

Information
on a contest for selection of an advisor to provide preparation services for privatization
and sale of 99.9895 per cent of the shares in the authorized capital of
JSC “Odesa CHP”

Information on the privatization objects

YeDRPOU Code: 05471158.

Full name: Joint-Stock Company “Odesa Combined Heat and Power Plant”.

Location: 29, Tserkovna St., Odesa city, 65003, Ukraine

Telephone: +38 (048) 723 12 94.

The main activity as per the Classifier of Economic Activities: 35.11. Electricity generation.

It is offers to sell the shares in an amount of 174,083,240 units, which is 99.9895 per cent of the authorized capital of the company.

Contest grounds and procedure

The Contest for selection of an advisor to provide preparation services for privatization and sale of the stock of shares of JSC “Odesa CHP” at the auction with the terms is carried out pursuant to the Resolution of the Cabinet of Ministers of Ukraine of January 16, 2019, No. 36 that approved the list of large privatization objects of state-owned property to be privatized in 2020, as well as the Order of the State Property Fund of Ukraine No. 759 “On the Decision on Privatization of the State-Owned Stock of Shares of the Joint-Stock Company “Odesa CHP” (YeDRPOU Code 05471158)” dated 08.06.2018.

The Contest procedure for selection of an advisor to provide preparation services for privatization and sale of the stock of shares of JSC “Odesa CHP” is established by the Law of Ukraine “On Privatization of State and Communal Property” (hereinafter referred to as the “Law”), the Procedure for engaging advisors in the process of state-owned objects privatization, approved by the Resolution of the Cabinet of Ministers of Ukraine No. 878 dated 30.11.2016 (as amended) (hereinafter referred to as the “Procedure”), the Regulations on the competition commission for selection advisors in the process of privatization of state-owned objects, approved by the Order of the State Property Fund of Ukraine No. 458 dated 29.03.2018, registered with the Ministry of Justice of Ukraine on April 18, 2018 under No. 471/31923 (hereinafter referred to as the “Regulation”).

In accordance with paragraph 3 of the Procedure and Article 19 of the Law, as well as part two of Article 8 of the Law, there is a list of persons who are not allowed to be advisors, namely:

- legal entities, the beneficial owners of 10 or more per cent of shares (stakes) of which are a resident of the state recognized by the Verkhovna Rada of Ukraine as the aggressor state. This provision does not apply to legal entities whose shares are admitted to trading on foreign stock exchanges according to the list of the Cabinet of Ministers of Ukraine, except for legal entities that are residents of the aggressor state;

- individuals - citizens and / or residents of a state recognized by the Verkhovna Rada of Ukraine as an aggressor state;

- legal entities registered in accordance with the legislation of the states included by the FATF in the list of states that do not cooperate in the field of combating money laundering, as well as legal entities, 50 or more percent of the authorized capital of which is owned directly or indirectly by such persons;

- legal entities whose information on beneficial owners is not disclosed in violation of the requirements of the Law of Ukraine “On State Registration of Legal Entities, Individuals - Entrepreneurs and Public Associations”;

- individuals and legal entities in respect of which special economic and other restrictive measures (sanctions) have been applied in accordance with the Law of Ukraine “On Sanctions”, as well as persons associated with them;

- persons who were a party to the sale of the privatization object in Ukraine and with whom the contract of sale of the privatization object was terminated due to a violation by such persons, as well as persons associated with them.

Entities being imposed with sanctions are not allowed to participate in the contest in accordance with the Decree of the President of Ukraine dated May 14, 2020 No. 184/2020, which put into effect a Decision of the National Security and Defense Council of Ukraine dated May 14, 2020 “On the Use of Personal Special Economic and Other Restrictive Measures (Sanctions)” and the Law of Ukraine “On Sanctions”.

Main purpose, objectives and list of advisor’s services, including the maximum terms for preparation of the privatization object for sale

The main purpose of Advisor on sale of state-owned stock of shares of JSC “Odesa CHP” is increase enterprise investment attractiveness, the sale of state stock to the efficient owner and maximum revenue to the State Budget.

