

Annual Report of Atlantic Grupa

FOR 2025



ATLANTIC
GRUPA

Creating flavours
you love

01

INTRODUCTION

ATLANTIC GRUPA IN 2025	06
LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD TO SHAREHOLDERS	10
CORPORATE PROFILE OF ATLANTIC GRUPA	14
ABOUT THE COMPANY	14
COMPANY HISTORY	14
CORPORATE STRATEGY OF ATLANTIC GRUPA	20
PEOPLE AND CULTURE	24



02

OUR BUSINESS

ORGANISATIONAL STRUCTURE	30
BUSINESS OPERATIONS	32
(STRATEGIC) BUSINESS UNITS	34
(STRATEGIC) DISTRIBUTION UNITS	76



03

FINANCIAL OPERATIONS

STATEMENT OF THE GROUP VICE PRESIDENT FOR FINANCE, PROCUREMENT AND IT	86
SALES DYNAMICS IN 2025	89
PROFITABILITY DYNAMICS IN 2025	94
FINANCIAL INDICATORS	97
OUTLOOK FOR 2026	102
DEFINITION AND RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES (APM)	104



04

CORPORATE GOVERNANCE

STATEMENT OF THE GROUP VICE PRESIDENT FOR CORPORATE ACTIVITIES	110
CORPORATE GOVERNANCE STRUCTURE	112
PERFORMANCE ON THE CAPITAL MARKET AND OWNERSHIP STRUCTURE	126
INTEGRATED QUALITY MANAGEMENT SYSTEM	132
RISKS OF ATLANTIC GRUPA	136
INTERNAL AUDIT	146
AWARDS	150
SPONSORSHIPS AND DONATIONS	154



05

SUSTAINABILITY STATEMENT

GENERAL DISCLOSURES	164
ENVIRONMENT	192
SOCIAL	250
GOVERNANCE	294
AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT	310



06

FINANCIAL STATEMENTS

AUDITOR'S REPORT	324
CONSOLIDATED FINANCIAL STATEMENTS	330



THIS PDF DOCUMENT IS NOT THE OFFICIAL FORMAT FOR PUBLISHING THE ANNUAL REPORT

INTRODUCTION

INTRODUCTION

ATLANTIC GRUPA IN 2025	06
LETTER OF THE PRESIDENT OF THE MANAGEMENT BOARD TO SHAREHOLDERS	10
CORPORATE PROFILE OF ATLANTIC GRUPA	14
ABOUT THE COMPANY	14
COMPANY HISTORY	14
CORPORATE STRATEGY OF ATLANTIC GRUPA	20
PEOPLE AND CULTURE	24



One of the leading **food and beverage manufacturers** in South-East Europe

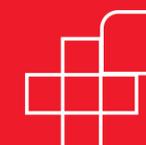
NO.1

OWNER OF THE NO1 FISH&MEAT PATE IN EUROPE

A leading regional **Distributor**



OWNER OF THE LEADING PHARMACY CHAIN IN CROATIA



1,190.0

SALES REVENUE (IN MILLION EUR)

Listed on the **Prime Market of the Zagreb Stock Exchange**

13

MODERN PRODUCTION PLANTS

5,807

EMPLOYEES

25 M

11 BRANDS WITH SALES ABOVE EUR 25 MILLION

Atlantic Grupa in 2025



Financial indicators

Sales (in mEUR)

↑ +10.2% **1,190.0**

EBITDA (in mEUR)

↑ +9.3% **106.0**

Normalized EBITDA (in mEUR)

↑ +13.8% **103.4**

Normalized EBITDA margin

↑ +27 bp **8.7%**

Free cash flow (in mEUR)

↓ -93.1% **1.3**

Cash flow from operating activities
(in mEUR)

↓ -21.5% **53.3**

Dividend per share (in EUR)

↑ +25.0% **1.5**

ESG indicators

Absolute Scope 1 and 2 (tCO₂e)

↓ -47.0%¹ **27,982**

Share of energy from renewable sources

↑ +2,910 bp¹ **29.7%**

Recycled plastic use ratio

↑ +2,100 bp¹ **21.1%**

Water withdrawal for operations
(m³/t products)

↓ -14.3%¹ **1.8**

Share of women in managerial positions

51.8%

¹ vs 2020



In a still unstable and challenging environment, Atlantic Grupa continued to achieve strong revenue growth in almost all business and distribution units and in all key markets in 2025. Despite record high raw coffee prices and rising cocoa prices, as well as continued investments in our employees, we achieved higher profitability driven by excellent sales results. With a strong portfolio, new products and strengthened leadership, we continue to build further growth in a stable and responsible manner.

Our business calendar was marked by several events aligned with the company's core strategic direction, which emphasises a focus on key business categories. Firstly, Atlantic Droga Kolinska submitted a binding offer to acquire Slovenian company Osem d.o.o. (active in production and sales of meat spread and processed meat, best known for its brand Kekec), which was accepted by the seller (Mr. Miroslav Flisar), and the completion of the transaction is subject to a pending approval by the Slovenian Agency for the Protection of Market Competition (AVK). In addition, and as the latest effort to divest smaller and non-core business activities, Atlantic Grupa signed a sale and purchase agreement under which Mr. Marko Gross, as the buyer, took over the company Montana Plus d.o.o.. Finally, the year concluded with a further milestone that strengthened Farmacia's market presence and reinforced its position as the leading pharmacy chain in Croatia, through the acquisition of Belupo's pharmacy chain Deltis Pharm. The transaction closed in mid-January 2026.

In the second half of the year, we introduced a strengthened organisational structure designed to support the delivery of our strategic objectives and profitable growth through an empowered organisation. The new structure reflects both our commitment to executing this strategy and our confidence in internal talent as it is built on the promotion of colleagues who consistently demonstrate strong leadership and performance. As a part of this change, effective September 2025, Mojca Domiter, previously Senior Executive Director, was appointed as a member of the Management Board of Atlantic Grupa in charge of People and Culture. This appointment established People and Culture as an



Emil Tedeschi – President and CEO of Atlantic Grupa

autonomous strategic corporate function further reinforcing our focus on people and culture as the foundation of the long-term sustainability of our company.

Setting a tone for the promotion of the People and Culture function were also a number of accomplishments in the area of human resources management, ranging from Atlantic Grupa receiving the Above and Beyond certificate, awarded to companies that continuously set the highest standards in this field, over Atlantic receiving the Equal Pay Champion certificate, confirming its commitment to ensuring equal pay for equal work and to promoting the representation of women in management positions, to the recognition of Atlantic as one of the top three employers in Bosnia and Herzegovina. Finally, Atlantic's own Trade Academy received the Gold Award at the HR Days conference for outstanding achievements in its training programme, which includes more than 60 internal instructors and over 1,400 participants from the company's sales force.

Sustainable growth, particularly in reducing negative environmental impacts and advancing decarbonisation, remains one of the key strategic pillars of Atlantic Grupa's operations. We are therefore pleased that relevant professional institutions and organisations recognised the company as an ESG leader in the region. Our stable financial position, the strength of our brands, optimisation of business processes, and quality strategic management enabled us to keep jobs safe and provide better conditions for our employees, thus enhancing not only our results but also practices that are part of good corporate governance traditions. In further business development, alongside all the above, we focus on strengthening competitiveness, innovation, profitable growth and sustainable development.

Emil Tedeschi

President and the Management Board of Atlantic Grupa

Sustainable growth, particularly in reducing negative environmental impacts and advancing decarbonization, remains one of the key strategic pillars of Atlantic Grupa's operations.

About the company

Atlantic Grupa is a vertically integrated multinational company whose business activities incorporate R&D, production and distribution of fast moving consumer goods predominantly in South-East Europe, as well as in the West European markets. Since the company's inception in early 1990's, Atlantic pursued a growth strategy based on the combination of organic growth and more than 50 acquisitions of different sizes, of which most prominent ones, or those with a transformative character, were the acquisitions of companies Cedevida (in 2001) and Droga Kolinska (in 2010).

Today, Atlantic Grupa is a company with: (i) EUR 1,190.0 million in sales revenues, (ii) 13 modern production plants (in Croatia, Slovenia, Serbia, Bosnia & Herzegovina, and North Macedonia), (iii) developed regional distribution infrastructure, and (iv) 11 brands with sales above EUR 25 million, as well as high market shares and consumer recognisability. Atlantic Grupa has a well-balanced presence in South-East Europe accounting for 91.7% of total sales, while 8.3% refers to the company's presence in West Europe and other markets.

We are one of the leading food and beverage manufacturers in South-East Europe with prominent coffee brands - Grand Kafa, Doncafe, C Kafa, Barcaffè and Bonito; range of beverage brands - Cedevida and Cockta as the most prominent, the brand Donat in the segment of functional waters, a portfolio of sweet and salted snacks brands - Smoki, Najlepše Želje, Bananica, Štark and Prima, the brand Argeta in the segment of savoury spreads, and the brand Boom Box in the segment of oat-based products. Additionally, Atlantic Grupa owns the leading pharmacy chain in Croatia under the Farmacia brand, with a total of 110 pharmacies and specialised stores (119 from the beginning of 2026, due to the latest acquisition of Deltis Pharm).

