

**POSLOVNI SISTEM MERCATOR d.d.**

**REPORT ON ALL TRANSACTIONS EFFECTED WITH THE MAJORITY  
SHAREHOLDER – THE COMPANY AGROKOR d.d. – AND THE  
COMPANIES AFFILIATED TO IT**

**FOR THE PERIOD FROM AUGUST 9, 2017, TO OCTOBER 31, 2017**

Ljubljana, November 2017

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## **1. EXECUTIVE SUMMARY**

In the reporting period from August 9, 2017, to October 31, 2017, the company Poslovni sistem Mercator d.d. (hereinafter referred to as Mercator) continued to do business with the company Agrokor d.d. (hereinafter referred to as Agrokor) and the companies affiliated to it a way that clearly follows the provisions of the Act on Conditions for Appointment of Extraordinary Management Board Member in Companies of Systemic Importance to the Republic of Slovenia (hereinafter referred to as the ZIČUDSP).

In the period at hand, Mercator also complied with the commitments laid down in the Agreement on Mercator's Financial Restructuring and the Agreement on Sale and Purchase of Shares of the company Poslovni sistem Mercator d.d.

As all provisions of the law and all relevant commitments have been complied with in transactions with the company Agrokor and the companies affiliated with it, we find that the transactions effected and detailed hereinafter comply with the principles of diligence, good management and credibility, and that the company did not sustain any loss or damage with regard to any of the detailed transactions.

In the reporting period, particular emphasis should be noted, which the Management Board is devoting to the management of risks related to the balance of receivables payable by the Agrokor Group companies.

## **2. INTRODUCTION**

Report on all transactions effected between Mercator, and majority shareholder the company Agrokor and the companies affiliated to it, is compiled pursuant to Article 6 of the Act on Conditions for Appointment of Extraordinary Management Board Member in Companies of Systemic Importance to the Republic of Slovenia (ZiČUDSP).

The report pertains to the period from August 9, 2017, to October 31, 2017, and it is 8 days shorter than the mandatory three-month period. The reason for such reporting period is that Mercator is capturing all data subject to this report on a monthly basis. For cost efficiency and for pragmatic reasons, we adjusted the final period of this report. The next report will include the three-month period from November 1, 2017, to January 31, 2018.

Transactions that are the subject of this report pertain to purchase and sale of trade goods/merchandise, financing, real estate, marketing services, IT services, and services related to the Pika card. Balance of receivables and payables is presented in a separate chapter.

This report pertains only to Mercator as a company of systemic importance to the Republic of Slovenia, rather than on the entire Mercator Group.

### **3. TRANSACTIONS WITH THE AGROKOR GROUP COMPANIES**

In the reporting period at hand, Mercator effected transactions with the following Agrokor Group Companies:

1. Agrokor Trgovina d.o.o., Croatia
2. Agrolaguna d.d., Croatia
3. Konzum d.d., Croatia
4. PIK Vrbovec d.d., Croatia
5. Belje d.d., Croatia
6. PIK Vinkovci d.d., Croatia
7. Solana Pag d.d., Croatia
8. Dijamant a.d., Serbia
9. mStart telekomunikacije d.o.o., Croatia
10. Jamnica d.o.o., Slovenia
11. Ledo d.o.o., Slovenia
12. Zvijezda d.o.o., Slovenia
13. Velpro-centar d.o.o., Croatia
14. Kompas d.d., Slovenia

Agrokor Group companies with which Mercator did not effect any transactions in the reporting period at hand, but merely records receivables from as at October 31, 2017:

1. Agrokor d.d., Croatia
2. Agrokor AG ZUG, Switzerland
3. Jamnica d.d., Croatia
4. Ledo d.d., Croatia
5. Zvijezda d.d., Croatia

Transactions with the Agrokor Group companies took place in the following fields:

1. Procurement and sale of trade goods/merchandise
2. Financing
3. Real estate
4. Marketing services
5. IT services
6. Services related to the Pika card

## **4. TRANSACTIONS WITH THE AGROKOR GROUP COMPANIES**

Each year, Mercator compiles a report on transactions with affiliated companies pursuant to the Companies Act and the Tax Procedure Act. The report is adopted and approved by the Mercator Management Board and it is also reviewed by the auditors. The report presents all transactions with the affiliated companies, the pricing principles or methods employed in each transaction, and proof of compliance with the arm's length principle, i.e. comparability of transfer prices with the current market prices. Functional analysis is conducted for each transaction (tasks performed relative to the assets/funds invested, or services and risks assumed), which is the tool for the observance of the arm's length principle and for specification of comparable market prices. Functional analysis is used to evaluate the differences in the contents of the transactions effected with affiliated companies and the transactions effected with non-affiliated companies, which is necessary for proving the regularity of transfer pricing.

Mercator is already compiling the said report for 2017 as well. After the end of the fiscal year, this report will be approved by the Management Board and reviewed by the auditors. The extraordinary Management Board is also informed about the progress of the report. In determining the prices in transactions with affiliated companies, Mercator observes its internal rules and Regulations on transfer pricing, and the arm's length principle as laid down by the OECD Transfer Pricing Guidelines for Multinational Enterprises and Tax Administrations.

