FINANCIAL RESULTS

IN THE FIRST QUARTER OF 2019

(unaudited)

Zagreb, 30th April 2019

INTRODUCTION
COMMENT OF THE PRESIDENT OF THE MANAGEMENT BOARD AND CEO

Commenting on the financial results in the first quarter of 2019, Emil Tedeschi, CEO of Atlantic Grupa, pointed out:

“Atlantic Grupa excellently started another business year. After exceptional 2018, in which many records in the company’s operations were achieved, the reports from the first quarter confirm that in 2019 we are also on our way to fulfil announced business expectation. On all relevant markets we recorded a remarkable sales growth with continued investments in own brands, logistics and distribution operations and innovative business processes.

After excellent results achieved by expanding the distribution portfolio last year, a new distribution agreement with a renowned international company at the beginning of 2019 proves our continuous focus on the development of the company’s distribution segment. At the same time, the announced divestment of non-strategic operations was continued by the agreement on the sale of the Strategic Business Unit Sports and Functional Food.

Further deleveraging and significantly lower finance costs enable us to focus on even more ambitious plans for future growth.”

FIRST QUARTER MARKED BY REVENUE AND PROFITABILITY GROWTH

- **SALES** AT HRK 1,200.9 MILLION
  + 5.1% compared to the first quarter of 2018

- EARNINGS BEFORE INTEREST, TAXES, DEPRECIATION AND AMORTISATION (**EBITDA**) AT HRK 161.8 MILLION, W/O IFRS 16 LEASES HRK 140.9 MILLION
  + 16.2% compared to the first quarter of 2018 W/O IFRS 16 Leases

- EARNINGS BEFORE INTEREST AND TAXES (**EBIT**) AT HRK 105.1 MILLION, W/O IFRS 16 LEASES HRK 104.0 MILLION
  + 23.0% compared to the first quarter of 2018 W/O IFRS 16 Leases

- **NET PROFIT** AFTER MINORITIES AT HRK 80.9 MILLION, W/O IFRS 16 LEASES HRK 82.3 MILLION
  +33.7% compared to the first quarter of 2018 W/O IFRS 16 Leases

FINANCIAL SUMMARY OF THE FIRST QUARTER OF 2019

Key figures	Q1 2019	Q1 2019 w/o IFRS 16	Q1 2018	Q1 2019 w/o IFRS 16/ Q1 2018
Sales (in HRK million)	**1,200.9**	**1,200.9**	1,142.6	5.1%
Turnover (in HRK million)	**1,213.0**	**1,213.0**	1,154.1	5.1%
EBITDA margin*	**13.5%**	**11.7%**	10.6%	+112 bp
Net income after minorities (in HRK million)	**80.9**	**82.3**	61.6	33.7%
Gearing ratio*	**32.6%**	**24.3%**	26.5%**	-212bp

Comparative period has been adjusted to reflect current period reporting.

*Gearing ratio = Net debt/(Total equity+Net debt). ** Gearing ratio of 26.5% relates to 31st December 2018.

*** The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standard IFRS 16 – Leases effective as of 1 January 2019.

1. DIVESTING THE LAST PORTION OF SPORTS AND FUNCTIONAL FOOD

At the beginning of April, Atlantic Grupa and its long-standing partner in the distribution of sports and functional food, German Genuport Trade GmbH, Hamburg, Germany, concluded the agreement on the sale of Tripoint company that includes the Multipower, Champ and Multaben brands. In 2018, the Strategic Business Unit Sports and Functional Food recorded revenue of HRK 133.7 million, i.e. 2.5 percent of Atlantic Grupa's total sales, and HRK 64.3 million of loss before interest, tax, depreciation and amortization. Atlantic Grupa continues to distribute the portfolio on the markets of Croatia, Austria, Italy and Serbia. The transaction resulted in one-off loss on sale in the amount of HRK 3.3 million.

This is a continuation of the corporate strategy to divest non-strategic business operations as part of which the production plants of sports and functional food were already divested to the Belgian Aminolabs at the end of 2017.

The German company Genuport, as the distributor of the Multipower, Champ and Multaben brands in Germany, with excellent knowledge of the market, was a logical choice of partner in this process. Genuport is one of the leading German distribution companies with a long reference list of partner companies such as Wander, Mondelez, Snyder's Lance, Weetabix and many others.

2. NEW LOGISTICS AND DISTRIBUTION CENTRE IN CROATIA

At the end of March, Atlantic Grupa officially opened a new, modern equipped logistics and distribution centre near Velika Gorica, which will ensure the adequate logistics support to the long-term development of the distribution business.

The newly constructed building unifies the total warehousing capacities of Atlantic Grupa in the Zagreb area and it is a central logistics centre for the Croatian market. The investment in the construction and equipment of approximately EUR 20 million was realised in cooperation with the strategic partner, the company Kamgrad, in only seven months. What makes the project especially interesting are its ambitions in the field of digitalisation of warehouse operations, so the new logistics and distribution centre is the site for new technologies that have already been implemented or are being implemented, such as autonomous logistics robots.

In the first phase, the warehouse capacity of 30,000 pallet spaces is ensured, and the modern high-rack facility offers a possibility of additional modular extension in line with business requirements, ensuring the long-term sustainability and support to further development of the distribution activities.

3. IMPLEMENTATION OF SAP IN OPERATIONS OF THE SDU SERBIA

At the beginning of 2019, the operation of the SAP system in the Strategic Distribution Unit Serbia successfully began, that was being implemented during the most part of 2018. The SAP Implementation Project, including the application for mobile sales, application for marketing expenses management, Cognos BI solution, with integration with the existing solutions for warehouse management, routing, invoice management and human resources management system brings to the Serbian market many innovative business processes and improvements.

