

9M 2019 DR Holders update

29 November 2019



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- **Introduction**
- Presentation of consolidated financial performance for the first nine months of 2019
- Overview of sale of assets
- Comment on the Viability Plan

Introduction



SETTLEMENT IMPLEMENTATION

The creditors' Settlement Plan for Agrokor has been **successfully implemented on April 1st 2019** and the **transfer of business units** has been conducted smoothly and efficiently. The creditors' Settlement Plan and its implementation are unprecedented events in the restructuring and turnaround history of the SE Europe



SUCCESSFUL SPFA REFINANCING

In September 2019, **the SPFA was successfully refinanced**. The new financing is structured as a 4-year bond in the amount of €1,157 billion, with a 7.3% interest rate plus EURIBOR with a 1.0% floor and is led by HPS Investment Partners and VTB Bank



ONE-TIER CORPORATE STRUCTURE AND NEW ORGANIZATION

Fortenova Group started operations as the new company with **one-tier organization with non-executive and executive members and new corporate governance structure**. Management team has been **significantly strengthened with experts with international experience**.



IMPROVEMENTS IN PERFORMANCE

The pro forma consolidated revenues for the first 9 months of 2019 **grew by 7% and amounted to €2.5 billion**, while Core Segments' unconsolidated **revenue grew by almost 4% and amounted to €2.6 billion**. Consolidated EBITDA was lower by 1%, while Core Segments' unconsolidated **EBITDA grew by 7%** and amounted to **€231.7 million**.



BUSINESS RISKS

Settlement implementation risks are related to **completion of the asset transfer** process from Agrokor to Fortenova Group in Slovenia and Serbia and **AVK Decision** on imposing a €54 million fine on Agrokor d.d. Other risks are related to **amendments to the Land Act in Croatia** and **decrease in population**.

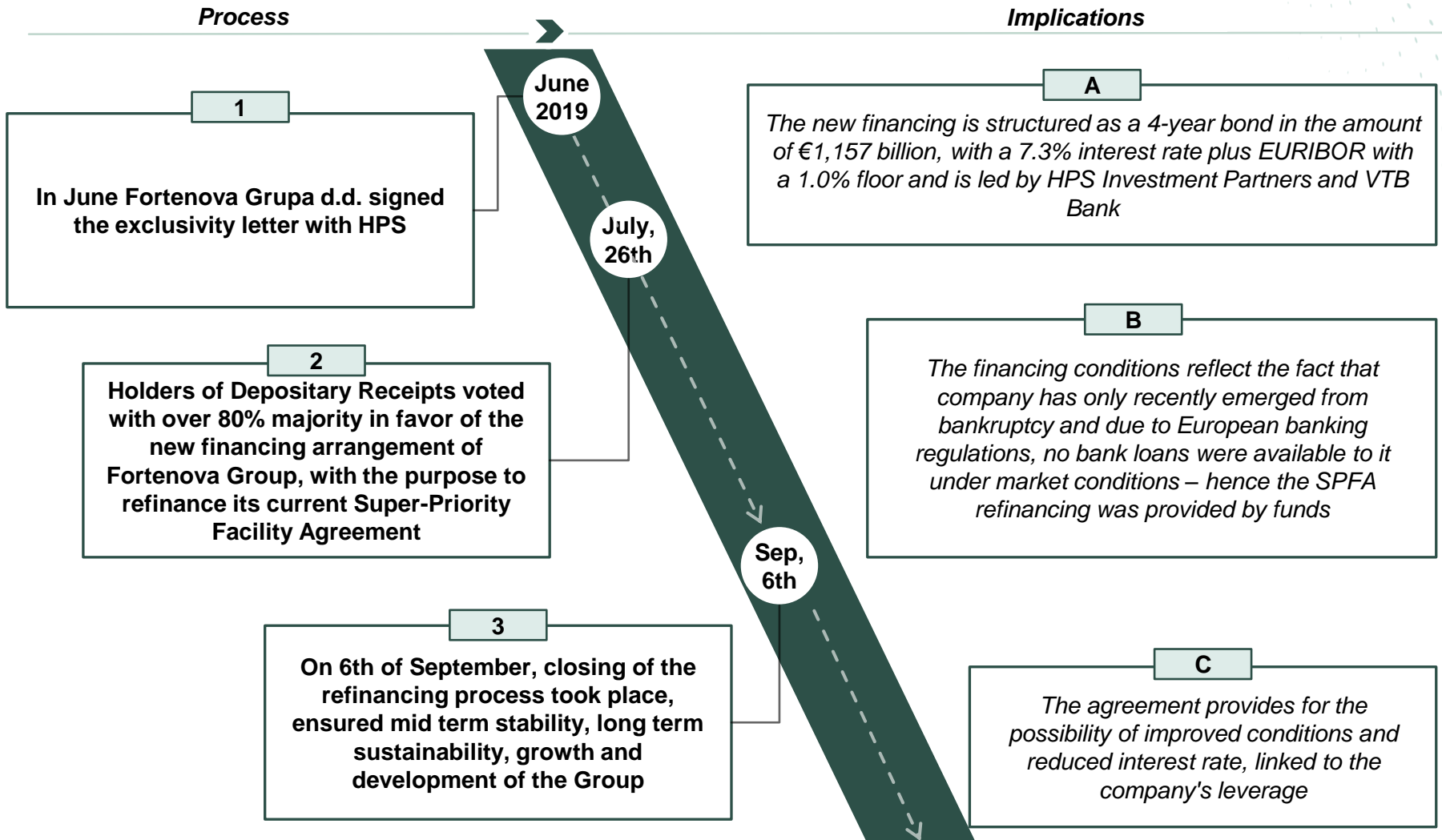
Settlement Implementation Involved 158 Companies in Several Jurisdictions



