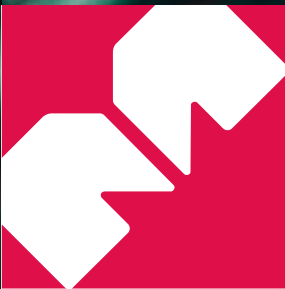


A close-up photograph of a hand holding a ripe red apple. Below the hand is a woven basket filled with several more apples. The background is softly blurred, showing more produce. A dark grey semi-transparent rectangle is overlaid on the center of the image, containing the text.

COMPANY PROFILE MERCATOR GROUP



More than 65 years: from small Slovene wholesaler to the biggest retailer in SEE

1949: Establishment of the »Živila Ljubljana« wholesale company, the predecessor of Poslovni sistem Mercator, d.d.

1953: »Živila Ljubljana« is renamed to »Mercator«.

From 1953 to late 1990:

Intensive process of taking over other smaller retailers in Slovenia. In 1993 the start of privatization with an initial public offering of shares, the largest privatization project in Central Europe by volume and value of capital. Mercator introduced the first self-service store in Slovenia.

From the beginning of 2000 ...

With the establishment of subsidiaries in Croatia, Serbia, Bosnia and Herzegovina and Montenegro, Mercator entered foreign markets. Mercator has, as the first retailer in Slovenia, introduced innovations such as private label products, self-service cashier, online store, Pika card, new format of small stores called Mercator Neighbour ...



