

ATLANTIC

GRUPA

FINANCIAL RESULTS
IN THE FIRST HALF OF 2022
(unaudited)

Zagreb, 28 July 2022



3	COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO
4	KEY DEVELOPMENTS
10	SALES TRENDS
18	PROFITABILITY TRENDS
21	FINANCIAL INDICATORS
23	OUTLOOK
24	DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)
30	CONSOLIDATED FINANCIAL STATEMENTS



Commenting on the financial results for the first half of 2022, **Emil Tedeschi**, CEO of Atlantic Grupa, pointed out:

“In the first half of 2022, Atlantic Grupa continues to record a significant revenue growth compared to the same period of the previous year, despite all the challenges we face. The revenue growth was achieved in all business units and distribution units due to excellent sales results of own and principal brands, as a result of better epidemiological situation in all markets and the lifting of measures to prevent the pandemic, which were in force last year, especially in the HoReCa channel. Also, part of the increase in revenue is a result of higher selling prices that only partially cancelled out the negative effects of significant increases in the prices of key raw materials, packaging materials, energy and services, which as we announced at the beginning of the year, led to a decrease in profitability.

With the aim of implementing the strategy of divesting minor and non-core activities, at the end of June we sold the Palanački kiseljak production site, simultaneously strengthening our focus on areas that represent key generators of growth and the basis of transformation for the future.

We were pleased to launch the new look and story of the natural mineral water Kala and Kalnička, and we are the first on the market to present a bottle with a tethered cap, thus contributing to the preservation of the environment. Also, at the end of May, we successfully presented a new innovation of Atlantic – the Ziggy’s coffee coffeeshop chain. We should also mention the new member of the Cockta family – Cockta Blondie, and the new design of Granny’s Secret.

In July, we distributed the historically highest dividend and adopted a decision on the share split.

In a situation of economic instability, care for employees takes on special importance. Atlantic Grupa is focused on maintaining full employment and further investing in our employees. Despite the complex economic situation, in the second half of 2022 we expect the smooth continuation of production and continuous supply of our customers and consumers, but also the continuation of strong inflationary pressures.”

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

SIGNIFICANT REVENUE GROWTH WITH PROFITABILITY DECREASE

SALES AT HRK 2,993.3 MILLION
+11.0% compared to the first half of 2021
+12.3%* normalized for impacts of divested business

EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (EBITDA*) AT HRK 334.8 MILLION
-13.6% compared to the first half of 2021 (-13.6% if one-off items excluded*)

EARNINGS BEFORE INTEREST AND TAXES (EBIT*) AT HRK 203.6 MILLION
-22.1% compared to the first half of 2021 (-22.3% if one-off items excluded*)

NET PROFIT* AT HRK 167.4 MILLION
-23.1% compared to the first half of 2021 (-24.9% if one-off items excluded*)

FINANCIAL SUMMARY OF THE FIRST HALF OF 2022

Key figures	H1 2022	H1 2021	H1 2022/ H1 2021
Sales (in HRK million)	2,993.3	2,697.8	11.0%
Turnover (in HRK million)	3,032.9	2,734.2	10.9%
Normalized EBITDA margin*	11.0%	14.2%	-313 bp
Normalized net income* (in HRK million)	158.0	210.5	(24.9%)
	30 June 2022	31 December 2021	
Gearing ratio*	12.1%	12.7%	-64 bp

The comparative period has been adjusted to the reporting for 2022

* 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)".

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

1. SUPERVISORY BOARD REINFORCED, TWO NEW MEMBERS

At the session held on 7 December 2021, the Supervisory Board adopted a proposed decision for the election of 2 new members of the Company's Supervisory Board. With the adoption of this Decision by the General Assembly on 20 January 2022, the Supervisory Board was expanded from the previous 7 to 9 members. Vesna Nevistić, PhD, an experienced expert in the fields of management consulting, banking, corporate development and restructuring, and Zoran Vučinić, a proven global manager with an extremely successful international career in the field of consumer goods industry joined the Supervisory Board.

Strengthening the Supervisory Board with these new members is a logical continuation of the process of defining corporate strategy and priorities in the further development of the company.

2. COCKTA BLONDIE: NEW LEGEND ON SHELVES

As of this spring, the Cockta family is richer for another member. The new Cockta Blondie has joined us, which will delight all lovers of the refreshing orange flavour this summer. The well-recognizable Cockta character, based on plant extracts, enriches this choice as well, which makes it unique on the market – this is the real other side of the orange. Respecting Cockta quality standards, we use natural CO2 while, as always, our recipes are free from glucose-fructose syrup.

3. NEW PRINCIPAL INTERSNACK IN SERBIA, RED BULL ALSO IN NORTH MACEDONIA

The Strategic Distribution Unit (SDU) Serbia has expanded its distribution portfolio with a product range of a new principal – Intersnack. The Intersnack Group, the European leader in the production of savoury snacks, was founded in 1968 in Germany as a manufacturer of chips. It has built a wide portfolio, entering all snack categories across Europe. Among famous brands, the Chio brand stands out with a wide range of products such as chips of different flavours, tortilla chips, baked snacks and popcorn. The company mainly produces savoury snacks with the leading market share and today it generates more than EUR 3.5 billion in annual turnover. It employs over 9,000 people in a total of 33 factories. From 1 February this year, Intersnack, in partnership with SDU Serbia, is conquering the Serbian market. The presence in over 10,000 stores across the country is planned, and the vision is that in the next three years Intersnack will present itself as one of the main players in the chips category on the Serbian market.

The successful cooperation between SDU Serbia and Red Bull GmbH, based in Austria, began in 2017. At that time, Atlantic Grupa signed an agreement with Red Bull on the distribution of this well-known energy drink on the Serbian market. SDU Serbia has proven its title of the leading distributor of consumer goods to its strategic partner Red Bull GmbH with its quality work and achievement of the set business goals. That is why Red Bull, in addition to Serbia, decided to entrust us with the distribution in North Macedonia as well. The distribution on this market began in early May 2022, and an annual turnover of EUR 3 million is planned.

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

4. ARGETA ENTERED THE UNIQUE WORLD OF DIGITAL TOKENS KNOWN AS NFTs



Argeta has entered the innovative and exciting world of non-fungible tokens, known as NFT*. Argeta has thus joined a small number of world-famous brands with their own NFT collections, thus pushing another important frontier as it has become the first FMCG brand in our region with its own NFT collection.

Although Argeta is a brand with a tradition, it also manages in the rapidly changing world of modern technologies. At the beginning of March, Argeta transferred its famous pate packaging to the digital world of epic dimensions. By incorporating its brand into the new Web3.0 technology space, Argeta has joined a small number of global brands such as Facebook (Meta), Adidas, NBA and Pepsi Co. Argeta's NFT collection consists of 21 non-fungible tokens. The collector's series of Argeta's NFTs is inspired by the features of the brand, as well as new times in the still unexplored spaces of the future. All owners of various Argeta's NFTs have received a piece of brand identity, and as owners they can expect more surprises in the future.

5. CEDEVITA CANDIES: NEW PACKAGING



In line with the changes to the Cedevida brand, Cedevida candies come in an ever more convenient and modern look to the satisfaction of the entire Generation CE. Modelled on the new look of the Cedevida packaging, the Generation CE's favourite candies have also got a completely new visual identity. By introducing fruit motifs on smaller packaging, but also on XXL packaging of candies, their appearance has been refreshed and modernized, and it simply brings smiles to faces and invites to share joy, a fresh dose of positive energy and optimism. Cedevida candies have been around for half a century and appeared on the market back in 1971. They have been enjoyed by many generations for decades and we can proudly say that Cedevida candies are also an integral part of the taste of Generation CE.

6. TWO PRIZES FOR BOOM BOX AT DAYS OF COMMUNICATION



After a three-year break due to the pandemic, a new edition of the Days of Communication was held, a famous festival of national market communications. As part of the festival, IdejaX statues were awarded for the most creative communication achievements. Atlantic Grupa and the BBDO Zagreb agency were awarded a silver prize in the Best of Ad-Making group for the "The Best of Oats" project in the Film category. The project was also awarded in the Best Branding & Rebranding group, where Boom Box won the bronze award for Branding.

* NFTs are non-fungible units of data stored in a blockchain, which can provide owners with digital ownership through a blockchain network. In NFT, users can store digital assets such as music, artefacts, drawings and various art forms.

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

7. RECORD-HIGH DIVIDEND AND SHARE SPLIT



According to the decision of the General Assembly held on 15 June 2022, the dividend distribution in the amount of HRK 50 per share, or a total of HRK 166,322 thousand, was approved, which represents the highest dividend in history. The dividend was paid on 5 July 2022.

