AGROKOR
EXTRAORDINARY ADMINISTRATION

MONTHLY REPORT ON ECONOMIC AND FINANCIAL STATE AND THE IMPLEMENTATION OF THE MEASURES OF EXTRAORDINARY ADMINISTRATION OF AGROKOR D.D.

FOR THE PERIOD BETWEEN 11 APRIL 2018 AND 10 MAY 2018

Prepared pursuant to Article 12 paragraph 9 of the Act on the procedure of Extraordinary Administration in commercial companies of systemic importance for the Republic of Croatia (Official Gazette 32/2017)

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1. Executive summary

This monthly report of the Extraordinary Administration relates to the period from 11 April to 10 May, 2018. Over the course of this period the report follows the development of the economic and financial situation within the Agrokor Group and outlines the realization of operating activities of the Extraordinary Administration as well as the overall operations of both the parent company Agrokor d.d. and some of its major subsidiaries (the **Group**).

The report presents the unaudited operating results of the Group for the year 2017. The scope of consolidation comprises 105 companies in which Agrokor exercises control, of which 52 are in Croatia. Given the ongoing restructuring process, the financial statements were prepared on a non-going concern basis (where the assumption of going concern is not satisfied) and under the assumption that over the course of 2018 a settlement would be concluded with the creditors.

The parent company, Agrokor d.d., generated operating revenues of HRK 285 million in 2017, which is a drop of 29% against the HRK 399 million generated in 2016. EBITDA amounted to HRK -250 million in 2017 or HRK 2.8 million if the net effect of restructuring costs and management fee excluded. The net loss in 2017 amounted to HRK 9.8 billion.

As at 31 December, 2017 the Agrokor d.d.'s total liabilities, given that all liabilities became due on 10 April 2017 with loans converted from long-term to short-term, including also the new debt incurred during the Extraordinary Administration (**SPFA**), amounted to HRK 32 billion.

In 2017 the Group generated HRK 39.5 billion of operating revenues, which is 12% less than the HRK 44.9 billion of operating revenues generated in 2016. The Group's EBITDA in 2017 amounted to HRK 623 million, ie HRK 925 million after exclusion of the restructuring costs, while in 2016 it was HRK 1,066 million.

Most of the operating companies and business segments have continued the positive trends from previous periods and recorded improving operating results as well as good performance indicators. In the retail and wholesale sector the focus on increasing operational profitability and operating cost reduction over the course of Q1 2018 resulted in better-than-planned EBITDA results. It is important to highlight the excellent business result of Konzum d.d., which was able to generate significantly higher EBITDA and revenues than budgeted.

Over the course of Q1 2018 the companies in the food sector continued to generate results in line with the budget. Despite the slight drop in sales revenues, the generated operating profits (EBITDA) exceeded budget. Operations in the agriculture sector are still affected by the fall in the price of pork, which had the most significant impact on revenues and EBITDA dropping by HRK 19.6 million, while a further drop of HRK 8.9 million resulted from the reduced price of semi-hard cheese on the market. The pork market is expected to recover in the forthcoming period, with EBITDA in the agriculture sector expected to grow accordingly.

The Temporary Creditors' Council (**TCC**) convened twice in the period from 11 April 2018 to 10 May 2018. They voted on the decision to engage advisers to the TCC and on the payment of old debt to Zagreb Holding's subsidiary ZET (Zagreb public transportation company).

The Extraordinary Commissioner, Fabris Peruško and Deputy Extraordinary Commissioner, Irena Weber, attended a meeting of the Croatian Parliament's Board of Economy, where they presented the details of the term sheet containing key elements if the settlement, further steps in the Extraordinary Administration and the course of the process of concluding the settlement agreement to members of the Board of Economy.

On 24 April the Deputy Prime Minister of Croatia and Minister of Economy, Entrepreneurship and Crafts, Martina Dalić, Ph.D. met with the management boards of companies in the food, retail and agriculture sectors operating with the Group.

The Constitutional Court of the Republic of Croatia issued a resolution by which it did not adopt proposals for a constitutional review of the Act on Extraordinary Administration whereby it confirmed the constitutionality of the Act on Extraordinary Administration.

Since signing the settlement term sheet the Extraordinary Administration and its advisers have continued to engage with the members of the TCC and certain other creditors in order to define the framework and details which could constitute the basic structure of the settlement plan as clearly as possible. All activities of the Extraordinary Administration are focused on a successful finalisation of the settlement agreement.

2. Operating results for the year 2017 - Agrokor Group and Agrokor d.d.

The Extraordinary Administration published the audited consolidated results of the Agrokor Group and Agrokor d.d. for the year 2017. The scope of consolidation comprises 105 companies in which Agrokor exercises control, of which 52 are in Croatia. The financial statements were prepared on a non-going concern basis (where the assumption of going concern is not satisfied) and under the assumption that over the course of 2018 a settlement would be closed with the Group's creditors.

In view of the events that preceded the Extraordinary Administration of the Group, the fact that prior to 10 April 2017 the company had almost gone into bankruptcy which was the reason why it entered the restructuring process, as well as the fact that the operations of the Group were only normalized in the second half of 2017, the Extraordinary Administration believes that the Group generated solid operating results in 2017.

The parent company, Agrokor d.d., generated operating revenues of HRK 285 million in 2017, which is a drop of 29 per cent against the HRK 399 million generated in 2016. EBITDA[1] amounted to HRK -250 million in 2017 or HRK 2.8 million if the net effect of restructuring costs and management fee are excluded. The net loss in 2017 amounted to HRK 9.8 billion. In 2016 EBITDA amounted to HRK -1,033 billion, with costs related to the so-called IPO project booked in the amount of HRK -2,265 million, of which HRK -1,077 million impacted EBITDA. The so-called IPO costs form part of the criminal charges filed by the Extraordinary Administration against its former CEO Ivica Todorić and other responsible persons. If the costs related to the so-called IPO project had not been incurred, EBITDA in 2016 would have amounted to HRK 44 million.

As at 31 December, 2017 the Agrokor d.d.'s total liabilities, given that all liabilities had become due on 10 April 2017 with loans converted from long-term to short-term, including the SPFA, amounted to HRK 32 billion.

