

Fabris Peruško  
Extraordinary Administrator  
Agrokor d.d.  
Trg Dražena Petrovića 3  
10000 Zagreb,  
Hrvatska (Croatia)

15 June 2018

Dear Mr Peruško,

### Introduction

This letter (“Opinion Letter”) and the opinion expressed herein (“Opinion”) are provided by FTI Consulting LLP to Agrokor d.d. (“Agrokor” or the “Company”) covering the reasonableness from a financial standpoint of:

- (i) The valuations performed for and on behalf of Agrokor of the entities forming part of the group headed by Agrokor d.d. (the “Agrokor Group” and the “Valuations”); and
- (ii) The Entity Priority Concept (“EPC”) and associated entity priority model (“EPM”) prepared for and on behalf of Agrokor, which is being used to inform the Transaction (as defined herein)

This Opinion Letter and the Opinion expressed herein are solely for the use of Agrokor. The Opinion does not address the reasonableness of the overall Transaction and does not constitute a recommendation to any party for any specific action that should be taken with respect to the Transaction.

In this Opinion Letter, the term “Creditors” means all the creditors of the EA Entities (as defined herein).

In this Opinion Letter, the term “Transaction” comprises the restructuring proposal (“Settlement Plan”) presented to Creditors, pursuant to the law on the Procedure of Extraordinary Administration of Companies with Systemic Importance for Republic of Croatia (“EA Act”). The Settlement Plan proposes a restructuring of claims of Creditors of Agrokor and 76 of its subsidiaries (“EA Entities”) whereby, subject to the terms and conditions set out therein, Creditors will receive depositary receipts (“DRs”) representing shares in a new holding company (“STAK”), convertible bonds (“CBs”) and claims in a new group (“New Agrokor”), in settlement of Creditors’ claims against the EA Entities.

The Opinion is based on the information provided to us by Agrokor, directly or through their advisors, for the purpose of discussing the Transaction and the preparing of the Opinion Letter. Neither FTI Consulting LLP nor any of its subsidiaries, affiliates, associates or professionals has undertaken to verify or confirm, and they shall assume no responsibility for, the accuracy and completeness of such information. In particular, our work did not address the reliability of the Group’s financial forecasts (“Viability Plan”) and although discussions have been held with Agrokor, through its advisors, on key assumptions, we have not carried out due diligence on the Viability Plan.

The Opinion does not express any view on the procedural aspects of the Transaction, the compliance with EA Law and other relevant laws and regulations.

You have requested our Opinion, in our capacity as financial advisors engaged by Agrokor, as to the fairness and reasonableness from a financial standpoint of the Valuations and Entity Priority Concept, being the key drivers of the consideration provided to Creditors through the Transaction. The Opinion is given from the perspective of Creditors as a whole in the Settlement Plan and does not reflect any specific claims of individual Creditors.

In arriving at our Opinion, we have taken into account certain business and financial information related to Agrokor, as well as other materials provided to us for the purpose of assisting in the assessment of the Transaction, including without limitation the following:

- (i) The Agrokor Viability Plan dated 7 March 2018, containing financial forecasts for each business to 2021;
- (ii) A valuation model prepared for the Company, including cash flow forecasts for each entity (reflecting updates to those presented in the Viability Plan), which set out the estimated enterprise valuations and other asset valuations for each Group entity as at 31 March 2018, on both going concern and liquidation bases; and
- (iii) The EPM prepared for the Company, setting out the proposed recovery ratio for each EA company which forms the basis for the allocation of consideration in New Agrokor to the Creditors under the Settlement Plan

We met Agrokor's other advisors for the purpose of discussing the Transaction and information provided to us. We had access to a dataroom operated by Agrokor's financial advisor and conducted such other analyses and examinations and considered such other information and financial, economic and market criteria as we deemed appropriate in arriving at our conclusions.

