

- *This document is a translation of the original document of the “Terms and conditions for the block sale of the operating company Ignapin S.A. in Liquidation (“BOREAL URUGUAY”), in Spanish language.*
- *In all cases the original document in Spanish language will prevail, furthermore the proposals must be presented in Spanish language.*

## TERMS AND CONDITIONS FOR THE BLOCK SALE OF THE OPERATING COMPANY IGNAPIN S.A. IN LIQUIDATION, (BOREAL URUGUAY)

In compliance with the provisions of Decree 210/2024, dated February 20, 2024, issued in the orders entitled "IGNAPIN S.A., Necessary Competition Law 18,387", IUE 2-59899/2023, by the Court "Juzgado Letrado de Primera Instancia de Concursos de 1<sup>er</sup> Turno" and in accordance with the provisions of arts. 171 and 172 of Law 18,387, of October 23, 2008, on the Judicial Declaration of the Bankruptcy and Business Reorganization (LC), this document is prepared for the block sale of the establishment of Ignapin SA in Liquidation, with the content provided for in art. 3 of Regulatory Decree 182, of April 24, 2009 (DR).

### **1. Inventory of the assets and rights that make up the debtor's assets of the company that is proposed to be sold:**

1.1. The company that is sold in block in this tender is made up of the properties registered under numbers 4583 and 7063, and improvements (natural and artificial waters, etc.), located in "Paraje Garibaldi", 3rd Cadastral Section of the Department of Salto, "República Oriental del Uruguay", including the industrial establishment called "Boreal Uruguay", with all the machinery and facilities, as well as merchandise in stock, according to the details described in the attached inventory.

1.2. The properties are not encumbered with a mortgage, nor is there a registered lien on the machinery, or on the merchandise in stock.

1.3. The assets included in the inventory are sold in their current state of conservation (as is) , and it is the responsibility of the tenderer to carry out any verifications that he deems pertinent. No claims from the tenderer deriving from the state of conservation of the goods, defects, or any other concept, will be accepted.

1.4. It is noted that, as stated in the inventory presented with the list of creditors (§§ 3.2.2 and 3.7.2), there are some missing parts in the electrical panels that control each of the drying machines: the PLC (programmable logic units), frequency converters, control monitors and step-down transformers, without which the machines are inoperative. These shortages were considered for the purposes of the appraisal. The supplier company in the United States of America (USA) quoted the replacement of each of the missing units (including software license) at US\$ 71,119.82 (cost at origin). The remaining missing components (400/220 V transformer and 125A ABB frequency converter) can be purchased locally and have a cost of approximately US\$ 4000 for each drying unit.

### **2. Valuation in indexed units (UI) of the assets that make up this block sale:**

2.1. The appraisal value of the machinery, facilities and merchandise that make up the establishment of Ignapin SA in Liquidation, plus the properties, according to the accompanying appraisal, amounts to 42,796,776.75 indexed units (UI). For purely illustrative purposes (the tender

is in UI), the appraisal shows the equivalent in US dollars of liquidation value in parts, as of November 3, 2023: US\$ 6,252,773.34

2.2. It must be kept in mind that this appraisal has been carried out at the liquidation value of the company in parts by one of the expert appraisers whose appointment was approved by Decree 1795/2023, of September 26 (Rdor. Alberto Brun), as it is established in the art. 3 of DR.

2.3. Since this is an appraisal at the liquidation value of the company in parts, the goodwill of the establishment has not been considered.

### **3. Minimum requirements for the acceptance of applicants:**

3.1. Sufficient financial situation and solvency: the financial situation and solvency of the applicant must be proven to continue the business line and fulfill the offer or, in the case of a company without previous activity, of its administrators or representatives, and principals, partners or shareholders. For these purposes, financial statements may be presented accompanied by public accountant reports, bank references, notarial certificates or other elements that prove the indicated points.

3.2. Commercial and professional background: the commercial background of the bidder or, where applicable, of the administrators, representatives, partners, or shareholders, with their respective backgrounds, will be included.

