



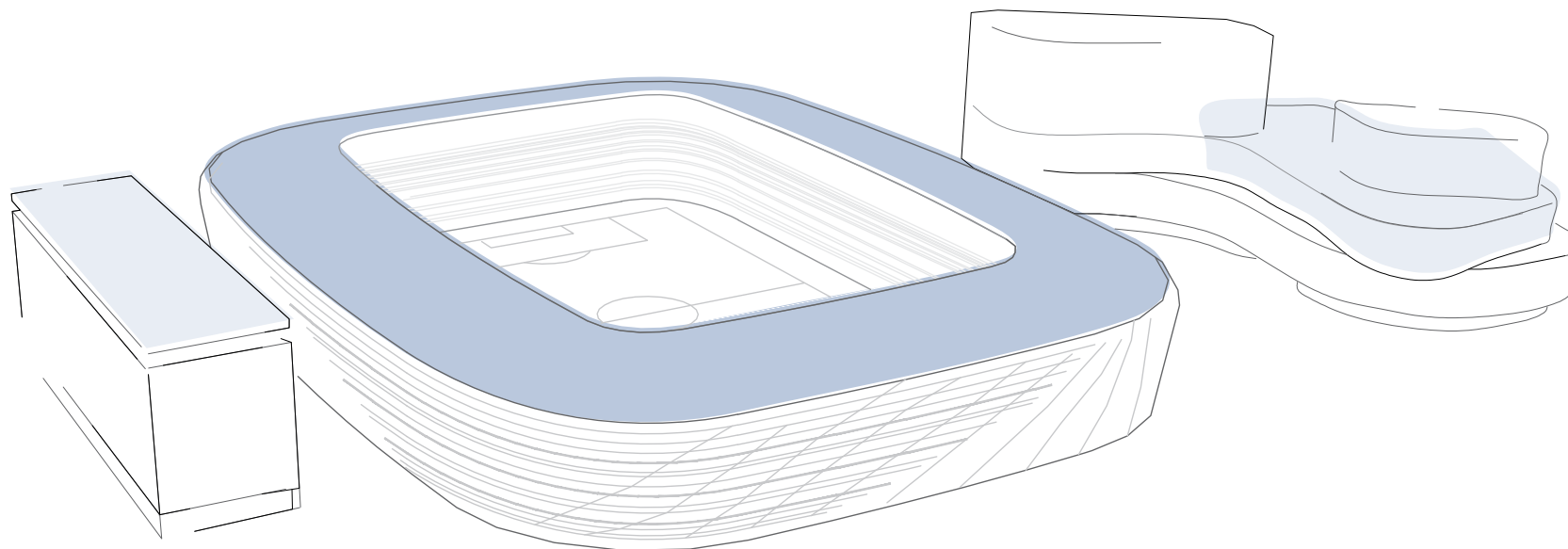
FOOTBALL CLUB
ŽELJEZNIČAR

INTERNATIONAL CALL FOR
STRATEGIC PARTNERSHIP

2024

Based on the decision of the General Assembly of FK Željezničar Sarajevo dated February 7, 2024, FK Željezničar hereby announces:

INTERNATIONAL CALL FOR **STRATEGIC PARTNERSHIP WITH FOOTBALL CLUB "ŽELJEZNIČAR"**





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INTERNATIONAL CALL PURPOSE

FK Željezničar issues a public call to seek a business partner to further professionalize the operations of a club with over 100 years of tradition ("**Strategic Partner**").

The purpose of the call is to create a new corporate structure that will enable maximum progress for the club, profitability of all operations, and utilization of existing potentials, with legal protection of the interests of both parties. The cooperation involves two joint ventures:

- **Football operations:** A legal entity licensed to compete in the Premier League of Bosnia and Herzegovina with the most loyal fan base and a current budget of approximately EUR 4 million, which can be significantly increased through professional management.
- **Real estate management:** A separate legal entity will have exclusive contractual building rights on nearly 50,000 m² of urban land in Sarajevo, which will include a stadium, office buildings, hotel and shopping center with parking slots.

It is possible to invest solely in football operations or in the real estate management part, but preference will be given to investors interested in investing in both segments simultaneously.



