# VARTEKS

Varaždin, April 30th, 2020

In accordance with the provisions of the Capital Market Act, the Management Board of Varteks d.d. based in Varaždin submits:

### MANAGEMENT INTERIM REPORT

For the first quarter of the year 2020 (cumulative period 01.01. -31,03,2020/unaudited)

Indications of significant events that occurred during the reporting period and the impact of these events on the condensed set of financial statements

In the first quarter of 2020 Varteks Group had revenue of HRK 29.4 million which is 5.3% less than first quarter of 2019. Varteks d.d. had revenue of HRK 28.9 million which is 2.3% less than first quarter of 2019.

However, it is important to note that in March 2020, the Group and the Company were hit hard by the crisis caused by the coronavirus pandemic. The following is a chronology of important events caused by a coronavirus pandemic:

- March 9th as of this date revenue in the Retail segment is plummeting in comparison to the week before by 32%, and it continues to fall from 50% to 80%
- March 19th we are forced to close all stores with the exception of web-shop
- Mid-March and End-March negotiation for the new credit facilities to finance working capital, which was in the late stage of realization, had not been concluded due to the financial market crisis caused by the coronvirus epidemic
- March 23<sup>rd</sup> an online application was sent for Government grant in the form subsidy for 3 minimum monthly salaries for each employee for months of March, April and May. Getting this measure was crucial to the survival the Company. On March 31st we were granted the measure to protect jobs in the amount of HRK 9.2 million for Varteks d.d. and HRK 0.3 million for Varteks Pro d.o.o.
- Mid-March and beginning of April the largest customers in the Contract manufacturing segment are reducing orders by 50% and there are announcements that reduced demand may continue until the end of the year
- March 24th Contract manufacturing has been halted for safety reasons and from this day until April 1st only washable face masks are being produced with significantly reduced number of production workers. First 70,000 produced masks valued at more than HRK 700 thousands were donated to the Civil protection of the Republic of Croatia and Ministry of the Interior of HR19 2360 0001 1013 39483 the Republic of Croatia

Zagrebačka banka d.d. April 1st - Contract manufacturing production was restarted with limited capacity for safety Zagreb reasons; however with significantly reduced orders

HR62 2340 0091 1001 1083 9 Privredna banka d.d. Zagreb

HR47 2484 0091 1004 1765 2 Raiffeisenbank Austria d.d.

> /VARTEKS d.d. / Zagrebačka 94 / HR-42000 VARAŽDIN / tel. + 385 42 377 105 / fax. + 385 42 377 395 / P.P. 32 / info@varteks.com / Temelini kapital 41.066.860,00 kn, upłaćen u cijelosti i podijeljen na 4.106.686 redovnih dionica, svaka nominalne vrijednosti 10 kn. / Društvo je upisano u registar Trgovačkog suda u Varaždinu, poslovni broj iz upisnika Tt: 95/463-2 (MBS) 070004039 / M.B.3747034 / OIB:00872098033 / VAT:HR00872098033 / predsjednik Nadzornog odbora Nenad Bakić / predsjednik Uprave Tomislav Babić / član Uprave Damir Radmilović

# VARTEKS

For the above reasons, the Group's operating income was down HRK 7.1m in March (HRK 5.3m compared to last year's HRK 12.4m) which is a drop of 57.2%, while the Company's revenue was down HRK 5.5m which is a drop of 53.5%. Additionally, during January and February, the Varteks Group recorded a revenue growth of HRK 4.1m or 21.3%, while Varteks d.d. had a revenue growth of HRK 4.6m, or 24.3%. The performance in January and February was in line with our ambitious business development plan for 2020 before the impact of the corona-crisis.

The extent of the impact of the coronavirus pandemic on our most profitable Retail segment (dominated by our own brand retail) is also quite pronounced. In January and February, we achieved growth of 50% over the previous year, which was even higher than the budget by 1%, while in March it dropped by 47% compared to March last year and 60% compared to the budget.

Regarding Contract manufacturing segment, revenue drop in March was 70% as compared to the same period last year, while cumulatively in the first quarter it decreased by 18% compared to the previous quarter.

In the business of the Varteks Group, the EBITDA movement is highly seasonal in nature and the budgeted EBITDA for the first quarter of 2020 was at the level of negative HRK 1m, while a positive HRK 11.2 million is budgeted for 2020 full year. The table below shows that the normalized EBITDA of the Varteks Group in the first quarter of 2020 was negative HRK 5.8 million which is below budget by HRK 4.8 million. Entire variation came from March as a result of the coronavirus pandemic.

	2020 Q1	2020 Q1	2019. Q1
	Actual	Budget	Actual
	HRK	HRK	HRK
	thousand	thousand	thousand
Loss from operating activities	(3.687)	(2.218)	(4.117)
Depreciation	1.137	1.138	1.922
Depreciation of right of use (IFRS 16)*	1.357	1.357	-
Total depreciation	2.494	2.495	1.922
Invoiced rentals (not expense under IFRS 16 adopted as of 1 January 2019)	(1.487)	(1.487)	
EBITDA excluding the effect of IFRS 16	(2.680)	(1.210)	(2.195)
One-off items:			
Income from reversal of provisions	-	-	(209)
Income from one-off grants	(3.150)		-
Termination benefits	344	125	739
Impairment of inventories	-	125	-
Normalised EBITDA before effects of IFRS 16	(5.830)	(960)	(1.665)
Effects of IFRS 16*	1.487	1.487	_
Normalised EBITDA after effects of IFRS 16	(4.343)	527	(1.665)

