

# VARTEKS

1918.

Company: VARTEKS d.d., Varaždin, Zagrebačka 94  
LEI: 74780000Q0LH0TDGEO80  
Member State: Republic of Croatia  
ISIN: HRVARTR10005  
Ticker: VART  
Regulated Market: Zagreb Stock Exchange  
Market Segment: Official Market

**CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY**

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**ZAGREB STOCK EXCHANGE**

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**WEBSITE OF THE ISSUER – [www.varteks.com](http://www.varteks.com)**

Varaždin, April, 12<sup>th</sup>, 2024

**SUBJECT: Publication of information – Invitation to the Extraordinary  
General Assembly**

VARTEKS d.d. / Zagrebačka 94 / HR-42000 VARAŽDIN / t. +385 99 399 7874 / f. +385 42 377 178 / P.P. 32 / info@varteks.com  
Temeljni kapital 6.671.558,00 EUR uplaćen u cijelosti i podijeljen na 5.026.686 redovnih dionica bez nominalnog iznosa.  
Društvo je upisano u registar Trgovačkog suda u Varaždinu, poslovni broj iz upisnika Tt: 95/463-2 (MSB) 070004039, MB 3747034  
OIB: 00872098033 / VAT: HR00872098033 / članica Uprave Jelena Bošnjak / predsjednik Nadzornog odbora Ante Župić

IBAN račun: HR 19 2360 0001 1013 3948 3 (Zagrebačka banka d.d. Zagreb) / HR62 2340 0091 1001 1083 9 (Privredna banka d.d. Zagreb)  
HR47 2484 0081 1004 1765 2 (Raiffeisenbank Austria d.d. Zagreb)

Based on Art. 277 of the Law on Companies and Article 25 of the Statute of VARTEKS d.d. Varaždin, Zagrebačka 94, OIB:00872098033, MBS: 070004039 (hereinafter: the Company), the Management Board of the Company adopted on April 12, 2024 the Decision on convening the General Assembly of Varteks d.d. Varaždin, and hereby invites the shareholders of the Company to

EXTRAORDINARY  
**GENERAL ASSEMBLY OF VARTEKS d.d.**

which will take place

**May 21, 2024**, starting at **12:00 p.m.** at the Company's headquarters in Varaždin, Zagrebačka 94

It is determined and announced for the extraordinary General Assembly

**DAILY AGENDA:**

1. Opening of the General Assembly and determination of the list of participants at the Assembly
2. Decision on the withdrawal of the Company's shares from listing on the regulated market (delisting from the Stock Exchange)
3. Decision on granting authority to the Company's Management to acquire its own shares
4. Making a decision on a simplified reduction of the share capital in order to cover losses due to the merger of shares
5. Making a decision on the exclusion of the preemptive rights of existing shareholders when registering new shares of the Company
6. Report of the Management Board on the reasons for excluding the pre-emptive rights of existing shareholders when registering new shares of the Company
7. Making a decision on granting approval for the acquisition of shares without the obligation to publish an offer for the takeover of VARTEKS d.d.
8. Adopting a decision on increasing the Company's share capital with cash contributions and issuing new Shares
9. Adopting a decision to amend the Statute
10. Management report on the situation in the Company
11. Report of the Supervisory Board on the supervision of the management of the Company's affairs

## **PROPOSED DECISIONS**

The Management Board and the Supervisory Board propose to the General Assembly to make a decision on the points of the Agenda of the General Assembly as follows:

### **Ad. 2. Decision on the withdrawal of the Company's shares from listing on the regulated market**

#### Article 1.

Varteks d.d. with its seat in Varaždin, Zagrebačka 94, registered in the court register of the Commercial Court in Varaždin under MBS:070004039, OIB: 00872098033, (hereinafter: the Company) withdraws 5,026,686 ordinary shares from listing on the regulated market (the official market of the Zagreb Stock Exchange d.d.) which are in the name, marked VART-R-1, without nominal amount, which are kept in the depository of the Central Clearing Depository Company d.d. Zagreb (hereinafter: SKDD), Heinzlova 61, OIB: 64406809162.

