

.Pursuant to the Article 65 of the Law on Capital Market (Official Gazette of the Republic of Serbia, No. 31/2011, 112/2015, 108/2016 and 9/2020) „GALENKA – FITOFARMACIJA “ a.d, Zemun, Bus. Code 07725531

announces

Annual General Meeting Report

25th General Meeting of Shareholders was held on July 24th,2020, at the Company's headquarters, Batajnicketi drum bb, Belgrade-Zemun, Serbia. The meeting was attended by shareholders or their proxies who in total represented 89,54% of the voting rights.

The following important decision were made:

1. Adopted: The Annual Report for 2019. This report was published on the Company's website, Belgrade Stock Exchange's website and Securities Commission website.
2. The Board of Directors Report for 2019 was adopted.
3. Profit from the current year was distributed as following:
 - o For mandatory reserves – RSD 12,241,110.00
 - o Undistributed profit – RSD 675,555,136.24
4. Making a decision on amendments and modifications of the Company's Articles of Association. Consolidated text of the Articles of Association was published on the Company's website.
5. Appointment of members of the Board of Directors, for four years mandate:
Non-executive directors: Dusan Mojsilovic, Nikola Mojsilovic and Mirjana Bogicevic (independent director).
Executive directors: Dragan Nenadovic and Slavica Pekovic.
Details on the composition of the Board of Directors and their biographies were published on the Company's website.
6. Making a decision on Changes to the Dividend Policy. Consolidated text of the Dividend Policy was published on the Company's website.
7. The Company „UHY REVIZIJA “d.o.o. from Belgrade was selected for the Independent Auditor for 2020.

Minutes of Annual General Meeting will be published on Company's web site www.fitofarmacija.rs no later than July 31st,2020

Attachments:

- Attach 1: The decision on adoption of the Annual Report for 2019
- Attach 2: The decision on the profit distribution.

Pursuant to Article 20 of the Articles of Association of „GALENKA - FITOFARMACIJA" a.d. (hereinafter referred to as: the Company), the Assembly of the Company at its meeting held on July 24th 2020 made the following

D E C I S I O N

The Company's Annual Report for 2019 IS ADOPTED. The Report includes:

1. The Annual Financial Report for 2019
2. The Auditor's Report for 2019
3. The Annual Report of the Company's Operations for 2019
4. Statement of persons responsible for preparing the Annual Report
5. Decision of supervisors on the adoption of the Annual Report (note)
6. Decision on profit distribution or loss covering (note)

Annual Report for 2019 is public document and can be found on Company's website, Belgrade Stock Exchange's website and Securities Commission website.

E x p l a n a t i o n

At its Annual General Meeting held on July 24th 2020, the Assembly of the Company considered the proposal of the Annual Report for 2019 and concluded that:

- it is prepared in accordance with Article 50 of the Law on Capital Market ("Official Gazette of the Republic of Serbia", no. 31/2011, 112/2015 and 108/2016) and in accordance with the Rules on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies ("Official Gazette of the Republic of Serbia", no.14/2012, 5/2015 and 24/2017);
- it is approved by the Board of Directors;
- it is published within the legally set deadline at the Company's website; submitted to the Securities Commission and the Belgrade Stock Exchange (BSE) within the legally set deadline,

After considering the Annual Report for 2019, the Assembly of the Company concluded that:

- The annual financial report shows the genuine and objective state of assets, capital and liabilities of the Company as on December 31st 2019, as well as the result of operations and changes in cash flows for the year which ended on that day.
- The business report objectively and comprehensively presents Company's operations in 2019.

Taking into account the positive opinion in the auditor's report, the Assembly of the Company made the decision as set forth in disposition.

Pursuant to Article 270 of the Law on Business (Official Gazette of the Republic of Serbia, No. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018 i 95/2018) Article 20 in conjunction with Articles 12 and 13 of the Articles of Association of „GALENKA - FITOFARMACIJA" a.d. (hereinafter referred to as: the Company), the Assembly of the Company at its meeting held on July 24th 2020 made the following

DECISION **on the distribution of profits for 2019**

The distribution of profits for 2019 is hereby adopted as follows:

1. The gross profit for the current year amounted to 687.796.246,24 RSD.
2. Into mandatory reserves is distributed 12.241.110,00 RSD (in accordance with Article 13 of the Articles of Association).
3. The remaining amount of profit amounts to 675.555.136,24 RSD and this amount remains unallocated.

Explanation

After considering the Annual Report for 2019, the Assembly of the Company considered the proposal of the Board of the Directors on the method of profit distribution in 2019.

In the explanation of the proposed decision, The Board of the Directors issued that according to Article 13 of the Articles of Association, mandatory reserves make 5% of net profit from the current year, until the value of this reserves reaches at least 10% of the fixed capital.

By allocation of the amount from the disposition of this decision, the value of these reserves is 10% of the value of fixed capital of the Company.

According to the distribution of profits for 2019, the capital of the Company will look as in the table below:

FIXED ASSETS ON JANUARY 1 st 2020	3,511,200,000.00
<i>Mandatory reserves on December 31st 2019</i>	<i>338,878,890.00</i>
<i>Increase of mandatory reserves based on the distribution of profit in 2019</i>	<i>12,241,110.00</i>
MANDATORY RESERVES ON JANUARY 1 st 2020	351,120,000.00
SPECIAL RESERVES FOR DEVELOPMENTAL PURPOSES	500,000,000.00
SPECIAL RESERVES FOR BUY-OFF OF OWN SHARES	158,000,000.00
REVALUATION RESERVES	23,072,600.00
UNREALIZED LOSSES FOR SECURITIES	1,837.44
<i>Undistributed profits from earlier years</i>	<i>2,829,220,085.46</i>
<i>Undistributed profits from the current year</i>	<i>675,555,136.24</i>
UNDISTRIBUTED PROFITS	3,504,775,221.70
TOTAL CAPITAL	8,048,165,984.26

The Assembly completely accepted the proposal of the Board of Directors and made a decision as in the disposition.