<sup>\*</sup> IFRS 16 effects were not reported in the financial statements for Q1 2019



With regard to financial activities, in the first quarter of 2020 a net cost was HRK 4.3m which is HRK 3.6m more than in the same period last year. There are three reasons for this change. Firstly the increase in the negative unrealized foreign exchange differences arising on long-term bank loans in the amount of HRK 2.4m (an increase in the exchange rate from March 31<sup>st</sup> as compared to December 31<sup>st</sup>), secondly an increase in the financial cost of HRK 0.6m as a result of change in the accounting for revised club loan (restatement of misclassification corrected in the 2019 annual statements) and thirdly application of IFRS 16 and the posting of a financial expense of HRK 0.3m that had not yet been applied in the first quarter of 2019.

### The most significant risks and expectations for the future

In 2019, the full effects of the restructuring activities were achieved and the extraordinary revenue growth in the Retail segment was an important step in further development and stabilization of the business. In March and April 2020, the business of the Company and the Group was severely affected by the coronavirus pandemic.

Several possible scenarios have been made for business development in 2020. According to the optimistic scenario (shorter pandemic period and faster recovery of the economy), the Company is capable of operating from its own business, using the Government's measures for protecting jobs and expected sale of inactive real estate by the end of 2020. According to the pessimistic scenario (longer pandemic period and slower economic recovery), additional liquid funds will be needed to maintain business liquidity, which is why we expect to have HBOR and commercial bank loans available as part of the Government's "April" measures.

In optimistic scenario Management is considering following facts:

- although our retail sale is temporarily suspended, we received significant compensation measures of HRK 9.5m (granted salary payment measure for March, April and May; write-offs and granted delayed rent payments by some lessors, etc.);
- although orders by foreign customers decreased, at the same time we focused on the production of washable cotton face masks, for which there is great demand and our capacities are currently fully used;
- currently web-shop sales as the only working store (in the period after March 19th to April 27th 2020) is performing significantly better than last year and we believe that this will strengthen our online position in the period after the crisis caused by the coronavirus pandemic;
- potential customers are still very interested in purchasing non-operating real estate, at values which are not lower than initially estimated, whose sale will help stabilize the company in the medium and long term; and
- although the post-crisis crisis is likely to make the fashion industry one of the more affected, since Varteks is one of the few vertically integrated fashion houses (with its own production, both within the EU), in the long run, we believe that the megatrend bringing back production to the EU is conducive to our further development.

#### R&D activities

R&D activities mainly relate to the development of new collections.

#### Information on redemption of own shares

In the reporting period, the parent company did not repurchase its own shares.



### Information on existing subsidiaries of the parent company

As at March 31, 2020, the Parent Company has the following active subsidiaries:

- Varteks Pro d.o.o.
- V-projekt d.o.o.

#### Varteks Pro d.o.o.

Company Varteks Pro d.o.o. is 100% owned by the Company.

Company Varteks Pro d.o.o. specializes in sewing special purpose clothing for special customers (most notably the police and military).

In Q1 2020 the Company generated revenue of HRK 2.2 million (Q1 2019: HRK 2.5 million). The Company generated net loss of HRK 0.8 million (Q1 2019: loss of HRK 0.8 million). The Company's assets as of March 31st 2020 were HRK 17.7 million (December 31st 2019: HRK 7.3 million). Net capital as of March 31st 2020 was HRK 1.3 million (December 31st 2019: HRK 2.1 million). The number of employees was 33 as of March 31st 2020 (December 31st 2019: 32). The director of the company is Ms. Natalija Vnucec.

#### V-projekt d.o.o.

Company V-projekt d.o.o. is 100% owned by the Company.

Company V-projekt d.o.o. has no operational activities.

In Q1 2020 the Company generated revenue of HRK 19 thousand (Q1 2019: HRK 25 thousand). The Company generated net profit of HRK 13 thousand (Q1 2019: net profit of HRK 20 thousand). The Company's assets as of March 31st 2020 were HRK 4.6 million (December 31st 2019: HRK 4.5 million). Net capital as of March 31st 2020 was HRK 4.5 million (December 31st 2019: HRK 4.5 million). The Company has no employees (2019: 0). The director of the company is Mr. Damir Rizman.

# Description of the financial risk management policies and exposure of the Group and the Company to those risks

The Group's 2019 annual financial statements contain the required disclosures regarding the Group's management and exposure to financial risks. The management of liquidity risk and cash flow risk is described in the consolidated financial statements for 2019 in Note 38 b).

In this interim report, we would like to highlight liquidity risk as still the most significant business risk which is now being further impacted by the management of the coronavirus crisis. As of March 31st 2020, the Group and the Company continue to have a significant amount of overdue liabilities. The Management is undertaking financial restructuring measures to provide the means to meet these arrears. We expect that additional cash inflows could be generated during 2020 from the sale of the Company's PPE (not used in production operations), some of which should be used to reduce outstanding trade payables and financial debt.