3.3. Capacity for business continuity and compliance with the offer: the experience of the offeror or, where applicable, of the administrators, representatives, partners, or shareholders, in the industrial and related sector, as well as experience in the management of companies in the industry or other elements demonstrating technical capabilities that allow the management of the establishment to be acquired and the fulfillment of the offer. The tenderer must present the business management plan that he plans to carry out, indicating the technical and economic elements on which its viability is based.

3.4. Compliance with labor and tax regulations: if the tenderer has previous commercial or Industrial activity in the country, it must prove compliance with its tax obligations by presenting "unique current certificates" issued by the General Tax Directorate and Social Security Bank. Likewise, if the tenderer is a natural or legal person incorporated in this country, he must prove compliance with the Work Accident Insurance Law, if applicable.

3.5. Prevention of money laundering and terrorist financing: in the case of companies, the tenderer must include information related to their corporate structure for the purposes of adequate identification and knowledge of the final beneficiary, as well as the origin of the funds they propose to allocate to the execution of the project within the framework of current regulations on the prevention of money laundering and terrorist financing.

3.6. Guarantee for the maintenance of the offer: the applicant must provide a bid bond (art. 7 DR), for a value of US\$ 90,000. Said bond may be constituted by deposit or transfer to the account opened in the "*Banco de la República Oriental del Uruguay (BROU)*" at the order of the court and under the heading of the proceedings, or by means of bank guarantee or insurance constituted before a bank or an insurance company duly authorized to act in the market.

The Guarantee for the maintenance of the offer, must be constituted for a minimum period of validity of 180 days counted from the date scheduled for the opening of tenders, without prejudice to the fact that it will be returned or rendered void within 30 days from the date on which the award order becomes final, except for the case of the successful tender.

Once the minimum period of validity has expired or the deed of sale of the establishment has been granted, if this occurs before the expiration of 180 days, the guarantees will be returned to the bidders who do not obtain the award. The guarantee constituted by the successful bidder will be maintained until full payment of the offered price, payable to *"Ignapin SA en liquidacion"* at the sole request of the Court, or may be attributed to the payment of the price or the payment of the fine indicated in this document.

Those bidders who withdraw their offer unjustifiably in the opinion of the Court or who fail to comply with the payment offered, will lose the guarantee established, which will remain in favor of the active bankruptcy estate.

3.7. Address: bidders must establish an address in the city of Montevideo, with individualized contact information and email address, where all notifications sent in relation to this tender will be considered valid.

#### 4. **Base price of the offer:**

4.1. The offer price may not be less than 50% of the total appraisal value at the liquidation value of the company in parts referred to in § 2.1 of this document.

4.2. The tenders must indicate the total amount expressed in UI. If the bid is expressed in dollars or national currency, it will be considered made in its equivalent in UI on the day of its presentation.

4.3. Bidders may submit an offer for a cash purchase and a higher offer to pay in installments (art. 7 DR).

4.3.1. If a proposal is made to pay the price in installments, the tender must indicate the guarantees for payment of the balance of the price. Without prejudice to other forms of guarantee that are considered sufficient by the Court, following a report from the Receivership, the successful bidder may offer to constitute a lien on the shares of the bidding company. The pledged shares will be delivered to the Liquidator, who will retain them until the full payment of the offered price. The pledge will also include the shares that are issued for the non-integrated subscribed capital or for the increase of the integrated or social capital.

If the liquidator opts for the execution of the lien in order to affect these proceeds to the payment of unfulfilled obligations, he may deliver the pledged shares to a public auctioneer for sale at auction, in accordance with the provisions of Decree Law 1396, of June 10, 1878, to collect the corresponding debt with its proceeds. The price resulting from the auction, deducting expenses, must be deposited, or credited to the account opened under the writ to be applied to the payment of the guaranteed obligations. In the event of judicial execution, the tenderer must waive the terms, procedures, and benefits of the executive trial, consenting to the shares being sold at public auction, without minimum price and to the highest bidder.