### **4.1 PROCUREMENT AND SALE OF TRADE GOODS/MERCHANDISE**

#### **4.1.1 Procurement of trade goods/merchandise**

In the reporting period, Mercator procured trade goods (or merchandise) from the following Agrokor Group companies: Konzum, Zvijezda, Ledo, PIK Vrbovec, Jamnica, Belje, PIK Vinkovci, Agrolaguna, Solana Pag, Velpro-centar, and Agrokor Trgovina.

With some suppliers, purchase value has increased relative to last year. This is largely a result of a very strong summer season due to warm weather with above-average temperatures (increased sales in the categories of ice cream and water). Some suppliers are increasing their market shares in the entire market, which is also manifest in higher sales of their products at Mercator stores. In case of some suppliers with low turnover, a high growth index is reported; however, the absolute extra value is very low. This can be caused, for example, by inclusion of a single additional product; this, however, does not have a significant effect on the category.

Procurement of trade goods/merchandise, fast-moving consumer goods, was consistent with the General Terms and Conditions of the company Mercator in Procurement of Goods, effective as of

January 1, 2017, for all goods suppliers. General Terms and Conditions are a constituent part of the Goods Procurement Agreement signed by the company Mercator with suppliers of goods, non-affiliated and affiliated companies.

***Pricing and proving the comparability of transfer prices to market prices (arm's length principle)***

Mercator has access to comparable data on procurement prices of comparable goods from non-affiliated suppliers. Information on purchase prices, together with functional analysis, prove that the procurement prices in transactions with non-affiliated persons/entities are comparable to the procurement prices in transactions with affiliated persons/entities.

*Table 1: Trade goods/merchandise procurement value in 2016 and in the periods 1–10 2016, 1–10 2017, and Aug 1 – Oct 31, 2017*

Goods procurement	2016		Jan-Oct, 2016		Jan-Oct, 2017		Aug 1 – Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
<b>Companies in the Agrokor Group</b>	<b>37,822,083</b>	<b>3.8</b>	<b>31,156,699</b>	<b>3.6</b>	<b>26,247,190</b>	<b>2.8</b>	<b>7,599,363</b>	<b>2.5</b>
<b>Non-affiliated persons/entities</b>	958,023,928	96.2	843,835,120	96.4	913,955,205	97.2	292,077,510	97.5
<b>TOTAL</b>	<b>995,846,011</b>	<b>100.0</b>	<b>874,991,819</b>	<b>100.0</b>	<b>940,202,395</b>	<b>100.0</b>	<b>299,676,873</b>	<b>100.0</b>

Seller	2016		1-10, 2016		1-10, 2017		Aug 1 – Oct 31, 2017	
	Value EUR	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Konzum	1,722,605	4.6	1,608,844	5.2	967,467	3.7	73,482	1.0
Tisak	969,972	2.6	969,972	3.1	0	0.0	0	0.0
Zvezda Slovenia	3,450,964	9.1	2,725,603	8.7	3,286,933	12.5	1,079,734	14.2
Ledo Slovenia	4,814,728	12.7	4,147,114	13.3	4,689,765	17.9	1,069,412	14.1
PIK Vrbovec	17,842,356	47.2	13,840,227	44.4	12,418,315	47.3	4,135,249	54.4
Jamnica Slovenia	1,753,753	4.6	1,401,248	4.5	1,933,509	7.4	590,580	7.8
Belje	1,255,381	3.3	875,034	2.8	925,195	3.5	252,506	3.3
PIK Vinkovci	277,902	0.7	216,263	0.7	156,762	0.6	49,138	0.6
Agrolaguna	113,626	0.3	85,909	0.3	106,482	0.4	39,139	0.5
Solana Pag	52,768	0.1	34,144	0.1	70,383	0.3	28,985	0.4
Dijamant	505,800	1.3	505,800	1.6	761,746	2.9	0	0.0
Velpro-centar	617,406	1.6	554,769	1.8	150,967	0.6	16,538	0.2
Agrokor Trgovina	4,444,822	11.8	4,191,772	13.5	779,666	3.0	264,600	3.5
<b>TOTAL</b>	<b>37,822,083</b>	<b>100.0</b>	<b>31,156,699</b>	<b>100.0</b>	<b>26,247,190</b>	<b>100.0</b>	<b>7,599,363</b>	<b>100.0</b>



### 4.1.2 Sale of trade goods/merchandise

In the reporting period, Mercator sold trade goods (or merchandise) to the following Agrokor Group companies: PIK Vrbovec, Ledo, Zvijezda, and Kompas.

Mercator did business with companies in Slovenia in the fields of sale of livestock and frozen meat purchased from a variety of agricultural cooperatives and from an international frozen meat supplier, sale of ice cream toppings, and sale of sugar in transit.

In the reporting period, sale to Agrokor Group companies was consistent with the adopted sales and payment conditions for Agro and transit (opposite / offsetting transactions that hedge the credit risk due to the possibility of netting, reciprocity of payment terms, agreed mark-up on the purchase price of material), and it was conducted based on the effective purchase and sale agreements for the requirements of agro and transit sales for all customers for 2017.

***Pricing and proving the comparability of transfer prices to market prices (arm's length principle)***

Mercator has access to comparable data on sales prices of comparable goods for non-affiliated buyers. Information on sales prices, together with functional analysis, prove that the sales prices in transactions with non-affiliated persons/entities are comparable to the sales prices in transactions with affiliated persons/entities.