Major changes are visible in Agrokor d.d.'s balance sheet, as capital and reserves in 2017 were reduced by HRK 9.8 billion. This is the result of investments in subsidiaries and affiliated companies having been impaired by HRK 5,584 million, in line with the company valuations set forth in the viability plans, impairments of receivables from affiliated companies in compliance with the results of the EPM by HRK 2,226 million, impairments due to assessments of collectability of loans granted in the amount of HRK 840 million, given that such disbursements were mostly given

[1]EBITDA excludes all effects of value adjustments.

without security, the loss of HRK 467 million due to the expropriation of stakes in subsidiaries resulting from repo transactions and HRK 676 million of the remaining net effect from the profit and loss account.

In 2017 the Group generated HRK 39.5 billion operating revenues, which is 12% less less than the HRK 44.9 billion[2] of operating revenues generated in 2016. The Group's EBITDA[3] in 2017 amounted to HRK 623 million, ie. HRK 925 million after exclusion of the restructuring costs, while in 2016 it was HRK 1,066 million.

A detailed presentation on the audited consolidated results of the Group for the year 2017 can be found in the attachment to this report.

The individual reports of the operating companies will be published once audited, during the course of May 2018.

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[2] Results 2016, restated, as presented in the audited financial statements for the year 2017

[3]EBITDA excludes all effects of value adjustments.

3. State of companies under the Extraordinary Administration during the reporting period

The financial information in the table below relates to cumulative revenue and EBITDA for the first three months of 2018, for certain key companies of the Group. This monthly report contains financial reporting for the 16 key Group companies. March financial results for individual Group companies included in this section of the report are preliminary and unaudited. Please note that all comparisons to budgets in this section are with reference to the viability plans.

January - March 2018 performance*

HRK m	Retail and Wholesale	Food	Agriculture
Revenue	2,866m	1,487m	466m
EBITDA	-4.2m	136.5m	35.0m
EBITDA %	-0.1%	9.2%	7.5%

- **Retail and Wholesale** includes four companies' summarized results:
  - Retail: Konzum Croatia, Konzum BiH, Tisak
  - Wholesale: Velpro centar
- **Food** includes nine companies' summarized results:
  - Bevarages: Jamnica, Sarajevski kiseljak and Roto dinamic
  - Ice Cream and Frozen Food: Ledo, Frikom and Ledo Čitluk
  - Oil: Zvijezda and Dijamant
  - Meat: PIK Vrbovec
- **Agriculture** includes three companies' summarized results:
  - Belje, PIK Vinkovci and Vupik

Notes:

- *Summarized results for the period (without elimination of intercompany transactions and consolidation adjustments).*
- *Revenues include sales of goods and services on domestic and foreign markets, and excludes revenues from services not related to regular operating activities.*
- *EBITDA = EBIT + amortization/depreciation + value adjustments and impairments + provisions + management and restructuring fees.*
- *COGS from the management report.*
- *Results are preliminary for January, February and March.*
- *The presented budget data is related to the latest approved budgets for food companies in 2018, and approved viability plans for retail, wholesale and agriculture companies in 2018.*

The positive effects of the restructuring process and the efforts exerted to increase profitability in the retail and wholesale sector are particularly visible in 2018 results, including March. Although in the cumulative period slightly lower-than-planned revenues were generated, activities related to the Easter holidays resulted in revenues in March exceeding budget in Konzum retail stores in Croatia and Bosnia and Herzegovina. The impact of holidays on results in March is also visible in the significant increase in the average basket in a like-for like year-on-year comparison. The focus on increasing profitability and lowering operating costs has resulted in an improved EBITDA as compared to budget.

In the first quarter of 2018 companies in the food sector continued to generate results in line with budget. Despite a slight drop in sales revenues the generated operating profit (EBITDA) exceeded budget. Due to the unusually unfavorable weather conditions for the time of the year the drinks segment generated sales revenues below budget while operating profits, as a result of the implementation of operating efficiency improvement measures, were higher than planned.

The frozen food and ice cream segment, despite an increase in sales of frozen food, was unable to offset the negative impact of the delayed opening of a significant number of out-of-home impulse ice cream points of sale, which resulted in actual EBITDA being lower than budgeted. Operating profits in the oil segment exceeded budget, despite the drop in sales revenues as a result of the significantly lower sunflower oil price on certain markets. Raw material prices had a negative impact on the result of the meat segment in March.

Agriculture sector revenues for March were 2.3% lower than budget, with the significant drop in finisher and pork prices having been partially compensated by other activities such as sales of animal feed, wine, oil and cereal crop as well as other goods from production. Despite the slight increase in pork prices in February and expectations that the price would continue to increase, it has stagnated since. The budgeted pork price, which was based on the 2017 average, is at a record low this year. The drop in pork prices has had a significant adverse impact on both revenues and EBITDA of HRK 19.6 million, together with an additional drop of HRK 8.9 million due to the lower price of semi-hard cheese on the market. In the forthcoming period we expect the pork market to recover, with a resulting improvement in EBITDA.

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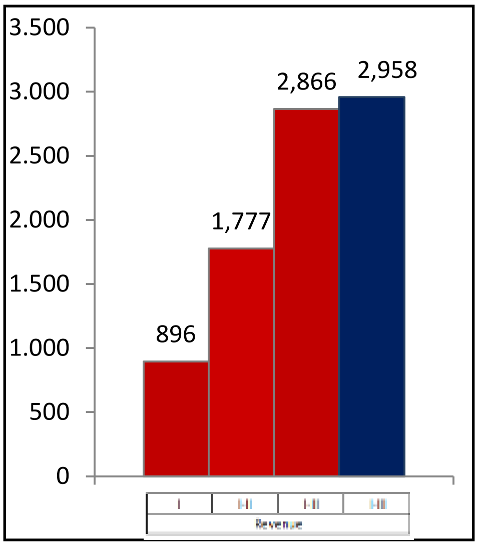
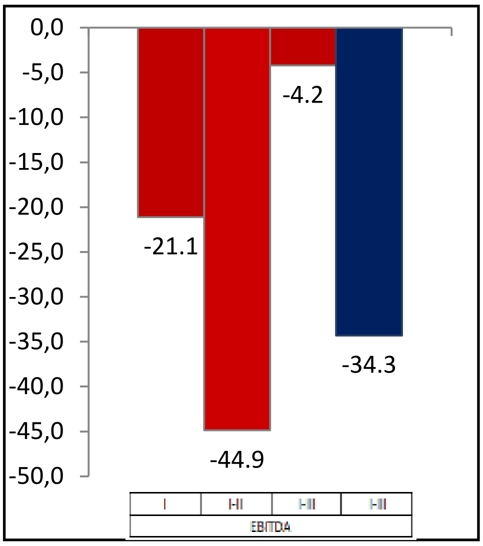
3.1.Companies in the retail and wholesale sector

Companies in the retail and wholesale sector are Konzum, Konzum BiH, Tisak and Velpro centar. The table below shows the cumulative revenue and EBITDA by month for the sector, with results of individual companies portrayed in detail in subsections which follow.

