

ATLANTIC GRUPA d.d.
Miramarska 23
10 000 Zagreb

SECURITY: ATGR / ISIN:HRATGRRRA0003
3ATG / ISIN: HRATGRO216A9

LEI: 3157002G3ENYCZEB1A25

HOME MEMBER STATE: Croatia

REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, May 08, 2019

Regulated information

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

Pursuant to Articles 129, 131 and 132 of the Zagreb Stock Exchange Rules, Atlantic Grupa dd.d. (hereinafter: the Company) announces that:

- on May 7th 2019 the Management Board of the Company held its session at which the proposal on the dividend payment, the proposal on granting an authorization for the acquisition and disposal of treasury shares, as well as other proposals that were submitted to the Supervisory Board of the Company;
- on May 6th and 7th 2019 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 2018, adopted the proposal of the Management Board on the dividend payment, as well as the proposal of the Management Board on granting an authorization for the acquisition and disposal of treasury shares, the proposal on the election of Ms. Anja Svetina Nabergoj as a new member of the Company Supervisory Board, the Report on the performed supervision of the Company's business operations management in the year 2018, as well as the other proposals that shall be submitted to the General Assembly for their adoption.

In addition to regular Proposals of 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, 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 106,598,400.00, which amounts to HRK 32.00 per share, from the retained earnings of the Company from the year 2003, 2004, 2015 and 2017, as well as from the part of the profit of the Company from 2018. The Proposal includes the payment of dividends to shareholders of the Company registered as such in the Central Depository and Clearing Company Inc. on July 4th, 2019 (record date), the date of July 3rd, 2019 as the date on which security

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of Atlantic Grupa d.d. will be traded without dividend payment (ex date) and the proposed payment date of July 18th, 2019 (payment date).

Also, the Supervisory Board adopted the proposal of the Management Board on granting the authorization by the General Assembly to the Management Board to acquire treasury shares in the organized capital market during the period of 5 years from the date of the adoption of such decision. The proposal contains the requirement that the share of capital that refers to the acquiring of treasury shares together with the treasury shares already acquired is not exceeding one tenth (1/10) of subscribed initial capital of the Company, as well as that the lowest price per one treasury share is equal to the nominal value of one share whereas the highest price per one treasury share shall not exceed the average market price during 15 days preceding the acquiring of shares. Moreover, the proposal contains the request that the highest price of one treasury share may be increased for up to 5%, subject to the approval of the Supervisory Board of the Company, the request that the Company is not trading with the treasury shares, as well as that the Management Board of the Company may dispose of already maintained treasury shares or the ones acquired on the basis of this decision without the General Assembly having to reach a decision on such a disposal. The Supervisory Board adopted the proposal on the election of Ms. Anja Svetina Nabergoj as a new member of the Company Supervisory Board which shall be submitted to the General Assembly for its adoption. Curriculum Vitae of Ms. Anja Svetina Nabergoj is hereby provided as an attachment to this announcement. Finally, the Supervisory Board adopted the Report on the performed supervision of the Company's business operations management in the year 2018, which is 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 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 06th and 7th of May 2019. 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 27th, 2019. 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 300.d and in line with the Article 300.c of the *Companies Act*, the Supervisory Board on its Session held on May 6th and 7th, 2019 adopted the following:

DECISION

- I** The Supervisory Board hereby approves the 2018 ANNUAL REPORT of Atlantic Grupa d.d. that also includes the following:
1. Annual Financial Statements for the Year 2018, 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 2018 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 07th of May 2019, adopted the following proposal of the:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2018

1. In the business year ending on December 31, 2018 the Company has realized a consolidated net profit after minority shares in the amount of HRK 243,970,033.00 (two hundred forty three million nine hundred seventy thousand thirty three kuna and zero lipa), while Atlantic Grupa d.d. has realized the net profit of HRK 76,490,175.07 (seventy six million four hundred ninety thousand one hundred and seventy five kuna and seven lipa).
2. The amount of HRK 106,598,400.00 (one hundred six million five hundred ninety eight thousand four hundred kuna and zero lipa) shall be distributed as dividends, i.e. HRK 32.00 (thirty two 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 years 2003, 2004, 2015, 2017 and from the part of the Company's profit realized in the business year 2018.
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 July 4th, 2019 (record date). Date on which security of Atlantic Grupa d.d. will be traded without dividend payment right is July 3rd, 2019 (ex date). The claim for dividend payment is due on July 18th, 2019 (payment date).
4. The remaining of the net profit realized in the business year 2018, in the amount of HRK 6,748,704.41 (six million seven hundred forty eight thousand seven hundred and four kuna and fourty one 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 07th of May 2019, the Supervisory Board on its Session held on May 6th and 7th, 2019 adopted the following:

