FINANCIAL RESULTS

FOR THE FIRST QUARTER OF 2023

(unaudited)

Zagreb, 25 April 2023

COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO

Commenting on the financial results for the first quarter of 2023, **Emil Tedeschi**, CEO of Atlantic Grupa, pointed out:

"In the first quarter of 2023, Atlantic Grupa recorded strong growth in all business and distribution units and in all significant markets. The prices of raw materials and packaging materials, logistics and other services and energy are still at high levels, which, as we announced, led to a drop in profitability. The drop in profitability was partially mitigated by optimizing internal resources and increasing the selling prices of our products.

With the vision of further development of our brands, we have joined forces with Podravka in order to take advantage of synergies and strengthen the presence of our brands in the markets of Austria and the United States of America. Also, we made another step forward and launched Cedevita vitamin water. By entering this growing category, we will unlock new potentials and remain relevant to existing and new consumers in the long term, and satisfy needs that the brand has not yet addressed. Business sustainability is one of the determinants of Atlantic Grupa's strategy and, acting in this direction, we built a solar power plant on the roof of the Vukovina distribution centre, the first in a series of sites that will be covered by the green transformation.

With the strength of our brands and our people, operational efficiency and investments in digitization, modernization and business sustainability, we are ready for further growth."

STRONG REVENUE GROWTH IN ALL BUSINESS SEGMENTS AND ALL SIGNIFICANT MARKETS

SALES AT EUR 215.6 MILLION
+16.8% compared to the first quarter of 2022

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (**EBITDA***) AT EUR 20.9 MILLION
-12.2% compared to the first quarter of 2022 (-11.4% if one-off items excluded*)

EARNINGS BEFORE INTEREST AND TAXES (**EBIT***) AT EUR 11.5 MILLION
-25.3% compared to the first quarter of 2022 (-24.2% if one-off items excluded*)

NET PROFIT* AT EUR 9.6 MILLION
-20.4% compared to the first quarter of 2022 (-18.8% if one-off items excluded*)

FINANCIAL SUMMARY OF THE FIRST QUARTER OF 2023

Key figures	1Q 2023	1Q 2022**	1Q 2023/ 1Q 2022
Sales (in EUR million)	**215.6**	184.5	16.8%
Turnover (in EUR million)	**217.2**	186.1	16.7%
Normalized EBITDA margin*	**9.7%**	12.8%	-310bp
Normalised net income* (in EUR million)	**9.6**	11.8	(18.8%)
Gearing ratio*	**20.7%**	17.0%	-369bp

The comparative period has been adjusted to the reporting for 2023.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".
** Balance sheet items in comparative periods are converted at the conversion rate, while comparative periods of profit and loss account items are converted at average monthly exchange rate.

1. NEW CHAIRMAN OF THE SUPERVISORY BOARD

At the meeting of the Supervisory Board of Atlantic Grupa d.d., held on 22 March 2023, the former Chairman of the Supervisory Board, Zdenko Adrović, handed over the leading position in this body to Zoran Vučinić, a former member of the board. As one of the leading experts in the Croatian financial industry, Zdenko Adrović has successfully led Atlantic's Supervisory Board since its establishment in 2006, and continues to participate in its work as a member.
Zoran Vučinić joined the Supervisory Board of Atlantic Grupa at the beginning of 2022. He is a proven global business leader with more than three decades of international career in the field of consumer goods, primarily in the global operations of The Coca-Cola Company.

2. PODRAVKA AND ATLANTIC JOINED FORCES IN STRENGTHENING THE EXPORT OF OWN BRANDS

Two leading Croatian manufacturing companies, Atlantic Grupa and the Podravka Group, have agreed to cooperate on foreign markets, specifically in the United States of America and Austria. The two companies introduced a unique practice of mutual export support, which implies that Atlantic's distribution company in Austria will provide support for the placement of Podravka's products on the Austrian market, and at the same time, Podravka will market Atlantic's products on the US market through its company in the USA. The goal of this cooperation is to maximize mutual synergies by strengthening the product placement of both companies and raising the recognizability of their brands, using the developed business network and market positions that Atlantic and Podravka hold in these markets.

3. JIMMY FANTASTIC MOVED TO SBU SNACKS

Jimmy Fantastic, one of Atlantic's youngest brands, was created and launched in 2021 within the New Growth and has since achieved excellent results on the Croatian, Slovenian and Austrian markets. The team has plans to launch it also into the markets in the eastern part of the region, so the integration within Atlantic's wider portfolio in the chocolate category is logical. The integration into the SBU Snacks thus represents the next step in the development of the Jimmy Fantastic brand, which we continue to monitor and manage within the broader strategy of Atlantic's confectionery business.

4. CEDEVITA VITAMIN WATER LAUNCHED

When we say Cedevita, we think of vitamins. For 50 years. Experience has taught us to boldly step outside our comfort zone and listen to our consumers. Therefore, Cedevita decided to try its hand at something new – vitamin waters! By entering this growing category, we will unlock new potentials and remain relevant to existing and new consumers in the long term and satisfy needs that the brand has not yet addressed.

We paid special attention to flavours and thus created three unique combinations: Lemon & Pineapple "Energising", Orange & Papaya "Feel Good" and Lemon & Pomegranate "Relaxing". Cedevita vitamin water is made with natural citrus aromas, without sweeteners, with few calories and carefully selected vitamins.

5. THE FIRST ATLANTIC GRUPA'S SOLAR POWER PLANT

At Atlantic Grupa, we regularly carry out activities and projects for the company to act in accordance with the priority of sustainable business and with the goal of building a greener future. The latest project of this kind is the construction of a solar photovoltaic power plant on the roof of the Vukovina distribution centre, which reduces carbon dioxide emissions by 3,250 tonnes, which is equivalent to planting 98 hectares of trees. In addition to the positive effects on the environment, we also expect significant savings due to lower dependence on the market trends of energy prices during the expected useful lives of the panels, i.e. 25 years.

