



Mercator

Pursuant to Articles 18 and 19 of the Articles of Association of the company POSLOVNI SISTEM MERCATOR, d.d., Article 295, Paragraph 3 of the Companies Act (ZGD-1), the Rules and Regulations of the Ljubljana Stock Exchange, d.d., and based on the resolution adopted by the company Management Board on July 28, 2021, the Management Board hereby convenes the

**29th extraordinary Shareholders Assembly
to take place on September 1, 2021, at 3.30 p.m.
at the company headquarters in Ljubljana, Dunajska cesta 107**

The company Poslovni sistem Mercator, d.d. (hereinafter referred to as the Company) hereby informs all shareholders that it received on July 28, 2021, from the company FORTENOVA GRUPA d.d., Marijana Čavića 1, 10000 Zagreb, Republic of Croatia, who is the holder of 5,427,500 Company shares representing an 89.11% share of the Company share capital, a request dated July 27, 2021, for the Management Board to convene pursuant to Article 295, Paragraph four, of the Companies Act (ZGD-1) the company Shareholders Assembly (general meeting of shareholders) that is to be held as soon as possible and no later than in two months from the receipt of the request for Shareholders Assembly (general meeting of shareholders) convocation. Since the shareholding of the company FORTENOVA GRUPA d.d. in the Company exceeds one twentieth of the Company's total share capital, the company FORTENOVA GRUPA d.d. is entitled pursuant to Article 295, Paragraph three, of the Companies Act (ZGD-1) to request a convocation of the Company Shareholders Assembly (general meeting of shareholders), complete with the agenda and resolution proposals, with the following wording and explanations:

I. AGENDA AND PROPOSALS OF RESOLUTIONS

1. Opening of the assembly, verifying quorum, election of the shareholders assembly bodies

RESOLUTION PROPOSAL:

Pavle Pensa, attorney at law from Ljubljana, shall be elected Chairman of the Shareholders Assembly.

Explanation of the resolution proposal:

Pursuant to the company Articles of Association, the company Shareholders Assembly shall be presided over by a Chairperson elected by the shareholders upon proposal by the party convening the Assembly.

2. Capital increase with in-kind contributions

RESOLUTION PROPOSAL:

2.1 *The share capital of the company POSLOVNI SISTEM MERCATOR d.d. shall be increased with new in-kind contributions from EUR 218,175,051.39 by EUR 5,970,011.94, so that the total share capital of the Company after the increase amounts to EUR 224,145,063.33.*

2.2 *In order to increase the share capital, 166,667 new ordinary registered no par value shares with the ISIN code SI0031100082 shall be issued in dematerialized form, with the notional value of EUR 35.82, which shall be of the same class as the already issued ordinary registered no par value shares of the Company, and which shall grant their respective*

shareholders (i) the right to participate in Company management, (ii) the right to participate in the Company profits (dividend), (iii) the right to a proportional share of the remaining property/estate in case of the company's bankruptcy or liquidation.