Tomislav Babić President of the Management Board Damir Radmilović Member of the Management Board

Annex 1	ISSUED'S CENEDAL DATA
	ISSUER'S GENERAL DATA
Reporting period:	01.01.2020 to 31.03.2020
Year	2020
Quarter	:
	Quarterly financial statements
egistration number (MB):	03747034 Issuer's home Member State code:
Entity's registration number (MBS):	
Personal identification number (OIB):	
Institution code:	1420
Name of the issuer:	VARTEKS d.d.
Postcode and town:	42000 Varaždin
treet and house number:	Zagrebačka 94
E-mail address:	info@varteks.com
Web address:	www.varteks.com
Number of employees (end of the reporting	1025
Consolidated report:	(KN-not consolidated/KD-consolidated)
Audited:	RN (RN-not audited/RD-audited)
Names of subsidiarie	s (according to IFRS): Registered office: MB;
Bookkeeping firm:	
Contact person:	(name of the bookkeeping firm)  Damir Radmilović
Telephone:	(only name and surname of the contact person)  042 377105
E-mail address:	dradmilovic@varteks.com
Audit firm:	
Certified auditor:	(name of the audit firm)

Submitter: Varteks d.d.			in HRK
llem .	ADP code	Last day of the preceding business year	At the reporting date of the current period
A Company	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	227.622.796	228,231,937
I INTANGIBLE ASSETS (ADP 004 to 009)	003	1.767,667	1,690,544
Research and development     Concessions, patents, licences, trademarks, software and other	004		0
rights	005	1.657.667	1.580,544
3 Goodwill	006	0	0
4 Advances for the purchase of Intangible assets	007	110,000	110.000
5 Intangible assets in preparation 6 Other intangible assets	800	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	213,411,503	211.984.785
1 Land	011	52.075.281	52,075.281
2 Buildings	012	60.907.780	59.937.733
3 Plant and equipment	013	22.768.943	22.269,258
4 Tools, working inventory and transportation assets 5 Biological assets	014 015	1.749.400	1.676,860
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	Ö	115,554
8 Other tangible assets	018	232.048	232.048
9 Investment property	019	75.678.051	75,678,051
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	12.221.930	12,327,047
Investments in holdings (shares) of undertakings within the group     Investments in other securities of undertakings within the group	021	4.530,600 0	4.530.600
3 Loans, deposits, etc. to undertakings within the group	023	- 0	C
Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	C
5 Investment in other securities of companies linked by virtue of participating interests	025	0	C
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	C
7 Investments in securities	027	0	C
8 Loans, deposits, etc. given	028	7.685,430	7.790.547
9 Other investments accounted for using the equity method     10 Other fixed financial assets	029	0	
IV RECEIVABLES (ADP 032 to 035)	030 031	5,900 221,696	5,900 229,561
Receivables from undertakings within the group	032	221.030	223,301
2 Receivables from companies linked by virtue of participating interests	033	0	Q
3 Customer receivables	034	0	0
4 Other receivables	035	221.696	229.561
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063) I INVENTORIES (ADP 039 to 045)	037	54,384,355	
1 Raw materials and consumables	038	40.121.637 11.675.401	43.787,348 13.271.461
2 Work in progress	040	2.617.102	472.930
3 Finished goods	041	18.157,381	23.195.130
4 Merchandise	042	7.293.126	6,643,929
5 Advances for inventories	043	378.627	203,898
6 Fixed assets held for sale 7 Biological assets	044 045	0	
II RECEIVABLES (ADP 047 to 052)	046	12.814.588	9,347.367
1 Receivables from undertakings within the group	047	2.600.528	753.115
2 Receivables from companies linked by virtue of participating interests	048	0	C
3 Customer receivables	049	9.557.317	4.743.257
4 Receivables from employees and members of the undertaking	050	46.096	40,584
5 Receivables from government and other institutions 6 Other receivables	051	382,359	3.478.763
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	052 053	228,288 168,731	331.648
1 Investments in holdings (shares) of undertakings within the group	054	0 0	174.122 0
2 Investments in other securities of undertakings within the group	055	0	G
3 Loans, deposits, etc. to undertakings within the group	056	0	37.370
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	07.070
5 Investment in other securities of companies linked by virtue of	neo		-
participating interests 6 Loans, deposits etc. to companies linked by virtue of participating	058 059	0	0
interests 7 Investments in securities			
8 Loans, deposits, etc. given	060 061	0 168.731	136,752
9 Other financial assets	062	100.731	130,/52
IV CASH AT BANK AND IN HAND	063	1,279.399	725,564
D ) PREPAID EXPENSES AND ACCRUED INCOME	064	407,607	599,248
E) TOTAL ASSETS (ADP 001+002+037+064)	065	282,414,758	280,865.586
OFF-BALANCE SHEET ITEMS	066	6,952,409	7,461,176

