

ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN:HRATGRRA0003

3ATG / ISIN: HRATGRO216A9

LEI: 3157002G3ENYCZEB1A25

HOME MEMBER STATE: Croatia

REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, May 06, 2020

- 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, 135 and 136 of the Zagreb Stock Exchange Rules, Atlantic Grupa dd.d. (hereinafter: the Company) announces that:

- on May 5th 2020 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 May 5th 2020 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 2019, 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 2019, 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 83,135,350.00, which amounts to HRK 25.00 per share, from the retained earnings of the Company from the year 2018 as well as from the part of the profit of the Company from 2019. The Proposal includes the payment of dividends to shareholders of the Company registered as such in the Central Depository and Clearing Company Inc. on June 25th, 2020 (record date), the date of June 24th, 2020 as the date on which security of Atlantic Grupa d.d. will be traded without dividend payment (ex date) and the proposed payment date of July 15th,

ATLANTIC GRUPA

2020 (payment date). Finally, the Supervisory Board adopted the Report on the performed supervision of the Company's business operations management in the year 2019 and the proposal on the amendment to the Articles of Association which are also 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 2019 as it was 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 05th of May 2020. 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 June 18th, 2020. 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.

Atlantic Grupa d.d.



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 2019

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, 2019 to December 31st, 2019. Through its supervision the Supervisory Board concluded that in 2019 Atlantic Grupa d.d. has operated in accordance with the Law, the Company's acts and decisions of the General Assembly.

The Supervisory Board is consisted of seven members and during 2019, in respect of its membership, it has seen a few changes.

On 31 December 2019, the Supervisory Board operated in the following composition:
Zdenko Adrović (President),
Siniša Petrović (Vice President),
Anja Svetina Nabergoj (member), appointed at the General Assembly as of 27 June 2019,
Monika Elisabeth Schulze (member), appointed at the General Assembly as of 17 October 2019,
Franz Josef Flosbach (member),
Aleksandar Pekeč (member),
Lars Peter Elam Håkansson (member).

Lada Tedeschi Fiorio carried out the function of the Vice President until 30 September 2019 i.e. until the termination of her mandate in the Supervisory Board for the purpose of assuming a duty at the Management Board of the Company. Siniša Petrović succeeded Lada Tedeschi Fiorio at the position of Vice President of Supervisory Board as of October 1st, 2019.

In the course of 2019 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 2019 (restructuring of operations in the sports and functional food and pharma and personal care segment; widening of the distribution portfolio with new principals' product assortment; the review of overall business practices and the definition of strategy, corporate priorities, key drivers of growth and the adaption of the overall organization including the composition of the Management Board) and discussed in details the Annual Business Plan for 2020.

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 took over the membership as appointed from the ranks of Supervisory Board members, following the termination of the mandate in the Committee of Lada Tedeschi Fiorio on September 30th, 2019. The Committee held two sessions throughout 2019.

The Corporate Governance Committee is chaired by Siniša Petrović, while Nina Tepeš was appointed as the external expert. The Committee held four sessions throughout 2019.

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 four sessions throughout 2019.

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, 2019 together with the report of an independent auditor Ernst & Young 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

2019 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, 2019 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 company Ernst & Young d.o.o.

The Supervisory Board reviewed the annual report of the Management Board on the status of the Company for 2019 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 2019.

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 2019, 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 05th of May 2020, adopted the following proposal of the:

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

1. In Article 10, Paragraph 2 of the Articles of Association of Atlantic Grupa d.d., the word „month“ is deleted and number “30” is added instead.
2. In Article 11, paragraphs are added following the existing three paragraphs, and they read:

„The Management Board of the Company is authorized to deliver a decision that the work of the General Assembly is allowed to be audio and video transmitted.

The Management Board of the Company is authorized to deliver a decision by which it would enable the shareholders to exercise all or only some of the rights, in entirety or partly, via electronic communication, even when they are not participating in the same in person or via proxy, at the place where it is being held.

The Management Board of the Company is authorized to deliver a decision by which it would enable the shareholders to be allowed to submit their votes in writing or via electronic communication, when they are not participating in the General Assembly.“

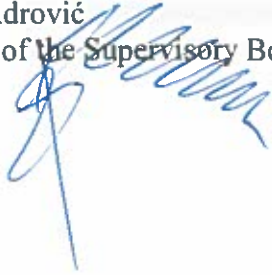
3. In Article 18, Paragraph 2 of the Articles of Association of Atlantic Grupa d.d., number “20” is deleted and number “19” is added instead.
4. In Article 20, Paragraph 5, a part of the sentence that reads „Within 7 (seven) days“ is deleted and the text „Within a deadline prescribed under positive legal regulations“ is added instead.
5. In Article 32, a paragraph is added following the existing two paragraphs, and it reads:

„The Company may submit information to the shareholder using electronic means.“

6. All other provisions of the Articles of Association remain unchanged.
7. This Decision on the amendments to the Articles of Association shall enter into force and be applicable as of the date of entry into the Court Register.