Within this project, the emphasis is on the unification of business processes, so the implementation performed on the Croatian market was used as a reference model.

4. NEW DISTRIBUTION CONTRACT

In mid March, Atlantic Grupa agreed on distribution cooperation in Macedonia with Beiersdorf, the global cosmetics manufacturer of personal care brands. The portfolio of products that are included in the distribution range of the Distribution Unit Macedonia holds leading positions in personal care categories – face care, body care, lip care, universal skin creams and cosmetic products for men. Thus, the Atlantic Grupa's distribution portfolio on the market of Macedonia will be expanded to include globally famous brands Nivea, Labello, Hansaplast and Atrix. The total value of the expected annual sales exceeds EUR 4 million.

Distribution operations are strong platform of the development of Atlantic Grupa's overall operations and the company's strategy, as confirmed by the latest distribution cooperation with Beiersdorf. After excellent results achieved by expanding the portfolio in cooperation with Red Bull in Serbia, Mars group in Croatia, Hipp in Macedonia last year, the new distribution contract at the beginning of 2019 proves the strategy of the company's development.

With Nivea in the distribution portfolio, Atlantic Grupa has 6 of top 10 regional brands according to the Valicon research.

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(HRK million)	Q1 2019	Q1 2018	Q1 2019/ Q1 2018
SBU Coffee	**239.1**	243.2	(1.7%)
SBU Beverages	**157.6**	143.8	9.6%
SBU (Sweet and Salted) Snacks	**157.4**	162.8	(3.3%)
SBU Pharma and Personal Care	**157.3**	158.3	(0.6%)
SBU Savoury Spreads	**160.9**	140.3	14.7%
SBU Sports and Functional Food	**33.2**	35.8	(7.2%)
SDU Croatia	**276.5**	243.1	13.7%
SDU Serbia	**275.4**	267.4	3.0%
SDU Slovenia	**210.9**	208.7	1.0%
Global distribution network management	**87.7**	85.4	2.7%
Other segments*	**72.6**	66.8	8.7%
Reconciliation**	**(627.8)**	(613.0)	n/a
Sales	**1,200.9**	**1,142.6**	**5.1%**

Comparative period has been adjusted to reflect current period reporting.

In the first quarter of 2019, Atlantic Grupa recorded sales of HRK 1.2 billion, which is an increase of 5.1% compared to the first quarter of 2018. The revenue growth follows excellent sales results of the Strategic Business Unit Beverages, the Strategic Business Unit Savoury Spreads and almost all distribution units.

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

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

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

The STRATEGIC BUSINESS UNIT COFFEE records a decrease in sales primarily in the markets of Slovenia and Bosnia and Herzegovina, which was largely compensated by the growth in the markets of Serbia and Croatia. It should be noted that the effects of later Easter compared to the previous year mainly reflected on the results of the Barcaffe brand in Slovenia, while in Bosnia and Herzegovina the higher level of inventories at the external distributor moved new orders of the Grand kafa brand to the beginning of the second quarter. Consequently, in the roast and ground coffee segment, the decrease was recorded by Barcaffe and Grand kafa brands, while Bonito recorded a 1.5% growth. Barcaffe with espresso coffee continues to record growth in the regional HoReCa channel. Grand kafa on the domestic Serbian market records sales growth in the roast and ground coffee category.

The STRATEGIC BUSINESS UNIT BEVERAGES recorded a significant revenue growth in all major markets, with the highest increase recorded in the markets of Croatia, Slovenia, Serbia and Montenegro. The growth was recorded in both sales channels, retail and HoReCa. The revenue growth was recorded by the visually refreshed Cockta with a new recipe, vitamin instant drink Cedevita and waters under the Kala and Kalnička brands, while the functional water Donat Mg recorded a decrease in sales. The Cedevita brand celebrates its 50th anniversary this year and to mark this jubilee a new campaign was presented as part of the new creative platform “Flavour of Generation CE”, launched in mid March. At the beginning of March, Cockta launched a new product, Cockta Free, led by the increasing trend of sugar-free soft drinks consumption and the increasing healthy lifestyle trend.

The STRATEGIC BUSINESS UNIT SNACKS recorded a decrease in sales as a consequence of the decrease in sales in Serbia, where this business units records almost two thirds of revenues, and in the market of Kosovo. Similar as with Coffee, the sales results were negatively impacted by later Easter holidays. The decrease was partly mitigated by the results in the market of Bosnia and Herzegovina, which grew 5.9% on the back of the flips and chocolate categories. Analysing the entire unit, in the salty segment, the biggest sales increase of 4.1% was recorded in the flips category under the Smoki brand, while in the sweet segment, the Najlepše želje brand in the chocolate category records a 4.2% growth. The decrease in sales of this unit is primarily caused by lower sales in the biscuits and wafers categories as a result of strong competition and strategic exit from the chips category. The decrease in the market of Kosovo is primarily caused by the customs dispute between Kosovo and Serbia, following a significant increase in customs duties on the import of goods from Serbia.

THE STRATEGIC BUSINESS UNIT PHARMA AND PERSONAL CARE recorded a decrease in sales primarily in the markets of Russia and the CIS, as a consequence of the decrease in sales of the Multivita brand and baby food under the Bebi brand. The decrease was largely compensated by the increase in sales in the Croatian market, which is the most significant market, and all other regional markets. In this, the sales growth of the pharmacy chain Farmacia, and food supplements under the Dietpharm brand of 11% was recorded. If the effect of the decrease in sales of baby food is excluded, the sales of this unit grew 3.0%.

