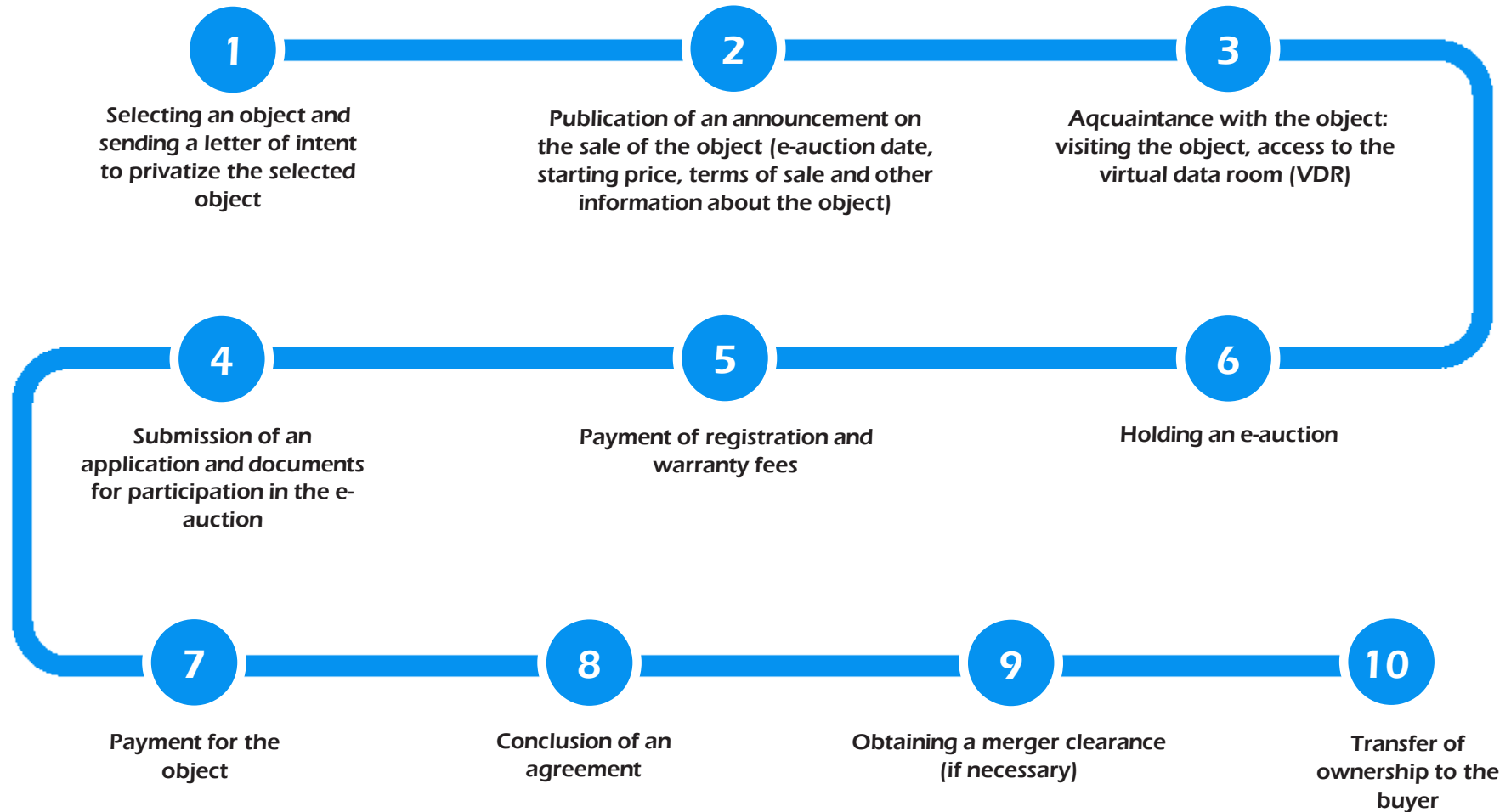




Small privatization

Guide for investors

Privatization Schedule



1. Selecting an object and sending a letter of intent to privatize the selected object



- 1 Studying the lists of small-scale privatization objects subject to privatization published on the official website of the State Property Fund of Ukraine and selecting an object that meets the established requirements by a potential buyer.

Lists of small-scale privatization objects are published on the official website of the State Property Fund in the section: "Activities/Privatization Objects/Small Privatization/Lists of Small-scale Privatization Objects" or at the link: <https://www.spfu.gov.ua/ua/content/spf-privatization-objects-perelik-obektov-na-god.html> .

