



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 2022

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 01 January 2022 to 31 December 2022. Through its supervision the Supervisory Board concluded that in 2022 Atlantic Grupa d.d. has operated in accordance with the Law, the Company's acts, and decisions of the General Assembly.

In 2022, Supervisory Board functioned in the composition of 9 members:

Zdenko Adrović (President),
Siniša Petrović (Vice President),
Lars Peter Elam Håkansson (member),
Franz-Josef Flosbach (member),
Vesna Nevistić (member),
Aleksandar Pekeč (member),
Monika Elisabeth Schulze (member),
Anja Svetina Nabergoj (member),
Zoran Vučinić (member),
(as on 31 December 2022).

Dr. Vesna Nevistić and Zoran Vučinić were elected as members of the Supervisory Board on 20 January 2022. By their election, the Supervisory Board was expanded from seven to nine members. Strengthening the Supervisory Board with new members was a logical continuation of the process of defining corporate strategy and priorities in the further development of the company.

In 2022 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 2022 (strengthening the composition of the Supervisory and the Management Board, defining the strategic vision of Atlantic Grupa, share split corporate action, digital transformation, launching new brands) and discussed in details the Annual Business Plan for 2023.

Three Committees were established which 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 Vesna Nevistić were appointed from the ranks of Supervisory Board members. Marko Lesić, who was appointed as the external expert, was a member of the Committee until the expiry of his mandate, on 14 June 2022. The Committee held two sessions throughout 2022.

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. Anja Svetina Nabergoj joined the Committee on 04 May 2022. The Committee held four sessions throughout 2022.

The Leadership Development and Compensation Committee is chaired by Aleksandar Pekeč, Lars Peter Elam Håkansson and Zoran Vučinić were appointed from the ranks of Supervisory Board members, while Zoran Sušanj was appointed as the external expert. Zoran Vučinić joined the Committee on 04 May 2022. The Committee held three sessions throughout 2022.

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, 2022 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 2022 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, 2022 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
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- 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 2022 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 2022.

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 2022. 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


Zoran Vučinić
Chairman of the Supervisory Board