

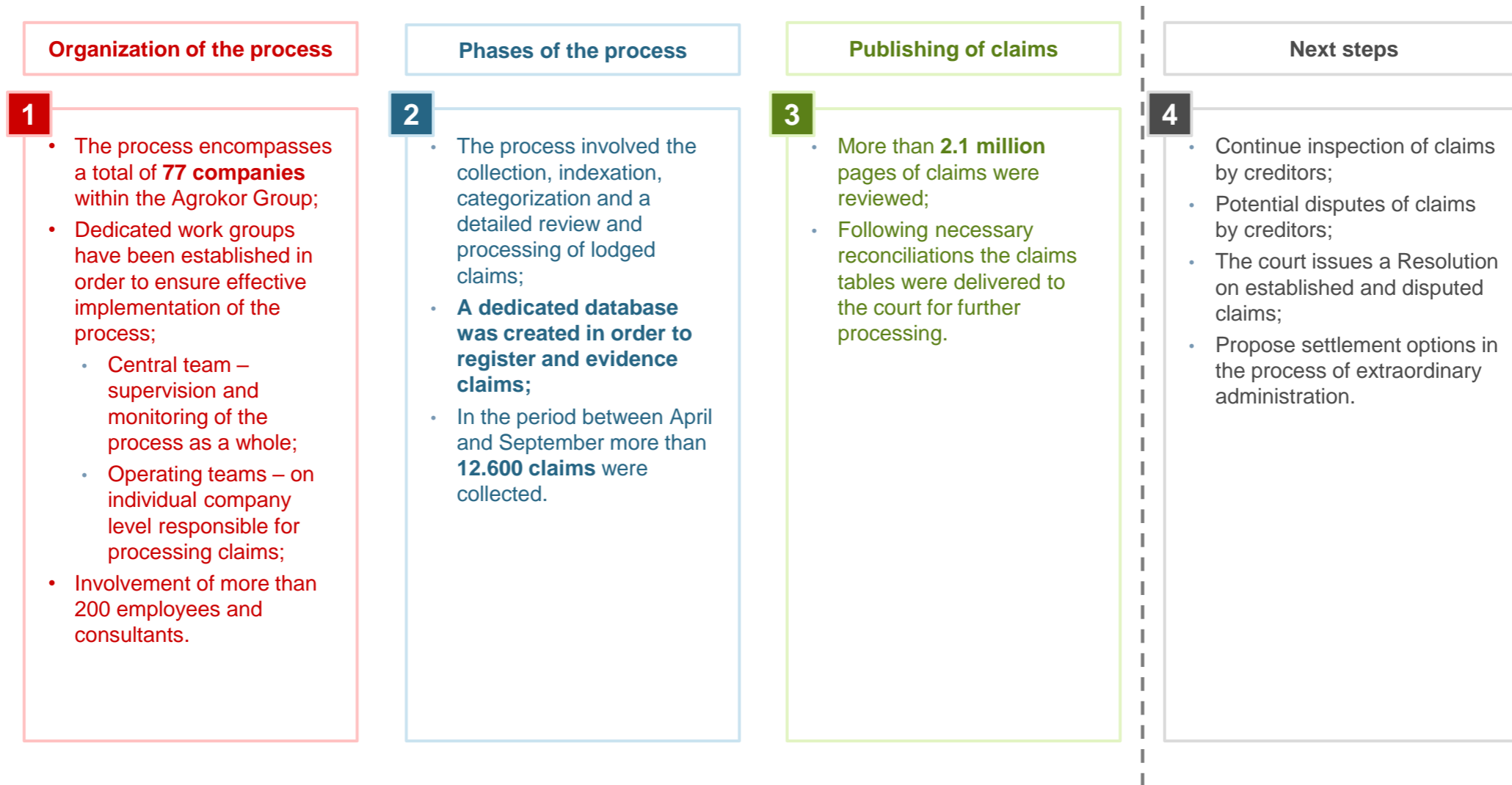
Agrokor

Claims management process

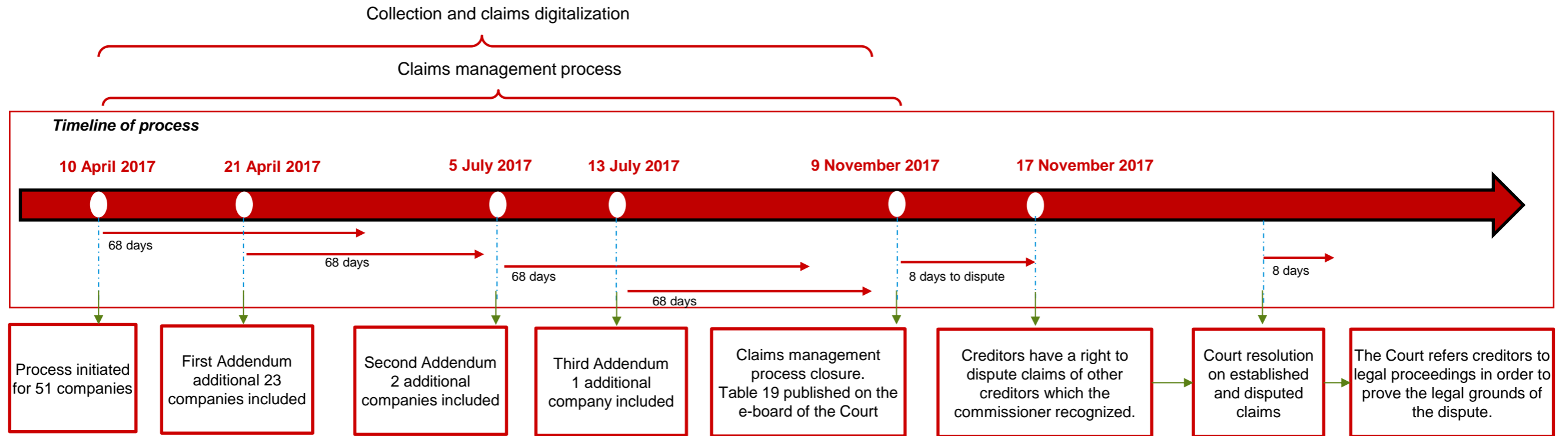
November 9th 2017



Phases of the claims management process



Timeline of the claims management process (1)



- The extraordinary administration process has been initiated on April 10th 2017 and encompasses 77 companies;
- Creditors were given 68 days in order to lodge claims;
- Tables containing recognized and disputed claims, separate satisfaction rights, exclusion rights, requests for contingent claim registration, untimely filed claims and claims filed to companies outside of the extraordinary administration process were delivered to the Court on November 9th 2017 for further processing.

Timeline of the claims management process (2)

- Creditors were allowed to inspect claims lodged by other creditors as well as all supporting documentation; creditors have a right to dispute claims of other creditors within 8 days of the publishing of the claims tables on the e-board of the Court.
- Following the Court resolution on established and disputed claims becoming binding the Court refers creditors to legal proceedings in order to prove the legal grounds of the dispute:
 - Creditors whose claims were disputed by the commissioner; and
 - Creditors who disputed claims of other creditors recognized by the commissioner.
- If there exists an enforcement document for a disputed claim the Court will instruct the disputing creditor to prove the legal grounds of the dispute;
- If the person referred to legal proceedings does not initiate the proceedings within 8 days it shall be deemed to have waived the right to conduct litigation.