**Invest in the home club of
Ivica Osim, Edin Džeko and
Mehmed Baždarević.**



OUR CLUB

FK ŽELJEZNIČAR

Football Club Željezničar, known by the nickname "Željo", was founded by railway workers in 1921. Most clubs at the time had a national affiliation. As a club of the working class and open to all citizens, Željo quickly gained great sympathy and a cult status throughout Yugoslavia.

FK Željezničar is currently the most successful club in Bosnia and Herzegovina:

- **Six-time champion of BiH** (1998., 2001., 2002., 2010., 2012. i 2013.);
- **Six-time winner of the BiH Cup** (2000., 2001., 2003., 2011., 2012. i 2018.);
- **Three BiH Super Cup titles** (1998., 2000. i 2001.);
- **UEFA Cup semi-finalist** (1985.);
- **Yugoslav Cup finalist** (1981.);
- **Yugoslav League champion** (1972.);
- **UEFA Cup quarter-finalist** (1972.);
- **Champion of the Republic League of BiH** (1946.).

According to the IFFHS list of the top 200 European clubs of the 20th century, FK Željezničar is **the highest-ranked club from BiH**, sharing the 110th position with AZ Alkmaar.



**...victories
bring titles...**

RESULTS YOUTH DEVELOPMENT

Throughout history, the club has always relied on loyal fans and talented local players. "Željo is religion and life. It's not just football, but a way of living and behaviour", are the words of the great **Ivica Osim**. Alongside him, **Mišo Smajlović**, **Josip Bukal**, **Edin Sprečo**, **Josip Katalinski**, and **Enver Hadžiabdić** grew into the first stars of the 60s and 70s.

In the 80s, Željo players became indispensable members of the famous Yugoslav national team: **Mehmed Baždarević**, **Haris Škoro**, **Mirsad Baljić**, **Vlado Čapljić**, and **Radmilo Mihajlović**, who won the Bundesliga with Bayern, or **Refik Šabanadžović**, who won the Champions League with Red Star Belgrade.

The results of continuous work in youth development were best seen in the generation before the war in the 90s, which consisted of "homegrown" players such as: **Mario Stanić** (Chelsea), **Elvir Baljić** (Real Madrid), **Rade Bogdanović** (Atlético Madrid,), **Sead Kapetanović** (Borussia Dortmund), **Suvad Katana** (Genk,), and others.

The most famous player is undoubtedly **Edin Džeko**, one of the best European forwards of all time, but we must not forget the other **45 FK Željezničar internationals** who represented the national teams of Yugoslavia and/or BiH.

Most valuable players of FK Željezničar

Mario
STANIĆ  →  €10.0M

Elvir
BALJIĆ  →  €21.0M

Rade
BOGDANOVIĆ  →  €17.0M

Edin
DŽEKO  →  €37.0M

Kenan
HASAGIĆ  →  €2.5M

Ervin
ZUKANOVIĆ  →  €3.5M

Edin
VIŠĆA  →  €5.0M

Amir
HADŽIAHMETOVIĆ  →  €6.0M

Riad
BAJIĆ  →  €5.0M

Semir
ŠTILIĆ  →  €2.5M



SUPPORTERS OF THE CLUB

The supporters of Željezničar are crucial for the sustainability and success of the club. They provide financial support and create a unique atmosphere wherever the club plays, serving as an additional motivation for every player and sponsor of the club. Their loyalty ensures long-term stability and represents an opportunity for sustainable development.

Among the vast number of supporters, some of the most famous actors, directors, writers, and rock stars of Bosnia and Herzegovina have pledged their allegiance to the club, with many dedicating their artistic works to it. One of the most renowned among them is the club's anthem "Grbavica". The song depicts the Siege of Sarajevo from 1992 to 1995, during which Grbavica became the first line of defence. The stadium stands were set on fire, and the field was mined. Despite the loss of 316 club trophies, the love for Željezničar never dimmed.

