

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

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**FOR THE PERIOD BETWEEN 11 AUGUST 2018 AND 10 SEPTEMBER 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 relates to the period from 11 August to 10 September, 2018. The objective of the report is to follow the development of the economic and financial situation within the Agrokor Group over the course of this period and to outline 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 report includes the results of 16 companies from three operating segments: Retail & Wholesale, Food and Agriculture, which in the period under review generated operating profits that exceeded budget by HRK 20.7m – amounting a total of HRK 1.1bn, although unconsolidated revenues recorded at the Agrokor Group level were six per cent lower than budgeted and amount to HRK 13.459bn. The increase in EBITDA was mostly accounted for by the higher-than-planned profitability in retail, given that the Retail and Wholesale segment has recorded improved operating results from month to month.

The effects of the restructuring process and the focus on increasing profitability are reflected in the reduced operating costs. All companies in the Retail and Wholesale segment generated positive operating profits in July, most of them even having outperformed the budget. The cumulative operating profit in Retail amounted to HRK 223.5m while cumulative revenues over the period were six per cent lower than budgeted and amounted to HRK 7.534bn.

Unfavorable weather conditions affected the results of the Food segment in July, resulting in total cumulative revenue of the segment being lower by almost HRK 200m at HRK 4.733bn. The lower revenue realization was mostly affected by the beverages and frozen food sub-segments due to the seasonal nature of the business and the significant impact of weather conditions. However, cumulative operating profits of the Group exceeded budget by more than HRK 40m and amounted to HRK 792.5m in the period from January to July 2018.

The Agriculture segment saw a drop in revenues against budget in July, due to the continuing trend of declining pork prices on the European commodity exchange and the continued drop in prices of semi-hard cheese. Intensified other activities successfully set off the impact of the price drop on cumulative operating revenues which amounted to HRK 1.193m, but the decline in operating profits against budget is still present. Given the good natural indicators in primary production in the forthcoming period the impact of the price drop on European commodity exchanges is expected to be reduced.

The Agrokor Group is in the process of preparations for the Settlement Plan implementation, which has been formalized and intensified immediately upon adoption of the Settlement Plan. The exceptionally complex process includes the transfer of business operations to the new group and the implementation process itself has to provide for a smooth transfer of operations without negative effects on the Group's business. The Settlement Plan implementation includes, amongst other matters, the establishment of a new group and the finalization of the legal aspects of the Settlement Plan as well as the transfer of business operations to the new group (the so-called 'Go-live' of the new group) and the post-Go-Live implementation support.

The two stages of the implementation project differentiate between the process of planning and the process of putting the plan into effect. In the first stage the plan is initially prepared for two pilot companies (Ledo and Konzum) and will then be implemented for the other insolvent companies under the extraordinary administration.

On 4 September, 2018 Agrokor submitted its response to the appeals lodged against the Ruling confirming the Settlement Plan, dated 6 July, 2018, to the Zagreb Commercial Court. In keeping with the efficiency principle and striving to avoid any unnecessary repetition, Agrokor has decided to respond to all 92 appeals in one submission, disclosed by the Court at its bulletin board: [e-oglasna.pravosudje.hr/](http://e-oglasna.pravosudje.hr/).

In its submission Agrokor holds that the first instance Court accurately and completely established all facts relevant to the decision making and duly applied the substantive law to the matters of fact thus established, that the ruling was valid and explained in full and that no procedural error had preceded its passing. In pursuance thereof, Agrokor holds the first instance ruling to be correct and legitimate.

On 27 August, 2018 in the United States a hearing was held on the recognition of the extraordinary administration proceedings according to the Chapter 15 in front of judge Martin Glenn in New York's South District. The attorney of the extraordinary administrator informed the Bankruptcy Court about the current status of various recognition processes in Europe and provided detailed documentation supporting the recognition request. The extraordinary administrator participated in the hearing by phone. In conclusion, the judge decided to recognize the extraordinary administration procedure and settlement according to Chapter 15 (of U.S. Bankruptcy Code).

As the successful restructuring of Agrokor requires an improvement in corporate governance as well as raising the professional and ethical corporate standards in all Agrokor Group companies, the Extraordinary Administration took a number of steps in the reporting period that resulted or will result in changes in the Management Boards and high managements of some of the Group companies.

Thus Dario Vrabc, President of the Management Board and CEO of Ledo d.d. informed the Ledo Supervisory Board that he would resign from the position as CEO and leave the company upon own request. The Extraordinary Administration would like to thank Dario Vrabc for his long-standing contribution to the successful operations of Ledo and for preserving the production under the extremely difficult conditions that preceded the opening of the extraordinary administration procedure at Agrokor as well as during the procedure itself. Upon receipt of the information from Dario Vrabc, on 4 September, 2018 a Supervisory Board session was held at Ledo, where its members took note of the resignation of the former CEO and appointed Marin Poljak as new President of the Management Board and CEO of Ledo d.d. Marin Poljak has almost twenty years of management experience in multinational companies from the FMCG sector.

Upon proposal of the Extraordinary Commissioner the Supervisory Board of Jamnica made the decision to recall Mislav Galić from the position of President of the Management Board and CEO of Jamnica and appoint Dario Šalić to this position. The request to recall Mislav Galić was, amongst other matters, also supported by the fact that Mr. Galić was part of the former Management Board of Agrokor that had caused the extraordinary administration procedure to be initiated and that criminal proceedings were under way against him, causing damage to the business reputation of Jamnica and limiting Mislav Galić in his ability to duly perform his duties. Dario Šalić, the new President of the Management Board and CEO of Jamnica is a longtime manager in the beverages industry who gained extensive professional experience at various managerial positions in major international and regional companies.

The Extraordinary Commissioner also sent a letter to the President of the Management Board and CEO of Mercator Tomislav Čizmić and the Supervisory Board of Mercator drawing their attention to the suspected irregularities and unlawfulness in the work of former Management Boards of individual companies subject to the Extraordinary Administration, which included a Manager at Mercator, Mr. Dražen Kocijan. Following that letter Dražen Kocijan submitted his resignation to the CEO of Mercator.

Changes were also made in the management of Konzum B&H. In agreement with the Extraordinary Administration, the former Managing Director of Konzum Tomislav Bačić and Executive Directors Tomislav Primorac and Kristina Alebić are returning to Croatia to new positions within the Agrokor Group and Nihad Imširović, former director of Klas d.d. Sarajevo, was appointed as new Managing Director. Nihad Imširović was previously employed on managerial positions at Agrokor's companies in Bosnia and Herzegovina and has a long-term working experience in the fast moving consumer goods sector (FMCG) in Bosnia and Herzegovina.

## 2. State of companies under the Extraordinary Administration during the reporting period

The financial information in the table below relate to cumulative revenue and EBITDA for the seven months of 2018, for certain key companies of the Group. This monthly report contains financial reporting for the 16 key Group companies. The 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 - July 2018 performance*			
HRK m	Retail and Wholesale	Food	Agriculture
Revenue	7,534	4,733	1,193
EBITDA (before mgmt. fee)	223.5	792.5	88.0
EBITDA %	3.0%	16.7%	7.4%

### \*Notes: Preliminary results

- 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 exclude revenues from services not related to regular operating activities.
- EBITDA = EBIT + amortization/depreciation + value adjustments and impairments + provisions + management and restructuring fees.
- Source of information – management accounts
- Preliminary YTD results; FY17 closing has not been fully finalized – possible changes in balance sheet amounts used for calculation of KPIs
- 2017 information presented has not been restated
- 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.
- Monthly allocation of FY18 budget has been prepared.