Mercator Group key figures in 2017

Net sales revenue
in retail



Increase by
2.8 % Y-o-Y

EUR 2.2 bn

Normalized
EBITDA



Increase by
EUR 28 mn Y-o-Y

EUR 90.6 mn

Normalized profit



Increase by
EUR 37 mn Y-o-Y

EUR 6.0 mn

Financial debt



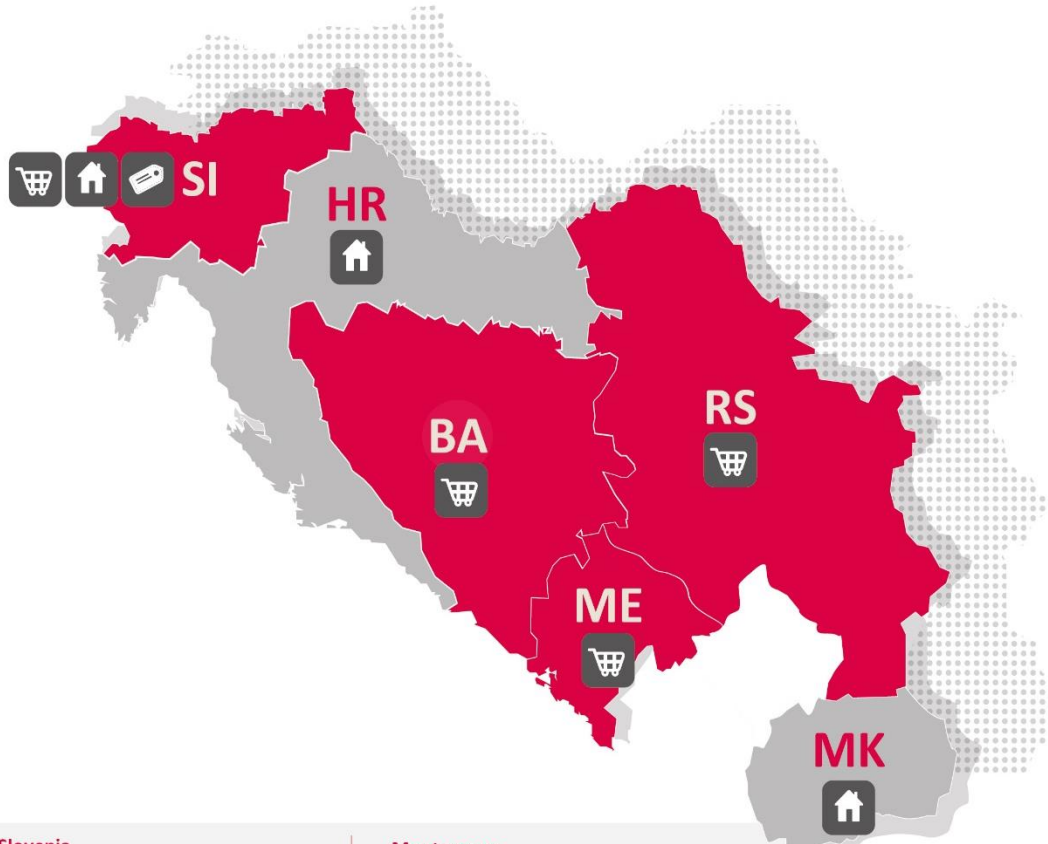
Decrease by EUR
21 mn Y-o-Y

EUR 882 mn





Mercator Group compositions



Slovenia

- Poslovni sistem Mercator, d.d.
- Mercator-Velpro, d.o.o. (100.0%)*
- Mercator IP, d.o.o. (100.0%)
- Mercator-Emba, d.d. (100.0%)
- M-Energija, d.o.o. (100.0%)
- Mercator Maxi, d.o.o. (100.0%)*
- Platinum-A, d.o.o. (100.0%)*
- Platinum-B, d.o.o. (100.0%)*
- Platinum-C, d.o.o. (100.0%)*
- Platinum-D, d.o.o. (100.0%)*

Serbia

- Mercator-S, d.o.o. (100.0%)

Montenegro

- Mercator-CG, d.o.o. (100.0%)

Bosnia and Herzegovina

- Mercator-BH, d.o.o. (100.0%)
- M-BL, d.o.o. (100.0%)*

Croatia

- Mercator-H, d.o.o. (99.2%)

Macedonia

- Mercator Makedonija, d.o.o.e.l (100.0%)*
- Investment Internacional, d.o.o.e.l (100.0%)*



Mercator operations



Mercator real estate



Other operating activities

* The company does not conduct business operations.

As at December 31, 2017, the Group is present in Slovene market with **10 companies** and also **7 more subsidiaries** in other markets of SEE.

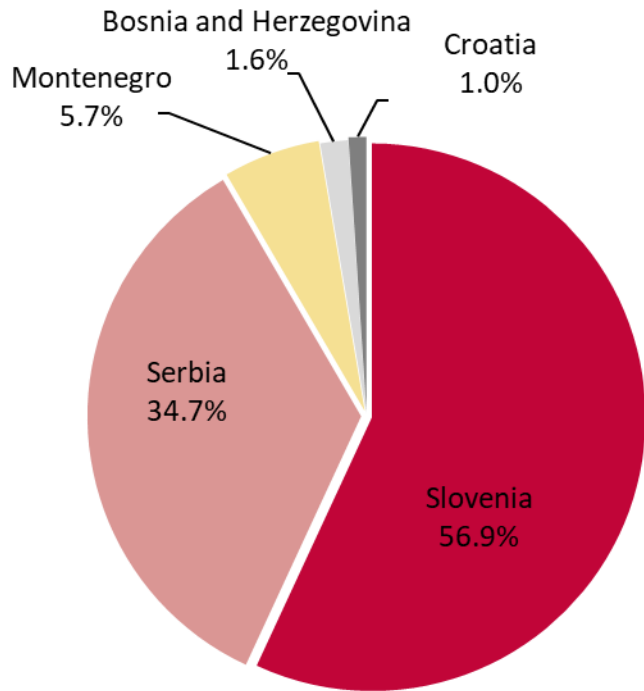
Overview by programs as at December 31, 2017

Program	FMCG program	Total specialized programs
Number of retail units under management	1.011	44
Number of franchise stores	185	0
Business markets	Slovenia, Serbia, Montenegro, Bosnia and Herzegovina	Slovenia



