ATLANTIC GRUPA

FINANCIAL RESULTS

FOR THE FIRST NINE MONTHS OF 2021

(unaudited)

Zagreb, 28 October 2021

COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO

Commenting on the financial results for the first nine months of 2021, **Emil Tedeschi**, CEO of Atlantic Grupa, pointed out:

"In the first nine months Atlantic Grupa continues to record significant growth in revenue and profitability compared to the same period of the previous year, despite all the challenges we face. With excellent sales results of our own and principal brands, growth continues to be recorded in all business and almost all distribution units. The growth was recorded due to a better epidemiological situation in all markets and the easing of measures to prevent the pandemic, and a significantly better tourist season in Croatia compared to the previous year. In addition to all the above, compared to the first nine months of pre-pandemic 2019, we achieved significant organic sales growth of 10.1%*.

In order to implement the strategy of divesting non-core activities, at the end of June we completely divested the baby food brand Bebi while strengthening the focus on brands and segments that represent key growth drivers and the foundation of transformation for the future.

Despite the uncertainty of the pandemic development and a number of challenges ahead, we continue with the planned investment cycle, including especially investments in Atlantic Štark technology, new forms of packaging and redesign of Cedevita and the new Argeta factory near Varaždin, Atlantic Grupa's largest greenfield investment. Also, it is worth noting that in the past period great attention was paid to investments in the quality system, IT solutions and marketing.

We are pleased that our strategy so far has shown the stability and resilience of our business model and that our financial results in the past nine months are excellent in all business segments. In the coming period, we continue to monitor the development of the epidemiological situation and the impact of new market circumstances, so that we can timely take the necessary measures."

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FURTHER INCREASE IN REVENUES AND PROFITABILITY IN THE FIRST NINE MONTHS

- **SALES** AT HRK 4,248.3 MILLION
  +9.3% compared to the first nine months of 2020
  +9.9%* normalised for impacts of divested business

- EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (**EBITDA***) AT HRK 667.8 MILLION
  +14.0% compared to the first nine months of 2020 (+6.2% if one-off items excluded*)

- EARNINGS BEFORE INTEREST AND TAXES (**EBIT***) AT HRK 476.7 MILLION
  +19.5% compared to the first nine months of 2020 (+7.8% if one-off items excluded*)

- **NET PROFIT*** AT HRK 399.8 MILLION
  +29.2% compared to the first nine months of 2020 (+13.9% if one-off items excluded*)

FINANCIAL SUMMARY OF THE FIRST NINE MONTHS OF 2021

Key figures	9M 2021	9M 2020	9M 2021/ 9M 2020
Sales (in HRK million)	**4,248.3**	3,887.4	9.3%
Turnover (in HRK million)	**4,299.5**	3,931.2	9.4%
Normalized EBITDA margin*	**15.6%**	16.1%	-45 bp
Normalised net income* (in HRK million)	**393.2**	345.2	13.9%
Gearing ratio*	**13.9%**	**20.1%**	-613 bp

The comparative period has been adjusted to the reporting for 2021.

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1. NEW ARGETA FACTORY

Given the excellent business development and growth plans in the savoury spreads category, Atlantic Grupa decided to invest in the construction of a new factory of products under the Argeta brand in the municipality of Kneginec near Varaždin. The investment, with a total value of more than 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. For the construction of the factory and the accompanying infrastructure, a building plot in the Kneginec business zone of 41,000 square meters was purchased, and the new production plant will feature the highest standards in the food industry and the highest principles of sustainability, especially in environmental protection. The Kneginec business zone was selected for the construction of the new factory based on a number of criteria such as geographical location, transport connections and developed infrastructure, availability of skilled workforce and the possibility of using incentive measures in the form of tax relief, incentives for new employees and incentives for capital costs of the investment project.

2.LAUNCHING TWO NEW BRANDS: JIMMY FANTASTIC AND BOOM BOX

Atlantic Grupa's new business unit, the New Growth, launched our new brand, Jimmy Fantastic, on the markets of Croatia and Slovenia in March. Jimmy Fantastic is a delicious high-quality chocolate for all those looking for a great snack to remember. We listened to the market, figured out what people wanted and decided to make the most generous portion of chocolate. We did everything differently, precisely because Jimmy Fantastic is like that – different. Name, design, packaging, size, flavours… we have created a brand new original brand of chocolate with extremely massive squares for all those who want a bit bigger bite from life. Jimmy Fantastic boasts as many as six creative combinations and inclusions, and some of them are appearing on the domestic market for the first time. So, with Jimmy Fantastic, chocolate lovers will be able to enjoy a combination of roasted almonds and hazelnuts, a crunchy mix of coconut and cookies, a fusion of salted caramel and brownie, caramelised mini rice, a wafer enriched with dark chocolate, or pure chocolate. Jimmy Fantastic is a proud Cocoa Horizons ambassador that promotes the prosperity of cocoa growers, protection of nature and children. We believe that chocolate should be produced in a sustainable way, with programs that empower and protect growers and make the planet a happy place to live.

The other new brand of the New Growth, called Boom Box, was launched in April in retail in Croatia and Slovenia. Boom Box is the first completely new oat-based brand in our markets. Also, Boom Box is the first completely vegan brand without added sugar, and various flavour combinations make it totally delicious. From granola and oatmeal, to biscuits, and herbal drinks, every Boom Box product has the task of changing the perception of oats: oats are no longer the food we have to eat, oats are the food we want to eat – on any occasion. Early mornings, hectic afternoons, quiet evenings, late night fridge raids – all these are opportunities to start changing our eating habits in a nutritionally rich and very tasty way.

3. IN ADDITION TO DIGESTION, DONAT TAKES CARE OF NATURE

With a unique combination of minerals, Donat has been clinically proven to stimulate digestion and thus have a beneficial effect on the whole body. New findings are emerging that about 80% of the cells of the immune system are produced in our digestive system, which gives Donat an even more important role. That's why Donat's new positional slogan is: "Take care of your digestion, take care of yourself". Given the completely natural origin of the product and the requirements of regular users, we decided that Donat will be filled in 100% recycled bottles, which will reduce CO2 emissions by as much as 90% compared to the existing bottle. Donat will take already used plastic bottles from the environment and use them as a raw material for the production of bottles, which will greatly reduce the environmental burden of plastic. Thus, in Donat we realise our vision of a socially aware, environmentally responsible and sustainable brand. Donat is an expert in the field of healthy digestion and as such it is presented in a new, clean and elegant look.

4. ATLANTIC GRUPA IS THE MOST AWARD-WINNING EMPLOYER FOR EMPLOYER BRANDING AND FIFTH MOST DESIRABLE EMPLOYER IN CROATIA

Although faced with one of the biggest crises and numerous challenges related to the organisation of work, work from home, and caring for employee health, the most successful employers in Croatia have shown exceptional results in implementing activities that directly affect employee satisfaction, which in the broader context belong to the management of the company's quality recognition by general public. This year, Atlantic stands out at the awards ceremony as the company that won the most awards in the overall ranking – as many as six awards.

According to the Employer of First Choice survey conducted by MojPosao, Atlantic Grupa is the fifth most desirable employer in Croatia. The survey conducted during 2020 and 2021 covered almost 20 thousand respondents. Thus, Atlantic Grupa holds the high fifth position on the most desirable employers list for the third consecutive year.

Organized by the MojeDelo portal from Slovenia and the global Employer Branding Agency, Universum from Sweden, a survey was conducted in Slovenia for the Most Reputable Employer, where Atlantic Grupa was named as the Most Reputable Employer in the FMCG industry. This is a survey that has been conducted since 2007, and this year 12,000 respondents participated in the survey.

5. ARGETA SPREADS' NEW LOOK

With the new visual solutions, Argeta packaging moves away from the industrial look that prevails with competitors in the category. It adds colour, warmth and story to the cold packaging we are used to, and to meat and fish products. The new look of Argeta's packaging addresses customers in a recognisable way with illustration as the central element, which gives Argeta's packaging a modern look, full of warmth and imagination. Through richly stylised illustration, the packaging will always say something new and introduce customers to the character and story of every flavour. The new design of Argeta's packaging includes more than 20 illustrations that make it easier to find your favourite flavours faster. Through the new approach to branding, the visual identity of the entire range of Argeta's meat and fish spreads has been changed, and the premium lines of Argeta Junior and Argeta Exclusive have been redesigned.

6. ARGETA GACKA TROUT WINS GOLDEN BASKET 2021 AWARD

Argeta Gacka trout, a product developed to help the local fish farm survive the crisis caused by the Covid-19 pandemic, was awarded the Product of the Year – Golden Basket 2021 award. The award jury recognised the company's efforts and the initiative of the Argeta brand as an excellent combination of social responsibility and new product development.