#### Article 2.

The company irrevocably declares that it undertakes to buy back from all shareholders who vote against this decision their shares within three months from the date of entry of the decision in the court register of the Commercial Court in Varaždin with a fair compensation determined by the Elaboration on the assessment of the fair value of the share dated April 12, 2024 in the amount of EUR 0.06 (six euro cents) per share, which in total for the existing 5,026,686 shares amounts to EUR 301,601.16.

#### Article 3.

This decision shall enter into force on the date of its entry into the court register of the Commercial Court in Varaždin, if it is passed by a majority of nine tenths of the votes cast, and in all other cases at the end of six months from the date of entry of the decision into the court register of the Commercial Court in Varaždin.

#### Article 4.

The shareholder's request to buy back shares expires within two months from the date of entry of this Decision in the court register.

#### Article 5.

After registering this Decision in the court register of the Commercial Court in Varaždin, the Company's Management is obliged to inform the Zagreb Stock Exchange d.d. without delay. about this decision.

### **Ad. 3. Decision on granting authority to the Company's Management to acquire its own shares**

#### Article 1.

On the basis of Article 233 paragraph 1 of the Companies Act, the General Assembly authorizes the Management Board to acquire its own shares from the Company's shareholders who voted against the

Decision of the General Assembly on the withdrawal of the Company's shares from listing on the regulated market, without further special consent of the General Assembly and under the terms of the decision of the General Assembly in question.

Article 2.

This decision enters into force on the day of its adoption.

**Ad. 4. Making a decision on a simplified reduction of the share capital in order to cover losses, by merging shares**

**I.**

It is determined that the Company's share capital on the date of this decision amounts to EUR 6,671,558 (six million seventy-six thousand five hundred and fifty-eight euros).

The Company's share capital has been paid in full.

The basic capital of the Company is divided into 5,026,686 (five million twenty-six thousand six hundred and eighty-six) ordinary shares, without the nominal amount of the designation VART-R-1.

**II.**

The basic capital of the company is reduced from the amount of EUR 6,671,558 (six million seventy-six thousand five hundred and fifty-eight euros)

for the amount of EUR 6,369,956.84 (six million three hundred sixty-nine thousand nine hundred and fifty-six euros and eighty-four cents)

to the amount of EUR 301,601.16 (three hundred and one thousand six and one euro and sixteen cents).

The share capital is reduced in a simplified manner in order to enable the (mathematical) merger of shares, and to cover the Company's losses from previous periods.

The funds obtained from the reduction of the share capital will be used to cover losses from previous periods in the cumulative amount of EUR 6,369,956.84 (six million three hundred sixty-nine thousand nine hundred and fifty-six euros and eighty-four cents).

All costs of reducing the share capital are borne by the Company.

The merger of shares will be carried out according to the merger ratio in such a way that each shareholder will be issued 1 (one) new registered ordinary share without nominal amount (hereinafter: New shares) for 174 (one hundred and seventy-four) shares.

After the reduction, the Company's share capital amounts to EUR 301,601.16 and is divided into 28,889 ordinary shares, without nominal amount.

### III

Shareholders of the Company who will not receive the full number of shares after the merger, or who at the time of the merger do not have a number of shares in their intangible securities accounts that is a multiple of 174, the corresponding number of shares after the merger will be rounded up to the first lower whole number of shares and will on their accounts of dematerialized securities, the number of shares after the implementation of the corporate share merger action be reduced to the first lower whole number of shares after the merger, with the alternative authorization of each Shareholder with the simultaneous obligation of the Company to pay each of these shareholders compensation in money in the amount of six cents (0 EUR .06) per share, unless the Shareholder, within 30 days from the date of adoption of this Decision, submits a Request to the Company for the purchase of the required number of missing shares in order to acquire one New Share, for monetary compensation in the amount of six cents (0.06 EUR) per share.

In the event that an individual Shareholder makes a request to purchase the missing shares in order to acquire one New Share, the Company is obliged to sell the missing number of shares to the individual Shareholder who made the Purchase Request, for the Shares acquired in accordance with point V of this Decision, within a period of six months from the date of adoption of this Decision.