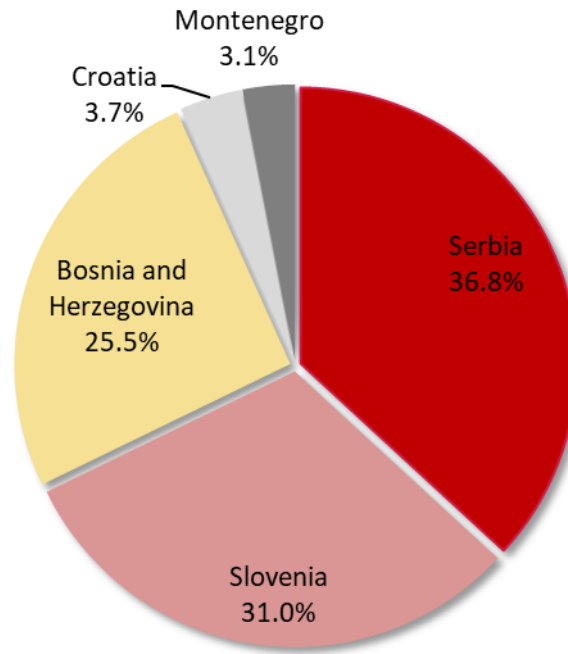
Overview by markets

Revenue



TOTAL REVENUE: EUR 2,152.1 mn

Investment



TOTAL CAPITAL EXPENDITURE: EUR 70.9 mn



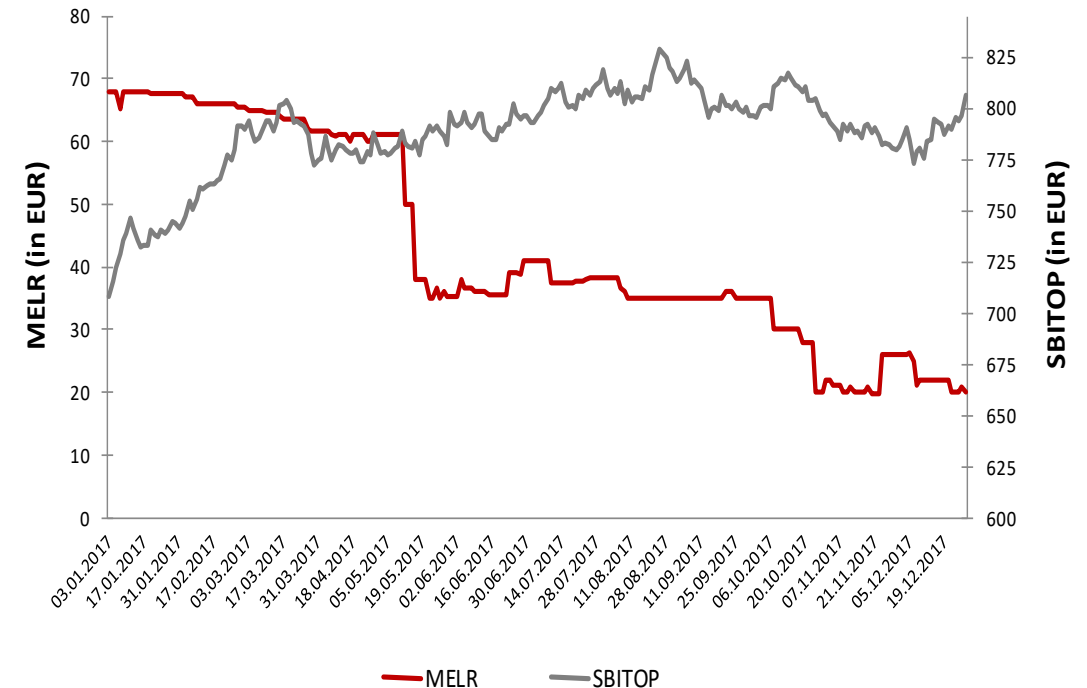
Key information for the shareholders

Key information for the shareholders

	Dec. 31, 2016	Dec. 31, 2017	Change Dec. 31, 2017/ Dec. 31, 2016
Number of shares registered in Court Register	6,090,943	6,090,943	0.0%
Number of treasury shares	42,192	42,192	0.0%
Market capitalization (in EUR)	414,184,124	122,245,226	-70.5%
Market value of share (in EUR)	68.0	20.1	-70.5%
Book value per share (in EUR)	91.1	70.0	-23.2%
Minimum close rate in the period (in EUR)	67.0	19.6	-70.8%
Maximum close rate in the period (in EUR)	85.0	68.0	-20.0%
Average close rate in the period (in EUR)	76.4	43.4	-43.2%
Earnings per share (in EUR)*	-13.0	-33.7	-
Price/earnings ratio (P/E)	-5.7	-0.7	-
Capital gains yield (in %)	-17.1	-70.5	-

As at December 31, 2017, the share in the company Poslovni sistem Mercator, d.d., held by foreign investors amounted to **98.68 percent** which is 0.08 percentage point more than the year before.