Last year, in the midst of the pandemic, Argeta launched a special action to help the Gacka fish farm in Otočac, which was left without most of the trout delivery orders due to restrictions and pandemic measures. Argeta decided to buy all the surplus fresh fish fillets, develop a new fish spread from raw material previously not used – Argeta Gacka trout, and in cooperation with Konzum, as an exclusive retail partner, launch a new product whose added value is not only flavour but also social responsibility. With such a move, Argeta only proves that as a brand it is strongly connected with the local economy in all environments in which it operates.

7. RECORD HIGH DIVIDEND

Following the decision of the Company's General Assembly held on 16 June 2021, the dividend distribution was approved in the amount of HRK 40 per share, i.e. a total of HRK 133,094 thousand, representing the historically highest dividend amount. The dividend was distributed on 7 July 2021.

8. WE CONTINUE TO STRENGTHEN CUSTOMER EXPERIENCE IN THE CHOCOLATE CATEGORY

Atlantic Grupa and Barry Callebaut, the world's leading manufacturer of high-quality chocolate and cocoa products, have concluded a collaboration agreement that will improve the production and quality of Atlantic's established portfolio in the chocolate range, under Atlantic Štark brand, which has been present in Serbia since 1922.

This partnership with Barry Callebaut confirms that Atlantic Grupa is focused on further development of its main brands in key categories. Atlantic Štark is the first regional strategic partner of Barry Callebaut and its factory in Novi Sad. The supply will also include cocoa with Cocoa Horizons certificate, a sustainability initiative whose mission is to improve the livelihoods of cocoa farmers and their communities through the promotion of sustainable entrepreneurial farming and improved productivity.

9. 5 AWARDS FOR ARGETA AT 30TH SOF

At this year's jubilee 30th Slovenian Advertising Festival, Argeta won as many as five awards in various categories, of which four silver and one gold.

Argeta Exclusive received 3 awards for the Sound tasting project: a silver award in the Sound and Brand Management category and a gold award in the Innovation category. The Redesign of packaging project was awarded a silver award in the design category, which includes the redesign of packaging of all Argeta products. In the new design, Argeta is adorned with illustrations in a unique collage technique, with which Argeta has moved from the field of industrial design to the field of "craft" products of the highest quality. The We Support Local project also won a silver award. It was developed during the lockdown, when Argeta started the initiative "We Support Local" with which it came to the aid of many local entrepreneurs.

Argeta is among the top 10 brands in Slovenia in terms of the number of awards won.

10. BEBI BRAND DIVESTMENT COMPLETED

The process of divesting the baby food brand Bebi was completed on 30 June 2021. In September 2020, Atlantic Grupa and Nelt Grupa, based in Belgrade, entered into a contract for the sale of the Bebi brand. This is a wide portfolio of products for infants and children marketed primarily on the markets of Russia and other CIS countries, where this brand has been present for more than 35 years. In Russia, Bebi is a symbol of European quality and origin in the segment of cereals for children, and in 2020 it generated EUR 9 million in sales revenue.

The existing production site for the Bebi brand in Mirna, Slovenia remains in the Atlantic Grupa and, after a transition period in which the Bebi range will continue to be produced, Atlantic Grupa will find an alternative range of products to engage its production capacities and skilled experts.

The sale of the Bebi brand is a continuation of the process of divesting minor and non-core activities, in line with the Atlantic Grupa's corporate strategy.

11. CEDEVITA IN NEW PRACTICAL PACKAGING

To the delight of the CE generation, Cedevita's new, modern and practical look is ready for launch in the fourth quarter. Listening to the wishes of the Generation CE, Cedevita conducted a survey on their preferences when it comes to packaging. Through hundreds of interviews, consumers have expressed their views on the future, desired packaging of Cedevita.

Taking into account the suggestions of consumers, Cedevita, following the example of the smallest packaging of 200 grams, which consumers rated as the most practical to use, also brought a medium packaging in rigid form. This makes it easier to pour Cedevita directly into a glass or into a smaller package, and it also simplifies refilling by taking on the role of a container. In addition, it is extremely easy to open and close, while maintaining maximum quality and freshness. The largest packaging got a stopper that enables easy and controlled pouring of the consumers' favourite drink directly into a glass, or pouring their favourite Cedevita into a medium or small packaging.

When it comes to the look of the product, Cedevita got a completely new visual identity, which at first glance brings closer the beloved taste of Cedevita that awaits the consumer inside the packaging. By introducing fruit motives on the packaging of all five flavours, their look has been modernized.

With unmatched quality, unsurpassed flavours and a unique combination of refreshing taste and 9 vitamins, Cedevita will continue to win the hearts of the Generation CE.

12. ATLANTIC GRUPA WON THE FIRST PRIZE FOR INVESTOR RELATIONS

Atlantic Grupa won the first prize for investor relations, awarded for the 12th consecutive year at the "Challenge of Change" conference, organised jointly by the Zagreb Stock Exchange and the Association of Pension Fund Management Companies and Pension Insurance Companies.

This award is awarded in cooperation of Poslovni dnevnik and the Zagreb Stock Exchange and it represents a recognition by the investor community to companies that have fair and transparent investor relations. The competition includes companies from the CROBEX index and companies listed in the Prime and Official Markets of the Zagreb Stock Exchange, and the winners are selected based on statistical criteria related to obeying the Stock Exchange Rules by the issuer and based on a survey conducted among the capital market participants.

This is the 5^{th} time that Atlantic Grupa won the first prize, and seven more times it was among the top three companies.

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	9M 2021	9M 2020	9M 2021/ 9M 2020
SBU Coffee	**868.0**	801.9	8.2%
SBU Savoury Spreads	**702.7**	648.1	8.4%
SBU Snacks	**473.8**	452.7	4.7%
SBU Beverages	**438.3**	396.0	10.7%
SBU Pharma	**414.7**	394.2	5.2%
BU Donat	**167.4**	145.3	15.2%
SDU Croatia	**1,075.4**	955.8	12.5%
SDU Serbia	**947.7**	876.0	8.2%
SDU Slovenia	**743.3**	716.9	3.7%
Other segments*	**634.2**	577.1	9.9%
Reconciliation**	**(2,217.0)**	(2,076.6)	n/a
Sales	**4,248.3**	3,887.4	**9.3%**

The comparative period has been adjusted to the reporting for 2021.

In the first nine months of 2021, Atlantic Grupa recorded sales of HRK 4.2 billion, which is a significant 9.3% growth compared to the same period of the previous year. The revenue growth is recorded following excellent sales results of all business and almost all distribution units. The best results are recorded by the Strategic business unit Beverages, the Business unit Donat and the pharmacy chain Farmacia. Sales growth, which is particularly visible in the second and the third quarters, was impacted by the better epidemiological situation on all markets and the consequent easing of measures to prevent the spread of the pandemic, and a significantly better tourist season in Croatia, compared to the previous year. If we exclude the effect of sales of the baby food brand Bebi, which was fully divested at the end of June, organic sales growth would be 9.9%***. It is important to note that comparable sales in the first nine months were 10.1% above the level achieved in the same period of 2019***.

Atlantic Grupa records sales by business segments in a way that sales of individual Strategic Business Units and Business Units represent the total sales to third parties in the markets (either directly from a Strategic Business Unit (SBU) or Business Unit (BU), or through a Strategic Distribution Unit (SDU), Distribution Unit (DU) or Global Distribution Account Management (GDAM)), while sales of Strategic Distribution Units, Distribution Units and Global Distribution Account Management include both sales of external principals' products and sales of own products. Comparative period has been adjusted to reflect the reporting for 2021.

* Other segments include BU New Growth, DU Austria, DU Russia, GDAM and DU Macedonia.

** Line item "Reconciliation" relates to the sale of own brands which is included in the appropriate SBU and BU and in SDUs, DUs and GDAM through which the products were distributed.

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The STRATEGIC BUSINESS UNIT COFFEE records a significant sales growth primarily as a result of the increase in sales in all regional markets. Analysed by categories, growth was recorded by all categories, with the most significant growth recorded by roast and ground coffee under the Grand kafa brand and Barcaffe, coffee for on-the-go consumption, and instant coffee. Also, espresso coffee records growth as a consequence of the acquisition of Procaffe. Revenue growth in the second and the third quarters is a consequence of the easing of measures to prevent the spread of COVID-19, primarily in the HoReCa channel. Compared to the same period of 2019, sales growth of 6.2% was recorded.