Company history

The beginning of Atlantic Grupa goes back to 1991 and the incorporation of the company Atlantic Trade d.o.o. for distribution of consumer goods. In the following years, the company grew into a strong national distributor with distribution centres in Zagreb, Split, Rijeka and Osijek and a respectable distribution portfolio from principals such as Wrigley, Mars, Ferrero, Gillette, Duracell, Johnson & Johnson, etc.

With the opening of the representative office in Bosnia & Herzegovina in 2001, followed by own distribution companies in Serbia, North Macedonia and Slovenia, the company became regional. In addition to being a distribution company, with the acquisition of Cedevida d.o.o. in 2001, Atlantic Grupa also became a production company.

Breaking out of the region followed in 2005 with the acquisition of a German producer of sports food with the well-known Multipower brand, with which Atlantic Grupa entered the Western European market. In 2006, the parent company was transformed into a joint stock company and the following year, after successful implementation of the initial public offering, Atlantic Grupa listed its shares on the Official Market of the Zagreb Stock Exchange. In 2008, the company started to acquire pharmacy institutions and form its own pharmacy chain. By mid-2010, Atlantic Grupa grew into one of the leading European producers of sports food, the regional leader in the production of vitamin drinks and food supplements, the leading consumer goods distributor in South-East Europe as well as the owner of one of the leading pharmacy chains in Croatia joined under the name Farmacia.

A turning point in the company's operations was the largest acquisition in the Group's history - the takeover of the company Droga Kolinska with a developed brand portfolio from its own production programme and leading positions in regional markets. By finalising the acquisition in 2010, Atlantic Grupa

became one of the leading regional food companies. The company's operations in the post-acquisition period were marked by the processes of comprehensive integration, where the most noticeable was the process related to distribution and logistics. The process of merging the distribution operations in each regional market resulted in the creation of a strong regional distribution network. In the production segment, focus was placed on integrating individual production activities and transferring outsourced production activities into own activities for the purpose of a more cost-efficient use of the existing production capacities. Centralising procurement and introducing a key supplier approach for core raw materials enhanced operational efficiency and alignment across the Company. The integration processes transformed Atlantic Grupa into a strong producer and distributor in South-East Europe, thus creating an excellent foundation for further business development and expansion.

In the years of consolidation that followed, there was a need to optimise the portfolio and simplify the management model to increase efficiency. As a result, with the 2017 sale of the production segment of sports and functional food in Germany and Croatia, Atlantic Grupa started a strategic process of divesting smaller and non-core businesses. Over the next few years, this was followed by further divestments of the entire business operations of sports and functional food (Multipower), cosmetics (Neva), dietary supplements (Dietpharm) and baby food (Bebi). The final divestment came with the sale of Montana sandwiches brand and production in 2025. In terms of development, the company directed its strategic focus on strengthening the main categories of consumer goods, namely coffee, savoury spreads, salty snacks, chocolate and beverages, and focused its efforts to a profitable growth in the future. In line with the core strate-

gic determinant defined in this way, an extensive investment cycle was carried out, including almost EUR 240 million of capital investments in the period from 2020 to end 2025. The beginning of the investment cycle coincided with the global coronavirus pandemic, but the stable financial position, optimisation of business processes and good strategic management have enabled Atlantic Grupa to maintain business continuity and job security, while actively helping the community in the fight against the coronavirus, primarily through efforts to protect the health of our employees and keep jobs safe, as well as being one of the largest donors to health institutions in the region. On top of investing in the growth and development of the main categories, investments are also made in the development of distribution operations as a strategic area of operations. Beyond strengthening the regional distribution function, expanding the principals' network and enhancing IT and logistics infrastructures, significant investments are dedicated to the growth of distribution operations in Austria, where, since 2023, Atlantic has been, alongside its own product range, distributing the portfolio of Podravka, another strong regional food company. In 2024 Atlantic Grupa acquired the company Strauss Adriatic in Serbia, strengthening the core coffee portfolio with brands Doncafe and C Kafa, moving its coffee production and development centre to the modern production facility in Šimanovci near Belgrade, and contributing significantly to the development of the coffee category in Serbia as well as enhancing the competitiveness of both the regional coffee industry and local brands. At the very end of 2025 a sale and purchase agreement was signed with Podravka's pharmaceutical company Belupo, for Farmacia to take over their pharmacy chain Deltis Pharm by the mid of January 2026, strengthening Farmacia's leading position in the Croatian market.

NATIONAL COMPANY

1991

Incorporation of Atlantic Trade and the development of consumer goods distribution

Establishing cooperation with Wrigley and Mars

1992

Opening of the distribution centre Split

1994

Opening of distribution centres Osijek and Rijeka

1996

Cooperation with Gillette/Duracell

1997

Investment in the Ataco distribution system in BiH

1998

Launch of Montana, the first Croatian ready-made sandwich with prolonged freshness

1999

Establishing cooperation with Johnson & Johnson

REGIONAL COMPANY

2001

Start up of a distribution company Atlantic Trade d.o.o. Serbia

Acquisition of Cedevita d.o.o.

Establishing cooperation with Ferrero

2002

Incorporation of Atlantic Grupa d.o.o.

2003

Acquisition of Neva d.o.o.

Start up of a distribution company Atlantic Trade Skopje d.o.o.

2004

Start up of a distribution company Atlantic Trade d.o.o. Ljubljana

Acquisition of the brand Melem

ATLANTIC

2005

Acquisition of a German sports food producer Haleko/Multipower

2006

Establishing a representative office in Moscow

Transformation of Atlantic Grupa into a joint-stock company

2007

Acquisition of Fidifarm d.o.o.
Acquisition of Multivita d.o.o.

Listing of Atlantic Grupa d.d. shares on the Official Market of the Zagreb Stock Exchange

2008

Acquisition of pharmacies and forming of the pharmacy chain Farmacia

2010

Acquisition of Droga Kolinska d.d.

Acquisition of Kalničke Vode Bio Natura d.d.

2013

Establishing cooperation with Unilever

2015

Acquisition of Foodland d.o.o. and construction of the factory of Atlantic Multipower Croatia

2016

Establishing distribution companies in Austria and Germany

2017

Strategic partnership with Aminolabs

2018

Savoury spread Argeta No 1 in Europe

Atlantic Grupa d.d. the first company listed on the Prime Market of the Zagreb Stock Exchange

Sale of Neva d.o.o.

2019

Sale of the brands Multipower, Champ and Multablen

Sale of the brands Dietpharm and Multivita
Divestment of Bionatura Bidon Vode d.o.o.

Strategic partnership with the network of Vivas cafes

2020

Sale of the brand Bebi

Strategic partnership with Procaffe

2021

Sale of the production plant Mirna

Launch of two completely new brands - Jimmy Fantastic and Boom Box

2022

Sale of the production plant Palanački Kiseljak

2024

Acquisition of Strauss Adriatic d.o.o. (Doncafe, C Kafa)

2025

Sale of Montana plus d.o.o.

EUROPEAN COMPANY

LEGAL ENTITIES AND
OPERATIONS IN

8

COUNTRIES

LEGAL ENTITIES
WITH PRODUCTION
FACILITIES

Croatia
Bosnia and Herzegovina
North Macedonia
Slovenia
Serbia

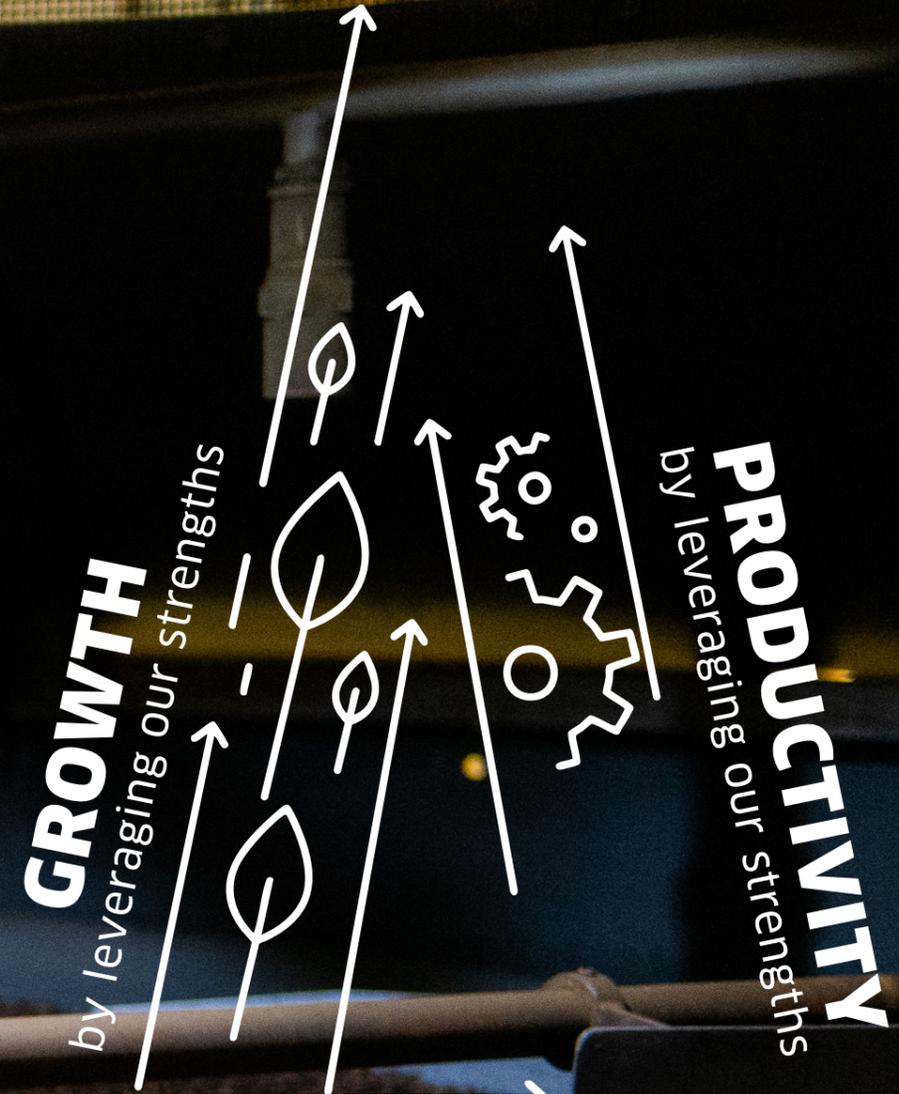
LEGAL ENTITIES
(COMMERCIAL
OPERATIONS)