More detailed information about the privatization object that interested you can be found on the promotional page of the State Property Fund: <https://privatization.gov.ua/> or in the e-trading system Prozorro.Prodazhi (hereinafter - ETS).

- 2 Prepare and send to the privatization authority a letter of intent to privatize the selected object (this provision of the Law is valid for the period of martial law, clause 7⁴(4) of Section V "Final and Transitional Provisions" of the Law of Ukraine "On Privatization of State and Communal Property« (hereinafter – the Law)).

2. Publication of an announcement about the sale of the object



1 The e-auction commission develops the terms of sale of the object after the privatization authority receives a letter of intent to privatize it from a potential buyer, determines the starting price and the date of the e-auction.

2 The privatization authority publishes an information notice on the privatization of the object in the ETS and on the official website of the State Property Fund, indicating the date of the e-auction, starting price, terms of sale and other information about the object.



The e-auction for the sale of a small-scale privatization object is held no earlier than five business days and no later than 20 business days from the date of publication of the information notice on the sale of the object in the ETS and on the website of the State Property Fund.

3. Acquaintance with the object



1

Acquaintance with the quantitative and qualitative characteristics of the privatization object.

A visit to the object is carried out by prior arrangement with a representative of the balance sheet holder/enterprise whose contacts are indicated in the information notice on sale.

2

Discover the documents and information on the object uploaded to the VDR.

The link to the VDR is placed directly in the card of the privatization object on the Fund's promotional page: <https://privatization.gov.ua>

Conclusion of a non-disclosure agreement (in case of sale of Unified property complexes of state enterprises or a block of shares/part of a business company and such information is in the VDR).

3

Samples of the application and agreement are available on the Fund's promotional page in the section "How to buy / How to get more information about the object? How do virtual data rooms work?"

4. Submission of an application and documents for participation in the e-auction



1 Register on one of the platforms.

The Prozorro.Sale portal contains a list of platforms for each e-auction where the object can be sold.

2 An application for participation in the e-auction is submitted through your personal account by filling out an electronic form and uploading electronic copies of documents:

- **for a legal entity:** application for participation; a statement that the potential buyer does not fall under the restrictions provided by the second part of Article 8 of the Law; documents stipulated by clauses 3, 4 and 5 of the seventh part of Article 14 of the Law;
- **for an individual :** an application for participation; a statement that the potential buyer is not subject to the restrictions provided for in part two of Article 8 of the Law; documents provided for in paragraphs 1, 2, 4, 5 of part seven of Article 14 of the Law.

Potential buyers can submit applications and documents in electronic form with the qualified electronic signature.

The application for participation in the e-auction shall contain a closed price offer. Prior to the deadline for accepting applications for participation in the e-auction, participants have the right to cancel or amend them.

Any closed price offer of a bidder duly submitted through the e-platform to the ETS is considered to be an agreement with the proposed terms of sale of the privatization object. The closed price offer cannot be lower than the starting price of the privatization object.

In case of cancellation of the closed price offer, the guarantee and registration fees shall be refunded to such participant by the e-platform operator within three business days following the day of such cancellation.

5. Payment of registration and warranty fees



1

The registration and guarantee fees shall be paid to the account of the e-platform operator through which the application for participation in the e-auction is submitted.

The Registration fee is 0.2 of the minimum wage as of January 1 of the current year.

The Guarantee fee is 20% of the starting price of the lot. If two e-auctions for the sale of this object did not take place due to the disqualification of the winner, the guarantee fee is the greater of 50% of the starting price of the small-scale privatization object or 30 minimum wages as of January 1 of the year in which the information notice is published.

The guarantee fee for participation in an electronic auction in cash will be considered paid once it is deposited into the bank account of the electronic platform operator. This must be done no later than one hour before the deadline for accepting applications for participation in the e-auction or closed price offers.

After the e-auction is over, the security deposits are returned by the e-platform operator to potential buyers who did not win the e-auction within a period not exceeding 10 business days from the date of approval of the e-auction protocol by the SPFU.

The Guarantee fee is not refunded to the winner of the e-auction, but is credited to the payment for the privatization object, minus the fee for participation in the e-auction.

2

E-auction participation fee is the amount deducted by the e-platform operator from the Guarantee fee paid by the winner of the e-auction in the amount of up to 4% of the sale price of the object, including VAT. In case of cancellation of an e-auction, the fee for participation in the e-auction shall be refunded to the winner of the e-auction in full within 10 business days from the date of publication of the decision to cancel the e-auction in the ETS.

