AGROKOR
EXTRAORDINARY ADMINISTRATION

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

FOR THE PERIOD BETWEEN 11 MARCH 2018 AND 10 APRIL 2018

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

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1. Executive summary

This monthly report of the Extraordinary Administration provides an update of the economic and financial situation of Agrokor d.d. and a number of its affiliates (the **Group**) in the period from 11 March 2018 to 10 April 2018 and reports on the operating activities of the Extraordinary Administration, as well as the overall business operations of the parent company Agrokor d.d..

Most of the operating companies and business segments have continued the positive trends from previous periods and recorded improving business results and good performance indicators. Despite unfavourable weather conditions the Retail and Wholesale segment have recorded growth of the average basket and higher margins which, along with cost efficiency, have made it possible to generate EBITDA at a level close to that expected for the period. Operating profits (EBITDA) in the Food sector significantly exceeded plans. Over the course of this reporting period the Agriculture operations have continued to be affected by the drop in pork and cheese prices, while in the forthcoming period, with the increase in these prices, EBITDA and revenues are expected to grow as well.

The most important news in this reporting period is that the members of the Temporary Creditors' Council (**TCC**) and certain other creditors agreed on a term sheet on 10 April 2018. They have confirmed this by drafting and executing a document which represents the framework upon which actual text of the settlement, based on filed claims and their legal status, will be drafted.

The agreed term sheet includes the corporate structure of the New Agrokor Group (**New Group**), treatment and form of settlement of pre-petition claims, new debt of the New Group and its capital structure, special arrangement with suppliers on settlement of the so-called border debt and settlement implementation. The business operations of the future group will rely on the so-called arm's length principle in company relationships within the group, meaning that parties will be equal and independent in mutual relations. The main criteria for determining individual claim recoveries is the Entity Priority Model model (**EPM**) which has been developed by international institutions and used in the largest international corporate restructurings.

Given that the creditors have agreed on a term sheet, the Extraordinary Administration proposed to the Commercial Court of Zagreb that the period of the Extraordinary Administration be extended by an additional three months as creditors require additional time to agree and finalize the text of the settlement. The Commercial Court of Zagreb issued a decision on 6 April 2018 granting the Extraordinary Administration's proposal, extending the duration of the Extraordinary Administration by three months to 10 July 2018.

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The creditors of the New Agrokor Group will use the additional period in the Extraordinary Administration to agree and finalize the final text of the settlement. The Extraordinary Administration will deliver a final settlement proposal to the Permanent Creditors' Council (**PCC**) for its approval which , once established, will replace the TCC. When the PCC approves the settlement proposal the Extraordinary Administration shall submit the proposal to the court and the Commercial Court of Zagreb shall set a settlement voting hearing.

On 21 March 2018 the Group's Extraordinary Commissioner, Fabris Peruško, and the First Deputy Chairman of the Management Board of Sberbank, Maksim Poletaev, signed a term sheet by which principles are set for Sberbank and its affiliates to withdraw the litigation proceedings initiated against the Group in due course, and for the Extraordinary Administration to admit Sberbank's contested claims and propose that Sberbank's recognized claims are included in an updated list of claims submitted to the Commercial Court of Zagreb. Recognition of Sberbank's claims will enable them to vote in the settlement and will facilitate progress towards the mutual goal, which is a settlement that will deliver a sustainable future for the new Agrokor Group.

In pursuance thereof and in line with the obligation arising from the TCC's decision made at the session held on 21 February 2018, where the Disclosure Policy was unanimously adopted, that Extraordinary Administration has on its website at nagodba.agrokor.hr disclosed material information related to the negotiations on the settlement plan term sheet. The respective information was presented and made available to the members of the TCC and their associates and has now been disclosed to other creditors as well to familiarize them with financial and other indicators intended to help them evaluate the key provisions of the settlement plan, once proposed, all in line with the aforesaid Disclosure Policy.

The documents disclosed are entitled 'Entity Priority Model (EPM) Guidelines' and 'Summary Information Package in Line with the TCC's Disclosure Policy' The first document serves as a guide through the EPM, intended to establish the stakeholders' claims and the rates of their recoveries by each of the Group companies subject to the Extraordinary Administration Procedure. This material for the first time provides a summary of valuations of Group companies, expressed within a range between the lowest and the highest estimated value. The Summary Information Package made available to the creditors also provides an outline of the future pro forma corporate structure of the so-called new group.

The document further contains information on claims secured by guarantees provided by other companies within the Group, as well as previously disclosed information on old and border debt payments to suppliers. Suppliers have received over EUR 490 million of old and border debt, which includes further border debt payments, remaining old debt payments from the Pool B allocation and the fulfillment of the trade tranche from the roll-up facility intended for suppliers. Out of this amount EUR 188 million is accounted for by old debt payments, while approximately EUR 302 million relates to border debt payments, which are paid or payment is in process.

In line with the announcement made by the Extraordinary Administration on 26 March 2018, documents were published which had been submitted to the Commercial Court in Zagreb. The SPFA was disclosed in its cleansed version, ie. including all changes and amendments made to it by all annexes concluded to date. Moreover, the Fee Agreement with the SPFA Lenders' Agent was disclosed as well.

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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 cumulative revenue and EBITDA for the first two months of 2018, for certain key companies of the Group. This monthly report contains financial reporting for the 16 key Group companies. February financial results for individual Group companies included in this section of the report are preliminary and not audited. Please note that all comparisons to budgets in this section are with reference to the viability plans.

January - February 2018 performance*

HRK m	Retail and Wholesale	Food	Agriculture
Revenue	1,777m	853m	270m
EBITDA	-44.9m	48.5m	17.1m
EBITDA %	-2.5%	5.7%	6.3%

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

Notes:

- *Summarized results for the period (without elimination of intercompany transactions and consolidation adjustments).*
- *Revenues include sales of goods and services on domestic and foreign markets, and excludes revenues from services not related to regular operating activities.*
- *EBITDA = EBIT + amortization/depreciation + value adjustments and impairments + provisions + management and restructuring fees.*
- *COGS from the management report.*
- *Results are preliminary for February. The audit of 2017 results is not yet complete; therefore results, and subsequent KPIs, remain subject to change.*
- *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.*

Operations in the retail and wholesale sector in February maintained the positive trend seen in previous months; although very poor weather conditions in February resulted in a decrease in footfall, and led to revenues being lower than budget. As stores are now well-stocked this resulted in a larger average customer basket, with successful assortment and price management mix increasing margin. With both gross margin and costs in line with budget generated EBITDA was in line with expectations.

