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SEE Market Snippets
2022Q2/3

2/3





Business opportunities in SEE

SEE Market Snippets - 2022Q2/3

SELA - South East Legal Alliance
September 2022



PREFACE

This report provides a comprehensive analysis of actionable intelligence on current opportunities within the SELA member countries. The information contained herein is intended solely for informational purposes and is generally available to the public and from sources believed to be reliable. SELA does not guarantee the accuracy, completeness, or timeliness of the information and shall not be liable for any damages or costs in connection with the use of the content contained herein..

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SELA LAWYER SPOTLIGHT

Featuring Vesela Dimitrova

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OVERVIEW

Country-by-Country



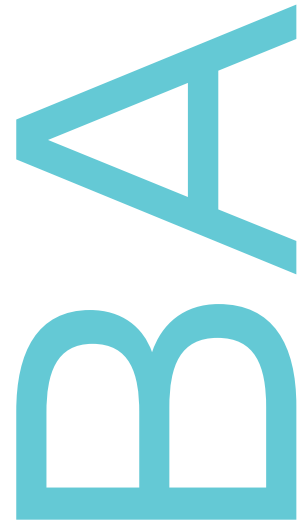
For more information on the Albanian market please contact

Shpati Hoxha
shpati.hoxha@hmh.al

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EU opened accession negotiations with Albania in 19 July 2022. Albania, which submitted its own application for EU membership in 2009 and signed the Stabilization-Association Agreement, 16 years ago, in June 2014 received the status of a candidate country for the EU.

Negotiations will be conducted on the basis of a negotiation framework. Albania is required to fully embrace and implement reforms in the fundamental areas of the rule of law, in the judiciary and in the fight against organized crime, in the field of human rights, in the strengthening of democratic institutions and public administration, as well as the economic criterion.



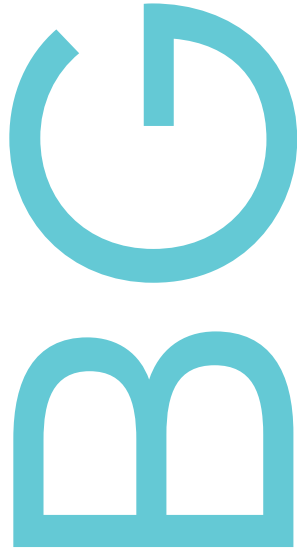
For more information on the Bosnian market please contact

Stevan Dimitrijević
stevan.dimitrijevic@dimitrijevicpartners.com

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Bosnia & Herzegovina has a complex multi-level government structure. It is composed of the Federation of Bosnia and Herzegovina and the Republic of Srpska, collectively referred to as the "Entities". The Entities have significant legislative powers in economy and foreign investments.

The economy of Bosnia and Herzegovina bounced back strongly in 2021 from the pandemic-induced economic crisis, with growth estimated at 7.1%. Real GDP growth was driven by a surge in exports, and robust growth in private consumption. However, output growth in 2022 is expected to slow to 2.7%, as the war in Ukraine disrupts trade and exacerbates energy and food price increases.



**For more information on the Bulgarian market
please contact**

Zoya Todorova
zoya.todorova@dpc.bg

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The European Commission approved Bulgaria's National Recovery and Resilience Plan worth EUR 10.4 billion, of which EUR 6.27 billion is in grants and the remainder should be provided through public and private financing. The reforms and investments in the plan will help Bulgaria become more sustainable, resilient, and better prepared for the challenges and opportunities of the green and digital transitions. To this end, the plan consists of 56 investments and 47 reforms. They will be supported by EUR 6.27 billion in grants. 58.9% of the plan will support climate objectives and 25.8% of the plan will foster the digital transition.

The economy of Bulgaria remains stable and the country sees its lowest registered unemployment rate in July 2022 of 4.2%. Meanwhile, the country is heading to another elections on 02 October 2022 – the third since April 2021, with each vote until now failing to form a viable government amid a political crisis.



For more information on the Croatian market please contact

Laurenz W. Vuchetich
laurenz.vuchetich@bdvlegal.com

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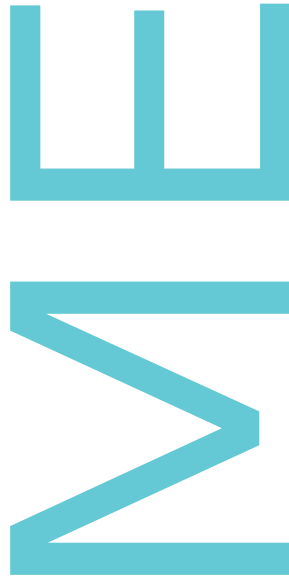
Given the country's economic growth forecasted by the European Commission, for the rest of 2022, it is predicted to be stronger than forecast in spring, mostly due to better than foreseen private consumption growth in the first quarter, which indemnifies the deceleration towards the end of the year.