After the aggression on Bosnia and Herzegovina, the enthusiasts from Grbavica rebuilt the Grbavica Stadium and restored the club to its former glory. On several occasions, Željezničar supporters financed and constructed entire sections of the stadium with their own means. As soon as 1998, FK Željezničar defeated their city rivals in a legendary playoff final and secured the first post-war title. This was followed by 14 other trophies, as well as unforgettable duels with **Newcastle United** and **Malaga** in the final qualifying rounds for the group stage of the Champions League and UEFA Cup.



**Stronger than wars,
regimes, and parties.**



Working class.

TO WHOM IT CONCERNS INTERNATIONAL CALL

The public call is open to all interested parties. These may include domestic or international individuals and legal entities, who may act individually or jointly.

The aim of this invitation is to **leverage all the potentials** of FK Željezničar and elevate sports operations to the highest level in the region. Following a detailed analysis, the club has developed a plan for further business development. This plan serves as a starting point for negotiations and is subject to changes that interested parties may propose during the upcoming negotiations.

All rights and obligations, as well as the ultimate relations of capital and ownership between FK Željezničar and the strategic partner, will be established based on the concluded negotiations.



STATISTICS

CURRENT SITUATION

Football Club "Željezničar" has been operating as a non-profit association of citizens for over a hundred years, with no formal owner, but belonging to all its members ("**Association**"). Within its organizational structure, the Association wholly owns a limited liability company, FK Željezničar d.o.o. ("**Football Company**"), which currently manages the operations of the fan shop.

The club boasts the largest fan base, the highest average attendance, and the widest social media reach in Bosnia and Herzegovina, making it **one of the most popular football clubs in the Western Balkans**.

Additionally, FK Željezničar **owns real estate** in the popular Sarajevo neighbourhood of Grbavica, covering a total area of 47,488 square meters, including the stadium, commercial spaces, parking areas, and training grounds. The club is currently seeking a location for a new training camp outside the urban area of the city.

The club has successfully initiated the **process of financial consolidation**. Over the past year, FK Željezničar generated nearly EUR 4 million in revenue, kept salary costs at EUR 1.5 million, and achieved profits of approximately EUR 750,000. Moreover, in the last two years, the existing debt has been reduced by 50% to EUR 2.2 million. All of this has been accomplished with just 10 permanent employees in the club's administration, laying the groundwork for a new Strategic Partner.

| | |
|--------------------|------------|
| Budget | 4 mil. EUR |
| Average attendance | 7.500 |
| Members | 10.000 |
| Stadium capacity | 13.000 |

Social media reach

| | | |
|---|-----------|---------|
| f | Facebook | 196.000 |
| 📷 | Instagram | 82.000 |
| X | X | 8.200 |
| 🎵 | TikTok | 17.400 |