Cumulative revenue and EBITDA by month 2018 (HRK m) *

Retail & Wholesale





- Includes four companies' summarized results:
  - Retail: Konzum Croatia, Konzum BiH, Tisak
  - Wholesale: Velpro centar

NOTE: All results are preliminary.

Cumulative YTD budget   Cumulative January - March

3.1.1. Companies in the retail and wholesale sector: Konzum d.d.

3.1.1.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	1,960	1,944
EBITDA	26.2	-7.4
EBITDA %	1.3%	-0.4%

NOTE: All results are preliminary.

3.1.1.2. Commentary on recent trading

- The positive results from the changes made and efforts exerted so far, as well as the results of preparatory activities related to the Easter holidays, are visible in March revenues, which exceeded budget by 6.4%, and are higher on a year-on-year comparison. The retail network turnover exceeded plan by 10.4%, while compared to 2017 (with the same number of stores) it was 17.9% higher.

- The cumulative gross margin in 2018 is higher than budget and Konzum was able, once more, to be recognized for its excellent offering of fresh food, fruit and vegetables as the sales of these categories exceeded budget by over 15%.

- In the Easter holiday period, the company rewarded its employees with two days off along with the Easter allowance - Easter and Easter Monday - while customers were provided with a cheaper meal as the share of promotional sales increased by 10 p.p..

- Due to intensive work implementing a number of measures and projects aimed at increasing profitability, operating costs have reduced by 8.5% for the year-to-date.

- The focus on increasing efficiency of all business operations, with particular emphasis on cost control and margin optimization, has led to EBITDA margin exceeding budget by 3.2 p.p. for March and 1.7 p.p. for the year-to-date.

3.1.2. Companies in the retail and wholesale sector: Konzum BiH

3.1.2.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	311	299
EBITDA	-9.7	-11.5
EBITDA %	-3.1%	-3.9%

NOTE: All results are preliminary.

3.1.2.2. Commentary on recent trading

- Konzum BiH generated revenues in March 2018 which exceeded budget by 6.2%, while the realization of revenues over the first three months exceeded plan by 3.9%. The revenue growth was generated as a result of the repositioning of Konzum on the market, investments in competitiveness, price reductions and attractive marketing activities, and the timing of Easter holidays.
- The margin realized in March is 4.9% higher in the absolute amount compared to plan, while the cumulative margin realization is in line with the budget.
- The following marketing and promotional activities contributed to the achieved sales growth of 15.3% in a year-on-year comparison:
    - Marketing activities related to Women's Day;
    - Activities related to the spring cleaning campaign with a prize game;
    - Catalogue activities over the course of Easter holidays (Catholic and Orthodox);
    - Activities related to the promotions Mega Sunday, Price of the Day, Top Saturday; and
    - Campaigns focusing on activities related to Labor Day (May 1) started on 18 April 2018.
- Despite certain cost increases which occurred in March 2018, cumulative costs in 2018 were 0.5% lower than planned.
- Higher-than-planned revenues, margins and reduced cost against both budget and 2017 have contributed to an EBITDA result 5.2% better the plan in March and 15.6% cumulatively, resulting in an improved overall EBITDA margin.
- DIO were within plan (60 days).
- DSO have shown a positive trend, with 12 days in January, 11 days in February and 10 days in March.
- Konzum BiH is working hard to improve its commercial relationships with all their suppliers domestically, regionally and internationally.

3.1.3. Companies in the retail and wholesale sector: Tisak d.d.

3.1.3.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	400	454
EBITDA	-7.9	-2.6
EBITDA %	-2.0%	-0.6%

NOTE: All results are preliminary.

3.1.3.2. Commentary on recent trading

- Revenues and gross margin in the retail segment were below expectations due to the cessation of ZET ticket sales (Zagreb public transportation), weaker sales of merchandize due to poor weather conditions, restrictions imposed by the City of Zagreb relating to chilled display cabinets, a delayed listing and slightly lower margins on sticker sales. Revenues and gross margin in the wholesale segment were weaker than expected in merchandize and telecom coupons, due to a delay in listing the new assortment. Furthermore, courier service revenues were lower than expected in the parcel distribution category.

- In March 2018 the gross margin percentage grew slower than in February, however the cumulative margin exceeded budget. As expected, the positive effects of introducing new assortments, the new pricing policy of reducing the share of wholesale operations and sales of albums and stickers related to the Soccer World Cup, have made themselves felt.

- EBITDA has continued to show an improving trend that started in the second half of 2017, in line with the restructuring measures implemented. EBITDA for March 2018 was below budget, but does display continued significant positive trends in profitability in the off-tourist season period.

- In line with the restructuring measures implemented, monthly fixed operating costs were better than planned in March 2018. The upcoming period will focus on finalizing improvements in logistics and generating higher revenues and gross margin.

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3.1.4. Companies in the retail and wholesale sector: Velpro - Centar d.o.o.

3.1.4.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	195	260
EBITDA	-12.8	-12.8
EBITDA %	-6.6%	-4.9%

NOTE: All results are preliminary.

3.1.4.2. Commentary on recent trading

- Lower-than-planned revenues are the consequence of incomplete supply negotiations with key customers, availability of certain key products and competitors' promotional activities on the market.

- The relative gross margin generated in March was significantly higher than planned, however lower revenues resulted in lower absolute margin compared to budget.

- Inventories were at the expected level for the time of year and proportionate to the level of sales.

- The restructuring process is, as expected, in its final stage, with the focus on increased profitability and reduced costs having resulted in lower-than-planned costs both in March and the year-to-date.