The STRATEGIC BUSINESS UNIT SAVOURY SPREADS records a double-digit growth due to excellent business results recorded in all regional markets (Bosnia and Herzegovina, Slovenia, Croatia, Serbia and Montenegro) and due to the increase in sales in Germany, Switzerland and Austria. Savoury spreads under the Argeta brand recorded growth in the meat and fish savoury spreads segment, and the results of vegetable spreads are also promising. Since as of the beginning of 2019, the Gourmet segment was merged with this unit, it should be noted that the Granny’s Secret brand records a 6.6% sales growth, primarily due to the *ajvar* category.

SALES DYNAMICS
IN THE FIRST QUARTER OF 2019

The STRATEGIC BUSINESS UNIT SPORTS AND FUNCTIONAL FOOD recorded a decrease in sales primarily caused by the Champ brand, while Multipower records a mild sales increase. As this unit has been divested, from the second quarter of 2019, Atlantic Grupa will record only principal sales of the Multipower brand on the markets of Austria, Croatia, Italy and Serbia, since it continues with distribution activities on these markets.

The STRATEGIC DISTRIBUTION UNIT CROATIA recorded a double-digit sales growth following the growth of both own and principal brands. Own brands recorded growth in most categories, led by Cedevita and Cockta in the beverages segment, Argeta in the savoury spreads segment and Barcaffe in the coffee segment. Among principal brands, the biggest growth was recorded by the new principal Mars and the long-established principal Ferrero. A double-digit sales growth was recorded by the HoReCa channel, due to great sales of Cockta with refreshed recipe and new visual identity and vitamin instant drink Cedevita.

The increase in sales of the STRATEGIC DISTRIBUTION UNIT SERBIA is based on the increase in sales of own and principal brands. Own brands recorded growth in most categories, led by roast and ground coffee under the Grand kafa and Bonito brands, Najlepše želje from the snacks segment, Argeta from the savoury spreads segment and Cockta from the beverages segment. Among principal brands, the biggest growth was recorded by the new principal Red Bull. The HoReCa channel recorded a growth of as much as 21.1%, mainly due to growth in sales of the redesigned Cockta, Barcaffè espresso and the new principal Red Bull.

The STRATEGIC DISTRIBUTION UNIT SLOVENIA recorded a mild growth, where the growth in sales of the Cockta and Cedevita brands in the beverages segment, savoury spreads under the Argeta brand and principal brands Ferrero and Rauch compensated for the decrease in the Barcaffe brand in the roast and ground coffee category. The HoReCa segment continues to grow primarily due to the success of the redesigned Cockta, Cedevita and espresso coffee under the Barcaffè brand.

GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT recorded an increase in sales in the markets of Germany, Switzerland, Italy and France. The most significant growth was recorded by savoury spreads under the Argeta brand and the baby cereals category under the Bebi brand.

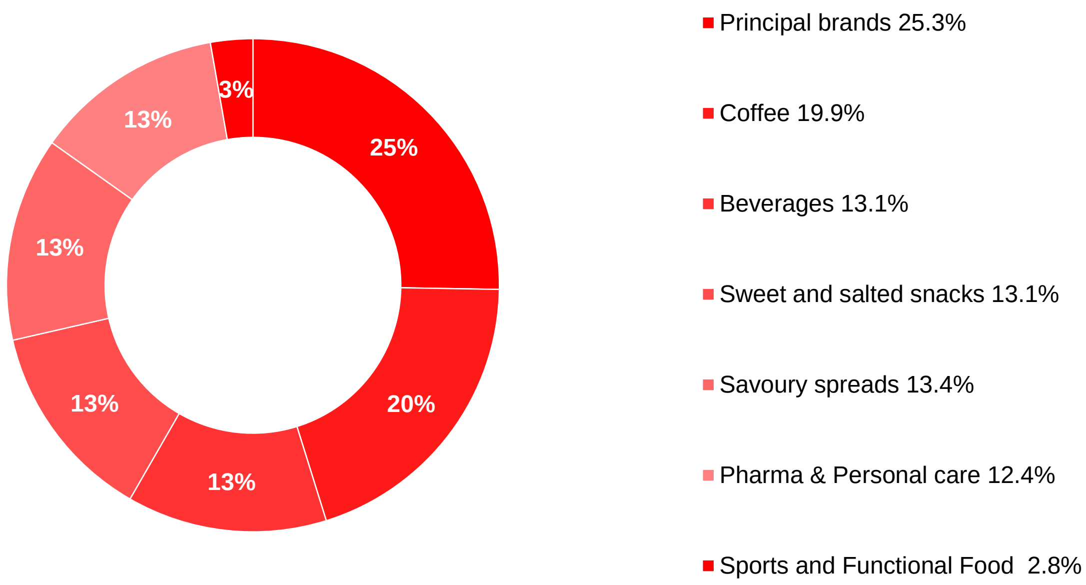
OTHER SEGMENTS record an increase in sales primarily due to the distribution unit Macedonia which compensated for the decrease in sales in the distribution unit Austria.

The DISTRIBUTION UNIT MACEDONIA recorded a sales growth due to the growth of own and principal brands. Among own brands, Cedevita in the beverages segment and Smoki in the flips category stand out, while among principal brands, the most significant growth is recorded by the new principal Hipp.

