

ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN: HRATGRRA0003
3ATG2 / ISIN: HRATGRO25CA5
LEI: 3157002G3ENYCZEB1A25
HOME MEMBER STATE: Croatia
REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, 4 May 2021

- **regulated information**

Notice on the held session of the Management Board, session of the Supervisory Board and convocation of the General Assembly of the Company

Pursuant to Articles 133 and 135 of the Zagreb Stock Exchange Rules, Atlantic Grupa dd.d. (hereinafter: the Company) announces that:

- on 3 May 2021 the Management Board of the Company held its session at which the proposal on the dividend payment, the proposal on the amendment to the Articles of Association, as well as other proposals are adopted, that were submitted to the Supervisory Board of the Company;
- on 3 May 2021 the Supervisory Board of the Company held its session at which it gave approval on audited consolidated and unconsolidated financial results of the Company for 2020, adopted the proposal of the Management Board on the dividend payment, the proposal on the amendment to the Articles of Association, the Report on the performed supervision of the Company's business operations management in the year 2020, the proposal on the election of Mr. Zdenko Adrović and Mr. Siniša Petrović for a new term of office in the Supervisory Board of the Company, the proposal on the election of Mr. Marko Lesić for a member of the Audit Committee of the Supervisory Board of the Company, as well as the other proposals that shall be submitted to the General Assembly for their adoption.

In addition to decisions which reflect the review of the Company's operations in the previous business year, such as the decision on issuing notes of release to the members of the Management Board and the Supervisory Board and the Report on remuneration of members of the Supervisory Board and the Management Board in the previous year, the Supervisory Board has accepted the Proposal of the Management Board for a Decision on the dividend payment. The said Proposal envisages dividend payment in the amount of HRK 40.00 per share, from the retained earnings of the Company from the year 2019 as well as from the part of the profit of the Company from 2020. The Proposal includes the payment of dividends to shareholders of the Company registered as such in the Central Depository and Clearing Company Inc. on 24 June 2021 (record date), while the proposed date on which the Company shares will be traded without the right to dividend payment is 23 June 2021 (ex date) and 7 July 2021 is proposed as a date for its payment (payment date). The adopted the Report on the performed supervision of the Company's business operations management in the year 2020 and the proposal on the amendment to the Articles of Association are hereby provided as an attachment to this announcement.

In line with the Article 463 paragraph 4 of the Capital Markets Act, the Company hereby announces that the audited non-consolidated and the consolidated Annual financial report of the Company for 2020 as it was

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announced in line with the Article 462 paragraph 1 of the Capital Markets Act, in its entirety and with the same content is approved by the Supervisory Board as the authorized Company's body, at its Session held on 3 May 2021. The decision of the Supervisory Board on approving Annual Financial Report, the proposal of the Management Board on the dividend payment and the proposal of the Supervisory Board on the dividend payment are in line with the Article 463 attached to this announcement.

The General Assembly shall be convened for 16 June 2021. The Invitation to the General Assembly including Proposals of Decisions which shall be submitted to the General Assembly for the adoption, will be published within the deadlines and in the manner determined by the law.

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Pursuant to Article 263 and Article 300c of the *Companies Act*, the *Articles of Association of the Atlantic Grupa d.d.*, Articles of the *Code of the Corporate Governance* of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency, the Supervisory Board of Atlantic Grupa d.d. (Atlantic Grupa d.d. hereinafter also as: a „Company“) submits to the General Assembly the following

REPORT

ON THE PERFORMED SUPERVISION OF THE COMPANY'S BUSINESS OPERATIONS MANAGEMENT IN THE YEAR 2020

The Supervisory Board of Atlantic Grupa d.d. (hereinafter referred to as: the Supervisory Board), pursuant to the powers conferred by the provisions of the *Company Act*, the *Articles of Association of the Atlantic Grupa d.d.*, *Rules of Procedure of the Supervisory Board* and the *Code of the Corporate Governance* of the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency, continually performed supervision of business operations of Atlantic Grupa d.d. in the period from January 1st, 2020 to December 31st, 2020. Through its supervision the Supervisory Board concluded that in 2020 Atlantic Grupa d.d. has operated in accordance with the Law, the Company's acts and decisions of the General Assembly.

In 2020, the Supervisory Board operated in the following composition:

Zdenko Adrović (President),
Siniša Petrović (Vice President),
Anja Svetina Nabergoj (member),
Monika Elisabeth Schulze (member),
Franz Josef Flosbach (member),
Aleksandar Pekeč (member),
Lars Peter Elam Håkansson (member).

In 2020 the Supervisory Board held four sessions in which it discussed issues and reached decisions and conclusions on matters pertaining to the functioning and business operations of the Company and its affiliates. The Supervisory Board was duly informed by the Management Board of all business events of greater importance, the course of business operations, revenues and expenditures, as well as of the general status of the Company. The Management Board regularly submitted to the Supervisory Board quarterly, semi-annual and annual written reports on business operations to which the Supervisory Board had no objections and which were unanimously adopted. The Supervisory Board has performed supervision of the Company's activities in line with the decisions adopted by the Company's General Assembly and concluded that the Company acted entirely in conformity with decisions of the General Assembly. The Supervisory Board used its counsel and recommendations to influence the Company's activities which marked the business

year of 2020 (conducting the business during the COVID-19 pandemic, defining the new strategic vision of Atlantic Grupa, sale of the Bebi brand as continuation of the process of divesting minor and non-core activities, entering into strategic partnership with Procaffe company, new corporate bond issuance) and discussed in details the Annual Business Plan for 2021.

