

Security: AGIG-O-297-A / ISIN: HRAGIGO297A5

LEI: 74780040CAJWPR6IK185

Member State: Republic of Croatia

Regulated Market Segment: Official Market of the Zagreb Stock Exchange, d.d.

Buzin, November 19, 2024

Based on Section 5.4.12.1 of the Prospectus for the public offering and listing of bonds dated June 9, 2022 (the "**Prospectus**"), Agro Invest Group d.o.o. for agricultural production, livestock farming, tourism, hospitality, trade, and services, headquartered in Buzin (City of Zagreb), Buzinski prilaz 10, registered in the court register under the entity registration number (MBS): 010092380, OIB: 94617721444 (the "**Issuer**") hereby announces the following

**INVITATION
TO THE BONDHOLDER MEETING**

The Bondholder meeting (the "**Meeting**") will be held on

December 18, 2024
starting at **10:00**

at the Issuer's premises at the address:

Buzinski prilaz 10
HR-10010 Buzin.

The following is announced

AGENDA:

1. Opening of the Meeting and compiling a list of present and represented Bondholders.
2. Decision on increasing the ratio of Net Debt to EBITDA for 2024

Ad 2: The Issuer proposes that the Meeting adopt the following:

**Decision
on increasing the ratio of Net Debt to EBITDA for 2024**

1. The Net Debt to EBITDA ratio for the year ending on December 31, 2024, calculated in accordance with Section 5.4.14, Subsection 5 of the Prospectus (*Net Debt to Consolidated EBITDA ratio*) can be up to **4,00:1**.
2. The Net Debt to EBITDA ratio from point 1 of this Decision will not be considered a Case of Breach of Obligation.

Explanation:

In accordance with Section 5.4.14, Subsection 5 of the Prospectus (*Net Debt to Consolidated EBITDA ratio*), the Net Debt to EBITDA ratio for the year ending on December 31, 2024, and for subsequent years, as long as at least one Bond remains unpaid, can be up to 3,25:1.

Upon the close of the third quarter of the 2024 fiscal year, following an analysis of the existing production and sales results, as well as other business circumstances, it has become likely that the Issuer will not achieve the planned business results on a consolidated basis, and that by the end of 2024, the Net Debt to EBITDA ratio will be slightly higher than the ratio forecasted by Section 5.4.14, Subsection 5 of the Prospectus (*Net Debt to Consolidated EBITDA ratio*).

The reasons for this are primarily on the side of EBITDA, which will be lower than planned for 2024 according to the projections, while it is expected that the consolidated Net Debt will remain at the level of last year's consolidated Net Debt.

The Group operates in agricultural activities, primarily in arable farming, livestock farming, fish farming, fruit growing, winemaking, and vegetable growing, as well as activities related to agricultural production. Since agricultural production results are highly influenced by agrometeorological conditions and climate change, despite significant efforts made by the Group's companies to adapt to these conditions, such as investments in irrigation systems, soil treatment modifications, crop protection, crop insurance, etc., it is impossible to completely eliminate the negative effects of extreme weather conditions in any given year, as was the case in 2024. Specifically, the second half of 2024 was extremely dry. The lack of rainfall particularly affected Eastern Croatia, i.e. Slavonia, which accounts for almost 75% of the Group's crop production.

Despite the extreme drought, the yields of winter crops (primarily cereals), were in line with planned figures, while yields of spring crops, especially soybeans, were approximately 15% lower than planned. However, the drought significantly impacted vegetable production, which, despite the irrigation systems, achieved results far below the planned values. These crops, which are more profitable, should have been much more profitable than the cereal crops per unit of land.

The drought and lack of rainfall also impacted fish farming, as a lower water level in some ponds hindered optimal fish production. This required additional efforts and costs in the form of substituting the water deficit with artesian wells and filling ponds with water from nearby rivers to prevent further damage. This resulted in a smaller fish growth rate than planned, as fish stop feeding and gaining weight once the air or water temperature exceeds a certain level.

The sale prices of agricultural products during 2024 have been relatively stable, within expected figures. However, as the fish harvesting season approaches, there is a downward trend in fish prices. This is because other major European fish producers, such as Poland, the Czech Republic, and Hungary, had better weather conditions, which positively impacted fish growth and, consequently, pushed fish prices lower.

It is expected that the Group's expenses for 2024 will remain within the planned framework, except for personnel expenses, which are expected to be up to 20% higher than in 2023. This is partly due to the increased number of employees and, to a larger extent, due to adjustments in salaries and benefits in response to rising living costs, with the goal of attracting and retaining quality employees.

An additional factor that could negatively impact the Group's consolidated result is the situation in Bosnia and Herzegovina, specifically at the company Poljoprivrednik Derventa d.o.o., which was exposed the most to the volatility of grain and oilseed prices on the one hand, as well as the negative impact of agrometeorological conditions on the other, which in ultimately led to negative expectations regarding the annual result of the mentioned company.

As stated above, projections for the end of the 2024 fiscal year show that the consolidated Net Debt will be approximately 48 million EUR. The reason for the lack of reduction in financial obligations, despite the Group regularly servicing its financial debts, is primarily due to purchases of new agricultural machinery and equipment, and a loan taken by PPK Valpovo d.o.o. to expand silo capacity by an additional net 7,333 tons, as well as for the purchase of new dryers and related equipment. A subsidy covering 44.70% of the total investment has been approved, and upon the disbursement of the approved support, part of the loan principal will be repaid.

