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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 DECEMBER 2017 AND 10 JANUARY 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 provides an update on the economic and financial state of, and implementation of activities and measures, under the Extraordinary Administration of Agrokor d.d. and it’s affiliates (the **Group**) in the period between 11 December 2017 and 10 January 2018. The demanding process of financial and operational restructuring of the Group’s companies in the reporting period is on-going.

Retail and wholesale had relatively good results in November. Konzum, the largest retailer in Croatia, had better results than expected across all business indicators (revenue, margin, number of customers, costs and EBITDA) as a result of intense work in previous months. Tisak’s business results are similar, as the expansion of its assortment resulted in better gross margin and EBITDA. Velpro and Konzum BiH, unlike Konzum in Croatia and Tisak, are experiencing bigger challenges in negotiations on deliveries of certain goods. This has affected their revenue and consequently their margin and EBITDA.

The companies continued to undertake cost restructuring and all of them, except for Velpro to a lesser extent, have made significant progress to their goals. Cost reduction greatly affected the positive trends in EBITDA and with the increase of revenues, expected profitability was also achieved.

November represents the turning point between the summer and winter seasons and is historically the month with the lowest expenditure, which naturally influenced revenue compared to other months, but Konzum’s revenue in Croatia and Tisak’s revenue are higher than expected despite this.

The supply of goods remains a challenge for part of the Group and in the next period the focus will be on stabilizing the assortment in order to regain the trust of consumers, which was shaken at the beginning of 2017.

Companies from the Food division have continued to deliver solid business results for the first eleven months of 2017. Sales revenues have increased in line with expectations, and as the result of the continuous optimization and adjustment to the new market situation. EBITDA is in line with expected operational profit for November. One of the goals was the increase of inventory and supplies, as part of the preparation for the holiday season in December. During November several new and innovative products were launched in the segment of frozen food and oil. The companies continued to improve operational functioning through several measures such as: cost reduction, optimization of the product portfolio and analysis of the profitability of customers and suppliers.

In the Agriculture division the November revenue was the best month of the year for PIK Vinkovci due to the increase in sales of piglets and beef. An increase in sales of agricultural crops delivered through the network of co-operatives, as well as through the better yields of sugar beet than was expected. EBITDA margin in November 2017 was lower than the previous month, primarily as the result of the decrease in the price of pig meat on the global market. In spite of this, EBITDA margin that was realized in November of 2017 is still substantially higher compared to the previous months in 2017. This is a consequence of the cost optimization processes adopted in all companies, with excellent natural indicators of the livestock production, high yields of agricultural crops and high profitability of farms.

The draft of the settlement plan which was presented by the advisors of the Extraordinary Administration and the Extraordinary Trustee Ante Ramljak, was published on 20 December 2017 and discussions regarding the settlement proposal was the main topic for the entire month. The draft settlement plan presented the path and necessary next steps in order for the Extraodrinary Administration to be successfully completed by reaching a settlement within the legaly defined timeframe. The details on the proposed draft settlement plan can be found in section 5 of this report and on the Agrokor website at http://nagodba.agrokor.hr/en/agrokor-draft-settlement-plan/.

The structure of claims being included in the settlement is complex – approximately 5,700 Croatian and foreign claimants have registered approximately 12,000 claims relating to different payment classes, and various legal and factual circumstances. The value of recognized claims amounts to HRK 41.5 billion, while the total value of challenged claims amounts to HRK 16.5 billion. It is estimated that the amount of recognized claims owed to third parties, i.e. excluding inter-company claims within the Group, is in excess of EUR 5.5 billion, of which EUR 4.5 billion relates to claims from the period prior to the Extraordinary Administration, while EUR 1.1 billion relate to the financing with super seniority status (including the supplier tranche referred to in section 3.3 below).

On 13 December 2017 changes and amendments to the Registered Claims Tables were published on the e-Bulletin Board of the Commercial Court in Zagreb. These Tables only contain those claims in relation to which changes or amendments were made.

Apart from the claims contested by the Extraordinary Administration, an additional 29 submissions were received related to contestations from 15 other creditors, contesting 45 claims which had originally been recognized / verified by the Extraordinary Administration. Other creditors have additionally contested a total of HRK 13.1 billion, claims.

The Temporary Creditors' Council held its 13th meeting on 20 December 2017. The only item on the agenda was the presentation of the draft settlement plan by the Extraordinary Administration. The draft settlement plan was presented by the advisors of the Extraordinary Administration and the Extraordinary Trustee Ante Ramljak.

The Extraordinary Administration is using all available legal activities in order to protect the Group's property and its companies in Croatia and abroad. A detailed update on the Group's litigation status can be found in section 7 of this report.

During the reporting period regular, direct and formal communication with all key stakeholders continued with creditors, debtors, trade unions, employees, the management as well as government and institution representatives in the countries in which the Group operates.

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

The financial information in the table below relates to the eleven months (year-to-date) revenue, gross margin and EBITDA for certain key companies of the Group. Financial results for individual Group companies for the first eleven months of 2017 included in this section of the report, are not audited. This section, as with the previous monthly report, displays results for all 17 key companies. Depending on the findings of the audit for the 2017 calendar year, it is possible that the results in future reports may differ from previously reported results.

Jan - Nov 2017 performance*

HRK m	Retail and Wholesale	Food	Agriculture
Revenue	13,418m	7,569m	2,539m
Gross margin	2,488m	2,610m	653m
Gross margin %	*18.5%*	*34.5%*	*25.7%*
EBITDA	-149m**	1,043m	283m
EBITDA %	*-1.1%*	*13.8%*	*11.1%*

- **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 four companies' summarized results:
  - Belje, PIK Vinkovci, Vupik and Agrokor Trgovina

***NOTES: Preliminary results**

- Summarized YTD results, i.e. no elimination of intercompany transactions and no consolidation adjustments.
- Revenue includes sales of goods and services (domestic and foreign).
- EBITDA = EBIT + Depreciation and amortization + value adjustments and impairments + provisions.
- COGS calculated as cost of materials plus cost of goods sold +/- change in inventory.
- Results of FY16 audit have been reflected in 11 months results, however comparatives as well as data reported for the period March to September 2017 have mainly not been restated.
- **significant impact on EBITDA starting from September 2017 compared to monthly numbers previously reported related to the reclassification of operating to finance leases in Konzum Croatia.

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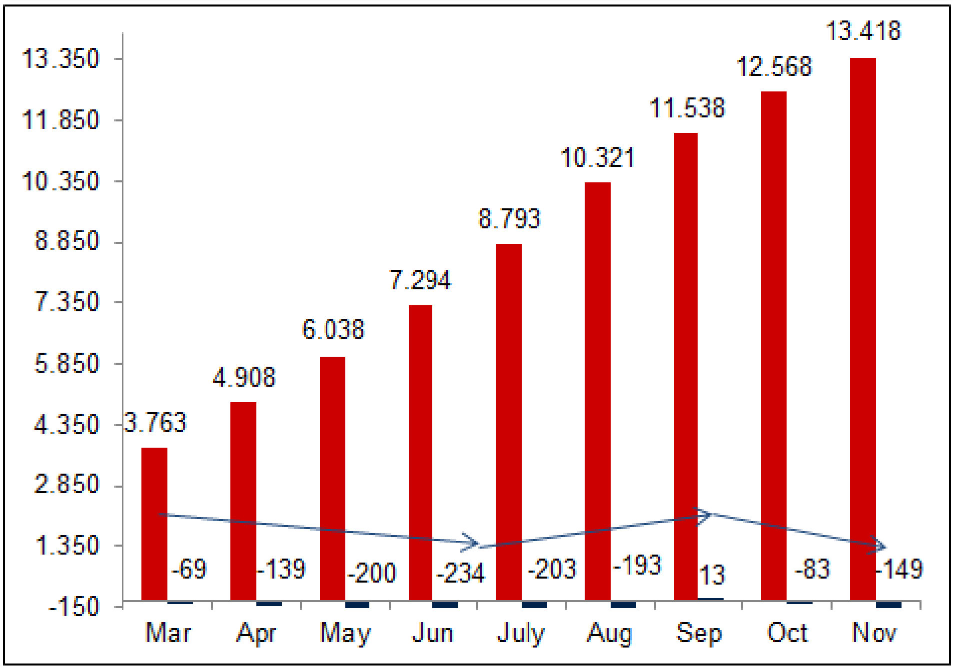
2.1. Companies in the retail and wholesale sector

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 2017 (HRK m)*

Retail & Wholesale



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

Revenue EBITDA EBITDA trend

NOTE: Preliminary results.

