FINANCIAL RESULTS
IN THE FIRST NINE MONTHS OF
2020
(unaudited)

Zagreb, 27 October 2020

# INTRODUCTION

## COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO


Commenting on the financial results in the first nine months of 2020, **Emil Tedeschi**, CEO of Atlantic Grupa, pointed out:

"The coronavirus pandemic does not abate and continues to negatively affect both human health and global economic situation. Our priorities remain the same; the focus is on maintaining a positive health status of our employees, ensuring the smooth continuation of production and continuous supply of our customers and consumers, and socially responsible business.

Atlantic Grupa proved to be resilient to the crisis primarily due to the diversified portfolio of our products, and in the first nine months we have achieved excellent business results. Despite negative consequences of measures to prevent the spread of the pandemic that in our case mainly reflected in a significant decrease in sales in the HoReCa channel and a decline in consumption of our products in the "on the go" and impulse goods segments, and weaker tourist season in Croatia, the brands that are primarily consumed at home managed to fully cancel out this decline.

Although the uncertainty about further development and consequences of the pandemic is extremely high, I believe that the strength of our brands, unquestionable ability and commitment of our employees, stable financial position and record low debt will allow us to continue to successfully cope with this crisis and take advantage of possible opportunities arising from it."

# KEY DEVELOPMENTS
## IN THE FIRST NINE MONTHS OF 2020

## NORMALIZED EBITDA* INCREASE DESPITE THE PANDEMIC

- **SALES** AT HRK 3,887.4 MILLION
  - 3.1% compared to the first nine months of 2019
  -0.1%* normalised for impacts of divested business

- EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (**EBITDA***) AT HRK 585.7 MILLION
  -7.7% compared to the first nine months of 2019 (+2.4% if one-off items excluded*)

- EARNINGS BEFORE INTEREST AND TAXES (**EBIT***) AT HRK 399.0 MILLION
  -11.9% compared to the first nine months of 2019 (+2.2% if one-off items excluded*)

- **NET PROFIT*** AT HRK 309.3 MILLION
  -12.7% compared to the first nine months of 2019 (+5.6% if one-off items excluded*)

## FINANCIAL SUMMARY OF THE FIRST NINE MONTHS OF 2020

| Key figures | 9M 2020 | 9M 2019 | 9M 2020/9M 2019 |
|---|---|---|---|
| **Sales** (in HRK million) | **3,887.4** | 4,012.4 | (3.1%) |
| **Turnover** (in HRK million) | **3,931.2** | 4,061.0 | (3.2%) |
| **Normalized EBITDA margin*** | **16.1%** | 15.2% | +87bp |
| **Normalised net income*** (in HRK million) | **348.0** | 329.4 | 5.6% |
| **Gearing ratio*** | **19.0%** | 29.2% | -672bp |

The comparative period has been adjusted to the reporting for 2020.

* 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”.

## 1. COVID-19: IMPACT ON RESULTS AND ENGAGEMENT OF ATLANTIC GRUPA IN THE FIGHT AGAINST THE PANDEMIC

The emergence of COVID-19 on all our key markets in early March affected the Atlantic Grupa's business. After the initial positive impact following stockpiling in households, in the second quarter, negative consequences of pandemic prevention measures came to the fore. They are primarily reflected in a significant decline in sales in the HoReCa channel, but also a decline in sales of Out of Home (OOH) products, and impulse goods. Also, one of the consequences of the pandemic was a weak tourist season in Croatia, our individually largest market, which had negative consequences on our sales. At the same time, the fact that citizens of Serbia and Bosnia and Herzegovina had very limited possibilities to travel abroad had a certain positive impact on our results in these markets during the third quarter. Brands that are primarily consumed at home managed to fully annul the abovementioned negative consequences of the pandemic. More details on the impact of the crisis caused by the pandemic are set out in our outlook and expectations below.
Atlantic Grupa has always taken care of the community we live in, behaving in many ways as a socially responsible company. The crisis caused by the COVID-19 pandemic in the wider environment has not affected this, except that we have further intensified our efforts to help the environment.

Atlantic Grupa actively participates in the joint fight against the pandemic in all the regional markets in which we operate, and we have decided to allocate HRK 28 million to help local civil protection headquarters and institutions that coordinate infection control and population protection activities. The largest part of this amount relates to financial donations to hospitals, infectious diseases institutions and state institutions, and donations intended for the purchase of medical equipment, especially ventilators, and materials necessary for the efficient operation of health institutions in Slovenia, Croatia, Bosnia and Herzegovina, Serbia, North Macedonia and Montenegro.

## 2. NEW BUSINESS UNIT DONAT MG AND REORGANISATION OF GDAM

Among Atlantic Grupa's strategic priorities for the forthcoming period, and certainly after the normalisation of the current situation, is the focused internationalisation of Argeta and Donat Mg brands, which is also reflected in the internal organisation of business. The new organisation is defined in accordance with the desire to give these brands an additional push in international markets, with a focused approach to our distribution partners. Thus, at the beginning of 2020, the Donat Mg brand is separated from the Strategic Business Unit Beverages and the Donat Mg Business Unit is established, focused on specific functionality as well as international expansion into new markets and strengthening the brand's position. Also, Global Distribution Account Management (GDAM) is being reorganised to standardise access to partner distributors, thus being split into two smaller business units: the distribution unit Russia and the new GDAM that will be focused on international markets where Atlantic Grupa does not have its own distribution.

## 3. PROCESS OF BUSINESS PROCESSES IMPROVEMENT INITIATED

In its business, Atlantic Grupa strives to organise business processes that would be simple, fast and efficient. Since their complexity is often a barrier in internal relations and needs to be improved, the Business Process Redesign (BPR) project was launched late last year.

The project, implemented in collaboration with external consultants, seeks to align all business processes according to the best business practice model. This would simplify and accelerate future implementations of the system, but would also allow for further streamlining of the roles and responsibilities of individual organisational units within the company.

The project involves over 300 processes that will be designed through more than 100 workshops.

## 4. NEW STRATEGIC VISION OF ATLANTIC GRUPA

Atlantic Grupa has identified strategic priorities for the next three to five years, which can be divided into four main areas:

1) strengthening the core: we continue to strengthen and advance our leading positions in the coffee segment, primarily by rejuvenating the roast and ground coffee segment and developing within the out-of-home consumption segment. We also continue to strengthen the consumer experience in the categories of savoury spreads, flips, chocolate and fruit-flavoured soft drinks. In order to ensure sustainable growth and the expected contribution of brands with a rich tradition, investment in their marketing needs and the associated system capacity will be increased.

2) growth: this area brings together activities aimed at bringing new sources of growth, such as the focused internationalisation, which remains an important strategic priority; on-the-go (OTG) consumption in a wide portfolio from coffee, beverages to snacks categories; new opportunities, that is, the creation of new brands and generally new sources of revenue, which implies recognising new opportunities in the existing markets.

3) improvements related to the portfolio consolidation, that is, the focus of total resources on defined priorities, but also on aligning all business processes, culture and goals in the company with the aim of increasing business efficiency.

4) maintaining the leading regional distributor position, with a focus on strategic priorities and bringing in major principals, and leadership in the pharmacy business in Croatia by continuing to invest in expertise and quality of service. In addition, we maintain the continued focus on possible mergers and acquisitions.

## 5. DIVIDEND DISTRIBUTION

Following the decision of the Company's General Assembly held on 18 June 2020, the dividend distribution was approved in the amount of HRK 25 per share, i.e. a total of HRK 83,186 thousand. The dividend was paid on 15 July 2020.

## 6. BARCAFFE CELEBRATES ITS $50^{TH}$ BIRTHDAY

The dark, enticingly fragrant lady in a cardinal red packaging celebrated a golden anniversary this year.

Barcaffè coffee, widely known to all coffee lovers, has taken on many new forms in half a century since it was first introduced to the market, but the irreplaceable taste and quality have remained the same. This was the main guideline in creating the recipe of, at that time, a revolutionary product. According to Marija Tul, the "mother" of the popular coffee blend, her first task was to make a special coffee, both in terms of packaging and ingredients, to make it the best coffee on the market. Undoubtedly, they succeeded, since Barcaffè coffee, despite strong competition, managed to maintain its primacy in Slovenia during all these decades, and no coffee managed to get close to it.