In spite of rising inflation, private consumption is proposed to grow solidly given the accumulated savings, favourable labour market developments and a strong tourist season. Investments are expected to be supported by EU funds (both RRF and ESIF), with the public sector playing a leading role.

The European Commission assessed in its 2022 Convergence Report that Croatia fulfilled all the criteria for joining the euro area and recommended Croatia join the Eurozone on 1 January 2023. The Croatian government is expected to join the Schengen area on 1 January 2023. Croatia's inclusion in the Schengen Area would eliminate border controls with Slovenia and Hungary, facilitating increased tourism and business opportunities.

However, due to the ongoing Ukraine security crisis, a visible level of uncertainty can be noticed on the energy market, with its effects spilling over into other business sectors. Entrepreneurs engaged in production-based activities are showing a particular level of concern, due to the announced increases in energy prices (gas, electricity), as well as potential reductions in energy supply during the winter season, as these changes in energy affordability could produce a seriously distorting impact on their businesses.

The macroeconomic environment continues to remain stable - investment trends are positive and there is a significant number of investment possibilities in different areas. Going forward, EU funding through various sources aimed at restarting the economy and weathering the crisis should have an essential role in supporting the country's economic recovery.



For more information on the Montenegrin market please contact

Vuk Drašković
vuk.draskovic@bd2p.com

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Montenegro faces new economic headwinds despite strong post-pandemic recovery. The outbreak of the war in Ukraine and the associated developments have significantly worsened the outlook for Montenegro in 2022, reducing the growth rate to 3.6%, down from an estimated 5.9% before the war. The main impact of the war on Montenegro's economy is through tourism which will further slowdown exports, private consumption, and employment recovery.

In order to improve tourism sector, Montenegro will keep investing in its tourism infrastructure and development of its eco-tourism industry to exceed 30% of GDP by 2027. The government is trying to attract large foreign hotel chains that will provide hospitality standards similar to those in Europe.

Montenegro's economy is expected to rebound thanks to investments supporting construction works and the revival of private consumption.



For more information on the North Macedonian market please contact

Igor Aleksandrovski
aleksandrovski@businesslaw.mk

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Following 10 years of relative macroeconomic stability, the economy plunged into a recession in 2020 with the outbreak of the global pandemic. The economy rebounded in 2021 on the back of buoyant domestic and external demand, and wage growth and job creation resumed. The fiscal deficit declined to around 5% of GDP and public debt stabilized. Yet, the energy crisis, as well as the war in Ukraine in early 2022, brought new challenges and halted the short-lived recovery. The ongoing crisis requires continued fiscal support despite the elevated debt levels.

Growth is projected to decelerate to 2.7% in 2022, affected by the consequences of the war in Ukraine and the associated sanctions on Russia and Belarus. Inflation (particularly the price of food and energy) is raising the cost of living, disproportionately hurting the poor. The medium-term outlook remains positive, but downside risks are elevated. Prolonged supply chain disruptions, rising inflationary and minimum wage pressures, weak political stability, and the energy crisis continue to weigh on the outlook. Delayed EU accession negotiations may weaken the reform efforts that are needed to boost potential growth and consolidate public finances.

In the medium term, the country needs to set public finances back on a sustainable path and shift its focus to resolving structural challenges, including low human capital, weak competition policy, and the fragile rule of law.



**For more information on the Serbian market
please contact**

Uroš Popović
uros.popovic@bd2p.com

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With a population of nearly 7 million, Serbia is the largest and most prosperous economy in the Western Balkans, serving as a regional hub and springboard for companies to access the larger regional market.

The Serbian economy was projected to grow at around 4–4.5% annually. However, the war in Ukraine and resulting sanctions imposed on Russia will have an impact on Serbia's exports, foreign direct investment (FDI), remittances, and tourism revenues. As such, economic growth for 2022 has been revised downward to 3.2%. Over the medium term, the economy is expected to grow steadily at around 3% annually.

Poverty reduction is expected to stagnate in 2022. The unfolding war in Ukraine poses a significant downside risk to household welfare in Serbia. Food inflation has increased in Serbia more than in any other EU country, affecting most the poorest segments of the population. Although the Serbian economy is expected to continue to grow, rising inflation will limit the purchasing power of citizens. Rising energy prices, if passed onto household energy tariffs, would disproportionately affect the poor.



**For more information on the Slovenian market
please contact**

Andrej Kirm
andrej.kirm@k-p.si

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In Slovenia, domestic consumption growth remained high in the second quarter of 2022, however, business and consumer confidence is affected by rising prices, especially of energy and food. Harmonised inflation rose to the highest level since 2002 in the spring months, largely due to the impact of the war in Ukraine on commodity prices and supply chains. Slovenia's gross domestic product (GDP) forecast was corrected to 4.6% for 2022. This is due to a boost from loosened COVID-19 restrictions in combination with record high employment, which should help balance some of the impact from higher inflation, especially in the accommodation and food service activities.