6. SUCCESSFUL TRANSITION TO THE EURO IN CROATIAN COMPANIES OF THE GROUP

In 2022, Atlantic Grupa started the project of the adjustment of Croatian companies to the replacement of the Croatian kuna with the euro. The project included the adjustment of 33 IT systems (ERP systems, business applications and analytical solutions) used by the Group in operations and business management, and more than 120 Group employees participated intensively in it. All adjustment activities were completed within the planned deadlines, from dual reporting of prices to the transition to operational business in euro.

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(EUR million)	1Q 2023	1Q 2022	1Q 2023/ 1Q 2022
SBU Coffee	**43.4**	37.9	14.5%
SBU Savoury Spreads	**35.4**	31.9	11.1%
SBU Snacks	**28.5**	21.3	34.0%
SBU Beverages	**19.5**	15.8	23.8%
SBU Pharma	**20.2**	19.1	6.0%
BU Donat	**9.0**	8.3	8.5%
SDU Croatia	**49.8**	41.5	20.0%
SDU Serbia	**48.8**	39.4	24.0%
SDU Slovenia	**37.5**	34.5	8.6%
Other segments*	**32.6**	28.0	16.7%
Reconciliation**	**(109.2)**	(93.1)	n/a
Sales	**215.6**	**184.5**	**16.8%**

The comparative period has been adjusted to the reporting for 2023.

In the first quarter of 2023, Atlantic Grupa recorded sales of EUR 215.6 million, which is a significant 16.8% growth compared to the same period of the previous year. The revenue growth is recorded in all business and distribution units following excellent sales results of all own and principal brands. The highest percentage growth was recorded by the Strategic business units Snacks, and Beverages. In addition to our regular sales and marketing activities, the sales growth in the first quarter was positively affected by the Easter holiday, which was a week earlier this year than the last year, which resulted in increased sales of a certain range of our products (primarily the Coffee and Snacks range) at the end of March. Part of the increase in revenue is the result of an increase in our selling prices caused by the increase in the price of all key raw materials, packaging materials, energy and services.

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.

* 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 recorded a significant sales growth rate in all regional markets, with the highest growth recorded in the markets of Croatia, Serbia, and Bosnia and Herzegovina. Analysed by categories, growth was recorded by all categories, with the most significant growth recorded by roast and ground coffee under the Grand kafa, Bonito and Barcaffè brands. Espresso coffee records a significant growth primarily as a consequence of successful strategic partnerships in the past years, strengthening brand perception and winning new customers in the HoReCa and On the Go channels. Also, with significant sales growth of instant coffee, we continue to strengthen our position in this category. All categories recorded volume growth, where the growth of revenue from roast and ground coffee was largely generated by the increase in selling prices due to a significant increase in the price of raw coffee and packaging materials.

The STRATEGIC BUSINESS UNIT SAVOURY SPREADS recorded a significant sales growth in all regional markets and in the Western markets (Germany, Austria, Switzerland). Growth was recorded both in meat and fish savoury spreads segments. Also, jams and *ajvar* under the Granny's Secret brand record a sales growth. Part of the revenue growth of this Strategic unit is generated by volume growth, but also by higher selling prices as a result of significant increases in the prices of key raw materials and packaging materials.

The STRATEGIC BUSINESS UNIT SNACKS recorded a double-digit sales growth in all regional markets, with the most significant growth recorded by the markets of Serbia, Bosnia and Herzegovina, and Montenegro. Also, the Western markets of Austria, Germany and Sweden record significant growth rates. Analysed by categories, the growth is recorded by all categories, led by chocolate under the Najlepše želje brand, Bananica, Smoki, and Prima sticks. The strong revenue growth in this unit is the result of the range optimization, intensified marketing activities and better price position of the products compared to the competition. Additionally, the time shift of the Easter holiday had a positive impact on sales of this unit.

The STRATEGIC BUSINESS UNIT BEVERAGES recorded a significant sales growth in all regional markets, with the most significant growth recorded by the markets of Croatia and Serbia. Also, double-digit growth rates are recorded by the markets of Germany and Austria. A significant sales growth is recorded by Cockta and Cedevita brands in the HoReCa and retail channels.

The STRATEGIC BUSINESS UNIT PHARMACY BUSINESS records a sales growth of the pharmacy chain Farmacia due to the increase in sales of the cosmetics range and food supplements. Also, the sales growth is a consequence of the additional turnover of new pharmacies compared to the comparative period of the previous year. At 31 March 2023, Farmacia includes 56 pharmacies and 44 specialized stores.

The BUSINESS UNIT DONAT recorded sales growth in all significant markets, which was generated by the increase in selling prices.

A double-digit revenue growth is recorded also by the STRATEGIC DISTRIBUTION UNIT CROATIA as a consequence of growth of almost all own and principal brands. Among own brands, the following especially stand out – roast and ground coffee under the Barcaffè brand, Argeta in the savoury spreads segment, Smoki in the snacks segment, Cedevita and Cockta brands in the retail channel, oat-based products under the Boom Box brand, and functional water Donat. Among principal brands, the most significant growth was recorded by Ferrero, Mars and Hipp. A significant growth was recorded by the HoReCa channel, primarily due to the Cedevita and Cockta brands in the beverages segment and espresso coffee under the Barcaffè brand. The growth in sales in this segment was impacted by the price increases under the impact of price pressure on the input prices of trade goods.

A double-digit sales growth of the STRATEGIC DISTRIBUTION UNIT SERBIA is a result of the increase in sales of roast and ground coffee under the Grand kafa and Bonito brands, instant coffee Grand, chocolate under the Najlepše želje brand, Smoki and Bananica, Argeta in the savoury spreads segment, oat-based Boom Box products, and Cedevita and Cockta in the HoReCa and retail channels. Among principal brands, Red Bull, Rauch, Saponia and Intersnack stand out. Also, the growth in this unit was impacted by the increase in sales of the HoReCa channel and the price increases under the impact of price pressure on the input prices of trade goods.

