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HOME MEMBER STATE: Croatia
REGULATED MARKET SEGMENT: Prime Market of the Zagreb Stock Exchange

Zagreb, 07 April 2020

- **Regulated information**

Impact of COVID-19 on business performance in 2020

Since our initial outlook for 2020, published on February 27 within Unaudited consolidated financial results for 2019, and further commented on March 25 within Annual report for 2019, market policies and initiatives to reduce the spread of COVID-19 have significantly increased across all Atlantic Grupa's key markets. These initiatives, among others, have a significantly negative impact on tourism and hospitality industry, as well as on many other sectors, considering that they include closure of hotels, restaurants and cafes, the cancellation of all sporting and entertainment events, significant limitations in travel, insisting on social distancing, shorter working hours of grocery stores with full closure of almost all other stores, and the adoption of work from home policies wherever possible.

Atlantic Grupa is well aware of the danger this pandemic poses to lives and health of people, and we fully support institutional measures aimed to prevent its further spreading and to protect citizens. We actively monitor developments and carry out extensive protective measures, bearing in mind primarily the health of all of our employees and partners. Having said this, it also needs to be stated that we believe that it is very likely that all previously stated initiatives, in combination with an almost certain global recession, will have a negative impact on our full year business performance. In addition to this, Atlantic Grupa has decided to donate 28 million kuna to help local crisis headquarters and health institutions in all of the countries in our region in limiting the spread of the disease, protecting the health and treating people that are infected.

Taking this into account, we do not expect that targets given earlier in our outlook for 2020 will be achieved. Having said that, it is important to state that until now, with the exception of the discontinuation of the HoReCa sales and drop in the consumption of our products in the on-the-go and impulse segment, we did not have other significant negative effects on our operations, and in the part where they do exist, they were entirely compensated by the improved performance of Farmacia, Savoury Spreads, Coffee and the portfolio of baby food, personal care and food overall, be it from our own production portfolio or from the portfolios of our principals.

Additionally, we have entered into this situation from a very strong financial position and record-high results in 2019, which enables our business continuity even in these difficult market circumstances.

Due to the uncertainty related to COVID-19 pandemic, both from the perspective of its impact on the economy and consumption and from the perspective of its uncertain duration, the impact on our financial and operating results cannot be estimated in more detail at this time. We expect to be able to provide more substantial information by the time we publish our first quarter financial results, on 28 April 2020.

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