Austria
Montenegro
Russia

We are one of the leading
food and beverage
manufacturers in South-
East Europe

CORPORATE STRATEGY

Profitable Growth



EMPOWERED ORGANISATION
through care and responsibility

Corporate strategy of Atlantic Grupa

Corporate strategy articulates a unified vision for the company, aligns common organisational goals, and fosters a distinctive culture that enables the realisation of its defined aspirations. In doing so, it builds a shared understanding of what the company seeks to become within a specified timeframe.

In 2023, we have updated our corporate strategy and strategic goals to be in line with numerous industry specific changes and geopolitical environment, such as inflation, purchasing power decline, uncertainties in the supply chain and consequent volatility in raw material and energy prices, shortages in the workforce, etc.

This, adjusted, corporate strategy focuses our intentions towards achieving **profitable growth**, which is also the theme of this strategy cycle. Strategic priorities, defined within our three strategic goals, are enabling the company to generate growth, increase our productivity and ensure further empowerment of the whole organisation. While enhancing the overall competitiveness and value of the company as a whole, we are focusing on increasing our profit margins.

At the core of our corporate strategy are three strategic goals:

- Creating **growth** by leveraging our strengths,
- Increasing **productivity** by upgrading our capabilities and processes, and
- **Empowering the organisation** through living our values with an emphasis on care and responsible behaviour towards employees, environment and the community.

GROWTH

We have a strong and unique portfolio of our own brands and the brands of our partners that we distribute. Through continuous work on increasing the relevance of our brands and categories into the years ahead, we are strengthening our leading positions. In addition to strengthening existing positions in current categories, markets and companies, we are exploring and investing selectively in new but related portfolio areas.



PRODUCTIVITY

We are increasing our productivity by making technological and process upgrades to our operations and supply chain, defining long-term strategies for the performances of our brands in the markets and also focusing our investment on digitization of key business needs. All these efforts are focused on having favourable effect on our profit margins.

EMPOWERED ORGANISATION

Our third corporate strategic goal is focusing on attracting and retaining talented individuals and further investing in the development of people who drive our brands and operations to achieve growth. To successfully navigate the complexities of social, environmental and economic changes, in addition to developing the necessary competencies, we are continuously building an adaptable and open culture, as well as nurturing our responsible business management. Also, our ongoing efforts in reaching sustainability goals are ensuring better consumer propositions as well as strengthening the relevance of the whole company.

CORPORATE STRATEGIC PROJECTS

In 2024, we have launched a new cycle of corporate strategic projects to support the implementation of the corporate strategy alongside its implementation through the strategies of our business and distribution units, as well as central functions. Those projects are aimed towards improvements and changes we want to achieve across the entire company. During 2025, by the listed projects in course, we have already delivered and achieved certain goals. We have defined activities that will bring effective financial performance of our brands, harmonisation and improvement of our operational processes and related competencies, automation as well as increasing digital literacy. Also, through those projects we aim to create new development opportunities for our employees and additionally strengthen a cohesive culture within the company.

People and Culture

Delivering on strategic priorities is enabled by the dedication of Atlantic's people and the ways we work together across the organisation. The capability, engagement and resilience of employees directly affect organisational performance, particularly in a context shaped by evolving workforce expectations, labour market pressures and ongoing digital transformation. These dynamics require a clear framework that strengthens organisational adaptability, leadership practices and a culture that enables employees to contribute effectively.

The People and Culture strategy provides such a framework. It is structured around three pillars: an agile and consumer-centric organisation, leadership that shapes everyday working practices, and employees who experience Atlantic Grupa as a place for development and sustained engagement. In the coming period, the strategy **reinforces human-centric approaches** that address business priorities and employee needs across markets.

People and Culture strategic priorities include:

- Enhancing organisational resilience through continuous skill development and readiness for change.
- Strengthening leadership practices based on authenticity, empathy and accountability.
- Reinforcing employee loyalty through systematic listening and targeted development opportunities.

ATLANTIC GRUPA'S VALUES

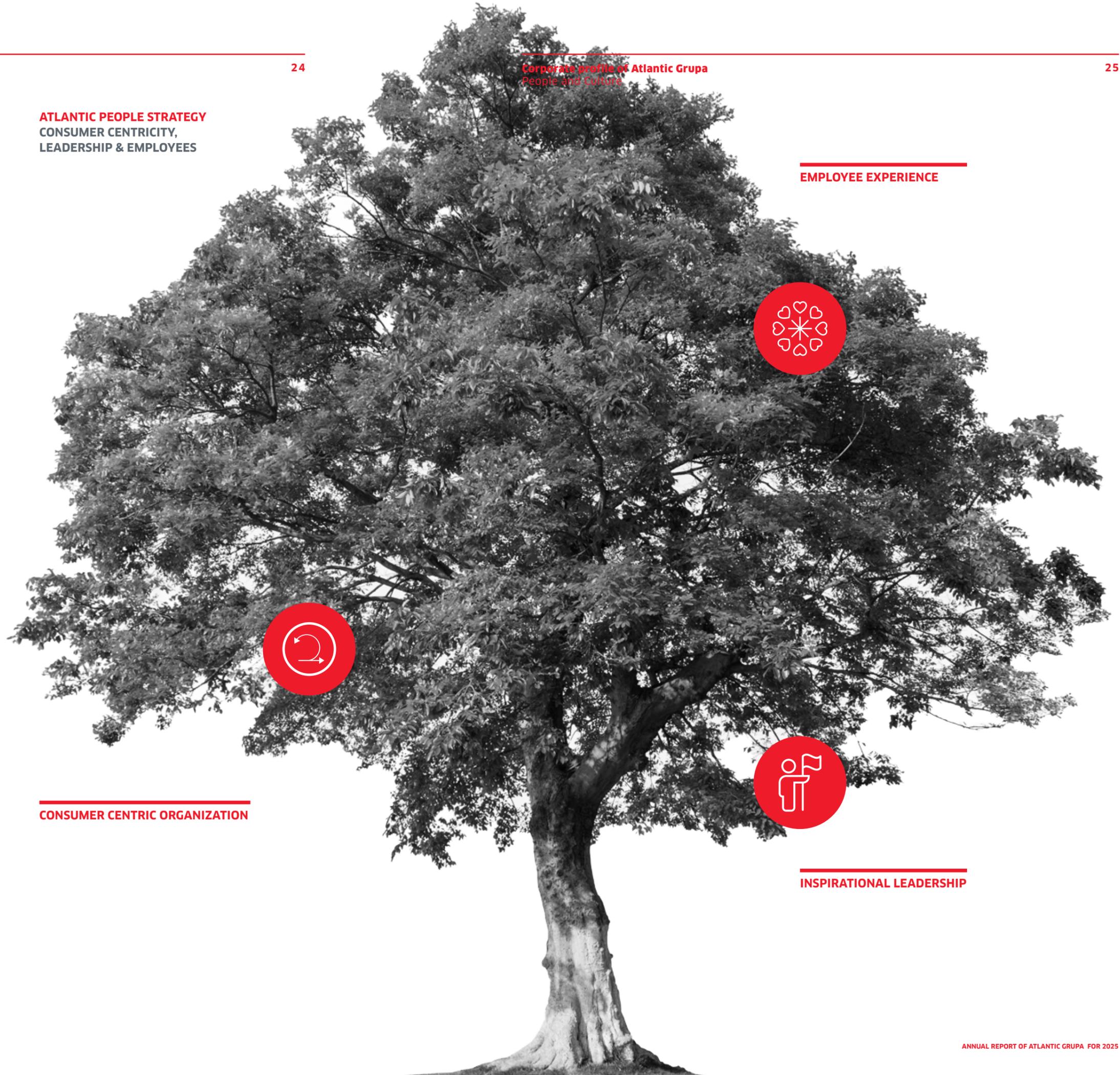
Atlantic Grupa's values - Care, Openness, Growth and Passion - constitute a shared foundation for all employees. These values guide decision-making and define the organisational environment in which employees work and grow.