In the second quarter, growth in economic activity was also driven by investment. After a decline in 2021, the value of construction put in place increased significantly for the first time in a long time also in non-residential construction.

The forecasts are accompanied by high risks related to the unfolding of the war in Ukraine, in particular the possibility of cuts in gas supplies from Russia to Europe, high prices of energy and food commodities (and higher inflation), continued supply chain disruptions, as well as a faster tightening of monetary policy and a possible resurgence of the epidemic.



By Industry

POTENTIALIA DEALS



ALL

MERGERS & ACQUISITIONS

SBERBANK'S FIRE SALE OF CROATIAN FORTENOVA GROUP

Market/jurisdiction: Croatia

Sector: Food and beverages – Retail

Deal Category: M&A

Deal value: n/a

Fortenova Group is the largest privately-owned company in Croatia and the successor of a former retail giant - The Agrokor Group, with production and distribution of food and beverages and retail trade as its core businesses.

After indebtedness crisis with Agrokor in 2017, business operations were transferred to than established Fortenova Group. During the turnaround efforts, Russian Sberbank became the largest individual shareholder of the Fortenova Group in 2019.

Under the new business circumstances arising in relation to the changed security situation in Europe, some of EU markets are experiencing withdrawals of Russian-based investors. This is also the case of Fortenova. Sberbank is reportedly in talks to sell its approx. 44% stake in Fortenova to a potential buyer.

SALE OF NAŠA BANKA

Market/jurisdiction: Bosnia & Herzegovina

Sector: Banking

Deal Category: Privatization

Deal value: n/a

Investment - Development Bank of the Republic of Srpska (state owned development bank) announced sale of 21% shares of Naša Banka.

It is expected that the auction will take place on Banja Luka Stock Exchange in September 2022.

AGROMIL PIG FARM AND ANIMAL FEED FACTORY UP FOR SALE

Market/jurisdiction: Serbia

Sector: Agriculture

Deal Category: M&A

Deal value: Approx. EUR 830,000

The property of the company for the production, sale and services Agromil Export and Import Pojate in bankruptcy has been put up for sale.

The offer consists of a pig farm and an animal feed factory in Varvarin, in Serbia. The complex has not been in function for a longer period of time. The public bidding is scheduled for 27 September, at 11 am.

PRIVATIZATION OF THE ARMS PRODUCTION COMPANIES IN THE REPUBLIC OF SRPSKA

Market/jurisdiction: Bosnia & Herzegovina

Sector: Arms Industry

Deal Category: Privatization

Deal value: n/a

The Government of the Republic of Srpska intends to privatize companies engaged with production of arms and provision of services related to defence including Kosmos Banja Luka and Orao Bijeljina.

SALE OF PROJECT FOR RESIDENTIAL COMPLEX AND RETAIL PARK IN VARNA

Market/jurisdiction: Bulgaria

Sector: Retail

Deal Category: M&A

Deal value: Upon request

Sale of residential project and retail park to be constructed over 33,000 m² land plot located in one of the most populated areas in Varna. The project consists of residential buildings with 48,000 m² of built-up area, including 370 apartments and 370 indoor and outdoor parking spaces and a retail park of 21,000 m² including around 6,000 m² of retail space and 300 parking spaces. The land plot has a detailed development plan entered into force. The construction works are planned to start in 2022.

PUBLIC CALL FOR STRATEGIC INVESTORS

Market/jurisdiction: North Macedonia

Sector: Various

Deal Category: n/a

Deal value: EUR 30 to 150 million

The purpose of the Law for Strategic Investments is to attract foreign investor in strategic areas for the country.

In order to qualify for the status, the Investment must be at least EUR 50 million. Once it qualifies the investor enters direct negotiation with the government in regard to support and state aid possibilities.

PRIVATIZATION OF THE NATIONAL POST OFFICES

Market/jurisdiction: North Macedonia

Sector: Postal services

Deal Category: Privatization/PPP

Deal value: n/a

The Government instructed the Deputy Prime Minister in charge of economic affairs, the Minister of Economy and the Director of National Posts to initiate the preparation of a feasibility study on the possibilities for initiating a procedure for taking over the company with a public-private partnership or with privatization to continue the process of liberalization of postal services in the country in accordance with EU regulations. At present the feasibility study is being prepared.

SALE OF INTERSPORT ISI

Market/jurisdiction: Slovenia

Sector: Retail

Deal Category: M&A

Deal value: EUR 100 million

Polish investment fund, Enterprise Investors, started the procedure for the sale of Intersport ISI, sporting goods retailer and holder of the Intersport license for the Western Balkans.

Apart from the chain of physical stores (in Slovenia, Croatia, Serbia, Montenegro, Albania, Bosnia and North Macedonia) online store will also be a part of the sale (in the past years an enhanced presence has been detected in online sales).