- 2.3 The emission value per 1 (one) new ordinary registered no-par value share shall be EUR 36.00 (thirty-six euros).
- 2.4 The new shares shall be issued in dematerialized form by entry into the central register of dematerialized securities with the KDD – Centralna klirinško depotna družba d.o.o. (Central Securities Clearing Corporation). The shareholder who subscribes and pays up the new shares, shall be entered as the shareholder into the central register.
- 2.5 Pre-emptive/priority right of the existing company shareholders to subscribe the new shares shall be omitted.
- 2.6 Within the period specified for the subscription and payment of the new shares, which shall take place at the company headquarters and last from the 3rd day after the Shareholders Assembly (general meeting of Shareholders) to the 25th day after the Shareholders Assembly, new shares may be subscribed and paid by FORTENOVA GRUPA d.d., Marijana Čavića 1, 10000 Zagreb, Republic of Croatia, by transferring as the subject of the in-kind contribution to the company POSLOVNI SISTEM MERCATOR d.d. a part of its claim (receivable) payable by the company POSLOVNI SISTEM MERCATOR d.d. in the amount of EUR 6,000,012.00, which represents a part of the claim (receivable) pertaining to the repayment of the principal under the loan agreement "EUR 220,000,000 Super Subordinated Loan Agreement" dated June 26, 2014, concluded by the company POSLOVNI SISTEM MERCATOR d.d. as the borrower and the companies Agrokor Investments B.V. and Agrokor d.d. as the lenders, with regard to which the company Agrokor d.d. as the original lender paid out under the said agreement to the company POSLOVNI SISTEM MERCATOR d.d. a loan with the principal of EUR 20,000,000.00, and the claims/receivables of the lender Agrokor d.d. under the said loan agreement were subsequently transferred to the company FORTENOVA GRUPA d.d. Based on the in-kind contribution (transfer of claim/receivable), FORTENOVA GRUPA d.d. shall receive one new dematerialized ordinary registered no-par value share with a notional value of EUR 35,82 for each EUR 36 of the transferred claim/receivable. Thus, 166,667 new dematerialized ordinary registered no par value shares with a notional value of EUR 35.82 shall be provided for the purpose of the capital increase.
- 2.7 Capital increase by in-kind contributions shall be reviewed by an auditor.
- 2.8 Concurrently with submitted statement of subscription of new shares, the subscriber shall also pay the value of shares equal to the issue amount of the share under section 2.3 of this resolution, multiplied by the number of subscribed new shares, by validly transferring the claim in the amount of EUR 6,000,012.00, which is described under section 2.6 of this resolution, to the company POSLOVNI SISTEM MERCATOR d.d.
- 2.9 The subscription of shares shall be valid if the shares are paid up.
- 2.10 The final amount of the increase of share capital shall be equal to the sum of newly subscribed and paid shares multiplied by the notional value of one share, which is EUR 35.82.

2.11 The company Supervisory Board shall be authorized to adopt the changes and amendments to the company Articles of Association in order to adjust the wording thereof to reflect the completed increase of the company share capital.

2.12 The increase of share capital shall be effective as at the day it is entered into the court register.

Explanation of the resolution proposal:

Pursuant to the "EUR 220,000,000 Super Subordinated Loan Agreement" dated June 26, 2014, concluded between the company POSLOVNI SISTEM MERCATOR d.d. as the borrower and the companies Agrokor Investments B.V. and Agrokor d.d. as the lenders, the company Agrokor Investments B.V. paid out to the company POSLOVNI SISTEM MERCATOR d.d. a loan in the amount of EUR 200,000,000, and the company Agrokor d.d. paid out to the company POSLOVNI SISTEM MERCATOR d.d. a loan in the amount of EUR 20,000,000.00. Pursuant to the said agreement, each holder of the loan receivable/claim shall have the right to convert the loaned amount into the borrower's equity, subject to condition that the Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR, d.d., adopt a relevant resolution on the increase of share capital.

The lender Agrokor Investments B.V. already converted (swapped) its receivable pertaining to the repayment of principal in the amount of EUR 200,000,000.00 to the lender's equity in 2014, based on the resolution adopted at the 21st extraordinary Shareholders Assembly of the company POSLOVNI SISTEM MERCATOR d.d. dated October 21, 2014.

The receivable of the company Agrokor d.d. under the loan agreement "EUR 220.000.000 Super Subordinated Loan Agreement" dated June 26, 2014, was transferred to the company FORTENOVA GRUPA d.d. Adoption of the proposed resolution will allow the company FORTENOVA GRUPA d.d. to convert a part of its receivable/claim pertaining to the principal under the said loan agreement into equity (share capital) of the company POSLOVNI SISTEM MERCATOR d.d.; specifically, the part amounting to EUR 6,000,012.00.

The issue value per one share shall be EUR 36; thus, the issue value equals the price from the takeover bid by the company FORTENOVA GRUPA d.d., which was announced and released based on the approval by the Securities Market Agency (ATVP) dated May 25, 2021.