*Table 2: Trade goods/merchandise sales value in 2016 and in the periods 1–10, 2016, 1–10, 2017, and Aug 1–Oct 31, 2017*

	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
Sale of goods	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
<b>Companies in the Agrokor Group</b>	<b>9,742,551</b>	<b>0.8</b>	<b>6,986,626</b>	<b>0.7</b>	<b>4,147,376</b>	<b>0.4</b>	<b>177,356</b>	<b>0.1</b>
<b>Non-affiliated persons/entities</b>	1,272,087,201	99.2	1,053,555,376	99.3	1,005,612,335	99.6	300,236,989	99.9
<b>TOTAL</b>	<b>1,281,829,752</b>	<b>100.0</b>	<b>1,060,542,002</b>	<b>100.0</b>	<b>1,009,759,711</b>	<b>100.0</b>	<b>300,414,345</b>	<b>100.0</b>

Buyer	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Konzum	214,201	2.2	160,598	2.3	122,457	3.0	0	0.0
Belje	228,645	2.3	154,713	2.2	257,731	6.2	0	0.0
PIK Vrbovec	2,157,008	22.1	1,415,064	20.3	1,158,326	27.9	128,994	72.7
Agrokor trgovina	6,943,046	71.3	5,057,255	72.4	2,412,479	58.2	0	0.0
Ledo Slovenia	6,867	0.1	6,431	0.1	174,087	4.2	27,145	15.3
Zvijezda Slovenia	408	0.0	278	0.0	21,380	0.5	21,192	11.9
Velpro-Centar	192,108	2.0	192,108	2.7	0	0.0	0	0.0
Jamnica Slovenia	0	0.0	0	0.0	811	0.0	0	0.0
Kompas	268	0.0	179	0.0	105	0.0	25	0.0
<b>TOTAL</b>	<b>9,742,551</b>	<b>100.0</b>	<b>6,986,626</b>	<b>100.0</b>	<b>4,147,376</b>	<b>100.0</b>	<b>177,356</b>	<b>100.0</b>





## **4.2 FINANCING**

### **4.2.1 Guarantees and warranties**

In the reporting period, Mercator did not grant any guarantee, warranty, surety, or any other similar commitment to any Agrokor Group company.

Moreover, Agrokor Group companies did not grant any guarantee, warranty, surety, or any other similar commitment to Mercator.

### **4.2.2 Loans**

In the reporting period, Mercator did not extend or grant to Agrokor Group companies any loan, advance payment or commodity credit, or pay them extra services that would require approval by the extraordinary Management Board member pursuant to ZIČUDSP.

Moreover, Mercator did not receive any loan, advance payment or commodity credit from Agrokor Group companies. The only loan received by Mercator from the Agrokor Group is the long-term loan in the amount of EUR 20 million, granted by the company Agrokor upon acquisition on June 26, 2014.

*Table 3: Balance of loans and borrowings as at December 31, 2016 and October 31, 2017*

<b>Company – creditor</b>	<b>Loans as of December 31, 2016</b>	<b>Loans as of October 31, 2017</b>
Agrokor	20,000,000	20,000,000



### 4.3 REAL ESTATE

#### 4.3.1 Property leased out

Out of Agrokor Group companies, Mercator only leased out real property to the company Kompas and Jamnica in the reporting period. Mercator leased out commercial premises (tourist offices) to the company Kompas within its shopping centres based on signed lease agreements. Offices not used by Mercator were leased out to the company Jamnica based on a signed lease agreement.

In determining the prices for leasing out real property to affiliated companies, Mercator takes into account both market aspects (appeal of the location, size of property, property purpose, age and condition of the property, number of units leased out to a single tenant, tenant's solvency, payment terms agreed upon etc.) relevant for pricing in cases of lease to non-affiliated companies, and other comparable circumstances.

Mercator has opposite / offsetting transactions in place with both companies, which hedge the credit risk as they allow mutual netting.

***Pricing and proving the comparability of transfer prices to market prices (arm's length principle)***

Information on rent at which Mercator is leasing out commercial premises to an affiliated company, proves, along with the functional analysis, that rent is at the level of market prices or comparable to rent at which Mercator leases out its real property to non-affiliated companies.

*Table 4: Revenue from leasing out real property in 2016 and in the periods 1-10, 2016, 1-10, 2017, and Aug 1 – Oct 31, 2017*

Lease	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Real estate								
<b>Companies in the Agrokor Group</b>	<b>85,914</b>	0.6	<b>71,595</b>	0.6	<b>40,736</b>	0.3	<b>18,036</b>	0.4
<b>Non-affiliated persons/entities</b>	14,458,060	99.4	11,823,101	99.4	15,523,650	99.7	4,553,058	99.6
<b>TOTAL</b>	<b>14,543,974</b>	<b>100.0</b>	<b>11,894,696</b>	<b>100.0</b>	<b>15,564,386</b>	<b>100.0</b>	<b>4,571,094</b>	<b>100.0</b>

The Tenant	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Jamnica Slovenia	0	0.0	0	0.0	1,011	2.5	1,011	5.6
Kompas	<b>85,914</b>	100.0	71,595	100.0	39,725	97.5	17,025	94.4
	<b>85,914</b>	<b>100.0</b>	<b>71,595</b>	<b>100.0</b>	<b>40,736</b>	<b>100.0</b>	<b>18,036</b>	<b>100.0</b>

#### 4.3.2 Investments into real property

In the reporting period, Mercator did not purchase equipment or order services for investment into real estate from any Agrokor Group company.