List of advisor’s objectives on sale of the stock of shares of JSC “Odesa CHP” defined by Article 19 of the Law of Ukraine “On Privatization of State and Communal Property” is as follows:

- collecting information and conducting analysis of economic, technical and financial indicators of the company’s activity;
- bringing the main indicators of the company’s accounting records in line with accounting standards;
- auditing;
- preparation of a financial model and determination of the company investment attractiveness, possible ways of its improvement, ways of restructuring of accounts payable, recommendations on setting base prices and tariffs for goods and services, marketing policy, and other events;
- determination of the opening price;
- preparation of an information package on the privatization object for potential investors;
- preparation of documentation on the enterprise in accordance with the requirements of legislation on the protection of economic competition;
- preparation of environmental audit documentation;
- conducting activities to search for potential investors.

List of advisor’s objectives on sale of the stock of shares of JSC “Odesa CHP” defined by the Procedure for engaging advisors in the process of state-owned objects privatization:

- providing scanned copies of all documents analyzed in the information collection report;
- conducting a SWOT analysis of the object. Analysis of the competitive environment in Ukraine and international markets;
- development of a set of measures for crisis management of problem debts of an object
- conducting an inspection of the Object (Due Diligence), including:
 - General Due Diligence is an inspection of all aspects of the company’s activity, including legal issues, financial status, taxation issues, management quality, business activity, and company place on the market;
 - Financial Due Diligence provides the opportunity to assess the financial status of the company, to inspect its assets and liabilities in terms of their quality and real evaluation (particularly, presence of unregistered liabilities or high value of assets may significantly impair financial status in future);
 - Tax Due Diligence is a detailed analysis of tax risks as a subject of a separate inspection;

- Legal Due Diligence is an analysis of legal aspects of the company’s activities, such as legality of privatization, registration of licenses, contracts, labor law compliance, etc;
- Operational Due Diligence is an inspection of the company’s activities, in particular, availability of opportunities to increase production, taking into account market capacity, and product quality assessment;
- Technological Due Diligence focuses on the study of production technologies, security and condition of production equipment, environmental friendliness.
 - development of a draft enterprise strategy and corresponding target financial model to maximize enterprise value.
 - organization of a virtual data room and provision of access to potential buyers.
 - preparation of an advertising enterprise booklet (teaser) in electronic and paper forms in Ukrainian and English (at least 50 hard copies in each language).
 - preparation of an object presentation in electronic and paper forms in Ukrainian and English (at least 50 hard copies in each language).
 - preparation of consolidated advertising information regarding the privatization object for potential buyers (in Ukrainian and English).
 - preparation of marketing information for potential buyers on the market where the privatization object operates (in Ukrainian and English).
 - providing recommendations on the terms of an auction in accordance with the article 26 of the Law of Ukraine “On Privatization of State and Communal Property”.
 - conducting activities to find potential investors.
 - contact with potential investors, including identification and distribution of presentation materials.
 - formation of an expanded list of potential investors.
 - formation of a final list of potential investors.
 - support cooperation of potential investors with the Fund’s representatives.
 - participation in negotiations with company creditors.
 - distribution of an investment memorandum and a letter with a sale procedure.
 - support of the auction.
 - ensuring fulfillment of the requirements for payment of advisor’s services in accordance with the second clause of paragraph 6 of the Procedure, which in the fixed amount is no more than 0.5% of the value of the assets of the company in the amount of the parts owned by the state with respect to the financial statements for the last financial year; in the case of sale of the privatization object, the size of the variable part is no more than 2% of the value of the sold privatization object.

Payment for the services of an advisor is carried out in accordance with the agreement on the provision of advisor services, namely:

- 80% of the fixed remuneration after the advisor fulfills stages 1, 2 and 3 of the agreement and the approval of the terms of sale by the Cabinet of Ministers of Ukraine;
- 20% of a fixed remuneration after the advisor has completed the 4th stage of the contract and in the case of the sale of the privatization object.

List of the advisor’s services:

- preparation of JSC “Odesa CHP” for privatization;
- sale of the stock of shares of JSC “Odesa CHP”.

Maximum preparation period by the advisor of the stock of shares of JSC “Kryvyi Rih CHP” for sale is 2 (two) months (the period from the day the adviser is determined by the Cabinet of Ministers of Ukraine until the date of signing between the advisor and the State Property Fund of Ukraine of the Acceptance and Transfer Certificate of Services for stage 3).