The STRATEGIC BUSINESS UNIT SAVOURY SPREADS recorded an increase in sales due to the excellent business results primarily in Western markets (Germany, Austria, the United States of America and Switzerland) and the market of Kosovo (due to the return of diaspora after two years), which fully cancelled out the mild decrease in sales in the markets of Slovenia and Bosnia and Herzegovina, caused by high sales of this segment in the previous year. Growth was recorded both in meat and fish savoury spreads segments. Also, jams and *ajvar* under the Granny's Secret brand and sandwiches under the Montana brand record double-digit sales growth. Savoury Spreads recorded as much as 24.3% higher sales in the first nine months compared to the same period of 2019.

The STRATEGIC BUSINESS UNIT SNACKS recorded an increase in sales in almost all regional markets, with the most significant growth recorded by the markets of Serbia, Montenegro and Austria. Analysed by categories, the double-digit growth is recorded by flips under the Smoki brand, Bananica and Prima sticks, while other categories record a decrease which is particularly prominent in the impulse goods part of the range. Sales of this Strategic unit approached pre-pandemic levels, and they are only 0.4% lower than the sales recorded in the first nine months of 2019.

The STRATEGIC BUSINESS UNIT BEVERAGES recorded a double-digit sales growth in almost all markets, with the most significant growth recorded by the markets of Croatia, Serbia, and Bosnia and Herzegovina. Growth in sales is recorded by Cockta and Cedevita brands, where the products for consumption at home and Cedevita GO stand out. Revenue growth in this segment was also impacted by the significant easing of measures in the HoReCa channel, primarily in the second quarter, and a successful tourist season in Croatia, the dominant market of this business segment. Compared to the first nine months of 2019, the comparable* sales are only 0.6% lower, primarily due to restrictions in the operation of the HoReCa channel.

The STRATEGIC BUSINESS UNIT PHARMA records an increase in sales of the pharmacy chain Farmacia due to a significant sales growth in the second quarter as a consequence of the easing of measures to prevent the spread of the pandemic, which were in force in the same period of the previous year. The above mentioned growth fully cancelled out the decrease in sales of the divested brand Bebi in the Russian market. If we exclude the effect of Bebi brand sales, the sales of this unit records a significant growth of 11.1%*. Also, in the first nine months, this segment records 14.6% higher comparable* sales compared to the same period of 2019. As at 30 September 2021, Farmacia consists of 96 pharmacies and specialised stores, which is 7 retail units more than in the same period of 2019.

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SALES TRENDS
IN THE FIRST NINE MONTHS OF 2021

Double-digit growth rates are recorded by the BUSINESS UNIT DONAT due to the increase in sales primarily in the market of Slovenia, and in the markets of Croatia, Russia, and Bosnia and Herzegovina. Also, this unit records an 18.9% increase in sales compared to the same period of 2019.

The STRATEGIC DISTRIBUTION UNIT CROATIA continues to record double-digit growth as a consequence of excellent results of own and principal brands. Own brands recorded growth in almost all categories, and the brands that especially stand out are two new brands – Jimmy Fantastic and Boom Box, Cedevita and Cockta brands in the retail channel, Cedevita GO, Cedevita in the HoReCa channel, sandwiches under the Montana brand, roast and ground coffee under the Barcaffe brand, flips under the Smoki brand and functional water Donat. Among principal brands, the most significant growth was recorded by Ferrero, Phillips and Unilever. The growth in sales in this segment was impacted by the easing of restrictive measures to combat the pandemic in the second and the third quarters, and a better tourist season in Croatia compared to the same period of the previous year. This unit recorded 6.2% higher comparable sales* in the first nine months compared to the same period of 2019.

A significant sales growth is recorded by the STRATEGIC DISTRIBUTION UNIT SERBIA as a result of the increase in sales of roast and ground coffee under the Grand kafa brand, flips under the Smoki brand and Bananica in the snacks segment, Cedevita GO in the beverages segment, Argeta in the savoury spreads segment and Cockta in the retail channel. Among principal brands, Red Bull and Saponia stand out. Strong sales are also recorded by the HoReCa channel following the significantly milder restrictions and the easing of measures to combat the pandemic. This unit also records 5.1% higher sales compared to the same period of 2019.

The STRATEGIC DISTRIBUTION UNIT SLOVENIA records sales growth due to the growth of own and principal brands. Among own brands, the brands that especially stand out are two new brands – Jimmy Fantastic and Boom Box, functional water Donat, flips under the Smoki brand, and roast and ground coffee under the Barcaffe brand and Barcaffe coffee for on-the-go consumption. Among principal brands, Ferrero and Rauch stand out. The mentioned growth fully cancelled out the mild decrease in sales in the HoReCa channel following the decrease in sales in the third quarter as a consequence of the introduction of restrictive measures to prevent the spread of the pandemic compared to the same period of the previous year. The sales are 9% higher than in the same period of 2019.

OTHER SEGMENTS record sales growth in the distribution units Austria, Macedonia and the Global Distribution Account Management, and in the new business unit New Growth, which fully cancelled out the decrease in sales recorded in the distribution unit Russia following the decrease in sales of the divested baby food brand Bebi. If we exclude the effect of sales of the Bebi brand, Other segments record a 14.2%* growth. Also, the sales recorded in the first nine months are significantly higher compared to the same period of 2019.

The DISTRIBUTION UNIT MACEDONIA recorded an increase in sales due to the increase in sales of own and principal brands. Own brands are led by the sales growth of Argeta in the savoury spreads segment, roast and ground coffee under the Grand kafa brand, the Cedevita brand in the beverages segment, and flips under the Smoki brand in the snacks segment. Among principals, Ferrero, Hipp and Beiersdorf stand out.

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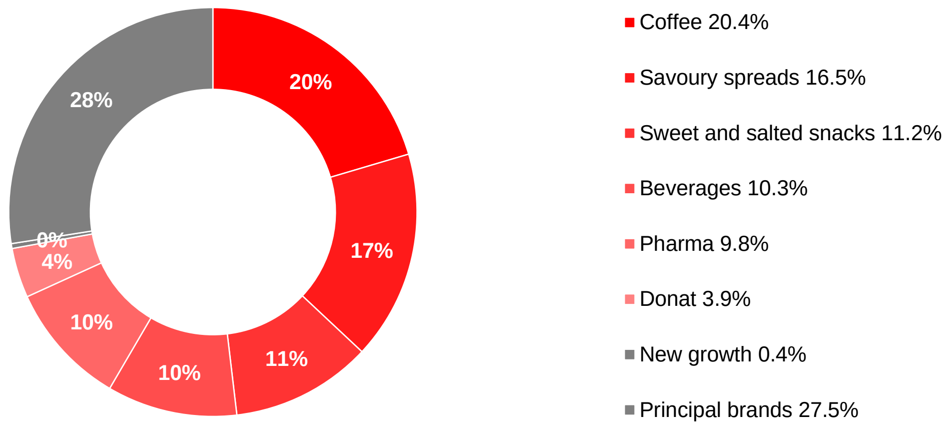
Double-digit growth rates are recorded by the DISTRIBUTION UNIT AUSTRIA, primarily due to the growth of almost all own brands, primarily Argeta in the savoury spreads segment, and Smoki flips, Bananica and Prima sticks in the snacks segment.

The GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT continues to record double-digit growth rates, with the biggest growth recorded by the markets of the Unites States of America, Germany and Switzerland in the savoury spreads segment under the Argeta brand and flips under the Smoki brand in the snacks segment.

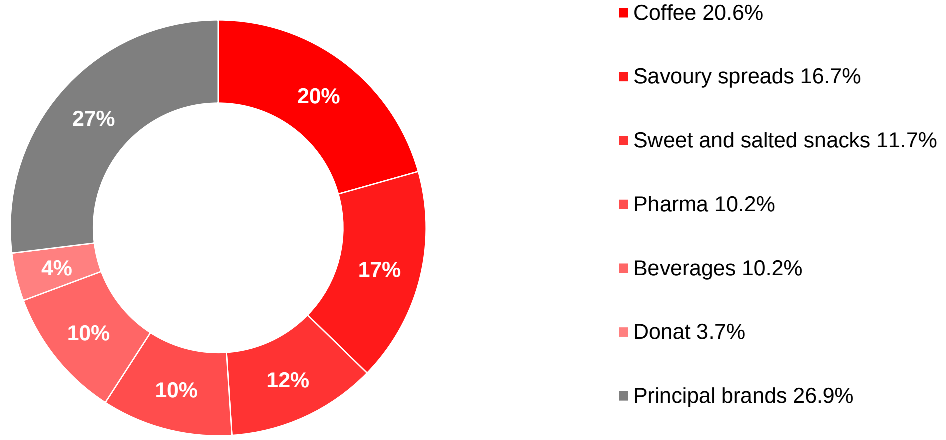
The DISTRIBUTION UNIT RUSSIA records a decrease in sales as a consequence of the decrease in sales of baby food under the Bebi brand which was partially cancelled out by the double-digit growth in sales of the functional water Donat, and Argeta in the savoury spreads segment. If we exclude the effect of sales of the divested brand Bebi, the sales of this unit grew by 13.1%.