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	43.713.599	36,629.085
I INITIAL (SUBSCRIBED) CAPITAL	068	41.066.860	41.066.860
II CAPITAL RESERVES	069	655.664	655.664
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	-2,453,565	-2.413.517
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	754,460	754.460
3 Treasury shares and holdings (deductible item)	073	-3.371.478	-3.371,478
4 Statutory reserves	074	0	0
5 Other reserves	075	163.453	203,501
IV REVALUATION RESERVES	076	78.638.521	78.464.992
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0.000.021	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	Ŏ	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-	100000000000000000000000000000000000000		
083)	081	-63,134.681	-73.982.260
1 Retained profit	082	0	n
2 Loss brought forward	083	63.134.681	73.982.260
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-11,059.200	-7,162.854
1 Profit for the business year	085	0	0
2 Loss for the business year	086	11.059.200	7.162.654
VIII MINORITY (NON-CONTROLLING) INTEREST	087	11.039.200	7,102,004
B) PROVISIONS (ADP 089 to 094)	088	5.458,556	5,480,475
D) FROVISIONA (ADE-008 to 084)	V80	0,400,000	0.44,004,0
1 Provisions for pensions, termination benefits and similar obligations	089	2.216.861	2.216.861
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	O	0
4 Provisions for renewal of natural resources	092	O	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	3.241.695	3.263.614
C) LONG-TERM LIABILITIES (ADP 098 to 106)	095	109,524,129	111.057,372
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of	099	0	0
participating interests			
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	76,314.657	79.308.458
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	416.301	283.142
9 Liabilities for securities	104	0	11011710
10 Other long-term liabilities	105	15,531,057	14.241.749
11 Deferred tax liability	106	17,262.114	17.224,023
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	121,432,926	125,480.588
1 Liabilities to undertakings within the group	108	0	205.256
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	2.896.815	9,744,940
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	
5 Liabilities for loans, deposits etc.	112	48.987.900	48.852.679
6 Liabilities to banks and other financial institutions	113	14.601.078	13,037.808
7 Liabilities for advance payments	114	248,218	195.704
8 Liabilities to suppliers	115	30.536,461	29.994.758
9 Liabilities for securities	116	0	<del></del>
10 Liabilities to employees	117	4,507,486	4.213.959
44 Toyon contributions and cimilar liabilities	118	10,239,272	9.914.282
11 Taxes, contributions and similar liabilities	119	0	0
11 Taxes, contributions and similar liabilities 12 Liabilities arising from the share in the result	110		0
	120	0	
12 Liabilities arising from the share in the result		9,415,696	
12 Llabilities arising from the share in the result 13 Llabilities arising from fixed assets held for sale 14 Other short-term liabilities  E) ACCRUALS AND DEFERRED INCOME	120 121 122	9.415.696 2,285,548	9.321.202 2.218.066
12 Llabilities arising from the share in the result 13 Llabilities arising from fixed assets held for sale 14 Other short-term liabilities	120 121	9.415.696	9.321.202 2.218.066 280.865.586

### STATEMENT OF PROFIT OR LOSS

for the period 01.01.2020. to 31.03.2020.

in HRK

Submitter: Varteks d.d.					in HRK
l(em	ADP	Same period of t	he previous year	Gurren	period
Company of the first of the property of the second of the	code	Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	6	6
I OPERATING INCOME (ADP 126 to 130)  1 Income from sales with undertakings within the group	125 126	29,565,009 677,124	29.565.009 677.124	28,886,450 1,466,288	28,886,450 1.466,288
2 Income from sales (outside group)	127	28.280.684	28.280.684	27.192.264	27.192.264
3 Income from the use of own products, goods and services	128	38.627	38.627	25.211	25.211
4 Other operating income with undertakings within the group	129	34.111	34.111	32.228	32.228
5 Other operating income (outside the group)	130	534.463	534.463	170.459	170.459
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	32.954.893	32,954,893	31.829.688	31,829,688
Changes in inventories of work in progress and finished goods	132	-5.563.846	-5.563.846	-4.757.741	-4.757.741
2 Material costs (ADP 134 to 136)	133	16.885,799	16.885.799		
a) Costs of raw materials and consumables b) Costs of goods sold	134 135	10.186.658 2.630.901	10.186.658 2.630.901	11.148.513 3.435.853	11.148.513 3.435.853
c) Other external costs	136	4.068.240	4.068.240		2.163.290
3 Staff costs (ADP 138 to 140)	137	15.251.946	15.251,946	12.814,457	12.814.457
a) Net salaries and wages	138	10.389.002	10.389.002	7,806.977	7.806.977
b) Tax and contributions from salary costs	139	3.108.851	3.108.851	3.019.730	3.019.730
c) Contributions on salaries 4 Depreciation	140	1.754.093 1.907,445	1.754.093 1.907.445	1.987.750 2.487.703	1,987,750 2,487,703
5 Other costs	142	4,405,905	4,405,905	4,469.141	4.469.141
6 Value adjustments (ADP 144+145)	143	- 0		<u> </u>	
a) fixed assets other than financial assets	144	0			
b) current assets other than financial assets	145	0			
7 Provisions (ADP 147 to 152)  a) Provisions for pensions, termination benefits and similar obligations	146 147	0			
b) Provisions for tax liabilities	148	0			
c) Provisions for ongoing legal cases	149	0	0		
d) Provisions for renewal of natural resources	150	0	0		
e) Provisions for warranty obligations	151	0	0		
f) Other provisions  8 Other operating expenses	152 153	67.644	67.644		68.472
III FINANCIAL INCOME (ADP 155 to 164)	154	73.796			***************************************
1 Income from investments in holdings (shares) of undertakings within	155	0	0		
the group	100	<u> </u>		9	
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	l c
3 Income from other long-term financial investment and loans granted to					
undertakings within the group	157	0	0	37,370	37.370
4 Other interest income from operations with undertakings within the	158	0	0	0	
group		· · · · · · · · · · · · · · · · · · ·	<u>_</u>	_	_
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	482.702	482.702
6 Income from other long-term financial investments and loans	160	0	0	0	
7 Other interest income	161	0		21.884	21.884
8 Exchange rate differences and other financial income	162	66.529	<del> </del>	·	965.811
9 Unrealised gains (income) from financial assets	163	0			
10 Other financial income IV FINANCIAL EXPENSES (ADP 166 to 172)	164 165	7.267 674.625			
1 Interest expenses and similar expenses with undertakings within the					
group	166	24.600	24.600	19.425	19.425
2 Exchange rate differences and other expenses from operations with	167	0	C	482,702	482,702
undertakings within the group  3 Interest expenses and similar expenses	168	476,653	476,653	1.762.051	1.762.051
4 Exchange rate differences and other expenses	169	163.132			
5 Unrealised losses (expenses) from financial assets	170	0			(
6 Value adjustments of financial assets (net)	171	0			
7 Other financial expenses V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRITUE OF	172	10.240	10.240	·	ļ
PARTICIPATING INTERESTS	173	0	C	0	(
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	C	) 0	(
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF	175		d c	ه اه	
PARTICIPATING INTEREST VIII SHARE IN LOSS OF JOINT VENTURES	176				
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	29,638,805		·	`
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	33.629.518			
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-3.990.713	**************************************		The state of the s
1 Pre-tax profit (ADP 177-176)	180	C	C C		) (
2 Pre-tax loss (ADP 178-177)	181	-3.990.713	-3,990,713	-7.162.654	-7,162,654
XII INCOME TAX XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	182 183	-3.990.713	-3.990.713	-7.162.654	) 
1 Profit for the period (ADP 179-182)	184	-5.7000.713 n	-0.990.7 N	7,102,004	-7.162,654
2 Loss for the period (ADP 182-179)	185	-3.990.713	-3.990.713	÷7.162.654	-7.162,654