PRIVATIZATION OF STATE-OWNED COMPANIES

Market/jurisdiction: Slovenia

Sector: Various

Deal Category: Privatization

Deal value: n/a

SSH and DUTB, managing the privatization process continue with the sale of state's share in various state-owned companies, among which are Argolina d.o.o., Cinkarna d.d., ISTRABENZ d.o.o., Salomon d.o.o., Talum d.d., Thermana d.d. etc.

INFRASTRUCTURE

TENDER FOR CONSTRUCTION OF NEW MODERN PRISON IN BULGARIA

Market/jurisdiction: Bulgaria
Sector: Infrastructure – Public security
Deal Category: Project
Deal value: EUR 15 million

Bulgaria will soon launch a public tender for the construction of a new prison in the village of Samoranovo, near the town of Dupnitsa. The construction of the prison with an adjacent training center and transitional housing is a project included in an agreement signed in 2018 between the Ministry of Justice and the Norwegian Financial Mechanism 2014-2020. It provides for the construction of a new type of prison where the prisoners will be able to move freely between bedrooms, gyms, classrooms, playgrounds, places to walk and engage in normal daily activities. The financing of the project is secured and the procedure awaits the indexation of the tender price with the inflation.

For the last 80 years, no new prison has been built in Bulgaria. Therefore, the investment intention of the state envisages the construction of the most modern facility of its type in the region.

CONCESSION FOR THE CONSTRUCTION OF THUMANA-KASHAR – “A” CLASS ROAD

Market/jurisdiction: Albania
Sector: Infrastructure – Roads
Deal Category: Project
Deal value: Approx. EUR 1.56 billion

The Albanian Ministry of Infrastructure and Energy relaunched the concession for the construction of Thumana-Kashar „A” class road. Based on contract entered with the companies Gener 2 sh.p.k dhe G2 Infra sh.p.k the road shall be a Design Build Finance Operate Maintain (DBFOM) concession, for a 35 year period, during which the first 2 years shall consist in the construction of the road, whilst the remaining period shall consist in the operation and maintenance.

The winning bidder shall have the obligation to provide financing for the implementation of the Project. To ensure this financing, the concessionaire may place as guarantee the rights granted by this contract. The Albanian Government has committed its support during the first 8 years of the operation phase if needed. The road toll shall be decided by the concessionaire upon approval of the contracting authority, and will be subject to revisions every 4 years.

The designed speed for this road shall be 140 kilometers/hour, while its main constituent parts are 14 underpasses, 12 bridges with a total length of 4 km.

OPENED BID FOR THE CONSTRUCTION OF THE MILOT-FIER AXIS

Market/jurisdiction: Albania
Sector: Infrastructure – Roads
Deal Category: Project
Deal value: EUR 837 million

The Albanian Government launched the international bid for the construction of the Milot-Fier axis, part of the Blue Corridor* that connects Albania with Croatia in the north and Greece in the south. This shall be the first Albanian highway with a speed limit of 130mh/h.

The total road length shall be of 114 km, divided into 3 lots Milot-Thumanë, Kashar-Lekaj and Lekaj-Fier. There shall be 3 separate bidding procedures for each of these lots and bidding companies shall be entitled to submit their bids for each of these lots.

Among economic benefits are employment of 2,000 persons, EUR 400 million benefit, lower number of accidents, lower transport costs and increased tourism as the distances from North to South are shortened.

ESCO PUBLIC LIGHTENING

Market/jurisdiction: Bosnia & Herzegovina
Sector: Infrastructure – Public utilities
Deal Category: Investment/Construction
Deal value: n/a

Environmental Protection Funds in Bosnia and Herzegovina in cooperation with various international agencies such as World Bank, EBRD and the World Bank have initiated number of ESCO model projects in different local communities in Bosnia and Herzegovina in order to improve energy efficiency in public buildings and public lightening.

This creates opportunities for ESCO companies to actively participate on tenders for implementation of ESCO projects.

MOTORWAY NETWORK

Market/jurisdiction: Bosnia & Herzegovina

Sector: Transport infrastructure – Roads

Deal Category: Construction

Deal value: n/a

The Government of the Republic of Srpska announced ambitious plans for construction of motorway network in Republic of Srpska.

EBRD approved loans for financing new sections of the Vc Corridor Highway from north towards southern part of the country.

CONCESSION FOR CONSTRUCTION A GAS STATION

Market/jurisdiction: Montenegro

Sector: Energy – Infrastructure

Deal Category: Concession

Deal value: n/a

The Ministry of Capital Investment of the Republic of Montenegro is preparing a concession act on the basis of which a concessionaire will be selected for the construction of a gas station on the priority section of the Princess Ksenija highway.

The Smokovac-Uvač-Mateševo section was officially opened on 13 July for traffic, but without a gas station. The spatial plan envisages the construction of a two-sided pump at the location of Gornja Mrka.