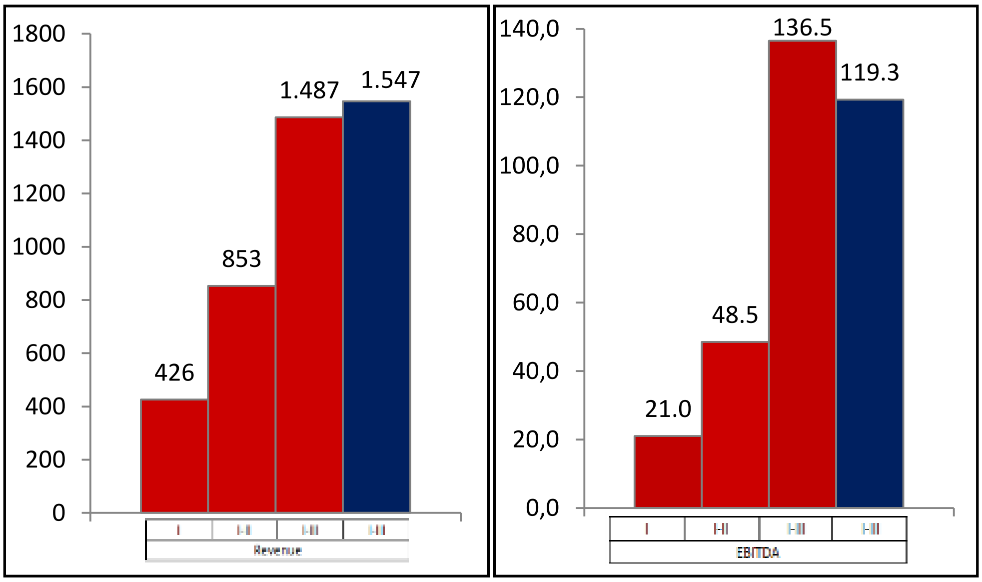
- Despite revenues being lower than planned, due to strong activities on the cost side EBITDA is in line with expectations for Q1 2018.

3.2. Companies in the food sector

Companies in the food sector are Jamnica, Sarajevski kiseljak, Roto dinamic, Ledo, Frikom, Ledo Čitluk, Zvijezda, Dijamant, and PIK Vrbovec. The table below shows cumulative revenue and EBITDA by month for the sector, with results of individual companies within the sector portrayed in detail in the subsections which follow.

Cumulative revenue and EBITDA by month 2018 (HRK m) *

Food



- Includes nine companies summarized results:
  - Beverage: Jamnica, Sarajevski kiseljak and Roto dinamic
  - Ice Cream and Frozen Food: Ledo, Frikom and Ledo Čitluk
  - Oil: Zvijezda and Dijamant
  - Meat: PIK Vrbovec

NOTE: All results are preliminary.

Cumulative YTD budget   Cumulative January - March

3.2.1. Companies in the food sector: Jamnica d.d.

3.2.1.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	206	218
EBITDA	33.6	31.8
EBITDA %	16.3%	14.6%

NOTE: All results are preliminary.

3.2.1.2. Commentary on recent trading

- EBITDA generated in March exceeded budget.

- Unusually poor weather conditions in March resulted in sales being below budget.

- In line with its social responsibility, during the crisis in Slavonski Brod Jamnica sold large quantities of water at a significant discount in order to make water available to everyone effected by the crisis.

- In early March Jamnica launched the new communication platform “At all times“, supplemented in the second half of the month by a communication campaign celebrating the brand's 190th anniversary (“At all important moments“). In parallel to the campaigns, a special edition of all Jamnica products in glass bottles was launched, with various historic/retro labels. This campaign is expected to result in sales increases over the forthcoming summer season.

3.2.2. Companies in the food sector: Roto dinamic d.o.o.

3.2.2.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	139	151
EBITDA	2.4	-4.2
EBITDA %	1.7%	-2.8%

NOTE: All results are preliminary.

3.2.2.2. Commentary on recent trading

- EBITDA realized in March exceeded budget, primarily due to extraordinary revenues (generated and a lower share of operating costs in net sales.
- Adverse weather conditions in the continental part of the country delayed the opening of restaurants and cafés with terraces, which had a negative effect on sales, resulting in sales revenues being below budget.
- Intensive efforts were exerted in preparation for the new tourist season along the coast and sourcing of new HoReCa customers.

3.2.3. Companies in the food sector: Sarajevski Kiseljak d.d.

3.2.3.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	64	66
EBITDA	13.1	12.8
EBITDA %	20.7%	19.2%

NOTE: All results are preliminary.

3.2.3.2. Commentary on recent trading

- EBITDA generated in March exceeded budget due to lower costs in all business segments.

- Due to poor weather conditions, sales revenues realized in March on both the domestic and foreign markets (mainly in Croatia) were significantly below budget.

- All preparation activities for the summer season are near to completion, with new products to be launched as planned. Accordingly, the season is expected to be successful and meet budget.

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3.2.4. Companies in the food sector: Ledo d.d.

3.2.4.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	179	165
EBITDA	14.6	16.0
EBITDA %	8.2%	9.7%

NOTE: All results are preliminary.

3.2.4.2. Commentary on recent trading

- Sales revenues generated in March exceeded budget primarily due to the well-stocked assortment of products and above average sales results in the frozen food segment.

- The extremely unfavorable weather conditions resulted in a delay in opening out-of-home impulse points of sale, resulting in the EBITDA generated being slightly below budget.

- In March, Ledo obtained the UTZ certificate; the cocoa certificate supporting the world's largest sustainable cocoa farming program.

- On the occasion of its 60th birthday Ledo launched an innovation on the market – the Super Cone.

3.2.5. Companies in the food sector: Ledo Čitluk d.o.o.

3.2.5.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	52	48
EBITDA	3.8	3.3
EBITDA %	7.3%	6.9%

NOTE: All results are preliminary.

3.2.5.2. Commentary on recent trading

- The generated EBITDA exceeded budget as a result of continued cost control and growth in gross margin.

- Sales revenues realized in March exceeded budget, particularly in the fruit and vegetables and ice cream categories, primarily due to the intensive pre-season preparations.

3.2.6. Companies in the food sector: Frikom d.o.o.

3.2.6.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	122	129
EBITDA	9.6	9.0
EBITDA %	7.8%	7.0%

NOTE: All results are preliminary.

3.2.6.2. Commentary on recent trading

- Due to the poor weather conditions, the delayed opening of out-of-home impulse points of sale and lower exports, sales revenues generated in March were below budget.

- Cost management and more favorable purchase prices of production materials resulted in EBITDA only slightly below budget. However, EBITDA for the first quarter of 2018 is ahead of budget.

3.2.7. Companies in the food sector: Zvijezda d.d.

3.2.7.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	169	153
EBITDA	18.0	12.1
EBITDA %	10.6%	7.9%

NOTE: All results are preliminary.

3.2.7.2. Commentary on recent trading

- Generated EBITDA exceeded budget due to the realization on both the domestic and export markets in March, as well as lower than planned prices of raw materials.