Also, the decision was adopted on the division or "splitting" of shares, in such a way that one existing share, with an individual nominal amount of HRK 40, is divided into four new ordinary shares, with an individual nominal amount of HRK 10. Through the implementation of this corporate action, each shareholder acquired four ordinary shares with an individual nominal amount of HRK 10 for each ordinary share of Atlantic Grupa with an individual nominal amount of HRK 40. Upon the share split, the share capital remained the same, and is now divided into 13,337,200 ordinary shares, with an individual nominal value of HRK 10. The provisions of the Atlantic Grupa Statute have also changed accordingly.

8. KALA AND KALNIČKA IN NEW DESIGN WITH NEW STORY



At the beginning of May, we proudly presented the new story of Kala and Kalnička, which will redefine their positioning on the market, as well as new, modern, unified and more environmentally friendly packaging.

We are the first on the market to have a bottle with a tethered cap that protects the environment because we facilitate and increase the correct collection, separation and recycling of single-use plastic, thereby reducing waste in nature and on the seabed. The practicality of the new tethered caps will be most felt by people who are always on the move, as well as elderly people and small children, because there is no longer any fear of the caps falling out and losing them, which at the same time contributes to better hygiene of the product. In addition, due to its quality, Kala moved from the category of spring water to the higher category of natural mineral water, therefore we decided to bring it even closer to consumers and make it a brand with a strong character that each of us can easily identify with.

9. DIGGIT AWARDS FOR COCKTA, DONAT AND JIMMY FANTASTIC



For the seventh year, the conference on digital trends invites all Slovenian agencies and companies to submit their digital solutions that make use of the advantages of the digital environment in an innovative and creative way. They presented their best digital works on 12 May 2022 at the Viba film studio in Ljubljana.

The jury awarded Cockta the Diggit Grand Prize for Digital Campaign, and the Gold Award in the FMCG category for the "Unfollow" campaign. The Donat brand, which completely renewed its image last year, was awarded the Grand Prize for Digital Strategy. Jimmy Fantastic's innovative "joke arena" campaign won the Diggit Grand Prize in the Media and Entertainment category.

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

10. ZIGGY'S COFFEE HAS LANDED



The Ziggy's coffee coffeeshop chain is a new Atlantic innovation. The first public appearance of the brand took place at the end of May at the international garden exhibition – Floraart. The unusual mobile coffeeshop generated interest, and judging by the comments and the long queues that formed, Ziggy's will surely become another beloved and successful Atlantic brand. Along with good coffee, Ziggy's will also offer consumers sweet and savoury delicacies. Ziggy's coffee will open its doors in the second half of the year, and the plan is to end 2022 with a total of 5 locations in Zagreb. We will test the concept in different locations and through different types of facilities.

11. SOCIAL MEDIA SUMMIT: AWARDS FOR GRAND KAFA AND INSTA GRAND



The first Social Media Summit that was held in Sarajevo gathered experts in the field of digital media, representatives of leading companies and brands from Bosnia and Herzegovina, agencies and some of the top influencers from the domestic and regional scene.

More than 300 participants had the opportunity to expand their knowledge about content creation and managing profiles on social networks through lectures, practical examples and the presentation of new trends. At the Social Media Summit, awards were also given for the best digital campaigns realized last year.

Grand kafa's campaign "*Vidim ti siguran dobitak*" won the award for the best influencer campaign – Digital Cup Award 2022. The campaign "*Samo uživaj*" of the Insta Grand brand won the award for the best Instagram campaign. On digital channels, the "*Samo uživaj*" campaign had above-average results in terms of reach and communication with the target group. Insta Grand was also one of the sponsors of this year's Social Media Summit.

12. GOLDEN BASKET 2022 FOR ARGETA



The Golden Basket is a prestigious award that has been awarded by Ja TRGOVAC, a specialized magazine for retail and FMCG industry, for seven years in six different categories. The jury of the Golden Basket, for the second year in a row, rewards continuous efforts in the development and improvement of Argeta brand products. This time, they rewarded a new visual identity that recently adorns all Argeta products. Argeta in its new packaging won the Golden Basket 2022 award for "Product of the Year".

With its new look, Argeta moved away from the classic industrial design, and by adding colour, warmth and a modern visual expression, it stood out from other products in the category. The new visual identity is based on more than 20 original illustrations that aim to empower people to take steps that can change their lives for the better. The new visuals on Argeta's packaging open the door to the imagination and encourage you to try Argeta's fish and meat spreads.

KEY DEVELOPMENTS IN THE FIRST HALF OF 2022

13. ATLANTIC FINDS STRATEGIC PARTNER FOR PALANAČKI KISELJAK



Atlantic Grupa signed a sales contract for the Palanački kiseljak production site in Smederevska Palanka with the company Vik Pro Univerzal d.o.o. The subject of the sale is the entire production site with all its assets, including the traditional brand of mineral water on the Serbian market – Karađorđe, and the new owner will also take over the employees of Palanački kiseljak. At this location, Atlantic Grupa primarily produces and fills products for the Cockta brand and will continue with these activities in a service form.

The strategic buyer, Vik Pro Univerzal d.o.o. based in Belgrade, has many years of experience in the segment of water and soft drinks, so far primarily in the field of trade, and has a vision and ambition to develop Palanački kiseljak and its employees in the long term, which represents a good perspective for this location. The sale of this production site is part of the process of divesting minor and non-core activities in accordance with the Atlantic's corporate strategy.

14. GRANNY'S SECRET: NEW CHAPTER OF GOOD OLD TASTES



We have always built the Granny's Secret brand on the harmony of tradition and modernity. And just as we hand-pick fruits and vegetables for our recipes, we wanted the packaging to be hand-painted as well. That's why we designed new labels that are hand-painted with watercolours and whose vivid colours evoke the harmony with nature that we have always cherished. New labels on well-known jars, with an even more familiar taste inside the jars, will be presented to customers in 14 countries: Croatia, Serbia, Slovenia, Bosnia and Herzegovina, Montenegro, the Netherlands, Germany, France, Great Britain, Austria, Australia, America, Canada and Russia.

Granny's Secret products also received the V label (vegan friendly), which brought us even closer to customers who lead such lifestyle. *Ajvar* is now completely additive-free, which we are especially proud of, and spicy *ajvar* has been further improved and now guarantees fiery bites. Also, brand new products are coming to the offer this summer. In addition, a completely new official website is being prepared, with a fresh design and content.

SALES TRENDS IN THE FIRST HALF OF 2022

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	H1 2022	H1 2021	H1 2022/ H1 2021
SBU Coffee	637.0	552.6	15.3%
SBU Savoury Spreads	495.5	448.0	10.6%
SBU Snacks	331.0	316.8	4.5%
SBU Beverages	316.3	257.0	23.1%
SBU Pharmacy business	285.5	248.1	15.1%
BU Donat	120.1	113.7	5.7%
SDU Croatia	712.1	641.7	11.0%
SDU Serbia	688.0	598.9	14.9%
SDU Slovenia	517.0	481.8	7.3%
Other segments*	452.5	470.3	(3.8%)
Reconciliation**	(1,561.8)	(1,431.0)	n/a
Sales	2,993.3	2,697.8	11.0%

The comparative period has been adjusted to the reporting for 2022

In the first half of 2022, Atlantic Grupa recorded sales of HRK 3.0 billion, which is a significant 11.0% 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 the majority of own and principal brands. The highest percentage growth was recorded by the Strategic business units Beverages, Coffee, Savoury Spreads and the pharmacy chain Farmacia. The sales growth was realised due to a better epidemiological situation on all markets, and the lifting of restrictions in the operations of the HoReCa channel as well as other measures by local authorities to prevent the spread of COVID-19, compared to the same period of the previous year. It should also be noted that part of the increase in revenue is the result of higher selling prices due to significant increases in the prices of key raw materials, packaging materials, energy and services. If we exclude the effect of sales of the divested business, the baby food brand Bebi, which was fully divested in 2021, organic sales growth is 12.3%***.

Atlantic Grupa records sales by business segments in a way that sales of individual Strategic Business Units and Business Units represent the total sales to third parties in the markets (either directly from a Strategic Business Unit (SBU) or Business Unit (BU), or through a Strategic Distribution Unit (SDU), Distribution Unit (DU) or Global Distribution Account Management (GDAM)), while sales of Strategic Distribution Units, Distribution Units and Global Distribution Account Management include both sales of external principals' products and sales of own products. Comparative period has been adjusted to reflect the reporting for 2022.

* Other segments include divested baby food business Bebi, 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.