SALES PROFILE BY SEGMENTS

9M 2021



9M 2020



SALES PROFILE BY MARKETS

(in HRK millions)	9M 2021	% of sales	9M 2020	% of sales	9M 2021/ 9M 2020
Croatia	**1,466.1**	34.5%	1,302.3	33.5%	12.6%
Serbia	**958.5**	22.6%	887.3	22.8%	8.0%
Slovenia	**743.9**	17.5%	717.5	18.5%	3.7%
Bosnia and Herzegovina	**323.1**	7.6%	298.2	7.7%	8.3%
Other regional markets*	**359.5**	8.5%	316.1	8.1%	13.8%
Key European markets**	**214.6**	5.1%	193.3	5.0%	11.0%
Russia and CIS	**93.7**	2.1%	100.7	2.6%	(7.0%)
Other markets	**89.0**	2.1%	72.1	1.9%	23.4%
Total sales	**4,248.3**	100.0%	3,887.4	100.0%	9.3%

*Other regional markets: Macedonia, Montenegro, Kosovo
**Key European markets: Germany, Switzerland, Austria, Sweden
The comparative period has been adjusted to the reporting for 2021

The MARKET OF CROATIA recorded a significant sales growth following the double-digit sales growth in the second and the third quarters as a result of the easing of measures to prevent the pandemic, primarily in the HoReCa channel, and a significantly better tourist season compared to the previous year. Sales growth was recorded by: (i) most own brands, with the biggest growth recorded by new brands Jimmy Fantastic and Boom Box, Cedevita and Cockta in the retail channel, Cedevita GO, Cedevita in the HoReCa channel and sandwiches under the Montana brand, (ii) the pharmacy chain Farmacia, and (iii) external principals, among which the biggest growth was recorded by Ferrero, Phillips and Unilever.

The MARKET OF SERBIA recorded a significant sales growth primarily from the sales of own brands, of which the following stand out: (i) Grand kafa in the coffee segment, (ii) Bananica and Smoki in the snacks segment, and (iii) Cedevita GO in the beverages segment. Among principal brands, growth comes from Red Bull and Saponia.

The increase in sales of 3.7% in the MARKET OF SLOVENIA is based on the increase in sales of: (i) new own brands Jimmy Fantastic and Boom Box, (ii) functional water Donat, (iii) Barcaffe coffee for on-the-go consumption, (iv) roast and ground coffee under the Barcaffe brand, and (v) principal brands Ferrero and Rauch.

The MARKET OF BOSNIA AND HERZEGOVINA recorded an 8.3% sales growth as a result of the easing of measures to prevent the pandemic, primarily in the HoReCa channel. The greatest contribution to the growth came from: (i) roast and ground coffee under the Grand kafa brand, (ii) Cedevita and Cockta in the beverages segment, (iii) functional water Donat, and (iv) flips under the Smoki brand and Bananica in the snacks range.

The double-digit growth in sales of OTHER REGIONAL MARKETS was recorded due to the increase in sales in all markets, where the biggest contribution to the growth was made by the increase in sales of

Argeta in the savoury spreads segment, flips under the Smoki brand, Cedevita in the beverages category, and roast and ground coffee under the Grand kafa brand.

The significant sales growth, of 11.0%, on the KEY EUROPEAN MARKETS was recorded in all markets, where the markets of Austria and Switzerland recorded double-digit growth due to the increase in sales of Argeta in the savoury spreads segment and flips under the Smoki brand.

The decrease in sales was recorded by the MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES following the decrease in sales of the baby food range under the Bebi brand. This decrease was partly cancelled out by the increase in sales of the functional water Donat and savoury spreads under the Argeta brand. If we exclude the effect of the divested business, i.e. the sales of the Bebi brand, this market records a significant growth of 20.2%*.

The significant double-digit sales growth is recorded in OTHER MARKETS, primarily due to the increase in sales of savoury spreads under the Argeta brand in most Other markets, with the most significant growth recorded by the markets of the United States of America, the Netherlands and France.

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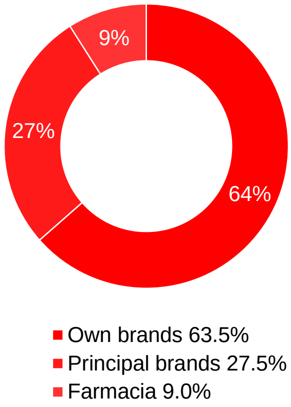
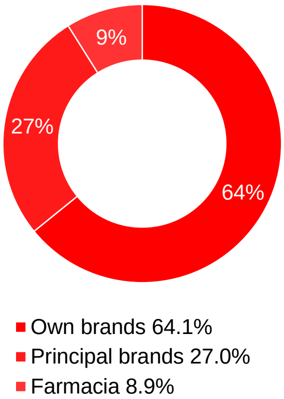
SALES PROFILE BY PRODUCT CATEGORY

9M 2021



9M 2020



The comparative period has been adjusted to the reporting for 2021.

In the first nine months, OWN BRANDS recorded sales of HRK 2,698.2 million, which is an 8.2% growth, following the growth of almost all categories. The greatest contribution to the growth was made by: (i) Argeta in the savoury spreads segment, (ii) Grand kafa in the coffee segment, (iii) Smoki and Bananica in the snacks segment, (iv) Cedevita and Cockta in the beverages segment, and (v) functional water Donat. If we exclude the effect of the Bebi brand sales, own brands record an increase in sales of 9.1%*.

With sales of HRK 1,167.2 million, PRINCIPAL BRANDS record a significant growth of 11.5%. The growth is mainly based on the increase in sales of principals Ferrero, Phillips, Rauch and Red Bull.

A significant 10.5% growth was recorded by the pharmacy chain FARMACIA, with sales of HRK 382.9 million, due to the increase in sales of the existing Farmacia locations and the easing of measures to prevent the spread of the pandemic. As at 30 September 2021, Farmacia consists of 96 pharmacies and specialised stores.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see the attached document "Definition and reconciliation of Alternative Performance Measures".

PROFITABILITY TRENDS

(in HRK millions)	9M 2021	9M 2020	9M 2021/ 9M 2020
Sales	**4,248.3**	3,887.4	9.3%
EBITDA*	**667.8**	585.7	14.0%
Normalised EBITDA*	**663.0**	624.3	6.2%
EBIT*	**476.7**	399.0	19.5%
Normalised EBIT*	**471.9**	437.6	7.8%
Net profit*	**399.8**	309.3	29.2%
Normalised Net profit*	**393.2**	345.2	13.9%
Profitability margins			
EBITDA margin*	**15.7%**	15.1%	+65bp
Normalised EBITDA margin*	**15.6%**	16.1%	-45bp
EBIT margin*	**11.2%**	10.3%	+96bp
Normalised EBIT margin*	**11.1%**	11.3%	-15bp
Net profit margin*	**9.4%**	8.0%	+145bp
Normalised Net profit margin*	**9.3%**	8.9%	+38bp

In the first nine months of 2021, EBITDA amounts to HRK 667.8 million, which is a 14.0% increase compared to the same period of the previous year, or a 6.2% increase if we exclude the effect of one-off items.

The significant increase in normalised EBITDA was mainly impacted by the increase in sales of all business and almost all distribution units, with the most prominent sales growth of the Strategic Business Units Beverages, Coffee, the Business Unit Donat, and the pharmacy chain Farmacia. The increase in normalised EBITDA was also positively impacted by lower other operating expenses, primarily costs of entertainment and business trips, as a result of measures to prevent the pandemic, and lower impairment of current assets. These positive effects compensate for additional investments in marketing activities and human resources.