Jurisdiction	Status	Companies	Model	Result
Republic of Croatia	46 insolvent companies	<ul style="list-style-type: none"> 360 MARKETING d.o.o. A007 d.o.o. Adria retail d.o.o. Adriatica.net d.o.o. Agrokor d.d. Agrokor-Irgovina d.o.o. ALIQANTUM ULAGANJA d.o.o. Atlas d.d. Backstage d.o.o. BELJE AGRO-VET d.o.o. Belje d.d. BIO-ZONE d.o.o. Dalmarina d.o.o. Eko Biograd d.o.o. Felix d.o.o. go.adriatica d.o.o. Hotel Forum d.o.o. HU-PO d.o.o. Industrija mesa d.o.o. Jamnica d.d. KHA pet d.o.o. KHA tri d.o.o. Konzum d.d. Krka d.o.o. LATERE TERRAM d.o.o. Leto d.d. Lovno gospodarstvo Moslavina d.o.o. Mladina d.d. Mlijecno Govedarstvo Klisa d.o.o. mSTART d.o.o. PET-PROM ULAGANJA d.o.o. PHOTO BOUTIQUE d.o.o. PIK Vinkovci d.d. PIK Vrbovec d.d. Plodovi podravine d.o.o. Projektgradnja d.o.o. Rivijera d.d. Roto ulaganja d.o.o. SK-735 d.o.o. Sojara d.o.o. TERRA ARGENTA d.o.o. Tisak d.d. VELPRO - CENTAR d.o.o. Vinka d.d. Vupik d.d. Zvijezda d.d. 	Mirroring	New „plus” companies starting to operate in the New Group
	31 solvent Croatian companies	<ul style="list-style-type: none"> A.N.P Energija d.o.o. Adriasense d.o.o. Agrokor-Energija d.o.o. Agrolaguna d.d. AUREUM STELLA d.o.o. BELJE ABC d.o.o. DB KANTUN VELEPRODAJA d.o.o. Energija Gradec d.o.o. Euroviba d.o.o. Gulliver travel d.o.o. Hotel Kolocep d.d. Hoteli Živošće Irida d.o.o. JOLLY PROJEKTI JEDAN d.o.o. Karisma Hotels Adriatic d.o.o. KHA četiri d.o.o. KOMPAS d.o.o. Konsolidator d.o.o. Kor-Broker d.o.o. MONDO-TERA d.o.o. Multiplus card d.o.o. Poliklinika Aviva Pojloprivreda j.d.o.o. Roto dinamic d.o.o. Solana Pag d.d. Tisak InPost d.o.o. Tisak-usluge d.o.o. VINARIJA NOVIGRAD d.o.o. VJESNIK-USLUGE d.o.o. Zagreb plakat d.o.o. Žitnjak d.d. 	Transfer of shares	Upon transfer of shares in New Group, these companies to exit the EA
Foreign jurisdictions ¹⁾	81 companies outside Extraordinary Administration	<ul style="list-style-type: none"> Agrokor d.o.o. Agrofructus d.o.o. Agrokor AG Agrokor-Grude d.o.o. Angropromet d.o.o. Ardeya Global Atlas Ambasador Doo Beojana d.o.o. Beokona d.o.o. Beopana d.o.o. Beoslana d.o.o. Beovona d.o.o. Boreas d.o.o. Kreševo Costella d.d. Dijamant a.d. Dora foods Fonydi kft. Frikom Beograd d.o.o.e.l. Frikom d.o.o. Hoteli Plat Idea d.o.o. Iločki Podrumi d.d. INIT d.d. Jamnica d.o.o. Maribor Jana North America Kikindski mlin a.d. Kompas Beograd Kompas d.o.o. Kompas d.o.o. Kompas d.o.o. Sarajevo, BiH Kompas France International Kompas Holidays International (Netherlands) Kompas Holidays International (USA) Kompas Montenegro Kompas Nordic Aps Kompas Poland, S.p.z.o.o. Kompas Praha Spol Kompas s.r.l. Kompas Touristik Espana Kompas Touristik International (Hungary) Kompas Turistik Mercator Konzum d.o.o. Sarajevo Kron d.o.o. Leto d.o.o. International Leto d.o.o. Citluk Ljubljana Leto d.o.o. Podgorica Moje domaće meso Leto kft. M ENERGIJA Morso-Line d.o.o. M-profil SPV d.o.o. mSTART Business Solutions d.o.o. Nova Sloga d.o.o. PIK BH d.o.o. Laktaši Platinum - A d.o.o. Platinum - B d.o.o. Platinum - C d.o.o. Platinum - D d.o.o. Poslovní sistem Mercator d.d. Sarajevski kiseljak d.d. Shutnell Limited Ltd. Super Kartica d.o.o. Super Kartica d.o.o. Podgorica Super Kartica d.o.o. Sarajevo Tisak d.o.o. TPDC Sarajevo d.d. Velpro d.o.o. Sarajevo Velpro Sistem d.o.o. Vizba Valandovo doool Zvijezda d.o.o. Ljubljana Zvijezda d.o.o. Sarajevo 	Transfer of share in accordance with the jurisdiction	The transfer of shares shall be made pursuant to the laws of the respective jurisdiction

Administrative issues interfere with transfer of Mercator and Dijamant

SPFA was Successfully Refinanced




One-tier Governance Structure with Top International Experts has been Introduced



Board of Directors

Maksim Poletaev Chairman	Miodrag Borojević Deputy Chairman	Paul Michael Foley Member	Julian Michael Simmonds Member	Sergei Volk Member	Paul Robert Bastone Member	Alexander Torbakhov Member	Ivica Mudrinić Member representing employees	Fabris Peruško Member, CEO

Executive Directors

<p>CEO Fabris Peruško</p>  <p>Turnaround manager and advisor at McKinsey, GFG, Tisak, Extraordinary Administrator of Agrokor</p>	<p>Executive Director CEO RETAIL Siegfried Ganshorn</p>  <p>International retail expert and top manager - Schwarz Group, Kaufland and REWE Group</p>	<p>Executive Director CEO FOOD Sotiris Yannopoulos</p>  <p>Top manager with international business leadership experience in F&B and FMCG (PepsiCo, Coca-Cola, P&G)</p>	<p>Executive Director CEO AGRI Vlado Čondić Galinič</p>  <p>Top management position from agriculture and prior international military command experience</p>	<p>Executive Director CFO Vladimir Bošnjak</p>  <p>Top manager and investment banker - CAIB, Hypo Alpe Adria bank, Agrokor and, CEO of HETA Asset Resolution (Croatia)</p>
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New Organizational Structure has been Strengthened with Experienced Management Team



During the course of less than two years...