- EBITDA growth is a result of strong sales and the ongoing business optimization project which comprises the reduction of operating and manufacturing costs, capacity utilization, entering new markets and new product categories.

- In March Zvijezda was able to generate an increase in sales against budget, with, traditionally ahead of Easter, the dominant categories, being mayonnaise, hard margarine, salads and sauces,

3.2.8. Companies in the food sector: Dijamant a.d.

3.2.8.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	179	219
EBITDA	9.1	9.5
EBITDA %	5.1%	4.3%

NOTE: All results are preliminary.

3.2.8.2. Commentary on recent trading

- Since the beginning of 2018 Dijamant has been confronted with extreme pressure on sunflower oil prices on the domestic market, as a consequence of the bilateral agreement with Turkey not having been finalised which has resulted in the creation of large surpluses of products on the local market.

- Lower sales revenues have been generated due to the aforementioned lower price of oil. The focus was on the following categories: margarine, mayonnaise, dressings, horseradish, canned vegetables, vinegar and frying oil, which realized sales revenues above budget.

- EBITDA generated in March was lower than budget, which was to be expected given the aforementioned market circumstances.

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3.2.9. Companies in the food sector: PIK Vrbovec d.d.

3.2.9.1. Financial results YTD and KPIs

Financial results*	Jan-Mar. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	377	398
EBITDA	32.2	29.2
EBITDA %	8.6%	7.3%

NOTE: All results are preliminary.

3.2.9.2. Commentary on recent trading

- Sales revenues and EBITDA in March were lower than budget, as a consequence of the trend of raw-material prices .
- EBITDA generated in the first quarter exceeds budget.
- The largest retail chain in Poland repeated promotional sales of PIK processed meat products.
- A new grill assortment has been developed for the barbeque season and was launched on 16 April 2018. As well as advertisements in retail brochures, the launch included signage at 61 Konzum locations in stands and A4 posters.

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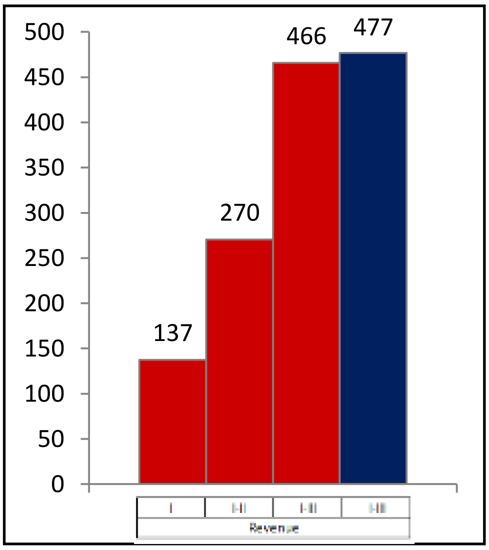
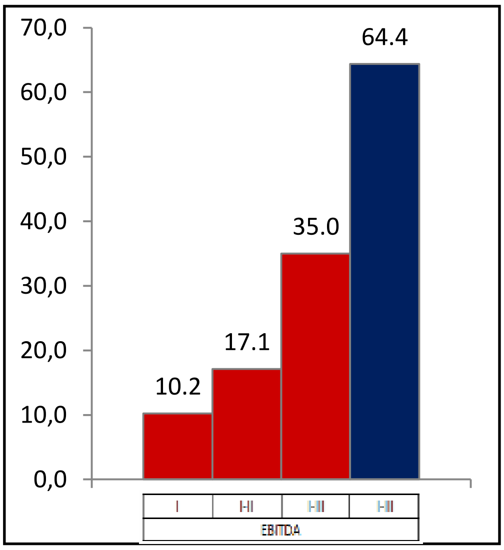
3.3.Companies in the agriculture sector

Companies in the agriculture sector are Belje, PIK Vinkovci and Vupik. The table below shows the cumulative revenue and EBITDA for the sector, with results of individual companies portrayed in detail in subsections which follow.

Cumulative revenue and EBITDA for 2018 (HRK m) *

Agriculture





- Includes three companies summarized results:
  - Belje, PIK Vinkovci and Vupik

NOTE: All results are preliminary.

Cumulative YTD budget   Cumulative January - March

3.3.1. Companies in the agriculture sector: Belje d.d.

3.3.1.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	281	302
EBITDA	25.5	38.5
EBITDA %	9.1%	12.7%

NOTE: All results are preliminary.

3.3.1.2. Commentary on recent trading

- Revenues from the sales of products and services in March were lower than budget, mainly due to the prices of finishers and semi-hard cheese which were significantly below budgeted sales prices.

- Due to the sales prices of finishers and semi-hard cheese, EBITDA generated in March was lower than expected.

- The budgeted finisher price was HRK 9.38/kg while the price realized in March was HRK 8.04/kg, having a negative impact on EBITDA by HRK 10.3 million.

- Similarly, the budgeted price for semi-hard cheese was HRK 27.63/kg while the realized price was HRK 18.75/kg, having a negative impact on EBITDA by HRK 8.9 million.

- Despite the negative impact of lower finisher and semi-hard cheese prices on EBITDA totaling HRK 19.2 million, the overall EBITDA generated was only HRK 11.8 million lower than budget due to cost optimization activities, ie reduced cost per product unit.

- The level of inventories was higher at the end of the current period in a year-on-year comparison, mainly due to stocks of raw-material and production material for the animal feed production, which were purchased during the season at lower than current market prices.

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3.3.2. Companies in the agriculture sector: PIK Vinkovci d.d.

3.3.2.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	130	123
EBITDA	6.4	17.1
EBITDA %	4.9%	14.0%

NOTE: All results are preliminary.

3.3.2.2. Commentary on recent trading

- Over the course of Q1 2018 the majority of revenue is accounted for by sales of cereal and oil crops, soya meals, sales of piglets, fresh fruit and vegetables and sales of production materials, mainly fertilizers to contract farmers. Sales revenues exceeded budget by approximately 6% with the exception of piglets where, due to the drop in prices, sales revenues were lower than budget by HRK 3.1 million – the planned price was HRK 18/kg and the actual price was HRK 12.4/kg. With the increase of sales revenues, EBITDA increase is also expected compared to previous months.

- The most significant impact on the EBITDA margin was the drop in prices of pork and semi-hard cheese together with other activities bearing lower margins such as sales of cereal, oil crops and animal feed.

- The trend of improved trading activities continued in March, with a change of customer structure in the oil segment and cereal crop sales which had a positive effect on DSO. This change has had a similar impact on DPO.