In addition to the described above, normalized net profit records a 13.9% increase as a consequence of lower interest expense and positive effect of foreign exchange differences, primarily due to the mild appreciation of the Croatian kuna against the Euro.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see the attached document "Definition and reconciliation of Alternative Performance Measures"

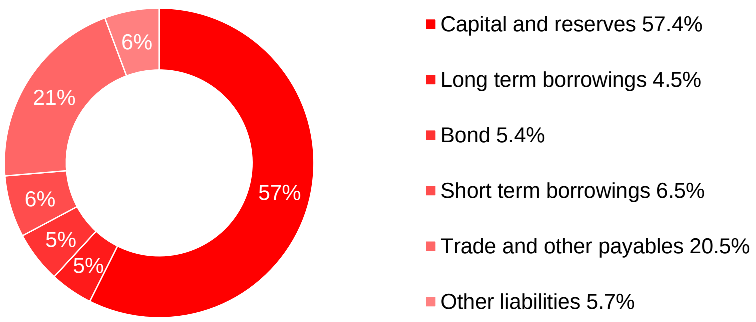
FINANCIAL INDICATORS

(in HRK millions)	30 Sept 2021	31 Dec 2020
Net debt*	**519.6**	740.1
Total assets	**5,588.2**	5,411.7
Total Equity	**3,207.3**	2,948.0
Current ratio*	**1.5**	1.3
Gearing ratio*	**13.9%**	20.1%
Net debt/EBITDA*	**0.7**	1.0
(in HRK millions)	**9M 2021**	9M 2020
Interest coverage ratio*	**48.7**	31.3
Capital expenditure*	**175.6**	172.8
Free cash flow*	**414.8**	370.3
Cash flow from operating activities	**590.4**	543.1

Among key determinants of the Atlantic Grupa's financial position in the first nine months of 2021, the following should be pointed out:

- The gearing ratio decreased by as much as 613 basis points due to the HRK 221 million decrease in net debt compared to the end of 2020.
- The indebtedness measured as the net debt to normalised EBITDA ratio dropped from 1.0 at the end of 2020 to 0.7 at the end of nine months of 2021.
- Free cash flow records an increase due to higher cash flow from operating activities despite somewhat higher capital expenditure.

THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 30 SEPTEMBER 2021



* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see the attached document "Definition and reconciliation of Alternative Performance Measures".

OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

Cash flow from operating activities records an increase, primarily as a result of improved profitability, positive movements in the working capital and lower cash outflows related to financing, despite higher cash outflows related to taxes.

Capital expenditure in the first nine months of 2021 were realised in line with the Atlantic Grupa's Strategic guidelines. The pandemic situation continues to affect the modalities of realisation. Global disruptions in the supply chain are evident, especially in the supply of electronic components, which causes delays in the delivery of equipment by our suppliers. At the moment, it is at a level that does not jeopardize the realisation of investments or negative impact on business.

Among significant investments, we should mention:

- SBU BEVERAGES: Finalised installation of the new line for rigid and flexible packaging of Cedevita and its commissioning and beginning of production in the new innovative packaging. Initialised investment project for the optimisation of PET packaging aimed at sustainability/decreasing the weight of individual PET packaging.

- SBU COFFEE: Continued installation of the purchased Coffee2Go and HoReCa equipment for coffee preparation at points of sale. Investment projects related to raising technological level of production and filling of coffee in production locations in Serbia and Bosnia and Herzegovina.

- SBU SAVOURY SPREADS: Finalised investment in the reconstruction and improvement of the line for the production and packaging of savoury spreads in Izola. The trial run was successfully completed and the line was put into regular operation. Reconstruction of the automatic high shelf warehouse made. Initialised preparation of project technical documentation for the construction of the new factory in Varaždin.

- SBU SNACKS: A trial run of a new chocolate moulding line and a new chocolate packaging line completed. Additional investments in advanced technical solutions for the production of Jimmy Fantastic chocolate. Completed reconstruction of air conditioning plant at the production site in Belgrade. Initiated realisation of the strategic investment project in the production of biscuits and wafers.

- BU DONAT: Finalised investment in the system for labelling/serialisation of products in line with the requirements of the market of the Russian Federation.

- SBU PHARMA: Multiple investments in equipment of stores in the pharmacy chain Farmacia.

- IT: Investments in digital infrastructure and technologies. Initiated programmes of the implementation of advanced tools for master data management (MDM) and S4 ERP system in all companies of Atlantic grupa.

ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2021

Despite the currently better epidemiological situation and the ongoing vaccination process, the uncertainty is still very high and it is difficult to predict the future course of the pandemic and the responses of economies to it.

Atlantic Grupa's management in 2021 expects higher average prices of raw coffee on global commodity markets that will partly be annulled by the expected weakening of the US dollar, as this raw material is purchased in the US dollar currency. In addition, the prices of a significant portion of our key raw materials and packaging materials such as powdered milk, cocoa, edible oil and aluminium have already increased or the increase is very likely, and the same trend is also evident regarding the main energy sources and logistics and other services. Atlantic Grupa regularly monitors developments on global markets of raw materials and supplies and actively takes measures to protect against these risks. It is important to note that during the first nine months, existing stocks were mostly used or contractual conditions from the previous year applied, and the majority of this negative impact will be realised in the fourth quarter. With respect to the current disruptions in the supply chain and higher transport costs in the future period, we do not expect a significant impact on the dynamics of current investments and our overall business.

Under the assumption that significant vaccination coverage will be achieved until the end of the year and that additional restrictions to prevent the pandemic will not be introduced, we expect a medium single-digit organic growth in sales revenue compared to 2020, which will be accompanied by more intensive marketing investments. In addition, in the first half we launched a new brand of chocolate, Jimmy Fantastic, and Boom Box, a range of oat-based products, which are accompanied with significant initial investments, which, in combination with the above, is likely to result in a slightly lower normalised EBITDA compared to the one achieved in 2020.

In 2021, we plan slightly higher capital expenditure than in the previous year.

In 2021, management will continue to focus on (i) strengthening the position of prominent regional brands, (ii) internationalisation of certain brands, primarily Argeta and Donat, (iii) creating new brands that will drive new growth, (iv) development of distribution operations by strengthening the existing and acquiring new principals, (v) further divestment of non-core business operations that do not have a significant growth potential, and (vi) possible mergers and acquisitions.

ATLANTIC GRUPA d.d.

DEFINITION AND RECONCILIATION OF

ALTERNATIVE PERFORMANCE MEASURES (APM)

The Annual report, half-year report, quarterly report and other communication to investors contain certain financial performance measures, which are not defined by International financial reporting standards (IFRS). We believe these measures, along with comparable IFRS measurements, are useful to investors because they provide a basis for measuring our operating and financial performance.
The main APMs used by Atlantic Grupa are defined and/or reconciled with our IFRS measures in this document.

ORGANIC SALES GROWTH COMPARED TO 2020

Organic sales growth refers to the increase in sales for the period after removing the impact of acquisitions and divestitures, change of scope of activity and other major items affecting comparability of operating results. We believe this measure provides valuable additional information on the sales performance and provides comparability of operating result.

in HRK million	9M 2021	9M 2020	9M 2021/ 9M 2020
Sales	**4,248.3**	**3,887.4**	**9.3%**
Sale of divested business - brand Bebi	31.8	49.6	
Comparable sales	**4,216.4**	**3,837.8**	**9.9%**

in HRK million	SBU Pharma	Other segments
Reported 9M 2020	**394.2**	**577.1**
Sale of divested business - brand Bebi*	49.6	49.3
Comparable sales 9M 2020	**344.6**	**527.8**
Reported 9M 2021	**414.7**	**634.2**
Sale of divested business - brand Bebi*	31.8	31.6
Comparable sales 9M 2021	**382.8**	**602.6**
9M 2021/9M 2020	**11.1%**	**14.2%**

in HRK million	Russia and CIS	Other markets
Reported 9M 2020	**100.7**	**72.1**
Sale of divested business - brand Bebi	49.1	0.5
Comparable sales 9M 2020	**51.6**	**71.6**
Reported 9M 2021	**93.7**	**89.0**
Sale of divested business - brand Bebi	31.6	0.2
Comparable sales 9M 2021	**62.0**	**88.7**
9M 2021/9M 2020	**20.2%**	**23.9%**

in HRK million	9M 2021	9M 2020	9M 2021/ 9M 2020
Sales of own brands	**2,698.2**	**2,493.3**	**8.2%**
Sale of divested business - brand Bebi	31.8	49.6	
Comparable sales of own brands	**2,666.4**	**2,443.7**	**9.1%**

* Relates to the sales of the Bebi brand which is included in the SBU Pharma to which it belongs, but also in Other segments through which the products are distributed.

ORGANIC SALES GROWTH COMPARED TO 2019

in HRK million	9M 2021	9M 2019	9M 2021/ 9M 2019
Sales	4,248.3	4,012.4	5.9%
Sales of divested business - SBU SFF		27.8	
Sale of divested business - brand Dietpharm		42.7	
Sale of divested business - brand Multivita		6.1	
Exit from pharma wholesale business		25.3	
Sale of divested business - BNBV		20.3	
Sale of divested business - brand Bebi	31.8	60.2	
Comparable sales	4,216.4	3,830.0	10.1%

in HRK million	SBU Beverages	SBU Pharma	SDU Croatia	Other segments
Reported 9M 2019	456.2	468.4	1,032.7	541.3
Sales of divested business - brand Bebi				27.8
Sale of divested business - brand Dietpharm		42.7		
Sale of divested business - brand Multivita		6.1		
Exit from pharma wholesale business		25.3		
Sale of divested business - BNBV	15.4		20.3	
Sale of divested business - brand Bebi		60.2		59.6
Comparable sales 9M 2019	440.8	334.0	1,012.4	453.8
Reported 9M 2021	438.3	414.7	1,075.4	634.2
Sale of divested business - brand Bebi		31.8		31.6
Comparable sales 9M 2021	438.3	382.8	1,075.4	602.6
9M 2021/9M 2019	(0.6%)	14.6%	6.2%	32.8%

EBITDA and NORMALIZED EBITDA, EBITDA margin and NORMALIZED EBITDA margin

EBITDA (Earnings before interest, tax, depreciation and amortization) equals to operating profit in the financial statements (see Note 2 – Summary of significant accounting policies in the latest published audited Consolidated Financial statements) increased for depreciation, amortisation and impairment (see Notes 13, 14, 15 in the latest published audited Consolidated Financial statements).