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

2.1.1.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	8,086
EBITDA	113
EBITDA %	1.4%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	20.5%
DSO	16 days
DIO	42 days

NOTE: All results are estimated.

2.1.1.2. Commentary on recent trading

- The efforts made over the previous months have started to have a positive effect in November, as demonstrated by several parameters which show a positive trend in business, with both revenues and EBITDA above expectations.

- With revenues exceeding the expected level, the declines seen in previous periods has been significantly reduced. Activities undertaken by way of intensive marketing communication, a more aggressive approach to customers through attractive promotional sales, better inventory management and the reduction of stock-outs are the reason for the improved revenue realization. Approaching the customer through these activities has resulted in increased footfall and resulted in an enlarged consumer basket.

- Other operating expenses in November were lower than expected, which is the result of strict cost monitoring, many cost saving activities as well as the closure of unprofitable stores identified earlier in 2017. The cost reduction accompanied by the increase in revenues and a higher gross margin have resulted in EBITDA exceeding expectations but following the long-standing trend for November of being negative.

- DIO increased against the previous month as a result of the timely preparation for the forthcoming holiday shopping season.

- DSO remained at a level broadly consistent with the rest of the year with a slight increase resulting from the larger volume of wholesale operations which grows in the second half of November due to the forthcoming Christmas season.

- The process of the operating network restructuring has started with store refurbishments in Solin and Zagreb, with minimum capital expenditure investment. In Zagreb, within the scope of the OPG Oporovečka project, the sales area is being optimized with limited assortment reduction and providing added value for customers by means of offering new store-in-store departments (OPG – family farm products, new lessees in the mall, F&F clothing brand, new large-format self-service bakery department). As a pilot-project, also in Zagreb, four small stores are being re-modelled in order to increase productivity and optimize processes.

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

2.1.2.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	1,859
EBITDA	-93
EBITDA %	-5.0%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	15.7%
DSO	23 days
DIO	42 days

NOTE: All results are estimated.

2.1.2.2. Commentary on recent trading

- The decline in revenues in November is mainly caused by stock-outs in stores, with stocks 25% below the level required during October and November, as a consequence of suspended deliveries from some suppliers.
- The total margin generated is below expectations due to the change in revenue mix (with insufficient goods with higher margin), increased pricing activities and reduced off-invoice revenues (goods deliveries are below expectations and the suppliers are disputing part of the rebates due.
- The anticipated recovery of deliveries and turnover has been somewhat slower than expected and there is still limited or poor cooperation around 10 suppliers.
- With the operating results below expectations, mainly due to insufficient goods delivered by suppliers, during November activities were pursued with a view to regaining customer confidence. The projects ”Price of the Day” and ”Good Price Every Day” were implemented in order to change the price perception and improve availability of products. These marketing initiatives resulted in a proportion of customers returning and the turnover recovering slightly.
- November saw a greater cost reduction than expected, excluding the one-off restructuring costs (closing down of unprofitable stores, separation of the Mercator stores and liquidation of Velpro d.o.o.)
- The improved cost savings could not offset the drop in revenues and gross margin, resulting in EBITDA being below expectations.
- DIO increased vs. last month as a result of the timely preparations for the forthcoming holiday shopping season and replenishment of stocks, which

intensified as of mid-November due to the availability of funds following the capital increase.

- DSO over the last three months have been following the company's restructuring steps (sale of assets and stocks to Mercator, liquidation of Velpro d.o.o.). Upon completion of the restructuring process DSO will drop to 12 days.

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

2.1.3.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	1.866
EBITDA	-37
EBITDA %	-2.0%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	21.0%
DSO	21 days
DIO	21 days

NOTE: All results are estimated.

2.1.3.2. Commentary on recent trading

- The gross margin in November 2017 increased due to the introduction of a new (wider) assortment, a new pricing policy and a reduction in the share of wholesale operations which deliver a significantly lower margin.

- The EBITDA development in the second half of 2017 is in line with the planned restructuring measures as of mid-2017, despite the weaker cumulative result for the 11 month period compared to last year.

- Revenues in the retail segment in November were in line with the restructuring plan. Revenues in the wholesale segment were stabilized after exiting several wholesale agreements. Revenues from courier and transportation services decreased after exiting the unprofitable flyer distribution as of late September 2017.

- By late November 2017 the majority of restructuring measures introduced in June 2017 had been completed, such as closing down unprofitable points of sale, introducing new assortment, reducing indirect costs and exiting unprofitable business arrangements (flyer distribution).

- In line with the restructuring measures undertaken, the planned monthly fixed operating cost ranges from HRK 33 to 35 million. The next steps in restructuring the company will focus on finalizing improvements in logistics and generating higher revenues and gross margins.

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

2.1.4.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	1,486
EBITDA	-111
EBITDA %	-7.5%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	9.9%
DSO	59 days
DIO	19 days

NOTE: All results are estimated.

2.1.4.2. Commentary on recent trading

- With a more aggressive market approach revenues, which were somewhat below expectations, have been stabilized. Competitors who were able to take certain hotels and gas stations (oil companies' points of sale) which were lost over the course of summer and at the start of the Extraordinary Administration, have made the return of these customers to Velpro more difficult, which has a significant impact on revenues.

- The November margin is below the expected level, which is mainly due to the sale of slow-moving stock items, the reduced number of SKU's in the overall assortment and cleaning up the balance of the old assortment. All of this, along with the aforesaid aggressive market approach, resulted in a lower margin realization.

- Velpro has planned for a major part of its revenues and margin to come from working with suppliers from the drinks category and the limited deliveries from suppliers in this category were a great challenge in November. This situation had an additional impact on margin realization.

- The restructuring process is running in accordance with plan, although the speed of the process is not at the expected pace due to difficult negotiations with lessors and thus the closure of some of the centers has been slower than planned, which has a direct impact on the company's costs. The weaker EBITDA performance than expected is also a result of the delayed merger of

Velpro and Konzum, the synergies from which will significantly contribute to cost reduction and thus directly affect the future EBITDA generation.

- The closing of part of the Velpro centers and warehouses, sales of non-rotating goods and introducing a central inventory management department (packaged food, non-food 1 and 2) has enabled inventories to be reduced and DIO to be optimized as a whole.

- DSO are being reduced and are heading towards the planned DSO of 45 days. This is the result of permanent efforts and communication with customers as well as the change in the way the debts are collected.