Movement of closing price per MELR share in the period 1-12, 2017, compared to the SBITOP index



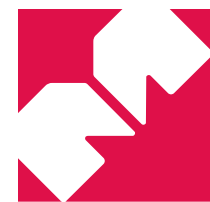
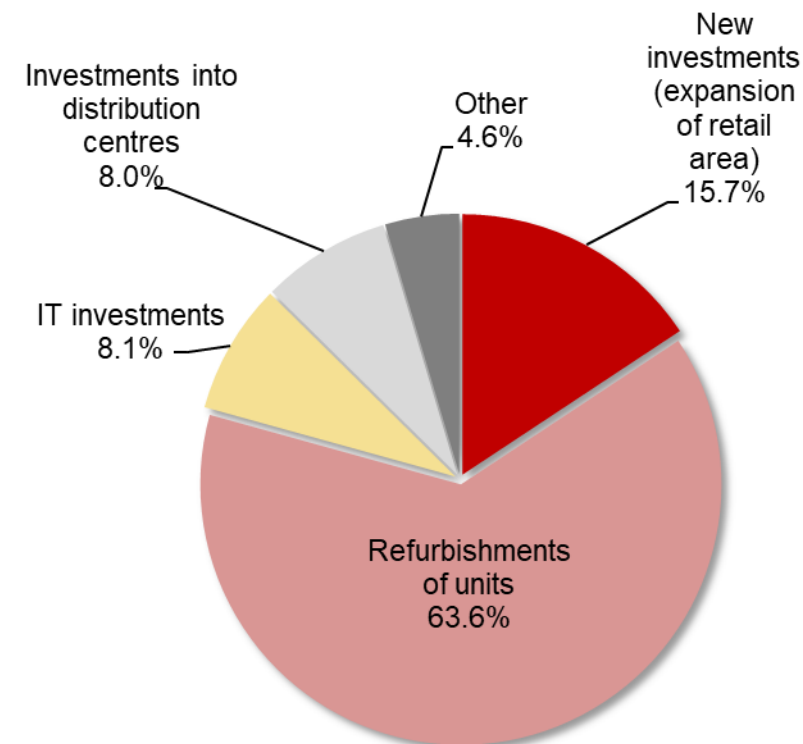
In 2017 we opened and refurbished 261 units, which represent 38% of all sales area of Mercator Group

Openings and refurbishments in 2017

SLOVENIA	
Area of new facilities:	2.451 m ²
Number of new retail units:	1
Refurbishments/rearrangements:	100
SERBIA	
Area of new facilities:	22.448 m ²
Number of new retail units:	12 retail units, 2 LDC
Refurbishments/rearrangements:	36
MONTENEGRO	
Area of new facilities:	3.729 m ²
Number of new retail units:	8
Refurbishments/rearrangements:	26
BOSNIA AND HERCEGOVINA	

Mercator re-entered the Bosnian market. In September 2017 we took over from Konzum Sarajevo ex-Mercator retail units and one distribution center. In September and October rebranding of these units took place including both interior and exterior design.

Share of investment by type





Thank you!

Additional information at:
<http://www.mercatorgroup.si>
<http://seonet.ljse.si/>