THE GERMAN MODEL SPORTS OPERATIONS

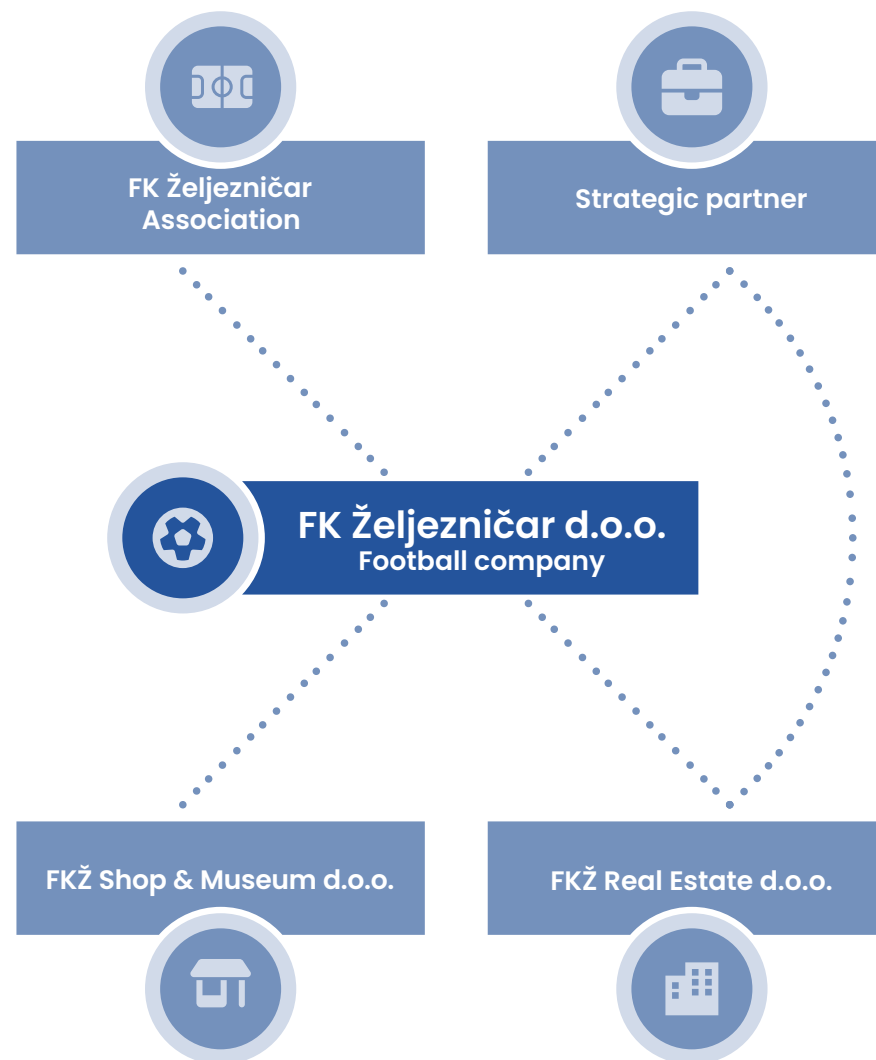


FK Željezničar aims to enhance its operations by creating a new business structure. Similar changes were experienced by most clubs in Germany at the beginning of the 2000s. At that time, Bundesliga clubs began transferring their operations from associations ("*eingetragene Vereine*") to corporations ("*Kapitalgesellschaften*") to ensure a legal entry of investors into various business spheres.

The German federation introduced the so-called "50+1" rule, which prohibited the sale of more than 50% of the shares in a company holding a sports license. The Football Association of Bosnia and Herzegovina does not recognize such limitations, but FK Željezničar's aspiration is to operate in accordance with the **best business practices from Germany**.

Following the "German model," FK Željezničar aims to transfer its football license for the Premier League of Bosnia and Herzegovina to the existing FK Željezničar d.o.o. (hereinafter: "**Football Company**"). The Football Company would then assume all rights and obligations related to successful participation in football competitions, including obligations towards employees, suppliers, and sponsors.

In this case, the Strategic Partner would be allowed to acquire a stake in the Football Company and formally have the right to appoint a certain number of members to the Supervisory Board ("**SB**"). The other members of the SB shall be delegated by the existing Association, thus ensuring the legally regulated "voice of the fans" in the club's operations. The SB will further appoint a professional Management Board ("**MB**"), which, following the best European business practices, shall ensure the functioning of sports operations at the highest level in the region.



CLUB DEVELOPMENT OPPORTUNITIES



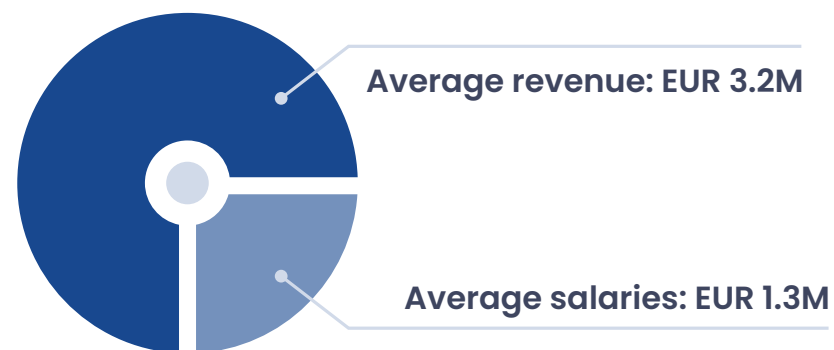
The collaboration in the sports domain entails a commitment to invest in the development of sport operations. The club's vision is to be the best club in BiH, regularly winning the national championship and cup competition, participating in European competitions, and running a top-notch football academy.