The food sector was marked by good results in February. Despite the reduction in sales revenues, operating profits (EBITDA) significantly exceeded budgets. Due to the extremely unfavourable weather conditions, which greatly affected sales and the timely delivery of goods, revenues and EBITDA generated in the drinks segment were below budget. The frozen food segment has continued to generate positive results this year, with sales revenues and EBITDA exceeding budgets. The edible oils and meat segments have generated lower sales revenues due to significantly lower prices of edible oil and meat on the market, while operating profits, as a result of the efficiency improvements and cost management measures implemented, exceeded budget. During the course of February several new ice cream products were launched.

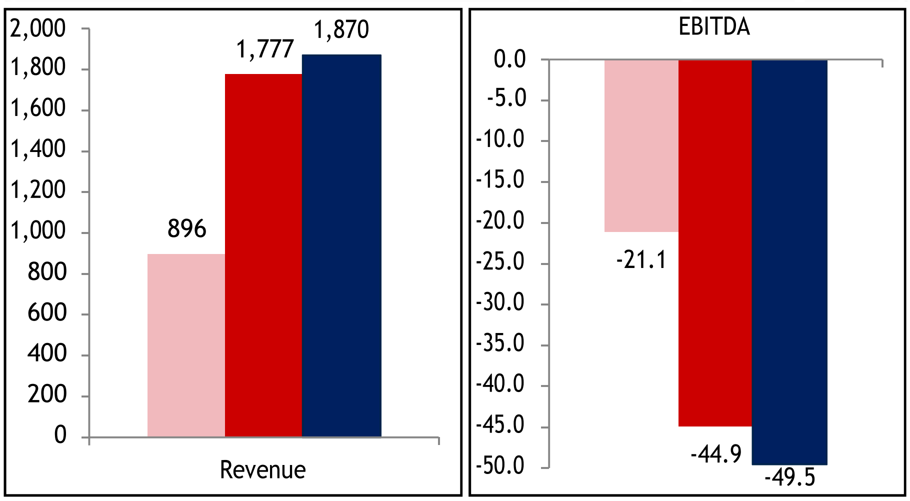
Although the agriculture market saw a minor recovery and a slight growth in pork, oil and cereal crop, fruit and vegetables and semi-hard cheese prices, revenues were still slightly below budget for February as prices have not yet reached budgeted levels. The most significant impact on a reduction in EBITDA realization came from the drop in pork prices and cheese. In the upcoming period pork and other product selling prices are expected to increase, with EBITDA and revenues expected to improve accordingly.

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 Croatian individual companies portrayed in detail in subsections which follow.

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

Retail & Wholesale



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

NOTE: All results are preliminary.

January 2018 actual | Cummulative YTD actual | Cummulative YTD budget

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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*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	1,202	1,232
EBITDA	-17.6	-23.6
EBITDA %	-1.5%	-1.9%

NOTE: All results are preliminary.

2.1.1.2. Commentary on recent trading

- The positive impact of the changes and efforts exerted are visible through the turnover generated, which exceeded expectations in the first two months of 2018. The turnover generated in the retail network was 3.6% above budget in February. The positive trend from prior months continued, with like-for-like turnover generation of -0.8%.

- Gross margin exceeded budget for February. Revenues, which were slightly below budget due to the decreased volume of non-core operations in petrol stations and wholesale, had no significant impact on the absolute margin due to the low relative margin typical for these types of operations.

- The poor weather conditions and very low temperatures resulted in lower customer footfall in February; however the reduction was offset by basket size being on average 6.2% higher than expected for the time of year.

- The focus on overall operations with particular emphasis on cost control and margin optimization resulted in EBITDA margin exceeding budget by 0.4 p.p. for both February and year-to-date.

- February saw the start of the “Gooštiranje u Radničkoj” project, with high quality chefs, sommeliers and gastronomy professionals presenting their skills and new tastes to customers at Super Konzum Radnička. Customer reactions were extremely positive with the project being both educational and fun.

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

2.1.2.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	197	191
EBITDA	-7.7	-9.4
EBITDA %	-3.9%	-4.9%

NOTE: All results are preliminary.

2.1.2.2. Commentary on recent trading

- Significant positive effects were seen across all KPI's in January and February as a result of the measures implemented in previous months.

- Revenues generated in February exceeded budget by 5.4% and 2.7% cumulatively.

- The relative margin generated was lower than budget as a consequence of increased pricing activities aimed at restoring customer confidence. These marketing initiatives generated higher than budgeted revenues, which contributed to the gross margin meeting budget.

- Lower operating costs for February as well as the year-to-date are a result of cost-saving measures and strict cost monitoring.

- As a result of the increased revenues and reduced operating expenses, EBITDA in February exceeded budget by 1.1%.

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

2.1.3.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	258	292
EBITDA	-7.2	-5.8
EBITDA %	-2.8%	-2.0%

NOTE: All results are preliminary.

2.1.3.2. Commentary on recent trading

- The gross margin percentage in February continued its positive trend compared to January and the budget for February. As expected, the positive effects of the 2018 Soccer World Cup album and sticker sales, the introduction of a wider assortment, new pricing policies and the reduced proportion of wholesale operations which bear a significantly lower margin, have directly impacted the margin achieved.
- The EBITDA has maintained the positive trend which began in the second half of 2017, in line with the restructuring measures implemented. However, the result for February 2018 was slightly weaker due to poor weather conditions having a significant impact on turnover and sales from retail and wholesale operations.
- In February revenues and gross margin in the retail segment were below budget, due to the cessation of Zagreb public transportation ticket sales and weaker sales of merchandise and poor weather conditions. Revenues and gross margin in wholesale were lower than expected across merchandise and telecom operator coupons due to a delay in the new assortment listing. Furthermore, revenues from courier services in the parcel distribution category were lower than expected.
- The majority of restructuring measures implemented in 2017 were completed by the end of February 2018, including the closing down of unprofitable points of sale, introduction of new assortment in retail, reduction of indirect costs and cessation of unprofitable business arrangements such as flyer distribution.
- In line with restructuring measures implemented, monthly fixed operating costs of HRK 34 million were realized in line with the budget for February. The next steps in restructuring the company will be aimed at finalizing improvements in logistics and generating higher revenues and gross margin.