## 4.4 MARKETING SERVICES

### 4.4.1 Provision of marketing services

In the reporting period, Mercator provided marketing services for the following Agrokor Group companies: Ledo, Jamnica, Zvijezda, Pik Vrbovec, Dijamant, and Kompas.

Services largely pertain to advertising in Mercator's special offer campaign flyers, temporary lease of additional in-store exposure and refrigerators, promotional materials for stores, inclusion into Mercator's marketing projects, introduction of new products and replacement of existing ones.

Services were rendered and charged based on effective price lists. Mercator has opposite / offsetting transactions in place with all companies, which hedge the credit risk as they allow mutual netting.

#### *Pricing and proving the comparability of transfer prices to market prices (arm's length principle)*

Prices of marketing services provided by Mercator were based on relevant price lists. The same price list is used for both affiliated and non-affiliated persons/entities. The prices are based on comparable market prices or based on the actual ratio between supply and demand.

Table 5: Value of marketing services rendered in 2016 and in the periods 1–10, 2016, 1–10, 2017, and Aug 1–Oct 31, 2017

Marketing services	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
<b>Companies in the Agrokor Group</b>	<b>1,137,133</b>	<b>4.4</b>	<b>860,357</b>	<b>4.9</b>	<b>885,388</b>	<b>4.3</b>	<b>324,232</b>	<b>4.1</b>
<b>Non-affiliated persons/entities</b>	24,896,065	95.6	16,764,949	95.1	19,887,919	95.7	7,528,568	95.9
<b>TOTAL</b>	<b>26,033,198</b>	<b>100.0</b>	<b>17,625,306</b>	<b>100.0</b>	<b>20,773,307</b>	<b>100.0</b>	<b>7,852,800</b>	<b>100.0</b>

Buyer	2016		1-10, 2016		1-10, 2017		Aug 1 - Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Ledo Slovenia	249,400	21.9	217,450	25.3	323,000	36.5	141,800	43.7
Jamnica Slovenia	183,634	16.1	115,844	13.5	188,950	21.3	50,160	15.5
Zvijezda Slovenia	200,616	17.6	168,996	19.6	168,590	19.0	60,000	18.5
PIK Vrbovec	419,760	36.9	287,480	33.4	165,250	18.7	60,300	18.6
Agrolaguna	0	0.0	0	0.0	600	0.1	0	0.0
Konzum	6,391	0.6	6,391	0.7	0	0.0	0	0.0
Dijamant	2,112	0.2	2,112	0.2	4,200	0.5	4,200	1.3
Velpro-centar	200	0.0	200	0.0	694	0.1	0	0.0
Kompas	75,020	6.6	61,884	7.2	34,104	3.9	7,772	2.4
<b>TOTAL</b>	<b>1,137,133</b>	<b>100.0</b>	<b>860,357</b>	<b>100.0</b>	<b>885,388</b>	<b>100.0</b>	<b>324,232</b>	<b>100.0</b>



#### 4.4.2 Commissioning of marketing services

In the reporting period, Mercator ordered marketing services from the companies Konzum and Kompas.

We ordered tourist arrangements from the company Kompas for awards given out as a part of our marketing activities, and other services related to marketing activities. In case of Konzum, Mercator procured the services of category management consulting based on a signed service agreement.

**Pricing and proving the comparability of transfer prices to market prices (arm's length principle)**  
 Affiliated companies charged the services to Mercator based on the price list that also applies to non-affiliated companies, or prices according to the arm's length principle. Information on prices, along with functional analysis, prove that the prices are actually determined based on market prices (at arm's length principle).

*Table 6: Value of marketing services procured in 2016 and in the periods 1–10, 2016, 1–10, 2017, and Aug 1–Oct 31, 2017*

Marketing Services	2016		1–10, 2016		1–10, 2017		Aug 1 – Oct 31, 2017	
	Value (v EUR)	Structure (%)	Value (v EUR)	Structure (%)	Value (v EUR)	Structure (%)	Value (v EUR)	Structure (%)
<b>Companies in the Agrokor Group</b>	<b>542,787</b>	<b>11.6</b>	<b>441,961</b>	<b>12.2</b>	<b>306,587</b>	<b>10.9</b>	<b>32,101</b>	<b>4.2</b>
<b>Non-affiliated persons/entities</b>	4,138,000	88.4	3,173,060	87.8	2,512,826	89.1	728,335	95.8
<b>TOTAL</b>	<b>4,680,787</b>	<b>100.0</b>	<b>3,615,021</b>	<b>100.0</b>	<b>2,819,413</b>	<b>100.0</b>	<b>760,436</b>	<b>100.0</b>

Seller	2016		1–10, 2016		1–10, 2017		Aug 1 – Oct 31, 2017	
	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)	Value (EUR)	Structure (%)
Konzum	164,126	30.2	153,626	34.8	55,227	18.0	27,384	85.3
360 Marketing	320,308	59.0	236,361	53.5	226,003	73.7	0	0.0
Velpro-Centar	20,900	3.9	20,900	4.7	0	0.0	0	0.0
Kompas	37,453	6.9	31,074	7.0	25,357	8.3	4,717	14.7
<b>TOTAL</b>	<b>542,787</b>	<b>100.0</b>	<b>441,961</b>	<b>100.0</b>	<b>306,587</b>	<b>100.0</b>	<b>32,101</b>	<b>100.0</b>



## 4.5 IT SERVICES

In the reporting period, mStart was the only Agrokor Group company from which Mercator ordered IT support services.

