



ATLANTIC GRUPA d.d.
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HOME MEMBER STATE: Croatia
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- **regulated information**

First quarter marked with launching new products and stable operations

In March, Atlantic Grupa launched new chocolate under the Jimmy Fantastic brand and finalised preparations for launching another internally developed new brand, Boom Box

Although for over a year operations are under the impact of the COVID-19 pandemic, in the first quarter of 2021 Atlantic Grupa records only a minor decrease in sales, which amount to HRK 1.2 billion, or 2.4 percent less than in the same period of 2020. Earnings before interest, taxes, depreciation and amortization (EBITDA) amount to HRK 168.0 million and are 7.4 percent lower, while net profit amounts to HRK 84.6 million and records a 5.3 percent decrease. A slight decline in relation to the comparable period of the previous year is a consequence of significant restrictions on the operation of hospitality facilities and other measures to combat the pandemic, which resulted in reduced consumption outside homes throughout the first quarter of this year, but also of increased sales of certain categories, primarily Argeta and Farmacia, in March last year, due to the stockpiling in households after the onset of the pandemic.

“We are satisfied with the results achieved in the first quarter of 2021. Atlantic Grupa has shown resilience to the crisis and the stability of the business model, which was also recognized by the capital market, and we achieved the historically highest share price on the Zagreb Stock Exchange. Despite the crisis, we are continuing with the planned investments needed for long-term growth, among which the investment in the new Argeta factory near Varaždin stands out. I am especially delighted with the launching of two completely new brands developed in Atlantic Grupa – high-quality milk chocolate Jimmy Fantastic, and a range of oat-based products Boom Box. In the uncertainty of the pandemic development, our priorities remain the same – the health and safety of our employees, ensuring the smooth continuation of production and continuous supply of our customers and consumers, and social responsibility in the broadest sense”, Emil Tedeschi, CEO of Atlantic Grupa said.

Donat – sales growth leader

The best result among business units was recorded by business units Donat with a 10.1 percent growth, Coffee as individually the largest category with growth recorded in the markets of Croatia,



Austria and Germany, and Savoury Spreads with a significant growth in the markets of Germany, Switzerland and Sweden. Own brands hold a share of 63.3. percent of sales, external principals' brands present 27.2 percent of the total sales revenue, and the pharmacy chain Farmacia 9.5 percent.

New factory and two new brands

Given the excellent business development and growth plans in the savoury spreads category, Atlantic Grupa started the investment in the construction of a new factory of products under the Argeta brand in March, in the municipality of Kneginec near Varaždin. The investment, with a total value of approximately EUR 50 million, began with the purchase of the land and will have several phases, and the new production plant is scheduled to be commissioned within 15 months after obtaining a building permit. The realisation of all phases of the project should create up to 150 new jobs. A new brand, high-quality milk chocolate Jimmy Fantastic, was launched to the markets of Croatia and Slovenia, and a range of oat-based products under the Boom Box brand is ready to be launched.

In the remaining part of the year, the company will continue to focus on strengthening the position of prominent regional brands, internationalisation (primarily of Argeta and Donat), supporting new brands, development of distribution operations, and possible mergers and acquisitions.

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