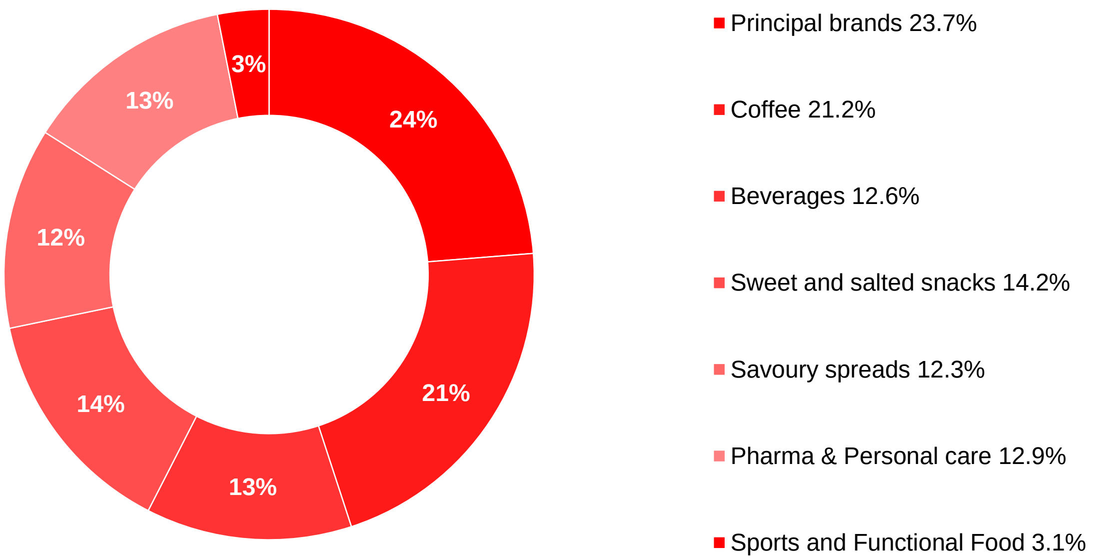
The DISTRIBUTION UNIT AUSTRIA recorded a sales decrease, primarily in the segments of coffee and sports and functional food. Within the DU Austria, the most significant growth was recorded by savoury spreads under the Argeta brand, with a growth of 12.9%.

SALES PROFILE BY SEGMENTS

Q1 2019



Q1 2018



SALES PROFILE BY MARKETS

(in HRK millions)	Q1 2019	% of sales	Q1 2018	% of sales	Q1 2019/ Q1 2018
Croatia	**399.7**	33.3%	357.6	31.3%	11.8%
Serbia	**280.9**	23.4%	272.5	23.9%	3.1%
Slovenia	**211.3**	17.6%	208.9	18.3%	1.2%
Bosnia and Herzegovina	**98.1**	8.2%	94.2	8.2%	4.1%
Other regional markets*	**76.6**	6.4%	72.5	6.3%	5.6%
Key European markets**	**74.9**	6.2%	67.4	5.9%	11.1%
Russia and CIS	**35.1**	2.9%	41.7	3.7%	(15.9%)
Other markets	**24.4**	2.0%	27.7	2.4%	(12.1%)
Total sales	**1,200.9**	100.0%	1,142.6	100.0%	5.1%

*Other regional markets: Macedonia, Montenegro, Kosovo

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

Comparative period is adjusted to reporting for 2018

The sales growth of as much as 11.8% in the MARKET OF CROATIA is the result of the increase in sales of: (i) own brands, with growth recorded by Cockta and Cedevita brands in the beverages segment and Argeta in the savoury spreads segment, (ii) external principals, among which the biggest growth was recorded by Ferrero and the new principal Mars, and (iii) the pharmacy chain Farmacia.

The MARKET OF SERBIA recorded a 3.1% sales growth due to the sales results of own brands, arising from the increase in sales of (i) Cedevita and Cockta brands in the beverages segment, (ii) roast and ground coffee under the Grand kafa and Bonito brands, (iii) Argeta in the savoury spreads segment, and (iv) the Dietpharm brand in the pharma and personal care segment. Among principal brands, growth comes from the new principal Red Bull.

The increase in sales of 1.2% in the MARKET OF SLOVENIA was recorded following the increase in sales of: (i) Cedevita and Cockta in the beverages category, (ii) Argeta in the savoury spreads category, and (iii) principal brands Ferrero and Rauch. Despite the growth in these segments, somewhat lower growth was recorded due to the decrease in sales of roast and ground coffee under the Barcaffe brand.

The 4.1% sales growth in the MARKET OF BOSNIA AND HERZEGOVINA was recorded due to the increase in sales of: (i) savoury spreads under the Argeta brand, (ii) chocolate under the Najlepše želje brand and flips under the Smoki brand from the snacks product range, and (iii) the Dietpharm brand in the pharma and personal care segment.

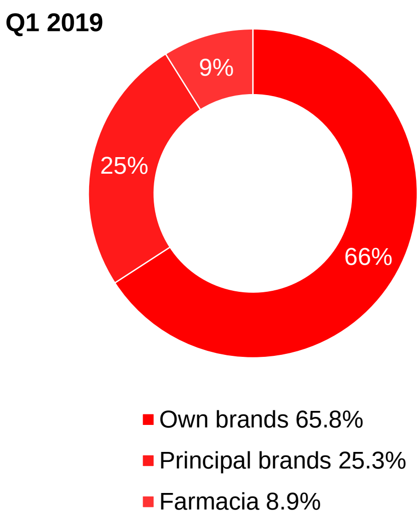
The increase in sales of 5.6% in OTHER REGIONAL MARKETS was recorded due to the increase in sales in the markets of Macedonia and Montenegro, which compensated for the decrease in the market of Kosovo, primarily caused by the customs dispute between Kosovo and Serbia and Bosnia and Herzegovina, following the significant increase in customs duties on the import of goods from Serbia and Bosnia and Herzegovina to Kosovo.