The basis of the blend of this most popular coffee is from the very beginning top Brazilian coffee to which various types of Arabica and Robusta have been added. This special taste, which took root in homes throughout Yugoslavia in the 1970s, soon after it was introduced, began to reach for gold medals at international competitions and, despite the really fierce global competition, still collects them today.

## 7. ATLANTIC GRUPA FIFTH MOST DESIRABLE EMPLOYER

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 2019 and 2020 covered almost 20 thousand respondents. Compared to other TOP 3 employers, Atlantic is the only company where the share of votes increased from the last year.

## 8. CEDEVITA – THE MOST DESIRABLE BRAND IN CROATIA AND SLOVENIA IN THE CATEGORY OF SOFT DRINKS

Cedevita is still a favourite brand for all generations, as confirmed by the latest research by the renowned agency IPSOS. The survey was conducted this year in March and April through an online questionnaire, three countries (Croatia, Slovenia, Serbia) participated with a total of as many as 2,400 respondents, in the category of soft drinks.

The results showed that in Croatia, for the second year in a row, Cedevita is the most desirable brand in the category of soft drinks that consumers would recommend to others, and as a regional brand with a local tradition, it is ahead of the global multinational giant Coca Cola. Consumers rate Cedevita as a high-quality and reliable brand that has further strengthened its leading market position with the recognisable communication platform 'Taste of Generation CE'.

In Slovenia, this year Cedevita took over the leading position from the Slovenian brand Fructal, which took second place, while Coca-Cola was in third place. Cedevita stood out on the Slovenian market as the first choice for refreshment among consumers of all generations. It is also recognised as a favourite product with a distinctive flavour that they are happy to share with others. The research also confirmed the efficiency of Cedevita's communication in this market, which received many positive reactions.

In the Serbian market, Cedevita took second place in terms of brand strength, behind Coca Cola, and the strong rate of desirability among consumers who recognise Cedevita as an authentic brand has certainly contributed to this result.

Another brand of Atlantic Grupa can boast of the position among the top 5 most desirable brands on the Croatian and Slovenian markets, and it is a well-known brand of legendary taste – Cockta.

## 9. ATLANTIC GRUPA SIGNED THE SALE OF THE BEBI BRAND

Atlantic Grupa and Nelt Grupa, headquartered in Belgrade, signed the purchase and sale agreement for the baby food brand Bebi. 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. When it comes to children's cereals, Bebi is a symbol of European quality and origin in Russia, and in 2019 it generated EUR 11 million in sales revenue. The completion of the transaction is expected until 30 June 2021.

Since Nelt Grupa has capacities and expertise in manufacturing of baby food, the existing production site of the Bebi brand in Mirna, Slovenia is not a part of the agreement. The factory and its employees in Mirna remain a part of Atlantic Grupa and, after divesting the core brand and transition period in which the Bebi range will still be produced in this plant, Atlantic Grupa will find an alternative range of products to engage its production capacities and skilled experts on this production site.

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.

## 10. ATLANTIC GRUPA – WINNER OF THE GOLDEN BALANCE SHEET AWARD

At the presentation of the Awards for Business Performance in 2019, Atlantic Grupa took the prestigious title of the most successful long-standing entrepreneur.

The Golden Balance Sheet is the award given by the Financial Agency (FINA) for the 12$^{th}$ year in a row to the most successful entrepreneurs in a particular business activity, according to the overall standing obtained by ranking 11 financial indicators in 5 categories: according to the indicators of profitability, liquidity, indebtedness, activity and cost efficiency.

## 11. ATLANTIC GRUPA WON FIRST PRIZE FOR INVESTOR RELATIONS

Atlantic Grupa won the first prize for investor relations, awarded for the 11$^{th}$ consecutive year by Poslovni dnevnik and the Zagreb Stock Exchange.

This award is 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 winner is 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 4th 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 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| **SBU Coffee** | **801.9** | 817.8 | (1.9%) |
| **SBU Savoury Spreads** | **648.1** | 565.8 | 14.5% |
| **SBU Snacks** | **452.7** | 475.6 | (4.8%) |
| **SBU Beverages** | **396.0** | 456.2 | (13.2%) |
| **SBU Pharma** | **394.2** | 468.4 | (15.8%) |
| **BU Donat Mg** | **145.3** | 140.8 | 3.2% |
| **SDU Croatia** | **955.4** | 1,032.2 | (7.4%) |
| **SDU Serbia** | **876.0** | 902.0 | (2.9%) |
| **SDU Slovenia** | **716.9** | 682.1 | 5.1% |
| **Other segments*** | **583.7** | 548.4 | 6.4% |
| **Reconciliation**** | **-2,082.9** | -2,077.0 | n/a |
| **Sales** | **3,887.4** | **4,012.4** | **(3.1%)** |

The comparative period has been adjusted to the reporting for 2020.

In the first nine months of 2020, Atlantic Grupa recorded sales of HRK 3.9 billion, which is a 3.1% decline compared to the same period of the previous year. If we exclude the effect of the divested business revenues, sales of the Strategic Business Unit Sports and Functional Food, sales of Dietpharm and Multivita brands and the distribution of bottled water for dispensers, the comparable sales revenue*** is at the last-year's levels, despite the crisis caused by the pandemic. The best results were recorded by Savoury Spreads, Donat Mg and the pharmacy chain Farmacia.

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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, Strategic Distribution Regions and Distribution Units include both sales of external principals' products and sales of own products. Comparative period has been adjusted to reflect current period reporting.

* Other segments include SBU Sports and functional food, DU Austria, DU CIS, GDAM, DU Macedonia and business activities not allocated to business and distribution units (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

**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.

*** 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".

The STRATEGIC BUSINESS UNIT COFFEE records an increase in sales in the third quarter as a consequence of easing the local authorities measures to prevent the spread of COVID-19 and on the nine-month level there is a mild decrease in sales primarily in the markets of Serbia and Bosnia and Herzegovina that was partly compensated for by the increase in the markets of Croatia, Slovenia, North Macedonia, Germany and Austria. Analysed by categories, the growth was recorded by roast and ground coffee under the Barcaffe brand, “coffee to go”, and Barcaffe capsules, while espresso coffee records a significant decline due to the temporary closure of the HoReCa channel as a measure by local authorities to prevent the spread of COVID-19.

The STRATEGIC BUSINESS UNIT SAVOURY SPREADS recorded a double-digit sales growth as a consequence of excellent business results in almost all regional markets, the increase in sales in Western European markets (Germany, Austria, Switzerland, France and Italy) and in the market of Russia. The change in consumer habits amid the COVID-19 pandemic in terms of increased consumption in own homes undoubtedly had a positive impact on this business unit. The growth was recorded by both meat and fish segments of savoury spreads. Also, the categories *ajvar* and jams under the Granny’s Secret brand record sales revenue growth.

The STRATEGIC BUSINESS UNIT SNACKS recorded a decrease in sales primarily in the markets of Serbia and Bosnia and Herzegovina, which was partly cancelled out by the growth in the markets of Slovenia, Austria, Germany and Switzerland. The most significant decline was recorded in the Serbian market, the dominant market of this business segment, where pandemic prevention measures were the most restrictive in the region. Analysed by categories, flips under the Smoki brand and chocolate under the Menaž brand record significant growth rates, while other categories record a decrease, especially notable in the impulse part of the range.

The STRATEGIC BUSINESS UNIT BEVERAGES is the segment that is most affected by local authorities measures to prevent the spread of the pandemic, primarily due to the temporary closure of the HoReCa channel, but also due to a reduced out of home consumption. Also, the decrease in sales was affected by a weaker tourist season in Croatia, the dominant market of this business segment. During the third quarter, this segment records a mild recovery, but on the nine-month level it records a decrease in sales in most regional markets, partly cancelled out by the growth in the markets of Germany and Serbia. The Cedevita and Cockta brands record a significant decrease in sales in the HoReCa channel, primarily as a consequence of measures to prevent the pandemic, which was partly compensated for by the increase in sales of Cedevita for consumption at home. If we exclude the effect of absent distribution of bottled water for dispensers, divested last year, sales of this unit dropped 10.2%.