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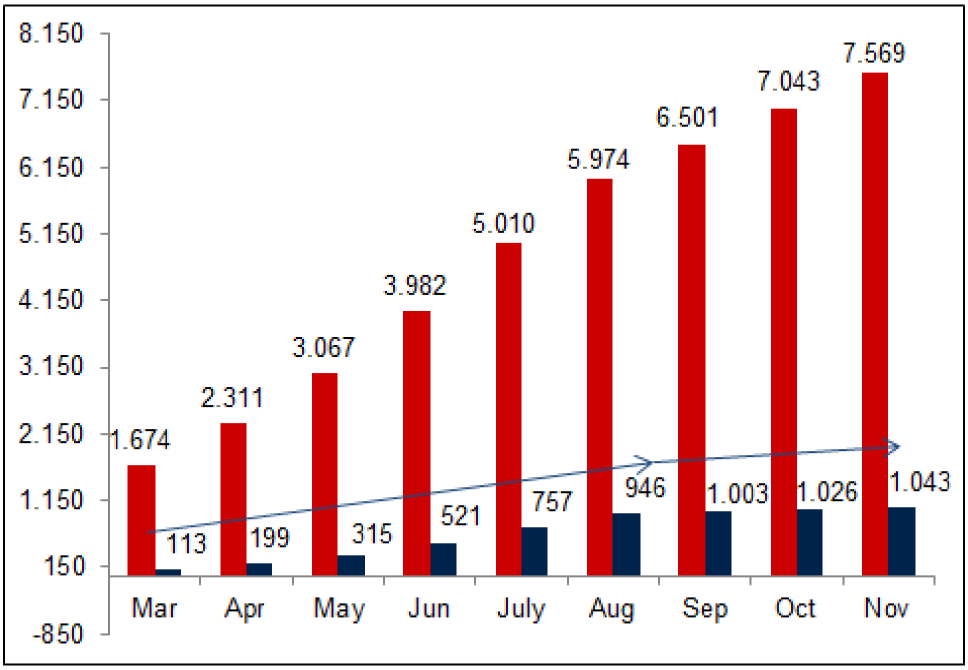
2.2.Companies in the food sector

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 portrayed in detail in subsections which follow.

Cumulative revenue and EBITDA by month 2017 (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

Revenue EBITDA EBITDA trend

NOTE: All results are estimated.

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

2.2.1.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	1,217
EBITDA	297
EBITDA %	24.4%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	53.8%
DSO	56 days
DIO	57 days

NOTE: All results are estimated.

2.2.1.2. Commentary on recent trading

- In November Jamnica d.d. has continued the trend of record results.

- Revenues generated in November were in line with expectations with the majority of revenues, 60% coming from mineral water sales (carbonated, non-carbonated and flavored). The balance of the revenues is generated from the sales of fruit juices, ice tea, carbonated soft drinks, wine and liquors. 80% of total revenues are generated from sales on the domestic market and 20% from sales on foreign markets.

- EBITDA in November is in line with expectations, with a consistent growth in EBITDA margin a consequence of good sales results, sales price optimization and increased efficiency realized through the “Value Creation Programme”. Savings were made in the costs of production, employees, marketing and logistics processes.

- DIO have had a downward trend throughout the year which is the consequence of inventory level optimization and the discontinuation of distribution of part of the wine assortment for Konzum and of Red Bull for Croatia. However, the inventory level in November has increased compared to October, which is in line with expectations and preparation for the forthcoming holidays.

- Receivables in November have decreased as against the previous month, as in this period of the year the collection of receivables related to deliveries over the course of the summer season continues.

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

2.2.2.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	924
EBITDA	46
EBITDA %	5.0%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	19.3%
DSO	41 days
DIO	32 days

NOTE: All results are estimated.

2.2.2.2. Commentary on recent trading

- As a consequence of the impact of competitor activities on the market, revenues generated in November were below expectations with weaker sales of beer and wine, primarily to cafés, which resulted in EBITDA being lower than expected.

- Trade receivables have recorded a further decrease resulting from faster collections, with the improvement achieved in November bringing DSO to the expected level.

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2.2.3. Companies in the food sector: Sarajevski kiseljak d.d.

2.2.3.1. Financial results YTD and KPIs

Financial results*	**Jan – Nov 2017 (HRK m)**
Revenue	334
EBITDA	71
EBITDA %	21.2%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	44.3%
DSO	91 days
DIO	47 days

NOTE: All results are estimated.

2.2.3.2. Commentary on recent trading

- Revenues from sales to customers outside the Group in the country, as well as revenues from sales on foreign markets, were higher than expected. Mineral water and the Sky product group have generated higher than expected sales growth.

- EBITDA has seen continuous growth as against expected values due to increasing sales revenues and a drop in the price of sugar during the year.

- Inventories are lower than in the previous month due to increased sales and inventory optimization.

- DSO are at the previous month's level.

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

2.2.4.1. Financial results YTD and KPIs

Financial results*	**Jan – Nov 2017 (HRK m)**
Revenue	999
EBITDA	197
EBITDA %	19.7%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	42.9%
DSO	67 days
DIO	78 days

NOTE: All results are estimated.

2.2.4.2. Commentary on recent trading

- Sales activities were supported by the campaign "Zato biram Ledo" ("This is Why I Choose Ledo") with the communication focusing on the main benefits of Ledo products from the segments fish, vegetables and pastry through all key advertising channels. The campaign, supported by a well executed distribution plan, resulted in above-expectation sales of frozen food in retail. This was a significant step in restoring customer and consumer confidence in Ledo.

- In November the first ice cream delivery to the USA took place and continued in December. The significance of this delivery lies in the production of ice cream during the winter months, i.e.. the extension of the ice cream production and sales season, which in the Adria region ends in September.

- EBITDA in November was in line with expectations.

- Although DSO grew slightly due to increased sales to retail customers with longer payment terms, the position of trade receivables has been reduced in comparison to the previous month.

- Inventory levels have remained as in the previous month, creating the preconditions for sales in the first quarter of 2018, the period before Easter.

2.2.5. Companies in the food sector: Ledo Čitluk d.d.

2.2.5.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	279
EBITDA	61
EBITDA %	21.8%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	37.4%
DSO	71 days
DIO	54 days

NOTE: All results are estimated.

2.2.5.2. Commentary on recent trading

- Sales revenues in November grew in line with expectations. The highest contribution to growth came from the fish and vegetable categories, where new SKU's (vegetables) were introduced in response to competitors' activities.

- The EBITDA generated was in line with expectations, with EBITDA margin recording slight growth resulting from increased sales and reduced COGS.

- DIO were increased in November compared to. October due to preparation for sales in the first quarter of 2018, the period before Easter.

- DSO were reduced in comparison to the previous month.

2.2.6. Companies in the food sector: Frikom d.d.

2.2.6.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	730
EBITDA	140
EBITDA %	19.1%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	45.7%
DSO	80 days
DIO	122 days

NOTE: All results are estimated.

2.2.6.2. Commentary on recent trading

- 12 new products were launched on the domestic market, two in the ice cream category and 10 in the frozen food category.
- Sales revenues in November were in line with expectations. The frozen fruit and vegetable and frozen pastry categories experienced a drop due to significantly lower competitor prices and an increased number of promotional sales. The drop in sales of the aforesaid product categories was however offset by increased sales of fish.
- EBITDA margin has grown against expectations due to lower costs, particularly COGS.
- As a result of better collection of trade receivables, the average DSO in November was reduced in comparison to the previous month. Total trade receivables have also been reduced vs. previous month.
- In the current month the cauliflower and broccoli processing campaign was completed, with the carrot processing campaign expected to continue until year-end, which is why DIO increased in comparison to the previous month.
- The positive trend of increased winter product consumption continued, as well as of family ice cream off-season.

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

2.2.7.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	609
EBITDA	54
EBITDA %	8.8%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	27.6%
DSO	96 days
DIO	55 days

NOTE: All results are estimated.

2.2.7.2. Commentary on recent trading

- November saw the launching of new products – Margo with butter and vegetable fat whipping cream, which can be found on the shelves across Croatia and the region, and recently the Zvijezda assortment has expanded to include coconut oil, generating excellent results in sales from launch.