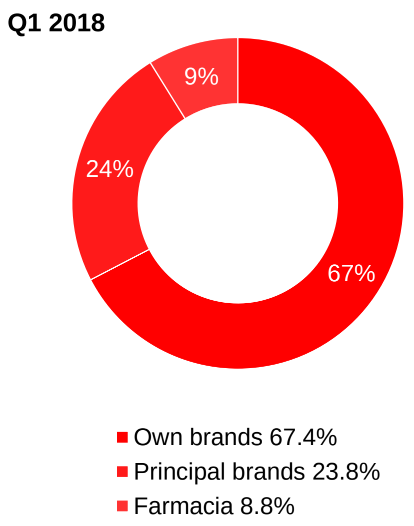
A significant increase in sales of 11.1% in the KEY EUROPEAN MARKETS is a consequence of the increase in sales in the markets of Germany and Switzerland, primarily caused by the increase in sales in the savoury spreads segment under the Argeta brand.

The decrease in sales in the MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES was primarily caused by the decrease in sales of the Multivita brand and baby food under the Bebi brand, which was partly compensated for by the increase in sales of the functional water Donat Mg and savoury spreads under the Argeta brand.

OTHER MARKETS record a decrease in sales due to the drop in sales in the sports and functional food segment. Savoury spreads under the Argeta brand recorded a 20.8% growth.

SALES PROFILE BY PRODUCT CATEGORY





In the first quarter of 2019, OWN BRANDS recorded 2.7% higher sales compared to the same period of the previous year, i.e. sales amounted to HRK 790.6 million. The greatest contribution to the growth was made by: (i) Argeta in the savoury spreads segment, (ii) Cockta and Cedevita in the beverages segment, and (iii) Smoki and Najlepše želje in the snacks segment.

With HRK 303.4 million, PRINCIPAL BRANDS recorded an increase in sales of 11.7%. The growth is mainly based on the increase in sales of principals Ferrero, Hipp and Rauch, and new principals including Mars in Croatia, Red Bull in Serbia and Hipp in Macedonia.

The pharmacy chain FARMACIA recorded sales of HRK 106.9 million, which is a 5.7% growth compared to the first quarter of 2018, due to the increase in sales of the existing Farmacia locations. At the beginning of April 2019, one new location was opened and now Farmacia consists of 86 pharmacies and specialised stores.

PROFITABILITY DYNAMICS

(in HRK millions)	Q1 2019	Q1 2019 w/o IFRS 16	Q1 2018	Q1 2019 w/o IFRS 16/ Q1 2018
Sales	**1,200.9**	1,200.9	1,142.6	5.1%
EBITDA	**161.8**	140.9	121.3	16.2%
EBIT	**105.1**	104.0	84.6	23.0%
Net profit	**80.7**	82.1	61.7	33.2%
Profitability margins				
EBITDA margin	**13.5%**	11.7%	10.6%	+112bb
EBIT margin	**8.8%**	8.7%	7.4%	+126bb
Net profit margin	**6.7%**	6.8%	5.4%	+144bb

In the first quarter of 2019, Atlantic Grupa recorded **EBITDA** in the amount of HRK 161.8 million, or HRK 140.9 million without the effect of the new standard – IFRS 16 Leases, which is a comparable 16.2% increase compared to the same period of the previous year. The increase in EBITDA was mainly impacted by higher sales in the strategic business units Beverages and Savoury Spreads, and the majority of distribution units, despite the increase in cost of goods sold, staff costs and marketing expenses. Atlantic Grupa records an increase in net profit of 33.2% as a result of lower interest expense, following the continuous deleveraging of the company.

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standard IFRS 16 – Leases effective as of 1 January 2019.

The Group applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases are measured on transition as if the new rules had always been applied. All other right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

FINANCIAL INDICATORS

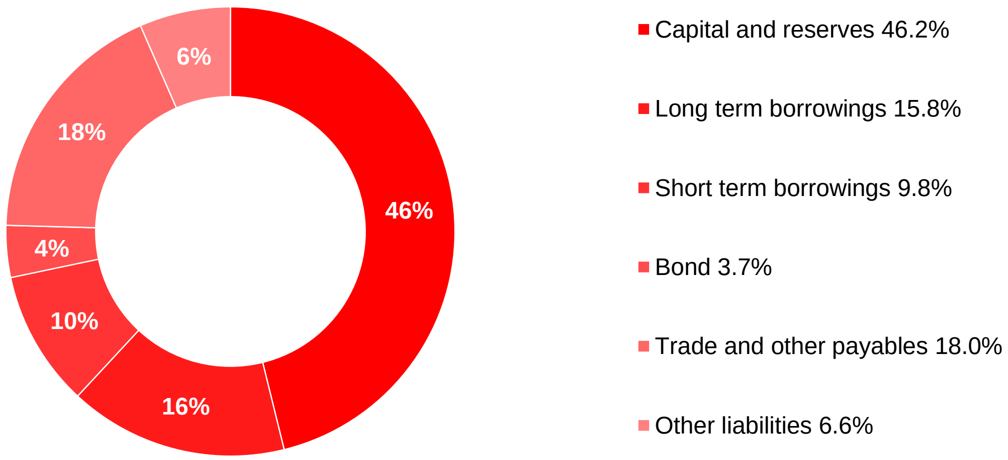
(in HRK millions)	31.3.2019	31.12.2018
Net debt	**798.7**	862.9
Total assets	**4,972.8**	4,935.3
Total Equity	**2,483.4**	2,398.4
Current ratio	**1.44**	1.44
Gearing ratio	**24.3%**	26.5%
Net debt/EBITDA LTM	**1.4**	1.5
(in HRK millions)	**Q1 2019**	**Q1 2018**
Interest coverage ratio	**21.7**	8.4
Capital expenditure	**75.1**	66.7
Cash flow from operating activities	**136.3**	146.9

LTM: Last 12 months
* Balance sheet items and financial indicators were for practicality reasons calculated without the application of IFRS 16 Leases. The impact of IFRS 16 Leases on financial indicators will be presented at the end of 2019.