In the event that the Company does not have a sufficient number of its own shares, it will not be able to accept the requests of individual shareholders for the purchase of shares, and the received requests from shareholders will be considered according to the time of receipt, with priority given to requests that were received earlier.

In the event that all Shareholders submit a Request for the purchase of the missing shares, this Decision, by fulfilling that termination condition, loses its legal effects.

### IV

The price of the shares referred to in point III of this decision was determined on the basis of the Company Valuation Report dated April 12, 2024 prepared by Marčinković i partneri d.o.o. , Ul. of the city of Vukovar 269, Zagreb.

### V

Shares for which the corresponding number of shares of individual shareholders of the Company has been reduced in accordance with point III and for which compensation has been paid to the shareholders, will be acquired by the Company as own shares, and the Company's Management Board is given the authority for the described acquisition of own shares during a period of six months from the date of this decision . Own shares can be acquired at a price of six cents (EUR 0.06) per share before the merger.

No more than 10% of the Company's share capital may be allocated to own shares acquired in the above manner.

The Management Board and the Chairman of the Supervisory Board are tasked with taking all necessary actions to register this decision in the court register of the Commercial Court in Varaždin and in the SKDD depository.

The reduction of the share capital through the merger of shares is considered implemented on the day of entry of this Decision in the court register of the Commercial Court in Varaždin.

**Ad. 5. Adopting a decision on the exclusion of the preemptive rights of existing shareholders when registering new shares Societies**

I.

In order to implement the Decision on increasing the share capital of VARTEKS d.d. with registered office in Varaždin, Zagrebačka 94, registered in the Court Register of the Commercial Court in Varaždin, under registration subject number 070004039, personal identification number 00872098033 (hereinafter referred to as the "Company") in accordance with Article 308 Paragraph 4 of the Companies Act, all existing shareholders The Company is excluded from the right of priority when registering and paying for new shares that will be issued in the process of increasing the Company's share capital, with the use of the exception from the previous publication of the prospectus regarding the offer of securities from Article 409, paragraph 1 of the Capital Market Act.

II.

This decision enters into force on the day of its adoption.

**Ad. 6. Report of the Management Board on the reasons for the exclusion of pre-emptive rights for existing shareholders when registering new shares of the Company**

The Management Board and the Supervisory Board of the Company believe that the Company's previous fundamental financial reports, relevant references and the Company's reputation on the domestic and foreign markets undoubtedly indicate the Company's development potential. In order to ensure stable operations, the Company is in dire need of new capital, and it is necessary to carry out a comprehensive restructuring process with the aim of reducing indebtedness and ensuring a stable and continuous positive cash flow.

In view of the above, the Company's Management has an interest, with the consent of the Supervisory Board, to carry out the procedure of increasing the share capital.

In accordance with the provisions of the Capital Market Act, any offer of shares to existing shareholders is considered a public offer, for which it is necessary to carry out the procedure prescribed by the Act in question and by-laws of the Croatian Financial Services Supervision Agency. The Company's management decided to use exceptions to the stated obligation in order to speed up the process of increasing the share capital and pay the necessary funds in the shortest possible time and at the lowest possible costs.

Pursuant to Article 409, Paragraph 1 of the Capital Market Act, a public offer of securities is permitted without prior publication of a prospectus, since it is an offer of securities where the total consideration for each such offer in the Union is less than the monetary amount calculated over a period of 12 months which may not exceed the amount of EUR 8,000,000.00.

The use of the mentioned exception from the preparation, approval and publication of the prospectus would not be possible in itself if the shareholder's right of priority to the registration of new shares was not excluded. In the event that there is no exclusion of shareholders' pre-emptive rights, the dynamics of the recapitalization process would be considerably slowed down, bearing in mind the legal procedure and deadlines that must be respected in the case of exercising pre-emptive rights, while on the other hand, it would represent a relatively large cost for the Company.