ATLANTIC PEOPLE STRATEGY CONSUMER CENTRICITY, LEADERSHIP & EMPLOYEES

CONSUMER CENTRIC ORGANIZATION

EMPLOYEE EXPERIENCE

INSPIRATIONAL LEADERSHIP





CARE - Creating a better environment

We are a company that cares – we take care of each other, we care about the well-being of our colleagues, we care about business relationships and we care what kind of world we are going to leave to the generations that come after us.



OPENNESS - Creating better with open minds

Whatever we do, we never stop being curious, always fearless (you can learn even from mistakes!) and thirsty for new ideas and new experiences. We embrace diversity, and different opinions knowing that they will lead us to better solutions of everyday tasks and challenges.



GROWTH - Creating new value

Because we always aspire for more we have an appetite for a steady and stable growth. We are stepping out of our comfort zone, always hungry for the next challenge, we strive to see our brands, markets and profits grow and our employees develop.



PASSION - Creating with enthusiasm

It's not just what we do, it's how we do it. Like a special spice, the passion we put into our work makes us stand out and accomplish better results. Dedication is the secret ingredient that we use to make our products better and our future brighter.



OUR BUSINESS

OUR BUSINESS

ORGANISATIONAL STRUCTURE	30
BUSINESS OPERATIONS	32
(STRATEGIC) BUSINESS UNITS	32
(STRATEGIC) DISTRIBUTION UNITS	76



COFFEE



SAVOURY SPREADS



SNACKS



BEVERAGES



PHARMACY BUSINESS



DONAT



NEW GROWTH



DISTRIBUTION

Organisational structure

Operations of Atlantic Grupa are organised within two basic segments:

- BUSINESS OPERATIONS
- STRATEGIC CORPORATE FUNCTIONS

Business operations of Atlantic Grupa may be followed through, on one hand, business activities of special business units related to individual product types (gathered under the Brands&Operations segment) and, on the other hand, special sales units which cover all major markets as well as strategic sales channels (gathered under the Markets&Distribution segment).

Atlantic Grupa's business operations concerning the company's product portfolio were organised through Strategic Business Units - Beverages, Coffee, Snacks, Savoury Spreads, Pharmacy Business, and Business Unit Donat. At the beginning of September 2025 a new organisation was introduced, effective from the January 1st 2026. Under the new organisation the entire beverages business, along with the brand Donat, has been gathered within SBU Beverages, and a new Business Unit Healthy Bites has been formed.

The company's distribution operations are organised through six distribution units and the global distribution account management. The markets in which Atlantic Grupa provides a complete distribution service consist of Strategic Distribution Units Croatia, Serbia, Slovenia and North Macedonia, and Distribution Units Austria and Russia, while the markets which we dominantly manage through our distribution partners have been grouped into a single distribution area, Global Distribution Account Management. Strategic corporate functions ensure the implementation of uniform corporate standards, as well as more transparent and efficient business operations at the company level. Strategic corporate functions are centrally organised and, depending on their respective functional area, provide support to the development and management of the entire Atlantic Grupa. In the second half of 2025., People and Culture was established as an autonomous strategic corporate function, reflecting its growing strategic importance and the central role of people and culture in the company's life and future. Previously an integral part of Corporate Activities, People and Culture

has evolved in line with the Company's development and strategic priorities.

The strategic corporate functions were by the end of 2025 divided into:

- Corporate Activities;
- People and Culture;
- Finance, Procurement and Investments;
- Corporate Strategy and Development;
- Transformation and Information Technology;

The strategic corporate function Corporate Activities includes the following departments and positions: Secretary General, Corporate Communications, Corporate Legal Affairs, Quality Management and Asset Management, Corporate Sustainability Management and Corporate Services.

The strategic corporate function Finance, Procurement and Investment includes the following units: Corporate Reporting and Consolidation, Central Purchasing, Central Finance and Corporate Controlling, Corporate Tax, Corporate Treasury, Investor Relations and Investment and Operational Excellence.

The strategic corporate function Corporate Strategy and Development covers strategic initiatives, implementation of the long-term development strategy and corporate development activities with focus on M&A and strategic partnerships.

The strategic corporate function Transformation and Information Technology is responsible for managing information communication technology functions, with special focus on digital transformation of overall and individual business segments.

In addition to the above, the organisational structure also includes the Internal Audit function, which operates in close cooperation with Audit Committee and acts as an independent support function that reports to the Supervisory Board of Atlantic Grupa.

In addition to the forementioned, a new organisation of business was introduced effective from 1 January 2026, which involves gathering brands and operations on one side, and distribution and markets on the other. The new organization also introduces changes in the reporting lines of some of the corporate functions, where Investments have been joined to the function of Corporate Strategy and Development, and the function of Transformation and Information Technology has been joined to the corporate function Finance and Procurement.



In addition to strengthening existing positions in current categories, markets and companies, we are exploring and investing selectively in new but related portfolio areas.

BUSINESS OPERATIONS OF ATLANTIC GRUPA

**(STRATEGIC)
BUSINESS UNITS**

STRATEGIC BUSINESS UNIT COFFEE



COFFEE



STRATEGIC BUSINESS UNIT
COFFEE

27.1% ↑

SALES GROWTH

Outperforming the market in highly
competitive segments

28.3% ↑

GROWTH OF ESPRESSO CATEGORY

316 M EUR

SALES REVENUE

24.2% ↑

GROWTH OF CAPSULES CATEGORY

Average increase of 64% of
raw coffee prices

55th anniversary of Barcaffè

Strong brand and innovation
performance, reflected in
multiple regional awards and
continued market leadership
across Adria

11 M EUR

CAPITAL INVESTMENTS



Production fully consolidated
in **Šimanovci**

STRATEGIC BUSINESS UNIT COFFEE



The Strategic Business Unit (SBU) Coffee demonstrated exceptional performance in 2025, marked by total sales revenue of EUR 316 million and a 27.1% value growth compared to 2024.

Our core category of roasted and ground coffee continued to perform strongly in all markets, despite the decline of this category in the region caused by rising prices. **The highest organic growth was recorded in the categories of espresso coffee (28.3%) and capsules (24.2%).** Given the highly competitive environment in these categories, this growth confirms the quality of our products and underscores our strengthened position in these fast-growing segments. The highest growth rates were achieved in Croatia, Serbia and Slovenia.

Full consolidation of coffee production in Serbia at the location in Šimanovci (roasted & ground and instant coffee) was completed by the end of 2025 according to the initial plan.

Following significant volatility in raw coffee prices in 2024, prices remained elevated throughout 2025, resulting in an average increase of 64% compared to the previous year. Due to these developments, and despite successful hedging, Atlantic Grupa's total cost of raw coffee in 2025 was EUR 52 million higher than in the prior year. The main factors contributing to the price increase included:

- Bad weather conditions in Vietnam, the world's largest producer of Robusta, reduced the harvest, leading to a global shortage of Robusta and a subsequent price increase.
- Drought and record-high temperatures in Brazil, the world's largest producer of Arabica, again reduced the harvest for the fourth consecutive year, further driving global coffee prices upward.
- Continued disruptions to shipping routes through the Suez Canal and the Red Sea prevented merchant vessels from using these corridors, extending transit times from Asia to Europe from approximately 30 to up to 90 days.
- Increased speculative activity in raw coffee futures markets significantly amplified price volatility, further exacerbating the upward price trend.

Despite challenging market conditions, high volatility in raw coffee prices and more demanding working conditions with retailers due to government restrictive measures, SBU Coffee maintained a strong position on all markets and remained committed to investments in its brands and category development. In 2025, Grand Kafa continued to execute its long-term strategic roadmap with consistency, further

strengthening brand equity while actively contributing to the development and modernization of the roast and ground coffee category. A comprehensive packaging redesign was successfully implemented, delivering a refreshed and contemporary visual identity across the portfolio. This initiative significantly improved shelf visibility and brand recognition. One of the key brand activities in 2025 was the launch of an educational social media campaign, amplified through PR activities and live events.

These initiatives strengthened brand credibility and trust, while delivering meaningful educational value and presenting exceptional coffee stories in a contemporary and engaging manner. Purpose-driven initiatives remained an integral part of the marketing agenda – this year marked the fifth anniversary of the CSR campaign supporting breast cancer prevention and awareness. The quality and effectiveness of Grand Kafa's marketing execution were recognised by the professional community. **During 2025, the company received multiple prestigious regional awards, including UEPS, Kaktus, Golden Drum, and Campaign with Purpose.**

The launch of the dual preparation concept in Turkish coffee under the Black & Easy brand represented an important step in category innovation, by introducing flexibility in roast and ground coffee preparation, thereby bridging tradition with modern lifestyles and further expanding category usage occasions.

Following the acquisition of Strauss Adriatic and portfolio optimisation completed in 2024, the year 2025 was dedicated to the structured implementation of a revised brand strategy for Doncafé. Strategic priorities included clarifying the brand's value positioning in the upper mainstream segment and restoring the brand image and relevance supported by significant marketing investments, most notably through the introduction of a new Doncafé Džezverska proposition. These efforts delivered a positive market share impact without portfolio cannibalisation, contributing to a clear recovery in performance and strengthening the Doncafé brand image. The integrated campaign was recognized with the UEPS Gold Award for excellence in integrated marketing communication.