DEANOVEC DATA CENTER

Market/jurisdiction: Croatia

Sector: Telecommunication – IT

Deal Category: Project/Logistics

Deal value: up to EUR 120 million

Odašiljači i veze d.o.o. as the project developer is looking for a strategic partner(s) for designing, construction and management of the data center. Location of the data center is connected with the optical core network, while further expansion of the currently existing connection with electricity transmission line is available.

Project developer has 12 hectares of land which was once used for medium and short wave broadcasting, and most of the land is now available to be utilized for new purposes. At the location, there is a station for connection with satellites, as well as building which can be partially used for the new data center as well.

The goal of the project is construction and management of the biggest green and telecom-independent data center in the region, which should enrich the collocation and other standard data services market, primarily for undertakings, hyperscalers, telecommunication companies, cloud services providers and content delivery services for private and public sector.

GENERAL HOSPITAL

Market/jurisdiction: North Macedonia

Sector: Healthcare

Deal Category: Investment/Acquisition

Deal value: EUR 19 million

The General Hospital is located in the outskirts of the city Skopje in North Macedonia, near the Skopje International Airport and is on the A1 motorway, forming part of the E75.

The hospital is on a 17.651 m² building with 7 floors, 2 of which are functional and the rest of the floors are yet to be developed. The hospital has active 80 beds and capacity of 420 beds.

The hospital building, alongside with the clean rooms, administrative offices and undeveloped floors will be the subject of strategic investment in the coming period.

NATURAL RESOURCES & ENERGY

THE EXPANSION OF LNG TERMINALS IN CROATIA

Market/jurisdiction: Croatia

Sector: Energy

Deal Category: Project

Deal value: EUR 180 million

The Croatian Government has officially presented the Decision to launch the project for the expansion of Croatian LNG terminals in Omišalj. This will likely be the most important national and regional energy project which should significantly contribute to reducing the gas dependence of Southeastern and Central European countries.

Considering the project includes energy infrastructure, it is potentially subject to state aid rules. The Croatian Ministry of Economy and Sustainable Development will, within three months from the publishing of the Decision, justify the appropriateness of the allocation of funds to the state-owned companies Plinacro d.o.o. and LNG HRVATSKA d.o.o., who have been mandated to implement the project.

This announced increase in the capacity of the existing LNG terminal in Omišalj is of great importance, as it is aiming to ensure the security of gas supply to households, businesses and industry in the Republic of Croatia and neighboring states. Funds in the amount of 25 million euros are proposed to increase the gasification capacity of the LNG terminal and 155 million euros for the construction of the gas pipeline Zlobin - Bosiljevo.

The Decision will be published in the official gazette of the Republic of Croatia.

TENDERS FOR 2010 MW FROM RENEVABLES

Market/jurisdiction: Croatia

Sector: Energy

Deal Category: Project

Deal value: n/a

Green transition in Croatia will be unfeasible without investing in renewables. Investments are now more facilitated due to the reduction of technology prices in recent years. The main focus on the market is on solar and geothermal energy due to a great amount of resources and cost efficiency. Further, wind energy is still very significant, with huge potential and good geographical location it has become strategically important to Croatia.

Tender for 648 MW capacity of renewable energy sources has already been published, and the new tender for 2010 MW is expected to be launched in the forthcoming period. Investors have already recognized this as a prospective potential for new projects.

GASIFICATION OF ALBANIA

Market/jurisdiction: Albania

Sector: Energy – Liquid Natural Gas

Deal Category: MoU

Deal value: n/a

A Memorandum of Understanding for the gasification of Albania was signed in May 2022 between the Albanian Government and Overgas (Bulgaria), Linden Energy (US), and Albgaz (Albania). Overgas (Bulgaria), also expressed interest in receiving gas from the so far non-functioning terminal in Vlora.

Albania currently generates almost 100% of its power from hydropower plants, but the Albanian Ggovernment has recently announced plans to gasify the country. This project is an important step towards the "Albania 2030 net energy exporter." Moreover, the aim is to create a new energy corridor to reduce dependence on other countries natural gas.

Six projects of over EUR 4 billion would need to be implemented in the country to achieve efficient distribution of natural gas. In particular, these include expanding the Ionian-Adriatic pipeline and the development of the Vlora thermal power plant. Several floating gas terminals will be set up to work with the existing power station in a project that is expected to open up Albania to be a key player in gas across the region.

PUBLIC CALL FOR PANAJA BLOCK (ONSHORE) FOR PETROLEUM EXPLORATION

Market/jurisdiction: Albania
Sector: Energy – Petroleum Energy
Deal Category: n/a
Deal value: n/a

The Albanian Ministry of Infrastructure and Energy launched a call for auction qualification regarding Panaja Block (onshore) for exploration. The bid opening date shall be 09 August 2022.