THE STRATEGIC BUSINESS UNIT PHARMA records a sales decrease as a result of divesting Dietpharm and Multivita brands late last year and of abandoning pharmaceutical wholesale operations. If we exclude the effect of absent sales from this portfolio, sales of this unit are at the last-year’s level. After the initial double-digit growth, partly caused by higher demand for drugs, food supplements, disinfectants and protective equipment due to the pandemic, the pharmacy chain Farmacia records a mild slowdown, but still generates a solid 3.7% growth. This growth fully cancelled out the decrease in sales of baby food under the Bebi brand in the Russian market.

The BUSINESS UNIT DONAT MG records a sales growth primarily due to good results in international markets of Russia, Italy and Austria, but also to the growth in the market of Croatia, which fully cancelled out the sales decrease in the market of Serbia.

# SALES DYNAMICS
## IN THE FIRST NINE MONTHS OF 2020

The STRATEGIC DISTRIBUTION UNIT CROATIA recorded a decrease in sales of both own and principal brands, primarily as a result of measures to combat the pandemic, reflecting in the decline in sales of the HoReCa channel, but also the decline in the OOH and impulse goods range consumption in general. Also, the decrease in sales of this unit was affected by a weaker tourist season. This decrease was partly cancelled out by the growth of products for consumption at home, primarily Barcaffe in the coffee segment, Cedevita in the retail channel, Argeta in the savoury spreads segment and Smoki in the snacks segment. If we exclude the effect of absent sales of bottled water for dispensers, divested last year, sales of this unit decreased by 5.6%.

The STRATEGIC DISTRIBUTION UNIT SERBIA recorded a recovery during the third quarter due to easing of measures to prevent the spread of the pandemic, and at the nine-month level a mild decrease is recorded, primarily as a consequence of the decrease in sales in the HoReCa channel, OOH and impulse goods range in general, but also of a portion of the snacks segment and the coffee segment. The decrease in these segments was partly cancelled out by the increase in sales of Cedevita in the retail channel, Argeta in the savoury spreads segment, and Smoki and Menaž chocolate in the snacks segment. Among principal brands, new principals Kandit and Saponia stand out. It should be noted that in Serbia the measures for preventing COVID-19 spread during the second quarter were among the most restrictive in the region and consequently had a more pronounced negative impact on business than in other markets.

The STRATEGIC DISTRIBUTION UNIT SLOVENIA records an increase in sales following the growth of most own brands, led by savoury spreads under the Argeta brand, roast and ground coffee under the Barcaffe brand, Cedevita in the retail channel, and Smoki. Among principal brands, Unilever and new principals Saponia and Kandit stand out. As all other markets, the Slovenian market also shows an increase in consumption at home, while the HoReCa channel records a sales decrease.

OTHER SEGMENTS record a sales growth in all parts. If we exclude the effects of sales of the strategic business unit Sports and Functional Food, fully divested last year, other segments record a 12.1% growth.

The significant sales growth in the DISTRIBUTION UNIT MACEDONIA is based on the growth of own and principal brands. Own brands recorded growth in almost all categories, led by Argeta in the savoury spreads segment, Grand kafa in the coffee segment, and Smoki in the flips category. Among principal brands, Ferrero and new principals Beiersdorf and Ficosota stand out.

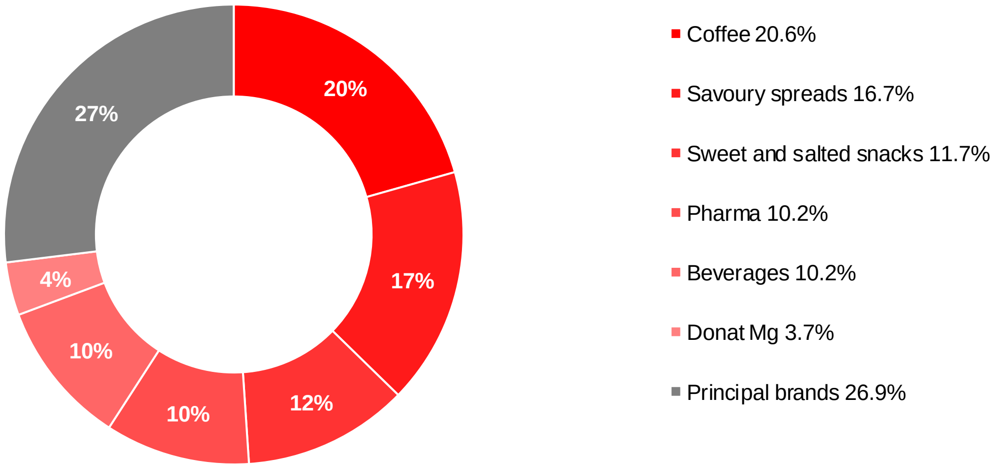
The double-digit growth rates are recorded by the DISTRIBUTION UNIT AUSTRIA, due to the growth of all own brands, primarily the growth of Argeta in the savoury spreads segment, roast and ground coffee under the Grand kafa brand, Smoki and Bananica in the snacks segment, and functional water Donat Mg.

GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT records double-digit growth rates due to the increase in sales of all own brands, and the greatest sales growth was recorded in the markets of Germany, Switzerland, Italy, France, Sweden and Australia. Analysed by categories, the leaders are Argeta in the savoury spreads segment, roast and ground coffee under the Grand kafa brand, and Smoki in the snacks segment.

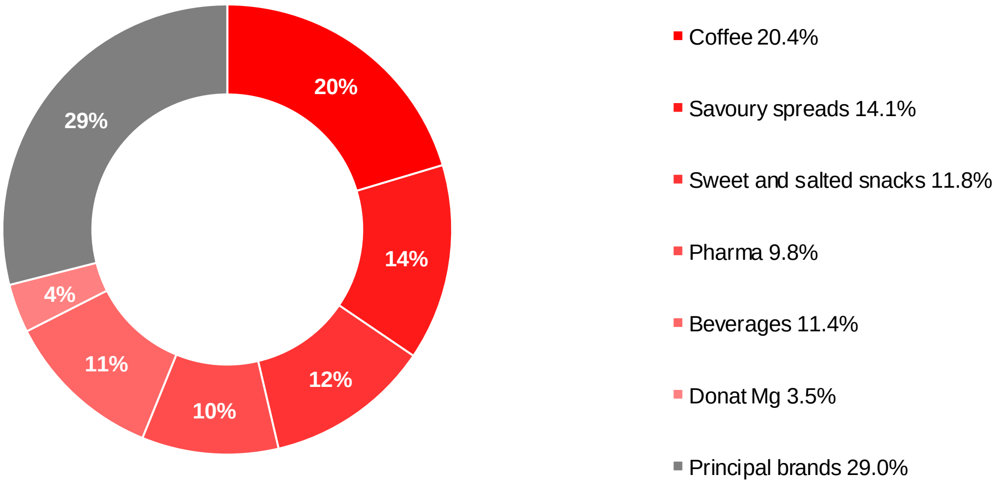
The DISTRIBUTION UNIT RUSSIA records a sales growth, with the most significant growth recorded by savoury spreads under the Argeta brand and functional water Donat Mg.

## SALES PROFILE BY SEGMENTS

**9M 2020**




**9M 2019**



## SALES PROFILE BY MARKETS

| (in HRK millions) | 9M 2020 | % of sales | 9M 2019 | % of sales | 9M 2020/ 9M 2019 |
|---|---|---|---|---|---|
| **Croatia** | **1,302.3** | 33.5% | **1,415.0** | 35.3% | (8.0%) |
| **Serbia** | **887.3** | 22.8% | **919.2** | 22.9% | (3.5%) |
| **Slovenia** | **717.5** | 18.5% | **683.3** | 17.0% | 5.0% |
| **Bosnia and Herzegovina** | **298.2** | 7.7% | **330.8** | 8.2% | (9.9%) |
| **Other regional markets*** | **316.1** | 8.1% | **316.2** | 7.9% | (0.1%) |
| **Key European markets**** | **193.3** | 5.0% | **174.2** | 4.3% | 10.9% |
| **Russia and CIS** | **100.7** | 2.6% | **104.9** | 2.6% | (4.0%) |
| **Other markets** | **72.1** | 1.9% | **68.7** | 1.7% | 4.9% |
| **Total sales** | **3,887.4** | 100.0% | 4,012.4 | 100.0% | (3.1%) |

*Other regional markets: Macedonia, Montenegro, Kosovo

**Key European markets: Germany, Switzerland, Austria, Sweden

The comparative period has been adjusted to the reporting for 2020.