Despite an exceptionally challenging year marked by high volatility in raw coffee prices, Barcaffè success-

fully defended its leading market position in Slovenia and delivered another strong and successful year in Croatia. In addition to maintaining high market positions in the Slovenian market, the brand remained close to its consumers by nurturing a strong emotional connection. This key strategic objective was achieved through a consistent, long-term, multi-year strategy focused on relevance, trust, and meaningful consumer engagement. The year 2025 marked the 55th anniversary of Barcaffè, celebrated through an anniversary campaign focused on strengthening consumer relationships.

Building on the successful AI-supported coffee reading campaign launched in 2024, Barcaffè in 2025 continued to further develop consumer engagement and relationships through AI enabled initiatives, enhancing personalised interaction, and reinforcing emotional connections around shared coffee moments.

Barcaffè Espresso has recorded continuous growth over the past five years across the entire Adria region and has become synonymous with credible and trend-leading espresso brands. Within the Out-of-Home (OOH) channel, Barcaffè continued to advance the espresso category, leveraging innovative formats and strong barista expertise. In 2025, Barcaffè's barista Aleš Gorenc, a holder of a prestigious international accolade, achieved an outstanding second place at a global barista competition in Latte Art Grading Championship (LAGS), Matija Matijaško and Marko Podbrežnički served as judges at WLAGS competition, showcasing the brand's professional excellence and commitment to the craft. In addition, Barcaffè upheld its tradition of supporting the professional coffee community by organising the regional Barista Cup in 2025, further fostering talent and industry engagement. **As of 2025, the espresso portfolio of Atlantic Grupa was further strengthened with the addition of the regional specialty coffee brand JAVA, which, following its success in Serbia, was also introduced to the Croatian and Slovenian markets.**

In the instant coffee category, Atlantic maintained a stable performance in the region despite strong competitors' activities. **Our brands retained their No.2 position in the White Cup segment across the largest markets and were enriched with four new SKUs for Barcaffè and one new SKU for Insta Grand.**

Despite the challenges of the year, Barcaffè delivered excellent results across all segments, further confirmed by numerous industry awards and recognition: Effie, Websi, SOF, Diggit and Netko.

Capital investments within SBU Coffee amounted to EUR 11.2 million in 2025. The most significant investment was related to the integration of the production location Šimanovci in Serbia. The consolidation of production included the adaptation of production facilities, upgrading production equipment as well as the renovation of the administrative building. The remaining investments focused on replacing equipment in the HoReCa channel and modernizing packaging and roasting lines across all production facilities.



STRATEGIC BUSINESS UNIT SAVOURY SPREADS



SAVOURY SPREADS



STRATEGIC BUSINESS UNIT
SAVOURY SPREADS

10.2% ↑

SALES GROWTH

166 M EUR

SALES REVENUE

Disinvestment of Montana brand and submission of **binding offer** for the purchase of company **Osem d.o.o.**, Slovenian pate and ready meals producer

NO.1

LEADING EUROPEAN MEAT AND FISH PATE BRAND

Bosnia and Herzegovina with historical sales **exceeding 4,000 tonnes**

Exceptional **growth in Germany of 32.1%**, achieving market leadership in shelf stable pates

4 M EUR

CAPITAL INVESTMENTS



STRATEGIC BUSINESS UNIT SAVOURY SPREADS

SBU Savoury Spreads: Exceptional Growth and Market Leadership in 2025

Driven by a clear strategy and robust groundwork, the Strategic Business Unit (SBU) Savoury Spreads delivered **outstanding growth of 10.2%, reaching total sales revenue of EUR 166 million**. The year was marked by record-breaking achievements: for the first time, **over 4,000 tonnes of Argeta were sold in Bosnia and Herzegovina**, setting an all-time sales record on a single market. Argeta also secured **category leadership in Serbia and Germany** within the shelf-stable segment (Nielsen), reinforcing its category dominance across Europe.

Eastern Europe: Strengthening Leadership

Argeta and its portfolio of savory spreads and canned salads achieved exceptional performance across Eastern European markets, building on strategic focus, innovation, operational excellence and strong partnerships. **Volume and value sales rose significantly, delivering record results in Austria, Bosnia & Herzegovina, Croatia, Kosovo, North Macedonia, Montenegro, and Serbia. Argeta reached a milestone in Serbia**, where it became the **value market share leader** for the first time (Nielsen), whereas across other regional markets Argeta cemented its leadership and category driver position. Its success was driven by impactful marketing campaigns, tailored retailer collaborations, smart mixture of activities, and unwavering product excellence.

Western Europe: Accelerating Expansion

In 2025, Argeta made significant strides in Western Europe, further cementing its leadership in the savoury spreads category. **Germany stood out as a major growth driver, with sales volume up 38% and over 2,700 tonnes sold, making it Argeta's second-largest market**. Expanded distribution through leading retailers such like Lidl, Rewe, Edeka, Kaufland, and Penny boosted visibility and accessibility. A national TV campaign during the Four Hills Tournament and a comprehensive 360-degree marketing push generated over 54 million consumer contacts, securing **Argeta's number one position in the meat shelf-stable spread category with market share of over 40% market share in volume and 44% in value** (Nielsen). Argeta maintained its top spot in Switzerland and grew its presence in Northern Europe, focusing on Sweden and the Netherlands. Sponsorship of the Vasaloppet sporting event and deeper cooperation

with ICA, Sweden's largest retailer, drove sales and brand relevance. In the Netherlands, partnerships with Albert Heijn and Jumbo, plus participation in the Libelle Fair, increased consumer engagement.

Excellence and Recognition

Argeta's achievements were recognised with numerous awards: **Gold Effie for long-term effectiveness in Slovenia**, "Best Innovative Campaign - Setting New Standards" for **Argeta Junior campaign Plush Friends with Every Bite**, **Sporto award for Best Sponsorship Activation** and accolades for **Argeta Meatless** and digital initiatives. Additionally, we once again received the **MUST HAVE award for the pâté category**, granted by **INSTORE BIH** magazine.

These honours underscore the brand's ability to combine creativity, strategic execution, and consumer-centric innovation for sustained growth. Argeta strengthened its global digital presence, driving +13% growth in search demand, increasing organic traffic to our bread recipe content by +20%, and reaching 32 million people on Meta and 10 million on TikTok.

Sponsorship and Donations

The brand continued supporting sports through sponsorships of the Slovenian and Croatian national skiing teams, the Slovenian ski jumping and biathlon teams, as well as promising rising young athletes and two top German biathletes. Additionally, **Argeta expanded its commitment by sponsoring seven major international winter sports events in Slovenia, Germany, and Sweden**, while fostering young talent through the Argeta Junior Cup programme.

Bakina Tajna: Innovation and Authenticity

Bakina Tajna continued to set new standards, fueled by a strong commitment to innovation and authentic product development. **The brand entered the tomato-based sauces segment in Serbia, Croatia, and Slovenia** further expanding its portfolio while strengthening its leadership in premium spreads and jams. Across all markets, Bakina Tajna achieved **consistent growth in market share**, reflecting the success of focused strategies and the trust built among consumers through uncompromising quality and taste.

Operational Excellence

Operational excellence remained a key priority in 2025, supported by targeted investments and continuous improvements across all production sites. At the **Hadžići facility** in Bosnia and Herzegovina, the focus was on **expanding capacity and enhancing sustainability** through a new cold storage unit, solar power plant installation, wastewater treatment upgrades, and automation advancements. The **Izola site** saw significant capital investments in **new equipment, laboratory renovation, and implementation of SAP4Hana**. The **Igroš facility** implemented **efficiency improvements** that reduced gas, water, and electricity usage, while **also increasing productivity by 31%** compared to 2024. The **Montana brand was divested** on 1 August, 2025, marking a strategic shift in the SBU's portfolio.

Sustainability and Innovation

In 2025, **Argeta reaffirmed its commitment to sustainability and innovation, making significant progress toward its 2030 goals**. The SBU published its fourth sustainability report, documenting positive trends across key indicators and reflecting ongoing efforts to operate responsibly and transparently. **Product innovation remained central to the SBU's strategy**, with the continuation of the chef collaboration tradition through the thirteenth edition of Argeta Exclusive A la Mojmir Šiftar, the introduction of convenient ready-to-eat Argeta Snack formats, and the expansion of the Argeta Meatless range with a new beef-flavored variant. These initiatives demonstrate Argeta's dedication to meeting evolving consumer needs while setting new benchmarks in category growth and product excellence.

Through these achievements, SBU Savoury Spreads reaffirmed its dedication to sustainability, innovation, and consumer-centric strategies, driving growth and strengthening its leadership position across Europe.



STRATEGIC BUSINESS UNIT SNACKS



SNACKS



STRATEGIC BUSINESS UNIT
SNACKS

3.6% ↑

SALES GROWTH

130 M EUR

SALES REVENUE

+17%

SALES GROWTH IN MARKETS
OUTSIDE THE REGION (GERMANY
AND AUSTRIA)

7 M EUR

HIGHER COCOA
PROCUREMENT COST

Smoki a market leader further strengthened its position in key regional markets

Bananica absolute market leader in bars category in Serbia

11 M EUR

CAPITAL INVESTMENTS

STRATEGIC BUSINESS UNIT SNACKS

In 2025, the Strategic Business Unit (SBU) Snacks generated sales revenue of **EUR 130 million**, which represents a **3.6% growth compared to the previous year**.