*** 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)".

SALES TRENDS IN THE FIRST HALF OF 2022



The STRATEGIC BUSINESS UNIT COFFEE recorded a double-digit sales growth rate primarily as a result of the increase in sales in almost all regional markets, with the highest growth recorded in the markets of Serbia, Bosnia and Herzegovina, and Slovenia. Analysed by categories, growth was recorded by almost all categories, with the most significant growth recorded by roast and ground coffee under the Grand kafa, Bonito and Barcaffé brands. Espresso coffee records a significant growth primarily as a consequence of the increase in sales of espresso coffee under the Barcaffé brand following the lifting of measures to prevent the COVID-19 pandemic in the HoReCa channel. The growth of revenue from roast and ground coffee was generated primarily by the increase in selling prices due to a significant increase in the price of raw coffee and packaging materials, while in other coffee categories the volume growth was also achieved.



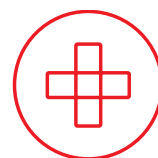
The STRATEGIC BUSINESS UNIT SAVOURY SPREADS recorded a double-digit sales growth as a consequence of the increase in sales in almost all regional markets, especially the markets of Kosovo, Serbia, and Bosnia and Herzegovina, which fully cancelled out the decrease in sales in the markets of Germany, France and the United States of America. Among markets outside the region, we should mention the contribution made by sales on the market of Austria. Growth was recorded both in meat and fish savoury spreads segments. Also, jams and *ajvar* under the Granny's Secret brand record double-digit sales growth. Part of the revenue growth of this Strategic unit is generated by volume growth and 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 an increase in sales in almost all regional markets, with the most significant growth recorded by the markets of Serbia, Bosnia and Herzegovina, and Macedonia. Analysed by categories, the growth is recorded by almost all categories, led by chocolate under the Najlepše želje brand and the double-digit growth of wafers under the Štark Napolitanke brand, and Prima sticks. A positive impact on the revenues of this Strategic unit came from the increase in selling prices as a result of significant increases in the prices of key raw materials and packaging materials, while the chocolate, sticks and wafers categories recorded a volume growth as well.



The STRATEGIC BUSINESS UNIT BEVERAGES recorded a significant double-digit sales growth in almost all markets, with the most significant growth recorded by the markets of Croatia, Serbia and Slovenia. A significant sales growth is recorded by Cockta and Cedevita brands, where the sales growth in the HoReCa channel stands out, and the increase in sales of Cockta for consumption at home. The sales growth of this segment was also impacted by the sales of the new Cockta Blondie, the lifting of measures to prevent the COVID-19 pandemic in the HoReCa channel, and the successful start of the tourist season in Croatia.

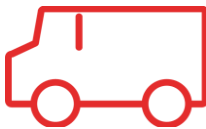


The STRATEGIC BUSINESS UNIT PHARMACY BUSINESS records a double-digit sales growth of the pharmacy chain Farmacia primarily due to the increase in sales of the COVID-19 range (drugs, disinfectants, tests, protective equipment) as a result of the so-called fifth wave of the pandemic. Also, the sales growth is a consequence of the additional turnover of new pharmacies following the acquisition of health care institutions Sv. Kuzma i Damjan.

SALES TRENDS IN THE FIRST HALF OF 2022



Sales growth is recorded by the BUSINESS UNIT DONAT due to the increase in sales primarily in the markets of Slovenia and Russia, and in the markets of Croatia and Austria.



The STRATEGIC DISTRIBUTION UNIT CROATIA continues to record double-digit growth rates as a consequence of excellent results of own and principal brands. Among own brands, growth is recorded in almost all categories, and the following especially stand out: oat-based products under the Boom Box brand, Argeta in the savoury spreads segment, Cedevita and Cockta brands in the retail channel, sandwiches under the Montana brand, and roast and ground coffee under the Barcaffé brand. 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 Barcaffé brand. Among principal brands, the most significant growth was recorded by Ferrero, Mars and Hipp. The growth in sales in this segment was impacted by the lifting of restrictive measures to prevent the pandemic, primarily in the HoReCa channel, and the successful start of the tourist season in Croatia.

The STRATEGIC DISTRIBUTION UNIT SERBIA recorded a double-digit sales growth as a result of the increase in sales of roast and ground coffee under the Grand kafa and Bonito brands, chocolate under the Najlepše želje brand and wafers under the Štark Napolitanke brand in the snacks segment, Argeta in the savoury spreads segment, oat-based Boom Box products, Cedevita and Cockta in the HoReCa and retail channels, and Cedevita GO in the beverages segment. Among principal brands, Red Bull; Rauch and the new principal Intersnack stand out. Also, the growth in this unit was impacted by the increase in sales of the HoReCa channel due to the lifting of measures to prevent the pandemic.

A significant sales growth was recorded by the STRATEGIC DISTRIBUTION UNIT SLOVENIA due to the growth of own and principal brands. Among own brands, the brands that stand out are roast and ground coffee under the Barcaffé brand, Argeta in the savoury spreads segment, functional water Donat, and Cedevita and Cockta in the HoReCa and retail channels. Strong sales are also recorded by espresso coffee under the Barcaffé brand in the HoReCa channel. Among principal brands, Rauch and Saponia stand out.

OTHER SEGMENTS record a decrease in sales due to the baby food brand Bebi divested in 2021. If we exclude this effect, Other segments record an 11.0%* growth with growth of all units.

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

* 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)".

SALES TRENDS IN THE FIRST HALF OF 2022



The DISTRIBUTION UNIT AUSTRIA records double-digit sales growth rates, mainly due to the growth of own brands, primarily Argeta in the savoury spreads segment, functional water Donat, roast and ground coffee under the Grand kafa brand, and Prima sticks in the snacks segment.

The GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT records an increase in sales, with the highest growth recorded by the markets of Sweden, the Netherlands and Poland 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 the functional water Donat.

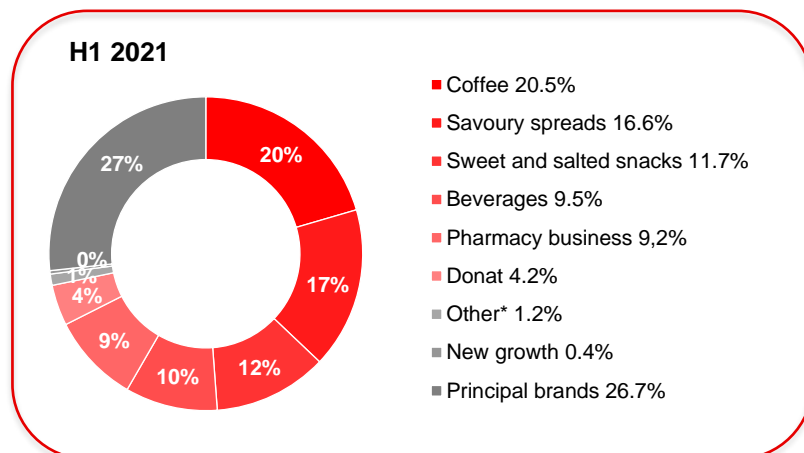
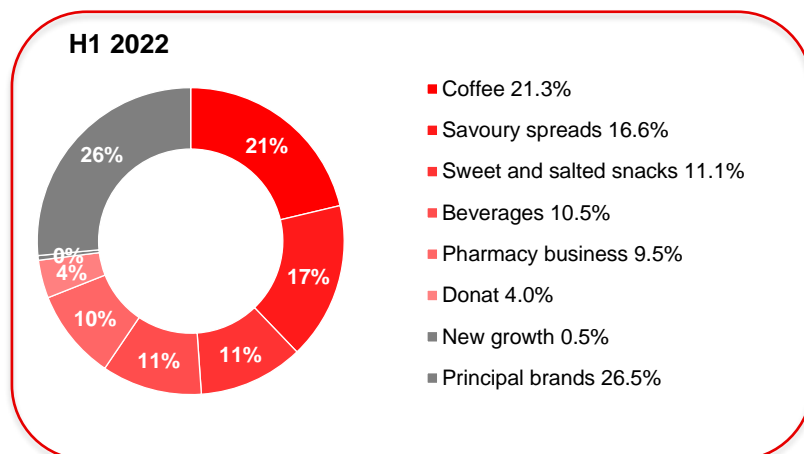
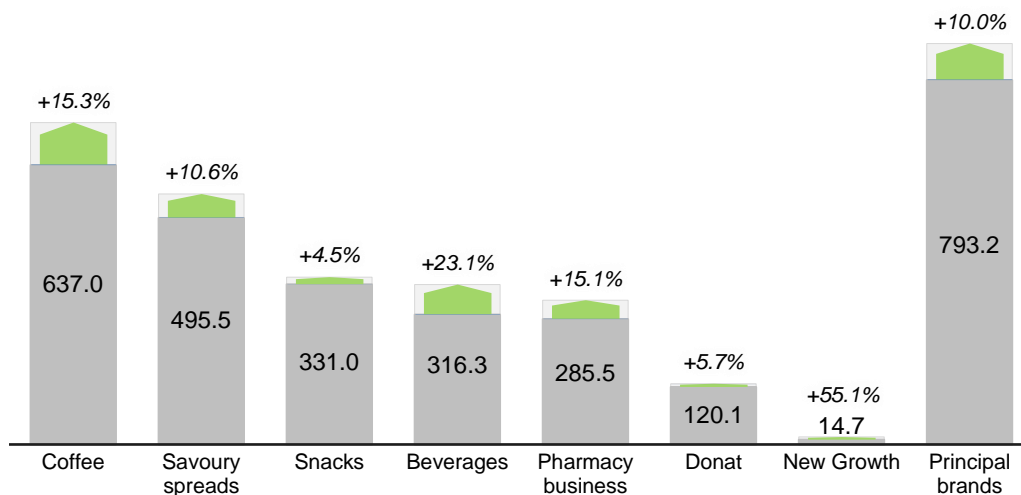
Positive impact on revenues of all Distribution units came from higher selling prices as a result of significant increases in the prices of key raw materials, packaging materials, energy and services.