- In November Zvijezda recorded better realization than expected. The majority of sales is accounted for by the domestic market occupying 67%, while exports have recorded growth in key sales categories. The mayonnaise group has grown on all relevant markets – Croatia, Bosnia & Herzegovina and Slovenia - margarine and all its categories as well, partly also due to the high prices of butter on the global market, while ketchup has experienced double-digit growth in recent months. All were supported by strong marketing activities during the month.

- EBITDA and gross margin are in line with expectations due to good realization in November on the local market and sales growth on export markets.

- New markets have been developed and the first quantities of oil placed on the Italian market, where other categories are also expected to penetrate in early 2018. Initial quantities of goods were also delivered to the Canadian market. Negotiations to enter additional new markets are under way.

- Trade receivables are slightly higher than in October, which is due to increased sales.

- Inventories of finished products, raw materials and production materials have increased in November compared to October, which is in line with expectations and preparations for the forthcoming festive season, December being the strongest month of the year in terms of sales.

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

2.2.8.1. Financial results YTD and KPIs

Financial results*	**Jan – Nov 2017 (HRK m)**
Revenue	813
EBITDA	66
EBITDA %	8.1%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	22.6%
DSO	75 days
DIO	112 days

NOTE: All results are estimated.

2.2.8.2. Commentary on recent trading

- Revenues from sales of margarine and mayonnaise are higher than expected due to the increased volume of promotional activities and better in-store positioning. In the forthcoming period the company will strive to keep the positive revenue trend in these categories through tailor-made promotions and a customer loyalty program.

- Total sales revenues were lower than expected, as a consequence of the price pressure with extremely low competitor oil prices, which are almost at the level of COGS.

- EBITDA and gross margin were not at the expected level, as COGS was higher than expected.

- In response to the challenges faced by Dijamant (the oil price in the Serbian market) a number of innovations are in preparation in the categories margarine, mayonnaise and dressings.

- The inventory level in November is lower than expected.

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

2.2.9.1. Financial results YTD and KPIs

Financial results*	**Jan – Nov 2017 (HRK m)**
Revenue	1,664
EBITDA	112
EBITDA %	6.8%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	24.8%
DSO	109 days
DIO	38 days

NOTE: All results are estimated.

2.2.9.2. Commentary on recent trading

- Revenues generated in November were in line with expectations. In total, 83% of revenues come from sales on the local market, while 18% are accounted for by foreign market sales. Sales of fresh meat on the domestic market have recorded a positive growth trend as against the significantly reduced sales in the previous months of the business year, with processed meat sales remaining stable.

- Revenues from exports to CEFTA countries are in line with expectations, while EU markets have recorded increased sales.

- EBITDA for November was as expected, as a consequence of revenues from sales prices of products and services having been kept on a suitable level and raw-material prices, ie. prices of livestock on the domestic market and of main import categories for processed meat production, reduced.

- The stable level of revenues from sales of products and services and the restructuring process lead to improved efficiency in production and reduced operating cost per kilogram of product sold resulting in higher EBITDA margins.

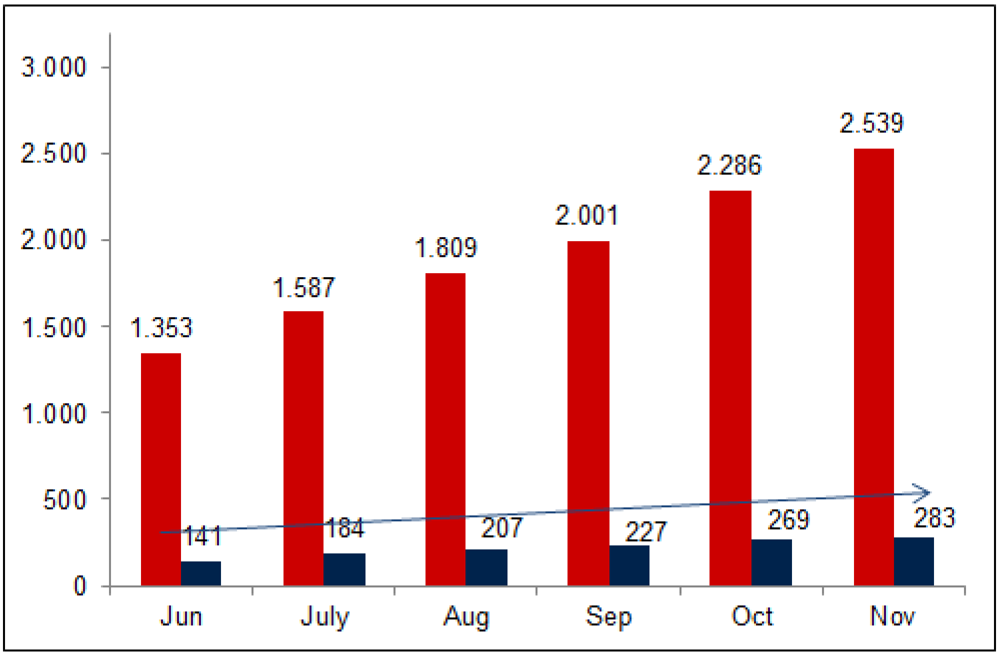
- The collection of trade receivables was improved, thus reducing total trade receivables (which are mainly intercompany receivables).

2.3. Companies in the agriculture sector

Companies in the agriculture sector are Belje, PIK Vinkovci, Vupik and Agrokor Trgovina. 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 by month 2017 (HRK m)*

Agriculture



- Includes four companies summarized results:
  - Belje, PIK Vinkovci, Vupik and Agrokor Trgovina

NOTE: Preliminary results.

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

2.3.1.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	1,176
EBITDA	182
EBITDA %	15.5%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	33.3%
DSO	82 days
DIO	213 days

NOTE: All results are estimated.

2.3.1.2. Commentary on recent trading

- Revenues from sales of products and services in November were above average for the current period. Sales of animal feed have continuously grown, with November and October having seen the highest sales in the current year. The negative trend of decreasing fattening cattle selling prices continues in November, with a direct impact on the company's profits.

- Cost optimization continues in November, resulting in low cost prices in agricultural production and industry, ie. growth of company profits. Gross margin and EBITDA margin generated in November were at the average margin level for the 11 month period to November 2017.

- Average DSO have continuously been reduced.

- Inventories at the end of the current period are higher than in the previous period, mainly due to agricultural crops being stored at the farms as animal feed or at the Animal Feed Factory as raw-material for production.

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

2.3.2.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	350
EBITDA	32
EBITDA %	9.1%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	31.9%
DSO	93 days
DIO	297 days

NOTE: All results are estimated.

2.3.2.2. Commentary on recent trading

- Sales revenues have grown both in comparison to the plan and to October. The increase in sales was mostly generated by sales of own and repurchased agricultural produce, cereal and oil crops: mercantile corn, sugar beet and mercantile soybeans. Sales in pig breeding continue to grow in November, meeting the expected sales plan. Sales of cattle, with sales in November included, are cumulatively above the sales plan.

- Upon completion of the fall harvest in November and the growth of agricultural produce sales on the domestic and foreign markets, EBITDA grew above expectations in comparison to October 2017. The EBITDA growth was generated to a significant extent due to sugar beet and sunflower yields, which exceeded expectations.

- DSO slightly grew against October, also as a result of increased sales of own and repurchased agricultural produce in November, in particular sugar beet, corn and mercantile soybeans.

- The expected decrease in DIO has occurred. This is the result of selling a significant part of products and goods after the fall harvest.