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*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	121	155
EBITDA	-12.4	-10.7
EBITDA %	-10.3%	-6.9%

NOTE: All results are preliminary.

2.1.4.2. Commentary on recent trading

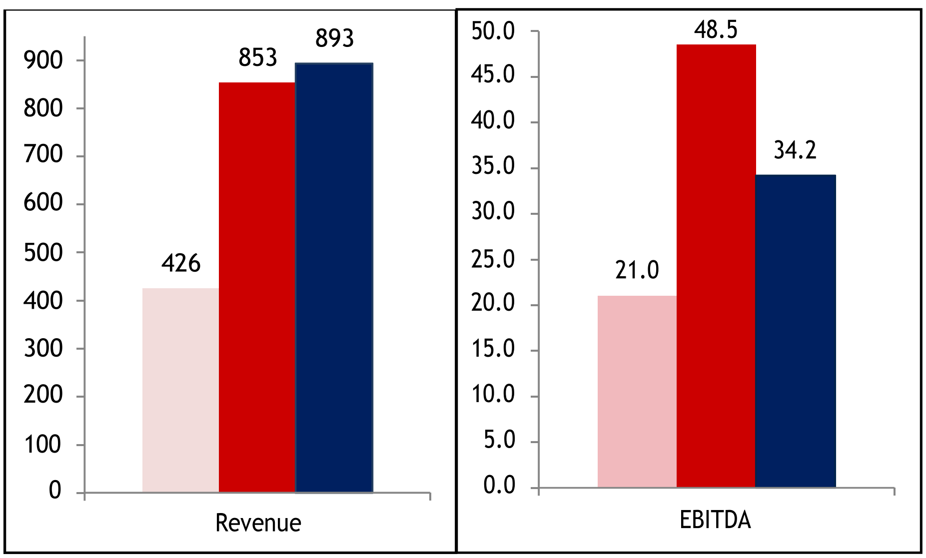
- Negotiations with key customers are ongoing due to the reduced availability of branded goods which are key to retaining existing and attracting new customers. This factor coupled with strong promotional activities by market competitors resulted in revenues being lower than budget. On the other hand, cooperation and negotiations with suppliers resulted in the relative margin exceeding budget, while the activities taken to date have reduced fixed and variable costs in a controlled manner, resulting in a positive net effect on EBITDA and EBITDA margin, exceeding budget.
- Despite intensive work on cost reduction and operating profitability due to revenues not meeting budget, Velpro generated EBITDA below budget.
- Inventories were at the expected level for the time of the year and appropriate for the level of sales.
- The implementation of restructuring measures is in its final stage and scheduled to complete by the end of Q1 2018, in line with expectations.

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 Croatian individual companies portrayed in detail in subsections which follow.

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

Food



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

NOTE: All results are preliminary.

January 2018 actual | Cummulative YTD actual | Cummulative YTD budget

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

2.2.1.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue**	113	120
EBITDA	11.3	10.8
EBITDA %	10.1%	9.0%

*

NOTE: All results are preliminary.

2.2.1.2. Commentary on recent trading

- Due to extremely unfavorable weather conditions in February affecting sales and the timely delivery of goods, revenues and EBITDA generated were below budget.
- February saw the start of preparations for the „190 years of Jamnica“ marketing campaign, which started in early March.

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

2.2.2.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	85	91
EBITDA	-4.0	-5.4
EBITDA %	-4.7%	-5.9%

NOTE: All results are preliminary.

2.2.2.2. Commentary on recent trading

- February saw a reduction in distribution costs, sales costs and administrative expenses as a consequence of the efficiency improvement measures implemented, subsequently generating EBITDA that exceeded budget.
- Sales revenue in February was lower than planned due to the implementation of new sales policies.
- The key challenge in February was to accomplish improved sales targets in the HoReCa segment across all regions, however adverse weather conditions affected both sales and the distribution of goods to customers.

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

2.2.3.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	37	37
EBITDA	6.8	7.1
EBITDA %	18.6%	19.1%

NOTE: All results are preliminary.

2.2.3.2. Commentary on recent trading

- Due to extremely unfavorable weather conditions, generated revenues and EBITDA were lower than budget in February.
- Efforts were exerted in entering into new markets, with stronger exports (particularly to Saudi Arabia) expected by year-end.

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

2.2.4.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	100	89
EBITDA	0.1	0.1
EBITDA %	0.1%	0.1%

NOTE: All results are preliminary.

2.2.4.2. Commentary on recent trading

- Over the course of February 2018, seven new ice cream products were launched on Croatian, Bosnian and Slovenian markets.

- The domestic market saw sales growth exceed budget in the frozen food group across all sales channels, particularly in the HoReCa channel, indicating the restoration of customer confidence.

- Other operating expenses were in line with budget, as was EBITDA generated.

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

2.2.5.1. Financial results YTD and KPIs

Financial results*	I.-II.2018 (HRK m)	Budget 2018 (HRK m)
Revenue	31	29
EBITDA	1.9	1.6
EBITDA %	6.1%	5.4%

NOTE: All results are preliminary.

2.2.5.2. Commentary on recent trading

- Revenues generated in February exceeded budget, the majority of which related to adjustments in the product ranges of both fish and vegetables.
- EBITDA exceeded budget as a result of sales growth and operating efficiency improvement measures.
- Due to intense customer focus, Ledo Čitluk continues to maintain a competitive advantage over competitors who have been aggressively trying to conquer the market with entry level brands.

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

2.2.6.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	63	65
EBITDA	-2.4	-3.2
EBITDA %	-3.7%	-5.0%

NOTE: All results are preliminary.

2.2.6.2. Commentary on recent trading

- EBITDA generated was above budget as a result of the operating efficiency improvement measures, focus on profitable product groups and a reduction in the COGS.
- Sales revenue in February was slightly below budget, with the highest sales growth against budget having been achieved via sales of impulse ice cream, the most profitable product category.
- Vegetable sales were stagnant due to the increased availability of new, competitive, lower priced products.

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

2.2.7.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	93	88
EBITDA	5.7	3.5
EBITDA %	6.1%	4.0%

NOTE: All results are preliminary.

2.2.7.2. Commentary on recent trading

- EBITDA exceeded plans due to the exploitation of the domestic market in February, stable sales on export markets and lower raw material prices than anticipated.
- February saw Zvijezda meeting budgeted sales growth, with better results across oil, mayonnaise and merchandise categories and slightly weaker results in margarines and ketchup.
- Preparations for the forthcoming Easter holidays were made in February.
- February also saw the launching of the Omegol product line campaign, including packaging and an explanation of the health benefits of the products.