We argue that the proposed use of the right to exclude pre-emption rights for existing shareholders when registering new shares is a more demanding, time-consuming and expensive public offering process, which would make it impossible for the Company to timely repair its balance sheet and reduce its debt, as a result of increasing the share capital and issuing new shares.

In addition, it is estimated that at this moment in the capital market there is no possibility of successfully conducting a public offering of shares while retaining the priority rights of existing shareholders, while at the same time there are interested new investors who have expressed their will and intention to invest funds in the Company, in order to fulfill all necessary assumptions for the normalization of the Company's work and the strengthening of the Company's capital as a prerequisite for stability and the possibility of expansion of the Company's operations.

The Management Board and the Supervisory Board believe that the proposed investment will enable the Company to receive fresh capital in the short term and achieve the set business goals more quickly, as well as enable the Company to continue normal and stable operations.

As a result of the above, the company's management convened the General Assembly for May 21, 2024, at which it proposed the adoption of a decision on the increase of the share capital and the issuance of ordinary shares, payments in cash, with the exclusion of the right of priority when registering new shares for existing shareholders and with a decision on granting the acquirers that they can acquire shares with voting rights of the target company without the obligation to publish a takeover offer, if the relevant acquisition of shares with voting rights would create an obligation for those acquirers to publish a takeover offer, in accordance with Article 14, paragraph 1, point 3 of the Act on taking over joint stock companies.

Taking into account the above argumentation, the Management Board and the Supervisory Board of the Company believe that it is opportune and in the best interest of the Company as well as the existing shareholders to carry out the capital increase through cash payments, excluding the preemptive rights of the existing shareholders.

By successfully completing the capital increase procedure, the preconditions for organic growth and the conquest of new markets would undoubtedly be created. Postponing the start of the restructuring process in terms of optimizing the existing level of the Company's debt would adversely affect the stability of the Company and its competitiveness on the domestic and foreign markets, and consequently on the creation of additional values for shareholders. As a result of the above, the successful implementation of the capital increase would significantly improve all key balance sheet indexes and create the necessary positive effects for the continuation of business and the development of the company.

#### **Ad. 7. Decision on approving the acquisition of the Company's shares by investors without publishing the Company's takeover offer**

I

Investors are allowed to acquire shares with voting rights of the Company, without the obligation to publish a takeover offer, if the acquisition of shares with voting rights based on the Decision on increasing the share capital for investors would result in the obligation to publish a takeover offer, all in accordance with the provisions of Article 14, paragraph 1 point 3 of the Act on Takeover of Joint Stock Companies.

II

This Decision enters into force on the day of its adoption.

**Ad 8. Adopting a decision on increasing the Company's share capital with cash contributions and issuing new shares**

I.

The basic capital of the company VARTEKS d.d. with registered office in Varaždin, Zagrebačka 94, entered in the Court Register of the Commercial Court in Varaždin, under registration subject number 070004039, personal identification number 00872098033 (hereinafter referred to as the "Company") after the adoption of the Decision on simplified reduction of share capital by merger of shares, amounts to 301,601.16 EUR (three hundred and one thousand six and one euro and sixteen cents) and was divided into 28,889 (twenty eight thousand eight hundred and eighty nine ordinary shares) without nominal amount.

With this decision, the share capital of the Company can be increased from the amount of EUR 301,601.16 (three hundred and one thousand

one sixth euro and sixteen cents) for a minimum amount of EUR 100,004.76 (one hundred thousand four euros and seventy-six cents) to an amount of EUR 401,605.92 (four hundred one thousand six five euros and ninety-two cents), i.e. for a maximum amount of EUR 2,500,004.16 (two million five hundred and four thousand euros and sixteen cents) to an amount up to EUR 2,801,605.32 (two million eight hundred one thousand six five euros and thirty two cents).

II.

The increase in the Company's share capital from Article I of the decision will be carried out by paying in money by issuing a minimum of 9,579 (nine thousand five hundred and seventy-nine) and a maximum of 239,464 (two hundred and thirty-nine thousand four hundred and sixty-four) new registered ordinary shares, without nominal value (below : New Shares).