By strengthening the administration and professionalizing the management, significant growth can be achieved in annual revenues from ticket sales, marketing, merchandise, etc. The largest one-time revenues can be generated through participation in European competitions and the sale of players abroad.

A glance at the budgets of competitors reveals that a budget of approximately EUR 5 million is needed for dominance in the championship, which could then be doubled through participation in European competitions, further solidifying the position at the top of the table.

The most affordable entry into European football...

Top 5 clubs in the Premier League of BiH



Graphic representation of earnings from Europe

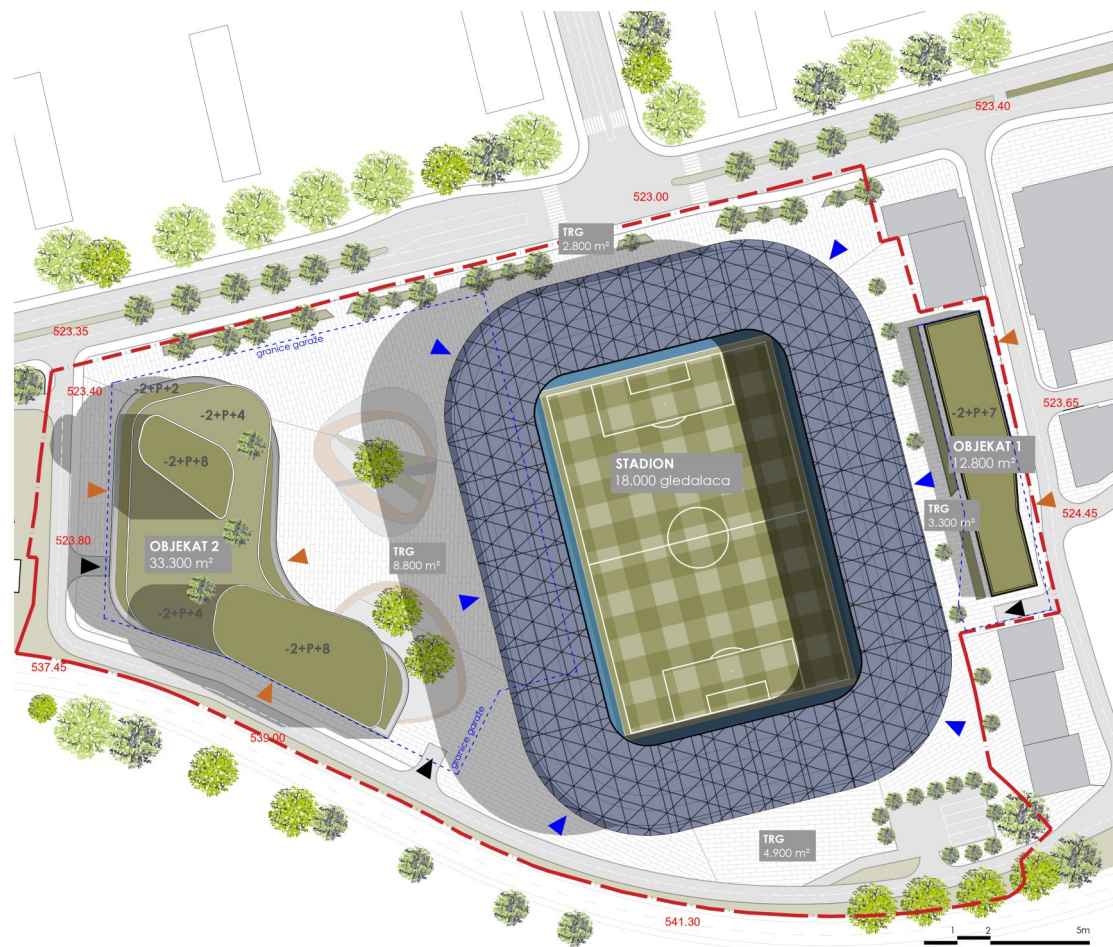
| Revenue | Champions League | European League | Conference League |
|-------------------------|------------------|-----------------|-------------------|
| BIH Football Federation | EUR 150K | EUR 120K | EUR 105K |
| Qualifications | EUR 5.0M | EUR 1.5M | EUR 750K |
| Group Stage | EUR 15.0M | EUR 4.0M | EUR 3.0M |