These services pertain to an IT solution in infrastructure and introduction of new reporting systems.

Mercator ordered these services based on signed agreements: agreement on provision of IT services, agreement on upgrade of Mercator IT infrastructure, and agreement on reporting system implementation.

### *Pricing and proving the comparability of transfer prices to market prices (arm's length principle)*

Service prices for IT solutions commissioned by Mercator from the affiliated company mStart were comparable to market prices, i.e. prices charged by non-affiliated service providers in the market.

*Table 7: Value of IT support services procured in 2016 and in the periods 1–10, 2016, 1–10, 2017, and Aug 1–Oct 31, 2017*

	2016	1-10, 2016	1-10, 2017	Aug 1 - Oct 31, 2017
Transaction	Value (EUR)	Value (EUR)	Value (EUR)	Value (EUR)
IT process support services	1,110,881	468,015	311,695	70,300
Acquisition of POS equipment	1,035,525	0	0	0
<b>TOTAL</b>	<b>2,146,406</b>	<b>468,015</b>	<b>311,695</b>	<b>70,300</b>

## 4.6 SERVICES RELATED TO THE PIKA CARD

In the reporting period, Kompas was the only Agrokor Group company to use the Pika card. For both affiliated and non-affiliated companies included in the Pika card system, Mercator is providing certain card transaction services and renting out POS terminals that allow transactions with the Pika cards.

### *Pricing and proving the comparability of transfer prices to market prices (arm's length principle)*

Mercator charges a fee for its services, and rent for the use of POS terminals.

The amount of the fee depends on the transaction volume with the Pika card, and business arrangement with the business partner. As a rule, the fees are lower when charged to affiliated companies compared to the fees charged to other (third-party) companies because the affiliated companies generate more transaction volume with the Pika card.

Mercator charges the same rent for POS terminals to both affiliated and non-affiliated companies. The amount of such rent is calculated based on the amount of rent paid by Mercator to a non-affiliated company.

## 5. RECEIVABLES FROM AND PAYABLES TO AGROKOR GROUP COMPANIES

### 5.1 RECEIVABLES

As of the day of this report, negotiations with the Agrokor management regarding the possibilities of collection of receivables are still actively in progress, which is reflected in lower receivables value relative to the most recent released report. All receivables originating from after the enactment of the so-called Lex Agrokor are effectively managed. With the enactment of the ZIČUDSP, the extraordinary Management Board member is also included in all collection procedures. He also communicates directly with the Agrokor management and their consultants.

*Table 8: Balance of receivables at December 31, 2016, July 31, 2017, and October 31, 2017*

Company	Receivables as at Dec 31, 2016	Receivables as at Jul 31, 2017	Receivables as at Oct 31, 2017
Agrokor	3,361,379	3,952,663	3,952,663
Agrokor AG Zug	397,000	397,000	397,000
Agrokor Trgovina	3,683,311	2,759,115	1,862,037
Belje	66,145	150,856	151,363
Dijamant	39	39	4,239
Jamnica Croatia	0	32,296	32,296
Jamnica Slovenia	82,704	73,903	42,696
Konzum	45,718	370	634
Ledo Croatia	0	208,362	208,362
Ledo Slovenia	140,601	292,645	167,140
PIK Vrbovec	1,641,996	108,983	178,616
Velpro-centar	1,594	2,310	2,211
Zvijezda Croatia	0	35,416	35,416
Zvijezda Slovenia	32,879	30,622	56,549
Kompas	20,290	29,865	0
<b>TOTAL</b>	<b>9,473,656</b>	<b>8,074,445</b>	<b>7,091,222</b>

## 5.2 PAYABLES

Amount and changes in payables depend heavily on the season. Dynamics of repayment of our payables is comparable to the dynamics of our payments to third parties from which Mercator is purchasing the same type of goods. At the end of October 2017, total payables are lower relative to the balance as at July 31, 2017.

*Table 11: Balance of payables at December 31, 2016, July 31, 2017, and October 31, 2017*

Company	Payables as at Dec 31, 2016	Payables as at Jul 31, 2017	Payables as at Oct 31, 2017
Agrokori Trgovina	0	132,268	0
Agrolaguna	21,016	31,747	37,860
Belje	61,320	369,018	149,905
Dijamant	0	777,409	777,396
Jamnica Slovenia	311,990	953,937	815,546
Konzum	434,983	654,746	770,550
Ledo Slovenia	517,830	2,863,640	2,435,998
mStart	907,776	750,137	511,808
360 Marketing	209,136	0	0
Pik Vinkovci	59,875	12,653	0
Pik Vrbovec	974,988	2,067,351	2,449,096
Solana Pag	18,144	18,650	28,050
Velpro-centar	45,764	7,972	11,066
Zvezda Slovenia	663,588	1,303,025	1,537,493
Kompas	851,069	1,049,411	970,439
<b>TOTAL</b>	<b>5,077,479</b>	<b>10,991,964</b>	<b>10,495,207</b>

## **6. COMPLIANCE OF COMPANY OPERATIONS WITH THE PROVISIONS OF THE ZIČUDSP**

Based on the internal acts, covenants and commitments already implemented before the adoption of the ZIČUDSP, and based on the provisions of this Act, it can be determined that the company did not grant in the reporting period at hand any guarantees, loans, sureties or similar commitments to its majority shareholder (partner) or to any company affiliated to it.