DISCONTINUED OPERATIONS (to be filled in by undertakings subject t	o IFRS only v	vith discontinued oper	ations)		
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS	186	٥	0	0	0
(ADP 187-188)	100	<b>V</b>			Y .
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFF					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	. 0
APPENDIX to the P&L (to be filled in by undertakings that draw up con	solidated ann	nual financial statemen	ts)		
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0[	0
STATEMENT OF OTHER COMPRHENSIVE INCOME (to be filled in by un	ndertakings s	subject to IFRS)		at the course as an	
I PROFIT OR LOSS FOR THE PERIOD	202	-3.990.713	-3.990.713	-7.162.654	-7.162.654
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX	203	701,938	701.938	251,669	251.669
(ADP 204 to 211)					
Exchange rate differences from translation of foreign operations	204	0	0	0	0
Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	701.938	701.938	211.621	211.621
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	o	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	40.048	40.048
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	701,938	701,938	251.669	251.669
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-3,288,775	-3,288,775	-6.910.985	-6.910.985
APPENDIX to the Statement on comprehensive income (to be filled in	by undertakir	ngs that draw up cons	olidated statement	(8	merane dese
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-3.288.775	-3.288.775	-6,910,985	-6.910,985
PARAMETER AND AND AND ADDRESS OF THE PARAMETER AND ADDRESS OF THE PARAMETE	American designation of the control		erregione de la constanta de l	Talled	
1 Attributable to owners of the parent	216	-3,288.775	-3.288.775	-6.910.9851	-6.910.985

# STATEMENT OF CASH FLOWS - indirect method for the period 01.01.2020. to 31.03.2020.

in HRK

Submilter: Varteks d.d.			in HRK
Item	ADP	Same period of the	Current parled
The second secon	eode 2	previous year	Á
Cash (low from operating activities			
1 Pre-tax profit	001	-3.990.713	-7.162,654
2 Adjustments (ADP 003 to 010): a) Depreciation	002 003	2,507,257 1,907,445	6,690,285 2,487,703
b) Gains and losses from sale and value adjustment of fixed tangible and	004	-5.620	9,709
intangible assets	004	*5.020	9,109
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	008	C	-59.254
e) Interest expenses	007	501.253	1,762,052
f) Provisions g) Exchange rate differences (unrealised)	008	104.179	2,497.194
h) Other adjustments for non-cash transactions and unrealised gains and	o execution (evenes) mes.	AND REPORT OF A PROPERTY OF A PARTY OF A PAR	op actions to the second of th
losses	010	0	-7.119
Cash flow increase or decrease before changes in working capital	011	-1.483,456	-472.369
(ADP 001+002) 3 Changes in the working capital (ADP 013 to 016)	012	-8.034.929	-3,534,835
a) Increase or decrease in short-term liabilities	013	4.845.958	-2.392.577
b) Increase or decrease in short-term receivables	014	-423.301	2.970.513
c) Increase or decrease in inventories	015	-8.701.136	-3,658.592
d) Other increase or decrease in working capital II Cash from operations (ADP 011+012)	016 017	-3,756,450 -9,518,385	-454.179 -4.007,204
4 Interest paid	018	398.038	-185.97
5 Income tax paid	019	0	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-9.120,347	-4.193.17
Gash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	44.362
2 Cash receipts from sales of financial instruments	022	0	
3 Interest received	023	205	12.26
4 Dividends received 5 Cash receipts from repayment of loans and deposits	024 025	0	(
6 Other cash receipts from investment activities	026	7.311	
III Total cash receipts from investment activities (ADP 021 to 026)	027	7,516	56,627
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-984.806	-997,885
2 Cash payments for the acquisition of financial instruments	029	0	(
Cash payments for loans and deposits for the period     Acquisition of a subsidiary, net of cash acquired	030 031	0	10.74
5 Other cash payments from investment activities	032	-38.662	
IV Total cash payments from Investment activities (ADP 028 to 032)	033	-1,023,468	-987.14
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-1,015,952	-930.51
Cash flow from financing activities			
Cash receipts from the increase in initial (subscribed) capital	035		
Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	
3 Cash receipts from credit principals, loans and other borrowings	037	14.968.586	17.283.60
4 Other cash receipts from financing activities	038		# 41-41-10-10-10-10-10-10-10-10-10-10-10-10-10
V Total cash receipts from financing activities (ADP 035 to 038)	039	14,968,586	17,283,60
Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-5.892.790	-12.713.74
2 Cash payments for dividends	041	0	
3 Cash payments for finance lease	042	C	
Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	c	Į
5 Other cash payments from financing activities	044	C	
and complete the control of the cont		E 009 700	1071074
VI Total cash payments from financing activities (ADP 040 to 044)	045	-5.892,790	-12.713.74
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	9,075,796	4.569,85
Unrealised exchange rate differences in respect of cash and cash			
equivalents	047		aten vand for interestratemen naturals, banker
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP	048	-1,060,503	-563.83
020+034+046+047)		1,400,400	<b>************</b>
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	1,959,023	1.279.39
F) CASH AND CASH EQUIVALENTS AT THE END OF THE	050	898.520	725,56
PERIOD(ADP 048+049)			