4.3.2. In the case of installment payment offers, at the time of the deed, the lien will be replaced by the mortgage on the properties that are sold by this tender, releasing the lien on the shares of the offering company. In the mortgage, the executive trial procedures will be waived (art. 377 Law 15,982/1988, of October 18, General Process Code).

4.3.3. The financing of the tender will generate a compensatory effective interest rate of 7.5% annually.

4.4. This guarantee must be constituted within a period of fifteen business days starting from the day following the day on which the award ruling becomes final, in sufficient form for the full payment of the balance of the price, at the expense of the successful bidder. If the guarantee is not sufficiently established within said period, the Judge will revoke the award, with loss of the amounts paid and ordering the payment of the fine, resulting in the second-best bidder as the winner.

4.5. The responsibilities that the Law places in charge of successors or acquirers for commercial, labor, municipal, tax or any other nature obligations will not be borne by the acquirer (art. 177 LC).

#### **5. Forms of presentation of proposals:**

5.1. The proposals must be presented under the main bankruptcy proceedings "**IGNAPIN S.A. - Concurso Necesario, ley 18387**" - IUE 2-59899/2023, at the Court "**Juzgado Letrado de Primera Instancia de Concursos de 1<sup>er</sup> Turno**" (JLC), (1132 San José Street, 3rd floor, Montevideo), until 4 p.m. of the day prior to the day set by the Court for the opening of tenders or their extension, in two sets, original and copy, in a sealed envelope containing the applicant's background information required in this document, supporting documentation, as well as the financial proposal.

5.2. The proposals must indicate on the outside of the envelope the full name or company name of the tenderer under the legend "**Oferta de compra en bloque, en funcionamiento de IGNAPIN S.A. en liquidacion**"

5.3. The original and a copy of the offer must be signed by the tenderer or its representatives. The representation must be accredited by notarial certification or testimony of power of attorney with sufficient powers to participate in this tender and acquire the assets being sold.

5.4. All the data of the natural or legal person in question must emerge clearly from the presentation and an electronic address must be established, for all purposes hereof.

#### **6. Opening of proposals:**

6.1. The opening of bids will take place at the Court "**Juzgado Letrado de Primera Instancia de Concursos de 1<sup>er</sup> Turno**" (1132 San José Street, 3rd floor, Montevideo) at 3 p.m. on May 24, 2024, or on the date for which the Court has decided to extend the deadline for the call for tenders.

6.2. The proposals will be opened, in the presence of the Judge, the Liquidator and other assistants that the former deems appropriate those who have submitted proposals to the tender may attend the hearing.

6.3. A record will be drawn up of the opening of the envelopes, to which the proposals received, their respective amounts and whether in cash or in installments will be incorporated.

#### **7. Bid evaluation criteria:**

7.1. In accordance with the provisions of art. 172, lit. "c", of the LC, the highest cash offer will be accepted, unless creditors representing 75% of the unsecured liability accept a higher credit offer and if it does not imply prejudice to the rights of privileged creditors.

7.2. For the comparison of proposals, if there are credit proposals, the net present value of the installment payments will be considered, discounted at a linear annual interest rate of 7.5%.

7.3. If two or more bids are presented that do not differ by more than 20% from the largest, the respective tenderers will be invited to improve their bids, giving them a period of no less than six business days to present them. The process of improving proposals will be carried out through the same bidding regime provided for in this document. Once the improved proposal has been received, the bidder who has achieved the highest price will be awarded.

7.4. Without prejudice to the above, the evaluation of the proposals will be carried out taking into consideration compliance with all the requirements established in this document, particularly regarding the sufficiency of the guarantee.

**8. Payment of the offered price:**

8.1. If the proposal is in cash; payment must be made by deposit or transfer to the account opened by court order in the bankruptcy proceedings. The accreditation must be credited to the account within a period of 45 calendar days from the date following the date on which the award decree is signed or, within the same period, the delivery to the Receivership of a bill of exchange for the amount in national currency or in dollars that is equivalent to the amount in UI offered, at its value at that time.