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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*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	96	121
EBITDA	5.2	4.3
EBITDA %	5.4%	3.5%

NOTE: All results are preliminary.

2.2.8.2. Commentary on recent trading

- EBITDA generated exceeded budget, as a result of lower general, administrative and marketing costs.

- Due to pricing pressure on the edible oil market, sales revenues generated in February were lower than anticipated.

- In the categories mayonnaise, table margarine, dressings, vegetable ghee, cheeses, pasta and palm oil for frying, revenues were above plan.

- Significant steps were taken to develop private label recipes for some product categories and deliveries are expected to commence in March. This will help counteract the drop in sales due to oil prices.

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

2.2.9.1. Financial results YTD and KPIs

Financial results*	I.-II.2018 (HRK m)	Budget 2018 (HRK m)
Revenue	236	252
EBITDA	23.9	15.5
EBITDA %	10.1%	6.2%

NOTE: All results are preliminary.

2.2.9.2. Commentary on recent trading

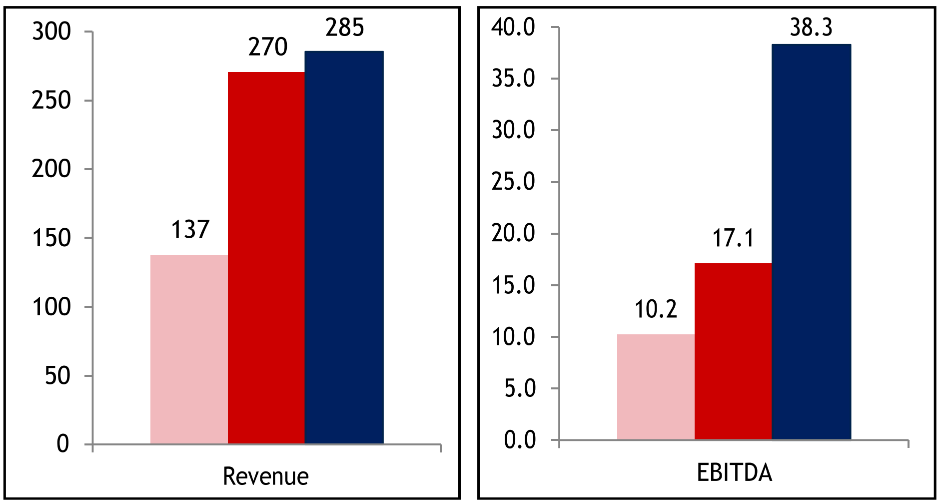
- EBITDA generated in February exceeded budget as a result of stable revenue and reduced raw material prices, ie. livestock prices on the domestic market and the main imported materials for processed meat production.
- The decrease in raw material purchase prices compared to budget was reflected in sale prices being below budget, resulting in decreased revenue.
- The company’s focus was on generating the best operating results possible in February. Therefore, the product assortment was adjusted in part, resulting in lower revenues but higher EBITDA.
- Stable levels of revenues from sales of products and services, and the cost management process, resulted in improved productivity and reduced operating costs per kilogram of product sold.

2.3. Companies in the agriculture sector

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

Cumulative revenue and EBITDA for 2018 (HRK m) *

Agriculture



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

NOTE: All results are preliminary.

January 2018 actual | Cummulative YTD actual | Cummulative YTD budget

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

2.3.1.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	177	194
EBITDA	14.6	23.1
EBITDA %	8.3%	11.9%

NOTE: All results are preliminary.

2.3.1.2. Commentary on recent trading

- Revenues from products and services in the current period were below the planned values, mainly due to the prices of finishers (pigs) and semi-hard cheese which were significantly below planned sales prices.

- The lower-than-planned sales prices of finishers and semi-hard cheese were also the reason that EBITDA generated in the current period was below plan. The planned price of finishers as stated in the Viability Plan was HRK 9.37/kg, and the realized price in January and February was HRK 7.95/kg, with the impact of lower prices on revenues and EBITDA amounting to HRK 7.8 million.

- The level of inventories at the end of the current period as against the same period last year was higher, mainly due to stocks of raw-material and production material for animal feed manufacturing, which were purchased during the season at prices lower than the current market prices.

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

2.3.2.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	59	59
EBITDA	1.9	9.5
EBITDA %	3.2%	16.2%

NOTE: All results are preliminary.

2.3.2.2. Commentary on recent trading

- Over the first two months, the majority of sales revenues were accounted for by sales of cereal crops, soya meal, piglets, fresh fruit and vegetables and reproduction materials, mainly fertilizers, sold to contract farmers. Sales revenues met budget except for piglet sales where they were below plan by HRK 2.2 million due to the price being lower than budget which impacted EBITDA. The planned price amounted to HRK 18/kg, while the realized price was HRK 11.72/kg. Lower EBITDA was also due to the lower-than-planned sales price of vegetables, particularly onions.

- Intensified trading activities in the oil and cereal crop sales segment have resulted in a change of customer structure with a positive impact on DSO, which has been reduced. The aforesaid change in the way the company does business has also reduced DPO to suppliers.

- With increased sale of goods in February, DIO has dropped.

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

2.3.3.1. Financial results YTD and KPIs

Financial results*	I.-II. 2018 (HRK m)	Budget 2018 (HRK m)
Revenue	35	33
EBITDA	0.6	5.7
EBITDA %	1.8%	17.5%

NOTE: All results are preliminary.

2.3.3.2. Commentary on recent trading

- The year-to-date has recorded a slight growth of sales revenues against plan, mostly due to increased revenues in winery operations and sales of fattening cattle. The sales price of fattened pigs remains low, with a direct negative impact on company profits.

- EBITDA has seen slight growth compared to January, but with the market value of fattened pigs still low, this has significantly impacted EBITDA compared to budget (lower EBITDA in BC Pig Breeding against budget (ca. HRK -4.9 million)).

- Raw material, material and finished product inventories at the end of February were at approximately the same level as at the end of January.

- Trade receivables were higher in February due to advance payments made for the new crop husbandry production (fertilizer, seeds, protection). Trade payables were reduced by the payment of leases liabilities, as well as payments for January supplies for the new crop husbandry 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 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 March 2018 net funds of HRK 1.2 billion have been deployed in the businesses to assist with liquidity.

