

Zagreb Stock Exchange
Ivana Lučića 2a/22
10000 Zagreb

Mrs. Ivana Gažić – President of the Management Board

Varaždin, 19th August 2021

SUBJECT: Periodic review of the issuer Varteks d.d.
- statement on the letter received on 12th August 2021

Dear,

following your letter, which we received on August 12th, 2021, we respond as follows.

Varteks d.d. (hereinafter: the Company) is a long-term issuer of shares on the Zagreb Stock Exchange (hereinafter: the Stock Exchange). Your letter lists the omissions that were recorded in connection with delays in the specified financial statements of the Company, the failure to publish information on the announcement of the meeting of the Supervisory Board and the settlement of financial obligations to the Exchange, starting from January 1st, 2021 until June 30th, 2021.

1) First of all, we would like to emphasize that we take all measures and warnings issued by the Stock Exchange extremely seriously, and that the Company continuously undertakes all necessary activities in order to fulfill its obligations to the Stock Exchange on time, ie within the prescribed deadlines. For that reason, on April 29th, 2021 the Company sent a notice to the Stock Exchange, Hanfa and Hina that due to the situation related to the corona virus pandemic (COVID-19), despite the efforts made, it will not be able to meet the prescribed obligations related to the publication of audited consolidated and unconsolidated annual financial statements for 2020 deadlines prescribed by the Capital Market Act, but to do so no later than June 30th, 2021, which the Company has fulfilled by the specified date. We note that the pandemic had a very adverse effect on the activities in the preparation of the prescribed Annual Reports, in a way that prevented a significant number of employees from performing their tasks and thus prevented the timely fulfillment of the prescribed deadlines.

2) The omission related to the announcement of the meeting of the Supervisory Board at which it was decided on the approval for the disposal of treasury

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shares is a consequence of the fact that we interpreted the provision of Article 133 of the Stock Exchange Rules differently. The meeting of the Supervisory Board at which the disposal of treasury shares was discussed was not held in physical form, but the whole situation happened "ad hoc". The members of the Supervisory Board commented on the approval by e-mail, and after receiving all approvals, the decision of the Supervisory Board was published. In future periods, regardless of the manner of holding the meeting of the Supervisory Board, we will respect all prescribed deadlines and notify the Stock Exchange in a timely manner.

- 3) The problems related to the pandemic also adversely affected the Company's liquidity, and the settlement of our financial obligations took longer, but at no point was it called into question. For the stated period, from the total indebtedness of the Company to the Stock Exchange, HRK 20,500.00 was settled by June 25th, 2021, while the remaining HRK 20,000.00 will be settled by August 20th, 2021 at the latest.

In the future, despite the difficulties and specifics of the activity in which it operates, the Company will strive to ensure sufficient preconditions to be able to fulfill all its obligations to the Stock Exchange within the prescribed deadlines and in full.

Therefore, we ask you to take into account all the stated objective circumstances and respect our statement.

With respect,

VARTEKS d.d.
President of the Management Board

Tomislav Babić

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