

Haifa, February 14<sup>th</sup> 2024

**Mr. Loris Rak,**  
**ULJANIK Brodogradnja 1856 Bankruptcy Trustee**  
**Via email: [loris.rak@optinet.hr](mailto:loris.rak@optinet.hr)**

Dear Sir,

Subject: **Expression of interest in purchasing the majority stake of ULJANIK  
Brodogradnja 1856 d.o.o**

1. I hereby approach you on behalf of Israel Shipyards Ltd., a renowned and reputable Israeli corporation, in order to express our interest in acquiring the majority stake of ULJANIK Brodogradnja 1856 d.o.o ("Uljanik"), which we understand is currently owned by the State of Croatia.
2. With experience of more than 60 years in the shipbuilding industry, Israel Shipyards specializes in design, construction, maintenance, marketing and sale of marine vessels - civilian and military - with a significant worldwide clientele and spotless reputation, including, obviously, the Israeli Navy. The company is a subsidiary of Israel Shipyards Industries, a public company whose securities are traded on the Tel Aviv Stock Exchange, with a diverse portfolio of (amongst others) marine-related activities, including ownership and operation of a commercial sea-port, a fleet of cargo vessels, a cement terminal and much more.
3. It is worth mentioning that as of today, to our best knowledge, we constitute the largest or one of the largest customers of Uljanik, due to a large portion of works we outsourced on January 2022.
4. At this stage, we would like to submit a preliminary offer of between five and six million Euros for the majority stake owned by the Croatian State, under terms of payment to be negotiated and subject to halting of the bankruptcy procedures against Uljanik and commencement of direct negotiations between our company and the authorized representatives with regards to Uljanik's outstanding debts, under a no shop obligation for a reasonable period of time.
5. In addition, and as a testament to our earnest proposal and as a part of the overall transaction, we are willing to undertake to ensure in the coming years a flow of projects and works to Uljanik, in a scope to be agreed upon.
6. Should our offer be of interest to you and additional relevant parties authorized to make such decisions (to whom we kindly ask you to forward this our letter), we offer to schedule a meeting in order to explore the possibility of acquisition.
7. We must emphasize that the works undertaken by Uljanik for us is a part of a major defense project for the Israeli Ministry of Defence. This project is of a major importance



to the defense industries of both Croatia and Israel and all parties involved must ensure that it is completed without any further delays or obstacles. Therefore, we kindly request that regardless of the identity of the purchaser of Uljanik, both Uljanik and the new owner will undertake to ensure that our rights under the agreements with Uljanik will not be harmed and that the works will be completed in strict adherence to the agreements, and that sufficient guarantees will be required under the share purchase agreement. Due to the importance of the project, we request that the Government of Croatia will also take the required measures to ensure completion of the project.

Sincerely,

Eitan

**Eitan Zucker, CEO**