Three Committees were established which activities assist the operation and functioning of the Company's Supervisory Board, namely: the Audit Committee, the Nomination and Remuneration Committee and the Corporate Governance Committee.

Each Committee anticipates three members of which two are appointed from the ranks of Supervisory Board members while one member is appointed from the ranks of top external experts in the subject area.

The Audit Committee is chaired by Franz Josef Flosbach, Marko Lesić was appointed as the external expert, while Zdenko Adrović was appointed from the ranks of Supervisory Board members. The Committee held two sessions throughout 2020.

The Corporate Governance Committee is chaired by Siniša Petrović, while Nina Tepeš was appointed as the external expert. The Committee held five sessions throughout 2020.

The Nomination and Remuneration Committee is chaired by Aleksandar Pekeč, Lars Peter Elam Håkansson was appointed from the ranks of Supervisory Board members, while Zoran Sušanj was appointed as the external expert. The Committee held two sessions throughout 2020.

Within the legal timeframe, prescribed in Article 300c of the *Companies Act*, the Supervisory Board reviewed the annual financial statements of Atlantic Grupa d.d. and its affiliates for the year ended on December 31st, 2020 together with the report of an independent auditors Ernst & Young d.o.o., Radnička cesta 50, Zagreb and Kulić i Sperk revizija d.o.o., Radnička cesta 50, Zagreb, submitted by the Management Board. Supervisory Board has determined that they were drafted in accordance with the situation established in the financial records of Atlantic Grupa d.d. and its affiliates and that they realistically and objectively present the financial status and the results of business operations of Atlantic Grupa d.d. In accordance with such findings, the Supervisory Board agrees with the annual financial statement for 2020 and the independent auditor's report and thereby, pursuant to Article 300d of the *Companies Act*, the Management and Supervisory Board have affirmed the annual financial statements of the Company. The integral parts of the annual financial statement of Atlantic Grupa d.d. for the year ended on December 31st, 2020 are:

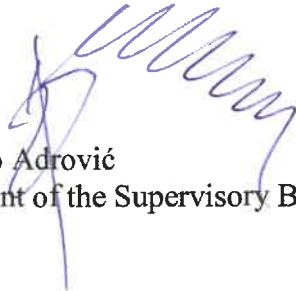
- Income statement of Atlantic Grupa d.d.
- Balance sheet of Atlantic Grupa d.d.
- Cash flow statement of Atlantic Grupa d.d.
- Statement of changes in equity of Atlantic Grupa d.d.
- Notes to the financial statements of Atlantic Grupa d.d.
- Income statement of Atlantic Grupa d.d. and its affiliates
- Balance sheet of Atlantic Grupa d.d. and its affiliates
- Cash flow statement of Atlantic Grupa d.d. and its affiliates

- Statement of changes in equity of Atlantic Grupa d.d. and its affiliates
- Notes to the financial statements of Atlantic Grupa d.d. and its affiliates
- Auditor's report on the performed audit of the audit companies Ernst & Young d.o.o. and Kulić i Šperk revizija d.o.o.

The Supervisory Board reviewed the annual report of the Management Board on the status of the Company for 2020 and determined that it accurately and objectively presents the current business situation and status of the Company. In accordance with such findings, the Supervisory Board has accepted the Management Board's report on the status of the Company for 2020.

The Management Board presented to Supervisory Board a Proposal of the Decision on use of retained earnings of the Company realized in the previous business years and use of earning realized in 2020, the Supervisory Board agrees with the proposal of the Decision of the Management Board of Atlantic Grupa d.d. and, therefore, such proposal of the decision will be submitted to the General Assembly of Atlantic Grupa d.d. for adoption.

Pursuant to all of above, the Supervisory Board submits this report to the General Assembly with a motion that the General Assembly makes decisions under its competence in conformity with the proposals of the Management and Supervisory Board.



Zdenko Adrović
President of the Supervisory Board

Pursuant to Article 275 of the *Companies Act*, the Supervisory Board of Atlantic Grupa d.d. (hereinafter: Atlantic Grupa or the Company) at the proposal of the Management Board, at its Session dated 3rd of May 2021, adopted the following proposal of the:

DECISION
ON THE AMENDMENTS TO THE ARTICLES OF ASSOCIATION OF ATLANTIC GRUPA d.d.

1. In Article 6 of the *Articles of Association of Atlantic Grupa d.d.*, after the existing five paragraphs, a new paragraph is added which reads:

“This provision shall enter into force after registration of the amendment of the Articles of Association of Atlantic Grupa d.d. adopted on the General Assembly on 16 June 2021, in the Court Registry.”