As discussed in the previous monthly report, this cash was used primarily to unwind trade payables in relation to the period post 10 April 2017, and to restock the businesses.

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

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

	Current STCF (CW 11)	Prior week STCF (CW 9)
Minimum cash balance (13w)	746	648
Maximum cash balance (13w)	1,168	1,185
Minimum Liquidity covenant	296	296
Available liquidity	**450 – 872**	**352 – 889**

3.2. Supplier claims settlement

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

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 27.45 million (includes previously approved amount of EUR 27.4 million and an additional EUR 0.05 million approved on 23 January 2018) 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 56.43 million (include previously approved EUR 56.4 million and an additional EUR 0.03 million approved on 23 January 2018) 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 after all the necessary approvals are given; and
- the balancing 20% is paid on or before 31 March 2018 (all the companies have paid this tranche of the old debt in the total amount of HRK 56.9 million except Tisak which is waiting approval from its Supervisory Board)

On the basis that certain corrections to the tables of recognized claims were delivered to Zagreb Commercial Court on 13 December 2017, any 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 a second round of border claims in order to reach a minimum of 47% of the supplier's border claim to those suppliers who had signed an agreement with the Group to return to historic supplier terms. In addition to the Pool B suppliers who had already signed the agreement a small number of key suppliers who did not have a significant amount of old debt (and have thus not participated in the Pool/Group B agreements) were offered a payment of up to 47% of border debt, subject to a benefit accruing to the company through improved trading terms.

3.3. Trade finance facility

Expressions of interest for participation in the EUR 100 million trade finance facility were completed according to the deadline with 305 indicative applications received. These applications exceeded the amount of the available facility. Allocation of the EUR 100 million pool is currently ongoing with a focus on eligible suppliers that have a high goods turnover.

During December 2017, Group companies issued term sheets to suppliers to finalize negotiations and secure the additional financing. This financing is anticipated to be provided through commercial contracts for the delivery of goods and services up to the value of EUR 50 million. 35 suppliers signed to access the trade facility in the total amount of EUR 89.8 million. Of this amount, EUR 37.3 million of goods and services have already been provided.

4. Settlement negotiations

In the Extraordinary Administration Proceeding over the Group the members of the TCC and pre-petition creditors have been and, following the execution of a term sheet, continue to negotiate with the goal of achieving a settlement pursuant to which the Group and its liabilities will be restructured.

The Extraordinary Commissioner and his deputy, along with the wider Group advisor team, hosted another off-site meeting between the members of the TCC and observers from 19 to 21 March 2018 in order to continue working on the term sheet. Several subjects were discussed at the meeting and particular progress was achieved in relation to the consensus on the Croatian holding company and corporate governance.

The Extraordinary Administration and Sberbank signed a term sheet on 21 March 2018 which sets out principles pursuant to which Sberbank and its affiliated companies will in due time withdraw their claims initiated against the Group, and the Extraordinary Administration will recognize Sberbank's contested claims and propose to the Commercial Court of Zagreb that the recognized Sberbank's claims be included in the Commercial Court's order determining and contesting claims which has been done.

The members of the TCC and certain other creditors agreed on a term sheet on 10 April 2018. They confirmed this by drafting and executing a document which represents the framework upon which actual text of the settlement based on filed claims and their legal status will be drafted.

The agreed term sheet includes the corporate structure of the New Group, treatment and form of settlement of pre-petition claims, new debt of the New Group and its capital structure, special arrangement with suppliers on settlement of the so-called border debt and settlement implementation. The business operations of the New Group will rely on the so-called arm's length principle in company relationships within the group meaning that parties will be equal and independent in mutual relations. Also, in order to minimize the chances of systemic risk reoccurring in the future, no mutual financing between operative companies is expected, while financing between the operative and holding companies is envisaged to a very limited extent necessary for the capital structure optimization.

It has been established that the main criteria for determining individual claim recoveries is the EPM which has been developed by international institutions and used in the largest international corporate restructurings.

Given that the creditors have agreed on a term sheet, the Extraordinary Administration proposed to the Commercial Court of Zagreb that the period of the Proceeding be extended by an additional three months as creditors require additional time to agree and finalize the text of the settlement. The Commercial Court of Zagreb issued a decision on 6 April 2018 granting the Extraordinary Administration's proposal, extending the duration of the Proceeding by three months.

The creditors of the New Group will use the additional period in the proceeding to agree and finalize the final text of the settlement. The Extraordinary Administration will deliver a final settlement proposal to the PCC for its approval which, once established, will replace the TCC. When the PCC approves the settlement proposal the Extraordinary Administration shall submit the proposal to the court and the Commercial Court of Zagreb shall set a settlement voting hearing.

4.1. Summary of the creditors' term sheet in accordance with Article 43 of the Law on Extraordinary Administration Proceeding in Companies of Systemic Importance for the Republic of Croatia

Pursuant to the term sheet, the settlement will, among others, provide for eight key elements as follows:

A. Corporate Structure

New companies forming the new governance, i.e. holding structure are companies which have been, for the purposes of the term sheet, named STAK, DutchTopCo, DutchHoldCo and CroHoldCo. While the CroHoldCo, a joint stock company with its registered seat in Craotia, will be the parent company of all controlled and affiliated companies of the New Group, creditors have chosen Netherlands as the seat of the new holding structure. This decision has been determined by the fact that most claims by value of the New Group's creditors are claims of foreign companies.

Existing creditors will assume control over the New Group through a stitching registered in the Netherlands, the so-called STAK. This is a special form of an administrative foundation established with the purpose of separating legal and economic i.e. actual ownership over assets and thereby simplifying the process of exercising ownership rights in the New Group which is less formal in a STAK (voting rights, information rights, property rights). STAK will issue depositary receipts of ownership to creditors in the Extraordinary Administration which are connected with the shares that STAK holds in DutchTopCo. The formal owner of the entire New Group will therefore be STAK which will be 100% owned by the creditors in the Extraordinary Administration. The receipt of depositary receipts of ownership which economically represent shares issued by STAK form part of the creditors' settlement in the form of equity.

DutchTopCo is the future parent company of the New Group which will be established as a Dutch limited liability company (B.V.). STAK will issue depositary receipts of ownership to creditors for shares it holds in DutchTopCo and creditors will exercise governance rights in DutchTopCo and the entire New Group by providing instructions to STAK. DutchTopCo will also be the issuer of convertible bonds which form part of the creditors' settlement in the form of debt and the owner of DutchHoldCo.

