

ATLANTIC GRUPA d.d. Miramarska 23 10 000 Zagreb

SECURITY: ATGR / ISIN:HRATGRRA0003 3ATG / ISIN: HRATGRO216A9 LEI: 3157002G3ENYCZEB1A25 HOME MEMBER STATE: Croatia REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, April 30 2019

Remarkable Revenue Growth in Q1

Investing in long-term distribution development and continued growth on all markets have marked the quarter

In the first quarter of 2019, Atlantic Grupa recorded sales in the amount of HRK 1.2 billion, which, compared to the same period of 2018, represents a 5.1 percent growth. Operating income (EBIT) amounts to HRK 105.1 million and it is 24.3 percent higher, while the net profit, after minorities, amounts to HRK 80.9 million and is 31.4 percent higher compared to the first quarter of last year.

"The Q1 reports confirm that Atlantic Grupa has commenced yet another business year on an excellent note. We have recorded a remarkable sales growth on all major markets, along with continued investing in own brands, logistics and distribution operations and innovative business processes. We have continued selling non-core business operations and investing in development of distribution operations, equally through developing our own capacities, as well as by expanding the portfolio. Further reduction of debt and significantly lower financial costs have allowed us to focus on even more ambitious future growth planning", emphasized Mr. Emil Tedeschi, the President of the Management Board.

Argeta, Beverages and the Croatian Market Recorded the Greatest Growth

The overall increase in sales was mainly impacted by the Strategic Business Units: Savoury Spreads with the 14.7 percent growth, and Beverages with the 9.6 percent growth. With HRK 239.1 million in sales and 19.9 percent share in total revenues, Coffee stands out as the largest individual category. All markets recorded growth in distribution operations, and the most significant one was recorded by the Croatian market with the growth as high as 13.7 percent. Own brands account for 65.8 percent of the total sales, the brands of the principals in distribution account for 25.3 percent, and the pharmacy chain Farmacia participates with 8.9 percent.

ATLANTIC GRUPA d.d., 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, www.atlanticgrupa.com. The Company is registered with the Commercial Court of Zagreb, Company Registration Number (MBS): 080245039; Company Identification Number (MB): 1671910; Personal Identification Number (PIN): 71149912416, IBAN: HR2624840081101427897, Raiffeisenbank Austria d.d., Petrinjska 59, 10000 Zagreb; IBAN: HR22300001101842569,Zagrebačka banka d.d., Tg bana Josipa Jelačića 10, 10000 Zagreb; IBAN: HR2620061100280870, Erste&Steiermarkische Bank d.d., Jadranski trg 3a, 51000 Rijeka; IBAN: HR7423400091110356539, Privredna banka Zagreb d.d., Radnička cesta 50, 10000 Zagreb; IBAN: HR7625030071100076424, Sberbank d.d., Varšavska 9, 10000 Zagreb. The number of shares and their nominal value: 3.334.300 shares, each in the nominal amount of HRK 40.00. Share capital: 133,372,000.00 HRK, paid in full. Management Board: Emil Tedeschi, Neven Vranković, Zoran Stanković; President of the Supervisory Board: Zdenko Adrović.



Continual Sale of Non-Core Business Operations and Investing in Distribution

The first quarter was marked by the sale of the remaining segment of the Sports and Functional Food, i.e. the brands Multipower, Champ and Multaben, assembled under the Tripoint company, the long-time distribution partner in this segment, to the German company Genuport.

It represents continuation of the corporate strategy of disinvesting non-core business operations. Atlantic continues with distribution of the Sports and Functional Food brands in Croatia, Austria, Italy and Serbia.

At the end of March, Atlantic Grupa opened a new logistics and distribution centre near Velika Gorica featuring modern equipment that secures adequate logistics support for long-term development of distribution operations. The investment into the construction and equipment worth approximately EUR 20 million was realised in cooperation with the Kamgrad company, and in the first phase, a warehousing capacity of 30,000 pallet spots was secured, with the option to expand modularly in accordance with the business needs. Proof of strategic importance of distribution is also the additional expansion of the distribution operations through cooperation with new principals. Following the agreement signing with German Hipp in Macedonia at the beginning of the quarter, cooperation with the Beiersdorf company on the same market was also agreed at the end of the quarter.

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