Among key determinants of the Atlantic Grupa's financial position in the first quarter of 2019, the following should be pointed out:

Due to the decrease in net debt of HRK 64.2 million compared to the end of 2018, the gearing ratio decreased by 212 basis points. The debt measured as the net debt to normalised EBITDA ratio in the last 12 months dropped from 1.5 at the end of 2018 to 1.4 at the end of the first quarter of 2019. The coverage of interest expense by EBITDA in the comparative quarterly period increased from 8.4 to 21.7 times.

THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 31 MARCH 2019 (INCLUDING IFRS 16 LEASES)



OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

In the first quarter, the trend of significantly generating positive cash flow from operating activities was continued, where it is somewhat lower than in the same period of the previous year due to higher inventories prepared for the expected higher sales during the Easter holidays that fell later this year.

Capital expenditure in the first quarter of 2019 primarily relates to investments in the production equipment of business units for the purpose of increasing the efficiency of production processes, in the development of new products and the development of IT infrastructure, business systems and applications.

Among significant investments, we should mention:

- SBU SNACKS: investment in Smoki packaging;
- SBU COFFEE: investment in production equipment for the purpose of improving production efficiency (stone mills, roaster replacements);
- SDU CROATIA: investment in the new logistics and distribution centre;
- IT: investment in infrastructure, digital technologies and implementation of business applications and the replacement of equipment.

ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2019

In 2019, management will focus on (i) strengthening the position of prominent regional brands, (ii) internationalisation of certain brands, (iii) development of distribution operations by strengthening the existing and acquiring new principals, and (iv) further divestment of non-core business operations that do not have a significant growth potential.

In 2019, Atlantic Grupa's management expects lower average prices of raw coffee on global commodity markets, which will be partly negatively affected by the EUR/USD exchange rate, as a consequence of buying mentioned raw material in dollar currency.

In 2019, we expect payments related to capital expenditure in the amount of approximately HRK 230 million.

The effects of divestments of non-core business operations and potential acquisitions are not included in the stated expectations, except for those already realised since the beginning of 2019.

Accordingly, management's expectations for 2019 have been adjusted for the impact of the divested Strategic Business Unit Sports and Functional Food:

(in HRK millions)	2019 Guidance	2018*	2019/2018
Sales	**5,300**	5,256	2.7%
EBITDA	**630**	566	8.7%
EBIT	**445**	386	11.3%
Interest expense	**30**	38	(20.8%)

Normalised in FY 2018.
Plan for 2019 is comparable to data for 2018 and does not include the implementation of new IFRS 16 Leases.

ATLANTIC GRUPA d.d.

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2019 (UNAUDITED)

ATLANTIC GRUPA d.d.

CONSOLIDATED INCOME STATEMENT

in thousands of HRK, unaudited	Jan-Mar 2019	Jan-Mar 2018	Index
Turnover	**1,213,032**	**1,154,106**	**105.1**
Revenues from contracts with customers	1,200,884	1,142,565	105.1
Other revenues	12,148	11,541	105.3
Operating expenses	**(1,051,261)**	**(1,032,835)**	**101.8**
Cost of merchandise sold	(337,808)	(307,720)	109.8
Change in inventories	36,400	3,748	971.2
Production material and energy	(362,695)	(330,102)	109.9
Services	(72,384)	(92,008)	78.7
Staff costs	(208,232)	(198,120)	105.1
Marketing and selling expenses	(73,166)	(60,888)	120.2
Other operating expenses	(38,318)	(46,982)	81.6
Other gains / (losses) - net	4,942	(763)	n/a
EBITDA	**161,771**	**121,271**	**133.4**
Depreciation and impairment	(56,635)	(36,699)	154.3
EBIT	**105,136**	**84,572**	**124.3**
Finance costs - net	(8,951)	(8,173)	109.5
EBT	**96,185**	**76,399**	**125.9**
Income tax	(15,465)	(14,742)	104.9
Profit for the period	**80,720**	**61,657**	**130.9**
Attributable to:			
Non-controlling interest	(143)	100	n/a
Owners of the parent	80,863	61,557	130.9
Earnings per share for profit attributable to the owners of the Company			
- basic	24.25	18.47	
- diluted	24.25	18.47	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

in thousands of HRK, unaudited	Jan – Mar 2019	Jan – Mar 2018	Index
Profit for the period	**80,720**	**61,657**	**130.9**
Cash flow hedge	3,589	288	1,246.3
Currency translation differences	(782)	(23,129)	3.4
Total comprehensive income	**83,527**	**38,816**	**215.2**
Attributable to:			
Non-controlling interest	(144)	59	n/a
Equity holders of the Company	83,671	38,757	215.9
Total comprehensive income	83,527	38,816	215.2

ATLANTIC GRUPA d.d.