# STATEMENT OF CASH FLOWS - direct method for the period 01.01.2020. to 31.03.2020.

in HRK

Sübmitter:			IN HKK
ltem	ADP code 2	Same period of the previous year 3	Current period
Cash flow from operating activities			
Cash receipts from customers     Cash receipts from royalties, fees, commissions and other revenue	001		0
3 Cash receipts from insurance premiums	002		0
4 Cash receipts from tax refund	004		0
5 Cash payments to suppliers	005		0
6 Cash payments to employees 7 Cash payments for insurance premiums	006	and the state of t	0
8 Other cash receipts and payments	008	r - Lagger, congress y gy gregor ky ny ny top borney k y byddia on control cyb de	0
Cash from operations (ADP 001 to 008)	009		0
9 Interest paid	010		0
10 Income tax paid  A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 009 to 011)	011 012		
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	013	11 12 1 12 1 1 1 1 1 1 1 1 1 1 1 1 1 1	0
Cash receipts from sales of financial instruments     Interest received	014 015		0 0
4 Dividends received	016	( 124, 125, 127, 127, 127, 127, 127, 127, 127, 127	0
5 Cash receipts from the repayment of loans and deposits	017		0 0
6 Other cash receipts from investment activities	018	III. Maria de la companya del companya de la companya de la companya del companya de la companya	0
Il Total cash receipts from investment activities (ADP 013 to 018)	019		0
1 Cash payments for the purchase of fixed tangible and intangible assets	020		0 0
2 Cash payments for the acquisition of financial instruments	021		0 0
Cash payments for loans and deposits     Acquisition of a subsidiary, net of cash acquired	022 023	are the stage of the second of	0 0
5 Other cash payments from investment activities	024	Control Control Control of Control Con	0 0
III Total cash payments from investment activities (ADP 020 to 024)	025		0 0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 019 + 025)	026		0 0
Cash flow from financing activities  1 Cash receipts from the increase in initial (subscribed) capital	027		0 0
Cash receipts the from issue of equity financial instruments and debt financial instruments	028		0 0
3 Cash receipts from credit principals, loans and other borrowings	029 030		0 0
4 Other cash receipts from financing activities			
IV Total cash receipts from financing activities (ADP 027 to 030)	031		0
Cash payments for the repayment of credit principals, loans andother borrowings and debt financial instruments	032		0 0
2 Cash payments for dividends	033	. ,	0
3 Cash payments for finance lease	034		0
4 Cash payments for the redemption of treasury shares and decrease in	035		0 (
initial (subscribed) capital 5 Other cash payments from financing activities	036	COLUMN COLOR	0
V Total cash payments from financing activities (ADP 032 to 036)	037		0 )
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 031 +037)	038	3 0 0 0 0 0 0 V	0 (
Unrealised exchange rate differences in respect of cash and cash equivalents	039		0 (
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP	040		0
012+026+038+039) E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	041		0
F) CASH AND CASH EQUIVALENTS AT THE END OF THE	042		0
PERIOD(ADP 040+041)			