A significant sales growth was recorded by the STRATEGIC DISTRIBUTION UNIT SLOVENIA due to the increase in sales of own and principal brands. Among own brands, the following stand out: instant coffee under the Barcaffè brand, Argeta in the savoury spreads segment, Cedevita and Cockta in the HoReCa and retail channels, oat-based Boom Box products, and functional water Donat. Strong sales are also recorded by espresso coffee under the Barcaffè brand in the HoReCa channel. Among principal brands, Unilever, Rauch and Ferrero stand out. As in other markets, the increase in sales on the Slovenian market was impacted by the price increases under the impact of price pressure on the input prices of trade goods.

OTHER SEGMENTS record an increase in sales in all parts.

Double-digit sales growth rates were recorded by the DISTRIBUTION UNIT MACEDONIA due to the increase in sales of own and principal brands. Own brands are led by the increase in sales of roast and ground coffee under the Grand kafa brand, Argeta in the savoury spreads segment, chocolate under the Najlepše želje brand, and Cedevita in the retail channel. Among principals, Ferrero, Hipp, Beiersdorf and the new principal Red Bull stand out.

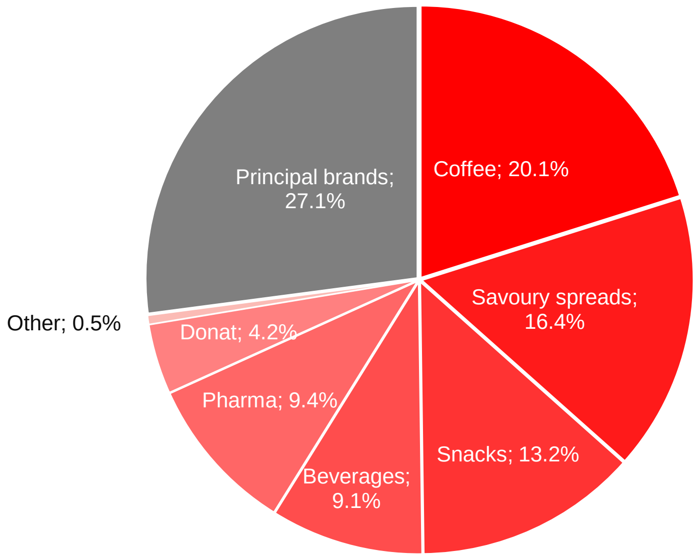
The DISTRIBUTION UNIT AUSTRIA records a significant sales growth, mainly due to the growth of own brands, primarily Argeta in the savoury spreads segment, roast and ground coffee under the Grand kafa brand, and Smoki and Prima sticks in the snacks segment.

The GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT records a double-digit sales growth, with the highest growth recorded by the markets of Sweden, Switzerland, Germany and Spain in the savoury spreads segment under the Argeta brand.

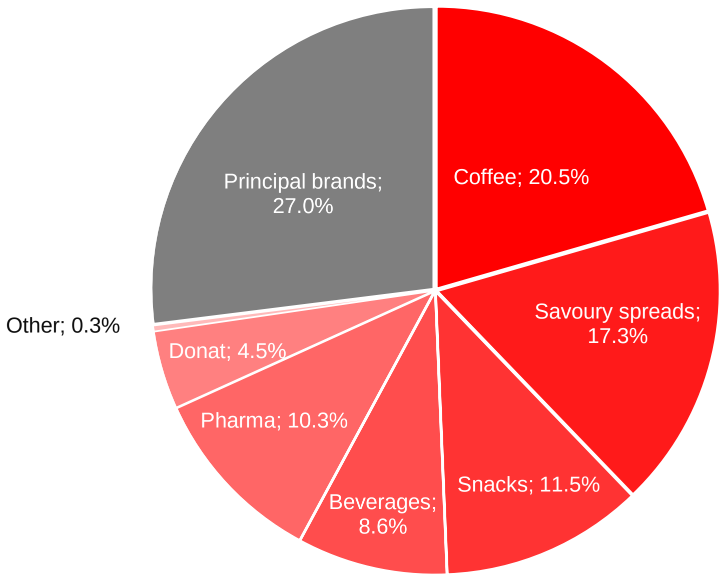
The DISTRIBUTION UNIT RUSSIA records an increase in sales as a consequence of the increase in sales of Argeta in the savoury spreads segment, and functional water Donat.

SALES PROFILE BY SEGMENTS

1Q 2023



1Q 2022



SALES PROFILE BY MARKETS

(in EUR millions)	1Q 2023	% of sales	1Q 2022	% of sales	1Q 2023/ 1Q 2022
Croatia	**70.5**	32.7%	**60.2**	32.7%	17.0%
Serbia	**49.6**	23.0%	**40.0**	21.7%	24.0%
Slovenia	**37.5**	17.4%	**35.2**	19.1%	6.4%
Bosnia and Herzegovina	**18.0**	8.4%	**15.2**	8.2%	18.5%
Other regional markets*	**19.9**	9.2%	**16.0**	8.6%	24.9%
Key European markets**	**12.3**	5.7%	**10.4**	5.6%	18.2%
Russia and CIS	**3.4**	1.6%	**3.0**	1.6%	13.6%
Other markets	**4.3**	2.0%	**4.5**	2.4%	(2.8%)
Total sales	**215.6**	100.0%	184.5	100.0%	16.8%

*Other regional markets: North Macedonia, Montenegro, Kosovo
**Key European markets: Germany, Switzerland, Austria, Sweden
The comparative period has been adjusted to the reporting for 2023.