- With the continued increase in sales of goods in March, and given the faster rotation of merchandise, the decrease in DIO compared to March 2017 has continued.

3.3.3. Companies in the food sector: Vupik d.d.

3.3.3.1. Financial results YTD and KPIs

Financial results*	Jan-Mar 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	54	52
EBITDA	3.1	8.8
EBITDA %	5.6%	17.0%

NOTE: All results are preliminary.

3.3.3.2. Commentary on recent trading

- Q1 2018 has seen increased revenues compared to budget, mostly due to higher revenues in winery operations and sales of fattening cattle. The sales price of finishers is still low, having a direct impact on the company's profits.

- EBITDA in March was lower than budget due to the low market value of finishers, having an adverse impact on EBITDA by HRK 6.8 million.

- Inventories of raw-material, material and finisher products at the end of March were at approximately the same level as at the end of February.

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4. Short-term cash position

4.1. Cash management

The Group continues to actively manage its liquidity with cash flow forecasts being updated on a fortnightly basis, and weekly/fortnightly payment budgets being derived on that basis, payment proposals of the Group companies and respective reviews/approvals in order to execute payments. In the period since the new finance was raised in June 2017 to the end of March 2018, net funds of HRK 1.3 billion have been deployed in the businesses to assist with liquidity.

As discussed in the previous monthly report, this cash was used primarily to unwind trade payables in relation to the period post 10 April 2017, and to restock the businesses. It enables the operating companies of Group to fully prepare for the seasonal summer business in 2018. This is seen as one of the major achievements of the overall restructuring process during the Extraordinary Administration.

The table below provides a summary of the current and previous cash flow forecast:

CW11 Forecast 19 Core Subsidiaries 13 Week STCF vs prior week (HRK m)

	Current STCF (CW 15)	Prior week STCF (CW 13)
Minimum cash balance (13w)	724	683
Maximum cash balance (13w)	1,324	1,258
Minimum Liquidity covenant	296	296
Available liquidity	**428 – 1,028**	**387 – 962**

4.2. Supplier claims settlement

It was communicated publicly in the week ending 28 July 2017 that a tranche of EUR 150 million would be made available for the settlement of trade claims prior to the Act on Extraordinary Administration. This EUR 150 million tranche was split into three pools A, B and C as detailed in the last few monthly reports.

4.2.1. Status update

There have currently been EUR 83.8 million of funds approved to be utilized out of Pool B, as detailed in the last monthly report.

On the basis that certain corrections to the tables of recognized claims were delivered to Zagreb Commercial Court on 13 December 2017, some additional requests for payment approval are expected from the creditors in question from Groups A and B. Any residual unused funds from this EUR 150 million will become available for operational use within the Group.

4.2.2. Border claims

The Extraordinary Administration paid a second round of border claims in order to reach a minimum of 47% of the supplier’s border claim to those suppliers who had signed agreements with the Group to return to historic supplier terms. In addition to the Pool B suppliers who had already signed agreements a small number of key suppliers who did not have a significant amount of old debt (and have thus not participated in the Pool/Group B agreements) were offered a payment of up to 47% of border debt, subject to a benefit accruing to the company through improved trading terms.

4.2.3. Trade finance facility

As previously reported, allocation of the EUR 100 million pool is currently ongoing with a focus on eligible suppliers that have a high goods turnover.

A total of 44 suppliers signed to access the trade facility in the total amount of EUR 96.5 million, which represents a total of EUR 48.25 million for goods and services. Of this amount, EUR 43.7 million of goods and services have already been provided.

4.2.4. SPFA status

Agrokor has submitted a SPFA extension request notice in compliance with clause 2.4 of the SPFA agreement. Since March 2018, the Extraordinary Administration has been exploring refinancing alternatives for the SPFA through a new Exit Facility. Market feedback obtained from the process has indicated that, while there is interest from potential new lenders in providing an Exit Facility, the actual funding will likely not be available before the 10 July 2018 SPFA maturity date due to the expected implementation timetable for establishing the new holding structure for Agrokor’s assets, as described in the Settlement term sheet published on 10 April 2018, after an approved Settlement Plan. Completion of this implementation period is currently targeted to be in Q4 2018 at the earliest. Therefore, the Extraordinary Administration determined that it would be appropriate to submit the request and intends to engage with SPFA lenders over the coming weeks with the goal of reaching agreed extension terms well in advance of 10 July 2018.

5. Settlement negotiations

In the last reporting period the in-principle agreement (term sheet) containing all important, key structural elements of the settlement was concluded and signed by the Members of the TCC and other creditors, including the members of the management board of the Suppliers' Association. The term sheet with the key elements of the settlement constitutes the framework according to which the final wording of the settlement agreement is being prepared, based on the registered claims and their legal status.

The signatories to the term sheet represent more than two thirds of all creditors' claims and they have reached an agreement on the key elements of the settlement. The final wording of the settlement agreement will be voted upon by all creditors whose claims have been recognized and who have been given such right at the settlement voting hearing.

Since the signing of the settlement term sheet on 10 April 2018, the Extraordinary Administration and its advisers have continued to work with the members of the TCC and other creditors on elaborating the final settlement plan. In accordance with the EPM, the available value of the Group will be distributed in a fair and equitable way, individually by each company subject to the Extraordinary Administration, to all creditors who have registered their claims, while in parallel a comprehensive, complex legal text is being drawn up – the settlement agreement – which will define all details of the arrangement to be achieved by the creditors by way of the settlement.

The intensity of work on the aforesaid documents is expected to keep increasing in order for the majority of matters to be completed by the end of May.

Some interpretations over the course of this reporting period, according to which it would not be possible to reach a settlement agreement among the Group’s creditors within the statutory deadline, are not substantiated by facts. In particular, by the ruling of the High Commercial Court regarding the determination of the number of members in the Permanent Creditors' Council (**PCC**) and the assignation of creditors to groups, the High Commercial Court has not confirmed the aforesaid but returned the matter to a renewed proceeding. The Group shall honor all requests of the Commercial Court in order for the Commercial Court to pass a new ruling on the number of members to the PCC and on assigning creditors to groups, which would meet all required criteria. In any case, the Act on Extraordinary Administration clearly states in article 31 that the TCC has the same authorities, rights and obligations as the PCC and fulfills the function of the PCC until the latter is formed. Any contestation of such rights to the TCC has no foundation in the Act on Extraordinary

Administration and there are no arguments which would substantiate the statement that the settlement could not be reached within the statutory deadline due to the ruling passed by the High Commercial Court.