The Group also presents Normalized EBITDA which is calculated as EBITDA excluding the impact of one-off items. One-off items represent gain/loss on sale of subsidiaries (see Note 28 Business combinations and sale of subsidiaries in the latest published audited Consolidated Financial statements) and all one-off expenses/income arising from these transactions, COVID-19 expenses related to the donation for combating the spread of the pandemic and costs for the protective equipment and disinfectants, and other one-off items related to income as a result of the release of provisions. The Group's Management Board monitors normalized EBITDA to evaluate business performance of the Group and to allocate resources accordingly. Additionally, Group's management believes that normalized EBITDA provides information that enables investors to better compare Group's performance across periods.

The Group also presents EBITDA margin and Normalized EBITDA margin, which are defined as EBITDA/Normalized EBITDA as percentage of sales.

(in HRK millions)	9M 2021	9M 2020	9M 2021/ 9M 2020
Operating profit	**476.7**	**399.0**	**19.5%**
Depreciation, amortisation and impairment	**191.0**	**186.7**	**2.3%**
EBITDA	**667.8**	**585.7**	**14.0%**
Divestment costs and (gains), net	0.0	4.7	
COVID-19 costs	2.6	33.9	
Other one off (income) and costs, net	(7.4)	0.0	
Normalized EBITDA	**663.0**	**624.3**	**6.2%**
Sales	4,248.3	3,887.4	
EBITDA margin	**15.7%**	**15.1%**	
Normalized EBITDA margin	**15.6%**	**16.1%**	

EBIT and NORMALIZED EBIT, EBIT margin and NORMALIZED EBIT margin

EBIT (Earnings before interest and tax) equals to operating profit in the financial statements (see Note 2 Summary of significant accounting policies in the latest published audited Consolidated Financial statements).
The Group also presents Normalized EBIT which is calculated as EBIT excluding the impact of one-off items.

(in HRK millions)	9M 2021	9M 2020	9M 2021/ 9M 2020
Operating profit	**476.7**	**399.0**	**19.5%**
EBIT	**476.7**	**399.0**	**19.5%**
Divestment costs and (gains), net	0.0	4.7	
COVID-19 costs	2.6	33.9	
Other one off (income) and costs, net	(7.4)	0.0	
Normalized EBIT	**471.9**	**437.6**	**7.8%**
Sales	4,248.3	3,887.4	
EBIT margin	**11.2%**	**10.3%**	
Normalized EBIT margin	**11.1%**	**11.3%**	

NET PROFIT and NORMALIZED NET PROFIT

Net profit is a subtotal which is reported in the Consolidated Income statement in the attached Condensed consolidated financial statements for the period ended 30 September 2021.
The Group also presents Normalized Net profit which is calculated as Net profit excluding the impact of one-off items.
Additionally, the Group also presents Net profit margin and Normalized Net profit margin, which are defined as Net profit/Normalized Net profit as percentage of sales.

(in HRK millions)	9M 2021	9M 2020	9M 2021/ 9M 2020
Net profit	**399.8**	**309.3**	**29.2%**
Divestment costs and (gains), net	(1.4)	4.7	
COVID-19 costs	2.2	31.1	
Other one off (income) and costs, net	(7.4)	0.0	
Normalized Net profit	**393.2**	**345.2**	**13.9%**
Sales	4,248.3	3,887.4	
Net profit margin	**9.4%**	**8.0%**	
Normalized Net profit margin	**9.3%**	**8.9%**	

CAPITAL EXPENDITURE (CAPEX)

Capital expenditure includes payments made to acquire property, plant and equipment and intangible assets, as reported in the Consolidated Cash flow statement in the attached Condensed consolidated financial statements for the period ended 30 September 2021. The Group uses capital expenditure as APM to ensure that the cash spending is in line with overall strategy of the Group.

NET DEBT and NET DEBT to EBITDA

Net debt is used by management to evaluate the Group's financial capacity. Net debt is defined as sum of current and non-current borrowings, current and non-current lease liabilities and derivative financial instruments decreased for cash and cash equivalents which are reported in the Consolidated Balance sheet in the attached Condensed consolidated financial statements for the period ended 30 September 2021, as shown below:

(in HRK millions)	30 Sep 2021	31 Dec 2020
Non current borrowing	299.6	299.5
Non current lease liabilities	248.9	263.5
Current borrowings	276.1	511.7
Current lease liabilities	84.4	84.8
Derivative financial instruments, net	(6.0)	7.1
Cash and cash equivalents	(383.4)	(426.5)
Net debt	**519.6**	**740.1**
Normalized EBITDA*	793.8	755.1
Net debt/Normalized EBITDA*	**0.7**	**1.0**

The Group also uses the net debt to EBITDA ratio, which is net debt divided by EBITDA, to access its level of net debt in comparison with underlying earnings generated by the Group. This measure reflects the Group's ability to service and repay its borrowings.

CURRENT RATIO

The current ratio compares all Group's current assets to its current liabilities which are reported in the Consolidated Balance sheet in the attached Condensed consolidated financial statements for the period ended 30 September 2021. The current ratio is a liquidity ratio that measures the Group's ability to cover its short-term debt with its current assets.

in HRK million	30 Sep 2021	31 Dec 2020
Current assets	2,426.8	2,259.5
Current liabilities	1,612.9	1,674.5
Current ratio	**1.5**	**1.3**

* Normalized EBITDA in the last 12 months

GEARING RATIO

The gearing ratio compares net debt to total equity increased for net debt. Gearing ratio is a measurement of the Group's financial leverage that demonstrates the degree to which a firm's operations are funded by equity capital versus debt financing.

in HRK million	30 Sep 2021	31 Dec 2020
Net debt	519.6	740.1
Total equity	3,207.3	2,948.0
Gearing ratio	**13.9%**	**20.1%**

INTEREST COVERAGE RATIO

The interest coverage ratio is calculated by dividing Group's normalized EBITDA by total interest expense (see Note 9 – Finance cost-net in the attached Condensed consolidated financial statements for the period ended 30 September 2021), as shown below. Interest coverage ratio is used to determine how easily the Group can pay interest on its outstanding debt.

in HRK million	9M 2021	9M 2020
Normalized EBITDA	663.0	624.3
Total interest expense	13.6	20.0
Adjusted interest coverage ratio	**48.7**	**31.3**

FREE CASH FLOW

Free cash flow shows the ability of the Group to generate cash to pay dividends, repay financial liabilities, finance possible acquisitions, etc. Free cash flow equals net cash flow from operating activities less capital expenditure, items included in the Consolidated Cash Flow Statement in the attached Condensed consolidated financial statements for the period ended 30 September 2021.

in HRK million	9M 2021	9M 2020
Net cash flow from operating activities	590.4	543.1
Capex	175.6	172.8
Free cash flow	**414.8**	**370.3**

ATLANTIC GRUPA d.d.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2021 (UNAUDITED)

