

Information

on conducting a competition for selection of an advisor to provide services for preparation for privatization and sale of the stocks of shares of JSC "Kherson CHP" in the size of 99.8328% of the authorized capital of the company, JSC "Dniprovska CHP" in the size of 99.9277% of the authorized capital of the company, JSC "Kryvyi Rih CHP" in the size of 99.9864% of the authorized capital of the company and State Enterprise "Severodonetsk CHP"

Information on the Privatization Objects

YeDRPOU Code: 00131771.

Full name: Joint-Stock Company "Kherson Combined Heat-and-Power Plant"

Location: 73000, Kherson Oblast, Kherson city, 1 Beryslavske Highway.

Telephone: +38 (055) 235-24-56.

The main activity as per Classifier of Economic Activities: 35.30 Supply of steam, hot water and conditioned air.

The cost of assets as of 31 December 2017: 454,081 thousand hryvnias.

A state-owned stock of shares is proposed for sale in the amount of 118,767,348 shares, which is 99.8328% of the authorized capital of the company.

YeDRPOU Code: 00130820.

Full name: Joint-Stock Company "Dniprovska Combined Heat-and-Power Plant"

Location: 51925, Dnipropetrovska Oblast, Kamianske town, 2 Zavodska St.

Telephone: +38 (0569) 55-00-33.

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

The cost of assets as of 31 December 2017: 1,216,930 thousand hryvnias.

A state-owned stock of shares is proposed for sale in the amount of 101,565,404 shares, which is 99.9277% of the authorized capital of the company.

YeDRPOU Code: 00130850.

Full name: Public Joint-Stock Company "Kryvyi Rih Combined Heat-and-Power Plant"

Location: 50014, Dnipropetrovska Oblast, Kryvyi Rih city, 1 Electrychna St.

Telephone: +38 (056) 499-96-80.

The main activity as per Classifier of Economic Activities: 35.30 Supply of steam, hot water and conditioned air.

The cost of assets as of 31 December 2017: 3,292,298 thousand hryvnias.

A state-owned stock of shares is proposed for sale in the amount of 315,608,160 shares, which is 99.9864% of the authorized capital of the company.

YeDRPOU Code: 00131050.

Full name: State Enterprise "Severodonetsk Combined Heat-and-Power Plant"

Location: 93403, Luhansk Oblast, Severodonetsk town, Severodonetsk CHP.

Telephone: +38 (064) 522-79-07.

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

The cost of assets as of 31 December 2017: 872,971 thousand hryvnias.

Grounds for the Competition and the Procedure for Conducting the Competition

Competition for selection of a advisor to provide services for preparation for privatization and sale of the stocks of shares of JSC "Kherson CHP", JSC "Dniprovska CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP", at the auction with the terms is carried out pursuant to the Order of the Cabinet of Ministers of Ukraine No.358-p dated 10.05.2018, which approves the list of objects of large privatization of the state-owned property to be privatized in 2018, as well as the Order of the State Property Fund of Ukraine No.758 dated 08.06.2018 "On the Decision to Privatize the State-Owned Stock of Shares of the Joint-Stock Company "Kherson CHP" (YeDRPOU Code 00131771)", the Order of the State Property Fund of Ukraine No.759 dated 08.06.2018 "On the Decision to Privatize the State-Owned Stock of Shares of the Joint-Stock Company "Dniprovska CHP" (YeDRPOU Code 00130820)", the Order of the State Property Fund of Ukraine No.760 dated 08.06.2018 "On the Decision to Privatize the State-Owned Stock of Shares of the Joint-Stock Company "Kryvyi Rih CHP" (YeDRPOU Code 00130850)" and the Order of the State Property Fund of Ukraine No.766 dated 08.06.2018 "On the Decision to Privatize the State Enterprise "Severodonetsk CHP" (YeDRPOU Code 00131050)".

The procedure for conducting the competition for selection of an advisor to provide services for preparation for privatization and sale of the stocks of shares of JSC "Kherson CHP", JSC "Dniprovska CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP" is established by the Law of Ukraine "On Privatization of State and Communal Property" (hereinafter the "Law"), the Procedure for Engaging Advisors in the Process of Privatization of State-Owned Objects, approved by the Resolution of the Cabinet of Ministers of Ukraine No.878 dated 30.11.2016 (as amended) (hereinafter 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 18 April 2018 under No.471/31923 (hereinafter the "Regulations").