In the domestic market of Serbia, growth was recorded despite pressures on chocolate prices and changes in retail operations resulting from the introduction of government measures. The **highest sales growth (+17%) was recorded** in markets outside the region, **primarily Germany and Austria**, which was also one of the key strategic determinants in 2025.

Challenges related to high prices of raw materials also continued throughout 2025. The global market is still faced with limited availability of cocoa and its derivatives, resulting in continuously high prices of these raw materials. At the end of the year, there were expectations of a slight normalisation of cocoa prices that are increasingly approaching a level of around GBP 4,100 per tonne, which is still more than 100% higher compared to 2023. Despite certain market stabilisation, Atlantic Grupa invested almost EUR 7 million more in the procurement of raw cocoa than in 2024.

In 2025, a total of 157 products were available on the market, including 16 new formulations, 10 of which were linked to ESG-oriented improvements such as optimising nutritional composition, reducing the share of ingredients with negative environmental impact, enhancing packaging solutions, and increasing production process efficiency. Rising raw material prices further accelerated the improvement of existing formulations while preserving product quality, as well as the continued development of more affordable biscuit and wafer categories, and the Smoki brand, which is increasingly becoming one of the company's key business pillars.

The company's clear focus on categories that ensure stable profitability and affordability for consumers resulted in positive business indicators, **including strengthening the market share of the Štark brand in the wafer segment on the market of Serbia with a 2.1% growth.** The focus on the portfolio of salty snacks brands showed that **Smoki, although already the market leader, can further strengthen its position in the segment of extruded snacks in all three key regional markets:** Serbia (+1.3 p.p.), Slovenia (+2.3 p.p.) and Croatia (+1.0 p.p.). The other salty snacks brand, **Prima, made the largest step forward in the market of Slovenia, recording a 3% market share growth.**

Although Štark chocolates recorded a 3% decline in volume and market share, they maintained their second market position and realised a positive trend in the last quarter of the year. Furthermore, according to the annual measurement of brand parameters, Najlepše Želje managed to maintain a high level of love for the brand, which is an important precondition for market share recovery in the future.

In order to adapt to new market circumstances, the number and structure of marketing campaigns were optimised, with a special emphasis on the Smoki brand, which introduced the new communication platform "Perfect for Me". Thanks to the new strategy, digital communication channels have become the key lever for supporting brands in the region, reaching a 50% share of total advertising, also enabling the Smoki brand to enter new markets, including Austria, Germany and Sweden.

In 2025, Smoki retained its leading position in the category of extruded snacks in the markets of Serbia, Slovenia and Croatia. The year was also marked by launching Smoki Protein, which, in line with global trends, represented a logical step forward for the market leader in further developing its parent category. Consumers can now choose their favourite flavour with added functional value arising from its original ingredients – peanuts and soy. The new communication platform #PerfectforMe highlighted the brand's key emotional values, positioning Smoki as a "friend for life" that grows and develops together with its consumers, wherever they are. At the end of the year, the brand received a well-deserved recognition in the form of the UEPS award – silver for the integrated campaign "Smoki Protein #PerfectforMe".

In 2025, the category of chocolates was still the most affected by the high cocoa prices and consequently the high prices of finished products, resulting in a further decline in consumption within this category. The Najlepše Želje brand continued to focus on preserving and highlighting its recognisable and unchanged quality. The validity of this approach was confirmed for the third consecutive year in the form of the QUDAL (Quality meDAL) award in the chocolate category in Serbia. The particular value of this recognition lies in the fact that it is based on consumers' own choice, and this year the label was additionally highlighted on all milk chocolate packaging. The brand also continued to develop in the biscuits category by launching a new

flavour, Najlepše Želje Salty Caramel Cookie, while retaining its leading position in that segment.

In order to adapt to the needs of price-sensitive consumer groups and preserving sales volumes, the ZaZa brand was successfully relaunched, offering chocolate substitutes in the form of two milk cocoa bars. In the last quarter of the year, the market share of Štark chocolates stabilised in second place, with a 17.6% market share.

Banica maintained its absolute leadership position in the bars category, with as much as a 34.7% share in the market of Serbia, representing a 1.1% growth compared to 2024. In the second half of 2025, the new product Kisela Banica was launched. The launch was supported by an original digital campaign which, alongside reaching millions of consumers, generated demand and sales above planned levels, indicating that this product will lastingly secure a significant place in the brand's portfolio.

In the wafers category, Štark achieved growth compared to the previous year, further strengthening its leading position in the segment of coated wafers, to which consumer spending has shifted due to declining consumption of higher-priced chocolates. The biscuits category remained a key focus for development and adaptation to an extremely competitive and diverse market segment. At the end of the year, a new product was launched in the most significant biscuit segment by volume – soft filled – under the name Skroz Lenja, which attracted considerable consumer attention and exceeded initial expectations.

Capital investments in 2025 amounted to EUR 11 million. The most important investment project related to a new line for the production and packaging of sticks, thus doubling the production capacity of the existing assortment and creating the technical and technological prerequisites for the future expansion of the Prima brand in the category of baked salty snacks category. Packaging in this category was further automated, resulting in increased operational efficiency. In addition to capital investments, projects aimed at quality improvements were also implemented, including the procurement of a new wafer coating line. The year was also marked by a series of activities carried out to obtain a building permit for a new automated warehouse for finished goods and a new Smoki factory, the construction of which is planned for 2026.



STRATEGIC BUSINESS UNIT BEVERAGES



BEVERAGES



STRATEGIC BUSINESS UNIT
BEVERAGES

- 6.9% ↓

SALES DECLINE

103 M EUR

SALES REVENUE

Strong international market growth of **+6%** led by Austria, Germany, the Netherlands and Ireland

Successful launch of the new Lemonish brand

Cedevita Vitamin Water continues to grow its share across all markets

High-impact brand engagement: Cedevita YouTube talk show reached 5.1m views, while the CE digital platform surpassed 4m visits and 550k+ shares

6 M EUR

CAPITAL INVESTMENTS

STRATEGIC BUSINESS UNIT BEVERAGES

LEMONISH
OSTALO SC
limon adice

STAVO

The Strategic Business Unit (SBU) Beverages achieved sales revenue of EUR 103 million in 2025, which represents a 6.9% decline compared to the record-breaking previous year.

The decline was partly caused by **delisting of the water brands Kala and Kalnička from the Croatian market at the end of 2024** (excluding sales of these brands in 2024, the decline compared to the previous year would be 4%), while the remaining drop was generated by volume decrease of Cedevita and Cockta brands in both sales channels. The HoReCa channel experienced a significant 10% drop compared to the previous year. Retail channel sales fell by 5% versus 2024, despite achieving the same level of summer season sales as in that record year. **The successful launch of the new Lemonish brand**, which significantly exceeded sales plans, helped partly mitigate the retail channel decline.

Regional markets, which account for 97% of the SBU's revenue, recorded a cumulative decline of 7%, while **international markets grew by 6%**. The international markets that contributed most to this growth were Austria, Germany, the Netherlands, and Ireland, primarily through the development of the market position of products from the Cedevita brand portfolio.

For SBU Beverages, 2025 was marked by numerous challenges caused by declining consumption, primarily in the HoReCa channel, aggressive competitive activities across all categories, and unfavourable regulatory changes in Slovenia (VAT increase on sweetened drinks from 9.5% to 22%) and Serbia (introduction of maximum prices for food products). Despite the sales decline, **SBU Beverages achieved an improvement in profitability** compared to the previous year, supported by a more favourable sugar price and a refined value positioning across parts of the assortment in certain markets. This was achieved alongside continued investment in employees, who remain one of our key resources.

Sales support in this challenging year came from a series of marketing initiatives within the Cedevita and Cockta brands and the launch of the new Lemonish brand, born from continuous listening to consumer needs and adapting to dynamic market trends.

Following the successful launch of Cedevita into the vitamin water category and assortment expansion, the brand continued to meet consumer needs by introducing a large 1.5L pack in two well-known flavours: Energising (lemon & pineapple) and Relaxing (lemon & pomegranate). Cedevita Vitamin Water

continues to establish its position as a refreshing, low-energy choice available in various fruit combinations, each offering a unique taste whose “NAME SAYS IT ALL.”

Cedevita Vitamin Water launched the “Tell It Like It Is” show, the first branded YouTube talk show in the region, which, through authentic stories and diverse personalities, adds value to the brand. The show brought together eight regional influencers and achieved an impressive 5.1 million views on YouTube, confirming strong audience engagement.

The results themselves confirm the strong position of the product in the highly competitive and growing vitamin water category, where **Cedevita Vitamin Water continues to grow its share across all markets**. In Slovenia, it holds the leading position in volume sales, with a 19.8% value market share, while in Croatia it has firmly established itself as the second most important brand with an 18.4% share.

Cedevita also continued to create a unique “CE” experience in the HoReCa channel through the “CE Svijet” platform, a digital environment that brings refreshment, excitement, and interaction, fostering consumer connection with the brand. Since its launch, the platform has achieved over 4 million visits, and optimistic messages promoting positive energy have been shared more than 550,000 times, confirming strong consumer engagement. To further enrich the platform, new interactive activities such as IgrICE and a limited edition of optimistic messages were introduced, delivering unique added value to the brand. These innovations confirm Cedevita’s leadership in digital interaction in the HoReCa channel, creating a market-leading experience and building strong consumer connections.