The duration of the exploration period is up to 5 years and can be extended up to 7 years in conformity with the Albanian Petroleum Law. The exploration period is divided in three phases, with work obligations and the corresponding financial commitments for each of them. The duration of each phase of Exploration Period shall be subject to negotiations.

The Petroleum Agreement will be in the form of Production Sharing Contracts signed between the Ministry of Infrastructure and Energy, represented by the Albanian National Agency of Natural Resources (AKBN), and the Contractor.

The Minimum Work Obligations and Financial Commitments shall be defined by the Contractor in its application to AKBN and are subject to negotiations before the signing of the Agreement.

In case of a commercial discovery, the period for development and production of the area shall be twenty-five years and can be further extended as provided for in the "Petroleum Law".

The terms for cost recovery, cost limit, R factor and petroleum sharing will be specified by the contractor in its application, subject to negotiations with AKBN before the signing of the Agreement.

HYDRO, SOLAR AND WIND PROJECTS

Market/jurisdiction: Bosnia & Herzegovina
Sector: Energy
Deal Category: Joint Ventures/Construction
Deal value: n/a

Elektroprivreda Republike Srpske announced ambitious plans for development of new capacities to increase production of electricity from renewables including ongoing hydro projects as well as new solar and wind projects including joint ventures with interested foreign investors.

EPS IS LOOKING FOR CONSULTANCY SERVICES

Market/jurisdiction: Serbia

Sector: Energy

Deal Category: Project

Deal value: n/a

State power utility Elektroprivreda Srbije (EPS) is looking for a consultant to advise it on strategic investment and development. EPS has issued a public call for consultancy services, with a deadline on 3 October for prospective advisers to apply.

The consultant should help define a development strategy for EPS' production portfolio and offer recommendations for investment in new and existing power plants.

In the energy transition process, which involves decarbonization, EPS will be required to phase out domestic lignite in electricity production, bring its operations into line with Serbia's National Energy and Climate Plan (NECP) and Energy Sector Development Strategy, ensure energy security and the security of supply, and meet other requirements. In order to increase profitability while meeting all these requirements EPS needs to optimize investments in existing production assets.

RESTORATION, REMEDIATION AND CLOSING OF THE LANDFILL

Market/jurisdiction: Serbia

Sector: Environment – Landfill

Deal Category: Tender

Deal value: EUR 36 million

The city of Zrenjanin has initiated the procedure of the selection of a private partner for the financing and execution of the works on the restoration, remediation and closing of the city landfill.

The agreement will be signed for 25 years, and the tender is open until 18 October 2022.

The project is supposed to permanently solve the problem of the current landfill, given that it pollutes ground and surface waters and the surrounding agricultural land and that it emits unpleasant smells.

MODERNIZATION AND RECONSTRUCTION OF COAL MINE PLJEVLJA

Market/jurisdiction: Montenegro

Sector: Energy – Mining

Deal Category: Project

Deal value: EUR 800,000

The Pljevlja coal mine has published a public call for the selection of the most favourable contractor for the modernization and reconstruction of two drive stations, return stations in accordance with the project, overhaul of all reducers, electric motors, drive drums and accompanying equipment.

Offers are accepted until 22 September 2022.

MODERNIZATION AND PRIVATIZATION OF TEC NEGOTINO

Market/jurisdiction: North Macedonia

Sector: Energy – Fuel oil

Deal Category: Potential Privatization/PPP/Concession

Deal value: n/a

TEC Negotino is a thermal power plant operating on fuel oil. It is the second-largest producer of electricity in the country with maximal capacity of 215 MWh. It is kept as a reserve of North Macedonia's energy system.

The Government has made a decision for modernization into Natural Gas Turbine Power Plant and privatization which will include PPP or concession. At present the feasibility study is being prepared.

LEISURE

POSSIBILITY TO INVEST IN LARGE HOLIDAY RESORT ON THE BLACK SEA COAST IN BULGARIA

Market/jurisdiction: Bulgaria
Sector: Tourism
Deal Category: Financing/Investments
Deal value: Approx. EUR 12 million

Black Sea Properties AS ("BSP") is a Norwegian development company listed at Oslo Stock Exchange. In 2015, BSP acquired a resort under construction (the "Sunrise Gardens") on the Bulgarian coast. After re-planning of the project, BSP brought the construction from 15% to currently 90% completed. BSP entered into operation 183 units for the summer season of 2022, with additional 419 apartment units to be inaugurated for the 2023 summer season.

The Sunrise Gardens resort is a large 4-stars hotel and apartment complex of 946 units (77.000 m² GBA). It includes leisure facilities such as restaurants, large swimming pools, kids club, plaza, etc. The resort is perfectly located on the Bulgarian coast, next to the city of Aheloy. The area is an established beach tourism destination. Burgas airport, Sunny Beach (+150 hotels) and Nessebar (UNESCO site) are at 10 min drive. The beach line is in front of the complex. The surroundings are made of a nice river and green areas. Currently the investor is looking for refinancing of the existing loan facility and securing long term financing in order to finalize the construction of all units in the resort.