- **Retail and Wholesale** includes four companies' summarized results:
  - *Retail*: Konzum Croatia, Konzum BiH, Tisak
  - *Wholesale*: Velpro - Centar
- **Food** includes nine companies' summarized results:
  - *Beverages*: Jamnica, Roto dinamic and Sarajevski kiseljak
  - *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

Within the scope of this report, the Agrokor Group comprises 16 companies in three segments: Retail and Wholesale, Food and Agriculture. Even though revenues at Group level are 6% lower than planned, EBITDA is HRK 21 million higher when compared to budget. This is mostly due to increase of retail profitability compared to plan.

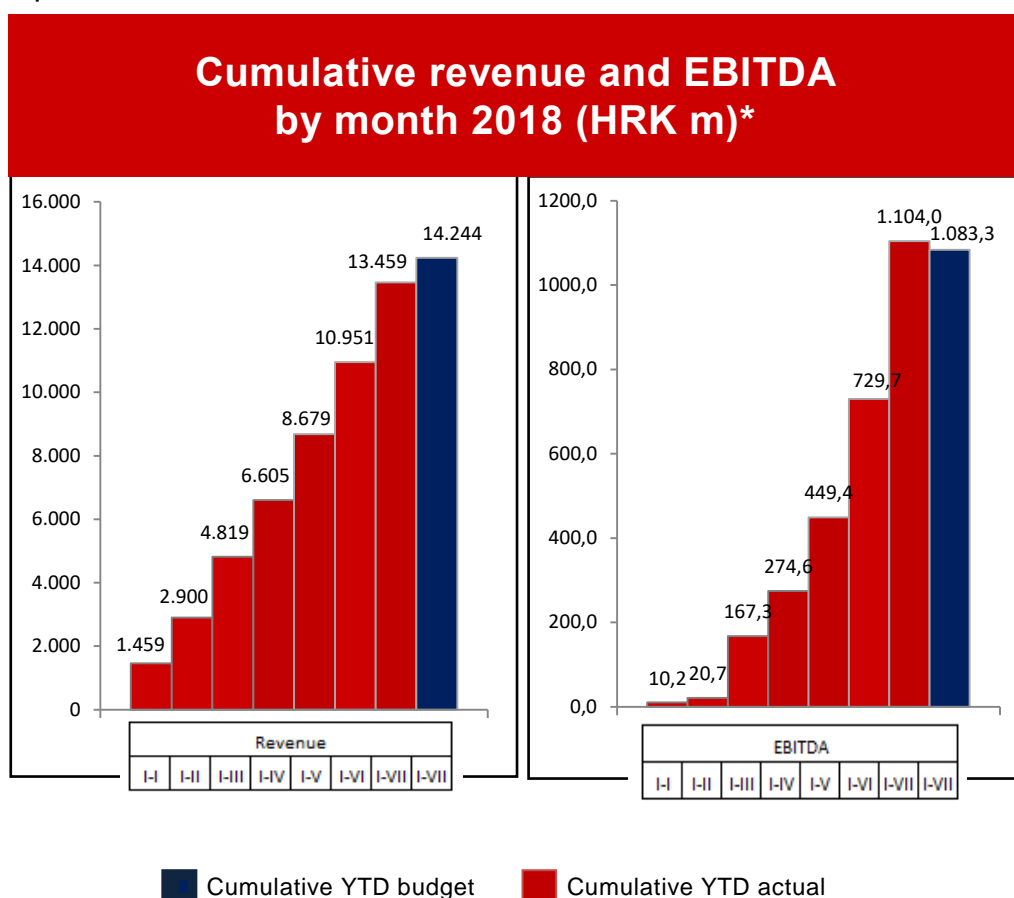
The Retail and Wholesale segment has seen an improvement of operating results from month to month. The effects of the restructuring process and the focus on increasing profitability are visible in the reduced operating costs. All companies in the Retail and Wholesale segment have generated positive EBITDA in July, most of them having outperformed the budget. Cumulative revenues for the period are slightly below budget. Although the generated revenues are lower than planned, the continuous reduction of operating costs resulted in EBITDA of the Retail and Wholesale segment exceeding budget.

The unfavorable weather conditions affected the results of the Food segment in July, being lower than budgeted, which is particularly visible in the Beverages and Frozen Food sub-segment with marked seasonality and a significant impact of weather conditions. Sales revenues generated in the oil sub-segment exceeded budget, while EBITDA was below budget due to increased fixed costs resulting from the annual overhaul of the Dijamant factory. July was a particularly successful month for Zvijezda, both in terms of revenues and EBITDA. The Meat sub-segment has continued the trend of generating better operating results (EBITDA) than planned due to improved operating efficiency, better structure of products sold and a lower raw-material price, having affected sales prices which were lower than planned and hence resulting in lower sales revenues. Cumulative EBITDA of the Food segment from the beginning of the year to the end of the reporting period has exceeded budget.

Agriculture segment for the month of July has exhibited a fall in revenue compared to budget which is primarily a result of continuing fall in price of pork meet in the European commodity exchange as well as the fall in the price of semi-hard cheese. The effect of lower prices on the revenue was offset by the rise of other business activities, but a fall in operating profits is still present in comparison to the plan. Due to good natural indicators in the primary production it is planned to lower the impact of the fall in prices in European markets during the next quarter.

## 2.1. Agrokor Group

Within the scope of this report, the Agrokor Group includes 16 companies in three business segments: Retail and Wholesale (Konzum Croatia, Tisak, Konzum B&H and Velpro - Centar); Food (Beverages - Jamnica, Roto dinamic, Sarajevski kiseljak; Ice cream and frozen food - Ledo, Frikom, Ledo Čitluk; Oil - Zvijezda, Dijamant and Meat - PIK Vrbovec) and Agriculture (Belje, PIK Vinkovci and Vupik). The table shows summarized results of cumulative revenues and EBITDA by month for all companies of the Group comprised in this report, while the results for individual business segments and companies are set out in the subsections to follow.