Management

- ✓ Solid management structure is built



Organization

- ✓ New organizational structure is set up
- ✓ Organizational responsibilities are established



Processes

- ✓ Key processes in Fortenova Group are defined



Procedures

- ✓ Clear procedures are implemented



Established functions

- ✓ New functions are established: Turnaround, Controlling & Reporting
- ✓ Several functions are strengthened: Investor Relations, Treasury and Strategy

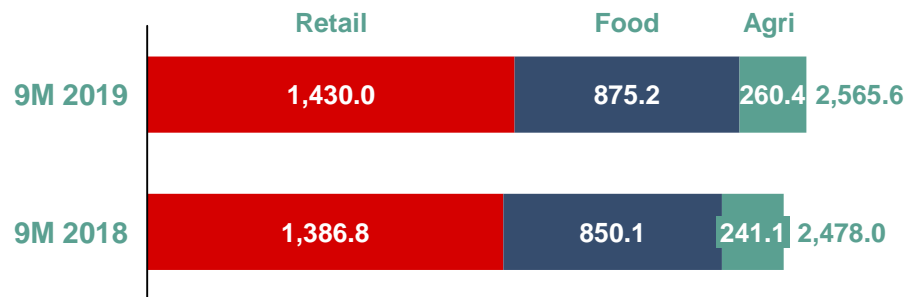
A strong management team was built and strengthened with managers who have significant international experience (Deloitte, Philip Morris, BAT, Roland Berger, Deutsche Telekom, MOL Group, Q5 London, Boots UK, Carlsberg, McKinsey, Valamar, Allianz, Arthur Andersen, Volksbank, Kaufland, Styria...)

Improvements have been Reached in Overall Performance

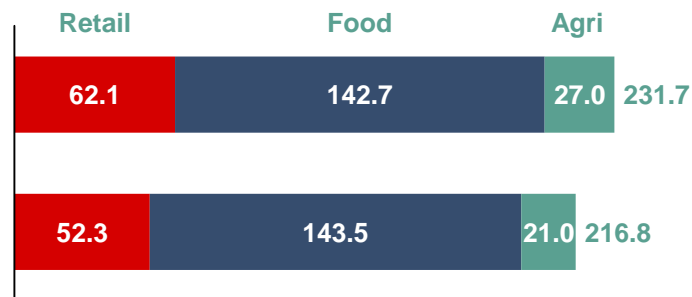


- The pro forma consolidated revenues for the first 9 months of 2019 grew by 7% and amounted to €2.5 billion, while EBITDA amounted to €200.3 million.
- Core Segments* realised unconsolidated net sales revenues of €2.6 billion, or 3.5% more than in the comparable period of 2018, while the unconsolidated EBITDA of Core Segments amounted to €231.7 million, or 6.9% more than in the comparable period of 2018.
- Retail and Wholesale core companies achieved revenues of €1.4 billion and EBITDA of €62.1 million.
- Food manufacturing core companies achieved revenues €875.2 million and EBITDA of €142.7 million.
- Agriculture core companies achieved revenues €260.4 million and EBITDA of €27.0 million.

Core segments revenues (in € m)



Core segments EBITDA (in € m)



*Core Segments include Retail and Wholesale (Konzum, Konzum Sarajevo, Tisak, Velpro), Food manufacturing (Jamnica, Sarajevski kiseljak, Roto dinamic, Ledo, Ledo Čitluk, Frikom, Zvijezda, Dijamant, PIK Vrbovec) and Agriculture division (Agrolaguna, Belje, PIK Vinkovci, Vupik). The results are aggregated and include intercompany trading.

**Before group charges.

Statements prepared according to the Original Accounting Principles.

Q4 2019 Business Risks from Settlement Implementation and Changing Business Environment



Risks related to completion of the Extraordinary Administration procedure and Agrokor's Settlement Implementation

1.

Transfer of Mercator shares from Agrokor to Fortenova Group

A Merger clearance from antitrust regulators

Fortenova Group began in August 2019 the merger notification procedure on the EU level (for Slovenia and Croatia) before the European Commission, as the competition regulator at the EU level. This is an on-going process without a binding legal deadline and its completion depends on the EC. Merger filings have also been submitted in Bosnia and Herzegovina, Serbia, Montenegro and Macedonia (clearance has been obtained in Macedonia)

B Waiver/consent for „Change of Control“ from financial creditors

Mercator has 24 banks, i.e. banking groups as creditors to which it owes more than €650 million. The business condition for transfer of shares is that an agreement is reached with Mercator's financial creditors on the continuation of Mercator's existing financial arrangement due to required consent for "Change of control" related to transfer of ownership. Negotiations with core banks to obtain the consent are ongoing and the outcome remains uncertain due to involvement of the Slovenian Government in the talks.

2.

AVK Decision on imposing fine on Agrokor d.d

The Slovenian Competition Protection Agency (Javna agencija Republike Slovenije za varstvo konkurence – AVK) **passed the decision in September 2019 to impose a fine in the amount of €53,900,000 on Agrokor** due to the supposed failure to report the concentration of the companies Agrokor AG and Ardeya Global Ltd. The Extraordinary Administration of Agrokor considers AVK's decision to be completely unsubstantiated. **The AVK Decision has not become effective, as an application for court protection against the Decision has been submitted to the AVK and the Extraordinary Administration will continue to fight this decision.**

3.

Asset transfer from Agrokor to Fortenova Group in Serbia

The Serbian Commission For Protection Of Competition has **initiated an investigation process whether an antitrust approval should have been obtained prior to the transfer of Serbia-based assets.** In addition, the President of the Competition authority issued a **decision to stop the process of Mercator anti-trust approval** until the investigation is resolved. The timeline for that is uncertain.

Other risks

4.

Amendments to the Land Act in Croatia

Amendments to the Land Act in Croatia jeopardize institutionalized agricultural production, cause uncertainties and affect the planning of agricultural business operations. Fortenova Group currently **has 2.9% of the total arable agricultural land in Croatia under concession and are addressing this serious challenge with all possible means**

5.

Decrease in population across SE Europe

The two key trends present **in the long run a significant business risk**
 a. Reduction of **available workforce**;
 b. Reduction of **number of customers** buying Fortenova Group companies' products.
 Latest most accurate estimation states that approximately **190 thousand people or 5% of total population left Croatia** in last 5 years¹

Source: <http://www.novolist.hr/Vijesti/Hrvatska/Ovo-su-tocne-brojke-lz-Hrvatske-je-u-zadnjih-pet-godina-iselilo-tocno-189-tisuca-ljudi>; - official and unofficial estimation differ in exodus numbers – ranging from 190 – 230 thousand. However, taking into account lowest estimated number, some 5% of the total population has left the country in last 5 years.