Regardless of the fact that this is a capital increase by in-kind contribution, in which both the subject of the in-kind contributions and the person to provide the in-kind contributions are specified in the Shareholders Assembly convocation, the omission of pre-emptive right of the existing shareholders is necessary because the specific in-kind contribution can only be provided by a specific person. Omission of the pre-emptive (priority) right in the manner specified in the proposed resolution is in the best economic interest of the company, as it shall allow the company to deleverage/decrease its debt. The increase the company's share capital by in-kind contribution is also required in order to meet the obligations to the corporate note (bond) holders under the agreement on corporate note subscription, with the issue of which the shareholder provided the funds required for refinancing of the so-called WGD (wide-Group debt) of the company POSLOVNI SISTEM MERCATOR d.d.

Resolutions for agenda items 1 and 2 were proposed by the shareholder FORTENOVA GRUPA d.d.

II. INFORMATION FOR THE SHAREHOLDERS

Access to Shareholders Assembly Documentation, proposed resolutions including explanations, and information on the Shareholders Assembly

Documentation, or materials, for the Shareholders Assembly, including the request by the company FORTENOVA GRUPA d.d., for the convocation of the Shareholders Assembly (general meeting of shareholders), complete with resolution proposals, explanations thereto, and other documentation or materials as specified in Article 297, Paragraph two, of the Companies Act (ZGD-1), shall be made available to the company shareholders at the company headquarters in Ljubljana, Dunajska cesta 107, ground floor, each business day from the day of announcement of the Shareholders Assembly convocation to the day of the Shareholders Assembly session from 9 a.m. to 2 p.m. All documentation referred to above will also be available on the company website at <http://www.mercatorgroup.si>. Convocation of the Shareholders Assembly, explanation of the resolution proposals, and other materials are also published on the website of the Ljubljana Stock Exchange, d.d. (<http://seonet.ljse.si>) and the AJPES (Agency of the Republic of Slovenia for Public Legal Records and Related Services) website (<http://ajpes.si>). Information referred to in Article 296 of the Companies Act (ZGD-1), Paragraph 3, and in-depth information on the rights of the shareholders with regard to submitting any requests for additional agenda items, counter proposals to proposed resolutions, election / voting proposals, and shareholder rights to information (Article 298, Paragraph one, Article 300, Paragraph one, and Articles 301 and 305 of the ZGD-1) are also published on the company website.

Requests and proposals by the shareholders

Shareholders whose combined shareholdings amount to one twentieth (five percent) of share capital, may request in writing in seven days after the convocation of the Shareholders Assembly an additional item of the agenda. A written proposal of the resolution on which the Shareholders Assembly should vote/decide, or an explanation of the agenda item in case no resolution is adopted with regard to a particular agenda item, shall be attached to the request. Pursuant to Article 298, Paragraph three of the Companies Act (ZGD-1), the company Management Board shall announce those additional agenda items that are requested by the shareholders no later than seven days after the announcement of Shareholders Assembly convocation. The shareholders may submit the requests for additional items of the agenda to the company by electronic mail, to the address skupscina@mercator.si.

The shareholders may submit, in writing, resolution and election proposals to each item of the agenda. A shareholder proposal will only be announced by the company Management Board in the same way as this convocation, if it is submitted to the company within seven days after the convocation of the Shareholders Assembly, complete with a reasonably justified proposition, along with the statement that the shareholder/proposing party will counter the proposal by the shareholder FORTENOVA GRUPA d.d. and that she or he intends to convince other shareholders to vote for her/his proposal. Pursuant to Article 301 of the Companies Act (ZGD-1), the shareholder shall not be required to justify an election proposal. The shareholder's proposal shall be announced and communicated in the way provided by Article 296 of the Companies Act (ZGD-1) only if the shareholder has submitted a reasonably justified proposal within seven days after the announcement of the Shareholders Assembly convocation. The shareholders may also submit the resolution and election proposals to the company by electronic mail, to the address skupscina@mercator.si.

Requests for additional agenda items and resolution or election/voting proposals submitted by electronic mail shall be sent as a scanned image file attached to the e-mail message. The image file shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the seal of the legal person, if applicable. The company has the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature.