**\*NOTE: All results are preliminary.**

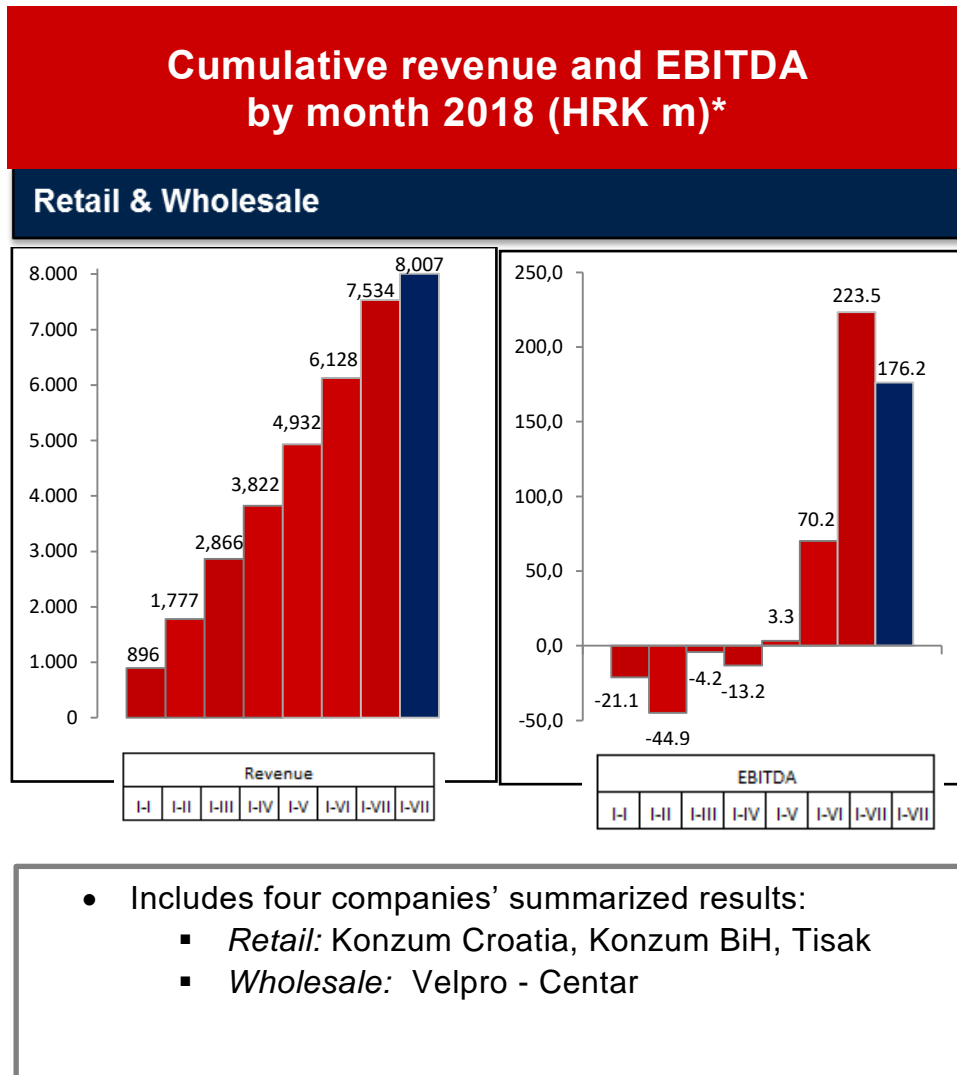
**Agrokor Group reporting includes 16 companies:**

- **Retail and Wholesale** includes four companies' summarized results:
  - *Retail:* Konzum Croatia, Konzum BiH, Tisak
  - *Wholesale:* Velpro - Centar
- **Food** includes nine companies' summarized results:
  - *Beverages:* 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



## 2.2. Companies in the Retail and wholesale segment

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



\*NOTE: All results are preliminary.

■ Cumulative YTD budget    ■ Cumulative YTD actual

## 2.2.1. Companies in the Retail and wholesale segment: Konzum d.d.

### 2.2.1.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	5,045	5,026
EBITDA	231.4	135.7
EBITDA %	4.6%	2.7%

**\*NOTE: All results are preliminary.**

### 2.2.1.2. Commentary on recent trading

- The return of customers as a positive trend that started at the beginning of the year continued in July, with a higher number of transactions than expected. Good supply and assortment along with strong promotional activities resulted in a larger average basket than expected in July, as well as cumulative for the year.
- The continued positive results in terms of increasing number of customers and larger average basket resulted in retail revenues exceeding budget, both in July and cumulative for the year.
- Sales revenues in retail over the first 7 months of the year outperformed budget by 4%, while in July they were 2% higher.
- The total margin generated in retail in July was 3.9% higher than budgeted, while the cumulative for the year exceeded budget by 4.2% which can be viewed as the result of revenues being higher than planned, but also as the result of an improved cooperation and communication with suppliers.
- The effects of various saving measures and activities aimed at increasing profitability which took place in late last year and early this year are visible in the operating costs being lower than budgeted in July and cumulative for the year.
- Along with the controlled decrease in operating costs and increase in revenues and margin as against plan, generated EBITDA and EBITDA margin were improved in July, just as in each reporting month this year.

## 2.2.2. Companies in the Retail and wholesale segment: Konzum BiH

### 2.2.2.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	742	804
EBITDA	-7.9	0.3
EBITDA %	-1.1%	0.0%

**\*NOTE: All results are preliminary.**

### 2.2.2.2. Commentary on recent trading

- The basket and the number of customers in July were above expectations, which is extremely positive as it indicates the return of loyal customers.
- Although the generated revenues were below budget, the continuous decline in operating costs resulted in positive EBITDA for July.
- July saw a change in the concept of promotions / action sales. The *Price of the Day* which was being implemented from Monday to Friday in previous months, was replaced by *Promotion for the beginning of the week*, implemented from Monday to Wednesday. The concept of flyer advertising was changed and *Top Saturday* discontinued, thus generating savings in the advertising budget of 34% as against the plan.
- The focus of marketing activities in July was on regular promotional activities, preparations of a new wave of the campaign about to be broadcast in August and preparations of feature action sales on the occasion of Eid-ul-Adha, the Sarajevo Film Festival and Školica (Back to School)

## 2.2.3. Companies in the Retail and wholesale segment: Tisak d.d.

### 2.2.3.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	1,107	1,233
EBITDA	7.7	22.3
EBITDA %	0.7%	1.8%

**\*NOTE: All results are preliminary.**

### 2.2.3.2. Commentary on recent trading

- Cost of goods sold as a share of July's revenue is better than planned which reassures that the positive trend from previous months has continued. As expected, positive effects of the tourist season, introduction of a new (wider) assortment, new pricing policy and the reduced share of wholesale operations has resulted in better sales.
- The EBITDA development has continued with the improvement trend that has set off in the second half of 2017 which is in the line with the restructuring measures taken. The result for July 2018 was better than budgeted and it displays the continuation of positive trends in terms of profitability during the tourist season.
- Retail, being the largest business segment of Tisak, has realised a better result than budget which was the case in the previous months as well. Retail is outperforming the budgeted values since March.
- Operating costs in July 2018 were slightly higher than planned, but significantly lower than in July 2017. The increase was due to one-off costs of inventory write-offs and higher transportation costs. Otherwise the operating costs would have been lower than budgeted.