DECISION ON USE OF RETAINED EARNINGS REALIZED IN THE PREVIOUS BUSINESS YEARS AND USE OF EARNINGS REALIZED IN 2018

1. In the business year ending on December 31, 2018 the Company has realized a consolidated net profit after minority shares in the amount of HRK 243,970,033.00 (two hundred forty three million nine hundred seventy thousand thirty three kuna and zero lipa), while Atlantic Grupa d.d. has realized the net profit of HRK 76,490,175.07 (seventy six million four hundred ninety thousand one hundred and seventy five kuna and seven lipa).
2. The amount of HRK 106,598,400.00 (one hundred six million five hundred ninety eight thousand four hundred kuna and zero lipa) shall be distributed as dividends, i.e. HRK 32.00 (thirty two 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 years 2003, 2004, 2015, 2017 and from the part of the Company's profit realized in the business year 2018.
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 July 4th, 2019 (record date). Date on which security of Atlantic Grupa d.d. will be traded without dividend payment right is July 3rd, 2019 (ex date). The claim for dividend payment is due on July 18th, 2019 (payment date).
4. The remaining of the net profit realized in the business year 2018, in the amount of HRK 6,748,704.41 (six million seven hundred forty eight thousand seven hundred and four kuna and fourty one lipa) remains in retained (undistributed) profit of the Company.
5. The proposal from this Decision shall be submitted to the General Assembly for its adoption.

Zdenko Adrović
President of the Supervisory Board



Pursuant to Article 263 and Article 300c of the *Companies Act*, and the *Articles of Association of the Atlantic Grupa d.d.* (hereinafter referred to as: the Company), the Supervisory Board submits to the General Assembly the following

REPORT

ON THE PERFORMED SUPERVISION OF THE COMPANY'S BUSINESS OPERATIONS MANAGEMENT IN THE YEAR 2018

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.* and the *Supervisory Board's Rules of Procedure*, continually performed supervision of business operations of Atlantic Grupa d.d. in the period from January 1st, 2018 to December 31st, 2018. By supervision of the business operations management of Atlantic Grupa d.d., the Supervisory Board concluded that in 2018 Atlantic Grupa d.d. has operated in accordance with the laws, the Company's acts and the decisions of the General Assembly.

During 2018, Supervisory Board functioned in the composition of 7 members:

Zdenko Adrović (President)

Lada Tedeschi Fiorio (Vice President)

Siniša Petrović (member)

Franz Josef Flosbach (member)

Aleksandar Pekeč (member)

Lars Peter Elam Håkansson (member)

Jean-Louis Yvon Gourbin (member) whose mandate in the Supervisory Board terminated on 10th of December 2018.

Further on, in the course of 2018 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 any business events of greater importance, the course of business operations, revenues and expenditures, as well as 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 2018 (restructuring of operations in the sports and functional food and pharma and personal care segment, regulating the cooperation with the key customer, widening of the distribution portfolio with new principals' product assortment) and discussed in details the Annual Business Plan for 2019.

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, Lada Tedeschi Fiorio was appointed from the ranks of Supervisory Board members, while Marko Lesić was appointed as the external expert. The Committee held three sessions throughout 2018.

The Corporate Governance Committee is chaired by Siniša Petrović, while Nina Tepeš was appointed as the external expert. The Committee held four sessions throughout 2018.

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 Sušanjanj was appointed as the external expert. The Committee held three sessions throughout 2018.

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, 2018 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 2018 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 2018 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 also reviewed the annual report of the Management Board on the status of the Company for 2018 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 2018.

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 earnings realized in 2018, 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 other decisions under its competence in conformity with the proposals of the Management and Supervisory Board.

Zdenko Adrović
President of the Supervisory Board

Curriculum Vitae

Anja Svetina Nabergoj, PhD



Anja Svetina Nabergoj, PhD is Lecturer at Hasso Plattner Institute of Design at Stanford University and Associate Professor at the School of Economics and Business, University of Ljubljana.

She finished her undergraduate studies at the Faculty of Economics, University of Ljubljana. As an exchange student she has spent a year at the IESEG Business School in Lille, France and later completed International Full Time Master Program in Business administration (IMB) at the University of Ljubljana, Faculty of Economics. She was a visiting PhD student at Roskilde University in Denmark, which was followed by the defense of her PhD dissertation "Collective Learning in Clusters: Theoretical and Empirical Investigation".

For the last 10 years Ms Anja Svetina Nabergoj has been developing pedagogy for teaching innovation process and nurturing creative mindsets to management and senior leaders in leading global and Fortune 500 companies. Her programs inspire and drive organizational change that is focused on innovation and deeply rooted in understanding consumers. She helps leaders navigate the delicate balance between exploration and exploitation and empowers them to start innovation transformation journey in their company.

She has been working with top management teams in organizations across Europe, Asia and USA. Anja facilitates design thinking workshops, teaches ethnographic research techniques and leads senior leadership sessions on user-centered innovation. Ms. Anja Svetina Nabergoj also won the Best Teacher Award for FELU MBA program at the University of Ljubljana.

Anja is the founding member of Research as Design team at Stanford University, which developed the curriculum for applying design thinking to scientific and scholarly research. She has been teaching programs for graduate students and faculty members. Anja is also on the Advisory Board of The Stanford Catalyst for Collaborative Solutions, which is a new initiative with a bold mission to create an open space to explore uncommon interdisciplinary solutions to the world's most pressing challenges.

She has contributed chapters to books published by Edward Elgar and Routledge and published papers in scientific management journals, including European Management Journal. With her team she has just finished a new book "Cultivating Creative Research Practice" that will be published with Cambridge University Press in October 2019.