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

2.3.3.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	297
EBITDA	51
EBITDA %	17.3%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	34.0%
DSO	80 days
DIO	191 days

NOTE: All results are estimated.

2.3.3.2. Commentary on recent trading

- Sales revenues in livestock breeding (fattened pigs and fattened cattle) grew against last month, mostly due to a greater volume of livestock deliveries, with the selling price of fattened pigs lower than in October. The reduced cost of raw-materials and materials in 2017 reflects the reduced quantities of purchased animal feed and its lower price. The change in reproduction farms business policies and purchase of piglets with lower weight resulted in reduced cost of livestock purchases on pig breeding farms.

- Due to the decrease in sales revenues as compared to the previous month, EBITDA has dropped mostly because of negative developments of livestock breeding results in consequence of the very low finisher selling price and milk price and the very high price of purchasing piglets for fattening. Next month we are again expecting a drop in the selling price of finishers and thus in the livestock breeding results, but also a positive EBITDA growth in crop husbandry due to sales of the entire yield quantity of mercantile corn.

- Trade receivables in November were at the same level as in the previous month. The deliveries of fattened pigs, fattened cattle and sugar beet continue, as well as the collection of due receivables.
- Inventories of raw materials, materials and finished products are at a level close to last month's.

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2.3.4. Companies in the food sector: Agrokor trgovina d.o.o.

2.3.4.1. Financial results YTD and KPIs

Financial results*	Jan – Nov 2017 (HRK m)
Revenue	717
EBITDA	17
EBITDA %	2.4%
Key performance indicators	**Jan – Nov 2017**
Gross margin %	6.9%
DSO	57 days
DIO	14 days

NOTE: All results are estimated.

2.3.4.2. Commentary on recent trading

- In November, the major part of the total revenues structure is accounted for by sales of cereal and oil crops. Operations are still export-oriented, with a significant proportion of revenues coming from foreign market sales. After the harvest the logistics pressure from September and October have been addressed and most of the contracted wheat, corn and soybean deliveries were made. Deliveries of smaller quantities are still outstanding and with their completion in December the activities for the year will be completed. On the mercantile goods market the available quantities are much lower than last year due to the generally lower crop production in the Republic of Croatia, resulting in a lower trading volume vs. last year. A somewhat increased trading activity is only expected to occur by the middle of the first quarter next year.

- As a result of sales realized in November, positive operating profits and operating margins have been generated.

- The collection of receivables has improved and has continuously been improving since the introduction of the Extraordinary Administration procedure.

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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 set and approved based on these forecasts. With effect from 24 November 2017, the Croatian core non-retail companies moved to a fortnightly payment run with only exceptional payments being approved on a weekly basis. In the period since the new finance was raised in June 2017 to December 2017 net funds of HRK 975.3 million 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.

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

CW51 Forecast 19 Core Subsidiaries 13 Week STCF vs prior week (HRK m)

	Current STCF (CW 49)	Prior week STCF (CW 51)
Minimum cash balance (13w)	1,036	1,046
Maximum cash balance (13w)	1,507	1,421
Minimum Liquidity covenant	296	296
Undrawn facility	370	370
Available liquidity (incl. undrawn facility)	**1,110 – 1,581**	**1,120 – 1,495**

3.2. Supplier claims settlement

It was communicated publicly in the week ending 28 July 2017 that there would be a tranche of EUR 150 million made available for settlement of trade claims prior to the Act on Extraordinary Administration. This EUR 150 million tranche has been split into three pools:

- **Pool A (up to EUR 30 million)**: Dedicated pool for 'micro' suppliers, defined as family farms (OPG), small entrepreneurs and micro-suppliers with annual revenue less than HRK 5.2 million, a maximum of HRK 2.6 million in assets and up to 10 employees;

- **Pool B (EUR 110 – EUR 120 million):** This pool is open to all suppliers (except the Pool A micro-suppliers). Suppliers must confirm they will return to historic and/or industry standard terms of supply in order to be eligible; and

- **Pool C (up to EUR 10 million):** Discretionary pool for settlement of trade supplier claims in respect of debts accrued prior to the Extraordinary Administration, in accordance with identified business needs.

3.2.1. Pool A update

To date, over 2,500 micro companies, craft trades and small farmers have received 100% settlement of their pre-petition debt with Pool A utilization now at EUR 21.5 million.

3.2.2. Pool B update

3.2.2.1. Allocation of funds

The funds in Pool B are to be allocated to suppliers based on their claims and ongoing support for the business, the overarching approach to allocation is split between the following two tranches:

- **Pro rata tranche (Tranche 1)**: EUR 27.5 million distributed on a pro rata basis to all Old Debt suppliers that have filed their claims in the Extraordinary Administration; and

- **Proportional tranche (Tranche 2)**: allocated on a proportional basis to suppliers holding Old Debt, that have filed their claims in the Extraordinary Administration and have agreed to sign an agreement with the Group to return to historic supplier terms going forward, to a maximum of 40% of supplier’s Old Debt, taking into account any amounts paid previously for Old Debt.

3.2.2.2. Eligibility assessment process

In order to determine the amounts to be allocated in Pool B, a two-step process is being applied:

i. Each Group company identified its important suppliers and offered new supply contracts; and

ii. Companies with signed contracts were eligible for allocation of Tranche 2 from Pool B.

3.2.2.3. Status update

There have currently been EUR 83.8 million of funds approved to be utilized out of Pool B. This is broken down as follows:

- Tranche 1 of EUR 27.4 million (includes previously approved amount of EUR 26.5 million and an additional EUR 0.9 million approved on 6 December 2017) has been allocated on a pro rata basis to all Old Debt suppliers, that have filed their claims in the Extraordinary Administration. With this, the total amount allocated for Tranche 1 is approved for payment.
- Tranche 2 of EUR 56.4 million (include previously approved EUR 54.1 million and an additional EUR 2.3 million approved on 6 December 2017) has been allocated on a proportional basis to suppliers holding Old Debt, that have filed their claims in the Extraordinary Administration and have agreed to sign an agreement with the Group to return to historic supplier terms going forward; of which
    - 80% of the Old Debt is paid in the week commencing 11 December 2017 after all the necessary approvals are given; and
    - the balancing 20% will be paid on or before 31 March 2018.

On the basis that certain corrections to the tables of recognized claims were delivered to Zagreb Commercial Court on 13 December 2017, and 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.

3.2.2.4. Border claims

The Extraordinary Administration paid an initial round of border claims in order to reach a maximum of 28% of the supplier's border claim to those suppliers who had signed an agreement with the Group to return to historic supplier terms, while taking into account any amounts paid previously for border debt.

3.3. Trade finance facility

Expressions of interest for participation in the EUR 50 million trade finance facility were completed on 25 August 2017 with 305 indicative applications received. These applications exceeded the amount of the available facility. Allocation of the EUR 50 million pool is currently ongoing with a focus on eligible suppliers that have a high goods turnover.

During December, Group companies have been issuing term sheets to suppliers to finalize negotiations and secure the additional financing. This financing is anticipated to be provided via a combination of cash and goods. It is expected that this will be completed in January 2018.

4. Business reviews

Improvement measures outlined in the viability plans are being implemented. All initiatives described in the viability plans will form part of an Initiative Implementation Support program.

Key measures will be monitored across 11 workstreams (one workstream per business / division). Nomination of workstream leaders, responsible for the implementation and delivery of the effects is underway. Detailed monitoring and dedicated onsite implementation support has been set up at Konzum’s locations (in Croatia and Bosnia & Herzegovina) to ensure benefits are realized and can be tracked. A detailed tracking and regular reporting process is currently being implemented, including defined maturity levels (degrees of implementation) and a traffic light system for ongoing monitoring.