## 2.2.4. Companies in the Retail and wholesale segment: Velpro - Centar d.o.o.

### 2.2.4.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	640	945
EBITDA	-7.6	17.8
EBITDA %	-1.2%	1.9%

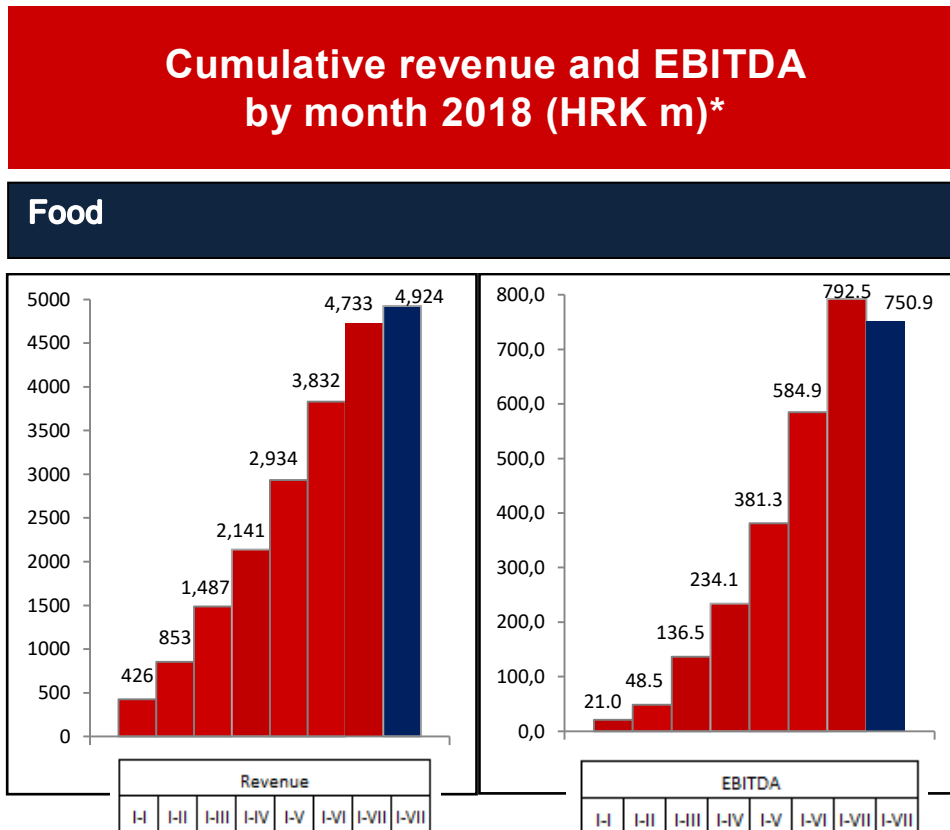
**\*NOTE: All results are preliminary.**

### 2.2.4.2. Commentary on recent trading

- Both in July and cumulative revenues have been lower than planned due to uncertainties on the market but also due to a deliberate reduction of turnover with low profitability customers as well as the focus on faster collection of trade receivables.
- July saw a positive EBITDA generation and the cumulative is still lagging behind the budget due to lower revenues than planned. In the following months the positive trends are expected to continue, in line with the planned activities by customer segment.
- In terms of relative EBITDA, July saw the highest percentage since the beginning of the year, while in cumulative the planned values have not yet been achieved.
- The most significant operating activities during the reporting month:
  - New agreements were signed with retailer associations, larger customers from the retail segment and agreements with hotel operators were finalized
  - A marketing campaign was launched with radio stations and printed media.

### 2.3. Companies in the Food segment

Companies in the food segment 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 segment, with results of individual companies within the segment portrayed in detail in the subsections which follow.



- Includes nine companies' summarized results:
  - *Beverages:* 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 YTD actual

## 2.3.1. Companies in the Food segment: Jamnica d.d.

### 2.3.1.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	758	778
EBITDA	184.4	185.6
EBITDA %	24.3%	23.9%

**\*NOTE: All results are preliminary**

### 2.3.1.2. Commentary on recent trading

- Significantly worse weather conditions than last year resulted in lower sales revenues than budgeted.
- July this year saw 4 rainy days more than last year and no so-called „heat wave“ (temperature of +33°C), while last year saw 14 such days (the data pertain to Zagreb).
- The continuation of the Jana campaign „Deep above all“ was accompanied by the launch of a new digital support channel on Instagram (Deepest Instagram profile).
- A new Jamnica corporate website was launched with a number of new functionalities and sections (<https://jamnica.company/hr/>).
- The monthly EBITDA generated was below budget, as a result of lower sales revenues. At annual level, the generated EBITDA is slightly below budget.

## 2.3.2. Companies in the Food segment: Roto dinamic d.o.o.

### 2.3.2.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	524	576
EBITDA	43.1	26.1
EBITDA %	8.2%	4.5%

**\*NOTE: All results are preliminary**

### 2.3.2.2. Commentary on recent trading

- The business model improvement and cost reduction resulted in monthly EBITDA exceeding budget.
- Generated sales revenues in July were below budget due to unfavorable weather conditions on the continent and continued competitive pressure in the greater Zagreb region.



### 2.3.3. Companies in the Food segment: Sarajevski kiseljak d.d.

#### 2.3.3.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	204	213
EBITDA	47.9	48.5
EBITDA %	23.5%	22.8%

**\*NOTE: All results are preliminary.**

#### 2.3.3.2. Commentary on recent trading

- Sales revenues generated in July were below budget due to poor weather conditions (continuous rainy periods) and the absence of the planned export level.
- Monthly EBITDA has followed the drop in revenues, while cumulative EBITDA is slightly below budget.

## 2.3.4. Companies in the Food segment: Ledo d.d.

### 2.3.4.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	722	709
EBITDA	165.9	162.9
EBITDA %	23.0%	23.0%

*\*NOTE: All results are preliminary.*

### 2.3.4.2. Commentary on recent trading

- The unfavorable weather conditions resulted in reduced sales of ice-cream and the monthly sales revenues are hence lower than budgeted. The frozen food category generated a positive result. Sales revenues have exceeded budget at an annual level.
- In spite of reduced sales, the improved operating cost efficiency resulted in the EBITDA margin in July having outperformed the budget.
- The monthly EBITDA is in line with the budget, and EBITDA exceeds plans in annual terms.
- July saw an active marketing communication in ice cream for the key Ledo brands: King, Quattro i Maximo.

## 2.3.5. Companies in the Food segment: Ledo Čitluk d.o.o.

### 2.3.5.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	207	202
EBITDA	50.8	50.2
EBITDA %	24.5%	24.8%

**\*NOTE: All results are preliminary.**

### 2.3.5.2. Commentary on recent trading

- Sales revenues generated in July were below budget, with the major part accounted for by the ice cream category. Unfavorable weather conditions of 22 rainy days affected the drop in sales of ice cream as the major driver of sales in this period.
- The monthly EBITDA was below plan, as a consequence of poor sales realization.
- Annual sales revenues and EBITDA have outperformed the budget.

## 2.3.6. Companies in the Food segment: Frikom d.o.o.

### 2.3.6.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	543	564
EBITDA	153.4	137.2
EBITDA %	28.2%	24.3%

**\*NOTE: All results are preliminary.**

### 2.3.6.2. Commentary on recent trading

- Lower-than-planned sales revenues in July are the consequence of extremely poor weather conditions over the entire course of the month, resulting in a drop in sales of the best-selling product category: ice cream.
- The drop in sales revenues was partly mitigated by the growth of sales of other product categories, primarily fruit, vegetables and pastry.
- Monthly EBITDA was lower than budgeted, while cumulatively it is still significantly above budget, mainly as a result of improved operating efficiency, focus on profitable product groups and the lower level of COGS.

## 2.3.7. Companies in the Food segment: Zvijezda d.d.

### 2.3.7.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	406	388
EBITDA	42.9	36.8
EBITDA %	10.6%	9.5%

*\*NOTE: All results are preliminary.*

### 2.3.7.2. Commentary on recent trading

- Both in terms of revenues and EBITDA July was an exceptionally successful month for Zvijezda.
- Monthly sales revenues and EBITDA outperformed budget.
- The growth of realization is visible in all key categories on the local and export markets – oils, margarines, mayonnaise and ketchup.
- The major export markets, Slovenia and Bosnia and Herzegovina also recorded positive results in July.
- The marketing activities were focused on highly seasonal products – olive oil.

