

**CROATIAN FINANCIAL SERVICES SUPERVISORY AGENCY**

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**WEBSITE OF THE ISSUER – [www.varteks.com](http://www.varteks.com)**

Subject: **Information disclosure**

Type of information: Notice for the Zagreb Stock Exchange  
and media

Company: VARTEKS d.d., Varaždin, Zagrebačka 94

LEI - 74780000Q0LH0TDGEO80

Member State: Republic of Croatia

ISIN: HRVARTR10005

Ticker: VART

Regulated Market: Zagreb Stock Exchange

Market Segment: Official Market

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IBAN račun:

HR19 2360 0001 1013 3948 3  
Zagrebačka banka d.d.  
Zagreb

HR62 2340 0091 1001 1083 9  
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The management of Varteks d.d. on Tuesday she held a meeting with the workers at which she informed the employees that she had secured funds for the payment of half the value of the wage bill, which was paid, on Thursday, September 9, 2021.

Wages to workers have been delayed due to a liquidity problem that has been known and has existed for more than two years, and which is openly and regularly communicated with workers and the general public through regular reports.

On Wednesday, the Administration managed to secure funds to pay half the value of the wage bill as a priority instead of paying for materials for new orders. Preservation of jobs is now in focus, especially because the volume of production is significantly reduced and they are currently below the value of costs for maintaining inactive production, which must be taken into account until the sale of real estate is completed and the financial transaction is realized.

"All workers who will now have virtually no work due to pending orders will use their annual leave - in this way we save salary and jobs, and do not generate costs for facilities and utilities that we do not use. We are only proud that we are one of the few companies in the industry that did not lay off workers. While many companies have closed production, we have even managed to expand the retail network and open the market in Slovenia. "- said the President of the Management Board, Tomislav Babić.

"We are making maximum efforts to overcome this challenge that we are facing, as well as all previous ones, and which are the result of many years of poor management and high indebtedness of the company. Varteks' long-term perspective has not been called into question, but for its realization and overcoming the liquidity problem, it is necessary to sell part of the inactive real estate, which we are working on intensively and we are one step closer to concluding the first purchase agreement. "- added Tomislav Babić.

"Varteks has strengthened its market position again in the last three years and has a clear plan for growth and further business development. The correctness of our business strategy is confirmed by the continuous growth of sales of our own brand. Throughout the pandemic, despite the cancellation of foreign orders and jobs and the decline in domestic sales, we made every effort to save jobs, even though several hundred workers were almost continuously out of work, and regularly paid salaries, which we have succeeded in so far and we are proud of.

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Varteks' management communicates transparently and regularly with employees about all activities that are undertaken in order to overcome current and burning problems on the one hand, and on the other hand to create the foundations for

# VARTEKS

long-term successful business. The common goal is to preserve jobs and stabilize business.

The sale of inactive real estate is a way out of this difficult situation and when it is realized, it will be possible to continue to operate sustainably and stably and to dedicate itself to further development. "

With respect,

mr.sc. Tomislav Babić

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