The MARKET OF CROATIA recorded a double-digit sales growth due to the increase in sales of: (i) all own brands, with the most significant growth recorded by espresso coffee under the Barcaffè brand in the HoReCa channel, roast and ground coffee under the Barcaffè brand, Argeta in the savoury spreads segment, Jimmy chocolate and Smoki in the snacks segment, functional water Donat, and Cedevita and Cockta brands in the retail and HoReCa channels, (ii) the pharmacy chain Farmacia, and (iii) external principals, among which the biggest growth was recorded by Ferrero, Mars and Hipp.

A strong sales growth is recorded in the MARKET OF SERBIA, due to the increase in sales of own brands, of which the following stand out: (i) roast and ground coffee under the Grand kafa and Bonito brands in the coffee segment, (ii) Najlepše želje, Bananica, Smoki and Prima sticks in the snacks segment, (iii) Cockta and Cedevita brands in the beverages segment, (iv) Argeta in the savoury spreads segment, and (v) oat-based Boom Box products. Among principal brands, growth comes from Red Bull, Intersnack, Rauch and Saponia.

The MARKET OF SLOVENIA records a sales growth due to the increase in sales of: (i) instant and espresso coffee under the Barcaffè brand, (ii) Argeta in the savoury spreads segment, (iii) Cockta and Cedevita and in the retail and HoReCa channels, (iv) Smoki in the snacks segment, (v) oat-based Boom Box products, and (vi) principal brands Unilever, Rauch and Ferrero.

A significant growth is recorded in the MARKET OF BOSNIA AND HERZEGOVINA due to the increase in sales of: (i) roast and ground coffee and instant coffee under the Grand kafa brand, (ii) Argeta in the savoury spreads segment, (iii) Najlepše želje, Bananica, Štark wafers and Smoki in the snacks segment, (iv) Cedevita and Cockta in the beverages segment, and (v) oat-based products under the Boom Box brand.

OTHER REGIONAL MARKETS recorded a double-digit sales growth in all markets, where the biggest contribution to the growth was made by the increase in sales of roast and ground coffee under the Grand kafa brand, Argeta in the savoury spreads segment, Najlepše želje in the snacks segment, and Cedevita in the beverages segment.

A sales growth was recorded in all KEY EUROPEAN MARKETS following the increase in sales of Argeta in the savoury spreads segment and Prima sticks in the snacks segment.

The MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES recorded a sales growth as a result of the increase in sales of functional water Donat and savoury spreads under the Argeta brand.

OTHER MARKETS record a mild decrease in sales due to the decrease in sales in the markets of the Netherlands and Poland which was partly cancelled out by the increase in sales in the markets of Spain and France following the increase in sales of Argeta in the savoury spreads segment.

PROFITABILITY TRENDS

(in EUR millions)	1Q 2023	1Q 2022	1Q 2023/ 1Q 2022
Sales	**215.6**	184.5	16.8%
EBITDA*	**20.9**	23.9	(12.2%)
Normalised EBITDA*	**21.0**	23.7	(11.4%)
EBIT*	**11.5**	15.3	(25.3%)
Normalised EBIT*	**11.5**	15.1	(24.2%)
Net profit*	**9.6**	12.0	(20.4%)
Normalised Net profit*	**9.6**	11.8	(18.8%)
Profitability margins			
EBITDA margin*	**9.7%**	12.9%	-322 bp
Normalised EBITDA margin*	**9.7%**	12.8%	-310 bp
EBIT margin*	**5.3%**	8.3%	-300 bp
Normalised EBIT margin*	**5.3%**	8.2%	-288 bp
Net profit margin*	**4.4%**	6.5%	-208 bp
Normalised Net profit margin*	**4.4%**	6.4%	-195 bp

In the first quarter of 2023, EBITDA amounts to EUR 20.9 million, which is a 12.2% decrease compared to the same period of the previous year, and an 11.4% decrease if we exclude the effect of one-off items. The decrease in normalized EBITDA was mainly impacted by exceptionally high costs of all raw materials and packaging materials (higher realized prices than in the first quarter last year due to procurement at more favourable prices than the then market prices), energy, transportation and logistics costs, other operating expenses (higher costs of business trips and fuel) and investments in human resources. This negative impact exceeded the significant increase in sales of all business and distribution units.

In addition to the above, normalized net profit records an 18.8% decrease as a result of the higher depreciation of own non-current assets (as a consequence of higher capital expenditure) and right-of-use assets.

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OPERATING EXPENSES STRUCTURE

(in EUR millions)	1Q 2023	% of sales	1Q 2022	% of sales	1Q 2023/ 1Q 2022
Cost of goods sold	**57.5**	26.7%	**53.8**	29.2%	6.9%
Change in inventory	**0.8**	0.4%	**(3.1)**	(1.7%)	n/a
Production materials	**73.7**	34.2%	**54.6**	29.6%	35.1%
Energy	**4.4**	2.0%	**3.0**	1.6%	47.1%
Services	**13.0**	6.0%	**11.1**	6.0%	17.5%
Staff costs	**32.1**	14.9%	**29.0**	15.7%	10.6%
Marketing and selling expenses	**8.9**	4.1%	**9.3**	5.0%	(4.1%)
Other operating expenses	**5.7**	2.6%	**5.1**	2.7%	12.6%
Other (gains)/losses, net	**0.1**	0.1%	**(0.5)**	(0.3%)	n/a
Depreciation and amortisation	**9.5**	4.4%	**8.5**	4.6%	11.4%
Total operating expenses*	**205.7**	**95.4%**	**170.7**	**92.5%**	**20.5%**

The cost of goods sold records an increase due to higher sales of principal brands, but also higher purchase prices.

Costs of production materials record a significant increase due to higher sales of own products and significantly higher purchase prices of practically all production materials, especially raw coffee, sugar, edible oil, cocoa and all types of packaging materials.

Energy costs are significantly higher due to significantly higher energy prices compared to the same period of the previous year and higher production of own products.

