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A Year of Record Revenues, Profit and Recognition for Atlantic

In 2019, Atlantic Grupa recorded sales in the amount of HRK 5.43 billion, which compared to the previous year represents growth of 3.4 percent. Earnings before interest and taxes (EBIT) in the previous year amount to HRK 500.4 million and are higher by 36.4 percent compared to 2018, while the net profit increased by 59.8 percent to HRK 390.4 million. Without one-off items and changes in the accounting standards, therefore on a comparable basis, earnings increased by 13.1 percent and the net profit by 28.9 percent.

"Atlantic Grupa ended the year 2019 with historically highest revenues and profitability. The year was exceptionally successful for us and we saw it off as a stable, financially prosperous, and as a company with low indebtedness, with strengthened management and a clear vision of the future. We have continued with a strategy of disinvesting the *non-core* operations, while simultaneously increasing focus on the areas that represent key generators of growth and a foundation for our transformation for the future. We are especially pleased with the fact that the capital market recognizes our overall result, so we have also had historically highest share values, but also the record amount of dividend per share, which was further crowned with the Zagreb Stock Exchange Award for Extraordinary Contribution to the Capital Market Development", Emil Tedeschi, President of the Management Board, commented.

Argeta, Beverages and the Croatian Market Recorded the Biggest Growth

The overall increase in sales was mostly impacted by the Strategic Business Units: Savoury Spreads, with 7.7 percent growth and Beverages with 5.2 percent growth. With HRK 1.13 billion in sales, which is 20.9 percent share in total revenues, Coffee stands out as the largest individual category. The most significant growth in distribution operations was recorded by the Croatian market with 8.2 percent growth, followed by Slovenia, which recorded growth of 3.7 percent. Own brands make 64.1 percent of the total sales, the brands of the principals in distribution 27.5 percent and the pharmacy chain Farmacia participates in total revenues with 8.3 percent.

Development of Distribution, but Also of Human Resources

After a successful expansion of the distribution portfolio in the region in 2018, the new distribution agreements signed at the beginning of 2019 in Macedonia (Ficosota and Belersdorf), and at the end of the year in Serbia and Slovenia (Saponia and Kandit), confirm a continuous focus on the distribution operations development. At the end of March, Atlantic has also opened a new logistics-distribution centre near Velika Gorica, thereby ensuring logistics support for the long-term development of distribution. During 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. Highly sophisticated logistics robots by the company Gideon were implemented and put into operation in the same warehouse.



Although always near the top when it comes to choosing the TOP employers by the Selectio company, Atlantic Grupa reached the No.1 spot for the first time last year in five human resources management areas: Strategy, Recruiting and Selection, Performance Management, Training and Development, and Employee Relations.

Disinvesting the Non-Core Segments and Focusing on Generators of Growth

Continuing with the corporate strategy of disinvesting the *non-core* business operations, Atlantic Grupa has completely abandoned the Sports and Functional Food segment in April (the company Tripoint with the brands Multipower, Multaben and Champ was sold to the distributor to-date, the company Genuport), and in October by selling Fidifarm and Multivita to PharmaS, also the Food Supplements segment. The Company puts focus on the main FMCG categories that comprise Coffee, Beverages, Savoury Spreads and Snacks, as well as on the further growth and development of distribution as the important business leverage, and of the pharmacy chain Farmacia. That also includes the targeted internationalization with the brands that have proved international potential, primarily Argeta and Donat Mg, as well as mergers and takeovers. In that sense, the Company's Management Board has been strengthened and it now counts six members.

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