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan-Sep 2021	Jan-Sep 2020	Index	Jul-Sep 2021	Jul-Sep 2020	Index
Revenues	**4,299,518**	**3,931,181**	**109.4**	**1,565,345**	**1,437,597**	**108.9**
Sales revenues	4,248,273	3,887,417	109.3	1,550,444	1,427,962	108.6
Other income	51,245	43,764	117.1	14,901	9,635	154.7
Operating expenses	**(3,822,806)**	**(3,532,190)**	**108.2**	**(1,350,106)**	**(1,241,050)**	**108.8**
Cost of trade goods sold	(1,245,635)	(1,122,027)	111.0	(472,473)	(424,369)	111.3
Change in inventories of finished goods and work in progress	17,449	12,653	137.9	18,107	12,581	143.9
Material and energy costs	(1,147,528)	(1,065,371)	107.7	(418,162)	(384,973)	108.6
Staff costs	(675,302)	(634,699)	106.4	(228,765)	(209,448)	109.2
Marketing and promotion expenses	(210,109)	(160,994)	130.5	(56,719)	(51,995)	109.1
Depreciation, amortisation and impairment	(191,047)	(186,683)	102.3	(65,296)	(64,983)	100.5
Other operating costs	(368,359)	(370,385)	99.5	(128,623)	(117,123)	109.8
Other losses - net	(2,275)	(4,684)	48.6	1,825	(740)	n/a
Operating profit	**476,712**	**398,991**	**119.5**	**215,239**	**196,547**	**109.5**
Finance costs - net	(12,282)	(25,173)	48.8	(5,270)	(5,144)	102.4
Profit before tax	**464,430**	**373,818**	**124.2**	**209,969**	**191,403**	**109.7**
Income tax	(64,645)	(64,470)	100.3	(27,713)	(28,966)	95.7
Net profit for the period	**399,785**	**309,348**	**129.2**	**182,256**	**162,437**	**112.2**
Attributable to:						
Owners of the parent	399,451	309,734	129.0	181,974	162,091	112.3
Non-controlling interests	334	(386)	n/a	282	346	81.5
Earnings per share for profit attributable to the equity holders of the Company during the period (in HRK)						
- basic	120.08	93.10		54.72	48.72	
- diluted	120.08	93.10		54.72	48.72	

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan-Sep 2021	Jan-Sep 2020	Index	Jul-Sep 2021	Jul-Sep 2020	Index
Net profit for the period	**399,785**	**309,348**	**129.2**	**182,256**	**162,437**	**112.2**
Other comprehensive income/(loss):						
Items that may be subsequently reclassified to profit of loss						
Currency translation differences, net of tax	(10,600)	26,950	n/a	3,140	(5,564)	n/a
Cash flow hedges, net of tax	10,860	(496)	n/a	2,417	(4,140)	n/a
Other comprehensive income/(loss) for the period, net of tax	**260**	**26,454**	**1.0**	**5,557**	**(9,704)**	**n/a**
Total comprehensive income for the period	**400,045**	**335,802**	**119.1**	**187,813**	**152,733**	**123.0**
Attributable to:						
Equity holders of the Company	399,744	336,133	118.9	187,527	152,393	123.1
Non-controlling interests	301	(331)	n/a	286	340	84.1
Total comprehensive income for the period	400,045	335,802	119.1	187,813	152,733	123.0

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of HRK, unaudited	30 September 2021	31 December 2020
ASSETS		
Non-current assets		
Property, plant and equipment	1,109,892	1,070,338
Right-of-use assets	325,220	338,838
Investment property	314	316
Intangible assets	1,642,209	1,657,026
Deferred tax assets	38,837	36,285
Financial assets through other comprehensive income	1,341	1,404
Trade and other receivables	43,524	47,999
	3,161,337	3,152,206
Current assets		
Inventories	635,079	572,274
Trade and other receivables	1,359,035	1,248,658
Prepaid income tax	38,009	6,661
Derivative financial instruments	5,959	-
Cash and cash equivalents	383,357	426,513
	2,421,439	2,254,106
Non-current assets held for sale	5,382	5,382
Total current assets	2,426,821	2,259,488
TOTAL ASSETS	**5,588,158**	**5,411,694**
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	133,372	133,372
Share premium	883,766	881,851
Treasury shares	(17,178)	(7,647)
Reserves	(49,395)	(51,451)
Retained earnings	2,250,502	1,985,908
	3,201,067	2,942,033
Non-controlling interests	6,253	5,952
Total equity	3,207,320	2,947,985
Non-current liabilities		
Borrowings	299,585	299,528
Lease liabilities	248,883	263,479
Deferred tax liabilities	148,043	150,090
Other non-current liabilities	6,590	9,356
Provisions	64,846	66,782
	767,947	789,235
Current liabilities		
Trade and other payables	1,153,419	954,458
Borrowings	276,062	511,696
Lease liabilities	84,365	84,824
Derivative financial instruments	-	7,132
Current income tax liabilities	41,253	8,677
Provisions	57,792	107,687
	1,612,891	1,674,474
Total liabilities	2,380,838	2,463,709
TOTAL EQUTIY AND LIABILITIES	**5,588,158**	**5,411,694**

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
in thousands of HRK, unaudited	**Share capital, Share premium and Treasury shares**	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
At 1 January 2020	1,008,811	(73,064)	1,728,691	2,664,438	5,363	2,669,801
Comprehensive income:						
Net profit for the period	-	-	309,734	309,734	(386)	309,348
Cash flow hedge, net of tax	-	(496)	-	(496)	-	(496)
Other comprehensive income	-	26,895	-	26,895	55	26,950
Total comprehensive income for the period	-	26,399	309,734	336,133	(331)	335,802
Transactions with owners:						
Purchase of treasury shares	(11,022)	-	-	(11,022)	-	(11,022)
Share based payment	9,786	-	-	9,786	-	9,786
Dividends relating to 2019	-	-	(83,186)	(83,186)	-	(83,186)
Transfer	-	736	(736)	-	-	-
At 30 September 2020	1,007,575	(45,929)	1,954,503	2,916,149	5,032	2,921,181
At 1 January 2021	1,007,576	(51,451)	1,985,908	2,942,033	5,952	2,947,985
Comprehensive income:						
Net profit for the period	-	-	399,451	399,451	334	399,785
Cash flow hedge, net of tax	-	10,860	-	10,860	-	10,860
Other comprehensive loss	-	(10,567)	-	(10,567)	(33)	(10,600)
Total comprehensive income for the period	-	293	399,451	399,744	301	400,045
Transactions with owners:						
Purchase of treasury shares	(24,455)	-	-	(24,455)	-	(24,455)
Share based payment	16,839	-	-	16,839	-	16,839
Dividends relating to 2020	-	-	(133,094)	(133,094)	-	(133,094)
Transfer	-	1,763	(1,763)	-	-	-
At 30 September 2021	999,960	(49,395)	2,250,502	3,201,067	6,253	3,207,320

ATLANTIC GRUPA d.d.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	**January - September 2021**	**January - September 2020**
Cash flow from operating activities		
Net profit for the period	**399,785**	**309,348**
Income tax	64,645	64,470
Depreciation, amortization and impairment	191,047	186,683
Gain on sale of property, plant and equipment	(893)	(261)
Provision for current assets	15,404	19,195
Foreign exchange differences - net	(1,331)	5,219
Decrease in provisions for risks and charges	(51,831)	(8,750)
Fair value loss on financial assets	2,483	101
Share based payment	16,839	9,786
Interest income	(732)	(967)
Interest expense	13,613	19,954
Other non-cash items - net	(5,309)	19,003
Changes in working capital:		
Increase in inventories	(72,530)	(90,118)
Increase in current receivables	(113,706)	(25,465)
Increase in current payables	215,866	108,278
Cash generated from operations	**673,350**	**616,476**
Interest paid	(12,865)	(18,789)
Income tax paid	(70,135)	(54,611)
	590,350	**543,076**
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets	(175,577)	(172,755)
Proceeds from sale of property, plant and equipment and intangible assets	12,078	802
Acquisition of subsidiaries and proceeds from sale of subsidiaries - net of cash acquired/disposed	(11,422)	29,433
Loans granted and deposits placed	(2,969)	(5,155)
Repayments of loan and deposits placed	6,078	2,459
Interest received	973	967
	(170,839)	**(144,249)**
Cash flow used in financing activities		
Purchase of treasury shares	(24,455)	(11,022)
Proceeds from borrowings, net of fees paid	-	620,577
Repayment of borrowings	(234,904)	(820,700)
Principal elements of lease payments	(70,214)	(65,949)
Dividends paid to Company shareholders	(133,094)	(83,186)
	(462,667)	**(360,280)**
Net (decrease)/increase in cash and cash equivalents	**(43,156)**	**38,547**
Cash and cash equivalents at beginning of period	426,513	384,526
Cash and cash equivalents at end of period	383,357	423,073

NOTE 1 – GENERAL INFORMATION

Operating as a vertically integrated multinational company, Atlantic Grupa d.d. ("the Company") and its subsidiaries ("the Group") have business activities that incorporate R&D, production and distribution of fast-moving consumer goods in Southeast Europe, the European markets and Russia and CIS (Commonwealth of Independent States). With its modern production network, the Group stands out as one of the leading foods & beverage producers in Southeast Europe with prominent coffee brands Grand Kafa and Barcaffe, a range of beverage brands Cockta, Donat and Cedevita, a portfolio of sweet and salted snacks brands Smoki, Najlepše želje and Bananica and the savoury spread brand Argeta. Additionally, the Group owns the leading pharmacy chain in Croatia under the Farmacia brand. With its own distribution network in Croatia, Slovenia, Serbia, Austria and North Macedonia, the Group also distributes a range of products from external partners. The Group has manufacturing plants in Croatia, Slovenia, Serbia, Bosnia and Herzegovina and North Macedonia with companies and representative offices in 12 countries. The Group exports its products to more than 40 markets worldwide.