The MARKET OF CROATIA recorded a decrease in sales as a consequence of local authorities measures to prevent the epidemic, which reflect in the decrease in sales in the HoReCa channel, OOH and impulse goods range in general, and as a consequence of a weaker tourist season. The decline in sales of Barcaffe espresso and Cedevita and Cockta in the HoReCa channel was partly cancelled out by the increase in sales of Barcaffe in the roast and ground coffee category, Argeta in the savoury spreads segment, Smoki in the snacks segment and the pharmacy chain Farmacia. Among principal brands, Unilever, Hipp and Philips stand out, partly compensating for the decrease in sales of principals with a significant share of the impulse goods segment. If we exclude the effect of sales of divested business, the distribution of bottled water for dispensers, sales of the Dietpharm brand and the related abandoning of the pharmaceutical wholesale business, the market of Croatia dropped 3.2%.

The MARKET OF SERBIA records a recovery during the third quarter due to easing of measures to prevent the pandemic, but on the nine-month level it records a decline, primarily as a consequence of the decrease in sales in the HoReCa channel, and the out-of-home (OOH) and impulse goods consumption in general. The decrease in sales is recorded by Grand kafa in the coffee segment, a portion of the snacks segment, and Cedevita and Cockta in the HoReCa channel in the beverages segment, which was partly cancelled out by the increase in sales of Argeta in the savoury spreads segment, Cedevita in the retail channel, and Smoki in the snacks segment. Among principal brands, new principals Saponia and Kandit stand out. It should be noted that in Serbia the measures for preventing COVID-19 spread during the second quarter were the most restrictive in the region and consequently had a more pronounced negative impact on business than in other markets.

The increase in sales in the MARKET OF SLOVENIA is based on the increase in sales of most own brands, especially roast and ground coffee under the Barcaffe brand, savoury spreads under the Argeta brand, Cedevita in the retail channel, and flips under the Smoki brand. Among principal brands, Unilever and new principals Saponia and Kandit stand out.

The MARKET OF BOSNIA AND HERZEGOVINA recorded a decrease in sales due to the decrease in sales of Grand kafa in the coffee segment, a portion of the snacks range, and a significant decrease in sales of Cedevita and Cockta in the HoReCa channel. The decline was partly cancelled out by the growth of Argeta in the savoury spreads segment, Cedevita in the retail channel and flips under the Smoki brand. If we exclude the effect of the divested business i.e. the sales of the Dietpharm brand, this market records a decrease of 6.7%.

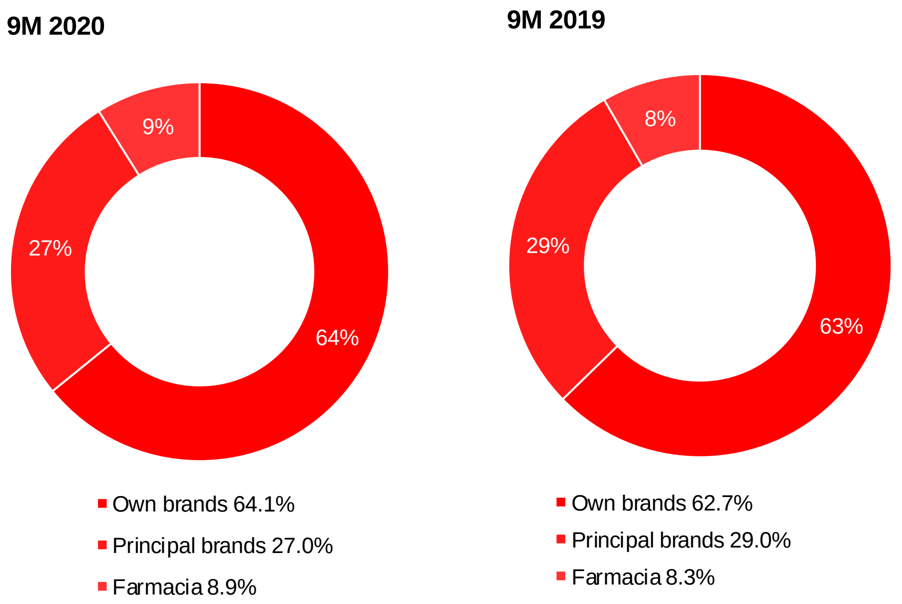
The mild decrease in sales in OTHER REGIONAL MARKETS was recorded following a significant decrease in sales in the market of Montenegro, which was almost fully cancelled out by the growth in sales in the markets of North Macedonia and Kosovo. The greatest contribution to the growth was made by the increase in sales of Argeta in the savoury spreads segment .

The double-digit sales growth is recorded by KEY EUROPEAN MARKETS primarily as a result of the significant growth in Austria, Sweden and Switzerland due to the growth of Argeta in the savoury spreads segment and Smoki in the snacks segment. If the sales of brands from the Strategic Business Unit Sports and Functional Food in the market of Germany are excluded, the Key European markets would record a 30.3% growth.

The MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES records a decrease in sales as a consequence of the decrease in sales of the baby food under the Bebi brand, which was largely compensated for by the increase in sales of functional waters under the Donat Mg brand and savoury spreads under the Argeta brand. If we exclude the effect of the divested business, sales of the Multivita brand, the sales of this unit are at the last-year's level.

OTHER MARKETS record an increase in sales 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 Australia and France. If the sales of brands from the Strategic Business Unit Sports and Functional Food and sales of the Dietpharm brand are excluded, Other markets would record a 10.1% sales growth.

## SALES PROFILE BY PRODUCT CATEGORY




The comparative period has been adjusted to the reporting for 2020. .

In the first nine months, OWN BRANDS recorded sales of HRK 2,493.3 million, which is a mild decrease following the decrease in sales of roast and ground coffee under the Grand Kafa brand, Najlepše želje in the snacks segment, and Cockta and Cedevita in the HoReCa channel. The decrease was partly mitigated by the growth of: (i) Argeta in the savoury spreads segment, (ii) roast and ground coffee under the Barcaffe brand, (iii) Smoki in the snacks segment, (iv) Cedevita in the retail channel, and (v) functional water Donat Mg.

PRINCIPAL BRANDS record sales of HRK 1,047.5 million, which is a 9.9% decrease, as a consequence of the decrease in sales of principals with a significant share of the impulse goods range and range for out-of-home consumption, including the HoReCa channel. The decrease was partly mitigated by the new principals including Saponia and Kandit in Slovenia and Serbia, and Ficosota and Beiersdorf in North Macedonia, and the existing principals Unilever and Phillips. If we exclude the effect of the absence of sales of the Strategic Business Unit Sports and Functional Food range in the part in which the distribution was discontinued, sales of Dietpharm and Multivita brands in the part in which the distribution was discontinued and sales of principal brands through the divested company Bionatura Bidon Voda d.o.o. (BNBV), principal brands are almost at the last-year's level.

The pharmacy chain FARMACIA recorded a sales growth with sales at HRK 346.6 million, due to the increase in sales of the existing Farmacia locations and higher sales following the initial higher demand for drugs, food supplements, disinfectants and protective equipment as a consequence of the COVID-19 pandemic. As at 30 September, Farmacia consists of 91 pharmacies and specialised stores.

ATLANTIC GRUPA

## PROFITABILITY DYNAMICS

| (in HRK millions) | 9M 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| **Sales** | **3,887.4** | 4,012.4 | (3.1%) |
| **EBITDA*** | **585.7** | 634.4 | (7.7%) |
| **Normalised EBITDA*** | **624.3** | 609.6 | 2.4% |
| **EBIT*** | **399.0** | 452.9 | (11.9%) |
| **Normalised EBIT*** | **437.6** | 428.1 | 2.2% |
| **Net profit*** | **309.3** | 354.2 | (12.7%) |
| **Normalised Net profit*** | **348.0** | 329.4 | 5.6% |
| ***Profitability margins*** | | | |
| **EBITDA margin*** | **15.1%** | 15.8% | -75bp |
| **Normalised EBITDA margin*** | **16.1%** | 15.2% | +87bp |
| **EBIT margin*** | **10.3%** | 11.3% | -102bp |
| **Normalised EBIT margin*** | **11.3%** | 10.7% | +59bp |
| **Net profit margin*** | **8.0%** | 8.8% | -87bp |
| **Normalised Net profit margin*** | **9.0%** | 8.2% | +74bp |

In the first nine months of 2020, EBITDA amounts to HRK 585.7 million, which is a 7.7% decrease compared to the same period of the previous year, or a 2.4% increase if we exclude the effect of one-off items.

