

27 November 2020

**Announcement**

**INVITATION TO SUBSCRIBE THE BOND ISSUED BY ATLANTIC GRUPA d.d.**

ATLANTIC GRUPA joint stock company for domestic and international trade, with its registered office in Zagreb, Miramarska 23, registered with the Court Registry of the Zagreb Commercial Court under the registration number (MBS): 080245039, PIN (OIB):71149912416 (the “**Issuer**” or “**Atlantic Grupa d.d.**”) intends to issue bonds on the domestic capital market up to the amount of HRK 300,000,000.00, with a fixed annual interest rate and a semi-annual coupon payment and a bullet maturity after 5 (five) years, having a ticker symbol ATGR-O-25CA and an international securities identification number (ISIN) HRATGRO25CA5 (the “**Bonds**”).

The joint agents and underwriters of the issue are **Erste&Steiermärkische Bank d.d.**, Rijeka, Jadranski trg 3/a, PIN (OIB): 23057039320, **OTP banka d.d.**, Split, Domovinskog rata 61, PIN (OIB): 52508873833, **Privredna banka Zagreb d.d.**, Zagreb, Radnička cesta 50, PIN (OIB): 02535697732, **Raiffeisenbank Austria d.d.**, Zagreb, Magazinska 69, PIN (OIB): 53056966535, and **Zagrebačka banka d.d.**, Zagreb, Trg bana Josipa Jelačića 10, PIN (OIB): 92963223473 (the “**Joint Lead Managers**”).

On November 5, 2020, the Issuer published, on websites of the Zagreb Stock Exchange Inc. (the “**Zagreb Stock Exchange**”) (<https://eho.zse.hr/fileadmin/issuers/ATGR/COI-ATGR-83fd5980b773f7ecc762f8e8aaf94d.pdf>) and of the Issuer ([https://www.atlanticgrupa.com/media/uploads/atlantic\\_grupa\\_d.d.\\_registracijski\\_dokument.pdf](https://www.atlanticgrupa.com/media/uploads/atlantic_grupa_d.d._registracijski_dokument.pdf)), the Issuer’s Registration Document dated November 4, 2020 (the “**Registration Document**”). On November 26, 2020, the Issuer published, on websites of the Zagreb Stock Exchange (<https://eho.zse.hr/fileadmin/issuers/ATGR/COI-ATGR-7c33dae13fbce2643bbe1fcc0861656d.pdf>) and of the Issuer ([https://www.atlanticgrupa.com/media/uploads/prospekt\\_planina\\_ovp\\_%2B\\_sazetak\\_26112020\\_fin\\_al.pdf](https://www.atlanticgrupa.com/media/uploads/prospekt_planina_ovp_%2B_sazetak_26112020_fin_al.pdf)), the Summary of the prospectus and the Securities Note for the issuance by public offering and the listing of the Bonds dated November 23, 2020 (the “**Summary and Securities Note**”). Together, the Registration Document and the Summary and Securities Note constitute the Prospectus for the issuance by public offering and the listing of the Bonds (the “**Prospectus**”) and only the information contained in the Prospectus are relevant for making a decision to invest in the Bonds. The approval of the Prospectus by the Croatian Financial Services Supervisory Agency shall not be considered as an approval of nor a recommendation to invest in the Bonds. It is recommended to potential investors to read the Prospectus before making an investment decision in order to fully understand potential risks and benefits related to a decision to invest in the Bonds.

The Bond issue shall be conducted as a public offering to investors who will invest at least HRK 100,000.00 for the subscribed securities, for each individual offer.

The holders of the existing bonds issued by Atlantic Grupa d.d. with the symbol 3ATG (ATGR-O-216A), international securities identification number (ISIN) HRATGRO216A9, and the maturity in 2021 (the “**Existing Bonds**”) shall be able to request redemption of the Existing Bonds from the Issuer and/or

swap the Existing Bonds for the Bonds on the Bond Issue Date. For the avoidance of doubt, the holders of the Existing Bonds shall be able to request their redemption from the Issuer even in the case they do not want to subscribe the Bonds. If the amount for swapping the Existing Bonds exceeds the amount required for subscribing the Bonds finally allocated to an investor, such difference shall be considered as a redemption of the Existing Bonds.

During the offering period for the Bonds (the “**Offering Period**”), interested investors shall indicate in the subscription form the nominal amount of the Bonds they are ready to subscribe and pay for, as well as (if applicable) the nominal amount of the Existing Bonds for redemption and/or swap for the Bonds. The Joint Lead Managers shall collect subscription forms.

When allocating the Bonds to investors, the Issuer shall, *inter alia*, use the principle of preferential allocation to those investors who expressed interest to swap the Existing Bonds for the Bonds. The principle of preferential allocation of the Bonds shall be applied by taking into account the nominal amount of swapping the Existing Bonds for the Bonds.

For the purposes of the rules of the law of obligations, the Invitation to Subscribe shall not be considered as an offer, but only as an invitation to submit offers under the published terms and conditions. The submission of a duly completed and signed subscription form by an investor during the Offering Period shall be considered as an offer to subscribe the Bonds.