SALE OF LARGE LAND PLOT SUITABLE FOR VARIOUS DEVELOPMENT PURPOSES

Market/jurisdiction: Bulgaria
Sector: Real estate
Deal Category: Investments
Deal value: EUR 9-10 million

Very attractive land plot near the city of Plovdiv is for sale. The plot possess all zoning permits and is suitable for development of industrial premises, logistics, shopping, etc. The total area is approx. 287,000 m². The land plot is urbanized and has its own and private access and direct exit to Trakia highway. The A1 highway (Trakia-Highway) is part of the European Route E80 that reaches from the eastern parts of Turkey to Lisbon in Portugal.

The property is located approx. 8 km north of the city of Plovdiv which is the second largest city in Bulgaria.

INTERNATIONAL CONTEST FOR THE CONCEPTUAL DESIGN OF THE BUDVA-RAFAILOVIĆI PROMENADE

Market/jurisdiction: Montenegro
Sector: Tourism
Deal Category: n/a
Deal value: n/a

By the end of September 2022, an international contest is expected to be announced for the development of a conceptual architectural solution for the arrangement of the Budva promenade, which will be decided by a jury composed of eminent experts in the field of urban planning and architecture.

BELVEDER TERRACE IZOLA - GLAMPING

Market/jurisdiction: Slovenia

Sector: Tourism

Deal Category: Project

Deal value: EUR 15 million

Glamping is one of the possible development contents of this field. The area borders the Resort San Simon, the most intensive tourist part of Izola. The project is designed to take advantage of this strategic location, especially the protected area.

The project includes a didactic garden to raise awareness of the importance of biodiversity and protected areas in the North Adriatic, a funicular or other way to ensure public access to the sea from the future garage above this area and glamping houses.

NATIONAL CLIMBING CENTRE WITH A MULTI-PURPOSE SPORTS HALL

Market/jurisdiction: Slovenia

Sector: Leisure – Sports

Deal Category: Project

Deal value: EUR 23 million

The Municipality of Kranj has recognized the opportunity to establish a national climbing centre in Kranj, which will provide professional climbers with optimal conditions for training and organizing competitions at the highest level. At the same time, it will be intended for recreational athletes and cultural and other events for which there is currently a lack of suitable areas.

In addition to climbing walls for all three disciplines in sports climbing, the complex will also include training areas for basketball, volleyball, handball, and indoor football. Planned are two smaller halls with tatami for martial arts and fitness. The centre will also include sports associations and societies offices, a café and sports and culture museum-educational part.

PERUNIS

Market/jurisdiction: Slovenia

Sector: Tourism

Deal Category: Project

Deal value: EUR 2.5 million

The concept of the adventurous interactive park Perunis is a combination of natural and technological. The stories of people returning to nature and themselves are connected with modern technologies, augmented reality, virtual reality and impressive themed worlds in the interior that cannot be experienced anywhere in the vicinity.

The outer part forms a parking lot, which closes the noise and view from the everyday world. Around the main indoor building, called the observatory, there is a restaurant, a sports and recreational area with a pump track and many interesting natural adventure points that take us back to nature.

At the heart of this nearly 21,500 square-foot outdoor space is an imposing 1,400 square-foot facility that houses an interactive museum, a small cafe, and support services (cloakroom, restrooms, etc.). It is a highly innovative architectural building with an open part and a terrace facing the sky, nature. Inside this observatory, there is an exhibition space divided into three sections: bright (showcases, classical exhibitions and access to the arena), transitional (interactive educational content for all common goals) and dark (high-tech solutions). The story is rounded off and completed by the accommodation units, the so-called modern "Glamping", where guests will also be able to sleep in the heart of nature.

ACQUISITION OF HOTEL BUSINESS

Market/jurisdiction: North Macedonia

Sector: Tourism and hospitality

Deal Category: Sale of privately owned hotel business

Deal value: n/a

Hotel 1

- Land – 20.978 m²
- Facilities – 15.168 m²
- 110 rooms; 6 suites

Hotel 2

- Land in process of privatization – 34.238 m²
- Facilities – 10.340 m²
- 154 rooms; 10 suites

