



SINCE 1906

Semenarna
Ljubljana

Seed and Packing Company

SEMENARNA LJUBLJANA d.o.o.





PURPOSE OF THE TEASER

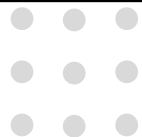
- KF Finance d.o.o. has been retained to act as an exclusive financial advisor in connection with the potential sale **of 100% equity stake in Semenarna Ljubljana d.o.o. (the „Company“)**.
- We hereby invite you to explore this investment opportunity to invest in **one of the leading Slovenian providers of quality seeds and products for the agricultural industry in the wider region.**
- Recipients of this document are expected to provide feedback on possible interest for the purchase of the Company to KF Finance.

GENERAL INFO

About the company Semenarna Ljubljana d.o.o.:

- For over **111 years**, Semenarna Ljubljana has been **cultivating and expanding the assortment of seeds of vegetables, herbs, flowers and arable crops.**
- Semenarna Ljubljana is the leading seed-providing company in the domestic market, while in foreign markets primarily present on the market of former Yugoslavia.
- The development of the company is based on developing its **own products and services**. *Production of basic selected seeds takes place at their own Selection and testing centre in Ptuj.*
- Products and services are marketed under **5 trademarks**.
- The company's head office is located in Ljubljana and beside a strong **wholesale network**, has also **over 30 retail stores** in Slovenia.
- Recipient of the Best Buy Award (2015-2018).
- The company is 100% owned by one legal person.
- Has a total of **237** employees as at 31.12.2018.





SEMENARNA LJUBLJANA'S TRADEMARKS AND PRODUCTS



SEMENARNA LJUBLJANA

Semenarna Ljubljana is a trademark for all seed products: garden crops, flowers and herbs, field crops and grass mixtures. They are developed for those who are engaged in **professional gardening and farming**, as well as for those who consider gardening a beneficial relaxation after a hard day's work.

VALENTIN

VALENTIN

Valentin was designed for those who **cherish beauty and greenery**, and for those who take **gardening as their hobby.** It offers a wide selection of quality seeds of garden crops, flowers, herbs, grass mixtures, fertilizers, soils, decorative bark, and plant protection formulations. The trademark also includes a special line of seeds for **ecological gardening.**

terminator X

TERMINATOR X

Terminator X is the trademark for products used for **protection against various pests** in the garden, on the farm, and in the home. Products are available in various packing, in the form of protective plates, baits, insecticide sprays and powders.

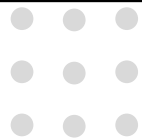
Bonami

BONAMI

Bonami is the trademark of various foods for small animals.

It offers food for cats and dogs, mixtures of quality seeds for various types of birds and rodents and absorbing sand for in-house hygiene of cats.





ESTABLISHED RETAIL BUSINESS – 31 GARDEN CENTERS



Kalia is the service trademark of Semenarna Ljubljana. It includes a *specialised chain of garden centres or retail stores in Slovenia*, which offer products for garden, home, agriculture and pets.

The Company also has an **online store KALIA**.



31

*garden centres / retail stores
across Slovenia*

Sales assortment for garden and home includes:

- *ornamental plants and plants for planting*
- *equipment for home and garden*
- *supply of plants*
- *seeds of vegetables, flowers, ornamental grasses and bulbs*
- *food and equipment for small animals*
- *seeds of arable crops (for professional producers and farmers)*
- *seed potato*

STRONG WHOLESALE NETWORK

Products of Semenarna Ljubljana are based
on their own organised seed production:

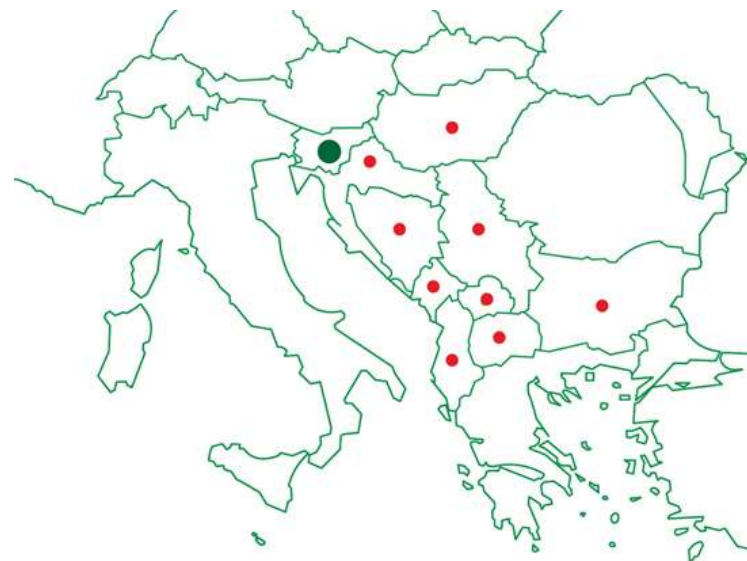
- *Production of basic selected seeds on 46 hectares, at their own Selection centre in Ptuj, established in 1968.*
- *In Celje, the Company has its own production and packaging warehouse.*
- *Production meets the requirements of Slovenian and European standards of expertise, good manufacturing practice and Slovenian and European legislation.*

COMPANY OF NATIONAL IMPORTANCE

Semenarna Ljubljana preserves indigenous Slovenian varieties, domesticated varieties and develops new Slovenian varieties, that are typical for local climate and eating habits. With its own live seed bank, the Company represents an enterprise of national importance.

The company is in systemic importance for seed production in Slovenia, Slovenian agriculture, food supply and finally the Slovenian consumer.