Number of lodged claims

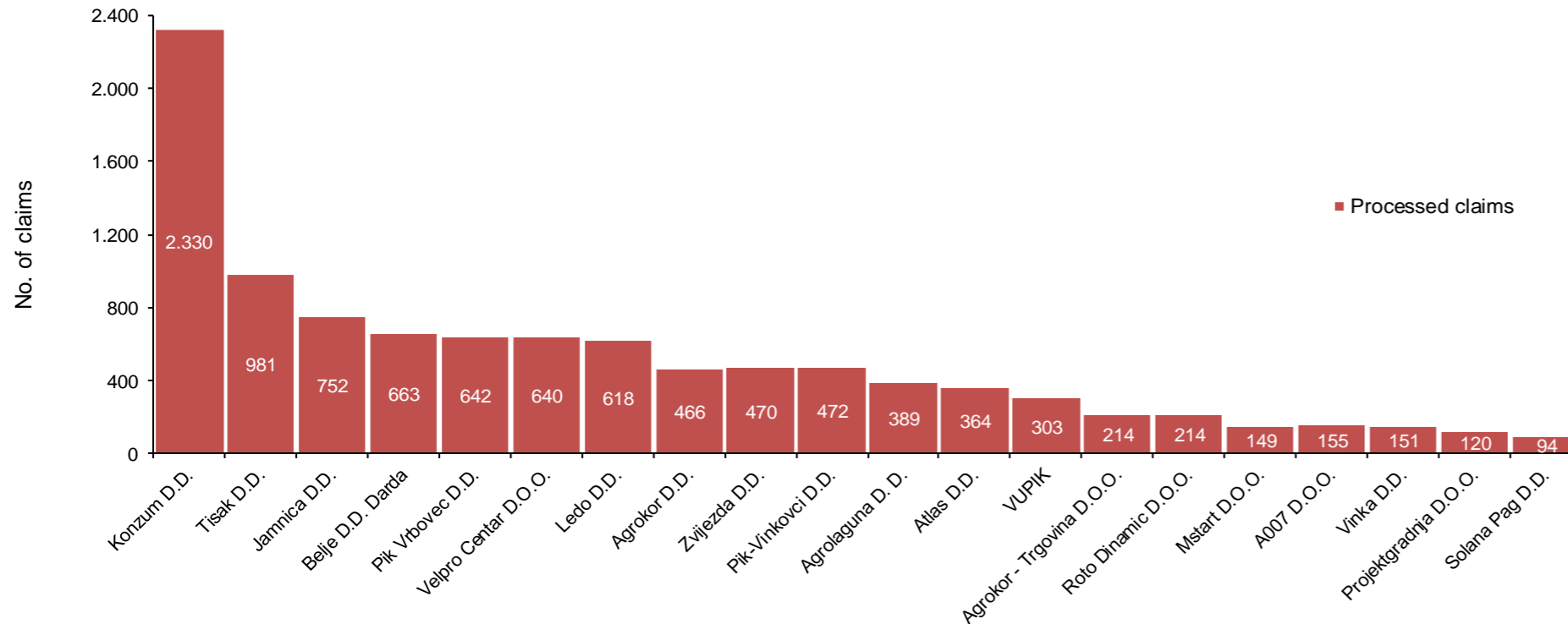
Claims overview						
No. of claims	Creditors excluded from extraordinary administration proceedings		Creditors included in extraordinary administration proceedings		Total	%
	Companies under common control	Third party	> 50% ownership	< 50% ownership		
Claims recognized	51	9.205	644	80	9.980	90%
Claims partially recognized / disputed	6	766	3	-	775	7%
Claims disputed	1	323	-	3	327	3%
Total claims lodged	58	10.294	647	83	11.082	100%
Out of which:						
Claims containing guarantees, co-debtors, requests for contingent claim registration and recourse rights	3	380	236	7	626	

Source: Internal analysis

- Since the initiation of the process on April 10th 2017 creditors lodged over **12 thousand claims** towards **76 companies** (one company received no claims) in the extraordinary administration process;
- Claims were lodged by cca **5,700 individual creditors**, and certain creditors lodged several claims to multiple debtors;
- **139 claims were lodged after the submission deadline** and will be filed to the Court recommending they be dismissed as untimely;
- Certain creditors have not filed their receivables through lodging claims;
- A total of **1,102 claims** were **fully or partially disputed**.

Number of lodged claims by company

Top 20 debtors based on number of claims submitted



- Of the total number of lodged and processed claims, **10,200 claims** (92%) relate to the top **20 companies**;
- **Konzum d.d.** received cca **16% of the claims**, while the second largest, **Tisak d.d.**, received cca **8%**;
- **Agrokor d.d.** processed **466 individual claims**, most of them being for loans received, issued bonds and commercial papers;
- The remainder of lodged claims relates to the remaining 56 companies within the Agrokor Group.

Amount of lodged claims

Claims overview						
	Creditors excluded from extraordinary administration proceedings		Creditors included in extraordinary administration proceedings		Total	%
	Companies under common control	Third party	> 50% ownership	< 50% ownership		
HRK million						
Claims recognized	785	28.822	11.264	359	41.229	8%
Claims fully/partially disputed	26	16.223	4	291	16.544	3%
Lower payment instances	-	23	-	-	23	0%
Total	812	45.068	11.268	649	57.797	11%
Gaurantees/co-debtorships and requests for contingent claims	36	122.586	323.135	406	446.164	89%
Total amount of claims submitted	848	167.655	334.403	1.055	503.961	100%

Source: Internal Analysis

- Creditors lodged a total of HRK 504 billion in claims from which the majority (HRK 446.2 billion) relates to claims from co-debtors (guarantees) and requests for contingent claims registrations;
- A total of HRK 57.7 billion was recognized and/or disputed out of which:
 - HRK 41.2 billion in claims were accepted;
 - HRK 16.5 billion in claims were disputed;
- Voting rights are currently given to creditors with a total of HRK 29.6 billion in accepted claims, as related parties within the extraordinary administration proceedings are not given voting rights. Of the HRK 29.6 billion in claims with voting rights, HRK 785 million relates to related parties who are outside of the extraordinary administration proceedings;
- Lower payment instances relate to expenses incurred through the claims lodging process and were delivered to the Court recommending they be dismissed;
- Claims for requests for registrations of contingent claims, guarantees/co-debtorships and recourse rights for bills of exchange and cession contracts which were only recorded do not have voting rights.