Registration of New Shares will be done in one round, and the price per share is set at EUR 10.44 (ten euros and forty-four cents).

III.

New Shares are issued in dematerialized form, in the form of an electronic record in the computer system of the Central Clearing Depository Company d.d. (hereinafter: SKDD), marked VART-R-1.

Each New Share gives the right to one vote in the General Assembly of the Company, and all other rights identical to the rights granted by existing shares of the Company in accordance with the law and the Company's Articles of Association. New Shares are registered and give the shareholders all the rights established by law and the Company's Articles of Association from the date of registration of the capital increase in the court register.



#### IV

Pursuant to Article 308, paragraph 4 of the Law on Companies, existing shareholders of the Company, who on the date of adoption of this Decision are registered in the depository of the Central Clearing Depository Company d.d. the legal right of priority when registering new shares, which will be issued on the basis of this Decision, is excluded, as explained in the report of the Company's Management Board submitted to the General Assembly.

#### V

Pursuant to the provisions of Article 409, paragraph 1 of the Capital Market Act and Article 1, paragraph 4, points b) and d) of Regulation (EU) 2017/1129 of June 14, 2017 on the prospectus that must be published during the public offering of securities or when listing for trading on a regulated market and repealing Directive 2003/71/EC (hereinafter: "Regulation"), there is no obligation to publish a prospectus for the offer of New Shares to the Investor, since it is an offer of securities where the total consideration for each such an offer in the Union is less than the monetary amount calculated during a period of 12 months which may not exceed the amount of EUR 8,000,000.00, i.e. about an offer of securities sent to fewer than 150 natural or legal persons per member state who are not qualified investors, i.e. on an offer of securities addressed to an investor who acquires securities with a total value of at least EUR 100,000 per investor for each separate offer.

The company will notify HANFA of the use of the exception from the obligation to publish a prospectus in connection with the offer of New Shares in accordance with Article 409, Paragraph 2 and Article 427 of the Capital Market Act immediately after the adoption of this Decision, and no later than 3 (three) working days before registration of New Shares in accordance with item II. of this Decision.

#### VI

Investors are allowed to acquire shares with voting rights in the Company, without the obligation to publish a takeover offer, if the acquisition of shares with voting rights based on the Decision on increasing the share capital for the investor would result in the obligation to publish a takeover offer, all in accordance with the provisions of Article 14, paragraph 1 point 3 of the Act on Takeover of Joint Stock Companies.

#### VII

The deadline for registration and payment of shares is set for 3 days from the date of adoption of this Decision, i.e. no later than May 24, 2024. The issuance of new shares will be considered successful if, within the given deadline for registration and payment, a minimum of 9,579 (nine thousand five hundred and seventy-nine) is subscribed, i.e. the share capital is increased by a minimum of EUR 100,004.76 (one hundred thousand four euros and seventy-six cents). The total amount of the successful issue determined in this way will also represent the exact amount of the increase in the Company's share capital by issuing new shares.

An individual investor can register and pay a minimum of 9,579 (nine thousand five hundred and seventy-nine) shares for the amount of EUR 100,004.76 (one hundred thousand four euros and seventy-six cents).

Registration of new shares will be done in one registration round, with the fact that the place and time for registration of New shares will be specified in detail in the public invitation for registration of New shares through written statements (registration forms) and the deadline for payment of the amount for the New shares registered. The public call for registration and payment of New Shares will be published on the Company's website.

The Company's management, with the approval of the Supervisory Board, will determine the success of the share issue, the exact amount of the capital increase and the exact number of new ordinary shares.

If the registration of the newly issued shares is not successful, the Company will return the funds paid to the investors within 7 days after the deadline for registration and payment of shares, as specified in paragraph 1 of this article.

## VIII

After registration in the competent court register, the corresponding number of ordinary shares, the designation assigned by SKDD, will be issued in the name, without nominal amount, in dematerialized form.

The investor becomes the owner of newly issued shares of the Company by registration in the SKDD depository, and the registration will be made in accordance with the rules of the SKDD, as soon as the capital increase is carried out in the court register.