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Consolidated Financial Statements – Basis of Preparation

- The presented **pro forma consolidated P&L** for the period ended 30 September 2019 consists of Q1 2019 consolidated P&L of the Agrokor Group (excluding Mercator Group) and Q2 and Q3 2019 consolidated P&L of the Fortenova Group (the consolidated operations of the Agrokor and Fortenova were ongoing from Q1 to Q3).
- The presented financial statements comprise the financial statements of **Fortenova grupa d.d. and its 102 subsidiaries** (20 other subsidiaries are not consolidated since they are not material).
- The accounting policies adopted in the preparation of the presented consolidated pro forma financial statements are consistent with all the **International Financial Reporting Standards** effective from 1 January 2019, including **IFRS 16 Leases** effective from 1 January 2019.
- Agrokor Group opted for the **modified retrospective approach** to application of the IFRS 16 as of 1 January 2019 (comparable information for 2018 is not adjusted; all changes reported as adjustments to the opening balance in the balance sheet).
- As a result of implementation of the standard during the reporting period the Company incurred €60.8 million of depreciation charged for right of use assets and €25.1 million of interest expense on lease liabilities.

Consolidated Profit and Loss Statement

In € million, IFRS	1.1.-31.3.2019 (Agrokor Group)	1.4.-30.6.2019 (Fortenova Group)	1.7.-30.9.2019 (Fortenova Group)	1.1.-30.9.2019. (Pro forma)
Revenue	605.5	818.9	1,045.5	2,469.9
Other income	15.2	7.4	8.6	31.2
	620.7	826.3	1,054.0	2,501.0
Changes in inventories of finished goods and work in progress	(6.7)	2.9	16.4	12.7
Cost of materials and goods sold	(406.7)	(501.1)	(613.5)	(1,521.3)
Cost of services	(81.9)	(105.8)	(176.4)	(364.1)
Staff costs	(87.5)	(95.7)	(100.7)	(283.9)
Depreciation, amortisation and impairment	(25.0)	(23.7)	(24.2)	(72.9)
Depreciation of right of use assets	(18.9)	(20.5)	(21.3)	(60.8)
Other costs	(38.0)	(40.7)	(22.2)	(100.9)
Gains/ (losses) on sale of properties	0.2	0.3	0.1	0.6
	(664.4)	(784.4)	(941.8)	(2,390.6)
Finance income	1.8	3.8	7.4	13.1
Finance expenses	(89.7)	(41.1)	(73.5)	(204.3)
	(87.9)	(37.3)	(66.1)	(191.2)
Share of profit/(loss) of associates	-	-	-	-
PROFIT / (LOSS) BEFORE TAX	(131.6)	4.6	46.2	(80.8)
Income tax	(3.4)	(4.6)	(7.7)	(15.6)
PROFIT/ (LOSS) FOR THE YEAR	(134.9)	0.1	38.5	(96.4)

*Exchange rate EUR/HRK used: 7.4068

Consolidated Profit and Loss Statement adjusted for IFRS16 effect

In € million	YTD 30 September 2019 (IFRS)	Adjustments (IFRS 16)	YTD 30 September 2019 (Original Accounting Principles)
Profit and Loss Statement			
Revenue	2,469.9	(0.0)	2,469.9
Other income	31.2	-	31.2
Changes in inventories of finished goods and work in progress	12.7	-	12.7
Cost of materials and goods sold	(1,521.3)	-	(1,521.3)
Cost of services	(364.1)	(65.9)	(430.0)
Staff costs	(283.9)	-	(283.9)
Depreciation, amortisation and impairment	(72.9)	(4.7)	(77.5)
Depreciation of right of use assets	(60.8)	60.8	-
Other costs	(100.9)	0.0	(100.9)
Gains/ (losses) on sale of properties	0.6	-	0.6
Finance income	13.1	(2.1)	11.0
Finance expenses	(204.3)	25.1	(179.3)
PROFIT / (LOSS) BEFORE TAX	(80.8)	13.2	(67.6)
Income tax	(15.6)	-	(15.6)
PROFIT/ (LOSS) FOR THE YEAR	(96.4)	13.2	(83.2)

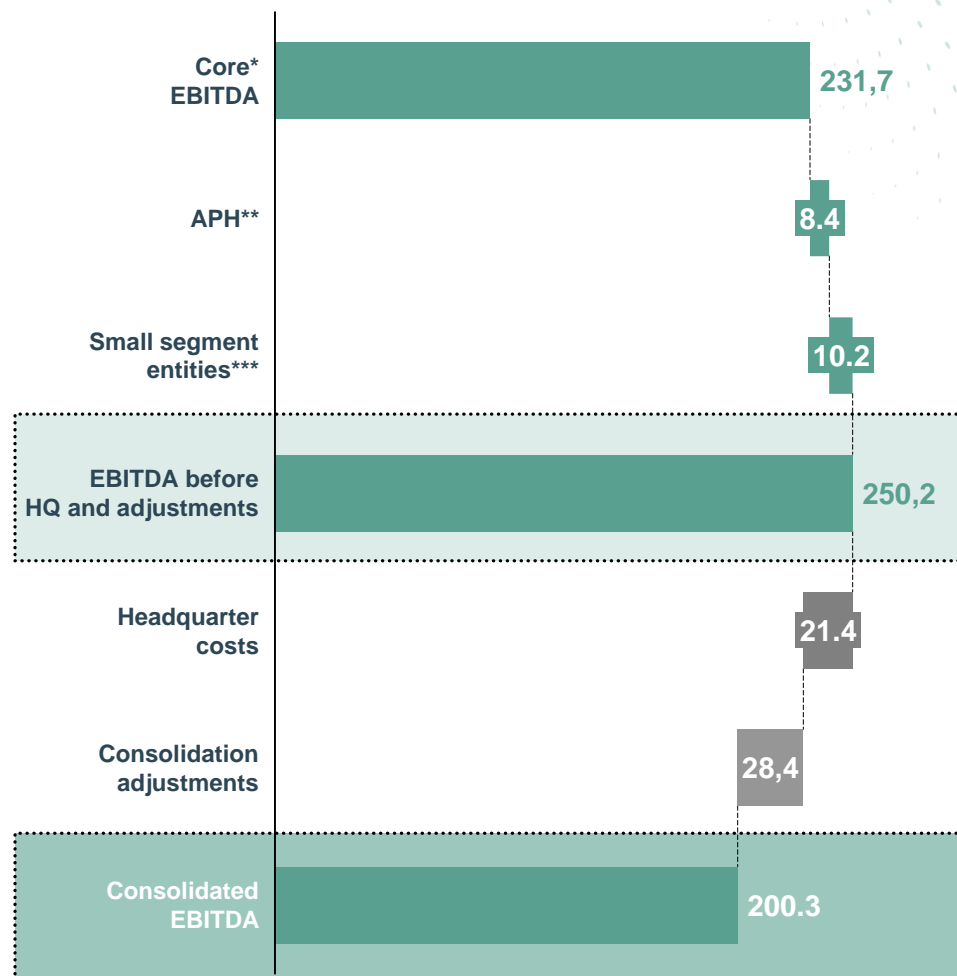
- IFRS 16 Leases issued in January 2016 (replacing IAS 17) is a major revision in the accounting for leases, effective for annual periods beginning on or after 1 January 2019.
- This new standard affects primarily the accounting for the Company's operating leases, introducing a single, on-balance sheet lease accounting model for lessees.
- The table presents the differences between the consolidated P&L prepared according to IFRS 16 and adjustments to reflect the original accounting principles.
- The reports prepared under original accounting standards are consistent with consolidated audited financial statements of the Agrokor Group for the year ended 31 December 2018.