Moreover, the company did not directly or indirectly approve or grant in the reporting period at hand any loan, advance payment, or similar instrument or commodity credit, and did not pay for any services to the majority shareholder or any company affiliated to it, without the consent of the extraordinary Management Board member.

In the reporting period at hand, the company did not participate in any payment, assume any debt, or make any payment on behalf of or instead of its majority shareholder or any company affiliated to it.

In compliance with his powers and authorizations, the extraordinary Management Board member reviewed all transactions with the majority shareholder and the companies affiliated to it, and he was informed about all details required for evaluation of compliance of company operations with the ZIČUDSP.

The extraordinary Management Board member also very actively monitored the reporting and compliance of procedures for all managers and executives, in compliance with the organizational rules and other acts related indirectly or directly to the provisions of the ZIČUDSP.

Based on his powers and authorizations, the extraordinary Management Board member also supervised the execution and conditions of commercial agreements effective before the day of his appointment.

The extraordinary Management Board member also supervised the development of this report and all activities required for its development and compilation.

Based on all established facts, the company Management Board, managers and executives hereby declare that the company acted in compliance with the provisions of the ZIČUDSP in the reporting period at hand.

Mercator d.d.  
Management Board



**Mercator**

## 7. APPENDICES

- Appendix 1 – List of Agrokor Group companies

No.	Company	Street	City	Country	OIB
1	360 MARKETING d.o.o. d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	76677251901
2	A.N.P. Energija d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	81033553099
3	A007 d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	42312821469
4	Adreya Global				
5	Adria retail d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	00776795695
6	Adriasense d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	87006524500
7	Adriatica net d.o.o.	Izidora Kršnjavog 1	Zagreb	Croatia	20350489217
8	Agkor d.o.o.	Bulevar umetnosti 4&7	New Belgrade	Serbia	
9	Agrokor AG Zug	Eschenring 3	Zug	Switzerland	
10	Agrokor d.d.	Trg Dražena Petrovića 3	Zagreb	Croatia	40715974731
11	Agrokor d.o.o. Grude	Kralja Tomislava 27	Grude	Bosnia and Herzegovina	
12	Agrokor-energija d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	43546169521
13	Agrokor-trgovina d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	40715974731
14	Agrolaguna d.d.	Mate Vlašića 34	Poreč	Croatia	84196188473
15	Aliquantum ulaganja d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	25317715808
16	Angropromet d.o.o. - pripajanje Idei	Miloša Velikog 76	Kikinda	Serbia	
17	ATLAS d.d.	Vukovarska 19	Dubrovnik	Croatia	02041978827
18	Atlas Ambassador Doo	Kosovska 8	Belgrade	Serbia	
19	Atlas d.d. Dubrovnik				
20	Aureum stella d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	92567161547
21	Backstage d.o.o.	Slavonska avenija 11a	Zagreb	Croatia	84411860203
22	Belje ABC d.o.o.	Imre Nagya 1	Beli Manastir	Croatia	00051870955
23	Belje Agro-vet d.o.o.	Kokingrad 3	Darda	Croatia	78769491591
24	Belje d.d.	Svetog Ivana Krstitelja 1a	Darda	Croatia	92404445155
25	Beojana d.o.o.			Serbia	
26	Beokona d.o.o.	Autoput za Zagreb 11a	Belgrade	Serbia	
27	Beopana d.o.o.			Serbia	

28	Beoslana d.o.o.	Autoput 11	Belgrade	Serbia	
29	Beovona d.o.o.			Serbia	
30	Bio-zone d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	69838261198
31	Boreas d.o.o.	Titova 28/IV	Sarajevo	Bosnia and Herzegovina	
32	Costella	Fara 30	Kostel	Slovenia	
33	Dalmarina d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	88061796935
34	Db kantun veleprodaja d.o.o.	Samoborska cesta 102	Zagreb	Croatia	57339268482
35	Dijamant a.d.	Temišvanski drum 14	Zrenjanin	Serbia	
36	Dora foods	ul. Składowa 30c	41-500 Chorzów, Polska	USA	
37	Eko Biograd d.o.o.	Matije Gubca 130	Vinkovci	Croatia	42005576448
38	Energija gradec d.o.o. (A.N.P. Energija)	Trg Dražena Petrovića 3	Zagreb	Croatia	83373928482
39	Euroviba d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	19818276224
40	Felix d.o.o.	Matije Gubca 130	Vinkovci	Croatia	94397504836
41	Fonyodi Kft.	Bezsenyi ut 1	H-8640 Fonyod	Hungary	
42	Frikom d.o.o.	Zrenjaninski put bb	Belgrade	Serbia	
43	Frikom-Beograd dooel	Nikola Tesla 11	Skopje	Republic of Macedonia	
44	go.Adriatica d.o.o.	Izidora Kršnjavog 1	Zagreb	Croatia	75299430948
45	Gulliver travel d.o.o.	Obala Stejpana Radića 25	Dubrovnik	Croatia	25636115130
46	Hotel Forum d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	62755106142
47	Hoteli Koločep d.d.	Donje Čelo 45	Koločep	Croatia	30328587951
48	Hoteli Plat d.d.	Plat	Plat	Croatia	69616771148
49	Hoteli Živogošće d.d.	Porat 136	Živošće	Croatia	88429213928
50	HU-PO d.o.o.	Jelševačka cesta 154	Zagreb	Croatia	24143874559
51	Idea d.o.o.	Autoput za Zagreb 11a	New Belgrade	Serbia	
52	Industrija mesa d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	75501147946
53	INIT d.d.	Rajlovačka bb	Sarajevo	Bosnia and Herzegovina	
54	Irida d.o.o.	Petra Zrinskog 24	Daruvar	Croatia	72383446154
55	Jamnica d.d.	Getaldićeva 3	Zagreb	Croatia	05050436541
56	Jamnica Mineralna Voda d.o.o.	Limbuška cesta 2	Limbuš	Slovenia	