DutchHoldCo will be established as a Dutch limited liability company (B.V.) and as a wholly-owned subsidiary of DutchTopCo and a direct parent company of CroHoldCo.

CroHoldCo is the new Croatian holding company which will be established as a joint stock company with its registered seat in Croatia. It will be a wholly-owned subsidiary of DutchHoldCo and also the parent and holding company of all operative controlled and affiliated companies in the New Group.

New companies which will form the operating structure will be established as limited liability companies (d.o.o.) directly owned by CroHoldCo and will, as mirror companies, assume the business units of existing companies which have been determined to be insolvent, i.e. whose liabilities exceed their assets. Each new company will ensure continuation of business operations post-settlement without legacy liabilities, i.e. known and unknown pre-petition liabilities. As a result, the existing outside shareholders of the New Group, share pledges and repo claims are removed. Also, the new companies will ensure that the old structure is separated from the new structure in accordance with the settlement and that there are no remaining cross-guarantees.

Continuing companies within the operating structure are companies whose assets exceed their liabilities, i.e. solvent companies which are part of the Extraordinary Administration and foreign companies. Shares of the New Group in these companies shall be transferred to the CroHoldCo which will have no effect of minority and majority shareholders and creditors of each such subsidiary.

B. Treatment of pre-petition creditors

With respect to unsecured claims, creditors of unsecured claims shall receive their recovery through the receipt of ownership shares in the New Group, i.e. depositary receipts of ownership issued by STAK, and through a new claim against the New

Group, i.e. convertible bonds issued by DutchTopCo. These instruments will be stapled together in the manner that they cannot be disposed of separately.

The amount of recovery in the form of depositary receipts and bonds shall be determined based on the EPM which calculates a rate of recovery separately for each individual company under Extraordinary Administration. Each creditor shall receive an equal proportion of depositary receipts and bonds, while a cash payment option of the determined recovery is being considered as an exception to the receipt of ownership shares and bonds for creditors with small claim amounts.

With respect to secured claims which are secured with a separate satisfaction right on individual assets and are not claims which are secured with third party guarantees, their recovery depends on whether the claim is covered by the value of the collateral. Creditors receive their recovery through assuming new claims at par against the New Group in the portion of the claim which is covered by the value of the collateral. The portion of the claim not covered by the value of the collateral is settled like other unsecured claims and is subject to the same write-off. A uniform maturity date and interest rate not higher than market rates shall be determined for all claims which are covered by the value of the collateral. Security related to the old claim shall be transferred as security for the new claim.

C. Debt structure of the New Group

For the purposes of regulating the status of the existing super senior loan facility in the amount of EUR 1.06 billion entered into by Agrokor in June 2017 (**SPFA**), CroHoldCo shall enter into a new loan arrangement (**Exit Facility**) whereby it will entirely refinance the SPFA. The terms of this facility are to be determined.

For the purposes of financing operating companies, it is envisaged that operating costs of companies may be financed through revolving facilities whereby liquidity needs due to seasonality of the business would be met. Mutual financing of the operative companies as in the current Group is not envisaged, with the exception of direct financing between the CroHoldCo and individual operative companies.

D. Capital structure of the New Group

Claims of creditors in the Extraordinary Administration will be settled through an exchange for a strip of equity (STAK - depositary receipts) and debt (DutchTopCo - convertible bonds) instruments. The EPM will determine the allocation of equity and debt instruments. Each creditor will at the same time receive a portion of equity and debt instruments which will be stapled together in the manner that they cannot be disposed of separately.

The equity instrument is the depositary receipt of ownership issued by STAK for the shares it holds in DutchTopCo. Creditors shall exercise their ownership rights by voting in the STAK whereby one depositary receipt will give an entitlement to one vote and the voting will be transparent. STAK will exercise its voting rights with respect to the shares it holds in DutchTopCo in the same proportion as the instructions STAK receives from creditors, i.e. there will be no aggregation of creditors' votes on the level of STAK.

Anti-dilution rights, as well as tag-along and drag-along rights will be included in the equity instrument.

Creditors will influence the governance of the New Group through the appointment of management boards and limitations in their actions. Debt instruments are convertible bonds issued by DutchTopCo. Convertible bonds are bonds which may be converted into depositary receipts under certain circumstances, for instance at maturity if not repaid in full until then, in events of default and an initial public offering. Convertible bonds will not benefit from guarantees nor will they be secured. English law will be applicable with respect to the bonds, while the conversion will be performed under the laws of the Netherlands.

The sale of equity and debt instruments will be possible only in private trades and under the requirement that stapling is observed.

With respect to corporate governance, depositary receipts shall entitle creditors to the following rights: information rights, consent rights (material disposals of assets, debt incurrence, loan provision, appointment of directors, changes of constitutional documents, etc.) and profit participation.

E. Special arrangement with suppliers

With respect to further payments of the so-called border debt, border debt represents pre-petition debt on which Article 40 par. 3 of the EA Act may be applied. Border debt subject to payment pursuant to this special arrangement is border debt owed by any Agrokor member to a creditor whose claims have been determined in the proceeding, i.e. the eligible creditors, and which is divided into Claims A, B and C. The highest total amount of border debt which can be paid pursuant to this special arrangement to Claims A, B and C is EUR 80 million.

Claims A represent border debt which is owed by any member of the Group directly to eligible suppliers which entered on 5 April 2018 into the agreement on continuation of business cooperation under essentially the same terms. Claims B represent border debt which owed by any member of the Group indirectly to eligible suppliers which entered on 5 April 2018 into the agreement on continuation of business cooperation under essentially the same terms with the respective member of the Group, and which border debt is by 30 April 2018 re-acquired by eligible suppliers. Claims C are all border debt claims which do not qualify as claims A or B.

A conditional payment right of the remaining border debt is established whereby the obligation for border debt payment will be placed with DutchTopCo for the benefit of a payment agent which shall be established by eligible suppliers.

Eligible suppliers shall have an annual contingent border debt payment right for the period of 2018, 2019, 2020 and 2021 provided Konzum's performance achieves a certain level in the relevant calendar year. The border debt amount to be paid in each calendar year corresponds to the amount by which the EBITDA realized in each relevant calendar year exceeds the threshold EBITDA in the amount of EUR 38.8 million in that calendar year. The total amount of the yearly payment amounts from 2018 to 2021 cannot exceed EUR 80 million. The definition of EBITDA used when determining Konzum's performance has been specifically agreed.