## 2.3.8. Companies in the Food segment: Dijamant a.d.

### 2.3.8.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	401	477
EBITDA	12.8	22.4
EBITDA %	3.2%	4.7%

**\*NOTE: All results are preliminary.**

### 2.3.8.2. Commentary on recent trading

- Sales revenues in July were significantly higher than budgeted in almost all product categories: oils, margarines, mayonnaise, dressings and merchandise goods.
- The growth of revenues was positively affected by exports of oil to new markets outside of the Adria region, the growth of volumes of almost all product categories as well as sales of soybean meal.
- Due to an overhaul of the factory in July, which had a negative impact on fixed costs, the monthly EBITDA generated was below budget.

### 2.3.9. Companies in the Food segment: PIK Vrbovec d.d.

#### 2.3.9.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	968	1,016
EBITDA	91.2	81.4
EBITDA %	9.4%	8.0%

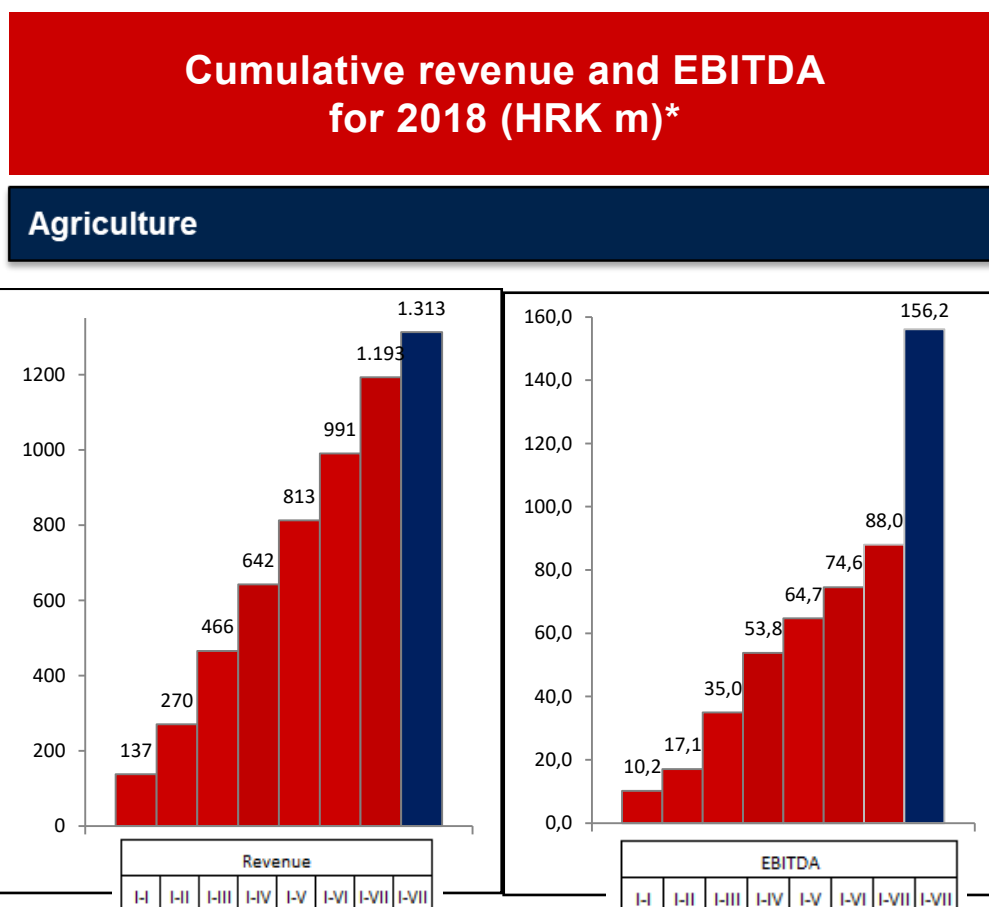
**\*NOTE: All results are preliminary.**

#### 2.3.9.2. Commentary on recent trading

- Monthly EBITDA exceeded budget due to increased operating efficiency, improved structure of products sold and the timely preparations for the season.
- Sales revenues in July were slightly lower than budgeted. Although the quantities sold exceeded budget, the lower price of raw-materials affected the sales prices resulting in lower final sales result.
- July saw a growth of processed meat sales, with the slice program sales being particularly high. At the same time, in terms of fresh meat, packaged meat and meat specialties sales improved.

## 2.4. Companies in the Agriculture segment

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



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

**\*NOTE: All results are preliminary.**

■ Cumulative YTD budget    ■ Cumulative YTD actual



## 2.4.1. Companies in the Agriculture segment: Belje d.d.

### 2.4.1.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	692	769
EBITDA	67.4	106.1
EBITDA %	9.7%	13.8%

**\*NOTE: All results are preliminary.**

### 2.4.1.2. Commentary on recent trading

- Revenues from goods and services sold in the current period are below plan, mostly due the fact that the price of finishers and semi-hard cheese was below planned prices. The lower selling prices of finishers and semi-hard cheese is the main cause of EBITDA generated in the current period being below budget. The effect of the difference between the budgeted and realized prices amounted to HRK 17.2m on semi-hard cheese and HRK 22.4m on finishers. Total impact of the lower prices of finishers and semi-hard cheese on EBITDA is HRK 39.6m.
- The realized crop yield (corn, barley, rapeseed) are on the planned level. At the same time the cost of the units of these cultures is in line with expectations.
- By managing costs and the costs of business processes as one of the key aspects in the optimization process there is a continued effort in this direction resulting in lower costs of goods sold by unit. Significant savings were achieved on raw-material and material costs, mainly due to lower input prices of raw materials for animal feed production, agricultural crop seeds, plant protection chemicals and meat for the production of cured meat products. The establishment of a direct relationship with suppliers has also resulted in lower input prices of animal feed components and packaging.

## 2.4.2. Companies in the agriculture segment: PIK Vinkovci d.d.

### 2.4.2.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	370	385
EBITDA	11.4	9.2
EBITDA %	3.1%	2.4%

**\*NOTE: All results are preliminary.**

### 2.4.2.2. Commentary on recent trading

- In July as well as cumulatively in seven months of 2018 the majority of sales revenues is accounted for through sales of cereal and oil crops, reproduction materials to contract farmers – mainly mineral fertilizers, sales of soybean meal, piglets, fresh fruit and vegetables.
- Realized sales was higher than budgeted in sales of wheat, oilseed, proteins, mineral fertilizers, and crop protection and in the sales of heifer (young cows). The fall happened in the sales of fruits and vegetables and pigs. The sale of pigs was lower due to the lower price compared to budget and lower sales volume which resulted also in the lower EBITDA of HRK 7.8m. Higher sales revenues were the result of increased sales of cereal crops by 36% in financial terms against budget, soybean meal sales by 31% against budget and reproduction material sales to contract farmers having exceeded budget by 16% financially. Segments that realized higher sales positively affected EBITDA as well, while sale of pigs and lower sales of fruit and vegetables and lower than planned price affected EBITDA negatively. Different dynamics of monthly sales also attributed to the difference in comparison to planned EBITDA.
- The trend of increased trading activities and faster stock rotation as well as the decline in DIO continued in July. Days payable outstanding (DPO) as well as days sales outstanding (DSO) have been stable and at the level of the previous period.