Market presence



Local distributors in*:

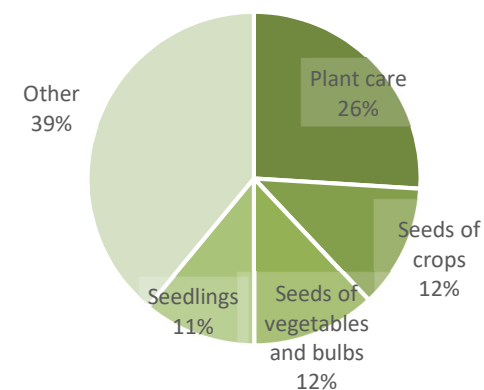
- Croatia
- Bosnia and Herzegovina
- Serbia
- Macedonia
- Montenegro
- Kosovo
- Albania
- Bulgaria

**In 2018 the Company has entered new markets (Germany and France).*

Semenarna Ljubljana's KEY FINANCIALS

EUR thousand	2014	2015	2016	2017	2018
Net sales	27.898	28.049	29.324	29.914	25.048
<i>Retail</i>	19.060	19.317	18.988	18.989	
<i>Wholesale</i>	7.215	7.629	8.895	9.513	
<i>Export</i>	1.624	1.103	1.441	1.412	
Operating expenses	27.472	27.685	29.342	30.094	25.062
Reported EBITDA	1.953	1.774	1.458	1.048	1.503
Reported EBITDA margin	7,0%	6,3%	5,0%	3,5%	6,0%
Reported EBIT	1.082	789	675	-254	1.013
Total Assets at year end	30.832	30.177	29.895	28.268	23.396
Total Equity at year end	824	958	870	2.567	4.158
No. of employees at year end	259	243	229	235	237

Net sales by products in %*

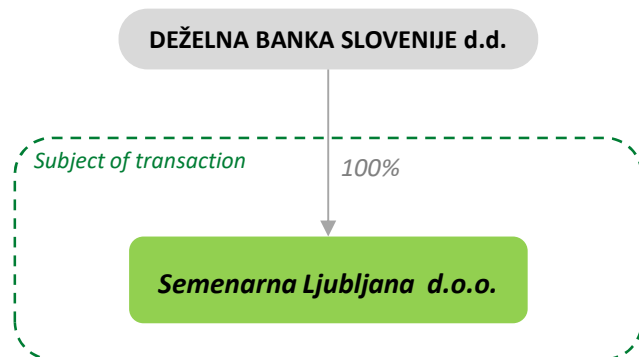


* Note: Data from year 2017

- In 2017, the Company successfully completed the compulsory settlement procedure.
- Sales in the main season (March, April, Maj) on average represents 50% of annual sales, which shows that the Company's revenues are conditioned by the seasonal nature of industry itself.
- Business operations are strongly influenced by weather conditions.



TRANSACTION STRUCTURE



Timeline of the sales' process will be more clearly defined in the process letter.

NEXT STEP IN THE PROCESS

- Potential investors interested in receiving descriptive **Information Memorandum** will be asked to sign the attached **Confidentiality Agreement**.
- After signing Confidentiality Agreement, potential investors will also receive the **Process Letter**, with detailed description of process schedule, activities and deadlines.
- KF Finance has been appointed to act as an exclusive financial advisor in connection with this transaction.
- Semenarna Ljubljana d.o.o. or its sellers should not be contacted directly by potential investors or their advisers. All correspondence regarding this transaction should be addressed to KF Finance.

All enquiries regarding this transaction should be addressed to KF Finance d.o.o.

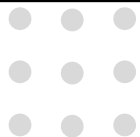
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DISCLAIMER

- KF Finance is acting as the financial advisor to the owners („the Seller”) of the company („the Target”) in connection with the sale of the Target.
- The advisor has prepared this Teaser solely based on information supplied by the Management of the Target in order to assist potential investors in making their own assessment of the Target and does not purport to comprise all information required for a potential invest or to make a decision with regard to making an investment.
- Potential investors should conduct their own survey and analysis of the Target.
- No information provided herein has been verified by the Advisor on our own account. We assume no representation or warranty as to the accuracy or completeness of this Teaser and shall accept no liability for any representations, either expressed or implied, contained in, or for any omissions from this document or any other written or oral communications transmitted to potential buyers in the course of their evaluation of the Target.
- The Seller of the Target reserve the right to negotiate with one or more potential partners at any time or to enter into a contractual agreement for the sale of the Target without prior notice to any potential investor. The Seller of the Target is at all times entitled to terminate further participation in the analysis and proposal process by any party and to modify other procedures with respect to any acquisition of the Target without providing any reason. Furthermore, the Seller of the Target may at any time terminate the sale process and are under no obligation to enter into any agreement with any potential investors whatsoever.

ABOUT KF FINANCE

- KF Finance d.o.o. is leading financial advisory company in the region of former Yugoslavia. A team of 100 finance professionals in offices in Ljubljana, Zagreb and Belgrade offers clients a comprehensive range of financial advisory services.
- We serve a range of clients from public corporations to privately held companies in numerous industries around the region. Our clients rely on our premier expertise, deep industry knowledge, and unparalleled responsiveness on complex financial matters. For more information, please visit kf-finance.si.
- KF Finance d.o.o. received an award »Sustained Excellence in Financial Advisory – Slovenia«, by the magazine Acquisition International, was recognized as »Business Valuation Company of the Year – Slovenia« by Corporate Live Wire and was awarded »The best boutique investment bank in CEE region«, by the magazine Global Finance.