Amount of claims accepted

Claims overview						
	Creditors excluded from extraordinary administration proceedings		Creditors included in extraordinary administration proceedings		Total	%
	Companies under common control	Third party	> 50% ownership	< 50% ownership		
HRK million						
Claims recognized						
Loans	167	8.403	9.156	313	18.040	44%
Securities (bonds and commercial papers)	-	7.178	-	-	7.178	17%
Goods and services (suppliers)	571	4.333	1.299	20	6.223	15%
Merchandise loans (RTK)	-	556	691	26	1.273	3%
Bills of exchange (factored and original holders)	-	6.349	33	-	6.382	15%
Cessions	3	457	65	-	526	1%
Other claims	44	1.498	19	-	1.609	4%
Total amount of claims accepted	785	28.822	11.264	359	41.229	100%

Source: Internal Analysis

Includes interest of HRK 537 mil.

Cca HRK 474 mil. relates to potential balance sheet liabilities.

- **Creditors lodged cca 10,754 claims which were fully or partially recognized in the amount of cca HRK 41,2 billion.**
- The claims were preliminary categorized into:
 - Claims for loans;
 - Claims for Securities (bonds and commercial papers);
 - Goods and service and merchandise loans claims;
 - Bills of exchange claims;
 - Cessions claims;
 - Claims classified as „other” which amongst others, include recognitions of separate satisfaction rights, pro-rata recognition of co-debtors for main debtors who are out of the extraordinary administration process and corporate guarantees and lines of credit.
- The identified Groups are preliminary and are under further development and analysis.

Amount of claims with co-debtors

Claims overview						
	Creditors excluded from extraordinary administration proceedings		Creditors included in extraordinary administration proceedings		Total	%
	Companies under common control	Third party	> 50% ownership	< 50% ownership		
HRK million						
Gaurantees/co-debtorships and requests for contingent claims						
Contingent claims	36	5.254	323.135	406	328.831	74%
Guarantees / co-debtorship	-	99.117	-	-	99.117	22%
Recourse right - Bills of exchange	-	18.177	-	-	18.177	4%
Recourse right - Cessions contract	-	39	-	-	39	0%
Total amount of claims	36	122.586	323.135	406	446.164	100%

Source: Internal Analysis

- Of the total amount of processed claims cca HRK 446.2 billion relates to claims which were neither recognized nor disputed but only recorded and thus excluded from voting (such claims were recognized by the main debtor). The high amount of these claims stems from the fact that creditors secured multiple co-debtorships when funds were initially provided to the companies within the Agrokor Group;
- The total amount of **HRK 446.2 billion** includes the following:
 - **HRK 328.8 billion of requests for registrations of contingent claim** in accordance with Art. 143 of the Bankruptcy Law filed by solidary co-debtors to other solidary co-debtors of the main debtor;
 - **HRK 99.1 billion of guarantees/co-debtorships** filed by the creditor of the main debtor to all solidary guarantors/co-debtors;
 - **HRK 18,2 billion of recourse rights for Bills of Exchange („BoEs”) and cession contracts** filed by the creditor (factoring house or cession beneficiary) to solidary debtors.

Disputed claims

Overview

- A total of **1,102 claims were disputed in the amount of HRK 16.5 billion;**
- The primary reasons for the disputes are as follows:
- **The claim is under legal proceedings – disputed 79 claims in the amount of HRK 9.3 billion;**
 - Of the amount HRK 7.4 billion relates to disputes due to double litispence (double legal proceedings) and HRK 1.6 billion relates to an individual court case which was decided upon through a binding court decision in 2015;
 - Other claims have been disputed either because there is a legal proceedings ongoing or because the court decision has not become final;
- **Disputes due to lack of claim validity – disputed 941 claims in the amount of HRK 4.9 billion;**
 - Of the amount HRK 156 million relates to disputes of claims from bond holders as the claims for bonds were only recognized to the primary agent;
 - Claims have been disputed due to fundamental disagreements between the debtor and creditor in the nature of the transaction itself (differing interpretations of contract terms) or differing company records between the debtor and the creditor;
- **Disputes of claims relating to landlords – disputed 30 claims in the amount of HRK 2 billion;**
 - The claims have been disputed as the provisions of the contract were invalid i.e. lack of basis in the lease relationship;
- **Disputes due to technical reasons – disputed 18 claims in the amount of HRK 18 million;**
 - Relates to disputes in which lodged claims contained a technical error made by the creditor where the latter had been identified and disputed;
 - Mostly relates to disputes where the creditor recorded compensations with incorrect dates, claimed invoices which do not relate to the period before the process initiation, etc.