SELA lawyer spotlight

FEATURING
VESELA DIMITROVA

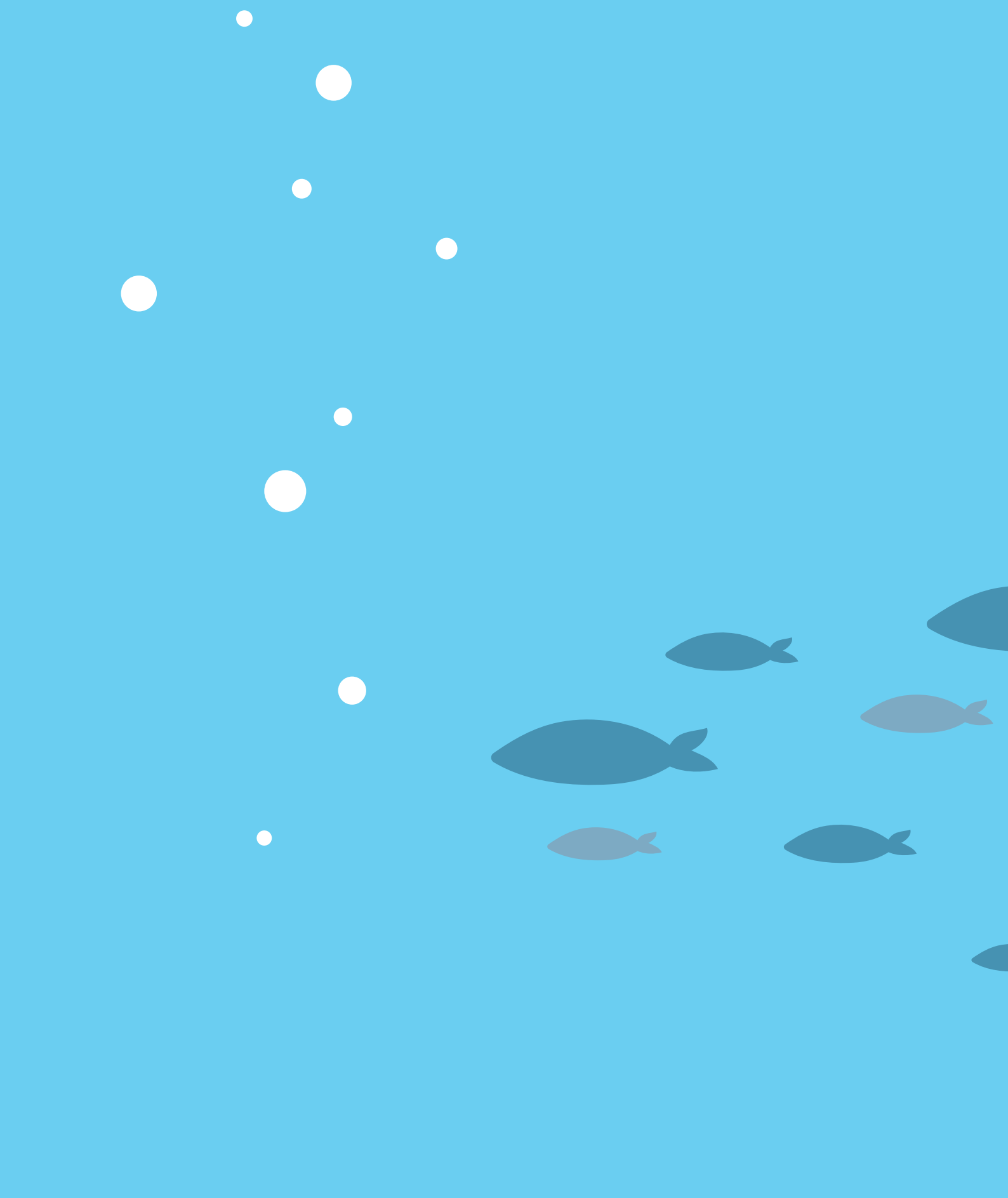


Vesela Dimitrova is a business development & marketing manager at DPC law firm. After more than 10 years of legal practice at international companies and law firms, Vesela decided to switch careers to business development and marketing. Her Master of Law degree from France and detailed first-hand knowledge of the legal profession have naturally determined the direction of her professional drive. Her knowledge in various areas of commercial law helps her to build prosperous relationships with business partners and clients. She approaches problems proactively and is confident that empathy and positive attitude is the best approach both in life and work.

When not engaged in DPC law firm, Vesela adores travelling around the world to practice her passion for diving. She fell in love with this underwater sport 12 years ago when she tried it for the first time on the Croatian coast. For her, diving is unmatched adrenaline and the perfect way to escape and explore new worlds, literally.

5 TIPS FOR DIVING:

- Breathe – it may seem obvious to breathe, but a lot of beginners forget about it, especially when they see some big fishes. Once you are under water, you should breathe normally despite that sometimes some water may fill in your mask or you may get excited about something.
- Prepare – duly prepare all your equipment and let your dive buddy double check it. Never dive alone (it is forbidden!) and don't underestimate the weather forecast. Check the visibility, the currents, take all the necessary (and spare) equipment.
- Respect – we should always respect the underwater world. It is important not to touch anything or irritate the marine creatures. As the old divers' rule says - leave nothing but bubbles and take nothing but memories.
- Stay calm – anything can happen under water, and it is primordial to stay calm! Breathe and think how to solve the problem and overcome the obstacle.
- Enjoy – marine life is amazing! Focus on all that beauty which is surrounding you and enjoy it!



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