REAL ESTATE MANAGEMENT

According to the Working Group's plan, FKŽ Real Estate d.o.o. (hereinafter: "**Real Estate Company**") shall be established by the Football Company, which will obtain building rights („*pravo građenja*") for nearly 50,000 m² of land. On this area, the Strategic Partner is expected to construct a Category 4 stadium and a business center with over 90,000 m² of usable space.

The Association shall retain ownership of the land, and the Real Estate Company shall own and manage the building based on a construction agreement, which represents a separate real estate and is officially registered in the land registry. The contract term shall primarily depend on a joint assessment of the **return on investment and fair profit** for the Strategic Partner.

In addition to stadium modernization and business center construction, FK Željezničar is interested in building a **training camp** and associated facilities necessary for the smooth operation of the senior team and youth academy. There are various locations currently under consideration by FK Željezničar.



▲ STADIUM ENTRANCE ▲ GARAGE ENTRANCE

□ BOUNDARY ENCOMPASSES

FUTURE COMPLEX CONCEPTUAL DESIGN

In preparation for the upcoming negotiations, FK Željezničar has developed a conceptual design for the future complex in Sarajevo, which includes:

- **UEFA Category 4 Stadium** with 18,000 seats and 17,800 m² of commercial space (hereinafter: "Stadium");
- **Commercial Building** with 150 parking spaces and 12,800 m² of office space (hereinafter: "Commercial Building");
- **Shopping Center** with 900 parking spaces, 19,900 m² of commercial space, a 10,300 m² hotel, and 3,600 m² of office space (hereinafter: "Shopping Center").

As in the Sport Operations segment, all interested parties are invited to contact the club during the Public Call with their proposals and visions for the development of FK Željezničar's property.



FINANCIAL ASSESSMENT

RETURN ON INVESTMENT

The Strategic Partner and FK Željezničar will proportionally enjoy the right to collect revenues from operations, which will serve for investment repayment and further investment in Sports Operations. The Strategic Partner will be offered the majority stake in the Real Estate Company, while FK Željezničar plans to retain the majority stake in the Football Company. The final ratio of stakes will depend on future negotiations with interested parties.

Financial experts estimate that the strategic partner should provide a minimum of EUR 20 million in capital and a credit capacity of EUR 70 million to realize the construction of a sports and business center with 90,000 m² of usable space in the city center and a training camp on over 30,000 m² of land outside the city.

By managing the properties, the Strategic Partner will ensure investment returns while generating revenues for Sports Operations, in which they will also be co-owners. If this raises the annual budget by only EUR 1.5 million, the Football Company would have the largest player salary budget in BiH, significantly increasing the chance of regular participation in European competitions and player sales opportunities, further contributing to new revenues that can be reinvested in the development of Sport Operations.

Investment overview

| | |
|-------------------------------|-----------------------|
| Stadium | EUR 31 mil. |
| Shopping Center | EUR 42 mil. |
| Commercial Building | EUR 11 mil. |
| Training Camp | EUR 6 mil. |
| Construction Rights Area | 48.000 m ² |
| Usable Space | 92.000 m ² |
| Annual Revenue | EUR 21 mil. |
| Debt-to-Equity ratio (D/E) | 19% |
| Return on Investment (ROI) | 11% |
| Internal Rate of Return (IRR) | 6,32 |
| Profitability Index (IRR/DR) | 1,9% |

PARTNERSHIP HIGHLIGHTS

Potential investors have a unique opportunity to invest in the most successful football club in Bosnia and one of the most successful within the Balkans. Key points of the new partnership collaboration include:

- **Talent pool:** FK Željezničar is renowned for producing talented players who have made their mark on the regional and European football scene. The club is located in a region abundant with sports talent.
- **Brand recognition:** The club has weathered many challenges thanks to the love and support of its multi-ethnic community, making it a beloved brand throughout the region.
- **Fan base:** Željo boasts the largest and most dedicated fan base in BiH, as well as a large following on social media platforms.
- **Property development:** The club owns real estate in the capital city of BiH that can be developed into a national stadium and business center.
- **Revenue growth:** There are numerous opportunities for revenue growth (so-called "low hanging fruits"), which would enable the club to enhance its budget for new players.
- **Legal certainty:** A legally sound structure is planned to allow external investors to professionally invest in the club.