CONSOLIDATED BALANCE SHEET

in thousands of HRK, unaudited	**31 March 2019**	**31 December 2018**
ASSETS		
Non-current assets		
Property, plant and equipment	960,913	966,860
Right-of-use assets	383,209	-
Investment property	304	1,152
Intangible assets	1,702,923	1,706,820
Deferred tax assets	36,602	31,943
Financial assets through other comprehensive income	1,029	1,027
Trade and other receivables	52,179	52,168
	3,137,159	2,759,970
Current assets		
Inventories	567,720	493,910
Trade and other receivables	1,249,626	1,247,478
Prepaid income tax	20,728	13,052
Derivative financial instruments	441	1,689
Cash and cash equivalents	374,779	413,663
	2,213,294	2,169,792
Non-current assets held for sale	5,584	5,583
Total current assets	2,218,878	2,175,375
TOTAL ASSETS	**5,356,037**	**4,935,345**
EQUITY AND LIABILITIES		
Capital and reserves attributable to owners of the Company		
Share capital	133,372	133,372
Share premium	881,275	881,275
Treasury shares	(92)	(92)
Reserves	(88,475)	(81,628)
Retained earnings	1,542,239	1,461,644
	2,468,319	2,394,571
Non-controlling interest	3,725	3,869
Total equity	2,472,044	2,398,440
Non-current liabilities		
Borrowings	1,043,867	805,882
Deferred tax liabilities	159,802	160,437
Other non-current liabilities	2,498	2,656
Provisions	59,417	58,761
	1,265,584	1,027,736
Current liabilities		
Trade and other payables	964,043	926,188
Borrowings	524,572	472,386
Current income tax liabilities	20,014	10,174
Provisions	109,780	100,421
	1,618,409	1,509,169
Total liabilities	2,883,993	2,536,905
TOTAL EQUTIY AND LIABILITIES	**5,356,037**	**4,935,345**

ATLANTIC GRUPA d.d.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

in thousands of HRK, unaudited	Attributable to equity holders of Company					
	Share capital	**Reserves**	**Retained earnings**	**Total**	**Non-controlling interest**	**Total**
At 1 January 2018	1,012,947	(52,428)	1,285,668	2,246,187	3,663	2,249,850
Comprehensive income:						
Net profit	-	-	61,557	61,557	100	61,657
Cash flow hedge	-	288	-	288	-	288
Other comprehensive loss	-	(23,088)	-	(23,088)	(41)	(23,129)
Total comprehensive income	-	(22,800)	61,557	38,757	59	38,816
Transactions with owners:						
Purchase of treasury shares	(1,936)	-	-	(1,936)	-	(1,936)
At 31 March 2018	1,011,011	(75,228)	1,347,225	2,283,008	3,722	2,286,730
At 31 December 2018	1,014,555	(81,628)	1,461,644	2,394,571	3,869	2,398,440
Adjustment on initial application of IFRS 16	-	(9,923)	-	(9,923)	-	(9,923)
At 1 January 2019	1,014,555	(91,551)	1,461,644	2,384,648	3,869	2,388,517
Comprehensive income:						
Net profit	-	-	80,863	80,863	(143)	80,720
Cash flow hedge	-	3,589	-	3,589	-	3,589
Other comprehensive loss	-	(781)	-	(781)	(1)	(782)
Total comprehensive income	-	2,808	80,863	83,671	(144)	83,527
Transactions with owners:						
Transfer	-	268	(268)	-	-	-
At 31 March 2019	1,014,555	(88,475)	1,542,239	2,468,319	3,725	2,472,044

ATLANTIC GRUPA d.d.

CONSOLIDATED CASH FLOW STATEMENT

in thousands of HRK, unaudited	January - March 2019	January - March 2018
Cash flows from operating activities		
Net profit	**80,720**	**61,657**
Income tax	15,465	14,742
Depreciation, amortization and impairment	56,635	36,699
Gain on sale of property, plant and equipment	(437)	(172)
Loss / (Gain) from sale of subsidiaries	-	(1,647)
Provision for current assets	3,841	11,453
Foreign exchange differences - net	3,006	(18,689)
Increase in provisions for risks and charges	10,023	3,867
Fair value (gains) / losses on financial assets	(2,228)	2,471
Interest income	(272)	(545)
Interest expense	9,013	14,503
Other non-cash items, net	167	-
Changes in working capital:		
Increase in inventories	(76,262)	(36,914)
(Increase) / Decrease in current receivables	(8,058)	102,243
Increase / (Decrease) in current payables	90,006	(17,307)
Cash generated from operations	**181,619**	**172,361**
Interest paid	(8,577)	(10,162)
Income tax paid	(18,201)	(15,266)
	154,841	**146,933**
Cash flow used in investing activities		
Purchase of property, plant and equipment and intangible assets	(75,138)	(66,667)
Proceeds from sale of property, plant and equipment and non-current assets held for sale	955	507
Proceeds from subsidiary sale	-	1,647
Loans granted and deposits placed	-	(11)
Repayments of loan and deposits granted	4,547	1,899
Interest received	272	545
	(69,364)	**(62,080)**
Cash flow used in financing activities		
Purchase of treasury shares	-	(1,936)
Repayment of borrowings	(105,845)	(80,550)
Lease payments	(18,516)	-
	(124,361)	**(82,486)**
Net (decrease) / increase in cash and cash equivalents	**(38,884)**	**2,367**
Cash and cash equivalents at beginning of period	413,663	497,079
Cash and cash equivalents at end of period	374,779	499,446

NOTE 1 – GENERAL INFORMATION

Atlantic Grupa d.d. (the Company) is incorporated in the Republic of Croatia. The principal activities of the Company and its subsidiaries (the Group) are described in Note 3.

The condensed consolidated financial statements of the Group for the three-month period ended 31 March 2019 were approved by the Management Board of the Company in Zagreb on 29 April 2019.

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 of the Group for the three-month period ended 31 March 2019 have been prepared in accordance with IAS 34 – Interim Financial Reporting.

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 financial statements as of 31 December 2018.

2.2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the condensed consolidated financial statements are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2018, except for the adoption of new standard IFRS 16 – *Leases* effective as of 1 January 2019.

The Group applied the simplified transition approach and did not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases are measured on transition as if the new rules had always been applied. All other right-of-use assets are measured at the amount of the lease liability on adoption (adjusted for any prepaid or accrued lease expenses).

