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Results confirmed the strategy is resilient to crisis

Atlantic Grupa recorded profitability growth (excluding one-off items) with comparable revenue at the last-year's level and a record-low indebtedness

During 2020, the Atlantic Grupa's operations showed a high level of stability, despite the disruptions caused by the COVID-19 pandemic. The company recorded sales of HRK 5.3 billion, which is a 3.3 percent decline compared to 2019, but if we exclude the effect of the divested* business revenues, the comparable revenue is almost at the last-year's levels, with a mild decrease of 0.4 percent. Earnings before interest, taxes, depreciation and amortization (EBITDA) amount to HRK 716.5 million and is 8.0 percent lower, while if one-off items are excluded, it increased 4.6 percent to HRK 755.1 million. Net profit amounts to HRK 342.3 million and if one-off items are excluded, it grew 13.3 percent compared to the previous year, while nominally it records a 12.3 percent decrease.

"Stable financial position, optimisation of business processes and quality strategic management have enabled us to maintain business continuity and job security, actively participate in helping the community in the fight against coronavirus, improve profitability with minimum negative consequences on consolidated revenues and record-low indebtedness. Despite the crisis, we continue with the planned investments in business development. Our priorities in the uncertainty of the development of the epidemiological situation remain the same – maintaining a positive health status of our employees, ensuring the smooth continuation of production and continuous supply of our customers and consumers, and social responsibility in the broadest sense. I am proud of the way we deal with challenges, aware of the privilege of working in an industry that is not so much affected by the pandemic. I am pleased to say that today we are a better company in every way than we were a year ago. The world we live in is changing and our efforts are focused on being and staying relevant.", Emil Tedeschi, CEO of Atlantic Grupa said.

The biggest growth recorded by Argeta, Farmacia and Donat

The most significant increase in sales revenue among the business units was recorded by Savoury Spreads with a 15.1 percent growth, the pharmacy chain Farmacia with a 4.5 percent growth and Donat Mg with a 2.7 percent growth. With 21.1 percent share in the total revenue, Coffee stands out as the largest individual category, and in 2020 it recorded a mild decrease in revenue, of 2.6 percent, with an increase in profitability. Among markets, the most significant growth of 14.2 percent was

recorded by Key European Markets, primarily Austria and Switzerland, and the markets of Slovenia, Macedonia and Kosovo also recorded growth.

The result was significantly affected by measures to combat the spread of the pandemic and the weaker tourist season in Croatia, which was reflected in a significant decline in the HoReCa channel sales (primarily Beverages and Coffee), but also a decline in sales of products intended for out-of-home consumption and impulse goods (primarily Snacks and external principals). However, brands that are primarily consumed at home have managed to almost completely annul the negative consequences of the pandemic. It should also be noted that, in addition to the direct impact of the pandemic on revenues, the company's results are burdened with HRK 38.6 million of one-off costs, mostly related to donations (HRK 28 million), and other operating costs related to preventing the spread of infection.

Awards confirm the good direction

In addition to the crisis, the year was marked by numerous recognitions and awards. In 2020, Atlantic Grupa is the fifth most desirable employer in Croatia according to the survey conducted by MojPosao, and the most desirable employer to young people in Serbia in the food and beverages category. Furthermore, according to the Ipsos research, in 2020, Cedevida is the most desirable soft drinks brand in Croatia and Slovenia, and the second in Serbia. At the 12th Fina award ceremony, Atlantic won the title of the most successful long-standing entrepreneur, while at the 11th award ceremony organized by Poslovni dnevnik and the Zagreb Stock Exchange it won the first prize for investor relations. At the end of the year, Atlantic issued corporate bonds in the amount of HRK 300 million, at a fixed annual interest rate of 0.875%, which is historically the lowest interest rate realised in the non-financial sector on the Croatian capital market.

In 2021, the company will continue to focus on strengthening the position of prominent regional brands, internationalisation (primarily of Argeta and Donat), creating new brands, development of distribution operations, further divestment of non-core business operations, and possible mergers and acquisitions.

Atlantic Grupa d.d.

**Continuing the strategy of divesting non-core activities, in 2019 Atlantic Grupa fully abandoned the sports and functional food segment (Multipower), food supplements (Dietpharm and Multivita) and distribution of bottled water for dispensers, and in 2020 it sold the baby food brand Bebi. The company directs its focus on strengthening the main categories of consumer goods, comprising coffee, savoury spreads, salty snacks, chocolate and soft drinks.*