Costs of services record an increase due to higher sales and significantly higher costs of transport and logistics services, as a consequence of higher fuel prices and salaries increase compared to the comparative period.

The biggest share of the increase in staff costs relates to the increase in basic salaries and higher variable payments as a result of higher sales. As at 31 March 2023, Atlantic Grupa had 5,430 employees, or 50 employees more than in the same period of the previous year.

Marketing expenses are lower, primarily due to marketing savings in the Savoury spreads and Snacks segments, despite higher investments in the Coffee and Beverages segments. It should be noted that marketing expenses are higher compared to the same period of the previous year if we take into account marketing activities that are presented as a decrease in sales.

Other operating expenses record an increase, primarily as a consequence of higher travel-related costs, fuel costs and entertainment costs.

Other (gains)/losses – net: Loss realised primarily on the basis of foreign exchange losses related to derivative financial instruments in the coffee segment.

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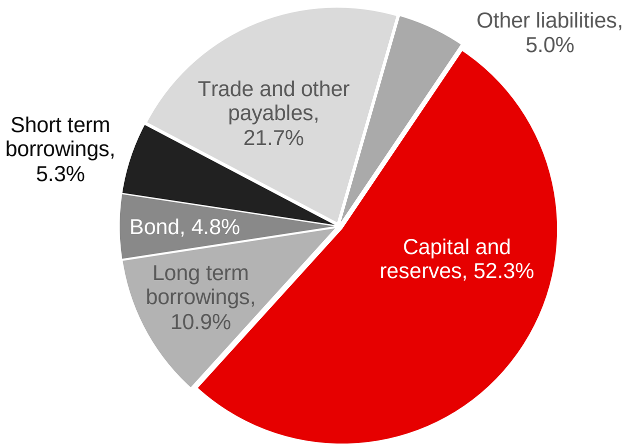
FINANCIAL INDICATORS

(in EUR millions)	3/31/2023	12/31/2022
Net debt*	**113.5**	87.3
Total assets	**830.4**	779.0
Total Equity	**434.1**	425.2
Current ratio*	**1.6**	1.5
Gearing ratio*	**20.7%**	17.0%
Net debt/EBITDA*	**1.6**	1.2
(in EUR millions)	**1Q 2023**	1Q 2022
Interest coverage ratio*	**24.8**	51.5
Capital expenditure*	**9.6**	6.1
Free cash flow*	**(10.0)**	4.6
Cash flow from operating activities	**(0.5)**	10.7

Among key determinants of the Atlantic Grupa's financial position in the first quarter of 2023, the following should be pointed out:

- The gearing ratio increased by 369 basis points due to the EUR 26 million increase in net debt compared to the end of 2022.
- The indebtedness measured as the net debt to normalized EBITDA ratio increased from 1.2 at the end of 2022 to 1.6 at the end of the first quarter of 2023.
- Free cash flow records a decrease due to negative cash flow from operating activities as a consequence of higher investments in the working capital, and higher capital expenditure.

THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 31 MARCH 2023



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OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

Cash flow from operating activities records a decrease, i.e., it is negative, as a result of lower profitability and movements in the working capital, primarily the increase in inventories and trade receivables, and due to higher financing costs. The increase in inventories is primarily caused by increases in the prices of raw materials and packaging materials and consequently of increased prices of finished products. The increase in receivables is the direct consequence of a significant growth in sales revenue.

Capital expenditure in the first quarter of 2023 is marked by the beginning of implementation of projects in line with the Atlantic Grupa's Strategic Guidelines for 2023 and the continued implementation of projects initiated in 2022.

Significant investment projects in the first quarter of 2023:

- SDU Croatia:
  - investment project to expand the warehouse capacity of LDC Zagreb and implement fully automated warehouse operations launched

- SBU Savoury Spreads:
  - continued implementation of the investment project for the new packaging machine at the Hadžići and Izola locations

- SBU Coffee:
  - an investment project to expand the capacity for the production and packaging of instant coffee at the Belgrade location launched
  - an investment project for additional packaging capacity for roast and ground coffee at the Belgrade location launched

- SBU Beverages:
  - an investment project to replace the granulator and a new system for receiving and distributing sugar launched

Also, in accordance with investment plans, significant investments in IT infrastructure and IT systems continue (introduction of the S/4 Hana ERP (Enterprise Resource Planning) system, launching the Master Data Management (MDM) project and the Integrated Business Planning (IBP) project).

ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2023

The year 2022 was marked by record prices of raw materials and packaging materials, strong inflationary pressures and geopolitical risks. In 2023, we expect a slight economic growth in the region and the Eurozone due to reduced disposable income, rising interest rates and significant inflationary pressures. We believe that the prices of raw materials, packaging materials and energy sources should not reach the record levels of 2022, but we also expect significant volatility to be present in the coming period. Croatia's entry into the Eurozone and the Schengen area should mitigate some negative pressures.

Despite the expected worse economic conditions, we expect record sales of approximately EUR 900 million.

Regardless of the certain stabilization of purchase prices that occurred at the end of 2022, they are still significantly higher compared to the pre-crisis period, and therefore in 2023 we expect 100 to 150 basis points lower normalized EBITDA margin than it was in 2022. It is important to note that in the first half of 2022, the impact of the increase in prices of raw materials and packaging materials was significantly lower than in the rest of the year, considering that a large part of the raw materials and packaging materials were purchased at more favourable prices than the then market prices, as a result of the Atlantic Grupa's successful purchasing strategy. Consequently, in the first half of 2023, we expect a greater drop in profitability than the stated average for the whole year, and we expect the beginning of the recovery of profit margins in 2024.

In 2022, there was a delay in the delivery of certain components due to problems in the supply chains, and we have transferred a certain part of the planned investments to 2023, in which we expect capital expenditure in the amount of EUR 35 to 40 million.