The increase in sales of the business units Savoury Spreads and Donat Mg and the distribution unit Slovenia impacted the increase in normalized EBITDA. Normalized EBITDA was also positively impacted by lower marketing investments as a consequence of divested business, but also the reallocation of activities due to extraordinary circumstances caused by the pandemic. Also, lower other operating expenses, primarily entertainment, business trips and fuel costs, as a result of measures to prevent the pandemic spread, positively impacted the increase in normalized EBITDA.

Normalized net profit records an increase, in addition to the described above, due to lower interest expense despite the negative impact of foreign exchange differences primarily arisen due to the depreciation 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".

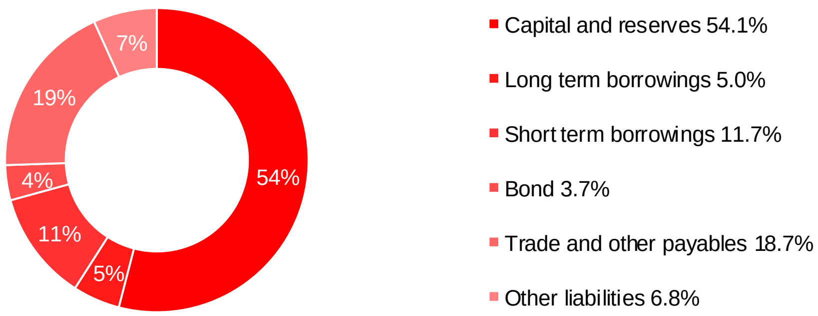
## FINANCIAL INDICATORS

| (in HRK millions) | 30/09/2020 | 31/12/2019 |
|---|---|---|
| **Net debt*** | **683.8** | 922.7 |
| **Total assets** | **5,405.9** | 5,247.3 |
| **Total Equity** | **2,921.2** | 2,669.8 |
| **Current ratio*** | **1.2** | 1.3 |
| **Gearing ratio*** | **19.0%** | 25.7% |
| **Net debt/EBITDA*** | **0.9** | **1.3** |
| **(in HRK millions)** | **9M 2020** | 9M 2019 |
| **Interest coverage ratio*** | **31.3** | 24.3 |
| **Capital expenditure*** | **172.8** | 166.7 |
| **Free cash flow*** | **370.3** | 263.9 |
| **Cash flow from operating activities** | **543.1** | 430.6 |

Among key determinants of the Atlantic Grupa's financial position in the first nine months of 2020, the following should be pointed out:

- The gearing ratio decreased by as much as 672 basis points due to the decrease in net debt of HRK 239 million compared to the end of 2019.
- The debt measured as the net debt to normalized EBITDA ratio dropped from 1.3 at the end of 2019 to 0.9 at the end of the first nine months of 2020.
- Free cash flow records an increase due to higher cash flow from operating activities, despite higher capital expenditure.

## THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 30 SEPTEMBER 2020




* 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 in the first nine months records an increase due to positive movements in the working capital, primarily the decrease in trade receivables, and due to lower finance costs and lower tax.

Capital expenditure in the first nine months of 2020 primarily relates to the purchase of land for a new administration building, investments in the production equipment of business units for the purpose of increasing the efficiency of production processes, the development of new products and the development of IT infrastructure, business systems and applications.

Among significant investments, we should mention:

- SBU BEVERAGES: investment in the new line for Cedevita GO and the new line for Cedevita HoReCa 19g, and the beginning of the investment project of new lines for solid and flexible Cedevita packaging;
- SBU COFFEE: investment in the production of instant coffee, and purchase of C2GO equipment;
- SBU SAVOURY SPREADS: investment in packaging lines in Izola plant and Hadžići plant;
- SBU SNACKS: investment in the chocolate production line;
- IT: investment in infrastructure, digital technologies and implementation of business applications and the replacement of equipment.

## IMPACT OF COVID-19 ON OPERATIONS AND ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2020

2020 was marked by the coronavirus COVID-19 pandemic, which, in addition to being a serious threat to human health, has a significant negative impact on the global economy, primarily as a consequence of measures implemented to prevent its uncontrolled spread.

Atlantic Grupa responded quickly and took all measures to ensure the maximum protection of its employees, partners and the general population and to ensure uninterrupted business operations.

The timeliness of Atlantic Grupa's reaction to the new circumstances is also confirmed by the fact that to date, the company has had only a minimum number of infected employees. All patients were identified with the first symptoms, immediately isolated, and all persons who had been in direct contact with them were also preventively isolated, which prevented the spread within the company. Despite the relaxation of the measures in the markets where we operate, our recommendation to all the employees whose positions allow it is to work from home, effective from the beginning of the pandemic.

Also, Atlantic Grupa ensured sufficient levels of raw materials and packaging materials and we have not had any significant supply chain problems so far, nor we expect them. The same goes for the smooth running of our production activities.

In addition to COVID-19 being a serious threat to human health, measures taken to prevent its uncontrolled spread had a significant negative impact on the global economy. In the second half of the second quarter, the measures were gradually relaxed, which had a positive impact on the economies in the region during the third quarter. At the end of the summer, the epidemiological situation on most of our key markets started to deteriorate and in October we witness record-high numbers of infected persons on most of our key markets. Consequently, stricter measures are introduced again (including, among others, the ban on the operations of hospitality facilities, ban on larger gatherings, sport competitions held without the audience, curfew, etc.) to prevent the pandemic spread. It is impossible to estimate the impact of the measures above on the economy and our results in the last quarter of this year, but there is almost no doubt that we are getting closer to the situation from the end of the first and a larger part of the second quarter, but the full lockdown, i.e. such significant limitations in free movement of the population and performing certain business activities, is not expected.
At that time, some segments, such as the pharmacy chain Farmacia, Argeta, Granny's Secret, Donat, Smoki, Barcaffe and Grand kafa, and some of our principal brands such as Mars pet food, HIPP baby food, Neva and Unilever ranges in the personal hygiene and household cleaning products segment were exceptionally successful, partly as a result of stockpiling in households, and partly due to moving the consumption into households. At the same time, the measures effective then had a significant negative impact on our sales in the HoReCa channel that makes approximately 7% of our total annual sales (primarily Beverages and Coffee) and the decrease in the On the Go (OTG) sales (primarily Beverages) and impulse goods (primarily Snacks and external principals). Also, one of the consequences of the pandemic is the weaker tourist season in Croatia, our individually largest market, with particularly weak pre-season and post-season, which has negative consequences on our sales.

It remains undoubtful that 2020 will be a year of global recession with new forecasts indicating that the recovery will be long, uneven and uncertain. Insistence on physical distancing is expected to continue in 2021, with a slight easing following the spread of vaccination, but the great uncertainty remains regarding the finding of the vaccine and its effectiveness. In general, the uncertainty is extremely high given that all projections are based on currently difficult to predict public health and economic factors. It is extremely difficult to predict the future course of the pandemic, the response of the healthcare system and possible disruptions in economic activities.

# **OUTLOOK**
# FOR 2020

We expect that most changes in consumer behaviour will remain after the pandemic, in the so-called "new normal". Atlantic Grupa monitors and anticipates changes in consumer behaviour and accordingly adapts its range.

In such circumstances, Atlantic Grupa's management will focus as much as possible primarily on maintaining an extremely positive health situation of our employees, and then also on smooth continuation of the production, taking benefit of all opportunities arising from this crisis and minimising the risks described.

Our balance sheet is extremely stable, debt is at a record low, and the results so far, taking into account the circumstances, are exceptionally good. We have ensured sufficient liquidity, sufficient inventories and it is clear that our business is not threatened, but it is certain that in the next few months, and probably quarters, we cannot expect to repeat the last-year's results.