Shareholder's right to information

Shareholders shall be entitled to raise questions at the Shareholders Assembly and request information on company affairs if such information is required for assessment of agenda items;

furthermore, the shareholders may exercise their right to information pursuant to Article 305, Paragraph 1, of the Companies Act (ZGD-1).

Attendance conditions and assertion of voting rights

The Assembly may be attended and voted at only by those shareholders who are entered as shareholders in the central register of dematerialized securities as at **the end of the seventh day before the Assembly session, i.e. on August 25, 2021 (cut-off day), and who have registered their attendance at the Assembly in writing in such way that the Management Board receives the application no later than by the end of the fourth day before the Assembly session, i.e. on August 28, 2021.** The application shall be submitted by regular mail to the address Mercator, d.d., Dunajska cesta 107, Ljubljana, Tajništvo pravnega sektorja (Legal Affairs Secretary Office). The applications to the Shareholders Assembly cannot be submitted using electronic means. Only applications with original signatures of the shareholders or their proxies shall be accepted and deemed valid. The Shareholders Assembly Application Form shall be available at the company website, and freely available at the company headquarters in Ljubljana, at Dunajska cesta 107, ground floor, each business day from the day of announcement of the convocation to the day of the Shareholders Assembly convention, from 9 a.m. to 2 p.m.

Each shareholder with the right to attend the Shareholders Assembly may also appoint a proxy to attend the Shareholders Assembly on their behalf and exercise their voting right. The power of attorney/authorization shall be submitted to the company in writing. The power of attorney/authorization shall remain in possession of the company. Proxy voting form shall be available at the company website; it is also freely available at the company headquarters at Ljubljana, Dunajska cesta 107 (ground floor), each workday from the day of announcement of the convocation to the day of the Shareholders Assembly session, from 9 a.m. to 2 p.m. The power of attorney/authorization may also be submitted to the company by electronic mail to the address skupscina@mercator.si, scanned into an image file and attached to the e-mail message. Such document shall include a handwritten signature of the natural person; in case of legal persons, such documents shall include the handwritten signature of the company representative as well as the seal of the person, if applicable. The company shall have the right to check the identity of the shareholder or, the person conferring the power of attorney by e-mail, as well the authenticity of the signature. The shareholders may also revoke the power of attorney/authorization in the same way it was submitted, at any time until the day of the Shareholders Assembly.

Processing of personal data submitted upon registration for the Shareholders Assembly, or by proxy, complete with data from the share register, is inevitably necessary for the organization and execution of the Shareholders Assembly. The company or its contractor providing technical and organizational aspects of the Shareholders Assembly shall process the personal data in compliance with the effective legislation on personal data protection.

The shareholders or their proxies or attorneys shall be obliged to prove their identity upon request by presenting a personal identification document and written authorization/power of attorney; in addition, statutory representatives shall also be required to present an extract from the judicial or business register.

As at the day of Shareholders Assembly convocation, the company has 6,090,943 ordinary registered no par value shares. Pursuant to the relevant legislation, each ordinary share carries one vote for its owner at the Shareholders Assembly. As at the day of Shareholders Assembly convocation, the company has 42,192 treasury shares which do not carry voting rights.

The shareholders are kindly asked to consistently comply upon arrival to the Assembly with all measures intended to reduce the risk of an infection with COVID-19, in accordance with the then relevant regulations and recommendations by the National Institute of Public Health (NIJZ), and to

register in the reception office of the Shareholders Assembly 30 minutes before the start of the session, where they will confirm their presence and claim their voting devices by signing the list of present shareholders. The room where the Shareholders Assembly is to take place will be open 30 minutes before the beginning of the session.

The Shareholders Assembly is convened for 3.30 p.m. In case of absence of quorum at such time, the Assembly shall be rescheduled for 4.30 p.m. on the same day at the same place, regardless of the percentage of total share capital represented at the Assembly.

President of the Management Board
Tomislav Čizmić