In 2023, in addition to the focus on addressing the challenges of high inflation and supply chain problems, management will continue to focus on (i) strengthening the position of prominent regional brands, (ii) internationalisation of certain brands, primarily Argeta and Donat, (iii) increasing the distribution of new brands and their launching to new markets, (iv) development of distribution operations by strengthening the existing and acquiring new principals, and (v) 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.

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, and other one-off income and expenses. 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 EUR millions)	1Q 2023	1Q 2022	1Q 2023/ 1Q 2022
Operating profit	**11.5**	**15.3**	**(25.3%)**
Depreciation, amortisation and impairment	**9.5**	**8.5**	**11.4%**
EBITDA	**20.9**	**23.9**	**(12.2%)**
Divestment costs/(gains), net	0.0	(0.1)	
Other one off (income)/costs, net	0.0	(0.1)	
Normalized EBITDA	**21.0**	**23.7**	**(11.4%)**
Sales	215.6	184.5	
EBITDA margin	**9.7%**	**12.9%**	
Normalized EBITDA margin	**9.7%**	**12.8%**	

EBIT and NORMALIZED EBIT, EBIT margin and NORMALIZED EBIT margin

EBIT (Earnings before interest and tax) equals 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 EUR millions)	1Q 2023	1Q 2022	1Q 2023/ 1Q 2022
Operating profit	**11.5**	**15.3**	**(25.3%)**
EBIT	**11.5**	**15.3**	**(25.3%)**
Divestment costs/(gains), net	0.0	(0.1)	
Other one off (income)/costs, net	0.0	(0.1)	
Normalized EBIT	**11.5**	**15.1**	**(24.2%)**
Sales	215.6	184.5	
EBIT margin	**5.3%**	**8.3%**	
Normalized EBIT margin	**5.3%**	**8.2%**	

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 31 March 2023.
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 EUR millions)	1Q 2023	1Q 2022	1Q 2023/ 1Q 2022
Net profit	**9.6**	**12.0**	**(20.4%)**
Divestment costs/(gains), net	0.0	(0.1)	
Other one off (income)/costs, net	0.0	(0.1)	
Normalized Net profit	**9.6**	**11.8**	**(18.8%)**
Sales	215.6	184.5	
Net profit margin	**4.4%**	**6.5%**	
Normalized Net profit margin	**4.4%**	**6.4%**	

TOTAL OPERATING EXPENSES

Total operating expenses are a subtotal of the following items which are reported in the Consolidated Income statement in the attached Condensed consolidated financial statements for the period ended 31 March 2023: cost of trade goods sold, change in inventories of finished goods and work in progress, material and energy costs, staff costs, marketing and promotion expenses, other operating expenses, other gains/losses-net and depreciation, amortization and impairment.

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 31 March 2023. 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 31 March 2023, as shown below:

(in EUR millions)	31 March 2023	31 December 2022
Non current borrowing	84.6	54.5
Non current lease liabilities	45.5	34.0
Current borrowings	31.8	43.7
Current lease liabilities	12.4	12.2
Derivative financial instruments, net	1.5	1.9
Cash and cash equivalents	(62.3)	(59.0)
Net debt	**113.5**	**87.3**
Normalized EBITDA*	73.2	75.9
Net debt/Normalized EBITDA	**1.6**	**1.2**

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 financial liabilities.

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 31 March 2023. The current ratio is a liquidity ratio that measures the Group's ability to cover its short-term debt with its current assets.

in EUR million	31 March 2023	31 December 2022
Current assets	390.1	351.3
Current liabilities	239.0	238.6
Current ratio	**1.6**	**1.5**

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 EUR million	31 March 2023	31 December 2022
Net debt	113.5	87.3
Total equity	434.1	425.2
Gearing ratio	**20.7%**	**17.0%**

* Normalized EBITDA in the last 12 months.

INTEREST COVERAGE RATIO

The interest coverage ratio is calculated by dividing Group's normalized EBITDA by total interest expense (see Note 8 – Finance cost-net in the attached Condensed consolidated financial statements for the period ended 31 March 2023), as shown below. Interest coverage ratio is used to determine how easily the Group can pay interest on its outstanding debt.

in EUR million	1Q 2023	1Q 2022
Normalized EBITDA	21.0	23.7
Total interest expense	0.8	0.5
Adjusted interest coverage ratio	**24.8**	**51.5**

FREE CASH FLOW

Free cash flow shows the ability of the Group to generate cash to repay financial liabilities, finance possible acquisitions, pay dividends, 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 31 March 2023.

in EUR million	1Q 2023	1Q 2022
Net cash flow from operating activities	(0.5)	10.7
Capex	9.6	6.1
Free cash flow	**(10.0)**	**4.6**

ATLANTIC GRUPA d.d.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2023 (UNAUDITED)

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of EUR, unaudited	Jan - Mar 2023	Jan - Mar 2022	Index
Revenues	**217,204**	**186,065**	**116.7**
Sales revenues	215,579	184,506	116.8
Other income	1,625	1,559	104.2
Operating expenses	**(205,744)**	**(170,717)**	**120.5**
Cost of trade goods sold	(57,508)	(53,787)	106.9
Change in inventories of finished goods and work in progress	(788)	3,055	n/a
Material and energy costs	(78,131)	(57,557)	135.7
Staff costs	(32,102)	(29,031)	110.6
Marketing and promotion expenses	(8,895)	(9,275)	95.9
Depreciation, amortization, and impairment	(9,477)	(8,511)	111.4
Other operating costs	(18,735)	(16,152)	116.0
Other (losses)/gains - net	(108)	541	n/a
Operating profit	**11,460**	**15,348**	**74.7**
Finance costs - net	(822)	(800)	102.8
Profit before tax	**10,638**	**14,548**	**73.1**
Income tax	(1,023)	(2,520)	40.6
Net profit for the period	**9,615**	**12,028**	**79.9**
Attributable to:			
Owners of the parent	9,557	12,013	79.6
Non-controlling interests	58	15	386.7
Earnings per share for profit attributable to the equity holders of the Company during the period (in EUR)			
- basic	0.72	0.90	
- diluted	0.72	0.90	