It is important to note that our balance sheet includes nearly HRK 1.6 billion of intangible assets whose value depends to some extent on our future results as well as on the average weighted cost of capital so that any long-term changes to our sales revenue or risk premiums for our key markets could result in the impairment of these assets. By assessing external and internal indicators of impairment of assets, we have determined that there are no indicators for material impairment of our intangible assets. This assessment largely depends on the further development of the pandemic situation.

We will closely monitor the development of the situation and prepare for a new way of doing business, since we do not expect a full return to the pre-crisis situation in this calendar year, and probably neither in the first months of the following year.

**ATLANTIC GRUPA d.d.**

DEFINITION AND RECONCILIATIONS 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**

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 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| Sales | 3,887.4 | 4,012.4 | (3.1%) |
| 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 | |
| Comparable sales | 3,887.4 | 3,890.2 | (0.1%) |

| in HRK million | SBU Beverages | SBU Pharma | SDU Croatia | Other segments |
|---|---|---|---|---|
| Reported 9M 2019 | 456.2 | 468.4 | 1,032.2 | 548.4 |
| Sales of divested business - SBU SFF | 0.0 | 0.0 | 0.0 | 27.8 |
| Sale of divested business - brand Dietpharm | 0.0 | 42.7 | 0.0 | 0.0 |
| Sale of divested business - brand Multivita | 0.0 | 6.1 | 0.0 | 0.0 |
| Exit from pharma wholesale business | 0.0 | 25.3 | 0.0 | 0.0 |
| Sale of divested business – BNBV* | 15.4 | 0.0 | 20.3 | 0.0 |
| Comparable sales 9M 2019 | 440.8 | 394.3 | 1,011.9 | 520.5 |
| Reported 9M 2020 | 396.0 | 394.2 | 955.4 | 583.7 |
| 9M 2020/9M 2019 | (10.2%) | (0.0%) | (5.6%) | 12.1% |

* it relates to the sales of bottled water which is included within SBU Beverages to which it belongs, but also to SDU Croatia through which products are distributed.

| in HRK million | Croatia | Serbia | Slovenia | B&H |
|---|---|---|---|---|
| Reported 9M 2019 | 1,415.0 | 919.2 | 683.3 | 330.8 |
| Sales of divested business - SBU SFF | 0.0 | 0.0 | 0.0 | 0.0 |
| Sale of divested business - brand Dietpharm | 25.0 | 3.4 | 0.2 | 9.7 |
| Sale of divested business - brand Multivita | 0.0 | 0.2 | 0.0 | 1.3 |
| Exit from pharma wholesale business | 25.3 | 0.0 | 0.0 | 0.0 |
| Sale of divested business - BNBV | 20.0 | 0.0 | 0.3 | 0.0 |
| Comparable sales 9M 2019 | 1,344.7 | 915.7 | 682.8 | 319.7 |
| Reported 9M 2020 | 1,302.3 | 887.3 | 717.5 | 298.2 |
| 9M 2020/9M 2019 | (3.2%) | (3.1%) | 5.1% | (6.7%) |

| in HRK million | Other regional markets | Key European markets | Russia and CIS | Other markets |
|---|---|---|---|---|
| Reported 9M 2019 | 316.2 | 174.2 | 104.9 | 68.7 |
| Sales of divested business - SBU SFF | 0.0 | 25.9 | 0.0 | 2.0 |
| Sale of divested business - brand Dietpharm | 3.1 | 0.0 | 0.0 | 1.3 |
| Sale of divested business - brand Multivita | 0.3 | 0.0 | 4.3 | 0.0 |
| Exit from pharma wholesale business | 0.0 | 0.0 | 0.0 | 0.0 |
| Sale of divested business - BNBV | 0.0 | 0.0 | 0.0 | 0.0 |
| Comparable sales 9M 2019 | 312.9 | 148.3 | 100.6 | 65.5 |
| Reported 9M 2020 | 316.1 | 193.3 | 100.7 | 72.1 |
| 9M 2020/9M 2019 | 1.0% | 30.3% | 0.1% | 10.1% |

| in HRK million | 9M 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| Sales of principal brands | 1,047.5 | 1,162.2 | (9.9%) |
| 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 | | 4.1 | |
| Comparable sales of principal brands | 1,047.5 | 1,056.1 | (0.8%) |

| in HRK million | 9M 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| Sales of own brands | 2,493.3 | 2,516.1 | (0.9%) |
| Sale of divested business - BNBV | | 16.2 | |
| Comparable sales of own brands | 2,493.3 | 2,499.9 | (0.3%) |

**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 audited Consolidated Financial statements) increased for depreciation, amortisation and impairment (see Notes 13, 14, 15 in the latest 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 audited Consolidated Financial statements), COVID-19 expenses related to the donation for combating the spread of the pandemic and costs for the protective equipment and disinfectants, costs related to Multivita divested business, and transaction costs related to the sale of the company Tripoint. The Group's Management Board reviews 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 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| Operating profit | 399.0 | 452.9 | (11.9%) |
| Depreciation, amortisation and impairment | 186.7 | 181.6 | 2.8% |
| EBITDA | 585.7 | 634.4 | (7.7%) |
| Gain on sales of factories in SFF | | (24.8) | |
| COVID- 19 expenses | 33.9 | | |
| Expenses related to Multivita divested business | 3.5 | | |
| Tripoint transaction costs | 1.2 | | |
| Normalized EBITDA | 624.3 | 609.6 | 2.4% |
| Sales | 3,887.4 | 4,012.4 | |
| EBITDA margin | 15.1% | 15.8% | |
| Normalized EBITDA margin | 16.1% | 15.2% | |

**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 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 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| Operating profit | 399.0 | 452.9 | (11.9%) |
| EBIT | 399.0 | 452.9 | (11.9%) |
| Gain on sales of factories in SFF | | (24.8) | |
| COVID- 19 expenses | 33.9 | | |
| Expenses related to Multivita divested business | 3.5 | | |
| Tripoint transaction costs | 1.2 | | |
| Normalized EBIT | 437.6 | 428.1 | 2.2% |
| Sales | 3,887.4 | 4,012.4 | |
| EBIT margin | 10.3% | 11.3% | |
| Normalized EBIT margin | 11.3% | 10.7% | |

### 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 2020.
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 2020 | 9M 2019 | 9M 2020/ 9M 2019 |
|---|---|---|---|
| **Net profit** | **309.3** | **354.2** | **(12.7%)** |
| Gain on sales of factories in SFF | | (24.8) | |
| COVID- 19 expenses | 33.9 | | |
| Expenses related to Multivita divested business | 3.5 | | |
| Tripoint transaction costs | 1.2 | | |
| **Normalized Net profit** | **348.0** | **329.4** | **5.6%** |
| Sales | 3,887.4 | 4,012.4 | |
| **Net profit margin** | **8.0%** | **8.8%** | |
| **Normalized Net profit margin** | **9.0%** | **8.2%** | |

### 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 2020. 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 2020, as shown below:

| (in HRK millions) | 31 Sept 2020 | 31 Dec 2019 |
|---|---|---|
| Non current borrowing | 0.6 | 412.6 |
| Non current lease liabilities | 271.3 | 295.5 |
| Current borrowings | 749.0 | 517.3 |
| Current lease liabilities | 84.3 | 80.0 |
| Derivative financial instruments, net | 1.7 | 1.8 |
| Cash and cash equivalents | -423.1 | -384.5 |
| **Net debt** | **683.8** | **922.7** |
| Normalized EBITDA | 624.3 | 721.8 |
| **Net debt/Normalized EBITDA** | **1.1** | **1.3** |

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 2020. The current ratio is a liquidity ratio that measures a Group's ability to cover its short-term debt with its current assets.

| in HRK million | 9M 2020 | 9M 2019 |
|---|---|---|
| Current assets | 2,292.1 | 2,170.5 |
| Current liabilities | 1,985.7 | 1,648.4 |
| Current ratio | 1.2 | 1.3 |

## GEARING RATIO

Gearing ratio compares net debt to total equity increased for net debt. Gearing 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-20 | 30-Sep-19 | 31 Dec 2019 |
|---|---|---|---|
| Net debt | 683.8 | 1,085.0 | 922.7 |
| Total equity | 2,921.2 | 2,635.4 | 2,669.8 |
| Gearing ratio | 19.0% | 29.2% | 25.7% |