*Exchange rate EUR/HRK used: 7.4068

Bridge from consolidated Net result to consolidated EBITDA

In € million

	30 September 2019
Net result	(83.2)
Income tax	(15.6)
Result before tax	(67.6)
Financial result, net	168.3
Dividends received	(0.3)
Depreciation, amortization and impairment of PP&E	77.5
Impairment of other assets	9.5
Release of provisions	(0.3)
Any operating (profit)/ loss attributable to minority interest	3.1
Lease payments (except already accounted for)	(24.1)
One-off transactions	34.2
EBITDA	200.3



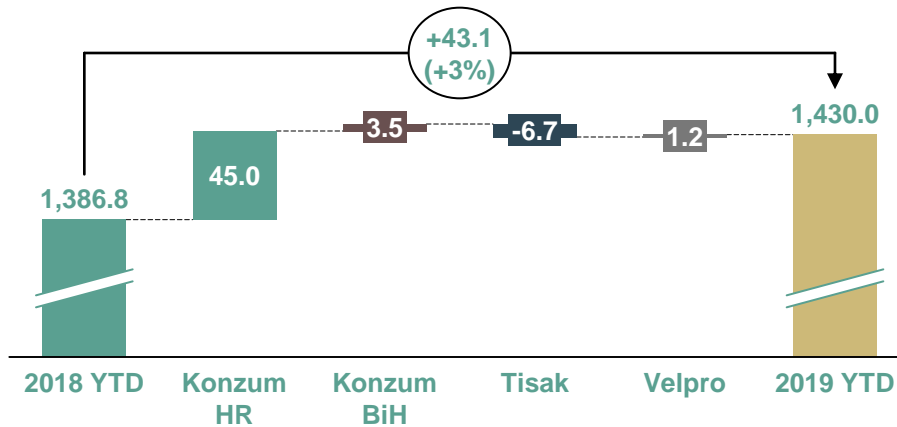
*Core EBITDA is comprised of aggregated EBITDA for 17 companies (Konzum, Konzum Sarajevo, Tisak, Velpro, Jamnica, Sarajevski kiseljak, Roto dinamic, Ledo, Ledo Čitluk, Frikom, Zvijezda, Dijamant, PIK Vrbovec, Agrolaguna, Belje, PIK Vinkovci, Vupik).

**APH: non core entities.

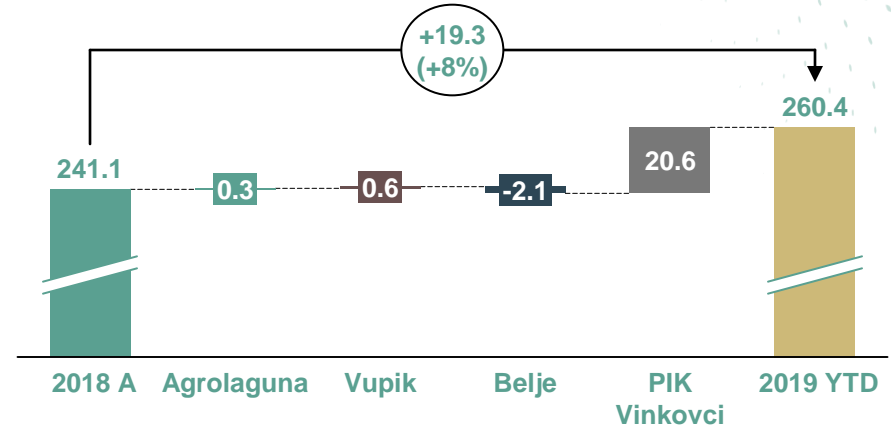
***Small core entities which are not included in 17 large companies due to their small contribution to total revenues and EBITDA.
Exchange rate EUR/HRK used: 7.4068