STATEMENT OF CHANGES IN EQUITY

10t the period from 01,01,2020 to						On the second se	STATE OF THE PERSON NAMED IN COLUMN TWO IS NOT THE PERSON NAMED IN THE	THE RESERVE TO A STATE OF THE PARTY OF THE P	The state of the s		COLUMN STREET,	AND					
	91	1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 - 1 -	destination	Salven .	Planton D. Branch							Property of the Control of the Contr	Representation of the second s	And the second of the second o			
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Taylors Seriod													1	TO SEC O	200 200 200	lo	55.405.66
first day of the previous busin	5	41,066.860	1.555.445	0	1,836,530	1,836,530	0	re.cr	79.468.039	0 0	2 6	-	0	0	o	0	
Changes in accounting policies	05		0	a	0	0	0 6	5 0	5 6	0	0	0	0	0	0	o	
3 Correction of errors	8	THE REPORT OF THE PARTY OF THE		3	1				OVER TWO			•	57278327	-9388.091	55,435,567	•	55,495,663
4 Balance on the first day of the previous bisiness year (residuos) (numbers).	7	41,068.850	1,885.445	C	1,836,530	1836530	•		The second second second second	and the same of th	The second second second	and the second second second		COL COL COLOR	THE OWN THE	C C	-11 059 200
S Profitions of the bedod	30	100 mm or 100 mm or 100 mm	•	¢	C	0	0	0///2/	0		2	9 9	3 0	D CONTRACTOR	0	0	
Exchange rate differences from translation of foreign operations	90		4	0	0/1/1/1	0	0	0		The state of the state of the state of		Sand section of substitute selections	-	and the second s		A Commission of the Commission	
Channes to revaluation reserves of freed tangible and intendible assets	6	77777	11/1/11	0///////	0	6	0		428.518		9		628.518	o	Q	0	Account to the second second
Control of francisco and he from microscomment recovery of francisco and seal libils for								0.000	0		9		0	•	0	O	
calo	8							and the second second second	and the second second second		Shirt Children	destablishment of the second			0	0	
9 Profit or kets arbitros from effective casts flow hedge	60	The second second	0	0	0	0	0//////	ロインファンファン			3	Same Same	2	2			American International
	ş			50000000000000000000000000000000000000	1	1	0	0 3 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1 1		0		-	a	D	0	Ċ.	
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<ol> <li>Share in other comprehensive incomelies of companies inteed by withe of marketing information.</li> </ol>	F		9	0	À	0	0	0	9	•			201.01	•	216.300	o	-116.2
12 Action for instructions on the defined benefit obstation	12		P	0	۵	9	0 / / / / / /	0	0		- 0		007011		30718	G	8776
3 Other changes in equity unrelated to owners	ņ			and the second second second second	0	0	0	90,76		0	0		182,000	0	182,000	o	162.0
4 Tex on transactions recognised directly in equity	73	Charles Comments	The state of the s	Carlotte Anna Carlotte Carlott	The state of the s	Marine Commence	Said to the second second							•		c	2581701
is increase/decreme in initial (subscribed) capital (other than from reinviscing profit and other than arising from the pre-bankruptcy suttlement procedure)	ŧ		0		o	2,617,018	o	D	0	0	,		9	7			
Recember in Institute (subscribed) capital arterio from the reinvestment of briefit	97		0	٥	o	٥	0	•	0			_		O	a	0	
T I commence to the strength of the strength o				•	c	c	a	C	o	•	0	_	0	٥	Þ	6	
irocadura	7	***************************************	- Andrew Anne Property	the state of the s	,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,	OLU GIO	C		0	0	0		0,082,070	0	157.757.3	o	1,737.7
8 Redemption of treasury sharestholdings	ŝ		655.664		070,250,1-	0/070/1-	9 0	0	0	0		*	0	o	C	0	
19 Payment of share in profit/dividend	2 2			0	0	0	0	0	0	3		-	o	o	c	0 1	
20 Other distribution to owners 7 medice to reserve parentling to the annual schools is	i i		-1.555.445	D	D	o	0	٥	0				-7,552,546	LST99876		000	
22) Increase in reservoir arithm from the tota-bander performent procedure	ផ		0	0	D	0	0	0	0	-						•	27.0
23 Balance on the last day of the previous business year reporting period (34 to		41,065,850	288.288	•	\$ <del>*</del>	3371.478	O	183.453	78,639,521	*	•		O 43,135,681	11,008,200	45.713.200	•	
2.2. A CONTROL OF TAXABLE SHEET HE CAN IN CONTROL OF TAXABLE CONTROL O	definite that de	per us financial surfe	ments in accordance v	(Saus are the													J. GERGILLE ESSENTELLE
CONTRACTOR COMPACTIFICATION OF THE PREVIOUS PERIOD OF		The state of the s		•		•	•	80718	-828-518				88 222	0	156.420	0	156.220
(AX (ADP 06 to 14)																	
SCOMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ACP	*				•	•	0	90,716	-628.516			UNI Yan Yan Yan	38422	.11.058.200	.10.902.780	<b>6</b>	-10,902,780
05+24)								And the second s					100	900	280 202	•	-879.784
A TRANSACTIONS WITH CONNERS IN THE PREVIOUS PERIOD RECOGNISED	•		1	•	TU 100 1	SP6 P.S.	0	•	0		Carlo Communication						