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5. Settlement negotiations

After the 13th meeting of the Temporary creditors council of Agrokor was held on 20 December 2017, the draft of the settlement plan which was presented by the advisors of the Extraordinary Administration and the Extraordinary Trustee Ante Ramljak, was published.

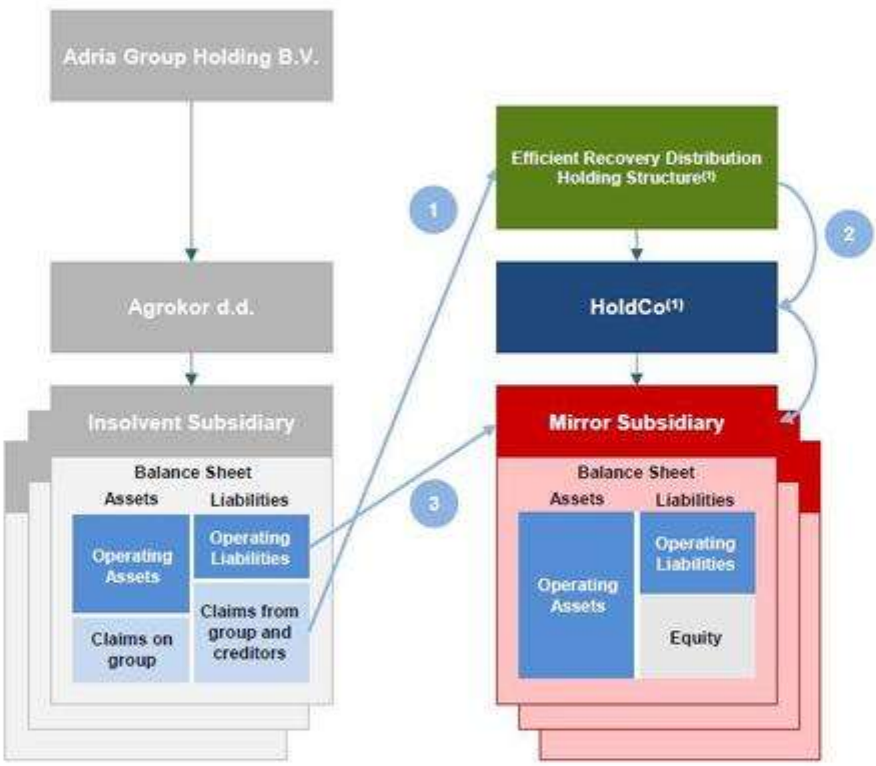
These steps in respect of under Extraordinary Administration mark the initiation of the process of reaching of a settlement to be decided on by all of the Group's creditors whose claims have been confirmed. As stated on previous occasions, the structure of claims being included in the settlement is complex – approximately 5,700 Croatian and foreign claimants have registered around 12,000 claims relating to different payment classes, and various legal and factual circumstances. The value of recognized claims amounts to approximately HRK 41.5 billion, while the total value of challenged claims amounts to HRK 16.5 billion. It is estimated that the sum of recognized claims from third parties, i.e. excluding inter-company claims within Agrokor, is in excess of EUR 5.5 billion of which EUR 4.5 billion relates to the claims from the pre-petition period, while EUR 1.06 billion relate to the financing with super seniority status.

The draft settlement plan offers the creditors a transparent, quick, fair and equitable solution designed to preserving the maximum total value. In order to achieve this, a total separation of assets from legacy liabilities is proposed as well as a separation of old shareholders of Agrokor d.d. from the new group planned to be formed as well as a full restructuring of pre-petition debt through a combination of re-instated debt and equity. After the completion of the process, the creditors would represent one hundred percent ownership and would take full operational control over Agrokor. This simple transaction will place ownership of the viable businesses fully in the hands of the creditors and thus finalize the extraordinary administration procedure, which should happen as soon as possible. The law provides for a short period of just one year for the procedure (plus a maximum of three months extension) and is meant to be fast and efficient as provided by the draft settlement plan.

Consistent with internationally recognized standards and practices in insolvency cases, the proposal of the settlement will be guided by the principle that, where they are sustainable, the business of the Agrokor companies will be preserved and the liquidation of business/ assets at distressed prices will be avoided. In addition, there will be fair and equitable treatment of all stakeholders.

The expected cash flows of the Group are collectively insufficient to service the current debt in a reasonable period and although views on the value of the Group are to be confirmed, the borrowers and guarantors are likely collectively worth substantially less than the total debt they may owe, therefore many of the Group's business entities are insolvent. It is therefore also expected that the majority of creditors will have to write off a portion of their claims on the basis of the expected value of the entire group.

The draft restructuring plan includes incorporation of new legal entities to which the business of insolvent operative companies will be transferred to. The newly formed group will be managed by a new holding company. All registered claims shall be restructured in return for new instruments issued by the top company of the structure of the so-called holding designed to deliver the efficient distribution of returns to creditors. The operating assets of insolvent companies shall be transferred to mirrored new companies resulting in sustainable capital structure. The sustainable level of debt will be transferred to new companies.



The calculation of value available for each creditor is complex and will be based on an entity priority model which shall distribute the value within Agrokor to stakeholders on the basis of their legal rights and ranking. Similar to the procedure in a formal bankruptcy, the distributable value of each entity will be allocated to claims of each entity in order of priority. This will result in a new ownership structure that will be significantly different from before, i.e. creditors will become the owners of the group. The analysis through the entity priority model shall be undertaken for each single claim and each single entity, and the model will, including all input data and conditions, be subject to the analysis of the advisors of the Creditors' Council of Agrokor.

All registered claims shall be restructured in return for new equity and, subject to debt capacity and the terms of the Exit Facility, debt instruments issued by the top company of the new holding structure. Debt capacity for the new structure is being assessed and will be based on precedent issuances, trading comparables, and, for the Exit Facility, third party market testing to determine appropriate leverage and pricing. Terms of the Exit Facility needs to be determined before an assessment can be made of what additional recovery debt can be feasibly supported by the Group. For the third party market testing of the Exit Facility, parties that have an interest in participating in the potential, and potentially partial, refinancing of the SPFA (that pending approval of the qualified majority of lenders already includes an option to extend the facility for two years) are encouraged to contact Agrokor at invest@agrokor.hr .

The settlement proposal must be submitted to the Commercial Court in Zagreb at the latest by 10 April 2018. The settlement is first voted on by the creditors at the settlement voting hearing, while the final confirmation of the settlement is with the Commercial Court in Zagreb. With respect to the voting of the creditors, the settlement is approved by the majority of creditors according to the value of claims in each category of creditors, or, exceptionally, two-thirds of creditors by overall value.

The draft of the structure of the settlement supported by the Temporary creditors committee presents a path and the next steps necessary to be taken to successfully finalize the extraordinary administration procedure in Agrokor with a settlement in place within the legally defined time.

To sustain a transparent and inclusive communication with all stakeholders and the public, Agrokor has opened a special micro website at nagodba.agrokor.hr with the intention to provide all information regarding the settlement procedure. The same site will be used to regularly provide answers to questions regarding the settlement procedure that can be sent to the Extraordinary Administration by e-mail to settlement@agrokor.hr.

The presentation of the draft settlement plan can be found in the Appendix of this report.

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

Agrokor d.d. is in the process of transitioning into a Group service centre. As a result, operational business expenses continue to accrue, and these relate directly to the various centralized services provided throughout the Group. The Extraordinary Administration maintains control of these costs as part of the restructuring process.

An overview of the Group's operating costs paid to the end of November 2017, grouped by cost type, can be found in the table overleaf and are reported net of VAT to enhance the transparency of the true costs to the Group. These cost categories include all advisors whether instructed before or after the Extraordinary Administration commenced.