The in-principle agreement/term sheet concluded between the creditors on 10 April 2018 has the support of the majority of creditors required to achieve the settlement and, as long as this is the case, the achievement of the settlement is beyond dispute. The process is under way, with many interested parties and opposing interests involved and the court plays a very active role as the settlement approaches. All of these events were expected, particularly with the settlement close to finalization in extremely complex processes such as the Extraordinary Administration.

6. Cost of Extraordinary Administration and operational business of Agrokor d.d.

As in previous months, the Extraordinary Administration continues to manage accrued operational business expenses. These expenses relate wholly and directly to the various centralized services provided across the Group.

An overview of the Group's operating costs paid to the end of March 2018, grouped by cost type, can be found in the table overleaf. These figures are reported net of VAT to enhance the transparency of the true costs to the Group. The cost categories detailed include all advisors whether instructed before or after the Extraordinary Administration commenced.

The 'Commissioner's fee' remains the same as the Deputy Extraordinary Commissioner's fee is captured within 'employees and service contracts' in the table overleaf. Together with severance payments made during March 2018, employee costs have seen an increase of HRK 0.5 million as a result of these changes. Total employee headcount at the end of March 2018 was 91.

As detailed in previous reports, a number of December 2017 invoices booked and paid in January 2018 resulted in a reduction of total consultant fees for February 2018, and invoices continue to be booked and paid in line with services delivered. The increase in total consultant fees of HRK 1.7 million between February and March 2018 is a net effect of this and is therefore in line with expectations.

Whilst the audit of the Group's 2017 financial year continues, audit and tax fees remain as expected at approximately HRK 3.0 million in March 2018.

As January and February monthly amortization costs were both booked in February 2018, the decrease of HRK 0.4 million in March 2018 is in line with expectations.

The largest contributor to the overall increase in operational costs for March 2018 of HRK 14.8 million is the HRK 11.6 million legal and other professional costs of utilizing the new finance facility. New financing costs are absorbed on a quarterly basis and were therefore not seen in January and/or February 2018.

OPERATING COSTS of AGROKOR D.D. (HRK)	Apr-Dec 2017	January 2018	February 2018	March 2018	Total
Total cost of salaries and fees					
Commissioner's fee	1,040,991	118,970	118,971	118,971	1,397,904
Employees and service contracts (Bruto II included)[3]	53,190,186	4,068,203	4,082,329	4,620,013	65,960,732
Severance payments	24,960,182	-	-	-	24,960,182
	79,191,359	**4,187,174**	**4,201,301**	**4,738,985**	**92,318,818**
Consultant fees[4]					
Legal	81,513,524	10,221,146	7,838,672	11,097,443	110,670,785
Financial	31,579,403	3,685,064	1,911,455	386,072	37,561,994
Restructuring	116,997,520	12,758,536	14,873,768	14,507,483	159,137,307
Other (forensics, HR)	9,847,447	1,902,977	989,393	1,272,985	14,012,802
	239,937,894	**28,567,723**	**25,613,288**	**27,263,983**	**321,382,888**
Audit and tax services	**10,026,887**	**738,751**	**3,717,381**	**3,058,887**	**17,541,906**
Utilities costs	**2,281,818**	**195,547**	**143,328**	**270,254**	**2,890,948**
Material costs					
Transportation costs (insurance, maintenance, fuel, etc.)	5,261,724	218,024	359,076	385,199	6,224,023
Ongoing maintenance	3,126,412	417,521	561,198	408,148	4,513,280
Other	4,732,845	54,537	39,846	996,524	5,823,752
	13,120,981	**690,082**	**960,120**	**1,789,871**	**16,561,054**
Insurance costs - management liability insurance	**14,971,419**	**-**	**-**	**-**	**14,971,419**
Cost of new financing	**47,018,273**	**-**	**-**	**11,596,358**	**58,614,632**
Travel costs / education	**402,597**	**38,735**	**27,017**	**52,219**	**520,568**
Other costs[5]	**46,605,780**	**1,451,243**	**218,782**	**1,371,182**	**49,646,987**
Amortization / Depreciation	**4,758,083**	**-**	**905,559**	**452,779**	**6,116,422**
Total (April 2017 adjusted for operating costs after 10 April 2017)	**458,315,093**	**35,869,254**	**35,786,776**	**50,594,518**	**580,565,642**

Notes:

1. Total operating costs of Agrokor d.d. (without adjustments or deduction of costs for the period from 1 April 2017 to 10 May 2018) plus all subsequent month's amount to total operating costs of Agrokor d.d. (this is the number in SAP; HRK 608,430,919).
2. Total operating costs in the sum of HRK 580,565,642 is the best representation of the operating costs of Agrokor d.d. since the start of the Extraordinary Administration (being total costs excluding the period 1 April 2017 to 10 April 2017).
3. The Deputy Extraordinary Administrator's fee is categorized as an employee cost as opposed to a Commissioner fee.
4. Consultant fees are adjusted for the proportion of their costs related to VAT and the pro-rata system Agrokor is in, for the Extraordinary Administration.
5. Adjustments totaling HRK 27,856,276 have been made for operating costs that relate to the period 1 April 2017 to 10 April 2017. Other costs include all other SAP accounts which are not separately listed in the above table. Hence, this can result in negative amounts in certain categories for a given period. Furthermore, it includes suppliers after 10 April 2017 which are not captured within consultant fees.
6. The above table remains subject to change; however, operating costs shown are the best representation as at the date of this report and includes an estimate for amortization which is yet to be actualized.
7. As invoice bookings and payments do not necessarily correspond with the period for which services were provided, operating costs in the above table may be reallocated between months once payments are complete to best reflect when services were provided. The monthly categorization in the above table is therefore the best representation as at the date of this report.

7. Litigation

The present reporting period saw some developments in the various litigation and enforcement proceedings formally issued against the Group.

In Croatia, the Commercial Court of Zagreb issued a resolution whereby it annulled the Interim Creditors' Council decision of 13 April 2018 in which the Council proposed to the Extraordinary Commissioner to engage a set of financial and legal advisors who would advise the members of the Council as they are from time to time. The Commercial Court also issued a decision inviting the Extraordinary Commissioner to deliver documentation relevant for the Interim Creditors' Council session of 24 April 2018 and the associated decision on payment of pre-petition claims and instructing the Extraordinary Administration not to pay claims specified in that decision until the ruling of the Commercial Court becomes final. The Extraordinary Administration has filed a response and delivered the requested documentation to the Court.