6. Conducting an e-auction

1 The e-auction is held in the presence of at least 2 bidders.

The e-auction shall start automatically at the time and date specified in the information notice in the e-trading system.

The winner of the e-auction is determined by automatic evaluation of the bidders' price offers by the e-trading system after the last round of the e-auction is completed and the result records of the e-auction is formed.

If only one application is submitted, the result records is formed stating that there is only one participant. Such a participant shall sign the result records of the e-auction and submit it to the operator of the e-platform through which it submitted an application for participation in the e-auction within three business days from the date of its formation by the ETS.

2 Upon completion of the ETS e-auction, a result records are formed:

- the winner and the operator of the e-platform shall sign the result records of the e-auction within 4 days from the date of formation of the result records;
- the privatization body checks the application for participation and the attached documents/information of the e-auction winner, and approves the result records within 7 working days from the date of its formation.

All parties sign the result records with the qualified electronic signature, unless the winner of the e-auction insists on a paper form of the result records.

7. Payment for the object

1 The winner pays the sale price of the object to the account of the privatization body within 20 business days from the date of the result records. The part of the guarantee fee remaining after deduction of the e-auction participation fee is credited when paying for the privatization object.

2 The object of privatization may be acquired at the expense of both the buyer's funds and creditor funds.

A creditor cannot be a person who cannot be a buyer in accordance with part two of Article 8 of the Law. The successful bidder must provide information about the relevant creditor and documentary evidence that the creditor is willing to consider providing the relevant amount of financing.

8. Conclusion of the contract and signing of the acceptance certificate



1 The sale agreement of the privatization object is concluded between the privatization body and the winner of the e-auction after payment in full of the sale price of the object within 25 business days from the date of the result records.

2 If it is necessary to prepare documents for the notarization of the object sale and purchase agreement, a preliminary object sale and purchase agreement shall be concluded between the privatization body and the winner of the e-auction by decision of the privatization body. The preparation of documents for notarization is carried out at the expense of the winner of the e-auction. The sale and purchase agreement must be concluded within 60 business days from the date of the preliminary agreement.

The object sale and purchase agreement shall include the terms and conditions stipulated in the information notice on its privatization.

At the buyer's request, the preliminary sale agreement and the sale agreement, which do not require notarization, may be concluded in the form of an electronic document and signed by the qualified electronic signature.

3 The privatization object acceptance certificate (except for a shareholding) is signed on the day of the agreement, unless the law requires obtaining a permit from the Antimonopoly Committee of Ukraine for concentration.

1 The buyer shall obtain a permit from the Antimonopoly Committee of Ukraine for direct or indirect acquisition of shares (stakes) in the amount that ensures the achievement or exceeding of 25 or 50 percent of the votes in the supreme management body of the relevant business entity, as well as assets in the form of a single property complex or structural unit of the business entity.

2 **The winner of the e-auction is not required to obtain a merger clearance if:**

- the value of the assets of the privatization object (Unified property complexes or a block of shares (share) of which is the object of privatization), taking into account the control relations, for the last financial year;
- the volume of sales of goods in Ukraine of the business entity whose shareholding (stake) or Unified property complexes is the object of privatization, taking into account control relations, for the last financial year;
- the sale price of the privatization object does not exceed the amount equivalent to EUR 4 million as of the last day of the financial year.

10. Transfer of ownership to the buyer

1

If the law does NOT require obtaining a permit from the Antimonopoly Committee of Ukraine for concentration:

- when selling the Unified property complexes, the ownership of the object is transferred to the buyer after the conclusion of the sale and purchase agreement and signing of the acceptance certificate;
- when selling a block of shares, the ownership is transferred to the buyer after the conclusion of the sale and purchase agreement and from the moment the block of shares is credited to the buyer's securities account in a depository institution.

2

In case the law requires obtaining a permit from the Antimonopoly Committee of Ukraine for concentration:

the transfer of the privatization object to the buyer/accounting of shares to the buyer's account is carried out by the seller within five business days from the date of receipt by the seller of a certified copy of such authorization from the buyer.



If the winner of the e-auction refuses to sign the e-auction result records, the sale and purchase agreement, or to pay the sale price, the guarantee fee is not refundable, and such a participant is deprived of the right to participate in subsequent e-auctions for the sale of the same object.



**The best objects for investment are
on
www.privatization.gov.ua**

**Good luck with your
investment!**

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