8.2. Failure to make the corresponding payments within the stipulated deadlines will cause the awardee to incur automatic default and will be just cause for the revocation of the award, as well as all acts carried out in execution of said award, without prejudice to the application of the fine and the loss of the amounts that have been paid.

8.3. If the Receivership chooses to demand forced compliance with the balance owed, the automatic default will generate the early maturity of the unpaid installments, if applicable, and the application of a default rate of 11% effective annually.

**9. Title deed:**

9.1. The corresponding deeds of sale must be granted within a maximum period of six months from the award. Failure to grant the deed of sale of the industrial establishment, as well as the properties included in this tender, for reasons attributable to the successful bidder, as well as failure to comply with the remaining conditions established in its offer, will be punished with an equal fine value of the guarantee of maintenance of the previously constituted offer, in addition to the damages that the Receivership may claim, which may opt for the revocation of the award, with loss of the amounts paid, plus the established fine.

9.2. If the granting of the deed of sale by the industrial establishment or the respective deeds of sale for the properties included in this tender fail, for reasons attributable to the successful bidder, the Judge may award the tender to the next best bidder selected from among the remaining applicants.

**10. Delivery of the goods that make up the company as a block:**

10.1. The transfer of the goods will become effective to the successful bidder once the corresponding deed has been granted and full payment of the price has been received, or after the establishment of sufficient guarantees to ensure payment of the price or its balance.

10.2. Early delivery will be possible at the time determined by the Court, once the offered payments that are due have been settled, with the successful bidder assuming the obligations of the depositary with respect to the goods delivered as established in arts. 2251 et seq. of the Civil Code (CC), without prejudice to which you may use them (art. 2253 CC).

10.3. Upon receipt of the industrial establishment, an inventory will be carried out in the presence of the purchaser. If the non-existence of one or some goods included in the inventory is confirmed, the value of the missing goods will be reduced from the price paid by the purchaser. The value of the missing assets will be determined as follows:

10.3.1. The base price will be taken as the one that arises from the valuation carried out by the expert appraiser in the inventory presented together with the list of creditors.

10.3.2. This price will be reduced to 50% of the appraisal value.

10.3.3. No price reduction will be made if the value of the missing goods valued at the liquidation value indicated above does not exceed 15% of the total value of said appraisal.

10.4. If, at the time of delivery of the establishment, it is confirmed that there are goods not included in the inventory for a value greater than 15% of the appraisal, 50% of the value will be added to the offered value. value by which assets of the same kind have been appraised.

**11. Post-award costs:**

11.1. Whoever is awarded must be responsible for all custody, conservation, and consumption expenses of the industrial establishment, from the date of the award.

11.2. All taxes generated by the industrial establishment following the award are the responsibility of the successful bidder.

11.3. The fees of the notary who intervenes in the deeds of sale, expenses and taxes that apply by law are the responsibility of the successful bidder.

**12. Consultations and visits:**

12.1. Interested parties may make inquiries regarding this bidding procedure up to 72 hours before the date set by the Judge for the opening of offers.

12.2. Inquiries must be sent by email to the following address: [fjpdlt56@gmail.com](mailto:fjpdlt56@gmail.com)

12.3. Interested parties may visit the facilities of the industrial establishment by coordinating the visit at least three business days in advance, by contacting the Audit Office via email [fjpdlt56@gmail.com](mailto:fjpdlt56@gmail.com).

**13. Confidentiality:**

13.1. By virtue of what is established in number 2 of art. 6 of the DR, the information that is part of the industrial or commercial secret of the applicant, as well as the bankrupt and information about clients and information that may be the subject of intellectual property, is considered confidential.

13.2. This information will be provided to applicants, after signing a confidentiality commitment and obligation not to use said information for activities in competition with whoever acquires the establishment, subject to payment of the fine provided for in this document.