On the educational platform “Be GOOD. Be CE”, which has been raising awareness about the importance of mental health for the past five years, Cedevita launched the campaign “Be GOOD. Connect With CE.” aimed at encouraging dialogue, understanding, and better intergenerational connection. The campaign emphasises that open conversation and experience sharing build a society where differences are not seen as obstacles but as opportunities for learning, collaboration, and mutual empowerment. In 2025, the platform recorded nearly 40% more visitors compared to the previous year, further confirming

its relevance and strengthening Cedevita’s position as a brand that cares about community and mental health while fostering optimism in society.

Thanks to these key initiatives and continuous creation of positive consumer experiences through numerous other activities, **Cedevita recorded growth in value share across almost all markets**, with the most significant increase in Croatia, reaching a 12.5% share in the fruit-flavored non-alcoholic beverage category.

Within the **Cockta** brand, a digital campaign “What’s Your Story Made Of” was launched, which, through a video series created in collaboration with local artists, achieved 5.4 million views, confirming the relevance and emotional strength of locally rooted stories. Strong support was also provided for the Cockta Free proposition through collaboration with regional influencers, significantly enhancing awareness of the Free proposition and further strengthening Cockta’s position among younger, digitally active audiences.

In 2025, SBU Beverages proudly stepped beyond its existing assortment and **introduced a new carbonated lemonade brand - Lemonish - to regional markets**, fully meeting consumer needs and desires by offering a low-calorie indulgence without guilt.

Lemonish is a bold and juicy low-calorie carbonated lemonade that means you no longer have to compromise! Lemonish is not just a lemonade - it’s an attitude, a sense of balance, and enjoyment of life without stress. It comes in two refreshing flavours - lemon and lemon & elderflower - offered in retail channels in 0.4L and 1.25L formats.

The Lemonish launch was presented at PR events in Ljubljana and Zagreb, where top bartenders showcased Lemonish in cocktail combinations that delighted all attendees.

Thanks to strong marketing support and the attractiveness of the proposition, Lemonish achieved its annual sales plan within just five months from the launch.

Capital investments within SBU Beverages in 2025 amounting to EUR 6 million were focused on increasing operational efficiency and production capacity through infrastructure investments at production sites.



STRATEGIC BUSINESS UNIT PHARMACY BUSINESS



PHARMACY BUSINESS



STRATEGIC BUSINESS UNIT
PHARMACY BUSINESS

9.4% ↑

SALES GROWTH

104 M EUR

SALES REVENUE

Professional excellence
recognised nationally:
**award for the best
public health project
“Medication Error
Database”**

110 UNITS

58 PHARMACIES AND 52 SPECIALISED STORES

Strategic expansion
secured through the
**acquisition of 9 Deltis
Pharm pharmacies**
(transaction value
EUR 10.9m)



STRATEGIC BUSINESS UNIT PHARMACY BUSINESS

In 2025, the chain of pharmacies and specialised stores Farmacia recorded **sales revenue of EUR 104 million, thus achieving a 9.4% growth** compared to the previous year. During the year, four new specialised stores were opened, namely in Dugo Selo, Osijek, Lučko and Koprivnica, as well as a new pharmacy in Zagreb at British Square. At the beginning of October, Farmacia acquired the institution Ćurković Pharmacies, thereby strengthening its pharmacy network with two additional locations in Zagreb. As at 31 December 2025, the chain Farmacia consisted of **110 stores, namely 58 pharmacies and 52 specialised stores** (including webshop).

The Strategic Business Unit (SBU) Pharmacy Business achieved revenue growth through **excellent sales results of OTC medicines and food supplements**, supported by indispensable patient consultations. Prescription medicines recorded an increase in the number of dispensed prescriptions, while revenue growth was further supported by the regulator-mandated increase in dispensing service fees. High-priced medicines are accounting for an ever-growing share in pharmacy business, and the intensified trend toward obesity prevention and treatment is reflected in increased prescribing of medicines related to weight and appetite regulation. A weaker sales trend was observed in the cosmetics segment, which recorded a volume decline caused by lower consumption of higher-priced products in this category, as well as the strengthening of discounted online sales by domestic and major European e-commerce channels.

As part of the celebration of the 30th anniversary of the Croatian Chamber of Pharmacists, **Farmacia received an award for the best public health project** "Medication Error Database." Within the initiative "Hunt for the Silent Killer" organised by the Chamber and the Croatian Hypertension League, two Farmacia's masters of pharmacy ranked among the top five masters who, during the campaign, measured blood pressure, provided counselling, and educated the largest number of patients about hypertension.

Given the persistently limited availability of qualified professionals on the labour market, Farmacia continued its practice of providing scholarships to students and pharmacy technicians, as well as its collaboration with the University of Zagreb's Faculty of Pharmacy and Biochemistry, with the aim of securing future talent. At the same time, continuous employee training and professional development remain a priority, alongside further digitalisation of operations and the im-

plementation of automated storage solutions, which enable pharmacists to dedicate more time to patient counseling and pharmaceutical care.

At the end of December 2025, a **Purchase Agreement was signed with Belupo for the acquisition of the Deltis Pharm Health Institution, which comprises nine pharmacies.** The transaction aligns with Atlantic Grupa's strategic direction focused on further expanding its pharmacy business. The transaction was finalized in January 2026. The total offer value of EUR 10.9 million includes the purchase price of the pharmacy operations and Farmacia's investment commitment in a strategic partnership with Belupo over the next five years.

The expansion of pharmacy operations in Croatia and the continued strengthening of the leading market position in this segment represent one of the key pillars of Atlantic Grupa's corporate strategy. With this acquisition, Farmacia further consolidates its position as the leading chain of pharmacies and specialised stores in Croatia.



BUSINESS UNIT DONAT



DONAT



BUSINESS UNIT
DONAT

9.9% ↑

SALES GROWTH

40 M EUR

SALES REVENUE

Successful launch of **DoNatural**, reaching 10.0% value share in Slovenia and 7.6% in Croatia in functional water category

Donat - strong brand equity across key markets: highest Brand Strength in Slovenia; #2 in Croatia & Bosnia and Herzegovina

Donat value share:
41.2% in Slovenia, 13.2% in Croatia, 16.8% in Bosnia and Herzegovina, 19.0% Austria

5 M EUR

CAPITAL INVESTMENTS

BUSINESS UNIT DONAT



In 2025, the Business Unit (BU) Donat generated sales revenue in the amount of EUR 40 million, which represents a 9.9% growth compared to the previous year. In 2025, **BU Donat** introduced a new-comer into its family of brands. **Donat** and **Tempel** - which both boast a long-standing tradition - were joined by **DoNatural**. Founded on our extensive knowledge about digestion processes, coupled with new insights and a modern consumer approach, while this brand stays true to our mission: **to empower consumers in understanding and taking care of their digestion as the foundation of their health and well-being.**

In 2025, Atlantic Grupa introduced **DoNatural**, a new brand positioned in the territory of functional products. Herbal waters, the first range of products under the DoNatural brand, provide tasteful hydration with an effect on metabolic support. The launch supports portfolio expansion into everyday wellness products, while being clearly differentiated from the existing Donat brand and aligned with evolving consumer lifestyles. The initial product range includes herbal waters in three flavours: Aloe Vera, Mint and Lemongrass.

The launch of herbal waters DoNatural was supported by a comprehensive, **multi-channel marketing strategy** that included ATL presence and BTL activities with the aim of **introducing the product to the widest possible audience and encouraging a first-time trial**. As a result, DoNatural achieved value market share of 10.0% in Slovenia and 7.6% in Croatia within the 0,5l packaging segment **in the functional water category** (Nielsen Retail Panel, Dec 2025).

Donat activities continue to be focused on six key markets: **Slovenia, Croatia, Bosnia and Herzegovina, Austria, Russia, and Italy**. They were selected based on their potential and attitudes towards digestive health. Our **long-term strategy of premiumisation and internationalisation** is valid across all markets, coupled with understanding different market specifics and tailoring accordingly tactics to achieve the defined goals in each of them.

We were successful in carrying out our communication strategy through the platform from the previous year, delivered under the campaign slogan **"The best nature can do for your digestion"**. By emphasising Donat's uniqueness, its proven effectiveness and the fact that it is entirely created by nature, we maintained differentiation compared to other

mineral waters and product groups. Within the category of functional products relating to digestion and well-being, Donat sustained **the highest Brand Strength** in Slovenia, while being **in the 2nd place in Croatia and Bosnia & Herzegovina**. It is still perceived as the leading brand according to the attribute **"Expert in the field of healthy digestion,"** on all three markets as confirmed by the Brand Tracker research (Aragon, 2025).

Due to volume limitations tied to the natural annual water yield, Donat is focused on gaining value share on the market. In Slovenia, its value share in 2025 was **41.2%**, an increase compared to 2024. In Croatia, Donat secured a **13.2%** value share, reaching the best result ever, while in Bosnia and Herzegovina, its value share was **16.8%**. In Austria, Donat is anchored in the 2nd place in the **medicinal water category** with a 19.0% value share (Nielsen Retail Panel, December 2025). In collaboration with key customers, we continued to focus **on maintaining Donat's excellent visibility and availability** at points of sale.