The Group uses the exemption proposed by the standard on lease contracts for which the lease terms ends within 12 months as of the date of initial application, and lease contracts for which the underlying asset is of low value. The Group has leases of certain office equipment (i.e., printing and photocopying machines) that are considered of low value.

2.2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Effects of adoption IFRS 16 for the three-month period ended 31 March 2019 are as follows:

(in thousands of HRK)	**Jan-Mar 2019**
Increase of depreciation	(19,726)
Decrease of rental costs	20,829
Operating profit	1,103
Increase in finance cost	(2,516)
Profit for the period	(1,413)
Right-of-use assets	383,209
Equity and reserves	11,336
Lease liabilities	(394,545)

NOTE 3 – SEGMENT INFORMATION

The business model of the Group is organized through six strategic business units. Since 1st January 2019 business unit Gourmet is merged with strategic business unit Savoury spreads. The distribution business is organized to cover five largest markets – Croatia, Serbia, Slovenia, Macedonia and Austria and additionally, the Department of Global Distribution Account Management was established, covering the markets dominantly managed by distribution partners.

SBU – Strategic distribution unit
SDU – Strategic distribution unit
DU – Distribution unit

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

NOTE 3 – SEGMENT INFORMATION (continued)

Since DU Macedonia and DU Austria do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within Other segments. The Other segments category comprises also of non-allocable business activities (headquarters and support functions in Serbia, Slovenia, Bosnia and Herzegovina and Macedonia) which are excluded from the reportable operating segments.

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

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

Revenues from contracts with customers[1] *(in thousands of HRK)*	**Jan-Mar 2019**	**Jan-Mar 2018**
SBU Coffee	239,140	243,181
SBU Savoury Spreads	160,862	140,269
SBU Beverages	157,553	143,797
SBU (Sweet and Salted) Snacks	157,419	162,766
SBU Pharma and Personal Care	157,325	158,272
SBU Sports and Functional Food	33,246	35,806
SDU Croatia	276,498	243,136
SDU Serbia	275,395	267,387
SDU Slovenia	210,888	208,727
Global distribution network management	87,746	85,435
Other segments	72,593	66,799
Reconciliation	(627,781)	(613,010)
Total	**1,200,884**	**1,142,565**

[1] Comparative period has been adjusted to reflect current period reporting

NOTE 4 – 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.

	2019	2018
Net profit attributable to equity holders *(in thousands of HRK)*	80,863	61,557
Weighted average number of shares	3,334,206	3,334,462
Basic earnings per share *(in HRK)*	24.25	18.47

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 5 – PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

During the three-month period ended 31 March 2019, Group invested HRK 22,829 thousand in purchase of property, plant and equipment and intangible assets (2018: HRK 21,711 thousand).

NOTE 6 - INVENTORIES

During the three-month period ended 31 March 2019, the Group wrote down inventories in the amount of HRK 2,453 thousand due to damage and short expiry dates (2018: HRK 3,799 thousand). The amount is recognized in the income statement within “Other operating expenses”.

NOTE 7 – RELATED PARTY TRANSACTIONS

Related party transactions that relate to balance sheet as at 31 March 2018 and 31 December 2017 and transactions recognized in the Income statement for the year ended 31 March are as follows:

(all amounts expressed in thousands of HRK)	**31 March 2019**	**31 December 2018**
RECEIVABLES		
Current receivables		
Other entities	100,232	83,033
LIABILITIES		
Trade and other payables		
Other entities	457	1,833

	Jan – Mar 2019	**Jan – Mar 2018**
REVENUES		
Sales revenues		
Other entities	116,695	114,645
Other revenues		
Other entities	234	252
EXPENSES		
Marketing and promotion expenses		
Other entities	572	3,579
Other expenses		
Other entities	679	641
Finance cost - net		
Shareholders	-	3,618

NOTE 8 – EVENTS AFTER BALANCE SHEET DATE

At the beginning of April 2019, Atlantic Grupa and the German Genuport, a long-time partner in the distribution of sports and functional food, company Genuport Trade GmbH, Hamburg, Germany, concluded an agreement on sale of the company Tripoint, which includes brands such as Multipower, Champ and Multaben. This represents the continuation of the corporate strategy of divesting the non-core business operations, within which the sports and functional food's production plants had already been previously divested to the Belgian Aminolabs. The completion of the transaction is expected in the next quarter.

ATLANTIC GRUPA

Atlantic Grupa d.d.
Miramarska 23
Zagreb

Register number: 1671910

Zagreb, April 30th 2019

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management board of Atlantic Grupa d.d., Miramarska 23, Zagreb provide

MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The consolidated and separate financial statements of Atlantic Grupa d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The consolidated financial statements for the period from 1 January 2019 to 31 March 2019 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Group.
The management report for the period ended 31 March 2019 presents true and fair presentation of development and results of the Group's operations with description of significant risks and uncertainties for the Group.

President of the Management Board:

Emil Tedeschi

Contact:

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ATLANTIC GRUPA
Joint Stock Company for Domestic and Foreign Trade
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fax: +385 (1) 24 13 901

The Company is registered with the Commercial Court of Zagreb
MBS: 080245039
MB: 1671910
PIN: 71149912416
Broj računa: HR4624020061100280870 Raiffeisenbank Austria d.d., Zagreb, Petrinjska 59
The number of shares and their nominal value: 3,334,300 shares, each in the nominal amount of HRK 40.00
Share capital: HRK 133,372,000.00, paid in full.

Management Board: Emil Tedeschi, Neven Vranković, Zoran Stanković
President of the Supervisory Board: Zdenko Adrović