In conducting our work, we have assumed and relied upon, without independent verification, the accuracy and completeness in any material respect of all financial, accounting and other information and data, supplied to us. Furthermore, we have assumed that neither the Extraordinary Administrator, nor the Group's senior managers, nor advisors are aware of any information or facts which could cause the information supplied to us to be incomplete or misleading in any material respect.

We have made no independent assessment of any tax or accounting matters affecting the Group. We have not conducted an independent investigation on the legal structure of the Agrokor Group and have assumed the correctness of the information provided. We have not conducted a physical inspection of Agrokor's businesses or property interests.

We do not express any view as to what the value of DRs, CBs and other interests in STAK/New Agrokor actually will be, when issued pursuant to the Transaction, or the price at which they may trade at any time.

Our Opinion Letter speaks only as of its date. It is necessarily based on economic, financial, and other conditions as they exist and can be assessed on the date of this Opinion Letter, insofar as they are relevant to a valuation model prepared as at 31 March 2018. We do not assume responsibility for updating this letter, or advising you on any changes, after the date of the Opinion Letter.

We acknowledge that the Opinion Letter will be disclosed to Creditors, the Court and other bodies as necessary regarding the Transaction under EA Law. However, the only party that may rely on the Opinion Letter is the Company. Our liability to Creditors and any other party is expressly excluded.

The Opinion Letter should be read in its entirety as one single document and FTI has the right to approve any reference to a portion of the Opinion Letter or references to FTI in any such documentation associated with the Transaction, other than mere references to the Opinion Letter itself.

In the event of a translation of the Opinion Letter into a language other than English, the English language shall prevail.

Our comments on the Valuations and Entity Priority Concept, and overall conclusions are presented below.

## **Valuations**

### ***Business Valuations ("BV")***

We have reviewed the Company's estimated BVs for all companies in the Agrokor Group. We have not been requested to make, and have not made, independent valuations. Rather, we have been requested to provide, and have provided, an independent opinion on the reasonableness of Agrokor's valuation conclusions, taking account of market, industry and company specific factors, including the judgment, assumptions and estimates of Agrokor Group and its advisers.

We were not requested to, and did not, solicit third party indications of interest in acquiring all or any part of the Agrokor Group. We therefore express no opinion as to whether third parties would have been able or willing to pay a higher or lower price for each of the entities of which the Agrokor Group is composed following a competitive auction process or whether a higher or lower price may have been achieved in an Initial Public Offering.

We have focussed our BV work on the top eighteen entities (listed in appendix 1) ("Focus Entities"), accounting for 86% of the overall estimated value of the Agrokor Group entities. For these Focus Entities, we have carried out the comprehensive valuation review procedures set out below. For other smaller Agrokor Group entities ("Smaller Entities"), we have carried out high level review procedures (agreed with the Company) covering the approach and application of the valuation methodology.

Our BV work assumes a sum-of-the-parts valuation of the operating companies in the Group on the basis that the Group is maintained as a whole.

BVs comprises two components:

- (i) Enterprise value, accounting for 89% of the BV; and
- (ii) Non-Core asset valuations, typically real estate or other non-operating assets, accounting for 11% of the BV.

For the purpose of our work we have assumed that all cash held by the Group is required for working capital/operational purposes and that none of that cash is free to distribute to creditors.

### ***Enterprise Value ("EV")***

For the Focus Entities, we have utilised a range of valuation methodologies and considered the appropriateness of the choice of and application of the methodology selected.

We have applied multiples valuation analysis by comparing the Agrokor Group companies to a range of comparators comprising:

- (i) Publicly traded companies we deemed comparable to that of the relevant Agrokor Group company
- (ii) To the extent publicly available or made available to us, the financial terms of certain other business combinations and other transactions which have been effected or announced

We have also undertaken discounted cash flow valuation analysis based on the cash flow forecasts presented in the Company's valuation model which reflect the financial impact of certain operational restructuring actions presented in the Viability Plan.