57	Jana North America	461 Park Ave S #300,	New York, NY 10016, USA	USA	
58	Jolly projekti jedan d.o.o. za poslovanje nekretninama	Trg kralja Tomislava 2	Drniš	Croatia	17172717699
59	Karisma Adriatic d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	77301543615
60	Karisma hotels adriatic d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	77301543615
61	KHA četiri d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	34678966530
62	KHA pet d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	83931898966
63	KHA tri d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	23699589651
64	Kikinski mlin a.d.	Svetozara Miletića 198	Kikinda	Serbia	
65	KOMPAS d.d. **	Pražakova ulica 4	Ljubljana	Slovenia	
66	KOMPAS d.o.o.	Mate Vlašića 20	Poreč	Croatia	13785319050
67	KOMPAS d.o.o. Sarajevo	Maršala Tita 8	Sarajevo	Bosnia and Herzegovina	
68	Kompas Beograd doo	Obilićev venac,	Belgrade	Serbia	
69	Kompas France International	14 Rue de la Source	Pariz	France	
70	Kompas Holidays International	2929 E.Comercial Blud. Suite 201	Fort Lauderdale	USA	
71	Kompas Holidays International	Scheepmakershaven 32 D	Rotterdam	Netherlands	
72	Kompas Nordic Aps	M D Madsensvej 13	Allerød	Denmark	
73	Kompas Poland S.p.z.o.o.	Willowa 8/10/lok. 2,	Varšava	Poland	
74	Kompas Praha Spol	Rytířská 398/26,	Staré Město	Czech Republic	
75	Kompas s.r.l.	Piazza Brescia, 5,	Lido di Jesolo VE	Italy	
76	Kompas Touristik Espana	Carrer de París, 162	Barcelona	Spain	
77	Kompas Turistik	Siebensterngasse 21	Dunaj	Austria	
78	Kompas Turistik International	Rákóczi út 14.,	Budimpešta	Hungary	
79	Konsolidator d.o.o.	Nova Ves 11	Zagreb	Croatia	73678065415
80	Konzum d.d.	Marija Čavića 1/a	Zagreb	Croatia	29955634590
81	Konzum d.o.o. Sarajevo	Rajlovačka bb	Sarajevo	Bosnia and Herzegovina	
82	Kor - Broker d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	05673278055
83	Krka d.o.o.	Bana Josipa Jelačića 813	Šibenik	Croatia	45256190469
84	Kron d.o.o.	Autoput za Zagreb 11a	New Belgrade	Serbia	
85	Latere Terram d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	68289779337

86	Ledo Čitluk d.o.o.	Tromeđa bb	Čitluk	Bosnia and Herzegovina	
87	Ledo d.d.	Čavićeva 1a	Zagreb	Croatia	87955947581
88	Ledo d.o.o. Ljubljana	Brnčičeva ulica 45,	Ljubljana - Črnuče	Slovenia	
89	Ledo d.o.o. Podgorica	Liuješe bb	Podgorica	Montenegro	
90	Ledo Kft.	089/3 Hrsz.,	Szada	Hungary	
91	Ledo Sh.p.h	Prishtinë Milosheve b.b.	Priština	Kosovo	
92	Lovno gospodarstvo Moslavina d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	55613437019
93	M - Energija, d.o.o.	Dunajska 115	Ljubljana	Slovenia	
94	Mercator - BH, d.o.o.	Blažuj bb	Sarajevo	Bosnia and Herzegovina	
95	Mercator - CG, d.o.o.	Put Radomira Ivanovića br. 2	Podgorica	Montenegro	
96	Mercator - Emba, d.d.	Tržaška cesta 2c	Logatec	Slovenia	
97	Mercator - H, d.o.o.	Ljudevita Posavskog 5	Sesvete	Croatia	10045107278
98	Mercator - S, d.o.o.	Temerinski put 50	Novi Sad	Serbia	
99	Mercator IP, d.o.o.	Dunajska 110	Ljubljana	Slovenia	
100	Mercator Macedonia, d.o.o.e.l.	Temerinski put 50	Novi Sad	Republic of Macedonia	
101	MERCATOR MAXI, d.o.o.	Trg republike 1	Ljubljana	Slovenia	
102	Mercator-Velpro, d.o.o.	Slovenčeva 25	Ljubljana	Slovenia	
103	Mg Mivela d.o.o. - ex Jamnica d.o.o. Beograd	Partizanske avijacije bb	New Belgrade	Serbia	
104	Mladina d.d.	Bana Josipa Jelačića 85	Jastrebarsko	Croatia	00233318664
105	Moje domaće meso d.o.o.	Male sredice 17/B	Bjelovar	Croatia	60174244801
106	Mondo-tera d.o.o.	Republike Hrvatske 71	Grude	Bosnia and Herzegovina	
107	Morso-Line doo	Autoput za Zagreb 11a	New Belgrade	Serbia	
108	M-Profil SPV d.o.o.	Zrenjaninski put bb	Belgrade	Serbia	
109	mStart Business Solutions d.o.o.	Autoput za Zagreb 11a	New Belgrade	Serbia	
110	mStart d.o.o.	Slavonska avenija 11a	Zagreb	Croatia	19895453012
111	Multiplus card d.o.o.	Trg Dražena Petrovića 3	Zagreb	Croatia	18207737728
112	Nova sloga d.o.o.	Kneginje Milice 81/1	Trstenik	Serbia	
113	Pet-prom ulaganja d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	77713684270