SALES TRENDS IN THE FIRST HALF OF 2022

SALES PROFILE BY SEGMENTS



Sales comparison to H1 2021 (in HRK million)



* Divested baby food business Bebi

SALES TRENDS IN THE FIRST HALF OF 2022

SALES PROFILE BY MARKETS

(in HRK millions)	H1 2022	% of sales	H1 2021	% of sales	H1 2022/ H1 2021
Croatia	999.0	33.4%	893.6	33.1%	11.8%
Serbia	696.9	23.3%	606.6	22.5%	14.9%
Slovenia	523.1	17.5%	482.1	17.9%	8.5%
Bosnia and Herzegovina	233.7	7.8%	201.1	7.5%	16.2%
Other regional markets*	262.8	8.8%	225.3	8.4%	16.6%
Key European markets**	170.0	5.7%	156.0	5.8%	9.0%
Russia and CIS	42.2	1.4%	72.3	2.6%	(41.7%)
Other markets	65.7	2.1%	60.9	2.2%	8.0%
Total sales	2,993.3	100.0%	2,697.8	100.0%	11.0%

*Other regional markets: North Macedonia, Montenegro, Kosovo

**Key European markets: Germany, Switzerland, Austria, Sweden
The comparative period has been adjusted to the reporting for 2022

The MARKET OF CROATIA recorded a double-digit sales growth as a result of the lifting of measures to prevent the pandemic, primarily in the HoReCa channel, compared to the previous year, and the successful start of the tourist season. Sales growth was recorded by: (i) most own brands, with the biggest growth recorded by oat-based products under the Boom Box brand, brands Cedevita, Cockta and espresso coffee under the Barcaffé brand in the HoReCa channel, sandwiches under the Montana brand, and roast and ground coffee under the Barcaffé brand, (ii) the pharmacy chain Farmacia, and (iii) external principals, among which the biggest growth was recorded by Ferrero, Mars and Hipp.

MARKET OF SERBIA continues to record double-digit sales growth, primarily from the 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) chocolate under the Najlepše želje brand and wafers under the Štark Napolitanke brand in the snacks segment, and (iii) Cockta and Cedevita brands in the beverages segment, (iv) Argeta in the savoury spreads segment, and (v) new Boom Box brand. Among principal brands, growth comes from Red Bull, Rauch, and the new principal Intersnack.

The MARKET OF SLOVENIA records a significant sales growth following the increase in sales of: (i) roast and ground coffee under the Barcaffé brand, (ii) Argeta in the savoury spreads segment, (iii) brands Cockta, Cedevita and espresso coffee under the Barcaffé brand in the HoReCa channel, (iv) functional water Donat, and (v) principal brands Rauch and Saponia.

The MARKET OF BOSNIA AND HERZEGOVINA recorded a significant 16.2% sales growth which is based on the increase in sales of: (i) roast and ground coffee under the Grand kafa brand, (ii) Argeta in the savoury spreads segment, (iii) Cedevita and Cockta in the beverages segment, and (iv) new oat-based products under the Boom Box brand.

SALES TRENDS IN THE FIRST HALF OF 2022



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

A significant 9.0% growth was recorded on the KEY EUROPEAN MARKETS where double-digit growth rates in the markets of Austria and Sweden stand out, following the increase in sales of Argeta in the savoury spreads segment.

The MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES recorded a decrease in sales as a result of the divesting of the baby food range under the Bebi brand, which was partly cancelled out by the increase in sales of functional water Donat. If we exclude the effect of the divested business, i.e. the sales of the Bebi brand, this market records a 2.5%* growth.

A significant sales growth is recorded in OTHER MARKETS, primarily due to the increase in sales of savoury spreads under the Argeta brand in most Other markets, with the most significant growth recorded by the markets of the Netherlands and Poland.

It should be noted that part of the increase in revenue on all markets is a result of raising selling prices due to significant increases in the prices of key raw materials, packaging materials, energy and services.

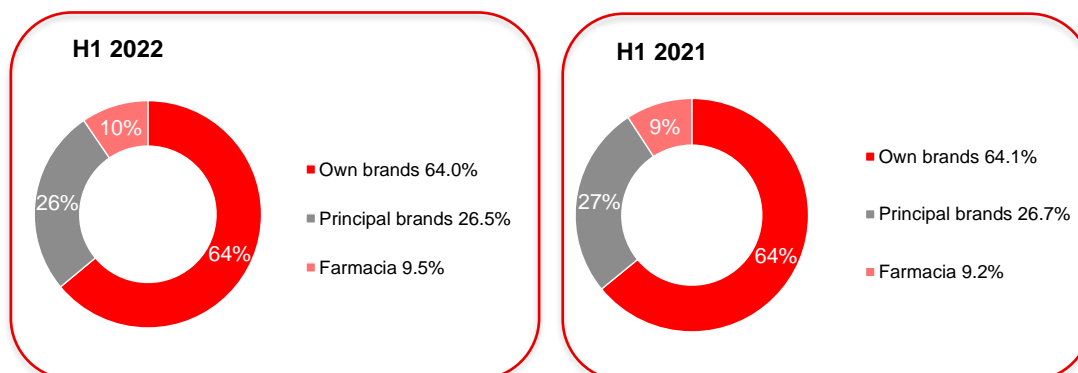
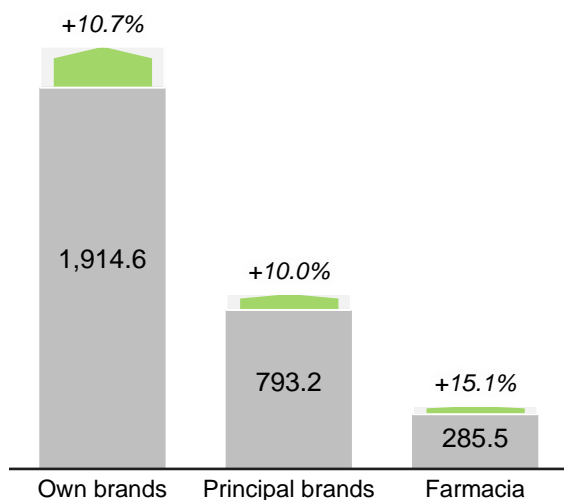
* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".

SALES TRENDS IN THE FIRST HALF OF 2022

SALES PROFILE BY PRODUCT CATEGORY



Sales in comparison to H1 2021 (in HRK million)



The comparative period has been adjusted to the reporting for 2022

In the first half of 2022, OWN BRANDS recorded sales of HRK 1,914.6 million, which is a 10.7% growth, following the growth of almost all categories. The greatest contribution to the growth was made by: (i) Argeta in the savoury spreads segment, (ii) Grand kafa, Barcaffé and Bonito in the coffee segment, (iii) Cedevita and Cockta in the beverages segment, (iv) Najlepše želje and Štark Napolitanke in the snacks segment, (v) functional water Donat, and (vi) oat-based products under the Boom Box brand. If we exclude the effect of the absent Bebi brand sales, own brands record an increase in sales of 12.8%*.

With sales of HRK 793.2 million, PRINCIPAL BRANDS record a significant growth of 10.0%. The growth is mainly based on the increase in sales of principals Rauch, Mars and Red Bull.