**Basic terms of the Bond issue:**

Issuer:	Atlantic Grupa d.d.			
Targeted Nominal Amount of the Issue:	Up to HRK 300,000,000.00			
Denomination:	HRK 1,000.00			
Minimum Subscription Amount:	Minimum of 100 Bonds per investor in the total nominal amount of HRK 100,000.00 for each individual offer			
Settlement Currency:	HRK			
Ticker Code:	ATGR-O-25CA			
ISIN:	HRATGRO25CA5			
Issue Date:	December 11, 2020			
Maturity Date:	December 11, 2025			
Settlement Date:	December 11, 2020			
Repayment of Principal:	Bullet; at maturity			
Interest Rate:	Fixed			
Interest Payment:	Semi-annual			
Call Option: <i>(The Issuer is entitled to redeem the Bonds before their maturity, at any time upon expiration of 2 (two) years after the Issue date, and at the redemption price as shown in the table on the right.)</i>	<b>Clean price</b>	<b>Redemption period</b>		
		<b>From, and including:</b>	<b>Until, but not including:</b>	
		100.50%	December 11, 2022	December 11, 2023
		100.25%	December 11, 2023	December 11, 2024
	100.00%	December 11, 2024	December 11, 2025	
Issue Price:	The price will be determined based on the established yield and the fixed interest rate, no later than on the first working day after the Offering Period.			
Yield:	Reference interest rate, plus the Issuer’s Risk Premium			

Reference Interest Rate:	Interpolated yield on HRK bonds of the Ministry of Finance of the Republic of Croatia RHMFO-O-257A (ISIN: HRRHMFO257A4) with the maturity on July 9, 2025, and RHMFO-O-26CA (ISIN: HRRHMFO26CA5) with the maturity on December 14, 2026
Risk Premium:	0.50 p.p.
Clean redemption price and/or swap price of the Existing Bonds:	100.00%
Accrued Interest on the Existing Bonds:	The accrued interest for the period starting, and including June 17, 2020, until, but excluding, December 17, 2020, i.e. 1.5625%
Total redemption price and/or total swap price of the Existing Bonds:	Clean redemption price and/or swap price of the Existing Bonds, plus the amount of accrued interest, i.e. 101.5625%
Clearing and settlement:	Central Clearing and Depository Company d.d. ("CDCC")
Listing:	Official Market of the Zagreb Stock Exchange
Joint Lead Managers and Bookrunners:	Erste&Steiermärkische Bank d.d., OTP banka d.d., Privredna banka Zagreb d.d., Raiffeisenbank Austria d.d. and Zagrebačka banka d.d.
Orderbook:	"Pot orderbook"

**Bond issue and listing timetable:**

Start of the Offering Period:	December 8, 2020 at 9 a.m.
End of the Offering Period:	December 8, 2020 at 2 p.m.
Publication of the notice of the determined price and the total allocated amount of Bonds:	December 9, 2020 (No later than the first working day after the end of the Offering Period)
Delivery of the allocation notice to investors:	December 9, 2020 (No later than the first working day after the end of the Offering Period)
Delivery of instructions for payment and/or delivery of the Existing Bonds to investors:	December 9, 2020 (No later than the first working day after the end of the Offering Period)
Date of issue and admission of the Bonds in CDCC:	December 11, 2020 (No later than the first working day after the end of the Offering Period)
Notice on the final terms of the issue:	December 11, 2020
Listing of the Bonds on the Official Market of the Zagreb Stock Exchange:	After approval of the listing by the Zagreb Stock Exchange, expected no later than December 15, 2020

During the Offering Period, the Issuer may amend the contents of this Invitation to Subscribe. The Issuer reserves the right to withdraw this Invitation to Subscribe at any time until the Bonds are registered in the CDCC's information system on the Issue Date. In this case, any investor who subscribed and paid for the Bonds shall be entitled to the refund of the paid funds no later than 7 (seven) working days from the date of the Issuer's withdrawal of this Invitation to Subscribe, whereas such an investor shall not be entitled to interest. Additionally, if an investor delivered the Existing Bonds for redemption and/or for the purpose of swapping the Existing Bonds for the Bonds, and the

Issuer exercised its right to withdraw this Invitation to Subscribe, such an investor shall neither be entitled to payment (in the case that the Existing Bonds were delivered for redemption) nor acquire the Bonds (in the case that the Existing Bonds were delivered for the purpose of the swap). Any such investor shall be entitled to the return of the delivered Existing Bonds immediately after the Issuer's withdrawal of this Invitation to Subscribe.

In the case of late payment and/or (if applicable) delivery of the Existing Bonds, the Issuer shall not be obliged to take the late payment or delivery of the Existing Bonds into account; however, the Issuer may, at its own discretion, take such late payments or deliveries of the Existing Bonds into account if that would not in any way jeopardize the execution of the Bond issue in accordance with and within the deadlines stipulated by applicable regulations and the Securities Note.

In the case that the interest of investors to subscribe the Bonds exceeds HRK 300,000,000.00, there is no obligation to allocate the Bonds to investors proportionally, and the Issuer reserves the right to decide on the final allocation of the Bonds, after consultation with the Joint Lead Managers.

#### **Instructions for subscription of the Bonds:**

Investors shall subscribe the Bonds, i.e. request redemption and/or swap of the Existing Bonds by means of a subscription form, which is available on the website of the Zagreb Stock Exchange (<https://eho.zse.hr/fileadmin/issuers/ATGR/COI-ATGR-f218636d5db1ceb6dc9b738472c6080f.pdf>) and the website of the Issuer (<https://www.atlanticgrupa.com/en/news/investors/subscription-form-atgr-0-25ca/>) (the "**Subscription Form**"). The completed and signed Subscription Forms shall be delivered to one of the Joint Lead Managers in electronic form, by fax or in person, at the latest by the end of the Offering Period to the addresses/contacts listed below. For any additional questions, investor may contact one of the Joint Lead Managers by using the following contacts:



#### **Erste & Steiermärkische Bank d.d.:**

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PBZ je član grupe INTESA  SNNBIOLO

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