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.

Additionally, persons who are subject to sanctions in accordance with the requirements of the Law of Ukraine No.133/2017 dated 15.05.2017, which brought into force the Decision of the National Security and Defense Council of Ukraine dated 28.04.2017 "On Application of Personal Special Economic and Other Restrictive Measures (Sanctions)" and the Law of Ukraine "On Sanctions," should not be allowed to competition.

The Main Purpose, Objective and List of Advisor Services, Including the Maximum Terms of Preparation of the Privatization Object for Sale

The main purpose of Advisor on sale of state-owned stocks of shares of JSC "Kherson CHP", JSC "Dniprovsk CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP" is acceleration of economic growth, attraction of foreign and domestic investments, reduction of the share of state or communal property within the structure of the Ukrainian economy by selling privatization objects to the effective owner.

List of objectives of advisor on sale of the stocks of shares of JSC "Kherson CHP", JSC "Dniprovsk CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP" is as follows:

- collection of information and conduction of 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;
- ensuring financial audit;
- preparation of a financial model and determination of investment attractiveness of the company, possible ways of its improvement, ways of restructuring of accounts payable, recommendations on the establishment of basic prices and tariffs for products and services, marketing policy, and other measures;
- determination of the starting price and preparation of the information package concerning the privatization object;
- preparation of documentation on the company in accordance with the requirements of legislation on protection of economic competition and on environmental audit;
- conduction of Due Diligence, particularly:
 - 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 place of the company 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 production activities, particularly, availability of the opportunity for increasing production output, taking into account market capacity, product quality assessment, and review of new developments.
- Technological Due Diligence focuses on study of production technologies, availability and condition of production equipment, environmental friendliness of production.
 - conducting a SWOT analysis of the object, including assessment of competitive positions of an object in Ukraine;
 - carrying out activities aimed at finding potential investors, preparation of an information statement on the study of demand;
 - preparation of presentation materials for potential investors/Data room organization (in Ukrainian and English);
 - providing advices to significant conditions of the sale agreement draft of an object;
 - 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.

List of the Advisor Services:

- preparation of JSC "Kherson CHP", JSC "Dniprovskaya CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP" for privatization;
- sale of the stocks of shares of JSC "Kherson CHP", JSC "Dniprovskaya CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP".

The maximum term for preparation by the advisor of the stocks of shares of JSC "Kherson CHP", JSC "Dniprovskaya CHP", PJSC "Kryvyi Rih CHP" and SE "Severodonetsk CHP" for sale is 4 (four) months from the date of entry of the agreement on provision of advisor's services into force.

Term and Procedure for Submission of Competition Documentation

Competition documentation should be submitted no later than 18 hours 00 minutes on 03.09.2018.

Competition documentation is submitted to the following address: 18/9 General Almazov St., Kyiv 01133, State Property Fund of Ukraine, Room 814, every day from 9.00 to 18.00; from 9.00 to 16.45 on Fridays; from 9.00 to 17.00 on pre-holiday days.

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

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

List of Documents to be Submitted for Participation in the Competition

Applicants submit the following competitive documentation to the Fund:

- application for participation in the competition;
- confirming documents;
- competition proposal;
- significant conditions for inclusion into the agreement on the provision of advisor's services.

The application should be made according to the form approved by the Order of the State Property Fund of Ukraine No.716 dated 10.05.2017, registered with the Ministry of Justice of Ukraine on 24 May 2017 under No.661/30529.

Confirming documents are:

- a duly certified copy of a document confirming authority of a person who signed the application for participation in the competition (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 (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 competition participant, including individuals, beneficiary owners (controllers) taking into account part two of Article 8 of the Law of Ukraine "On Privatization of State and Communal Property".

Competition 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 competition 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 language of the competition: the competition is conducted in Ukrainian.

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

The first stage of the competition for selection of an advisor will be held on 07.09.2018 at 13 hours 00 minutes in the premises of the State Property Fund of Ukraine at the address: 18/9 General Almazov St., Kyiv 01133, Room 303.

The second stage of the competition for selection of an advisor will be held on 17.09.2018 at 13 hours 00 minutes in the premises of the State Property Fund of Ukraine at the address: 18/9 General Almazov St., Kyiv 01133, Room 303.

Reference phone numbers: +38 (044) 200-33-25, (044) 200-32-21.