A significant 15.1% growth was recorded by the pharmacy chain FARMACIA, with sales of HRK 285.5 million, due to the increase in sales of the existing Farmacia locations, the acquisition of new health institutions and higher sales following the increased demand for the COVID-19 product range. As at 30 June 2022, Farmacia consists of 99 pharmacies and specialised stores (including the webshop).

* 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)".

PROFITABILITY TRENDS IN THE FIRST HALF OF 2022

PROFITABILITY TRENDS

(in HRK millions)	H1 2022	H1 2021	H1 2022/H1 2021
Sales	2,993.3	2,697.8	11.0%
EBITDA*	334.8	387.2	(13.6%)
Normalized EBITDA*	330.0	381.9	(13.6%)
EBIT*	203.6	261.5	(22.1%)
Normalized EBIT*	199.0	256.2	(22.3%)
Net profit*	167.4	217.5	(23.1%)
Normalized Net profit*	158.0	210.5	(24.9%)
Profitability margins			
EBITDA margin*	11.2%	14.4%	-317 bp
Normalized EBITDA margin*	11.0%	14.2%	-313 bp
EBIT margin*	6.8%	9.7%	-289 bp
Normalized EBIT margin*	6.6%	9.5%	-285 bp
Net profit margin*	5.6%	8.1%	-247 bp
Normalized Net profit margin*	5.3%	7.8%	-252 bp

In the first half of 2022, EBITDA amounts to HRK 334.8 million, which is a 13.6% decrease compared to the same period of the previous year, and equal percentage decrease if we exclude the effect of one-off items. The decrease in normalized EBITDA was mainly impacted by higher costs of raw materials and packaging materials, energy, transportation and logistics costs, other operating expenses (higher costs of entertainment, business trips and fuel) and investments in human resources. This negative impact exceeded the increase in sales of all business and distribution units, of which the most prominent is the increase in sales of the strategic business units Coffee, Savoury Spreads and Beverages, and the pharmacy chain Farmacia.

Among the mentioned price increases, raw coffee stands out in particular. The raw coffee market in 2021 experienced a sudden jump in the price of raw coffee, due to the drought that affected Brazil during the coffee ripening period, and then the severe frost that affected coffee areas in Brazil at the end of July 2021. All these problems with the lack of raw coffee were followed by the situation with difficult logistics and delivery of raw coffee, and the price of raw coffee was further burdened by the strong strengthening of the US dollar.

Vegetable oils and fats and aluminium packaging also experienced exceptional price increases, plastic and paper packaging, flour, sugar, citric acid, milk-based raw materials recorded double-digit price increases, and there is almost no raw material whose price did not rise by at least 5 %.

The cost of the energy sources we use in our production processes is on average over 60% higher than in the first half of the previous year.

In addition to the above, normalized net profit records a 24.9% decrease as a result of the negative effect of foreign exchange differences, primarily due to the mild depreciation of the Croatian kuna against the Euro, despite somewhat lower interest expense.

* 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)".

PROFITABILITY TRENDS IN THE FIRST HALF OF 2022

OPERATING EXPENSES STRUCTURE

(in HRK millions)	H1 2022	% of sales	H1 2021	% of sales	H1 2022/ H1 2021
Cost of goods sold	852.2	28.5%	773.2	28.7%	10.2%
Change in inventory	(23.6)	(0.8%)	0.7	0.0%	n/a
Production materials	933.7	31.2%	700.2	26.0%	33.4%
Energy	47.2	1.6%	29.2	1.1%	61.7%
Services	180.5	6.0%	169.2	6.3%	6.7%
Staff costs	476.2	15.9%	446.5	16.6%	6.6%
Marketing and selling expenses	154.9	5.2%	153.4	5.7%	1.0%
Other operating expenses	85.1	2.8%	70.5	2.6%	20.7%
Other (gains)/losses, net	(8.1)	(0.3%)	4.1	0.2%	n/a
Depreciation and amortisation	131.1	4.4%	125.8	4.7%	4.3%
Total operating expenses*	2,829.3	94.5%	2,472.7	91.7%	14.4%

The cost of goods sold records an increase due to higher sales of principal brands.

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, edible oil, sugar, citric acid and all types of packaging materials.

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

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

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 30 June 2022, Atlantic Grupa had 5,473 employees, or 108 employees less than at the end of the same period of the previous year.

Marketing expenses are retained approximately at the last-year's level.

Other operating expenses record a significant growth, primarily as a consequence of higher travel-related costs, fuel costs and entertainment costs. It should be noted that in the same period last year, these costs were lower as a result of measures to combat the COVID-19 pandemic (work from home, restrictions on business trips, etc.).

Other (gains)/losses – net: Profit realised primarily on the basis of fair value of financial (forward) instruments in the coffee segment.

* 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)".

PROFITABILITY TRENDS IN THE FIRST HALF OF 2022

OPERATING RESULT OF STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	H1 2022	H1 2021	H1 2022/ H1 2021
SBU Coffee	112.9	138.8	(18.7%)
SBU Savoury Spreads	95.5	107.0	(10.8%)
SBU Snacks	28.6	55.7	(48.7%)
SBU Beverages	51.9	56.5	(8.1%)
SBU Pharmacy business	33.6	25.3	32.8%
BU Donat	55.2	58.7	(6.0%)
SDU Croatia	43.3	36.7	18.0%
SDU Serbia	27.5	26.9	2.1%
SDU Slovenia	23.3	26.2	(11.0%)
Other segments*	(137.0)	(144.6)	5.3%
Group EBITDA**	334.8	387.2	(13.6%)

STRATEGIC BUSINESS UNITS AND BUSINESS UNIT: All Strategic business units (except the Pharmacy business) and the Business unit Donat recorded lower profitability due to, as described above, significant increases in the prices of practically all raw materials and packaging materials, all forms of energy, transport and logistics costs, and staff costs, despite significant sales growth.

The SBU Pharmacy business recorded a significantly higher profitability due to higher sales of the pharmacy chain Farmacia, despite higher staff costs.

STRATEGIC DISTRIBUTION UNITS: The SDU Croatia and SDU Serbia recorded an increase in profitability due to higher sales revenues, despite higher costs of transport, logistics and staff costs. The decrease in profitability of the SDU Slovenia is due to higher costs of transport, logistics and staff costs, despite higher sales.

OTHER SEGMENTS: If we exclude one-off profit of HRK 4.7 million and the effect of divested baby food Bebi, Other segments record an increase in profitability as a consequence of lower costs of central functions, and the increase in profitability of the DU Russia, DU Austria and DU Macedonia.

The comparative period has been adjusted to the reporting for za 2022

* Other segments include divested baby food business Bebi, BU New Growth, DU Austria, DU Russia, GDAM, DU Macedonia and business activities not allocated to business and distribution units (headquarters and support functions in Croatia, Serbia, Slovenia, Bosnia and Herzegovina and North Macedonia) which are excluded from the reportable operating segments.

** 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)".

FINANCIAL INDICATORS IN THE FIRST HALF OF 2022

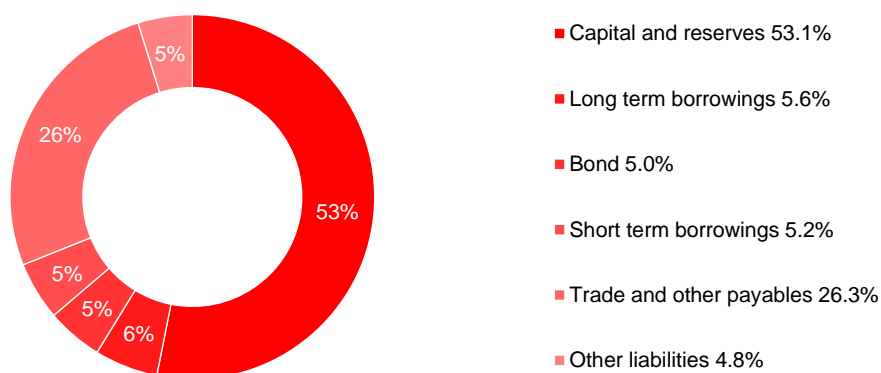
FINANCIAL INDICATORS

(in HRK millions)	30 June 2022	31 December 2021
Net debt*	438.4	459.9
Total assets	5,999.2	5,452.9
Total Equity	3,187.4	3,152.5
Current ratio*	1.4	1.5
Gearing ratio*	12.1%	12.7%
Net debt/EBITDA*	0.6	0.6
(in HRK millions)	H1 2022	H1 2021
Interest coverage ratio*	45.7	44.6
Capital expenditure*	115.0	123.2
Free cash flow*	60.8	230.9
Cash flow from operating activities	175.8	354.1

Among key determinants of the Atlantic Grupa's financial position in the first half of 2022, the following should be pointed out:

- The gearing ratio decreased by 64 basis points due to the HRK 21.5 million decrease in net debt compared to the end of 2021.
- The indebtedness measured as the net debt to normalized EBITDA ratio is at the same levels as it was at the end of 2021.
- Free cash flow records a decrease due to a significantly lower cash flow from operating activities despite somewhat lower capital expenditure.

THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 30 JUNE 2022



* 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)".

OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT



Cash flow from operating activities records a decrease, as a result of movements in the working capital, primarily the increase in inventories and trade receivables, despite lower cash outflows related to financing and taxes. It is important to note that the increase in inventories is a result of the prevention of possible problems in supply chains as well as of the contracting of more favourable purchase prices compared to those expected in the rest of the year. The increase in the value of inventories is, in addition to the above, caused by increases in the prices of raw materials and packaging materials as well as finished products.

Capital expenditure in the first half of 2022 is made in line with the Atlantic Grupa's Strategic Guidelines. Delays in the execution of individual projects are evident due to delays in deliveries, which is in line with global trends. Some of the planned projects were not launched according to plan due to the prolonged period of elaboration of technical details.

Given the current situation in Ukraine and economic disruptions, the beginning of the construction of the new Argeta factory and all activities related to this project are postponed for at least one year.

All of the above indicates that the execution of the Atlantic Grupa's Capex plan in 2022 will be at 85% of the execution compared to the planned.

Among significant investments, we should mention:

- SBU SNACKS: The production of the planned investment equipment for making biscuits and wafers is currently underway, where the focus is on testing the completed equipment components with suppliers. The global crisis in the field of supply of electronic components is evident, so the final assembly of the equipment at the supplier is delayed compared to the planned for 6-8 weeks. For these projects, the construction/expansion of the production plant at the Ljubovija location is in progress. At the same time, at the Belgrade location, in connection with these projects, electrical installation works are underway and the construction of the air conditioning system required for the acceptance of new equipment.

- SBU SAVOURY SPREADS: Installation of equipment for the needs of the production plants Izola and Hadžići is in progress. The transfer of equipment from the Hadžići plant to the Igroš plant is also underway, for the purpose of starting a new production program in Igroš.

A number of smaller investment projects are proceeding according to plan.

ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2022



Following the lower, but still relatively optimistic forecasts of economic growth, more favourable epidemiological situation, significant marketing and capital investments in our brands, we still expect that in 2022 we will exceed HRK 6 billion in sales revenue for the first time.

Already in 2021, there was a significant increase in the prices of a large portion of our raw materials and packaging materials, logistics and other services and energy, but partly due to Atlantic Grupa's successful purchasing strategy and partly due to the dynamics of price increases, most of the negative effects will be realized only during 2022, with a more pronounced impact in the second half of the year. In the first half, this negative impact exceeded HRK 220 million on raw materials, packaging materials and energy alone.

Also, due to the now long-lasting war in Ukraine, additional indirect negative consequences are possible in the form of further increases in the prices of certain raw materials, energy and services, whose financial impact at this time cannot be estimated.

We will annul part of these price increases by increasing our selling prices, but we consider it appropriate that in the conditions of high inflation and a significant impact on the living standards of our consumers we absorb much of it and, accordingly, we expect normalized EBITDA margin in 2022 to be approximately 320-400 basis points lower than it was in 2021.

We believe that the problems in supply chains and prices of energy, raw materials and packaging materials will stabilize in the foreseeable future and that profit margins will from 2023 start to slightly recover and subsequently return to the previous levels or at least get closer to them.

Due to the increased uncertainties caused by the war in Ukraine, we reexamined the initial capital expenditure plan and reduced it by approximately HRK 40 million to the still high HRK 280 to 330 million. The largest part of the reduction relates to the postponement of the construction of the new Argeta factory in Varaždin for at least one year. Delays in deliveries of certain components due to problems in the supply chains could affect the additional reduction of capital expenditure in this year and their transfer to the next year without negative impacts on our operational business.

In 2022, 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) creating new brands that will drive new growth, (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)

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)

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

The main APMs used by Atlantic Grupa are defined and/or reconciled with our IFRS measures in this document.

ORGANIC SALES GROWTH COMPARED TO 2021

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	H1 2022	H1 2021	H1 2022/ H1 2021
Sales	2,993.3	2,697.8	11.0%
Sale of divested business - brand Bebi	-	31.4	
Comparable sales	2,993.3	2,666.5	12.3%

in HRK million	SBU Pharmacy business	Other segments
Reported H1 2021	279.4	439.0
Sale of divested business - brand Bebi*	31.4	31.1
Comparable sales H1 2021	248.1	407.9
Reported H1 2022	285.5	452.5
Sale of divested business - brand Bebi*	-	-
Comparable sales H1 2022	285.5	452.5
H1 2022/H1 2021	15.1%	11.0%

in HRK million	Russia and CIS	Other markets
Reported H1 2021	72.3	60.9
Sale of divested business - brand Bebi	31.2	0.2
Comparable sales H1 2021	41.1	60.6
Reported H1 2022	42.2	65.7
Sale of divested business - brand Bebi	-	-
Comparable sales H1 2022	42.2	65.7
H1 2022/H1 2021	2.5%	8.4%

in HRK million	H1 2022	H1 2021	H1 2022/ H1 2021
Sales of own brands	1,914.6	1,728.9	10.7%
Sale of divested business - brand Bebi	-	31.4	
Comparable sales of own brands	1,914.6	1,697.5	12.8%

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

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)

EBITDA and NORMALIZED EBITDA, EBITDA margin and NORMALIZED EBITDA margin

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

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

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

(in HRK millions)	H1 2022	H1 2021	H1 2022/ H1 2021
Operating profit	203.6	261.5	(22.1%)
Depreciation, amortisation and impairment	131.1	125.8	4.3%
EBITDA	334.8	387.2	(13.6%)
Divestment costs/(gains), net	-	-	
COVID-19 costs	0.8	2.1	
Other one off (income)/costs, net	(5.5)	(7.4)	
Normalized EBITDA	330.0	381.9	(13.6%)
Sales	2,993.3	2,697.8	
EBITDA margin	11.2%	14.4%	
Normalized EBITDA margin	11.0%	14.2%	

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 HRK millions)	H1 2022	H1 2021	H1 2022/ H1 2021
Operating profit	203.6	261.5	(22.1%)
EBIT	203.6	261.5	(22.1%)
Divestment costs/(gains), net	0.1	-	
COVID-19 costs	0.8	2.1	
Other one off (income)/costs, net	(5.5)	(7.4)	
Normalized EBIT	199.0	256.2	(22.3%)
Sales	2,993.3	2,697.8	
EBIT margin	6.8%	9.7%	
Normalized EBIT margin	6.6%	9.5%	

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)



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 June 2022.

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)	H1 2022	H1 2021	H1 2022/ H1 2021
Net profit	167.4	217.5	(23.1%)
Divestment costs/(gains), net	0.1	(1.4)	
COVID-19 costs	0.7	1.8	
Other one off (income)/costs, net	(10.1)	(7.4)	
Normalized Net profit	158.0	210.5	(24.9%)
Sales	2,993.3	2,697.8	
Net profit margin	5.6%	8.1%	
Normalized Net profit margin	5.3%	7.8%	

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 30 June 2022: 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 30 June 2022. The Group uses capital expenditure as APM to ensure that the cash spending is in line with overall strategy of the Group.

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)

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 June 2022, as shown below:

(in HRK millions)	30 June 2022	31 December 2021
Non current borrowing	373.2	299.7
Non current lease liabilities	263.5	263.1
Current borrowings	222.5	159.9
Current lease liabilities	88.9	86.8
Derivative financial instruments, net	(12.4)	(3.0)
Cash and cash equivalents	(497.5)	(346.6)
Net debt	438.4	459.9
Normalized EBITDA*	683.2	735.0
Net debt/Normalized EBITDA*	0.6	0.6

The Group also uses the net debt to EBITDA ratio, which is net debt divided by EBITDA, to assess 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 June 2022. The current ratio is a liquidity ratio that measures the Group's ability to cover its short-term debt with its current assets.

in HRK million	30 June 2022	31 December 2021
Current assets	2,796.1	2,287.5
Current liabilities	1,951.5	1,513.4
Current ratio	1.4	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 HRK million	30 June 2022	31 December 2021
Net debt	438.4	459.9
Total equity	3,187.4	3,152.5
Gearing ratio	12.1%	12.7%

* Normalized EBITDA in the last 12 months

DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)

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 June 2022), as shown below. Interest coverage ratio is used to determine how easily the Group can pay interest on its outstanding debt.

in HRK million	H1 2022	H1 2021
Normalized EBITDA	330.0	381.9
Total interest expense	7.2	8.6
Adjusted interest coverage ratio	45.7	44.6

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 30 June 2022.

in HRK million	H1 2022	H1 2021
Net cash flow from operating activities	175.8	354.1
Capex	115.0	123.2
Free cash flow	60.8	230.9

ATLANTIC GRUPA d.d.