**100 years of sport,
history and culture...**

APPLICATIONS TO INTERNATIONAL CALL



All interested parties can apply to this call at: partnership@fkzeljeznicar.ba The parties will subsequently receive an official form with the following content:

- **Basic information about the interested party** (Name/Title, address, contact details, etc.),
- **Business/Professional activity of the interested party;**
- **Countries where the interested party operates,**
- **Summary of financial information for the last 3 years,**
- **Summary of previous experiences** in property management and/or sports collectives in Bosnia and Herzegovina or abroad,
- **Information about key individuals or ultimate beneficial owners (UBO)** within the interested party,
- **Contact information** of the person representing the interested party in negotiations with FK Željezničar.

Along with the abovementioned form, each interested party will be required to pay a non-refundable deposit to confirm the seriousness of the offer and gain access to all documentation prepared by FK Željezničar (architectural concept, legal opinion, financial calculations, and future plans), and facilitate further legal and administrative procedures. **The amount of the non-refundable deposit is EUR 2,490.**

FK Željezničar shall respond to all interested parties within 15 (fifteen) days from the closing of this Public Call, and will contact the parties to conclude a Non-Disclosure Agreements in order to commence the official negotiations.

The Public Call was published on the official website of FK Željezničar, and remains open until 26 May 2024.

The languages of communication are all official languages in use in Bosnia and Herzegovina, and the English language. All interested parties are invited to respond to this call with their proposals and desired changes to the planned steps. Any deviations from the proposed model will be considered if they serve the interests of FK Željezničar and the Strategic Partner.

In addition to the capital and creditworthiness of the Strategic Partner, changes to the local construction development plan (“regulacioni plan”) and the transfer of the football license are required to execute the abovementioned plans. The club informed the competent authorities and started certain procedures. The final realization of all necessary permits will be part of a joint effort between FK Željezničar and the Strategic Partner.

EVERYONE IS INVITED THANK YOU FOR YOUR ATTENTION!

The notice regarding the Public Call for a Strategic Partner for FK Željezničar contains numerous data, analyses, and plans. However, neither the club nor the members of the Working Group have created any rights or obligations towards third parties. It is solely an internal analysis without a guarantee of the accuracy or completeness of the information. The Public Call represents the starting point for negotiations.

All interested parties are invited to directly contact and independently verify all statements. FK Željezničar will not be liable for any consequences that may arise from the use or interpretation of data from this document, nor does it allow any person (legal or natural) to acquire certain rights based on this Public Call.

All potential partners are invited to respond to this Public Call with their proposals and questions in order to consider all possible options for collaboration. The club appreciates the attention and interest of all parties in participating in the further development of FK Željezničar.

Members of the working group:



Almir Gredić (Chairman) is a member of the Management Board of UniCredit Bank responsible for corporate banking. Almir holds a Master's degree from the University of Sarajevo's School of Economics and is a former president and captain of FK Željezničar.



Adi Bikić (Strategy and Negotiations) is the co-founder and CEO of Greenfields, a corporate service provider headquartered in Frankfurt. Adi holds a Magister of Law title (mag.iur.) from the University of Vienna and is a former member of the youth academy of FK Željezničar.



Feđa Dupovac (Legal Affairs) is an independent attorney in Sarajevo. Feđa holds a law degree from the University of Sarajevo and a Master's degree in International Sports Law from ISDE in Madrid.



Semir Imamović (Architecture) is the founder and managing director of the architectural studio Kota and the furniture brand Sitform. Semir graduated in Architecture from the University of Sarajevo.



CONTACT INFORMATION

WEB: fkzeljeznicar.ba

EMAIL: partnership@fkzeljeznicar.ba