## 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 2020), 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 2020 | 9M 2019 |
|---|---|---|
| Normalized EBITDA | 624.3 | 609.6 |
| Total interest expense | 20.0 | 25.1 |
| Adjusted interest coverage ratio | 31.3 | 24.3 |

## 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 2020.

| in HRK million | 9M 2020 | 9M 2019 |
|---|---|---|
| Net cash flow from operating activities | 543.1 | 430.6 |
| Capex | 172.8 | 166.7 |
| Free cash flow | 370.3 | 263.9 |

**ATLANTIC GRUPA d.d.**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH PERIOD ENDED 30 SEPTEMBER 2020
(UNAUDITED)**

## ATLANTIC GRUPA d.d.

## CONSOLIDATED INCOME STATEMENT

| in thousands of HRK, unaudited | Jan - Sep 2020 | Jan - Sep 2019 | Index | Jul - Sep 2020 | Jul - Sep 2019 | Index |
|---|---|---|---|---|---|---|
| **Revenues** | **3,931,181** | **4,061,016** | **96.8** | **1,437,597** | **1,451,055** | **99.1** |
| Sales revenues | 3,887,417 | 4,012,407 | 96.9 | 1,427,962 | 1,438,332 | 99.3 |
| Other income | 43,764 | 48,609 | 90.0 | 9,635 | 12,723 | 75.7 |
| **Operating expenses** | **(3,532,190)** | **(3,608,154)** | **97.9** | **(1,241,050)** | **(1,274,025)** | **97.4** |
| Cost of trade goods sold | (1,122,027) | (1,135,010) | 98.9 | (424,369) | (440,468) | 96.3 |
| Change in inventories of finished goods and work in progress | 12,653 | 27,534 | 46.0 | 12,581 | (7,987) | n/a |
| Material and energy costs | (1,065,371) | (1,118,854) | 95.2 | (384,973) | (369,856) | 104.1 |
| Staff costs | (634,699) | (635,447) | 99.9 | (209,448) | (213,085) | 98.3 |
| Marketing and promotion expenses | (160,994) | (226,079) | 71.2 | (51,995) | (58,590) | 88.7 |
| Depreciation, amortisation and impairment | (186,683) | (181,564) | 102.8 | (64,983) | (59,416) | 109.4 |
| Other operating costs | (370,385) | (373,155) | 99.3 | (117,123) | (125,917) | 93.0 |
| Other (losses) / gains - net | (4,684) | 34,421 | n/a | (740) | 1,294 | n/a |
| **Operating profit** | **398,991** | **452,862** | **88.1** | **196,547** | **177,030** | **111.0** |
| Finance costs - net | (25,173) | (23,761) | 105.9 | (5,144) | (7,824) | 65.7 |
| **Profit before tax** | **373,818** | **429,101** | **87.1** | **191,403** | **169,206** | **113.1** |
| Income tax expense | (64,470) | (74,941) | 86.0 | (28,966) | (28,458) | 101.8 |
| **Net profit for the period** | **309,348** | **354,160** | **87.3** | **162,437** | **140,748** | **115.4** |
| **Attributable to:** | | | | | | |
| Owners of the parent | 309,734 | 353,519 | 87.6 | 162,091 | 139,978 | 115.8 |
| Non-controlling interests | (386) | 641 | n/a | 346 | 770 | 44.9 |
| **Earnings per share for profit attributable to the equity holders of the Company during the period (in HRK)** | | | | | | |
| - basic | 93.10 | 106.09 | | 48.72 | 42.02 | |
| - diluted | 93.10 | 106.09 | | 48.72 | 42.02 | |

## ATLANTIC GRUPA d.d.

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

| in thousands of HRK, unaudited | Jan - Sep 2020 | Jan - Sep 2019 | Index | Jul - Sep 2020 | Jul - Sep 2019 | Index |
|---|---|---|---|---|---|---|
| **Net profit for the period** | **309,348** | **354,160** | **87.3** | **162,437** | **140,748** | **115.4** |
| **Other comprehensive income/(loss):** | | | | | | |
| *Items that may be subsequently reclassified to profit of loss* | | | | | | |
| Currency translation differences, net of tax | 26,950 | 2,880 | 935.8 | (5,564) | 7,595 | n/a |
| Cash flow hedges, net of tax | (496) | 4 | n/a | (4,140) | 1,900 | n/a |
| **Other comprehensive income/(loss) for the period, net of tax** | **26,454** | **2,884** | **917.3** | **(9,704)** | **9,495** | **n/a** |
| **Total comprehensive income for the period** | **335,802** | **357,044** | **94.1** | **152,733** | **150,243** | **101.7** |
| **Attributable to:** | | | | | | |
| Equity holders of the Company | 336,133 | 356,411 | 94.3 | 152,393 | 149,464 | 102.0 |
| Non-controlling interests | (331) | 633 | n/a | 340 | 779 | 43.6 |
| Total comprehensive income for the period | 335,802 | 357,044 | 94.1 | 152,733 | 150,243 | 101.7 |

## ATLANTIC GRUPA d.d.

## CONSOLIDATED BALANCE SHEET

| in thousands of HRK, unaudited | 30 September 2020 | 31 December 2019 |
|---|---|---|
| **ASSETS** | | |
| **Non-current assets** | | |
| Property, plant and equipment | 1,028,474 | 971,915 |
| Right-of-use assets | 347,084 | 372,247 |
| Investment property | 316 | 312 |
| Intangible assets | 1,657,161 | 1,658,675 |
| Deferred tax assets | 34,399 | 31,796 |
| Financial assets through other comprehensive income | 1,437 | 1,025 |
| Trade and other receivables | 44,926 | 40,813 |
| | 3,113,797 | 3,076,783 |
| **Current assets** | | |
| Inventories | 579,555 | 501,287 |
| Trade and other receivables | 1,253,501 | 1,269,915 |
| Prepaid income tax | 30,609 | 9,175 |
| Cash and cash equivalents | 423,073 | 384,526 |
| | 2,286,738 | 2,164,903 |
| Non-current assets held for sale | 5,382 | 5,583 |
| **Total current assets** | 2,292,120 | 2,170,486 |
| **TOTAL ASSETS** | **5,405,917** | **5,247,269** |
| **EQUITY AND LIABILITIES** | | |
| **Capital and reserves attributable to owners of the Company** | | |
| Share capital | 133,372 | 133,372 |
| Share premium | 881,851 | 881,323 |
| Treasury shares | (7,648) | (5,884) |
| Reserves | (45,929) | (73,064) |
| Retained earnings | 1,954,503 | 1,728,691 |
| | 2,916,149 | 2,664,438 |
| Non-controlling interests | 5,032 | 5,363 |
| **Total equity** | 2,921,181 | 2,669,801 |
| **Non-current liabilities** | | |
| Borrowings | 626 | 412,550 |
| Lease liabilities | 271,271 | 295,526 |
| Deferred tax liabilities | 153,580 | 153,228 |
| Other non-current liabilities | 1,795 | 2,204 |
| Provisions | 71,771 | 65,515 |
| | 499,043 | 929,023 |
| **Current liabilities** | | |
| Trade and other payables | 1,012,877 | 933,191 |
| Borrowings | 748,979 | 517,337 |
| Lease liabilities | 84,275 | 80,032 |
| Derivative financial instruments | 1,712 | 1,778 |
| Current income tax liabilities | 44,011 | 7,261 |
| Provisions | 93,839 | 108,846 |
| | 1,985,693 | 1,648,445 |
| **Total liabilities** | 2,484,736 | 2,577,468 |
| **TOTAL EQUTIY AND LIABILITIES** | **5,405,917** | **5,247,269** |