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX-MONTH PERIOD ENDED 30 JUNE 2022
(UNAUDITED)**

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan-Jun 2022	Jan-Jun 2021	Index	Apr-Jun 2022	Apr-Jun 2021	Index
Revenues	3,032,885	2,734,173	110.9	1,629,970	1,475,446	110.5
Sales revenues	2,993,266	2,697,829	111.0	1,602,113	1,448,248	110.6
Other income	39,619	36,344	109.0	27,857	27,198	102.4
Operating expenses	(2,829,273)	(2,472,700)	114.4	(1,542,020)	(1,318,883)	116.9
Cost of trade goods sold	(852,167)	(773,162)	110.2	(446,503)	(410,446)	108.8
Change in inventories of finished goods and work in progress	23,605	(658)	n/a	548	4,848	11.3
Material and energy costs	(980,934)	(729,366)	134.5	(547,002)	(400,421)	136.6
Staff costs	(476,213)	(446,537)	106.6	(257,356)	(234,374)	109.8
Marketing and promotion expenses	(154,918)	(153,390)	101.0	(84,956)	(86,661)	98.0
Depreciation, amortisation and impairment	(131,138)	(125,751)	104.3	(66,977)	(62,686)	106.8
Other operating costs	(265,637)	(239,736)	110.8	(143,830)	(128,621)	111.8
Other gains/(losses) - net	8,129	(4,100)	n/a	4,056	(522)	n/a
Operating profit	203,612	261,473	77.9	87,950	156,563	56.2
Finance costs - net	(8,069)	(7,012)	115.1	(2,034)	(1,600)	127.1
Profit before tax	195,543	254,461	76.8	85,916	154,963	55.4
Income tax	(28,193)	(36,932)	76.3	(9,197)	(22,017)	41.8
Net profit for the period	167,350	217,529	76.9	76,719	132,946	57.7
Attributable to:						
Owners of the parent	166,911	217,477	76.7	76,396	132,781	57.5
Non-controlling interests	439	52	844.2	323	165	195.8
Earnings per share for profit attributable to the equity holders of the Company during the period (in HRK)						
- basic	50.25	65.37		22.98	39.90	
- diluted	50.25	65.37		22.98	39.90	

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan-Jun 2022	Jan-Jun 2021	Index	Apr- Jun 2022	Apr-Jun 2021	Index
Net profit for the period	167,350	217,529	76.9	76,719	132,946	57.7
Other comprehensive income/(loss):						
<i>Items that may be subsequently reclassified to profit of loss</i>						
Currency translation differences, net of tax	13,831	(13,740)	n/a	(3,921)	(24,178)	16.2
Cash flow hedges, net of tax	7,566	8,443	89.6	6,797	(68)	n/a
Total other comprehensive income/(loss) for the period, net of tax	21,397	(5,297)	n/a	2,876	(24,246)	n/a
Total comprehensive income for the period	188,747	212,232	88.9	79,595	108,700	73.2
Attributable to:						
Equity holders of the Company	188,310	212,217	88.7	79,319	108,602	73.0
Non-controlling interests	437	15	2,913.3	276	98	281.6
Total comprehensive income for the period	188,747	212,232	88.9	79,595	108,700	73.2

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of HRK, unaudited	30 June 2022	31 December 2021
ASSETS		
Non-current assets		
Property, plant and equipment	1,153,672	1,108,725
Right-of-use assets	332,228	329,894
Investment property	798	807
Intangible assets	1,640,720	1,640,348
Deferred tax assets	41,805	41,469
Financial assets through other comprehensive income	1,386	1,384
Trade and other receivables	32,481	42,750
	3,203,090	3,165,377
Current assets		
Inventories	792,825	639,201
Trade and other receivables	1,465,430	1,287,982
Prepaid income tax	27,983	6,995
Derivative financial instruments	12,371	2,972
Cash and cash equivalents	497,461	346,635
	2,796,070	2,283,785
Non-current assets held for sale	-	3,759
Total current assets	2,796,070	2,287,544
TOTAL ASSETS	5,999,160	5,452,921
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	133,372	133,372
Share premium	886,572	883,852
Treasury shares	(12,415)	(22,131)
Reserves	(18,134)	(45,279)
Retained earnings	2,190,577	2,195,734
	3,179,972	3,145,548
Non-controlling interests	7,419	6,982
Total equity	3,187,391	3,152,530
Non-current liabilities		
Borrowings	373,210	299,657
Lease liabilities	263,533	263,065
Deferred tax liabilities	149,744	148,344
Other non-current liabilities	1,408	6,135
Provisions	72,394	69,807
	860,289	787,008
Current liabilities		
Trade and other payables	1,574,938	1,174,825
Borrowings	222,512	159,932
Lease liabilities	88,941	86,844
Current income tax liabilities	19,012	6,417
Provisions	46,077	85,365
	1,951,480	1,513,383
Total liabilities	2,811,769	2,300,391
TOTAL EQUITY AND LIABILITIES	5,999,160	5,452,921

ATLANTIC GRUPA d.d.
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to owners of the Company					Non-controlling interests	Total
	Share capital, Share premium and Treasury shares	Reserves	Retained earnings	Total			
in thousands of HRK, unaudited							
Balance at 1 January 2021	1,007,576	(51,451)	1,985,908	2,942,033	5,952	2,947,985	
Comprehensive income:							
Net profit for the period	-	-	217,477	217,477	52	217,529	
Other comprehensive loss	-	(5,260)	-	(5,260)	(37)	(5,297)	
Total comprehensive income	-	(5,260)	217,477	212,217	15	212,232	
Transactions with owners:							
Share based payment	16,839	-	-	16,839	-	16,839	
Purchase of treasury shares	(18,439)	-	-	(18,439)	-	(18,439)	
Transfer	-	1,767	(1,767)	-	-	-	
Dividends	-	-	(133,094)	(133,094)	-	(133,094)	
Balance at 30 June 2021	1,005,976	(54,944)	2,068,524	3,019,556	5,967	3,025,523	
Balance at 1 January 2022	995,093	(45,279)	2,195,734	3,145,548	6,982	3,152,530	
Comprehensive income:							
Net profit for the period	-	-	166,911	166,911	439	167,350	
Other comprehensive income	-	21,399	-	21,399	(2)	21,397	
Total comprehensive income	-	21,399	166,911	188,310	437	188,747	
Transactions with owners:							
Share based payment	28,566	-	-	28,566	-	28,566	
Purchase of treasury shares	(16,130)	-	-	(16,130)	-	(16,130)	
Transfer	-	5,746	(5,746)	-	-	-	
Dividends	-	-	(166,322)	(166,322)	-	(166,322)	
Balance at 30 June 2022	1,007,529	(18,134)	2,190,577	3,179,972	7,419	3,187,391	

ATLANTIC GRUPA d.d.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	January - June 2022	January - June 2021
Cash flow from operating activities		
Net profit for the period	167,350	217,529
Income tax	28,193	36,932
Depreciation, amortisation and impairment	131,138	125,751
Gain on sale of property, plant and equipment and intangible assets	(1,565)	(835)
Loss on sale of subsidiaries - net of transaction expenses	370	-
Provision for current assets	10,079	9,646
Foreign exchange differences - net	843	(1,553)
Decrease in provisions for risks and charges	(36,701)	(27,953)
Fair value (gain)/loss on financial assets	(11,454)	3,743
Share based payment	28,566	16,839
Interest income	(5,392)	(545)
Interest expense	7,226	8,565
Other non-cash items - net	21,562	(7,016)
Changes in working capital:		
Increase in inventories	(162,004)	(76,013)
Increase in current receivables	(188,324)	(75,181)
Increase in current payables	230,378	186,207
Cash generated from operations	220,265	416,116
Interest paid	(7,002)	(8,314)
Income tax paid	(37,483)	(53,701)
	175,780	354,101
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets	(114,985)	(123,187)
Proceeds from sale of property, plant and equipment and intangible assets	1,594	11,944
Acquisition of subsidiaries and proceeds from sale of subsidiary - net of cash acquired/disposed	9,729	-
Loans granted and deposits placed	(65)	(747)
Repayments of loan and deposits placed	3,641	4,193
Interest received	5,209	545
	(94,877)	(107,252)
Cash flow from / (used in) financing activities		
Purchase of treasury shares	(16,130)	(18,439)
Proceeds from borrowings, net of fees paid	135,717	-
Repayment of borrowings	-	(174,910)
Principal elements of lease payments	(49,664)	(46,286)
	69,923	(239,635)
Net increase in cash and cash equivalents	150,826	7,214
Cash and cash equivalents at beginning of period	346,635	426,513
Cash and cash equivalents at end of period	497,461	433,727