### 2.4.3. Companies in the agriculture segment: Vupik d.d.

#### 2.4.3.1. Financial results YTD and KPIs

Financial results*	Jan-July 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	131	159
EBITDA	9.3	40.8
EBITDA %	5.7%	25.2%

**\*NOTE: All results are preliminary.**

#### 2.4.3.2. Commentary on recent trading

- In the first seven months of 2018 revenues generated from sales of products and services were lower than budgeted, mostly due to the very low sales price of finishers. Due to the weather conditions in June, the end of the wheat harvest and revenues from wheat sales were realized in July, 38% being sold in July while the rest is expected to be sold in August. In the next month we expect the finish of the harvest of sunflowers and its sales. Out of vegetable crops, remaining pea crops were sold out in July. The price of finishers fell slightly in July in comparison to the previous month but it is expected to rise again next month and have a positive impact EBITDA.
- Cumulative EBITDA of the company is lower than budgeted due to the currently very low market value of finishers. The total cumulative effect of the difference between the budgeted and the actual price of finishers is HRK 16.5m. Loading of rapeseed on ships PC Pretovarna Luka had a positive effect on EBITDA in July.
- Raw material, material and finished product inventories compared to previous month were higher due to incoming of new cattle food from agriculture production.

### 3. Short-term cash position

#### 3.1. 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 requests of the Croatian Group companies are reviewed/approved in order to execute payments. In the period since the new financing was raised in June 2017 to mid-August 2018, net funds of HRK 1.1 billion have been deployed into the businesses to assist with liquidity.

As discussed in previous monthly reports, this cash was used primarily to unwind trade payables in relation to the period post 10 April 2017, and to restock the businesses. It continues to enable the operating companies of the Group to fully prepare for their seasonal business in 2018, as it did in 2017. 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:

<b>CW34 Forecast – 19 Core Subsidiaries 13 Week STCF vs prior week (HRK m)</b>	<b>Current STCF (CW 33)</b>	<b>Previous STCF (CW 31)</b>
Minimum cash balance (13w)	738	683
Maximum cash balance (13w)	1,202	1,055
Minimum Liquidity covenant	296	296
<b>Available liquidity</b>	<b>442 – 906</b>	<b>387 – 759</b>

## **3.2. Supplier claims settlement**

### **3.2.1.1. Trade finance facility**

The EUR 100m pool previously reported has been allocated to eligible suppliers that have a high goods turnover.

A total of 44 suppliers signed up to access the trade facility in the total amount of EUR 96.5m, which represents a total of EUR 48.24m for goods and services. Of this amount, EUR 48.23m of goods and services have already been provided.

#### **4. Cost of Extraordinary Administration and operational business of Agrokor d.d.**

As in previous months, the Extraordinary administration continues managing the incurred operating costs. These costs are fully and directly linked to the various centralized services provided for the entire Group.

An overview of the operating costs of the Group by the end of July 2018, broken down by the type and group of costs, is presented in the operating costs table shown below on a monthly basis. Expense categories for the period of extraordinary management include all advisors and all other operating expenses, regardless of whether they are engaged before or after the commencement of the extraordinary administration procedure.

Invoices are still credited and paid on an ad hoc basis, in accordance with the services provided. The Group had negotiated changes in a number of advisor fees due to the change in the type and quantity of work, their team structure and their assignment, which resulted in certain fee reduction.

If we look at this month, the costs of restructuring consultants are lower in July compared to June 2018 in the nominal amount of HRK 9.99m, which consists of a reduction of the cost of legal consultants in the amount of HRK 0.54m, a decrease of the cost of financial consultants in the amount of HRK 1.82m, reduction of the cost of restructuring consultants in the amount of HRK 6.56m and a decrease of the cost of other consultants in the amount of HRK 1.06m.

In the cumulative for the entire period from 10.04.2017 until 31.07.2018 operating costs of Agrokor d.d. amounted to HRK 1.029 bn, of which legal, financial and other consultants and Agrokor's restructuring advisors amount to HRK 525.77m.

The operating costs in July 2017 were considerably higher than in the previous months due to the category of new financing costs. In July 2018 this cost category includes total amount of HRK 165.4m of costs related to the new financing.

The total number of employees at the end of July 2018 was 93, and there was one severance payment in the reporting period.