The Company is domiciled in Zagreb, Miramarska 23, Croatia.

The Company's shares are listed on the Prime market of the Zagreb Stock Exchange.

The condensed consolidated financial statements of the Group for the nine-month period ended 30 September 2021 were approved by the Management Board of the Company in Zagreb on 28 October 2021.

The condensed consolidated financial statements have not been audited.

NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES

2.1. BASIS OF PREPARATION

The condensed consolidated financial statements for the nine-month period ended 30 September 2021 have been prepared in accordance with IAS 34 – Interim Financial Reporting, as endorsed by the European Union (EU).

The condensed consolidated financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Group's annual consolidated financial statements as of 31 December 2020. The Group's annual consolidated financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as endorsed by EU.

2.2. GOING CONCERN

The Company's management believes that the Group has sufficient resources to continue operating in the foreseeable future and has not identified significant uncertainties related to business events and conditions that may cast doubt on the indefinite duration of the Group's operations. Accordingly, the condensed consolidated financial statements for the nine-month period ended 30 September 2021 have been prepared on a going concern basis.

NOTE 2 – BASIS OF PREPARATION AND ACCOUNTING POLICIES (continued)

2.3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements for the nine-month period ended 30 September 2021 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

2.4. SEASONALITY

The Group is not exposed to significant seasonal or cyclical changes in its operations.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES

There were no changes in critical accounting estimates used for preparation of condensed consolidated financial statements for the nine-month period ended 30 September 2021 comparing to those used for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2020.

The Group has made assessment whether there are indications of impairment of intangible assets, including changes in discount rates that reflect the current risk premiums on certain markets and for the nine-month period ended 30 September 2021 no impairment was recognised.

NOTE 4 – SEGMENT INFORMATION

The business model of the Group is organized through five strategic business units and two business units. As of 1 January 2021, New Growth business unit has been established, which includes new Atlantic Grupa brands.

The distribution business is organized to cover six largest markets – Croatia, Serbia, Slovenia, North Macedonia, Russia and Austria and department of Global Distribution Account Management covering the markets dominantly managed by distribution partners.

SBU – Strategic business unit
SDU – Strategic distribution unit
BU – Business unit
DU – Distribution unit

Strategic Management Council is responsible for strategic and operational issues. For more efficient management of individual business and distribution units, the organization unites similar business activities or products, shared markets or channels, together.

NOTE 4 – SEGMENT INFORMATION (continued)

Since DU Macedonia, DU Russia, DU Austria, Global distribution network management and BU New Growth do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within “Other segments”. The “Other segments” category comprises also of non-allocable business activities (headquarters and support functions in all markets of Atlantic Grupa) which are excluded from the reportable operating segments.

Strategic Management Council monitors the operating results of its business units separately for making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss. Group financing and income taxes are managed on Group basis and are not allocated to operating segments.

Sales of individual business units represent in market sales made to third parties (either directly through business units or through distribution units). Distribution units’ sales includes sales of own products also reported as business units’ sales. This double counting of own product sales is eliminated in the “Reconciliation” line. For segmental profit calculation, sales between operating segments are carried out at arm's length.

Sales revenues* *(in thousands of HRK)*	**Jan-Sep 2021**	**Jan-Sep 2020**
SBU Coffee	867,999	801,882
SBU Savoury Spreads	702,723	648,070
SBU Snacks	473,777	452,711
SBU Beverages	438,257	396,046
SBU Pharma	414,659	394,212
BU Donat	167,352	145,299
SDU Croatia	1,075,364	955,800
SDU Serbia	947,674	876,020
SDU Slovenia	743,290	716,890
Other segments	634,214	577,070
Reconciliation	(2,217,036)	(2,076,583)
Total	**4,248,273**	**3,887,417**

* Comparative period has been adjusted to reflect current period reporting

NOTE 5 – EARNINGS PER SHARE

Basic earnings per share

Basic earnings per share is calculated by dividing the net profit of the Group by the weighted average number of ordinary shares in issue during the period, excluding ordinary shares purchased by the Company and held as treasury shares.

	2021	**2020**
Net profit attributable to equity holders *(in thousands of HRK)*	399,451	309,734
Weighted average number of shares	3,326,505	3,326,936
Basic earnings per share *(in HRK)*	120.08	93.10

Diluted earnings per share

Diluted earnings per share is the same as basic earnings per share as there were no convertible dilutive potential ordinary shares.

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the nine-month period ended 30 September 2021, Group invested HRK 153,054 thousand in purchase of property, plant and equipment and intangible assets (2020: HRK 147,983 thousand).

NOTE 7 - INVENTORIES

During the nine-month period ended 30 September 2021, the Group wrote down inventories in the amount of HRK 10,104 thousand due to damage and short expiry dates (2020: HRK 11,850 thousand). The amount is recognized in the income statement within "Other operating costs".

NOTE 8 – DIVIDEND DISTRIBUTION

According to the decision of the Company's General Assembly from 16 June 2021, distribution of dividend in the amount of HRK 40.00 per share, or HRK 133,094 thousand in total was approved (2020: HRK 25.00 per share, or HRK 83,186 thousand in total). Dividend was paid out in July 2021.

NOTE 9 – FINANCE COSTS – NET

(in thousands of HRK)	**Jan-Sep 2021**	**Jan-Sep 2020**
Finance income		
Foreign exchange gains on borrowings and lease liabilities	2,968	7,035
	2,968	7,035
Finance costs		
Interest expense on lease liabilities	(6,359)	(7,075)
Interest expense on bank borrowings	(2,557)	(7,695)
Interest expense on bonds	(2,153)	(4,828)
Other interest expense	(2,544)	(356)
Total interest expense	(13,613)	(19,954)
Foreign exchange loss on borrowings and lease liabilities	(1,637)	(12,254)
	(15,250)	(32,208)
Finance costs - net	**(12,282)**	**(25,173)**

NOTE 10 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as of 30 September 2021 and 31 December 2020 and transactions recognized in the Income statement for the nine-month ended 30 September are as follows:

(in thousands of HRK)	**30 September 2021**	**31 December 2020**
RECEIVABLES		
Current receivables		
Other entities	104,665	75,826
LIABILITIES		
Trade and other payables		
Other entities	1,733	1,918

	Jan-Sep 2021	**Jan-Sep 2020**
REVENUES		
Sales revenues		
Other entities	381,992	343,427
Other income		
Other entities	509	525
EXPENSES		
Marketing and promotion costs		
Other entities	2,966	2,251
Other operating costs		
Other entities	1,635	1,829
Purchase of property, plant and equipment		
Other entities	-	623

STATEMENT OF PERSONS RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

In accordance with provisions of Law on Capital Market, Zoran Stanković, Group Vice President for Finance, Procurement and Investment and Tatjana Ilinčić, Director of Corporate Reporting and Consolidation, person responsible for corporate accounting, reporting and consolidation, together as persons responsible for the preparation of condensed consolidated financial statements of the company Atlantic Grupa d.d. Zagreb, Miramarska 23, OIB 71149912416 (hereinafter: “the Company”), hereby make the following

STATEMENT:

According to our best knowledge the condensed consolidated financial statements for the nine-month period ended 30 September 2021 are prepared in accordance with applicable standards of financial reporting and give true and fair view of the assets and liabilities, profit and loss, financial position and operations of the Company and its subsidiaries (together – “the Group”).

Report of the Company’s Management board for the period from 1 January to 30 September 2021 contains the true presentation of development, results, and position of the Group, with description of significant risks and uncertainties which the Group is exposed.

Condensed consolidated unaudited financial statements of the Group for the nine-month period ended 30 September 2021 were approved by the Management Board of the company Atlantic Grupa d.d. on 28 October 2021.

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Zoran Stanković
Group Vice President for Finance, Procurement and Investment

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Tatjana Ilinčić
Director of Corporate Reporting and Consolidation

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ATLANTIC GRUPA
Joint Stock Company for Domestic and Foreign Trade
Miramarska 23, 10000 Zagreb, Croatia
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fax: +385 (1) 24 13 901

The Company is registered with the Commercial Court of Zagreb
MBS: 080245039
MB: 1671910
PIN: 71149912416
Bank account: 2484008-1101427897 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
The number of shares and their nominal value: 3,334,300 shares, each in the nominal value of HRK 40.00
Share capital: HRK 133,372,000.00, paid in full.

Management Board: Emil Tedeschi, Neven Vranković, Zoran Stanković, Lada Tedeschi Fiorio, Srećko Nakić, Enzo Smrekar
President of the Supervisory Board: Zdenko Adrović