

Current report No 7/2018 dated 08 October 2018

Initiation of court claims against the Group's subsidiaries by Raiffeisen Bank International AG

The Board of Directors of Milkiland N.V. ("the Company") hereby informs that on 5 October 2018 the Economic Court of the city of Kyiv opened the legal proceedings against PE "Ros", the Ukrainian subsidiary of the Group, according to the claim from Raiffeisen Bank International AG, acting as Security Agent (the "Agent") under the Facilities Agreement with a Syndicate of international banks formed by Raiffeisen Bank International AG, UniCredit Bank Austria AG and ZAO Raiffeisen Bank (all together "the Lenders"), dated 12 September 2012 ("the Facilities Agreement").

This document claims the recovery of the real estate and movable property of PE "Ros", mortgaged to the Lenders according to the Mortgage agreement dated 28 August 2012, signed to ensure the fulfillment the obligations of the Company to the Lenders under the Facilities agreement.

The Company also received another 12 court claims of the same nature from Raiffeisen Bank International AG against other 5 Ukrainian subsidiaries of Milkiland Group, including, DE "Agrolite", PE CF "Prometey", PJSC "Chernigiv milk plant", DE "Aromat", LLC "Malka-trans", which were addressed to the Economic Courts related to the destination of the defendants, in particular, Economic Courts of Chernigov, Dnipropetrovsk, Khmelnytsky and Sumy oblasts (regions) of Ukraine.

The total value of the above mentioned claims is as follows: USD 81.12 million and UAH 0.64 million and EUR 0.022 million (c. EUR 69.38 million).

All of the court claims include PJSC "Raiffeisen Bank Aval" as a third party of the court cases without the stand alone claims regarding the matters of the respective disputes.

The Group is going to participate in the respective courts hearings and has been continuing the negotiations with the Lenders in order to reach the mutually accepted solution of settlement of the Group's indebtedness to them.

The legal basis: art. 56. section 1 point 2 of the Act on Public Offerings in conjunction with par. 5 section 1 point 4 of the Decree of the Minister of Finance dated 19 October 2005 regarding current and periodic information published by issuers of securities (Journal of Laws from 2005 Nr 209, item 1744).

SIGNATURES OF INDIVIDUALS AUTHORIZED TO REPRESENT THE COMPANY

Date:	Name:	Title:	Signature:
08-10-2018	Sergey Trifonov	Proxy	Sergey Trifonov