We have reviewed the underlying valuation assumptions, such as discount rates and multiples applied. Further, we have reviewed the Agrokor valuations for mathematical accuracy and have, on a sample basis, verified external valuation inputs to publicly available information where possible. We have considered the reasonableness of the overall valuation conclusion reached in the Agrokor Valuations of the Focus Entities in light of our analysis. For the Smaller Entities, we have reviewed the consistency of the valuation approaches

adopted with those applied for the Focus Entities. We have also reviewed the Valuations of the Smaller Entities for mathematical accuracy and have, on a sample basis, verified external valuation inputs to publicly available information where possible.

### ***Non-Core asset valuations***

Non-Core asset valuations are based upon independent third party appraisals of the relevant asset prepared for the Company and other indicators of value such as offers received or net book value. We have compared a sample of the estimates in the valuation model based on third party appraisals to the underlying appraisal. However, we are not appraisers of such assets and have not undertaken any review work in connection with the appraised values.

### ***Liquidation Values***

Our work has primarily focussed on BV analysis since BV analysis is used in the EPM to assess Creditors' recovery rates and informs the allocation in the Transaction. However, Agrokor's advisors also undertook a liquidation analysis, with reference to distressed disposal values and liquidations of each Agrokor entity.

We reviewed the approach and key assumptions of such liquidation analysis and compared the outcome to the BV analysis for each Agrokor Group company.

### **Entity Priority Concept**

We have reviewed the Entity Priority Concept and associated EPM prepared by Agrokor's financial advisor. The purpose of the Entity Priority Concept is to illustrate the imputed hypothetical returns to different Creditors from the realisation of Agrokor Group's assets on a BV basis.

We have undertaken the following review procedures:

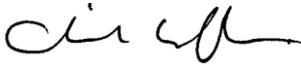
- (i) Reviewed the Agrokor Group structure and associated modelling thereof in the EPM
- (ii) Verified that the BV conclusions are appropriately input into the EPM
- (iii) Reviewed the legal, financing and security structure, as necessary to understand the key drivers of the EPM
- (iv) Reviewed the Creditor claims modelled in the EPM as compared to the claims lodged with the Croatian Court
- (v) On a sample basis, undertaken review procedures over the excel EPM model underlying the Entity Priority Concept to confirm values are flowing appropriately to creditors in light of the legal, financing and security structure
- (vi) Reviewed the returns to different creditors illustrated by the output from the EPM

We were not requested to, nor did we seek to independently verify the legal, financial and security structure. In that respect, we have relied upon information provided to us and we express no opinion on the validity of such information.

### Conclusions

Our opinions as regards the Valuations and the Entity Priority Concept, as at the date hereof, based upon and subject to the foregoing, are as follows:

- (i) The EVs of the Focus Entities estimated by Agrokor and used in the Entity Priority Concept are reasonable from a financial perspective
- (ii) The sample of the Company's Non-Core asset valuation estimates based on third party appraisals we selected agreed to the underlying appraisals
- (iii) The valuation approaches applied to the Smaller Entities are consistent with those adopted for the Focus Entities
- (iv) The BVs of the EA Entities exceeded the estimated liquidation values
- (v) The Entity Priority Concept provides a reasonable illustration of the hypothetical returns to creditors from the realisation of Agrokor Group's assets on a BV basis

A handwritten signature in black ink, appearing to read "Chad Griffin".

Chad Griffin  
Senior Managing Director

Signed on behalf of FTI Consulting LLP

## **Appendix 1**

List of Focus Entities:

1. Konzum d.d.
2. VELPRO - CENTAR d.o.o.
3. Konzum d.o.o. Sarajevo
4. Tisak d.d.
5. Jamnica d.d.
6. Roto dinamic d.o.o.
7. Sarajevski kiseljak d.d.
8. Ledo d.d.
9. Ledo d.o.o. Citluk
10. Frikom d.o.o.
11. Zvijezda d.d.
12. Dijamant a.d.
13. PIK Vrbovec d.d.
14. Vupik d.d.
15. Belje d.d.
16. PIK Vinkovci d.d.
17. Agrokor-trgovina d.o.o.
18. Poslovni sistem Mercator d.d.