2. All other provisions of the Articles of Association of Atlantic Grupa d.d. shall remain unchanged.
3. This Decision on Amendments to the Articles of Association of Atlantic Grupa d.d. shall enter into force and apply from the date of registration in the Court Registry.
4. The Supervisory Board is hereby authorised to establish the complete version of the Articles of Association of Atlantic Grupa d.d. in accordance with this Decision on Amendments to the Articles of Association of Atlantic Grupa d.d.
5. The proposal from this Decision shall be submitted to the General Assembly for its approval.


Zdenko Adrović
President of the Supervisory Board

Pursuant to Article 300. d and in line with the Article 300. c of the *Companies Act*, the Supervisory Board on its Session held on May 3rd, 2021 adopted the following:

DECISION

I The Supervisory Board hereby approves the 2020 ANNUAL REPORT of Atlantic Grupa d.d. that also includes the following:

1. Annual Financial Statements for the Year 2020, non-consolidated and consolidated, consisting of the Statement of Financial Position (Balance Sheet), Income Statement, Statement of Other Comprehensive Income, Statement of Cash Flow, Statement of Changes in Equity and Notes to Financial Statements;

2. Report on the performed audit by Ernst & Young d.o.o. from Zagreb and Kulić i Sperk Revizija d.o.o. from Zagreb;

3. Annual Management Report on the Company's status / Management Report Atlantic Grupa d.d.

II Pursuant to Article 300. d of the Companies Act, by granting approval as stated in point I of this Decision, the 2020 Annual Financial Statements of Atlantic Grupa d.d. are considered to be approved both by the Management Board and by the Supervisory Board.


Zdenko Adrović
President of the Supervisory Board

Pursuant to Article 300. b of the *Companies Act*, the Management Board of Atlantic Grupa d.d. (hereinafter: Atlantic Grupa or the Company) at its Session dated 03rd of May 2021, adopted the following proposal of the:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2020

1. In the business year ending on 31 December 2020, Atlantic Grupa has realized a consolidated net income after minority interests in the amount of HRK 341,729,554.00 (three hundred forty one million seven hundred twenty nine thousand five hundred fifty four kuna and zero lipa), while Atlantic Grupa d.d. (hereinafter: the Company) has realized the net income of HRK 224,534,100.62 (two hundred twenty four million five hundred thirty four thousand one hundred kuna and sixty two lipa).
2. The dividend in the amount of HRK 40.00 (forty kuna and zero lipa) per share shall be distributed to the shareholders of the Company in proportion to the number of shares held by each shareholder. The dividend shall be paid from the entire retained earnings of the Company realized in the business year 2019 in the amount of HRK 109,960,444.89 (one hundred nine million nine hundred sixty thousand four hundred forty four kuna and eighty nine lipa) and from the part of the Company's profit realized in the business year 2020.
3. The dividend shall be paid to all shareholders of the Company registered as such in the depository of the Central Depository and Clearing Company d.d. on 24 June 2021 (record date). The date on which the Company shares will be traded without the right to dividend payment shall be 23 June 2021 (ex date). The claim for dividend payment shall become due on 7 July 2021 (payment date).
4. The net profit realized in the business year 2020 remaining after the dividend distribution in accordance with items 2 and 3 of this Decision shall remain in the retained (undistributed) profit of the Company.
5. The proposal from this Decision shall be submitted to the Supervisory Board for its approval.

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Emil Tedeschi,
President of the Management Board

Pursuant to Article 300. c of the *Companies Act*, to the proposal of the Management Board dated 03rd of May 2021, the Supervisory Board on its Session held on May 3rd, 2021 adopted the following:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2020

1. In the business year ending on 31 December 2020, Atlantic Grupa has realized a consolidated net income after minority interests in the amount of HRK 341,729,554.00 (three hundred forty one million seven hundred twenty nine thousand five hundred fifty four kuna and zero lipa), while Atlantic Grupa d.d. (hereinafter: the Company) has realized the net income of HRK 224,534,100.62 (two hundred twenty four million five hundred thirty four thousand one hundred kuna and sixty two lipa).
2. The dividend in the amount of HRK 40.00 (forty kuna and zero lipa) per share shall be distributed to the shareholders of the Company in proportion to the number of shares held by each shareholder. The dividend shall be paid from the entire retained earnings of the Company realized in the business year 2019 in the amount of HRK 109,960,444.89 (one hundred nine million nine hundred sixty thousand four hundred forty four kuna and eighty nine lipa) and from the part of the Company's profit realized in the business year 2020.
3. The dividend shall be paid to all shareholders of the Company registered as such in the depository of the Central Depository and Clearing Company d.d. on 24 June 2021 (record date). The date on which the Company shares will be traded without the right to dividend payment shall be 23 June 2021 (ex date). The claim for dividend payment shall become due on 7 July 2021 (payment date).
4. The net profit realized in the business year 2020 remaining after the dividend distribution in accordance with items 2 and 3 of this Decision shall remain in the retained (undistributed) profit of the Company.
5. The proposal from this Decision shall be submitted to the General Assembly for its adoption.



Zdenko Adrović
President of the Supervisory Board