<b>OPERATING COSTS of AGROKOR D.D.</b>	<b>Apr - Dec 2017</b>	<b>January 2018</b>	<b>February 2018</b>	<b>March 2018</b>	<b>April 2018</b>	<b>May 2018</b>	<b>June 2018</b>	<b>July 2018</b>	<b>TOTAL</b>
<b>Total cost of salaries and fees</b>									
Commissioner's fee	1.040.991,01 kn	118.970,40 kn	118.970,40 kn	118.970,40 kn	118.970,40 kn	118.970,40 kn	118.970,40 kn	118.970,40 kn	1.873.783,81 kn
Employees and service contracts (Bruto II included)	53.190.186,24 kn	4.068.203,14 kn	4.082.330,36 kn	4.167.885,89 kn	4.576.878,09 kn	4.413.913,99 kn	6.061.046,47 kn	4.352.340,00 kn	84.912.784,18 kn
Severance payments	24.960.182,17 kn	0,00 kn	0,00 kn	452.128,27 kn	0,00 kn	82.550,00 kn	0,00 kn	412.310,01 kn	25.907.170,45 kn
	<b>79.191.359,42 kn</b>	<b>4.187.173,54 kn</b>	<b>4.201.300,76 kn</b>	<b>4.738.984,56 kn</b>	<b>4.695.848,49 kn</b>	<b>4.615.434,39 kn</b>	<b>6.180.016,87 kn</b>	<b>4.883.620,41 kn</b>	<b>112.693.738,44 kn</b>
<b>Consultant fees*</b>									
Legal	81.513.524,11 kn	10.221.145,88 kn	7.838.671,88 kn	11.097.443,03 kn	8.184.446,05 kn	75.126.321,95 kn	12.369.593,45 kn	11.825.897,35 kn	218.177.043,71 kn
Financial	31.579.402,77 kn	3.685.063,68 kn	1.911.455,14 kn	386.072,05 kn	2.058.233,55 kn	15.898.809,10 kn	1.885.859,92 kn	63.536,36 kn	57.468.432,58 kn
Restructuring	116.997.520,22 kn	12.758.536,38 kn	14.873.767,74 kn	14.507.483,01 kn	12.239.724,32 kn	18.973.150,12 kn	25.219.206,04 kn	18.657.881,02 kn	234.227.268,85 kn
Other (forensics, HR)	9.847.447,10 kn	1.902.976,60 kn	989.393,25 kn	1.272.985,37 kn	0,00 kn	562.566,56 kn	1.195.032,08 kn	130.248,20 kn	15.900.649,15 kn
	<b>239.937.894,20 kn</b>	<b>28.567.722,54 kn</b>	<b>25.613.288,01 kn</b>	<b>27.263.983,46 kn</b>	<b>22.482.403,92 kn</b>	<b>110.560.847,73 kn</b>	<b>40.669.691,49 kn</b>	<b>30.677.562,93 kn</b>	<b>525.773.394,28 kn</b>
<b>Audit and tax services</b>	<b>6.386.934,91 kn</b>	<b>0,00 kn</b>	<b>1.141.457,22 kn</b>	<b>443.357,82 kn</b>	<b>443.365,93 kn</b>	<b>0,00 kn</b>	<b>53.458,57 kn</b>	<b>488.354,58 kn</b>	<b>8.956.929,03 kn</b>
<b>Utilities costs</b>	<b>2.281.818,48 kn</b>	<b>195.547,28 kn</b>	<b>143.328,08 kn</b>	<b>270.253,80 kn</b>	<b>146.674,62 kn</b>	<b>237.542,67 kn</b>	<b>226.190,49 kn</b>	<b>339.406,90 kn</b>	<b>3.840.762,32 kn</b>
<b>Material costs</b>									
Transportation costs (insurance, maintenance, fuel, etc.)	5.261.724,02 kn	218.024,19 kn	359.075,91 kn	385.198,84 kn	364.956,63 kn	391.548,79 kn	410.817,52 kn	221.306,55 kn	7.612.652,45 kn
Ongoing maintenance	3.126.412,00 kn	417.521,49 kn	561.197,98 kn	408.148,12 kn	306.668,21 kn	414.841,72 kn	469.820,13 kn	731.948,30 kn	6.436.557,95 kn
Other	4.732.845,16 kn	54.536,55 kn	39.846,03 kn	996.523,82 kn	1.445.142,27 kn	4.006.573,46 kn	147.029,76 kn	605.045,67 kn	12.027.542,72 kn
	<b>13.120.981,18 kn</b>	<b>690.082,23 kn</b>	<b>960.119,92 kn</b>	<b>1.789.870,78 kn</b>	<b>2.116.767,11 kn</b>	<b>4.812.963,97 kn</b>	<b>1.027.667,41 kn</b>	<b>1.558.300,52 kn</b>	<b>26.076.753,12 kn</b>
<b>Insurance costs - management liability insurance</b>	<b>14.971.418,78 kn</b>	<b>0,00 kn</b>	<b>0,00 kn</b>	<b>0,00 kn</b>	<b>0,00 kn</b>	<b>0,00 kn</b>	<b>11.716.670,88 kn</b>	<b>0,00 kn</b>	<b>26.688.089,66 kn</b>
<b>Cost of new financing</b>	<b>47.018.273,11 kn</b>	<b>0,00 kn</b>	<b>0,00 kn</b>	<b>11.596.358,48 kn</b>	<b>1.794.011,22 kn</b>	<b>126,07 kn</b>	<b>2.097.404,14 kn</b>	<b>165.429.052,44 kn</b>	<b>227.935.225,46 kn</b>
<b>Travel costs / education</b>	<b>402.597,03 kn</b>	<b>38.734,57 kn</b>	<b>27.017,02 kn</b>	<b>52.219,05 kn</b>	<b>55.793,95 kn</b>	<b>77.631,92 kn</b>	<b>22.472,67 kn</b>	<b>23.146,85 kn</b>	<b>699.613,06 kn</b>
<b>Other costs **</b>	<b>50.245.732,19 kn</b>	<b>2.189.994,17 kn</b>	<b>2.794.706,09 kn</b>	<b>3.986.711,12 kn</b>	<b>3.350.774,24 kn</b>	<b>12.246.900,98 kn</b>	<b>5.521.899,78 kn</b>	<b>8.219.028,63 kn</b>	<b>88.555.747,20 kn</b>
<b>Amortization / Depreciation</b>	<b>4.758.083,49 kn</b>	<b>0,00 kn</b>	<b>905.558,98 kn</b>	<b>452.779,38 kn</b>	<b>452.917,49 kn</b>	<b>452.371,48 kn</b>	<b>454.997,85 kn</b>	<b>455.274,21 kn</b>	<b>7.931.982,88 kn</b>
<b>Total (April adjusted for operating costs after 10/04/2017)***</b>	<b>458.315.092,79 kn</b>	<b>35.869.254,33 kn</b>	<b>35.786.776,08 kn</b>	<b>50.594.518,45 kn</b>	<b>35.538.556,97 kn</b>	<b>133.003.819,21 kn</b>	<b>67.970.470,15 kn</b>	<b>212.073.747,47 kn</b>	<b>1.029.152.235,45 kn</b>

Adjustment for April 2017 - first 10 days before extraordinary administration: HRK 27,865,276.91

**Notes:**

1. It is important to note that the total operating costs of Agrokor d.d. (without adjustments or deduction of costs for the period from 01/04/2017 to 10/04/2017) + all other months shown above, amount to total operating costs of Agrokor d.d. for the shown period (this is the actual number in SAP): HRK 1,057,017,512.37
2. The total amount of HRK 1,029,152,235.45 is the best representation of the operating costs of Agrokor d.d. since the start of the extraordinary administration (this is the total cost minus the costs in the first 10 days of April before the extraordinary administration).
3. Consultant fees are adjusted for the proportion of their costs related to VAT and the pro-rata system Agrokor is in (in Croatian: za nepriznati dio PDV-a).
4. Consultant fees from May 2018 onwards include new consultants signed for the final phase of the process. New consultants include McKinsey in restructuring, PJT&FTI in financial and AKIN Gump in legal consultants fee section.
5. \*\* Adjustments were made in the amount of HRK 27,865,276.91 which are operating costs that relate to prior period in April (first 10 days).
6. Line "Other costs" includes all other SAP accounts which are not separately listed in the Operating cost table above. Hence, this can result in negative amounts in certain categories for a given period. Furthermore, it includes other suppliers that were not included in consultant fees. It also includes suppliers after 10/04 which are not considered in the "core" consultant fee section
7. Due to the changing nature of bookings, it is possible that operating expenses in a given month are booked with a delay or that some costs are void. Agrokor d.d. will show the actual operating costs at a time of the making of this report. Any additional booking/changes will be adjusted once realized and hence, they can change the actuals in any given period. Insurance costs for example are to partly be re-invoiced to subsidiaries and once this is done Agrokor d.d. will have revenue for the part of cost which was re-invoiced.
8. This operating costs report is produced on an on-going basis on various dates in any given month, so the exchange rate EUR/HRK can vary for the given period. For the ease of analysis, the cost analysis model which is linked to this operating costs report uses a set exchange rate of 7,45HRK/EUR.
9. Cost of audit and Tax services was revised for the entire period of extraordinary administration since it included a part of the Other costs, which are now reclassified (and audit and tax services now include only audit and tax related expenses).
10. The cost of new financing for the month of July 2018 includes a total amount of HRK 165.4m of costs related to new financing.



## 5. Litigation

The present reporting period saw some developments in the various litigation and enforcement proceedings formally issued against Agrokor d.d. and a number of its affiliates.

There were no updates in England & Wales, Serbia, Bosnia and Herzegovina or Montenegro during this period.

In Croatia, following the approval of the Settlement Plan by the Commercial Court of Zagreb a total of 92 appeals have been lodged with the Court. During the period, the review process was finalised and responses to the appeals have been submitted to the Commercial Court of Zagreb. The Court file will now be delivered to the appellate High Commercial Court for its deliberation and resolution of the appeals. Resolution of the appeals is not expected before the end of November 2018.