Core Segments Revenues

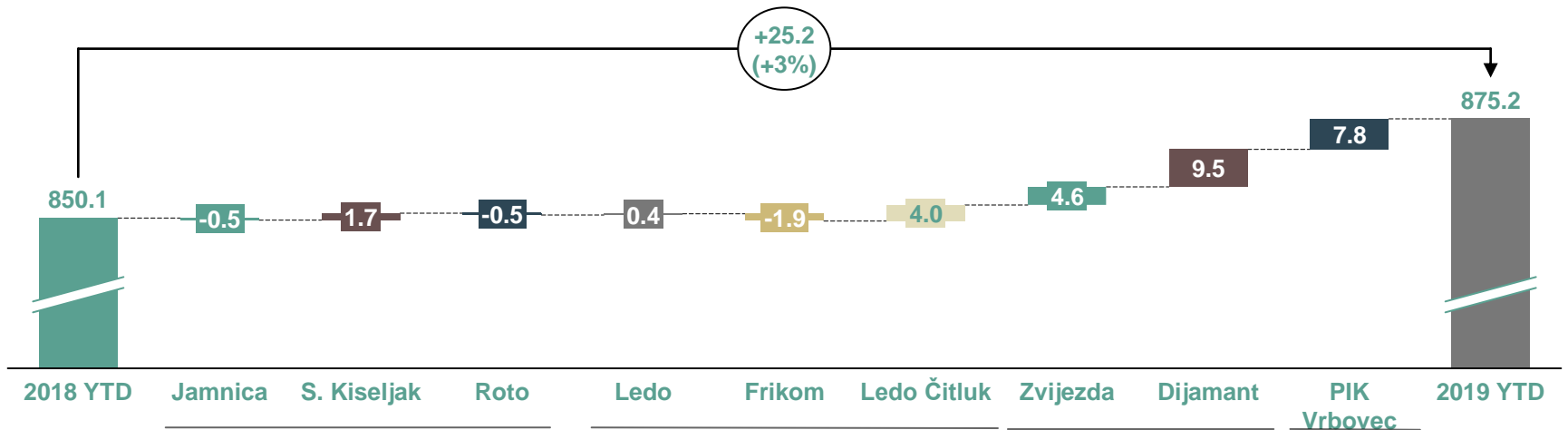
Retail and Wholesale (in € million)



Agri (in € million)



Food (in € million)



Beverages

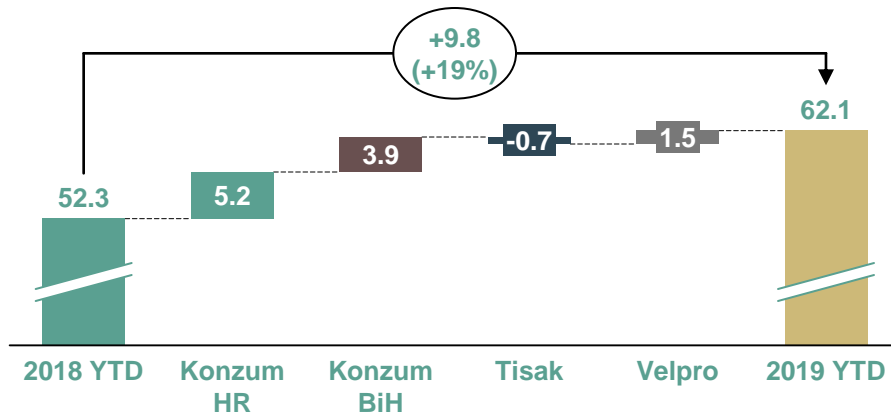
Frozen

Oil

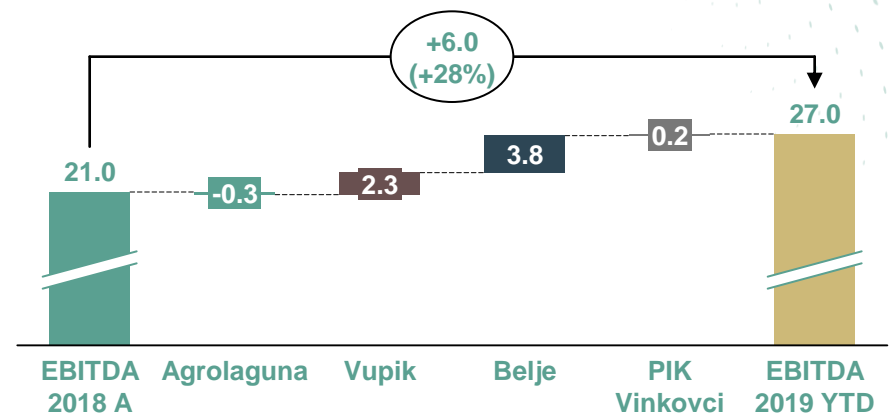
Meat

Core Segments EBITDA

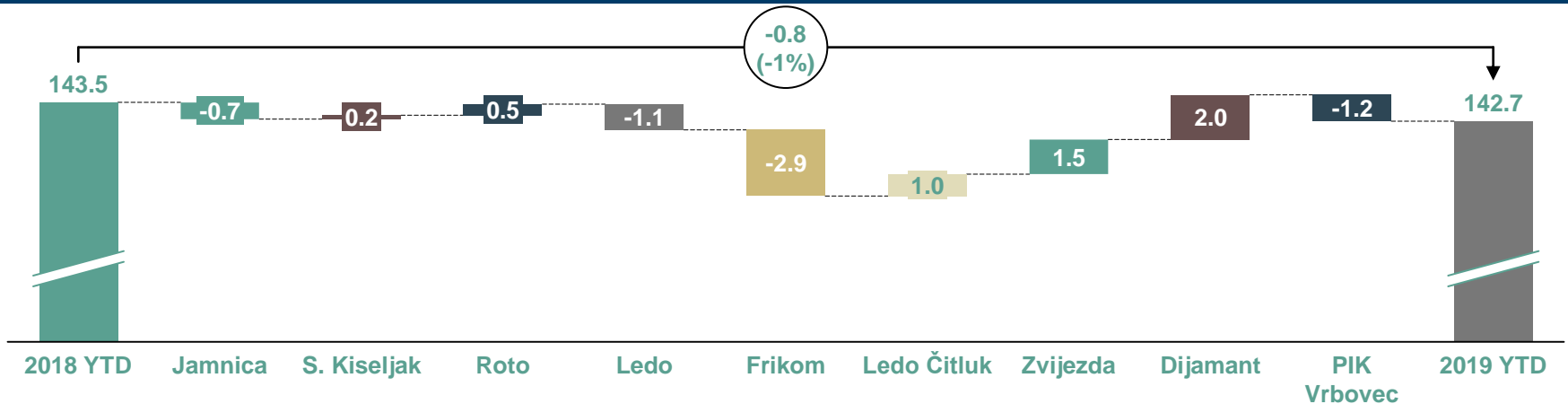
Retail and Wholesale (in € million)



Agri (in € million)



Food (in € million)