	A STATE OF THE PARTY OF THE PAR	STREET, STREET		Complete State of the	Contraction of the Party Spinster		4 974 £70	C C C C C C C C C C C C C C C C C C C	163.453	78 628 521			0	5	-63.134,581 -63.134,581	•	43,713,599	43.7
1 Balance on the first day of the current bushhess year	/2	799,000,14				3			•		With the last of calculations are as a second	•	C	Q	o	6	0	-
2 Changes in accounting policies	8	0		0	0		D Common of Comm	3	The second second second second	are delighed to the account of the property of the						0	0	0
Conaction of errors	2)	0		0	0	0	o	a	0	,								
A Delence on the first day of the current business was freststand (ADP 27 to 29)	8	41,066,850	655.664	564	٥	754.460	3,371,478	0	163.453	78.638.521		0	Б	0 -63.1	63,134,681		43,713,589	43.713.598
	-	Commission of the Control of the Con	and the state of t	designation of the Same	2000	250	() (0)	000000	BUSINESS CO.	01/1/1/1/1/	12/2/21	0 100000	0	J. J. J. J. J. J. G. J.	7.162.654	_	7,182,654	-7.162.854
5 Profit/oss of the period	ñ				200				Charles and the second second		The state of the s	0	4	9	0	0	0	0
6 Exchange rate differences from translation of foreign operations	25	O CONTRACTOR OF THE PARTY OF TH		- September Sept	Contract September	The second second	and the second second		Carried Manderson	Landanders describer of productions of the land of the	A Company of the Comp			With the Party of				_,
Changes in revaluation reserves of fixed tangible and intangible assets	8			9	8	9:	<b>Q</b>	0	0	452.5TI-		0	•	-	525.573	0	В	D
8 Profe or loss amplication subsequent measurement of financial aspets available for					0	0	0	0	( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( ) ( )			-		9	0	Ó	o	ö
Plate	×								after the think had the	Sand Sand	The second second second	- Later Market Strategies	Sand of the Party	Colored management		•	*	
9 Profit or less arising from effective cach flow hedge	Ħ	9	17.	1	) () ()	11/10/11/11	100					ō	0	<u></u>	0	0		2
10 Profe or loss articles from effective hedge of a net investment in a foculan operation	s	0		1	100	9	9	0		100000			A	0	۰	0	В	o
The state of the s	· · · · · · · · · · · · · · · · · · ·	and the second second							4	and a second	1	-	o	0	0	0	o	Ċ
11 Spille in deter admired and another of designation of the second spiller of the secon	ħ			5	0	<b>P</b>	2	The second second		A company or commence of the state of	-							0
12 Actuaria calnatosses on the defined benefit obligation	7	0		0	0	0	9	0	0			0	2 0	-			D) 048	0.046
13 Other changes in equity unrelated to eviners	8	٥		0	0	0	0	0	40.04d	***************************************			-		CDU AT		38.092	38.092
14 Tax on transactions recognised directly in equity	6	0		0	0	0	26.86.00 C	0	0	The second secon	0	5	2	A	-			
15 increase/decrease in frittal (subscribed) copital (other than from reinvesting profit	7	٥			0	o	c	8	•	_	6	-	0	0	0	0	٥	9
and other than arting from the pro-bankrupiny semement procedure)						***************************************						-			•	-		
16 increase in Initial (subscribes) capital entaing from the reinvestment of profit	3	0		0	D	0	0	0	•		3	9		,		1		
17 increase in thitis (subscribed) capital arking from the pre-bendumby settlement	9	0		0	0	o	D	0	e T		-	•	0	e ca	0	ŏ	0	0
procedure							0	0	0	,	-	0	0	o	0	o	0	0
15 Redemption of treasury shareshoodings	1:			, ,		0	0	٥	Ö	_	-	0	0	0	0	0	0	
19 Payment of ahare in profitdingoing	\$ 4			, 0	0	0	0	0	0		D	O	0	0		Ď	0	0 (
22 Outst stagetisten in Versions 22 Tearforts received when to the entitle schedule	-	)		0	0	0	٥	ō	o	-	c	0	0	-11.	11,059,200 TT	ZZC		
22 increase in reserves arising from the pre-bankrupity settlement procedure	9			٥	Q	o	o	0	0		0		<b>D</b>	2				
23 Balance on the last day of the current business year reporting period (4DP 30 to 48).	\$	41.065.860	255	655.664	G	754,460	3371.478	0	203.501	78,464,992	2	0	0	LL-	73,582,260 -7.162,654	Septiment (Contraction)	36.629.0e5	20.623.06
APPRIOR TO THE STATEMENT OF CHANGES IN EQUATY (NO SO THISGIN IN MACHINE SAN CHANGE SAN CHANGES TO THE STATEMENT TO CHANGE SAN CHANGES TO THE CHARGEN PEROD. NET OF	akings that do	ow up financial state	cents to accordan	ce with the FRS)	_	The second second	_					_			-		78.140	0 78.140
AX American	8		0	Ď.	0	0	0	0	40.048	-17.522	n .	0	2		AND THE RESERVE OF THE PARTY OF	A STATE OF THE STA		
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31*50)	5		٥	o	٥	a	o	o	40.048	-173.529	æ	0	0	0	F20.201.7-		-7.084.514	-7.084.51
II TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED	S	•	0	O	o	ó	•	0	•		٥		6	-112	11.059.200	9200	0	ō

# NOTES TO FINANCIAL STATEMENTS - TFI (drawn up for quarterly reporting periods)

Name of the issuer: Varteks d.d. -Varaždin

Personal identification number (OIB): 00872098033

Reporting period: 01.01.2020. - 31.03.2020.

Notes to financial statements for quarterly periods include:

a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes

d) a description of the financial performance in the case of the issuer whose business is seasonal.



Varaždin, April 30th 2020

#### STATEMENT OF LIABILITY FOR PREPARING FINANCIAL STATEMENTS OF ISSUER

## First quarter of 2020 (unaudited, unconsolidated)

With this statement, in accordance with the Capital Market Act, we declare that to the best of our knowledge:

- set of financial statements of the Varteks d.d. (hereinafter: the Company) for the 1<sup>st</sup> quarter of 2020 (unaudited, unconsolidated), have been prepared in accordance with International Financial Reporting Standards, and in accordance with the Croatian Accounting Law, provide a complete and fair view of the Company's assets and liabilities, profit and loss, financial position and operations, except for the correction of prior period errors the effects of which are described in the management interim report.
- The management interim report contains a fair presentation of development and results of the operations and position of the Company, with a description of most significant risks and uncertainties to which the Company is exposed.

Tomislav Babić /President of the Management Board/

Damir Radmilović /Member of the Management Board/

Contact person:

Duje Jurenić

IBAN račun:

Tel. 042 / 377-230

HR19 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 Reiffeisenbank Austria d.d. Zagreb