NOTE 1 – GENERAL INFORMATION

Operating as a vertically integrated multinational company, Atlantic Grupa d.d. (“the Company”) and its subsidiaries (“the Group”) have business activities that incorporate R&D, production and distribution of fast-moving consumer goods in Southeast Europe, the European markets and Russia and CIS (Commonwealth of Independent States). With its modern production network, the Group stands out as one of the leading foods & beverage producers in Southeast Europe with prominent coffee brands Grand Kafa and Barcaffe, a range of beverage brands Cockta, Donat and Cedevita, a portfolio of sweet and salted snacks brands Smoki, Najlepše želje and Bananica and the savoury spread brand Argeta. Additionally, the Group owns the leading pharmacy chain in Croatia under the Farmacia brand. With its own distribution network in Croatia, Slovenia, Serbia, Austria, 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 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 six-month period ended 30 June 2022 were approved by the Management Board of the Company in Zagreb on 27 July 2022.

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 six-month period ended 30 June 2022 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 2021. 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 six-month period ended 30 June 2022 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 six-month period ended 30 June 2022 are consistent with those followed in the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

2.4. SEASONALITY

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

2.5. IMPACT OF WAR IN UKRAINE

At the date of approval of condensed consolidated financial statements for the six-month period ended 30 June 2022, 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, the 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.

NOTE 3 – CRITICAL ACCOUNTING ESTIMATES

There were no changes in critical accounting estimates used for preparation of condensed consolidated financial statements for the six-month period ended 30 June 2022 comparing to those used for the preparation of the Group's annual consolidated financial statements for the year ended 31 December 2021.

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 six-month period ended 30 June 2022 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 unites, 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.

BUSINESS UNITS	DISTRIBUTION UNITS
SBU COFFEE	SDU CROATIA
SBU BEVERAGES	SDU SERBIA
SBU SAVOURY SPREADS	SDU SLOVENIA
SBU SNACKS	DU MACEDONIA
SBU PHARMACY BUSINESS	DU RUSSIA
BU DONAT	DU AUSTRIA
NEW GROWTH	GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT

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.

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

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” where, also, baby food business, which was completely disinvested in June 2021, is reported. “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*	Jan - Jun 2022	Jan - Jun 2021
<i>(in thousands of HRK)</i>		
SBU Coffee	636,966	552,557
SBU Savoury Spreads	495,464	448,029
SBU Snacks	331,008	316,830
SBU Beverages	316,328	256,993
SBU Pharmacy business	285,454	248,068
BU Donat	120,124	113,694
SDU Croatia	712,075	641,665
SDU Serbia	688,047	598,858
SDU Slovenia	517,050	481,795
Other segments	452,547	470,311
Reconciliation	(1,561,797)	(1,430,971)
Total	2,993,266	2,697,829

* Comparative period has been adjusted to reflect current period reporting

NOTE 4 – SEGMENT INFORMATION (continued)

Business results <i>(in thousands of HRK)</i>	EBITDA*	
	Jan - Jun 2022	Jan - Jun 2021
SBU Coffee	112,890	138,780
SBU Savoury Spreads	95,451	106,982
SBU Snacks	28,559	55,667
SBU Beverages	51,950	56,547
SBU Pharmacy business	33,616	25,321
BU Donat	55,200	58,720
SDU Croatia	43,284	36,678
SDU Serbia	27,480	26,915
SDU Slovenia	23,307	26,191
Other segments	(136,987)	(144,577)
Total	334,750	387,224

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.

	2022	2021
Net profit attributable to shareholders of the Company (in thousands of HRK)	166,911	217,477
Weighted average number of ordinary shares in issue	3,321,684	3,327,112
Basic earnings per share (<i>in HRK</i>)	50.25	65.37

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.

* Comparative period has been adjusted to reflect current period reporting

NOTE 6 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the six-month period ended 30 June 2022, Group invested HRK 117,876 thousand in purchase of property, plant and equipment and intangible assets (2021: HRK 108,225 thousand).

NOTE 7 - INVENTORIES

During the six-month period ended 30 June 2022, the Group wrote down inventories in the amount of HRK 8,662 thousand due to damage and short expiry dates (2021: HRK 5,920 thousand). The amount is recognized in the income statement within position “Other operating costs”.

NOTE 8 – DIVIDEND DISTRIBUTION

According to the decision of the Company's General Assembly from 15 June 2022, distribution of dividend in the amount of HRK 50.00 per share, or HRK 166,322 thousand in total was approved (2021: HRK 40.00 per share, or HRK 133,094 thousand in total). Dividend was paid out in July 2022 and at the 30 June 2022 dividend payable was stated in the balance sheet under “Trade and other payables” position.

NOTE 9 – FINANCE COSTS – NET

(in thousands of HRK)

	Jan - Jun 2022	Jan - Jun 2021
Finance income		
Foreign exchange gains on borrowings and lease liabilities	1,800	2,817
	<u>1,800</u>	<u>2,817</u>
Finance costs		
Interest expense on lease liabilities	(4,271)	(4,296)
Interest expense on bonds	(1,435)	(1,435)
Interest expense on bank borrowings	(1,145)	(1,901)
Other interest expense	(375)	(933)
Total interest expense	<u>(7,226)</u>	<u>(8,565)</u>
Foreign exchange loss on borrowings and lease liabilities	(2,643)	(1,264)
	<u>(9,869)</u>	<u>(9,829)</u>
Finance costs - net	<u>(8,069)</u>	<u>(7,012)</u>

NOTE 10 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as at 30 June 2022 and 31 December 2021 and transactions recognized in the Income statement for the six-month ended 30 June are as follows:

(in thousands of HRK)

	<u>30 June 2022</u>	<u>31 December 2021</u>
RECEIVABLES		
Trade and other receivables		
Other entities	112,839	84,174
LIABILITIES		
Trade and other payables		
Other entities	1,615	2,238
	<u>Jan-Jun 2022</u>	<u>Jan-Jun 2021</u>
REVENUES		
Sales revenues		
Other entities	281,938	241,448
Other income		
Other entities	89	366
EXPENSES		
Marketing and promotion costs		
Other entities	4,488	1,635
Other operating costs		
Other entities	1,081	1,079

NOTE 11 – DIVESTMENT OF SUBSIDIARY

Atlantic Grupa has signed a sale and purchase agreement for the sale of Palanački kiseljak production site in Smederevska Palanka with the company Vik Pro Univerzal d.o.o., Belgrade. The subject of the sale was the entire production site with employees and assets, including the traditional mineral water brand on the Serbian market – *Karađorđe*. Prior to the sale, production site was demerged from the company Atlantic Štark d.o.o. to a separate company - Palanački Kiseljak d.o.o. This transaction is a continuation of the process of disinvestment of smaller and non-core businesses, in line with Atlantic's corporate strategy. The closing of transaction was on 28 June 2022 and the Group realized a loss from the sale in the amount of HRK 451 thousand.

(in thousands of HRK)

Receivables for the sale of subsidiary	1,455
Net assets book value of disposed subsidiary	(1,906)
Loss on sale of subsidiary	(451)

Net assets book value of disposed subsidiary as at 28 June 2022

(in thousands of HRK)

Property, plant and equipment	3,768
Inventories	605
Trade and other receivables	629
Trade and other payables	(2,859)
Borrowings	(237)
	1,906

In 2022, the Group also realized an additional gain in the amount of HRK 81 thousand from the sale of Mirna production site which occurred in 2021.

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 six-month period ended 30 June 2022 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 June 2022 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 six-month period ended 30 June 2022 were approved by the Management Board of the company Atlantic Grupa d.d. on 27 July 2022.



Zoran Stanković
Group Vice President for Finance, Procurement and Investment



Tatjana Ilinčić
Director of Corporate Reporting and Consolidation

Contact:

Atlantic Grupa d.d.

Miramarska 23

10 000 Zagreb

Croatia

Tel: +385 1 2413 322

E-mail: ir@atlanticgrupa.com

ATLANTIC GRUPA

Joint Stock Company for Domestic and Foreign Trade
Miramarska 23, 10000 Zagreb, Croatia
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.

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