The High Commercial Court of the Republic of Croatia issued a resolution annulling the decision of the Commercial Court of Zagreb determining the number of creditors' council members and classifying creditors into groups. The Extraordinary Administration will take the necessary legal steps with respect to all of these decisions in the prescribed statutory periods.

The Constitutional Court of the Republic of Croatia issued a resolution by which it did not adopt proposals for constitutional review of the Act on Extraordinary Administration whereby it confirmed the constitutionality of the Act on Extraordinary Administration.

There were no updates for Montenegro during this period.

In England and Wales, Sberbank of Russia has been granted permission to appeal in its appeal against the order of HHJ Matthews recognising the Extraordinary Administration in England and Wales, and against the decision of the same Judge to stay Sberbank's application to lift the stay pending resolution of the appeal of the recognition order (case nos. A2/2018/0103 and A2/2018/0513, respectively). Those appeals will be heard together before three Lord Justices of Appeal in the Court of Appeal in London on 19 and 20 June 2018.

In Serbia, requests were filed for the litigation proceedings brought by Banca Intesa a.d. Beograd against Agrokor d.d. (case no. P 6465/17) to be heard together with the litigation proceedings brought against the guarantors of the debt that Banca Intesa was seeking to enforce (Konzum d.d., Jamnica d.d., Zvijezda d.d., Agrokor Trgovina d.o.o., PIK Vrbovec Mesna Industrija d.d – case no. P 3283/2017). As reported previously, Banca Intesa had brought enforcement proceedings against Agrokor d.d. which were transferred to litigation proceedings. The hearing that had been listed for 10 April 2018 in the proceedings against the guarantors was adjourned pending the court's determination of this request.

The Extraordinary Administration has also filed a reply to Sberbank d.d. Zagreb's appeal in the litigation proceedings brought against Konzum d.d. (case no. P 6397/2017). Finally, in the litigation proceedings brought by Sberbank banka d.d. Ljubljana against Jamnica d.d. (case no. P 5975/2017), the Commercial Appellate Court has rejected Sberbank's appeal against the decision by which the Commercial Court in Belgrade declared that it was not competent to hear the respective litigation proceedings. The Court rejected the request and hearings have been listed for 20 June 2018 (case no. P 6465/2017) and 11 September 2018 (case no. P 3283/2017).

In Slovenia, the District Court in Ljubljana has issued a declaration that the stay on the enforcement proceedings brought by Sberbank banka d.d. Ljubljana would be lifted following the decision of the Supreme Court not to allow recognition of the Extraordinary Administration in Slovenia (case no.VL 60340/2017). The Extraordinary Administration has filed an appeal against the enforcement decision.

In Bosnia and Herzegovina, Sberbank d.d. Zagreb and Sberbank banka d.d. Ljubljana filed appeals against the decisions of the Municipal Court in Kiseljak to transfer the enforcement proceedings brought against Jamnica d.d in respect of its shares in Sarajevski Kiseljak d.d. to litigation proceedings (case nos. 49 0 Ip 040938 17 Ip and 49 Ip 040942 17 Ip respectively). Responses have been filed in both proceedings.

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8. Temporary Creditors Council

The TCC convened twice during the period from 11 April 2018 to 10 May 2018.

The TCC held its eighteenth session on 13 April 2018 by way of correspondence and voted on the decision to engage advisors to the TCC, which was adopted unanimously.

The nineteenth session of the TCC was held on 25 April 2018 by way of correspondence. They voted on two decisions on the payment of old debt to Zagreb Holding - subsidiary ZET (Zagreb public transportation company).

The decision on old debt payment in the sum of HRK 23.2 million was made unanimously, while the decision on old debt payment in the sum of HRK 19.2 million was made by majority.

Over the course of the reporting period the TCC members communicated regularly on progress of the settlement process.

9. Registration of claims

The Commercial Court in Zagreb issued decisions on 29 and 30 March 2018 determining claims of the following creditors: Addiko bank d.d. in the amount of HRK 385.4 million, Sberbank Europe AG in the amount of HRK 1.1 billion, and public joint stock company Sberbank of Russia in the amount of HRK 3.6 billion. Following this, on 9 April 2018, the Extraordinary Administration filed a revised version of the table of creditors classified into groups which also includes the above determined claims.

Following the removal of contestations, claims totaling HRK 46.2 billion are currently recognized by the Extraordinary Administration together with guarantees/co-debtorships in the sum of HRK 123.2 billion, while disputed claims amount to HRK 11.7 billion.

Claims contested by other creditors total HRK 8.2 billion and the total value of contested guarantees/co-debtorships is HRK 130.0 billion.

The total amount of determined claims is currently HRK 38.0 billion.

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10. Stakeholder relations and communications

The intensive and transparent communication with key stakeholders in Croatia and other countries of the Group's operations has continued. The most important news in this reporting period relates to the publication of the Group's audited consolidated results. There was intensive media communication with the media including more than 65 different media activities, amongst which there were media queries, press releases, briefings, interviews, media statements and so on.

On 18 April 2018, the Extraordinary Commissioner Fabris Peruško and Deputy Commissioner Irena Weber participated at the meeting of the Board of Economy of the Croatian Parliament. The Extraordinary Commissioner made a detailed presentation to the members of the Board of Economy on the provisions of the settlement term sheet, comprising the key elements as well as further steps in the Extraordinary Administration and the process of finalising the settlement agreement. They were both available to respond to the questions of the board members and members of Parliament related to the Extraordinary Administration.

On 24 April 2018, the Deputy Prime Minister and Minister of Economy, Entrepreneurship and Crafts of the Republic of Croatia, Martina Dalić, Ph.D. met with the management boards of companies from the food, retail and agriculture sectors in the Group. Along with the Extraordinary Commissioner, the meeting was also attended by Zvonimir Mršić, advisor to the Extraordinary Commissioner for the food sector, Vlado Čondić Galiničić, advisor to the Extraordinary Commissioner for agriculture and representatives of Zvijezda, Jamnica, Ledo, PIK Vrbovec, Konzum, Velpro, Roto dinamic, Belje, PIK Vinkovci, Vupik and Agrokor trgovina. The topic of the meeting was the operational status of the aforesaid companies and preparations for the upcoming tourist season, while the management boards of the companies also confirmed their full support and commitment to the settlement process.

All communication activities as well as those relating to the cooperation with key stakeholders are intended to support successful completion of the settlement agreement.

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