Payment for each calendar year shall be made within 30 business days from the publication of audited financial statements of New Konzum for that calendar year. The border debt payment obligation shall terminate upon expiration of the four year period regardless of the border debt amount finally paid.

The amount of border debt to be paid shall be paid to eligible creditors in the following manner:

- first to eligible creditors of Claims A, in the manner that eligible creditors whose percentage of recovery of border claims until that moment is the lowest are paid first, until such eligible suppliers are equalized with the rest of the eligible suppliers holding claims A, and until the recovery of Claims A of all eligible suppliers is 100% (Levelling Principle);
- then to eligible creditors of Claims B applying the same Levelling Principle; and
- finally, if any funds remain, to eligible creditors of Claims C applying the same Levelling Principle.

The consideration allocated to eligible creditors in the form of depositary receipts and bonds under the Settlement with respect to border debt subject to the special arrangement will be reallocated as follows:

- by way of a cash payment under the above prescribed mechanism; and
- for the portion of border debt not settled in cash, they will be settled as any other unsecured debt under the Settlement.

A supplier payment agent shall hold the appropriate recovery instruments until the possible period for payment of border debt expires. After the expiration of such period, for the portion of border debt not settled in cash creditors will receive the corresponding recovery in the form of depositary receipts and bonds.

To the extent permitted by law, retail operating companies of the New Group shall retain eligible creditors as suppliers for five years after the settlement with the presence of products of eligible creditors on shelves of operating companies reflecting the presence of goods of these creditors on regional markets.

Retail operating companies shall apply the arm's length principle in relationships with all suppliers, regardless of whether they are members of the New Group or third parties.

Regarding the support of eligible supplier creditors to the Extraordinary Administration Proceeding and the settlement, large and small suppliers' representatives in the TCC/PCC shall support the settlement, associated resolution and transaction connected to the realization of the settlement. The management board of the Suppliers' Association shall support the process and the settlement. Suppliers shall not have further commercial demands.

F. Temporary holding vehicle for recovery instruments for contested claims

If claims of certain creditors are contested and at the time of the settlement confirmation the court has not yet reached a decision on their existence, a temporary holding vehicle shall hold recovery instruments for creditors of those claims. In case of a final court decision that these claims do not exist, recovery instruments shall be redeemed by the STAK and DutchTopCo.

G. Settlement implementation

It is envisaged that in order to achieve greater certainty of reaching a settlement, lock-up agreements on settlement support shall be executed prior to the conclusion of the settlement.

H. Employees

All contracts for employment shall be transferred to the New Group.

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

The Extraordinary Administration continues to manage accrued operational business expenses that relate directly to the various centralized services provided across the Group.

An overview of the Group's operating costs paid to the end of February 2018, grouped by cost type, can be found in the table overleaf. These 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. The report for the next period will include additional overview of the total costs that will also be presented in detail.

Following the appointment of the Deputy Extraordinary Commissioner and replacement of the Extraordinary Commissioner on 27 February 2018, there is no effect on commissioner's fees for February 2018. The uplift in fees will be reflected in March 2018 operating costs.

As detailed in the last monthly report, a number of invoices for consultant fees for December 2017 were booked and paid in January 2018. The decrease in February 2018 consultant fees by HRK 3.0 million is therefore in line with expectations. Other consultant fees are HRK 0.9 million less than January as invoices are booked and paid on an adhoc basis, in line with services delivered.

Audit and tax fees have increased by HRK 3.0 million compared to January 2018 as a result of invoices booked and paid in respect of the Group audit work which commenced in January 2018.

The amortization of HRK 0.9 million covers both January and February 2018.

Total headcount at the end of February 2018 was 91 and no severance payments were made in the reporting period.

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OPERATING COSTS of AGROKOR D.D. (HRK)	Apr-Dec 2017	January 2018	February 2018	Total
Total cost of salaries and fees				
Commissioner's fee	1,040,991	118,970	118,971	1,278,933
Employees and service contracts (Bruto II included)	53,190,186	4,068,203	4,082,329	61,340,719
Severance payments	24,960,182	-	-	24,960,182
	79,191,359	**4,187,174**	**4,201,301**	**87,579,834**
Consultant fees[3]				
Legal	81,513,524	10,221,146	7,838,672	99,573,342
Financial	31,579,403	3,685,064	1,911,455	37,175,922
Restructuring	121,083,663	12,758,536	14,873,768	144,629,824
Other (forensics, HR)	9,847,447	1,902,977	989,393	12,739,817
	239,937,894	**28,567,723**	**25,613,288**	**294,118,905**
Audit and tax services	**10,026,887**	**738,751**	**3,717,381**	**14,483,019**
Utilities costs	**2,281,818**	**195,547**	**143,328**	**2,620,694**
Material costs				
Transportation costs (insurance, maintenance, fuel, etc.)	5,261,724	218,024	359,076	5,838,824
Ongoing maintenance	3,126,412	417,521	561,198	4,105,131
Other	5,670,248	54,537	39,846	4,827,228
	13,120,981	**690,082**	**960,120**	**14,771,183**
Insurance costs - management liability insurance	**14,971,419**	**-**	**-**	**14,971,419**
Cost of new financing	**47,018,273**	**-**	**-**	**47,018,273**
Travel costs / education	**402,597**	**38,735**	**27,017**	**468,349**
Other costs[4]	**46,605,780**	**986,289**	**218,782**	**47,810,851**
Amortization / Depreciation	**4,758,083**	**-**	**905,559**	**5,663,642**
Total	**458,315,093**	**35,404,300**	**35,786,776**	**529,506,169**

Notes:

1. Total operating costs of Agrokor d.d. (without adjustments or deduction of costs for the period from 1 April 2017 to 10 April 2017) plus all subsequent months amount to total operating costs of Agrokor d.d. (this is the number in SAP; HRK 557,707,322).
2. Total operating costs in the sum of HRK 529,506,169 is the best representation of the operating costs of Agrokor d.d. since the start of the Extraordinary Administration (being total costs for the period 1 April 2017 to 10 April 2017).
3. Consultant fees are adjusted for the proportion of their costs related to VAT and the pro-rata system Agrokor is in, for the Extraordinary Administration.
4. Adjustments totalling HRK 27,856,276 have been made for operating costs that relate to the period 1 April 2017 to 10 April 2017. Other costs includes all other SAP accounts which are not separately listed in the above table. Hence, this can result in negative amounts in certain categories for a given period.
5. Furthermore, it includes suppliers after 10 April 2017 which are not captured within consultant fees. The above table remains subject to change; however, operating costs shown are the best representation as at the date of this report and includes an estimate for amortisation which is yet to be actualised.