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of EUR, unaudited	Jan - Mar 2023	Jan - Mar 2022	Index
Net profit for the period	**9,615**	**12,028**	**79.9**
Other comprehensive (loss)/income:			
Items that may be subsequently reclassified to profit or loss			
Currency translation differences, net of tax	(514)	2,355	n/a
Cash flow hedges, net of tax	257	102	252.0
Total other comprehensive (loss)/income for the period, net of tax	**(257)**	**2,457**	n/a
Total comprehensive income for the period	**9,358**	**14,485**	**64.6**
Attributable to:			
Equity holders of the Company	9,304	14,464	64.3
Non-controlling interests	54	21	257.1
Total comprehensive income for the period	9,358	14,485	64.6

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of EUR, unaudited	**31 March 2023**	**31 December 2022**
ASSETS		
Non-current assets		
Property, plant, and equipment	159,558	158,764
Right-of-use assets	55,204	43,453
Investment property	62	63
Intangible assets	214,804	215,513
Deferred tax assets	5,720	5,143
Financial assets at fair value through other comprehensive income	169	169
Trade and other receivables	4,722	4,608
	440,239	427,713
Current assets		
Inventories	117,971	102,084
Trade and other receivables	205,331	187,303
Prepaid income tax	4,106	2,369
Derivative financial instruments	393	585
Cash and cash equivalents	62,318	58,987
	390,119	351,328
TOTAL ASSETS	**830,358**	**779,041**
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	17,702	17,702
Share premium	117,663	117,663
Treasury shares	(2,815)	(2,410)
Reserves	(4,711)	(4,497)
Retained earnings	305,198	295,680
	433,037	424,138
Non-controlling interests	1,082	1,028
Total equity	**434,119**	**425,166**
Non-current liabilities		
Borrowings	84,559	54,547
Lease liabilities	45,505	34,023
Deferred tax liabilities	19,433	19,470
Other non-current liabilities	120	121
Provisions	7,657	7,153
	157,274	115,314
Current liabilities		
Trade and other payables	180,453	170,626
Borrowings	31,810	43,669
Lease liabilities	12,440	12,168
Derivative financial instruments	1,903	2,478
Current income tax liabilities	2,634	1,552
Provisions	9,725	8,068
	238,965	238,561
Total liabilities	**396,239**	**353,875**
TOTAL EQUTIY AND LIABILITIES	**830,358**	**779,041**

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					
	Share capital, Share premium and Treasury shares	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interests**	**Total**
in thousands of EUR, unaudited						
Balance at 1 January 2022	132,072	(5,676)	292,052	418,448	929	419,377
Effect of currency conversion from HRK to EUR	-	(3,361)	-	(3,361)	(7)	(3,368)
Comprehensive income:						
Net profit for the period	-	-	12,013	12,013	15	12,028
Other comprehensive income	-	2,451	-	2,451	6	2,457
Total comprehensive income	-	2,451	12,013	14,464	21	14,485
Transactions with owners:						
Share based payment	415	-	-	415	-	415
Purchase of treasury shares	(1,063)	-	-	(1,063)	-	(1,063)
Transfer	-	25	(25)	-	-	-
Balance at 31 March 2022	**131,424**	**(6,561)**	**304,040**	**428,903**	**943**	**429,846**
Balance at 1 January 2023	132,955	(4,497)	295,680	424,138	1,028	425,166
Effect of currency conversion from HRK to EUR	-	39	(39)	-	-	-
Comprehensive income:						
Net profit for the period	-	-	9,557	9,557	58	9,615
Other comprehensive loss	-	(253)	-	(253)	(4)	(257)
Total comprehensive (loss)/income	-	(253)	9,557	9,304	54	9,358
Transactions with owners:						
Purchase of treasury shares	(405)	-	-	(405)	-	(405)
Balance at 31 March 2023	**132,550**	**(4,711)**	**305,198**	**433,037**	**1,082**	**434,119**

ATLANTIC GRUPA d.d.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of EUR, unaudited	January - March 2023	January - March 2022
Cash flow from operating activities		
Net profit for the period	**9,615**	**12,028**
Income tax	1,023	2,520
Depreciation, amortization, and impairment	9,477	8,511
Gain on sale of property, plant, and equipment and intangible assets	(59)	(108)
Gain on sale of subsidiary – net of transaction expenses	-	(11)
Provision for current assets	474	544
Foreign exchange differences – net	(24)	340
Increase in provisions for risks and charges	2,161	1,338
Fair value (gains)/losses on financial assets	(257)	24
Share based payment	-	415
Interest income	(46)	(33)
Interest expense	846	460
Other non-cash items – net	(219)	351
Changes in working capital:		
Increase in inventories	(16,163)	(10,138)
Increase in current receivables	(18,167)	(2,417)
Increase/(decrease) in trade and other payables	14,152	(338)
Cash generated from operations	**2,813**	**13,486**
Interest paid	(729)	(359)
Income tax paid	(2,547)	(2,424)
	(463)	**10,703**
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets	(9,569)	(6,125)
Proceeds from sale of property, plant and equipment and intangible assets	69	114
Acquisition of subsidiaries and proceeds from sale of subsidiary – net of cash acquired/disposed	(750)	1,477
Loans granted and deposits placed	(361)	(3)
Repayments of loan and deposits placed	180	259
Interest received	52	22
	(10,379)	**(4,256)**
Cash flow from financing activities		
Purchase of treasury shares	(405)	(1,062)
Proceeds from borrowings, net of fees paid	30,000	7,955
Repayment of borrowings	(11,963)	-
Principal elements of lease payments	(3,459)	(3,221)
	14,173	**3,672**
Net increase in cash and cash equivalents	**3,331**	**10,119**
Cash and cash equivalents at beginning of period	58,987	46,112
Cash and cash equivalents at end of period	62,318	56,231

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, beverage brands Cockta and Cedevita, a portfolio of sweet and salted snacks brands Smoki, Najlepše želje and Bananica, a savoury spread brand Argeta and natural mineral water Donat. Additionally, the Group owns the leading pharmacy chain in Croatia under the Farmacia brand. With its own distribution network in Croatia, Slovenia, Serbia, Austria, North Macedonia and Russia, 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 11 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 three-month period ended 31 March 2023 were approved by the Management Board of the Company in Zagreb on 24 April 2023.

