



Mercator

Pursuant to Article 337, Paragraph 4, of the Companies Act (hereinafter referred to as ZGD-1), the Management Board of the company POSLOVNI SISTEM MERCATOR d.d., Dunajska cesta 107, Ljubljana (hereinafter referred to as the Company), hereby submits the following

Report on justified cause for full omission of pre-emptive/priority right in the increase of share capital by new in-kind contributions

The shareholder FORTENOVA GRUPA d.d., holding an 89.11% share of the share capital of the company POSLOVNI SISTEM MERCATOR d.d., proposed to the Shareholders Assembly an increase of the company share capital by new in-kind contributions, from EUR 218,175,051.39 by EUR 5,970,011.94, so that the total company share capital after the increase amounts to EUR 224,145,063.33. For the purpose of the capital increase, 166,667 new dematerialized ordinary registered no par value shares with notional value of EUR 35.82 will be issued.

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. 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.

Pursuant to the said agreement, the lender/creditor FORTENOVA GRUPA d.d. 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. Adoption of the proposed resolution will allow the company FORTENOVA GRUPA d.d. as a lender/creditor to convert its receivable/claim pertaining to the principal under the said loan agreement into equity (share capital) of the company POSLOVNI SISTEM MERCATOR d.d. The capital increase by in-kind contributions shall be reviewed by an auditor.

The emission value per one share is EUR 36, which is equal to the share price offered in the successfully completed takeover bid by the company FORTENOVA GRUPA d.d.

The resolution proposal by the shareholder FORTENOVA GRUPA d.d. expressly specifies that the pre-emptive/priority right of the existing shareholders to subscribe the new shares be omitted. 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. Full omission of the pre-emptive right in the manner specified in the proposed Shareholders Assembly resolution is in the best economic interest of the company, as it allows the company POSLOVNI SISTEM MERCATOR d.d. to deleverage/decrease its debt. At the same time, positive auditor's opinion regarding the capital increase by in-kind contributions will ensure the protection of interests of all shareholders. For that reason, we believe that omission of the pre-emptive right of the current

shareholders is justifiable, as it is the only way to attain the goal that is objectively in the best interest of the company.

Ljubljana, July 28, 2021

President of the Management Board
Tomislav Čizmić