8. The Supervisory Board is hereby authorized to determine a full text of the Articles of Association in accordance with this Decision on the amendments to the Articles of Association.
9. The proposal from this Decision shall be submitted to the Supervisory Board 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 5th, 2020 adopted the following:

DECISION

- I** The Supervisory Board hereby approves the 2019 ANNUAL REPORT of Atlantic Grupa d.d. that also includes the following:
1. Annual Financial Statements for the Year 2019, 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;
 3. Annual Management Report on the Company's status / Management Report Atlantic Grupa d.d.
- II** Pursuant to Article 300d of the *Companies Act*, by granting approval as stated in point I of this Decision, the 2019 Annual Financial Statements of Atlantic Grupa d. d. are considered to be approved both by the Management Board and by the Supervisory Board.

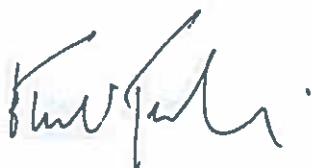
Zdenko Adrović
President of the Supervisory Board



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 05th of May 2020, adopted the following proposal of the:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2019

1. In the business year ending on December 31, 2019 the Atlantic Grupa has realized a consolidated net income after minority interests in the amount of HRK 388,880,497.00 (three hundred eighty eight million eight hundred eighty thousand four hundred ninety seven kuna and zero lipa), while Atlantic Grupa d.d. (hereinafter: the "Company") has realized the net income of HRK 187,594,000.74 (one hundred eighty seven million five hundred ninety four thousand kuna and seventy four lipa).
2. The amount of HRK 83,135,350.00 (eighty three million one hundred thirty five thousand three hundred and fifty kuna and zero lipa) shall be distributed as dividends, i.e. HRK 25.00 (twenty five kuna and zero lipa) per share, to the shareholders of the Company in proportion to the number of shares held by each shareholder. The dividend shall be paid from the part of the retained earnings of the Company realized in business year 2018 and from the part of the Company's profit realized in the business year 2019.
3. The dividends shall be paid to all shareholders of the Company registered as such in the depository of Central Depository and Clearing Company d.d. on June 25th, 2020 (record date). Date on which security of Company will be traded without dividend payment right is June 24th, 2020 (ex date). The claim for dividend payment is due on July 15th, 2020 (payment date).
4. The remaining of the net profit realized in the business year 2019, in the amount of HRK 110,323,536.19 (one hundred ten million three hundred twenty three thousand five hundred and thirty six kuna and nineteen lipa) remains in retained (undistributed) profit of the Company.
5. The proposal from this Decision shall be submitted to the Supervisory Board for its approval.



Emil Tedeschi
President of the Management Board

Pursuant to Article 300.c of the *Companies Act*, to the proposal of the Management Board dated 05th of May 2020, the Supervisory Board on its Session held on May 5th, 2020 adopted the following:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2019

1. In the business year ending on December 31, 2019 the Atlantic Grupa has realized a consolidated net income after minority interests in the amount of HRK 388,880,497.00 (three hundred eighty eight million eight hundred eighty thousand four hundred ninety seven kuna and zero lipa), while Atlantic Grupa d.d. (hereinafter: the "Company") has realized the net income of HRK 187,594,000.74 (one hundred eighty seven million five hundred ninety four thousand kuna and seventy four lipa).
2. The amount of HRK 83,135,350.00 (eighty three million one hundred thirty five thousand three hundred and fifty kuna and zero lipa) shall be distributed as dividends, i.e. HRK 25.00 (twenty five kuna and zero lipa) per share, to the shareholders of the Company in proportion to the number of shares held by each shareholder. The dividend shall be paid from the part of the retained earnings of the Company realized in business year 2018 and from the part of the Company's profit realized in the business year 2019.
3. The dividends shall be paid to all shareholders of the Company registered as such in the depository of Central Depository and Clearing Company d.d. on June 25th, 2020 (record date). Date on which security of Company will be traded without dividend payment right is June 24th, 2020 (ex date). The claim for dividend payment is due on July 15th, 2020 (payment date).
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5. The proposal from this Decision shall be submitted to the General Assembly for its adoption.

Zdenko Adrović
President of the Supervisory Board