In Slovenia, the Higher Court in Ljubljana rejected the appeal of Agrokor d.d. in the proceeding brought by Sberbank of Russia seeking a temporary injunction over the shares in Mercator d.d. (case no. Zg 32/2017). The injunction prohibiting Agrokor d.d. from encumbering and/or disposing of the shares in Mercator d.d. has now become final and the Extraordinary Commissioner is discussing next steps with his legal advisers.

In the recognition proceedings, the Constitutional Court rejected the motion of the Extraordinary Commissioner to stay the effects of the decisions of the Courts to reject the recognition of the initiation of extraordinary administration proceeding as foreign insolvency proceeding in Slovenia.

In the enforcement case (case no. is VL 60340/2017) initiated by Sberbank banka d.d. (Ljubljana), the Higher Court in Ljubljana rejected the appeals of Agrokor d.d. and Jamnica d.d. against the decision of the first instance court on resumption of the suspended enforcement proceedings. The Local Court in Ljubljana will now decide on the objection against the enforcement order, filed by Agrokor d.d. and Jamnica d.d. in July 2017.

The commissioner also filed a reply to the motion of the company Karisma Resort International S.A. seeking an injunction over 266,667 shares (4.4%) in Mercator d.d. in a new injunction case (case no. is Zg 12/2018). The District Court in Ljubljana issued the decision no. Zg 12/2018 dated 27 August 2018, by which it

rejected the motion for the injunction and ordered that the creditor should reimburse Agrokor's costs. The decision of the court is not yet final, since the creditor is entitled to file an appeal.

In the US, a Chapter 15 recognition hearing was held before Judge Martin Glenn in the Southern District of New York on 27 August 2018. Counsel for the Extraordinary Commissioner updated the Bankruptcy Court on the status of the various recognition proceedings in Europe and made detailed submissions in support of the application. The Extraordinary Commissioner attended the hearing by telephone. At the conclusion of the hearing Judge Glenn granted Chapter 15 recognition of the Extraordinary Administration proceedings and Settlement Plan.

## **6. Temporary Creditors' Council**

During the reporting period there was no session of the Temporary Creditors' Council.

## **7. Settlement Plan Implementation Summary**

For the purpose of continuing business operations of Agrokor Group, the settlement of creditors is based on a fair and equitable treatment of all stakeholders in the restructuring process, establishing of a new Agrokor Group corporate structure, owned by the Creditors (with all assets transferred to it) and achieving a sustainable debt level in the New Group by settling Creditors' claims through ownership and debt financial instruments (Convertible Bonds and Depositary Receipts). The process of preparations for the settlement implementation was started in the final stages before the settlement was confirmed in voting and it was formalized and intensified following the vote.

The Settlement Plan implementation comprises two models of asset/company transfer from the Old Group to the New Group:

- Transfer of business units for insolvent companies subject to Extraordinary Administration to newly founded mirror companies, to be implemented in 47 Group companies
- Transfer of shares/stakes for solvent companies subject to Extraordinary Administration and foreign companies (a total of 112 Group companies)

### **7.1. Organizational structure of the Settlement Plan implementation**

The Settlement Plan implementation is an exceptionally complex process which includes the transfer of business operations to the New Group. The implementation process needs to provide for a smooth transfer of operations with no negative effects on the Group's business.

In compliance with project management principles, the Settlement Plan implementation process is organized through the Project Management Office function within the Group that will, together with the advisors, run and develop the Settlement Plan Implementation Schedule. The implementation is envisaged to comprise two major parts Implementation planning and Implementation realization.

In the first stage the implementation plan will initially be prepared for two pilot companies (Ledo and Konzum) and will then also be applied to other insolvent companies subject to Extraordinary Administration.

Implementation realization includes amongst other matters:

- The establishment of the New Group and the finalization of legal aspects of the Settlement Plan;
- The Establishment of the New Group and the transfer of operations to the New Group (the so-called „Go-live“ of the New Group),
- Post Go-Live implementation support.

The project structure includes The Steering Committee, Expert teams and Project management support / operating company resources.

The implementation process is structured in key implementation pillars:

- i. Legal implementation of the Settlement Plan**
  - i. Transfer of assets / stakes
  - ii. Issuing new instruments
- ii. Operating implementation („Go-live“) of the New Group**
  - i. Sales and marketing
  - ii. Logistics
  - iii. Purchasing
  - iv. Production
- iii. Information systems (IT)**
  - i. Master data management
  - li. Establishment of infrastructure
  - lii. Program support and data migration
  - iv. Licenses and other information technology rights
- iv. Accounting/taxes/finance**
- v. Communications**

## **7.2. Implementation planning status**

### ***Indicative implementation timeline:***

- Expected effective date of Settlement Plan: by 31 December, 2018,
- Settlement Plan declaration (ICD): by 31 January, 2019,
- Beginning of operations of the New Group: by 1 March, 2019 („Go-live“).

The above indicative implementation timeline will depend on meeting the conditions from the Settlement Plan (binding opinion of the Croatian Tax Authority and binding opinion of the Dutch Tax Authorities) as well as the ruling on the Settlement Plan becoming effective. More than 100 thousand steps will need to be realized over the course of Settlement implementation process.

### **Current status:**

- The project teams, expert teams and operating company teams have been established. The Group has secured legal and project advisory support.
- Web-based project implementation management tools will be used to provide overall insight in the status of the project and the implementation stages/steps for 47 insolvent companies under the Extraordinary Administration.
- The project teams in the pilot companies have been established (Ledo, Konzum) and by the end of October 2018 the implementation plans will be prepared for the pilot companies and by mid December 2018 for other insolvent companies under Extraordinary Administration, the operations of which will be transferred to mirror companies.
- Preliminary asset transfer and stake/share transfer plans have been prepared
- The new subsidiaries and the new parent company have been founded

## **8. Stakeholder relations and communications**

The Extraordinary Administration continues the intensive and transparent communication with key stakeholders in Croatia and other countries in which Agrokor operates.

In all Agrokor Group companies intensive preparations have started for the implementation process, while at the same time, with a view to improving operations and raising the corporate professional and ethical standards within the Group, in this reporting period the Extraordinary Administration has also taken a number of steps that have resulted or are about to result in changes in the management boards and high managements of some of the companies within the Agrokor Group. Hence, these were the two major topics which were communicated with the key stakeholders over the course of the period.

In the media communication segment there has been intensive communication including more than 50 activities, such as media queries, releases, media statements and the like.

The Extraordinary Administration held a working meeting with the Prime Minister of Croatia Andrej Plenković and Minister of Economy Darko Horvat, where they discussed the Extraordinary Administration process, the preparations for the implementation process and the operations of the company in general.

During their visit to Konzum d.o.o. Sarajevo, where the changes in the management of Konzum in Bosnia and Herzegovina aimed at the further strengthening and development of operations were presented, the Extraordinary Commissioner Fabris Peruško and his Deputy Irena Weber held a meeting with the Deputy President of the Council of Ministers of Bosnia and Herzegovina Mirko Šarović and the Prime Minister of the Federation of B&H Fadil Novalić and informed them of the position of the Agrokor Group, with the stabilization, restructuring and progress achieved at the Agrokor Group companies operating in Bosnia and Herzegovina having been mutually confirmed. The Extraordinary Administration together with the former and the new Management Board of Konzum also held a meeting with the representatives of Konzum's major suppliers in B&H, aimed at the further growth and development of business operations.

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