6. Litigation

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

During the period the final proceeding pending against Agrokor d.d. in Croatia brought by Sberbank of Russia has been dismissed by the High Commercial Court (case no. St-1138/2017). Sberbank had sought a declaration that the decision of the interim creditor’s council dated 31 August 2017 giving consent for the payment of certain pre-petition claims was null and void.

In England and Wales, Sberbank of Russia filed an application to the Court of Appeal for permission to appeal the decision of HHJ Matthews of 21 February 2018. As reported previously, that decision confirmed that the undertakings agreed between Sberbank and the Extraordinary Administration in August 2017 had the effect that Sberbank could not take any further steps in the arbitrations between the parties, with the consequence that the application to lift the stay imposed by recognition of the Extraordinary Administration proceedings was adjourned. Sberbank has sought expedition of this application and their application for permission to appeal the decision of HHJ Matthews recognising the Extraordinary Administration process in the UK. The Extraordinary Administration has filed responses to both of these applications and the request for expedition and the decision of the Court is awaited.

In Serbia, the Commercial Court of Belgrade has dismissed the litigation proceedings brought by Sberbank d.d. Zagreb against Konzum d.d. (case no. P 6397/2017). Sberbank has filed an appeal and the Extraordinary Administration is preparing a reply. Further, the respective enforcement officers have removed the pledges created pursuant to the enforcement proceedings brought by Sberbank d.d. Ljubljana (case no. I.iv 382/2017 and Iiv 356/2017), Sberbank d.d. Zagreb (cases no. I.iv 377/2017 and 338/2017) and Banca Intesa a.d. Beograd (Case no. IIv 289/2017) each in respect of Agrokor d.d.’s shares in Dijamant ad Zrenjanin, Nova Sloga d.o.o. Trstenik, M-Profil SPV d.o.o. Beograd and Kron d.o.o. Beograd.

The Supreme Court of Slovenia rejected the Extraordinary Administration’s appeal against the decision to refuse recognition of the Extraordinary Administration proceeding in Slovenia. The Extraordinary Administration is considering the appropriate next steps with its legal advisers in these proceedings.

In Bosnia and Herzegovina, the Extraordinary Administration filed an appeal to the Constitutional Court in respect of the decision of the Supreme Court to reject recognition of the Extraordinary Administration process in Bosnia. Further, Sberbank of Russia filed requests for revision of the decisions to reject their application against Agrokor d.d. and Jamnica d.d. for temporary injunctions over the shares in Konzum d.o.o. Sarajevo and Ambalažni servis d.o.o. Sarajevo (case no. 65 0 Ps 656174 17 MO) and Sarajevski kiseljak d.d. Kiseljak (case no. 51 0 Ps 126516 17 Mo). The Extraordinary Administration has filed responses to these requests and the decisions are awaited.

In Montenegro, the Extraordinary Administration has filed an appeal against the previously reported decision of the Commercial Court of Montenegro to admit Sberbank of Russia as an interested party in the recognition proceedings.

Finally, as reported on the Agrokor website, the Extraordinary Administration has signed a term sheet with Sberbank of Russia setting out an agreement whereby the Extraordinary Administration will, in due course, recognise the contested claims of Sberbank and its affiliates in the Extraordinary Administration process and Sberbank will withdraw the litigation proceedings issued by it and its affiliates against the Group.

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7. Temporary Creditors Council

The TCC held its 16th session on 19th March 2018 via correspondence to vote on the decision on engaging advisors to the TCC, which was not adopted.

The 17th session of the TCC was held on 27 March 2018. Discussions were held on the engagement of advisors to the TCC. Since there was no final agreement among the members of the Council, no decision was made by the TCC.

During this reporting period, the members of the TCC negotiated and agreed upon the key elements of the settlement proposal and signed a term sheet on 10 April 2018.

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8. Registration of claims

Adris Group has partially withdrawn their contestation of the claims of Zagrebačka banka and Erste & Steiermarkische Bank d.d., while Ricardo has withdrawn its contestation of the claim of Istarska Kreditna Banka d.d. in the sum of HRK 1.8 billion.

Subsequently, the Commercial Court of Zagreb issued a supplemental order on determined and disputed claims on 20 March 2018, within which the Court specified those contested and removed claims together with claims which the Extraordinary Administration has recognized in the tables published on 12 February 2018 and 22 February 2018, in the sum of HRK 4.5 million.

Following the above adjustments, the quantum of total claims determined in the Extraordinary Administration is HRK 32.9 billion.

On the basis of this order, supplements and corrections to the creditor categorization was published on 22 March 2018.

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9. Stakeholder relations and communications

Communication with all key stakeholders in Croatia and other countries where the Group operates remains of utmost important in the Extraordinary Administration. The most important news in this reporting period is that the members of the TCC and certain other creditors agreed a term sheet on 10 April 2018.

In terms of key stakeholder communication the reporting period was marked by additional levels of transparency and disclosures of various pieces of information intended to inform all stakeholders, in line with the adopted disclosure policy. The information in question had been presented and made available to the Members of the TCC and was presented to provide insight to all other creditors, in line with the aforementioned disclosure policy, together with financial and other indicators that will help them evaluate the key provisions of the settlement agreement, once proposed. To this end the documents entitled 'Entity Priority Model (EPM) Guidelines' and 'Summary Information Package' in Line with the TCC's Disclosure Policy' were published at the website www.nagodba.agrokor.hr.

In line with the announcement made by the Extraordinary Administration on additional transparency, the Extraordinary Administration disclosed the final SPFA on 26 March 2018, including all changes and amendments made to date. The fee agreement with the SPFA lenders' agent was also disclosed.

Communication with the media was again extremely intensive over the course of this reporting period, with more than 60 various media activities including press releases, interviews, media statements and a significant number of responses to various media queries.

Report prepared by:

Fabris Peruško	Irena Weber
Extraordinary Trustee	Deputy Extraordinary Trustee
Agrokor d.d	Agrokor d.d