114	Photo boutique d.o.o.	Heinzelova 60/1	Zagreb	Croatia	73727912033
115	PIK BH d.o.o. Laktaši	Ulica Svetosavska bb	Laktaši	Bosnia and Herzegovina	
116	PIK Vrbovec d.d.	Zagrebačka 148	Vrbovac	Croatia	78909170415
117	PIK Vrbovec d.o.o.	Veljka Lukića 22	Lukovac	Bosnia and Herzegovina	
118	PIK-Vinkovci d.d.	Matije Gubca 130	Vinkovci	Croatia	17774531631
119	Platinum-A, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
120	Platinum-B, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
121	Platinum-C, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
122	Platinum-D, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
123	Platinum-E, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
124	Platinum-F, d.o.o.	Dunajska 107	Ljubljana	Slovenia	
125	Plodovi podravine d.o.o.	Grgura Karlovčana 2/a	Ferdinandovac	Croatia	40177414551
126	Poliklinika Aviva	Nemetova	Zagreb	Croatia	01916835772
127	Poljoprivreda j.d.o.o.	Matije Gubca 130	Vinkovci	Croatia	06919626383
128	Poslovni sistem Mercator, d.d.	Dunajska 107	Ljubljana	Slovenia	
129	Projektgradnja d.o.o.	Vrbska ulica 3	Gornja Vrba	Croatia	19659143269
130	Rivijera d.d.	Liburnijska 46	Ičići	Croatia	80911267020
131	Roto dinamic d.o.o.	Samoborska cesta 102	Zagreb	Croatia	24723122482
132	Roto ulaganja d.o.o.	Tome Stržića 8	Rijeka	Croatia	28189962659
133	Sarajevski kiseljak d.d.	Kraljice mira br. 17	Kiseljak	Bosnia and Herzegovina	
134	Shutnell Limited Ltd. Cipar	Konstantinou. 9,. Agios. Antreas	Nicosia	Ciper	
135	SK-735 d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	81441487023
136	Sojara d.o.o.	Ulica 84 Gardijske bojne HV Termiti 40	Zagreb	Croatia	87720689078
137	Solana Pag d.d.	Svilno bb	Pag	Croatia	34949147151
138	Super Kartica d.o.o.	Partizanske avijacije bb	New Belgrade	Serbia	
139	Super kartica d.o.o. Podgorica	Put Radovana Ivanovića br. 2	Podgorica	Montenegro	
140	Super Kartica d.o.o. Sarajevo	Ul. Ložionička br. 16	Sarajevo	Bosnia and Herzegovina	
141	Terra Argenta d.o.o.	Sajmište 113/c	Vukovar	Croatia	20453182684
142	Tisak d.d.	Slavonska avenija 11a	Zagreb	Croatia	75917721668

143	Tisak d.o.o.				
144	TISAK InPost d.o.o.	Slavonska avenija 11a	Zagreb	Croatia	21436767937
145	Tisak usluge d.o.o.	Slavonska avenija 11a	Zagreb	Croatia	85003955783
146	TPDC Sarajevo d.d.	Rajlovačka bb	Sarajevo	Bosnia and Herzegovina	
147	Velpro - centar d.o.o.	Marijana Čavića 1/a	Zagreb	Croatia	46660800468
148	VELPRO d.o.o. Sarajevo	Rajlovačka bb	Sarajevo	Bosnia and Herzegovina	
149	VELPRO SISTEM d.o.o. Beograd	Knežopoljska 1	Belgrade	Serbia	
150	Vinarija Novigrad d.o.o.	Tome Strižića 8	Rijeka	Croatia	67539583469
151	Vinka	Jarminačka cesta 1	Vinkovci	Croatia	45295422526
152	Vizba Valandovo dooel	Nikola Karev Street Number 6. Valandovo	Valandovo	Republic of Macedonia	
153	Vjesnik-usluge d.o.o.	Slavonska avenija 4	Zagreb	Croatia	21825610728
154	Vupik d.d.	Sajmište 113/c	Zagreb	Croatia	06849543412
155	Zagreb plakat d.o.o.	Koturaška 51	Zagreb	Croatia	32111742300
156	Zvijezda d.d.	Marijan Čavića 1	Zagreb	Croatia	91492011748
157	Zvijezda d.d.	Breznikova ulica 26	Domžale	Slovenia	
158	Zvijezda d.o.o. Sarajevo	Rajlovačka bb	Sarajevo	Bosnia and Herzegovina	
159	Žitnjak d.d.	Marija Čavića 8	Zagreb	Croatia	25435300118

Source:

Mjesečno izvješće o gospodarskom i financijskom stanju te o provedbi mjera izvandredne uprave u Agrokor d.d.-u.  
Objava Trgovački sud , Republike Hrvatske z dne 10.4.2017