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 three-month period ended 31 March 2023 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 2022. 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 three-month period ended 31 March 2023 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 three-month period ended 31 March 2023 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

2.4. SEASONALITY

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

2.5. IMPACT OF THE WAR IN UKRAINE

At the date of approval of condensed consolidated financial statements for the three-month period ended 31 March 2023, Atlantic Grupa's business operations are running smoothly. By selling the baby food business in 2021, Atlantic Grupa has significantly reduced its exposure in Russia and CIS markets. Consequently, war events do not have a direct material impact on Atlantic Grupa's operations, while indirect consequences, primarily in the form of additional supply chains issues and inflationary pressures, are closely monitored by Atlantic Grupa's management which undertakes all available measures to reduce risks in the given circumstances.

2.6. INTRODUCTION OF THE EURO AS THE OFFICIAL CURRENCY

In accordance with the Law on the Introduction of the Euro (EUR) as the official currency in the Republic of Croatia, effective 1 January 2023, the EUR became the official currency and legal tender in the Republic of Croatia. The fixed rate of conversion is HRK 7.5345 for 1 EUR.

Balance sheet items in comparative periods are converted at the middle exchange rate on the balance sheet date, i.e., at the conversion rate for balance sheet items at 31 December 2022. Comparative periods of profit and loss account items are converted at average monthly exchange rates.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES

There were no changes in critical accounting estimates used for preparation of condensed consolidated financial statements for the period ended 31 March 2023 comparing to those used for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2022.

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 three-month period ended 31 March 2023 no impairment was recognised.

NOTE 4 – SEGMENT INFORMATION

The business model of the Group is organized through five strategic business units and one business unit. In addition to business units, separate department – New Growth is established, which is focused on the development of new brands of Atlantic Grupa.

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

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 New Growth do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within "Other segments". "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.

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 EUR)*	**Jan - Mar 2023**	**Jan - Mar 2022**
SBU Coffee	43,384	37,903
SBU Savoury Spreads	35,446	31,905
SBU Snacks	28,520	21,289
SBU Beverages	19,537	15,784
SBU Pharmacy business	20,217	19,081
BU Donat	8,958	8,256
SDU Croatia	49,824	41,536
SDU Serbia	48,826	39,369
SDU Slovenia	37,458	34,492
Other segments	32,651	27,969
Reconciliation	(109,242)	(93,078)
Total	**215,579**	**184,506**

* 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.

At the General Assembly held on 15 June 2022, the shareholders approved share split in a way that each of the Company's ordinary shares with a nominal value of HRK 40.00 per share was split into four shares with a nominal amount of HRK 10.00 per share. Following the share split, the number of ordinary shares increased from 3,334,300 to 13,337,200 shares. Basic earnings per share for prior period have been adjusted with the new number of shares.

	2023	**2022**
Net profit attributable to shareholders of the Company (*in thousands of EUR*)	9,557	12,013
Weighted average number of ordinary shares in issue	13,288,977	13,275,476
Basic earnings per share *(in EUR)*	0.72	0.90

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 three-month period ended 31 March 2023, Group invested EUR 5,994 thousand in purchase of property, plant and equipment and intangible assets (2022: EUR 2,406 thousand).

NOTE 7 - INVENTORIES

During the three-month period ended 31 March 2023, the Group wrote down inventories in the amount of EUR 276 thousand due to damage and short expiry dates (2022: EUR 426 thousand). The amount is recognized in the income statement within position "Other operating costs".

NOTE 8 – FINANCE COSTS – NET

(in thousands of EUR)	**Jan - Mar 2023**	**Jan - Mar 2022**
Finance income		
Foreign exchange gains on borrowings and lease liabilities	36	12
	36	12
Finance costs		
Interest expense on bank borrowings	377	52
Interest expense on lease liabilities	323	287
Interest expense on bonds	95	95
Other interest expense	51	26
Total interest expense	846	460
Foreign exchange loss on borrowings and lease liabilities	12	352
	858	812
Finance costs - net	**822**	**800**

NOTE 9 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as at 31 March 2023 and 31 December 2022 and transactions recognized in the Income statement for the three-month period ended 31 March are as follows:

(in thousands of EUR)	**31 March 2023**	**31 December 2022**
RECEIVABLES		
Non-current trade and other receivables		
Other entities	119	-
Current trade and other receivables		
Other entities	17,947	12,682
LIABILITIES		
Trade and other payables		
Other entities	361	386

	Jan - Mar 2023	**Jan - Mar 2022**
REVENUES		
Sales revenues		
Other entities	21,820	16,883
Other income		
Other entities	3	8
EXPENSES		
Marketing and promotion costs		
Other entities	249	204
Other operating costs		
Other entities	35	72

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 three-month period ended 31 March 2023 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 31 March 2023 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 three-month period ended 31 March 2023 were approved by the Management Board of the company Atlantic Grupa d.d. on 24 April 2023.

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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
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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
Bank account: 2484008-1101427897 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
The number of shares and their nominal value: 13,337,200 shares, each in the nominal value of HRK 10.00
Share capital: HRK 133,372,000.00, paid in full.