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HOME MEMBER STATE: Croatia

REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, 1 September 2020

- Regulated information

Atlantic Grupa and Nelt Grupa have signed an agreement for the sale of the Bebi brand

Atlantic Grupa and Nelt Grupa, with headquarters in Belgrade, have signed an agreement for the sale of the baby food brand Bebi. The brand's wide portfolio of products for infants and children is placed primarily on the markets of Russia and other CIS countries, where it has been present for more than 35 years. When it comes to children's cereal, Bebi is a symbol of European quality and origin in Russia. In 2019, it generated EUR 11 million in sales revenue.

Due to Nelt's own know how and production capacities, the existing production site of the Bebi brand in Mirna, Slovenia, is not a part of the agreement. The factory and its employees in Mirna will remain within Atlantic Grupa. The Bebi range will still be produced in this factory during the disinvesting of the basic brand and the transition period, after which Atlantic Grupa will find an alternative range of products to engage its production capacities and employ its skilled workers.

Selling the Bebi brand is a part of the process of disinvestment of smaller and non-core operations in accordance with the corporate strategy of Atlantic Grupa. The process began two and a half years ago with the company's exit from the sports and functional food segments, and continued after the company sold its cosmetics and food supplements businesses as well as its segment of distribution of water in water dispenser bottles. At the same time, the company is placing a strong focus on the key areas which are major generators of growth (food and drinks as well as pharmacy business) and the basis for future transformation. This process includes targeted internationalization of brands with international potential (Argeta, Donat Mg) as well as the development of distribution as an important catalyst for growth of business, and mergers and acquisitions.

The Nelt Grupa, with its 4,000 employees in 11 markets in Europe and Africa, is primarily active in distribution operations and logistics services, food production and other production and service activities. By acquiring the Bebi brand, which has a long tradition and an established position in the Russian market, the company confirms its strategic commitment to further development and international expansion.

Atlantic Grupa d.d.