Despite the challenging year, the projections for the end of 2024 show that the results of the Croatian-based companies within the Group, PP Orahovica d.o.o. and PPK Valpovo d.o.o., will allow the Net Debt to EBITDA ratio to remain within the 3,25:1 limit defined in the Prospectus. However, weaker results from the Group's Bosnian companies will affect the consolidated result, with projections indicating a ratio close to 4,00:1 at the consolidated level.

Given the above, the Issuer expects the Net Debt to EBITDA ratio for the year ending on December 31, 2024, will exceed the ratio forecasted in the Prospectus but not exceed 4,00:1. The final ratio will be determined and published after the revised consolidated annual reports for 2024 are available.

It is emphasized that the Issuer is fully and timely fulfilling all its obligations regarding the Bonds.

In light of all the above, the adoption of the proposed Decision is recommended for approval by the Meeting.

Participation Rights at the Meeting is given to all Bondholders with the security code AGIG-O-297A, ISIN code HRAGIGO297A5 (the "**Bonds**"), who are registered as Bondholders at the CENTRAL DEPOSITORY AND CLEARING COMPANY Inc., Zagreb (City of Zagreb), Heinzelova 62a, OIB: 64406809162 ("**CDCC**") two days prior to the Meeting i.e. on December 16, 2024 ("**Record Date for the Meeting**").

Note: Terms used in this Invitation with capital letters have the same meaning as in the Prospectus unless otherwise indicated in the context.

The Meeting is closed to the public, and no one other than the Bondholders, their representatives and/or proxies, the Issuer and its representatives and/or proxies, the Guarantors and their representatives and/or proxies, and the Administrative Agent and its representatives and/or proxies may attend. In addition to the Bondholders, the Issuer, the Guarantors, and the Administrative Agent, legal and/or financial advisors of these entities may also attend the meeting.

The right to vote at the meeting is granted to all Bondholders on the Record Date for the Meeting, except: (i) for redeemed and cancelled Bonds, and (ii) for Bonds held by the Issuer and/or any Group company (including the Guarantors, PP Orahovica d.o.o. and PPK Valpovo d.o.o.) on the Record Date for the Meeting.

Each Bondholder with voting rights will have the number of votes corresponding to the number of Bonds they hold. Each Bond gives the right to one vote at the meeting.

Bondholders at the meeting may be represented by proxies based on a special written power of attorney certified by a public notary. The power of attorney form for voting at the meeting will be available on the Issuer's website and the and in Appendix 1 of this document. The form will also be available at the Issuer's office (Buzinski prilaz 10, HR-10010 Buzin) and at the office of the Administrative Agent (MAMIĆ PERIĆ REBERSKI RIMAC Law Firm LLC., Ivana Lučića 2A, 10000 Zagreb).

To facilitate the preparation of the meeting, Bondholders are kindly asked to register their participation in advance. Registration is not a requirement for attending the meeting.

Participation registration should be sent via email to: info@agroinvestgrupa.hr.

The registration must include details about the Bondholder (for individuals: full name, residence, and OIB; for legal entities: company name, registered address, and OIB) and the total number of Bonds held by the Bondholder.

Bondholders who are legal entities based outside of Croatia are requested to submit an updated extract from the court or other registry along with their registration. This extract should show the individuals authorized to represent the legal entity.

If a Bondholder is represented by a proxy, the proxy may submit the registration on behalf of the Bondholder. In addition to the above-mentioned details and documents, the registration must include details about the proxy (full name, residence, and OIB), and a valid power of attorney signed by the authorized person of the principal, certified by a public notary and, if applicable, bearing an Apostille.

The aforementioned documents (extract from the registry, power of attorney) must be presented in original or certified copy before the meeting, regardless of whether participation has been previously registered.

All individuals attending the meeting must present a valid identification document with a photograph.

The agenda of the meeting may be supplemented, and/or counterproposals to the proposed decision may be added to the agenda, if such a request is made at the start of the meeting by Bondholders holding at least 25% of the total number of votes or the Issuer.

This Invitation will be published on the Issuer's website and the website of the Zagreb Stock Exchange, as well as through the HINA OTS service. The Issuer will bear the costs of convening and holding the meeting, including the fees for the Administrative Agent's work.

The Issuer will announce the decisions made at the meeting in the same manner as this Invitation was published. The decisions made at the meeting will be binding for all Bondholders.

Agro Invest Grupa d.o.o.

Appendix 1**Form of Power of Attorney
NOTEHOLDERS ASSEMBLY
Agro Invest Grupa d.o.o.****SPECIAL POWER OF ATTORNEY**

Name and surname / company name / PIN of the Noteholder:	
Name and surname of authorized representative of the Noteholder (for legal entities only):	
Address of residence / seat of the Noteholder (street, number, city, state):	
Total number of Notes held by the Noteholder:	

I hereby authorize and empower the proxy:

Name and surname / company name / PIN of the proxy:	
Name and surname of authorized representative of the proxy (for legal entities only):	
Address of residence / seat of the proxy (street, number, city, state):	

in my name and on my behalf, to file the application for participation at the Noteholders Assembly ("**Assembly**") of the company Agro Invest Grupa d.o.o., Buzinski prilaz 10, Buzin, which is scheduled to be held on 18 December 2024 in Buzin, to represent me at the Assembly, to participate in the work of the Assembly in my name and on my behalf and to vote on all decisions to be rendered at the Assembly.

Place and date:	
Signature:	