

**REPORT ON THE IMPLEMENTATION OF
EXTRAORDINARY ADMINISTRATON MEASURES AT
AGROKOR D.D.**

FOR THE PERIOD FROM 1 APRIL TO 1 JUNE 2019

Prepared pursuant to Article 12 item 9 of the Act on the Procedure of Extraordinary Administration in Companies of Systemic Importance for the Republic of Croatia (Official Gazette 32/2017)

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1. Executive Summary

This monthly report is related to the period from 1 April to 1 June 2019. It is intended to provide an update on the Settlement Plan implementation during that period and the activities undertaken after the Implementation Commencement Date on 1 April 2019 in the companies under the Extraordinary Administration.

Following the successful completion of negotiations between the creditors, a Settlement was achieved that became effective in October 2018 and as of 1 April 2019 the business units were transferred from Agrokor to Fortenova Group.

Given the transfer of the business units from the Agrokor Group to Fortenova Group, this report does not follow the development of the economic and financial situation within Fortenova Group nor does it report on the realisation of operating activities and overall operations of Fortenova grupa d.d. and its operating companies.

2. Activities on the Settlement Plan Implementation Commencement Date

Following the final and non-appealable decision of the Commercial Court of Zagreb dated 1 March 2019 and 1 April 2019 having been declared as the Settlement Plan Implementation Commencement Date, on 1 April 2019 the restructuring measures and implementation activities envisaged by the Settlement Plan were undertaken, including, amongst other things, a comprehensive transfer of the commercial units under the Extraordinary Administration of Agrokor to the Fortenova Group, with the new parent company and the mirror operating companies thus having started their operations.

As at the Implementation Commencement Date the following activities took place:

- The obligation of payment of Impaired Claims with recoveries below HRK 40,000 has become effective. Within the agreed deadline of 30 days, Recovery amounts pursuant to Art. 23.4 in connection with Art. 23.5 of the Settlement Plan according to the Final List of Creditors to Receive Cash Payments were paid to all Creditors who have provided the Debtor with duly listed and complete data about the creditor and the creditor's account (SWIFT and IBAN), ie. to all Creditors for whose valid data the Debtor and its subsidiary and affiliated companies had in their records regarding their account (SWIFT and IBAN) and the appropriate reference number;
- Write-off of claims envisaged to be written off by the Settlement Plan (as set forth in Art. 16.1 of the Settlement Plan);

- Assignment of Assigned Claims to Fortenova Group TopCo (as set forth in Art. 18 of the Settlement Plan);
- Issue of New Instruments to New Instrument Beneficiaries and the Securities Escrow Agent (as set forth in Art. 18.3.2 of the Settlement Plan). The New Instruments were issued to creditors who have met the required conditions or to the Escrow Agent, respectively, and are kept by Lucid Issuer Services Limited as the Securities Agent;
- Issue of the Supplier Loan Note and the Sberbank Loan Note;
- The conditions for satisfying Separate Creditors' claims (as stated in Art. 23.2 and 23.2.2 of the Settlement Plan) and Unimpaired Claims (as stated in Art. 23.1 of the Settlement Plan) have become effective;
- The obligation to transfer operations of Companies under Extraordinary Administration to the New Group (as stated in Art. 22.1.1 of the Settlement Plan) has become effective;
- The first DR Holders' Meeting was held (as set forth in Art. 19.1 of the Settlement Plan).

Furthermore, at the Settlement Plan Implementation Commencement Date the shares or business stakes of the viable companies were transferred to Fortenova grupa d.d., thus ending the Extraordinary Administration Procedure over the viable companies.

The competent courts of registration passed rulings on the implementation of business share transfers to the company Fortenova grupa d.d. for the companies A.N.P. Energija d.o.o., Agrokori-energija d.o.o., Aureum stella d.o.o., DB Kantun Veleprodaja d.o.o., Energija Gradec d.o.o., Euroviba d.o.o., Gulliver travel d.o.o., Irida d.o.o., Kompas d.o.o. Poreč, Kor - Broker d.o.o., Mondo-tera d.o.o., Multiplus card d.o.o., Poliklinika Aviva, Poljoprivreda j.d.o.o., Roto dinamic d.o.o., TISAK InPost d.o.o., Tisak usluge d.o.o., Vinarija Novigrad d.o.o. and Zagreb plakat d.o.o., which have become final and non-appealable, while the registration of transfers for the other viable companies is in process.

SKDD d.d. has re-registered the shares in the companies Agrolaguna d.d., Žitnjak d.d. and Solana Pag d.d. to Fortenova grupa d.d.

3. Settlement Plan Implementation Process

The very implementation took place by successfully carrying out the adopted implementation plans in all key implementation planning pillars, comprising legal implementation (which includes the transfer of assets), operational implementation, IT implementation and implementation in the areas of accounting/finance/taxation.

4. Extraordinary Administration Costs and Operating Costs of Agrokor d.d.

As at 1 April 2019 within the scope of the Settlement Plan implementation the assets and operations of Agrokor d.d. were transferred to Fortenova grupa d.d.

Hence Fortenova grupa d.d. has borne the Extraordinary Administration costs as well as the costs of its regular operations.

As of 1 April 2019 Agrokor d.d. has no employees any more, as all employment contracts have been transferred to Fortenova grupa d.d.

5. Litigation and Transfer of Assets outside Croatia

In this reporting period the following new developments in litigation proceedings in Serbia have taken place:

- In the case brought by the plaintiff Banca Intesa against the defendant Agrokor before the Commercial Court of Belgrade P-6465/17 on 8 March 2019 a first instance judgment was passed, accepting the claim in whole. The defendant lodged an appeal against the judgment on 25 April 2019 and the plaintiff responded to the appeal on 21 May 2019. On 29 May 2019 the defendant filed a submission to the court in response to the plaintiff's response to the appeal.
- Following the injunction imposed by the Commercial Court of Belgrade on 4 April 2019 prohibiting the execution of the contract on the transfer of stakes and shares in companies in Serbia from Agrokor Group companies to Fortenova grupa d.d., the High Court of Appeal annulled this decision on 19 May 2019 and returned the case for reconsideration.

Report prepared by:

Fabris Peruško
Extraordinary Commissioner
Agrokor d.d.

Irena Weber
Deputy Extraordinary Commissioner
Agrokor d.d.