A breakdown of advisors specifically engaged for the period of Extraordinary Administration and their scope of work can be found in the monthly report for the period from 11 October to 10 November 2017.

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OPERATING COSTS of AGROKOR D.D.	April	May	June	July	August	September	October	November	Total
Total cost of salaries and fees									
Commissioner's fee	89,228	118,970	118,970	118,970	118,970	118,970	118,970	118,970	922,021
Employees and service contracts (Bruto II included)	8,857,131	6,887,930	7,605,343	5,749,269	5,017,986	5,116,400	4,225,917	4,494,177	47,954,154
Severance payments	4,638,224	4,079,058	7,383,890	1,619,979	1,157,488	2,753,742	1,155,418	-	22,787,798
	13,584,583	**11,085,959**	**15,108,203**	**7,488,218**	**6,294,444**	**7,989,112**	**5,500,305**	**4,613,148**	**71,663,972**
Consultant fees*									
Legal	-	11,271,939	12,071,939	7,418,827	8,257,449	10,919,390	12,189,006	11,522,171	73,650,721
Financial	-	-	-	22,589,795	1,746,440	3,487,950	1,534,608	1,844,448	31,203,241
Restructuring	8,496,338	8,999,894	14,907,250	13,923,906	14,995,250	12,354,949	10,853,498	14,596,921	99,128,005
Other (forensics, HR)	-	-	-	-	-	-	5,284,844	4,562,603	9,847,447
	8,496,338	**20,271,834**	**26,979,189**	**43,932,527**	**24,999,139**	**26,762,290**	**29,861,955**	**32,526,143**	**213,829,414**
Audit and tax services	**11,350**	**-**	**1,767,124**	**1,185,417**	**386,841**	**348,506**	**3,465,239**	**-**	**7,164,476**
Utilities costs	**294,625**	**420,131**	**202,882**	**174,769**	**117,832**	**360,146**	**90,252**	**342,436**	**2,003,073**
Material costs									
Transportation costs (insurance, maintenance, fuel, etc.)	937,626	517,850	376,654	892,931	390,293	475,217	566,253	809,759	4,966,582
Ongoing maintenance	368,407	277,780	264,578	289,476	250,984	287,856	297,554	472,183	2,508,817
Other	(9,482)	(224,557)	61,627	4,420,862	47,873	95,926	195,564	94,334	4,682,146
	1,296,551	**571,073**	**702,860**	**5,603,269**	**689,150**	**858,998**	**1,059,370**	**1,376,275**	**12,157,546**
Insurance costs - management liability insurance	**-**	**1,448,384**	**-**	**2,963,608**	**-**	**10,559,427**	**-**	**-**	**14,971,419**
Cost of new financing	**-**	**-**	**33,455,134**	**8,045,087**	**-**	**-**	**5,518,052**	**-**	**47,018,273**
Travel costs / education	**19,702**	**24,583**	**54,014**	**57,928**	**18,633**	**44,956**	**81,033**	**46,684**	**347,533**
Other costs **	**8,911,323**	**9,572,848**	**5,379,752**	**(860,164)**	**6,029,758**	**8,808,567**	**2,443,543**	**5,096,512**	**45,382,140**
Amortization / Depreciation	**533,203**	**532,870**	**543,566**	**541,295**	**541,365**	**539,824**	**532,885**	**528,121**	**4,293,129**
Total (April adjusted for operating costs after 10/04/2017)***	**33,147,675**	**43,927,681**	**84,192,723**	**69,131,954**	**39,077,164**	**56,271,826**	**48,552,635**	**44,529,317**	**418,830,974**
Unadjusted total April costs amount to (01/04/2017 to 10/04/2017):	61,012,952.10 kn								

Notes:

1 **Cosultant fees are adjusted for the proportion of their costs related to VAT and the pro-rata system Agrokor is in - so with this report the amounts are restated for consultant fees incurred throughout the Extraordinary Administration.*

2 ***Other costs includes all other SAP accounts which are not seperately listed in the cost table above. Hence, this can result in negative amounts in given periods.*

3 *For April 2017 only adjustments were made totalling HRK 27.9 million which are operating costs incurred from 1 to 10 April 2017, prior to the Extraordinary Administration.*

4 *All invoice bookings for November 2017 and previous months have been finalized. No additional invoices or further adjustments to the cost structure from April - November 2017 are expected.*

5 *The total operating costs of Agrokor d.d. (without adjustments or deduction of costs for period from 01/04/2017 to 10/04/2017) + all other months (May-November) amount to total operating costs of Agrokor d.d. (this is the number in SAP).*

6 *The "Total" number above in the amount of 418.830.974,45 kn is the best representation of the operating costs of Agrokor d.d. since the start of the Extraordinary Administration (this is the total costs minus the costs in the first 10 days of April before the Extraordinary Administration commenced).*

A number of legal fees invoiced and paid in October covered and costs accrued for the Group YTD, thus decrease in the sum paid in November is driven by this.

Restructuring costs invoiced and paid in November are HRK 3.8 million higher than October. An element of this increase is that, for those costs invoiced on a weekly basis, November was a five-week month for some services delivered and captured within this cost category. Secondly, as detailed above, monthly consultant fees for the duration of the Extraordinary Administration have been restated to exclude VAT in line with the pro-rate tax system in which Agrokor d.d. operates. This approach has been applied to legal, financing, restructuring and other categories within this group. All future consultant fees will be reported on this basis.

No invoices were due during November for audit and tax services, thus the above monthly cost is nil.

The overall headcount of Agrokor d.d.’s at the end of November was 94 compared to 90 at the end of October. Consequently, severance costs for November are nil.

7. Litigation

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

In Croatia, the High Commercial Court rejected Sberbank of Russia's appeal in the proceedings in which Sberbank sought an injunction to prohibit the Extraordinary Administration from entering into the super senior facility agreement (case no. R1-221/2017).

In England and Wales, a hearing was held before HHJ Matthews in the recognition proceedings on 18 December 2017 at the High Court in London. At that hearing, HHJ Matthews gave the final order, rejecting Sberbank of Russia's permission to appeal the decision to recognise the Extraordinary Administration proceedings in England and Wales, and ordering Sberbank to pay the Extraordinary Administration's costs of the proceedings caused by Sberbank's opposition to the application. Sberbank of Russia also filed an application for permission to lift the stay imposed by the order of HHJ Matthews, with an application to abridge time such that it could be heard at the hearing on 18 December 2017. Sberbank was unsuccessful in having the new application heard at that hearing, and a timetable has been agreed for the exchange of factual and expert evidence, with a hearing expected to be listed for late February 2018.

In Slovenia, the Republic of Slovenia filed an appeal against the decision of the District Court of Ljubljana to reject their opposition to the Extraordinary Administration's application for recognition of the Extraordinary Administration proceedings in Slovenia. The Extraordinary Administration has filed a reply to this appeal.