Beverages

Frozen

Oil

Meat

Retail and wholesale segment performance

9M YTD 2019 performance vs 9M YTD 2018

In € million	YTD19 ACTUAL	% of rev	YTD18 ACTUAL	% of rev	YTD19 / YTD18
Gross revenues	1,401.7		1,361.2		3.0%
Other revenues (expenses)	28.3		25.6		10.5%
Net Revenues	1,430.0	100.0%	1,386.8	100.0%	3.1%
COGS	(1,041.1)	72.8%	(1,022.2)	73.7%	1.8%
Gross Profit	388.9	27.2%	364.6	26.3%	6.7%
% Margin	27.2%		26.3%		3.4%
Distribution cost	(21.2)	1.5%	(21.0)	1.5%	1.3%
Marketing costs	(9.5)	0.7%	(10.4)	0.7%	(7.9%)
Cost of employees	(142.5)	10.0%	(136.8)	9.9%	4.2%
Other costs	(97.8)	6.8%	(92.3)	6.7%	6.0%
SG&A	(271.1)	19.0%	(260.4)	18.8%	4.1%
Other operating result	3.9	0.3%	2.8	0.2%	41.3%
EBITDAR	121.7	8.5%	107.0	7.7%	13.7%
% Margin	8.5%		7.7%		10.3%
Total Rental Costs	(59.6)	4.2%	(54.7)	3.9%	8.9%
EBITDA (before group charges)	62.1	4.3%	52.3	3.8%	18.8%
% Margin	4.3%		3.8%		15.2%

Comments

- Division **revenues** are better vs. 2018 by 3.1%.
- Despite closing of 5 stores during the year KONZUM has higher revenues by 4.8% vs 2018. KONZUM B&H and VELPRO are better while TISAK is under restructuring process and below due to declining sales in wholesale and logistic, as well as permanent decline of sales of newspapers.
- Retail **EBITDA** is €62.1 m and is by €9.8 m better than last year retrospectively. It is even higher by €5 m due to different classification of rentals for 2 stores.

Food segment performance

9M YTD 2019 performance vs 9M YTD 2018

In € million	YTD19 ACTUAL	% of rev	YTD18 ACTUAL	% of rev	YTD19 / YTD18
Gross revenues	979.9		945.4		3.7%
Other revenues (expenses)	(104.7)		(95.4)		9.8%
Net Revenues	875.2	100.0%	850.1	100.0%	3.0%
COGS	(599.3)	68.5%	(577.9)	68.0%	3.7%
Gross Profit	275.9	31.5%	272.2	32.0%	1.4%
% Margin	31.5%		32.0%		(1.6%)
Distribution cost	(60.6)	6.9%	(59.1)	7.0%	2.6%
Marketing costs	(15.6)	1.8%	(16.5)	1.9%	(5.3%)
Cost of employees	(38.3)	4.4%	(38.8)	4.6%	(1.3%)
Other costs	(29.2)	3.3%	(29.9)	3.5%	(2.3%)
SG&A	(143.8)	16.4%	(144.3)	17.0%	(0.4%)
Other operating result	10.6	1.2%	15.6	1.8%	(32.4%)
EBITDA (before group charges)	142.7	16.3%	143.5	16.9%	(0.6%)
% Margin	16.3%		16.9%		(3.4%)

Comments

- **Net revenues** are higher compared to prior year, driven mainly by excellent results achieved by Oil segment (both Zvijezda and Dijamant), and supported by other subsegments (Meat, Beverages and Frozen).
- **Gross profit**, as sales, is higher than prior year, although the gross profit margin is lower by 0.5 p.p. due to growth in distribution costs (mainly frozen and beverages).
- **EBITDA** is slightly lower than the last year's due to lower other operating results, despite the fact that the revenues had grown faster than the costs.

Agri segment performance

9M YTD 2019 performance vs 9M YTD 2018

In € million	YTD19 ACTUAL	% of rev	YTD18 ACTUAL	% of rev	YTD19 / YTD18
Gross revenues	246.1		225.8		9.0%
Other revenues (expenses)	14.3		15.3		(6.8%)
Net Revenues	260.4	100.0%	241.1	100.0%	8.0%
COGS	(220.2)	84.6%	(207.6)	86.1%	6.1%
Gross Profit	40.2	15.4%	33.5	13.9%	19.9%
% Margin	15.4%		13.9%		11.1%
Distribution cost	(6.3)	2.4%	(6.3)	2.6%	(0.1%)
Marketing costs	(0.8)	0.3%	(0.6)	0.3%	26.2%
Cost of employees	(4.3)	1.6%	(4.0)	1.7%	5.8%
Other costs	(2.7)	1.0%	(2.8)	1.2%	(2.5%)
SG&A	(14.0)	5.4%	(13.7)	5.7%	2.3%
Other operating result	0.8	0.3%	1.2	0.5%	(34.9%)
EBITDA (before group charges)	27.0	10.4%	21.0	8.7%	28.3%
% Margin	10.4%		8.7%		18.8%

Comments

- **Net revenues** are higher than in previous year by €19.3 m due to significant increase of Trading revenues by €15.2 in PIK Vinkovci, increase of pig farming revenues by €6.3 m on Agri level, higher revenues from vegetables segment at PIK by €2.5 m, despite lower farming cooperation (€1.6 m) and animal feed revenues (€4.7 m) at Belje as well as lower wine sales revenues at Agri level (€2.1 m), which had a negative impact on Net revenues.
- **EBITDA** is €6.0 m above the previous year primarily due to higher sales prices in pig farming segment which generated positive EBITDA impact of €9.0 m, product mix optimization at Belje TMP which generated a positive EBITDA effect of €1.4 m but despite lower revenues from subsidies than previous year, which had a negative EBITDA impact of €1.0 m as well as harvest delay (maize and sugar beet) by €2.8 m.

