



Pursuant to Article 263 and Article 300c of the *Companies Act*, the *Articles of Association* of 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 referred to as: the Company) submits to the General Assembly the following

## REPORT

### ON THE PERFORMED SUPERVISION OF THE COMPANY'S BUSINESS OPERATIONS MANAGEMENT IN THE YEAR 2023

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 Atlantic Grupa d.d., the *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 01 January 2023 to 31 December 2023. Through its supervision, the Supervisory Board concluded that in 2023 Atlantic Grupa d.d. has operated in accordance with the Law, the Company's acts, and decisions of the General Assembly.

In 2023, Supervisory Board functioned in the composition of 9 members:

Zoran Vučinić (Chairman),  
Siniša Petrović (Vice Chairman),  
Zdenko Adrović (member),  
Lars Peter Elam Håkansson (member),  
Franz-Josef Flosbach (member),  
Vesna Nevistić (member),  
Aleksandar Pekeč (member),  
Monika Elisabeth Schulze (member),  
Anja Svetina Nabergoj (member),  
(as on 31 December 2023).

In 2023 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 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 2023 (defining the strategy of Atlantic Grupa, green transformation, digital transformation, consideration of acquisitions, launching new brands) and discussed in details the Annual Business Plan for 2024.

Three Committees were established, whose activities assist the operation and functioning of the Company's Supervisory Board, namely: the Audit Committee, the Leadership Development and Compensation Committee and the Public Responsibility and Corporate Governance Committee. Each Committee has at least three members.

The Audit Committee is chaired by Franz-Josef Flosbach, while Zdenko Adrović and Lars Peter Elam Håkansson, who joined the Committee on 3 November 2023 in place of the former Committee member Vesna Nevistić, were appointed as members from the ranks of the Supervisory Board. The Committee held two sessions throughout 2023.

The Public Responsibility and Corporate Governance Committee is chaired by Siniša Petrović, Monika Elisabeth Schulze and Anja Svetina Nabergoj were appointed from the ranks of Supervisory Board members, while Nina Tepeš was appointed as the external expert. The Committee held four sessions throughout 2023.

The Leadership Development and Compensation Committee is chaired by Aleksandar Pekeč, Zoran Vučinić and Vesna Nevistić, who joined the Committee on 3 November 2023 in place of the former Committee member Lars Peter Elam Håkansson, were appointed from the ranks of Supervisory Board members, while Zoran Sušanjanj was appointed as the external expert. The Committee held three sessions throughout 2023.

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 31<sup>st</sup>, 2023 together with the report of an independent auditors Ernst & Young d.o.o., Radnička cesta 50, Zagreb and Kulić and Sperk revizija 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. and its affiliates. In accordance with such findings, the Supervisory Board agrees with the annual financial statement for 2023 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 31<sup>st</sup>, 2023 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 companies Ernst & Young d.o.o. and Kulić and Sperk revizija d.o.o.

The Supervisory Board reviewed the annual report of the Management Board on the status of the Company for 2023 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 2023.

The Management Board presented to Supervisory Board a Proposal of the Decision on the use of retained earnings of the Company realised in previous business years. 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 the 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.

  
Zoran Vučinić  
Chairman of the Supervisory Board