Term and procedure for the contest documentation submission

Contest documentation should be submitted no later than **15 hours 45 minutes on February 05, 2021.**

Contest documentation is submitted to the following address: 18/9, Heneral Almazov St., Kyiv, 01133, State Property Fund of Ukraine, Room 814, every day from 08.00 to 17.00; from 08.00 to 15.45 on Fridays; from 08.00 to 16.00 on pre-holiday days.

Application for participation in the contest may be submitted in advance to the following e-mail: maya@spfu.gov.ua.

Confirming documents and contest proposal are submitted in separate sealed opaque envelopes with indication of the name of contest and inscriptions "Confirming Documents" and "Contest Proposal", respectively.

List of the documents to submitted for participation in the contest

Applicants submit the following competitive documentation to the Fund:

- application for participation in the contest;
- confirming documents;
- contest proposal;
- essential conditions for inclusion in the agreement for the provision of adviser services.

The application must be drawn up in the form approved by the order of the State Property Fund of Ukraine dated 05.10.2017 No. 716, registered with the Ministry of Justice of Ukraine on May 24, 2017 under No. 661/30529.

APPLICATION

on participation in the contest for selection of an advisor to provide services for preparation for privatization and sale of state-owned object

Applicant _____

(legal entity name or name, surname of individual)

Legal entity identification code in the National State Registry of Ukrainian Enterprises and Organizations _____

Tax payer registration card number or passport series or number (for individuals who, according to their religious beliefs, do not have a tax payer registration card number, duly notified the relevant regulatory authority and have a mark in the passport on the right to make payments by passport series and number) _____

Location (place of residence) _____

Telephone	Telefax	E-mail
<input type="text"/>	<input type="text"/>	<input type="text"/>

Please allow to participate in the contest for selection of an advisor to provide services for preparation for privatization and sale of state-owned object _____

(full name of state-owned object)

<input type="text"/>	Head of legal entity	<input type="text"/>	Person entitled to perform actions on behalf of a legal entity (without power of attorney)	<input type="text"/>	Authorized person (by power of attorney or other document confirming his authority)	<input type="text"/>	Individual
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(name, surname)

(signature)

(date)

Confirming documents are:

- a duly certified copy of a document confirming authority of a person who signed the application for participation in the contest (in the case of signing the application by the authorized representative);
- a copy of an identification document (for individuals);
- duly certified and legally authorized copies of constituent documents in cases provided by law (for non-resident legal entities);
- information on availability of experience in performing similar objectives;
- information on compliance with the criteria specified in paragraph 5 of the Procedure for involvement of advisors in the process of privatization of state-owned objects (presence of the applicant's representative office and possibility of attracting other consultants, qualifications, experience, knowledge, and skills for performance of such objectives, effectiveness of the proposed method of preparation for sale by the applicant, sale strategies, level of logistics and project organization, proposed dates of preparation for sale and sale of the privatization object);
- an extract from a commercial, bank, judicial register or other official document confirming registration of a foreign legal entity in the country where the head office of such legal entity is registered and contains information on location of such person, composition of participants (shareholders), manager (for non-resident legal persons);
- for legal entities, documents on distribution of authorized capital among its shareholders (participants), founders, information on all legal entities and individuals, which directly or indirectly exercise control over a contest participant, including individuals, ultimate beneficiary owners (controllers) in accordance with the paragraph 2 of the Article 8 of the Law of Ukraine "On Privatization of State and Communal Property".

Contest proposal should contain the expected results of the advisor's activity, main stages and terms of work, form of reporting to the Fund, proposals for payment for advisor services, and sources of funding of such services.

Documents made in a foreign language, contained in the contest documentation should be translated, and in cases provided for by law authorized in accordance with the established procedure.

E-mail for correspondence: maya@spfu.gov.ua.

Information on the contest language: contest language is Ukrainian.

Date, time and place of the contest (including the first and second stage):

The first stage of the contest for selection of an advisor will be held on **February 11, 2021** at 11 hours 00 minutes at the premises of the State Property Fund of Ukraine at the address: 18/9, Heneral Almazov St., Kyiv, 01133, Room 303.

The second stage of the contest for selection of an advisor will be held on **February 18, 2021** at 11 hours 00 minutes in the premises of the State Property Fund of Ukraine at the address: 18/9, Heneral Almazov St., Kyiv, 01133, Room 303.

Reference phone numbers: +38 (044) 200-33-25, (044) 200-33-10.