In Serbia, an appeal has been filed to the Constitutional Court of Serbia against the decision to reject the Extraordinary Administration's application for recognition of the Extraordinary Administration proceedings in Serbia. Further, in connection with the litigation proceedings commenced by Banca Intesa against Konzum d.d., Jamnica d.d., Zvijezda d.d., Agrokor Trgovina d.o.o. and PIK Vrbovec Mesna Industrija d.d. (case no. P 3283/2017), the Commercial Court in Belgrade has granted a temporary injunction over the shares in Idea d.o.o. held by Konzum d.d. An appeal has been filed against this decision, and the decision is awaited. In the other litigation proceedings initiated following the failed enforcement proceedings brought by various entities in the Sberbank group and Banca Intesa:

1. Sberbank banka d.d. Ljubljana has appealed the decision of the Commercial Court in Zrenjanin in which the Court concluded it was not competent to deal with

those proceedings and a reply to that appeal is being prepared (case no. P 298/2017); and

2. The Commercial Court in Zrenjanin has declared that it is not competent to hear the litigation brought by Sberbank d.d. Zagreb against Agrokor d.d. (case no. P 297/2017);

3. A hearing has been listed by the Commercial Court in Belgrade for 20 March 2018 in the litigation proceedings brought by Sberbank d.d. Zagreb against Konzum d.d. (case no. P 6397/2017); and

4. Banca Intesa has filed a request for a temporary injunction over Agrokor d.d.'s shares in Dijamant a.d. Zrenjanin in connection with the litigation proceedings with case no P 6465/2017 - a hearing was held on 28 December 2017 and the decision is awaited.

In Bosnia, Sberbank of Russia filed an appeal against the decision of the Municipal Court in Kiseljak to deny their application for a temporary injunction over Jamnica d.d.'s shares in Sarajevski Kiseljak d.d. Kiseljak (case no. 51 0 V 126516 17 MO). The Extraordinary Administration has filed a response to this appeal. The Extraordinary Administration has also filed a reply to Sberbank of Russia's appeal against the decision by the Municipal Court in Sarajevo to reject the application for a temporary injunction in respect of Agrokor d.d.'s shares in Konzum d.o.o. Sarajevo and Ambalažni servis d.o.o. Sarajevo (case no. 65 0 Ps 656174 17 MO). Finally, the Supreme Court has rejected the Extraordinary Administration's appeal in the proceedings for recognition of the Extraordinary Administration proceedings in Bosnia. The Extraordinary Administration shall take steps within the statutory time period to seek relief before the Constitutional Court of Bosnia and Herzegovina against this decision.

8. Temporary Creditors Council

The Temporary Creditors' Council held its 13th meeting on 20 December 2017. The only item on the agenda was the presentation of the draft of the settlement plan under the Extraordinary Administration. The draft settlement plan was presented by the advisors of the Extraordinary Administration and the Extraordinary Trustee, Ante Ramljak.

9. Registration of claims

On 13 December 2017 on the e-Bulletin Board of the Commercial Court in Zagreb the changes and amendments were published to the Registered Claims Tables for claims filed by creditors of the second, higher payment order with data stated in Article 257 of the Bankruptcy Act, to the Tables of Secured Rights, Tables of Exclusion Rights, Tables of Requests for Securing Creditors in compliance with Article 143 of the Bankruptcy Act, Tables of Untimely Registration of Claims filed after expiry of the registration deadline and Tables of Registered Claims of creditors of lower payment orders. The stated Tables only contain those claims in relation to which changes or amendments were made.

A total of 11,105 claims were examined, of which 10,126 claims were recognized (in whole or in part), while 1,100 claims were contested (in whole or in part). The total amount of verified claims is HRK 41.4 billion while the claims contested by the Extraordinary Administration total HRK 16.4 billion The total amount of registered guarantees / co-debtorships / recourse rights is HRK 118.5billion, while the total amount of provisions made pursuant to requests for securing funds is HRK 327.7 billion.

A summary of changes as against the Tables published on 9 November 2017 is provided below:

	In tables published on 9 November 2017	**In changes and amendments on 13 December 2017**
Verified amount	HRK 41,229,047,264.66	HRK 41,449,995,317.02
Contested amount	HRK 16,544,310,830.66	HRK 16,428,211,308.89
Guarantees/ co-debtorships /recourse rights	HRK 117,304,515,736.11	HRK 118,532,426,159.06
Requests to secure funds	HRK 328,831,398,762.49	HRK 327,668,454,999.15

Major changes made to verified claims are as follows:

- HRK 80.1 million - Konzum d.d. – Podravka d.d. (the creditor had made an error in totaling all registered claims and Konzum had thus not been able to examine them initially).
- HRK 75.2 million - Agrokor d.d. – Zagrebačka banka d.d. (the creditor only subsequently submitted the contract from which the claim arises, of which Agrokor had had no knowledge).

- HRK 26.1 million - Agrokor d.d. – Ledo d.o.o. (related to the closing of the dispute with Hipotekarna banka AD).
- HRK 14.1 million - Agrokor d.d. – Hipotekarna banka AD (dispute outside of Croatia closed – ex litigating creditor).
- HRK 12.0 - Konzum d.d. – Invictus ulaganja d.o.o. (previously erroneously registered transfer of bills of exchange to AWT).
- HRK 11.8 million – subsequently 16 creditors came forward with 18 claims which had not been examined, although the creditors presented evidence to have filed the claims in time. Out of the total HRK 11.9 million, HRK 11.8 million were recognized, whereof the highest such claim was filed by Jadransko osiguranje d.d. in the amount of HRK 7.2 million.
- HRK 1.7 million - Konzum d.d. – Franck d.d. (subsequent adjustment, contested amount reduced).

In addition to the claims contested by the Extraordinary Administration, so far 29 submissions were received relating to contestations by 15 other creditors, contesting 45 claims which had originally been recognized / verified by the Extraordinary Administration. Other creditors have additionally contested a total of HRK 13.1 billion.

The Commercial Court in Zagreb is expected to pass a ruling in January 2018 on established/verified and contested claims against which the creditors will have the right to lodge a complaint within eight days upon receiving the ruling. Once the aforesaid ruling becomes legally valid, discontented creditors will have the ability to initiate civil proceedings within eight days in order to establish the merits of their claims.

10. Stakeholder relations and communications

During the reporting period which was marked by significant events, the regular, direct and formal communication with all key stakeholders continued through various communication channels. By way of regular communication activities the Extraordinary Administration maintains daily relations with creditors, debtors, trade unions, employees, the management as well as government and institution representatives in the countries in which Agrokor operates. Maintaining the highest possible level of regular and transparent communication with all stakeholders remains the Extraordinary Administration's priority.

In terms of internal communications the focus is still on the development of the retail situation, payments to suppliers and further steps in the process of the operational restructuring of the Group.

The Temporary Creditors' Council convened once over the course of this period (discussed in more detail under section 8 of this report).

Direct communication with the media has also been maintained over the course of this reporting period and the Extraordinary Administration conducted more than 60 various media activities in the countries in which the Group companies operate. Among these activities were press releases, briefings, interviews, media statements and a significant number of replies to different media queries. Of the activities in the reporting period the one to be highlighted is the briefing on the draft settlement plan held with media representatives, while a separate meeting on this topic was also held with representatives of the wider professional and scientific community.

The key topics reported upon in the media over the course of the reporting period were the publication of the draft settlement plan, the operating results of the companies during the first 10 months of the year and the improvement of the overall economic and financial position of the Group as a result of the ongoing financial and operational restructuring of its companies. Other topics the media reported on are the trading of shares of individual companies of the Group and the further development of legal proceedings and significant court decisions passed in the countries where the Group operates. For the purpose of delivering transparent and complete communications to all interested parties, a sub-website was opened on 20 December 2017 and can be found at http://nagodba.agrokor.hr, through which all relevant information regarding the settlement procedure is being communicated in two languages – Croatian and English. The Extraordinary Administration receives public queries on the settlement procedure through the email addresses nagodba@agrokor.hr and settlement@agrokor.hr, and replies are published on the abovementioned sub-website.

During the reporting period the Extraordinary Administration held a meeting with Group supplier representatives on 21 December 2017 in Zagreb, while in other jurisdictions in which the Group operates the Extraordinary Administration held a meeting with external partners and stakeholders in Belgrade and attended the Supervisory Board Meeting of the Mercator Group in Ljubljana.

Report prepared by:

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Agrokor d.d