## IX

If the capital increase is not registered in the court register within 6 months from the date of adoption of this Decision, the registration statement (registration form) will no longer bind the registrant, and the payment made will be returned to the investors without delay.

## X

The Management Board of the Company is authorized to take all legal actions in order to register this Decision and the related increase in the share capital in the court register of the Commercial Court in Varaždin.

### **Ad 9. Proposal for a decision to amend the Company's Statute.**

#### **Decision on amending the Company's Statute**

##### Article 1.

With the registration of the increase of the Company's share capital in the court register, and in accordance with the decision of the General Assembly on the increase of the share capital and the issuance of Company shares by cash contributions from May 21, 2024, Article 7 of the Company's Statute will be amended in such a way that the amount of the share capital from Article 7 of the Articles of Association and the number of ordinary registered shares from Article 7 of the Articles of Association are aligned with the changes that determine the success of registration and payment of new shares, and the final amount of the capital increase in accordance with the Decision on the increase of the share capital and the issuance of shares of the Company from May 21, 2024 . years.

##### Article 2.

Other Articles of the Statute remain unchanged.

The Supervisory Board of the Company is authorized to, on the basis of the aforementioned changes, determine the refined text of the Statute, which will be certified by a notary public.

Article 3.

This decision on the amendment of the Statute enters into force on the day of its entry into the court register of the Commercial Court in Varaždin.

#### **Ad. 10. Management report on the situation in the Company**

At the request of shareholder Marko Vučijević, OIB: 31455584300, Dubrovnik, Obala Papa Ivan Pavla II 28,

The Management Board of the Company will submit a Report on the situation in the Company to the General Assembly.

#### **Ad. 11. Report of the Supervisory Board on the supervision of the management of the Company's affairs**

At the request of shareholder Marko Vučijević, OIB: 31455584300, Dubrovnik, Obala Papa Ivan Pavla II 28,

The Supervisory Board of the Company will submit to the General Assembly a Report on the performed management supervision

of the Company's affairs.

### **CALL TO SHAREHOLDERS**

Invitation to the General Assembly with a proposed decision by the Supervisory Board of Varteks d.d. refer to consideration and adoption by the General Assembly of Varteks d.d. will be published on the websites of the court register, the Zagreb Stock Exchange, HANFA, HINA, and the websites of Varteks d.d. ([www.varteks.com](http://www.varteks.com)).

The right to participate in the work of the General Assembly and exercise the right to vote (1 share = 1 vote) has the right to all shareholders of the Company who are registered in the SKDD computer system seven days before the holding of the General Assembly, and to submit an application for participation no later than May 14, 2024. years.

A shareholder can participate and vote in person or through a proxy. Power of attorney to participate and exercise the right to vote at the General Assembly is given in writing.

Shareholders can be represented by proxies on the basis of a valid written power of attorney issued by the shareholder, that is, on behalf of the shareholder who is a legal entity, a person authorized to represent, in accordance with the provisions of Article 27 of the Company's Statute.

Shareholders who together have shares equal to one-twentieth of the Company's share capital may request in writing that an item be placed on the agenda of the General Assembly. The above request, together with the explanation and proposal for the decision, must be received by the Company at least 30 days before the General Assembly is held, and this deadline does not include the day the request arrives at the Company.

Each shareholder, stating his name and surname, is authorized to submit with an explanation his counter-proposal to the proposed decision of the Supervisory Board and deliver it to the Company at least 14 days before the date of the General Assembly, to the Company's address in Varaždin, Zagrebačka 94, while this deadline does not include the day receipt of counter-proposals to the Company. If the shareholder does not use the aforementioned right, this does not result in the loss of the right to submit a counter-proposal at the General Assembly.

If the quorum requirements are not met at the General Assembly, the General Assembly session, with the same agenda, will be held on May 21, 2024, starting at 2:00 p.m. at the same place, regardless of the number of shareholders present. represented.

VARTEKS d.d.

Jelena Bošnjak

member of the Management Board