**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 2019 | 1,014,555 | (81,628) | 1,451,656 | 2,384,583 | 3,869 | 2,388,452 |
| **Comprehensive income:** | | | | | | |
| Net profit for the period | - | - | 353,519 | 353,519 | 641 | 354,160 |
| Cash flow hedge, net of tax | - | 4 | - | 4 | - | 4 |
| Other comprehensive income | - | 2,888 | - | 2,888 | (8) | 2,880 |
| Total comprehensive income for the period | - | 2,892 | 353,519 | 356,411 | 633 | 357,044 |
| **Transactions with owners:** | | | | | | |
| Purchase of treasury shares | (10,800) | - | - | (10,800) | - | (10,800) |
| Share based payment | 7,197 | - | - | 7,197 | - | 7,197 |
| Dividends relating to 2018 | - | - | (106,599) | (106,599) | - | (106,599) |
| Transfer | - | 2,859 | (2,859) | - | - | - |
| At 30 September 2019 | 1,010,952 | (75,877) | 1,695,717 | 2,630,792 | 4,502 | 2,635,294 |
| 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 |

**ATLANTIC GRUPA d.d.**

**CONSOLIDATED CASH FLOW STATEMENT**

| in thousands of HRK, unaudited | **January - September 2020** | **January - September 2019** |
|---|---|---|
| **Cash flow from operating activities** | | |
| **Net profit for the period** | **309,348** | **354,160** |
| Income tax | 64,470 | 74,941 |
| Depreciation, amortisation and impairment | 186,683 | 181,564 |
| Gain on sale of property, plant and equipment | (261) | (1,367) |
| Loss on sale of subsidiary - net of transaction expenses | - | 115 |
| Provision for current assets | 19,195 | 14,010 |
| Foreign exchange differences - net | 5,219 | (1,289) |
| Decrease in provisions for risks and charges | (8,750) | (1,263) |
| Fair value loss/(gain) on financial assets | 101 | (4,160) |
| Share based payment | 9,786 | 7,197 |
| Interest income | (967) | (581) |
| Interest expense | 19,954 | 25,049 |
| Other non-cash items - net | 19,003 | 1,832 |
| **Changes in working capital:** | | |
| Increase in inventories | (90,118) | (113,704) |
| Increase in current receivables | (25,465) | (193,606) |
| Increase in current payables | 108,278 | 174,343 |
| **Cash generated from operations** | **616,476** | **517,241** |
| Interest paid | (18,789) | (23,516) |
| Income tax paid | (54,611) | (63,130) |
| | **543,076** | **430,595** |
| **Cash flow used in investing activities** | | |
| Purchase of property, plant and equipment and intangible assets | (172,755) | (166,656) |
| Proceeds from sale of property, plant and equipment and non-current assets held for sale | 802 | 3,194 |
| Acquisition of subsidiary and proceeds from sale of subsidiaries - net of cash disposed | 29,433 | 64,411 |
| Loans granted and deposits placed | (5,155) | (1,234) |
| Repayments of loan and deposits placed | 2,459 | 5,373 |
| Interest received | 967 | 581 |
| | **(144,249)** | **(94,331)** |
| **Cash flow used in financing activities** | | |
| Purchase of treasury shares | (11,022) | (10,800) |
| Proceeds from borrowings, net of fees paid | 620,577 | 210,774 |
| Repayment of borrowings | (820,700) | (389,196) |
| Principal elements of lease payments | (65,949) | (57,819) |
| Dividends paid to Company shareholders | (83,186) | (106,599) |
| | **(360,280)** | **(353,640)** |
| **Net increase/(decrease) in cash and cash equivalents** | **38,547** | **(17,376)** |
| Cash and cash equivalents at beginning of period | 384,526 | 413,663 |
| Cash and cash equivalents at end of period | 423,073 | 396,287 |

## 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 Mg 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 2020 were approved by the Management Board of the Company in Zagreb on 26 October 2020.

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 2020 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 2019. 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 2020 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 2020 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

### 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 2020 comparing to those used for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2019.

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 2020 no impairment was recognised.

## NOTE 4 – SEGMENT INFORMATION

The business model of the Group is organized through five strategic business units and business unit Donat MG which has been separated from strategic business unit Beverages since 1st January 2020.

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 SBU Sports and Functional Food do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within "Other segments". SBU Sports and Functional Food was entirely divested in early April 2019. The "Other segments" category comprises also of non-allocable business activities (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and North Macedonia) 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*** <br> *(in thousands of HRK)* | **Jan - Sep 2020** | **Jan - Sep 2019** |
|---|---|---|
| SBU Coffee | 801,882 | 817,828 |
| SBU Savoury Spreads | 648,070 | 565,782 |
| SBU Snacks | 452,730 | 475,617 |
| SBU Beverages | 396,046 | 456,247 |
| SBU Pharma | 394,211 | 468,359 |
| BU Donat MG | 145,299 | 140,836 |
| SDU Croatia | 955,449 | 1,032,240 |
| SDU Serbia | 876,020 | 901,958 |
| SDU Slovenia | 716,890 | 682,133 |
| Other segments | 583,734 | 548,370 |
| Reconciliation | (2,082,914) | (2,076,963) |
| **Total** | **3,887,417** | **4,012,407** |

* 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.

| | 2020 | 2019 |
|---|---|---|
| Net profit / (loss) attributable to equity holders *(in thousands of HRK)* | 309,734 | 353,519 |
| Weighted average number of shares | 3,326,936 | 3,332,229 |
| Basic earnings / (loss) per share *(in HRK)* | 93.10 | 106.09 |

### 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 2020, Group invested HRK 147,983 thousand in purchase of property, plant and equipment and intangible assets (2019: HRK 110,595 thousand).

## NOTE 7 - INVENTORIES

During the nine-month period ended 30 September 2020, the Group wrote down inventories in the amount of HRK 11,850 thousand due to damage and short expiry dates (2019: HRK 11,968 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 18 June 2020, distribution of dividend in the amount of HRK 25.00 per share, or HRK 83,186 thousand in total was approved (2019: HRK 32.00 per share, or HRK 106,599 thousand in total). Dividend was paid out in July 2020.

## NOTE 9 – FINANCE COSTS – NET

| *(in thousands of HRK)* | **Jan - Sep 2020** | **Jan - Sep 2019** |
|---|---|---|
| **Finance income** | | |
| Foreign exchange gains on borrowings | 7,035 | 5,758 |
| | 7,035 | 5,758 |
| **Finance costs** | | |
| Interest expense on bank borrowings | (7,695) | (12,146) |
| Interest expense on lease liabilities | (7,075) | (7,534) |
| Interest expense on bonds | (4,828) | (4,777) |
| Other interest expense | (356) | (592) |
| Total interest expense | (19,954) | (25,049) |
| Foreign exchange loss on borrowings | (12,254) | (4,470) |
| | (32,208) | (29,519) |
| **Finance costs - net** | **(25,173)** | **(23,761)** |

## NOTE 10 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as at 30 September 2020 and 31 December 2019 and transactions recognized in the Income statement for the nine-month period ended 30 September are as follows:

| *(all amounts expressed in thousands of HRK)* | **30 September 2020** | **31 December 2019** |
|---|---|---|
| **RECEIVABLES** | | |
| **Current receivables** | | |
| Other entities | 83,012 | 82,855 |
| **LIABILITIES** | | |
| **Trade and other payables** | | |
| Other entities | 1,650 | 2,054 |

| | **Jan-Sep 2020** | **Jan-Sep 2019** |
|---|---|---|
| **REVENUES** | | |
| **Sales revenues** | | |
| Other entities | 343,427 | 397,668 |
| **Other income** | | |
| Other entities | 525 | 828 |
| **EXPENSES** | | |
| **Marketing and promotion costs** | | |
| Other entities | 2,251 | 2,974 |
| **Other operating costs** | | |
| Other entities | 1,829 | 1,621 |
| **Additions** | | |
| 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 2020 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 2020 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 2020 were approved by the Management Board of the company Atlantic Grupa d.d. on 26 October 2020.

Zoran Stanković
Group Vice President for Finance, Procurement and Investment

Tatjana Ilinčić
Director of Corporate Reporting and Consolidation

**Contact:**

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ATLANTIC GRUPA
Joint Stock Company for Domestic and Foreign Trade
Miramarska 23, 10000 Zagreb, Hrvatska
tel: +385 (1) 24 13 900
fax: +385 (1) 24 13 901

The Company is registered with the Commercial Court of Zagreb
MBS: 080245039
MB: 1671910
PIN: 71149912416
Broj računa: HR4624020061100280870 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
The number of shares and their nominal value: 3,334,300 shares, each in the nominal amount 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