13-week Cash Flow Summary

Forecast 19 Core Subsidiaries 13 Week Short Term Cash Flow

	Current STCF in € million (CW 47)
Minimum cash balance (13w)	104
Maximum cash balance (13w)	172
Minimum Liquidity covenant	40
Undrawn facility	-
Available liquidity (incl. undrawn facility)	64 - 132

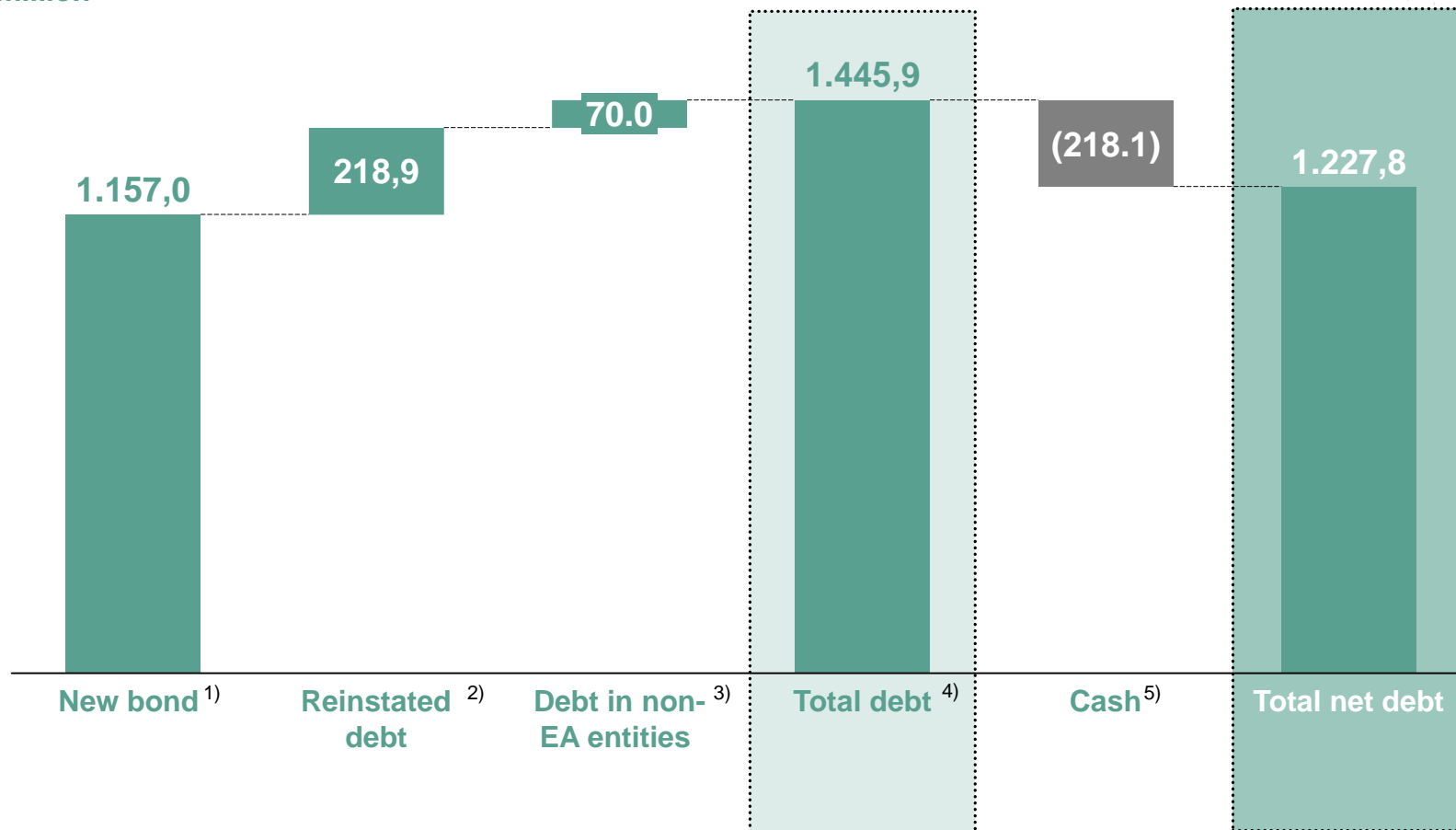
The table also includes non-Croatian core companies (Group of 19). Cash balances of the Croatian companies outside the Group of 19 are not included.

19 Companies are: Fortenova grupa, Konzum, Velpro-centar, Tisak, Roto dinamic, Jamnica, Ledo, PIK Vrbovec, Zvijezda, PIK Vinkovci, Belje, Vupik, Agrokor trgovina, Adriatica.net, Frikom, Dijamant, Konzum Sarajevo, Ledo Čitluk i Sarajevski kiseljak.

Exchange rate EUR/HRK used: 7.4337 at 26 November 2019.

Debt structure at 30 September 2019

In € million



1) 4 year bond with a 7.3% interest rate plus EURIBOR and a 1.0% floor.

2) Reinstated debt (of which Fortenova Group debt amounts to €126.9 million) for non-viable companies has 2 year grace period and term of 8 years (non-viable entities €198 million), with interest rate of 3% p.a., viable companies repay debt due after ICD according to previously agreed terms (viable entities 21 million).

3) Debt in non EA entities: Dijamant, Frikom, Kron and other small entities.

4) Excludes financial leasing in the amount of €195 million for Konzum as of 30 September 2019.

5) The cash represents total cash balance minus restricted cash (€0.9 million).

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- **Overview of sale of assets**
- Comment on the Viability Plan

Non-core companies and real estate projected net disposal proceeds timeline

Q2 and Q3 2019	No transactions realized
Q4 2019	Expected sale of minority stakes in various companies and sale of Real estate phase 1 (116 real estates).
Q1 2020	Expected partial sale of Real estate phase 2 (part of the 45 real estates).
Q2 2020	Expected broad M&A sale processes for 7 Non-core companies (from which 4 sale processes are already announced – Atlas, Kompas, Sojara and Projektgradnja) and sale of Real estate phase 2; the sales plan is already prepared and advisors are hired.
Q3 2020 and Q1 2021	Expected finalization of sale of Real estate phase 2.

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Viability Plan assumptions

- Viability plan is a comprehensive plan developed in 2017 for Agrokor's divisions, capturing the outcome of the significant operational improvement efforts and provides a stable platform for the future business and the settlement.
- Development of the plan has experienced significant challenges such as working with unreliable and inconsistent data (audit for 2016 was not finalized at that time), only partially developed balance sheets and cash flows as the claims process had not yet been finalized.
- Plans were developed on a granular "bottom-up" basis for each of the main planning entities (4 + 1 divisions and 9 businesses as well as select legal entities).
- The viability plan was developed on an annual basis, without segmentation into months or quarters.
- Therefore, there are no data comparable to results for the first nine months of 2019, and the bridge and full comment on the viability plan will be available upon publication of full year results for 2019.

THANK YOU



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