In 2025, Donat received several awards, including **two Effie awards in Slovenia**, thus demonstrating a **proven and measurable impact** of our marketing strategy. We also received a **Silver Effie** in the category Long-term Effectiveness and a **Bronze Effie** in the category Beverages.

Donat also won **First Prize at the Sempl festival** in category **Best Use of Influencer Marketing** for the **digital campaign World Digestive Day**, with which we raised awareness about the **importance of healthy digestion** in an innovative way. Influencers suddenly closed their social media profiles creating a wave of curiosity and debate to **spark a conversation** about a topic that is still not discussed as much as it should be. This resulted in over **350,000 story views and media coverage** that exceeded our expectations.

Educating the general public about the importance of taking care of digestion and **healthy lifestyle habits** is among the key areas of our effort. Donat is offering **several free guided health programmes** available to everyone all year round. We are constantly introducing new features and **elevating the user's experience**, with more than **289,000 people** already participating in the programmes. In 2025,

we also expanded our range of programmes by introducing **paid programmes** and services that provide users with an even more comprehensive support in caring for their digestive health. Users can choose from four different options, depending on their goals and desires.

Together with media partners, we **create and publish articles** that help build awareness about the topic. We support institutions running **national programmes** for the early detection of colorectal cancer to bring **preventive care closer to the public**: SVIT in Slovenia and the "Život je u pitanju (Life is at Stake)" project in Bosnia and Herzegovina.

These activities are part of the **"People"** pillar within our sustainability commitments. In the **"Products"** pillar, we contribute by using of **100% recycled plastic** for Donat and DoNatural products. In the **"Environment"** segment, our priority is the careful preservation of **natural resources**, particularly mineral water sources. Through regular analysis, we ensure that we provide our customers with a flawless, high-quality product.

Capital investments within BU Donat in 2025 amounted EUR 5 million. We continued with the **reconstruction of the bottling facility in Rogaška Slatina** as part of a broader strategy for renovation, modernisation, and capacity expansion. This investment will allow for a more efficient and higher-quality production. **Sustainable materials**, such as concrete with a lower carbon footprint were used and thus **carbon dioxide emissions were reduced by more than 25 tonnes** throughout the process.



NEW GROWTH



NEW GROWTH



Boom Box ranking among the top **3 healthy food brands** across Croatia, Serbia and Slovenia

Entered **smoothies pouch** category - achieved **#2 position** in first year

Strong expansion in **Austria**, first to build the smoothies category on the market

Boom Box was selected as the coolest brand in the cereals category by Generation Z

ZIGGY'S COFFEE:
8 locations
(3 new stores)

NEW GROWTH



Boom Box, Atlantic's brand launched in 2021, continued to achieve outstanding results, confirming its position as one of the most recognisable healthy food brands in the region. Despite a challenging year marked by rising prices, **Boom Box** remained one of the first choices among consumers in healthy food categories. The brand confirmed its strength by **ranking among the top three in key categories across Croatia, Serbia and Slovenia.**

Entry into a fast-growing category of **smoothies products** in pouch packaging brought the brand even closer to consumers seeking a quick and convenient healthy eating solution. In this category, Boom Box **reached the second position** in the first year since its launch, proving itself as a strong challenger.

In 2025, Boom Box continued its innovation momentum by launching new products that expand and strengthen its portfolio. In the category of plant-based drinks, products Rice and Noisette were launched, both gluten-free. The portfolio of smoothies products was expanded with three new flavours, including Smoothie Mango Passion Fruit, also bearing a gluten-free claim. As a result, Boom Box has become relevant to consumers seeking gluten-free products.

In the oatmeal category, the Dark Choco porridge was launched in a new 300 g pack size, further strengthening the brand's presence in this strategically important category.

Alongside innovations, 2025 was marked by a comprehensive **redesign of the plant-based drinks, breakfast cereals and biscuits portfolios.** The new design more strongly communicates the brand's key benefits, increases shelf visibility and recognisability, and delivers a more modern, premium look aligned with product quality. With this step, Boom Box further consolidates its position as a brand offering nutritionally balanced, modern, and visually appealing products.

The year also saw the continuation of the campaign "Feeds You with Positivity" that focuses on the fast-growing smoothies category and bringing this category closer to consumers. As before, the campaign was further strengthened by partnerships with reputable nutritionists and public figures, who ensure Boom Box's strong reach and credibility through their channels.

In 2025, a syndicated survey was again conducted in Croatia on a nationally representative sample. When asked which healthy food brand from the store they think of first and choose, the largest

number of consumers named Boom Box for the second year in a row. This result is yet another confirmation that the brand successfully established itself as one of the top choices among Croatian consumers in reference categories.

In addition, **Boom Box was selected as the coolest brand in the cereals category by Generation Z.** The awards are based on a large-scale survey conducted for the fifth consecutive year by the platform JoomBoos in cooperation with IPSOS, on a representative sample of young people aged 12 to 24, with the aim of identifying the brands that are absolute hits among youth and shape trends in the Croatian market.

The fact that this generation recognised Boom Box as the coolest confirms that a distinctive market presence, modern look, and a bold, innovative approach truly make a difference.

In Austria, Boom Box continued to deliver excellent sales results and attract new users who are looking for healthier food options. Furthermore, in 2025 we launched the smoothies category in Austria and were the first on the market to start building this new category. Positive feedback from consumers further confirmed the brand's potential on the international level.

The outstanding performance of Atlantic's distribution companies and partners across all markets ensures continuous improvements in Boom Box's positioning with customers in the existing markets and strong positions in new markets. Additional in-store placements and activations with customers also played a significant role in the brand's growth and achieved results.

ZIGGY'S COFFEE -

A year of healthy growth in sales and profitability with opening of new locations.

In an exceptionally challenging year for the HoReCa channel, our coffee shop chain and brand experienced healthy organic growth, driven primarily by an increasing number of mostly younger guests compared to the previous year, as well as the positive effects of an enhanced product offering and strengthened value positioning.

The brand enters 2026 with **eight locations**, three of which are completely new, with the Ziggy's experience in these outlets further enhanced by the aesthetics of a new interior design. In addition, the new Ziggy's locations, alongside on-the-go consumption, allow guests to enjoy premium coffee or matcha while seated inside the coffee shop.

Significant progress was also made in profitability through improvements in the product mix and operational efficiency.

One of our greatest successes was achieved in a segment that is also under the most pressure in the sector, namely our team of baristas. While employee retention and recruitment remain major challenges across the industry, Ziggy's barista team is stable and loyal, providing us with positive momentum for new growth in 2026, a year in which further openings and expansion of the chain are planned.



(STRATEGIC) DISTRIBUTION UNITS

Growth across all distribution markets, most largely in **Serbia, GDAM, North Macedonia and Austria**



STRATEGIC DISTRIBUTION UNIT SERBIA

19.9% ↑

SALES GROWTH

GDAM

16.9% ↑

SALES GROWTH

STRATEGIC DISTRIBUTION UNIT NORTH MACEDONIA

14.8% ↑

SALES GROWTH

DISTRIBUTION UNIT AUSTRIA

14.0% ↑

SALES GROWTH

Signing large new principals - **Haleon** in North Macedonia, **Magdis** (Biobaza and Melem) in Serbia, **PIPI** in Croatia and Slovenia, **Waterdrop** in Croatia, Slovenia and Austria

27.1%

SHARE OF PRINCIPALS' BRANDS IN TOTAL SALES REVENUE

+16.7%

TOTAL HORECA CHANNEL

Slovenia: entry into the frozen category (Mars ice cream) and expansion with Ferrero baked products

10th

ANNIVERSARY IN THE AUSTRIAN MARKET



STRATEGIC DISTRIBUTION UNIT CROATIA

In 2025, the Strategic Distribution Unit (SDU) Croatia generated sales revenue in the amount of **EUR 284 million**, which represents a **6.3% growth** compared to the previous year.

The main reasons for revenue growth are product innovations and a strong focus on the market and consumers.

The **retail segment recorded a 5.5% growth**, with the major drivers being the brands Barcaffè, Donat and Argeta, which also achieved market share increases in their respective categories. During 2025, we also launched two new brands in the ready-to-drink segment: DoNatural and Lemonish, both of which made a significant contribution to the growth of our market share in this category.

Among external principals, Ferrero and Mars recorded the most significant sales growth. The main growth drivers were the categories of impulse products (chewing gum and chocolate bars) and ice cream. In addition, the distribution of the brands **Waterdrop** and **PIPI** was initiated.

Revenue from sales in the **HoReCa channel grew by 14.3%**, driven primarily by the coffee category (Barcaffè) and the expansion of distribution in the categories of fruit juice (Rauch) and beer (Kozel and Pilsner Urquell).

Due to timely and comprehensive preparation for the tourist season, in 2025 we once again managed to secure the necessary number of seasonal employees, sufficient product quantities, as well as storage and logistics capacities to ensure uninterrupted delivery of goods to the market. We continue to invest in new warehouse capacities in Rijeka and Split, as well as in digital solutions, to further increase our productivity and keep providing top-tier service to our partners.

STRATEGIC DISTRIBUTION UNIT SERBIA

The **Strategic Distribution Unit (SDU) Serbia** achieved the best sales results in its history for the fifth year in a row. Sales revenue of **EUR 321 million** was recorded, representing a **19.9%** growth compared to the previous year, with the programmes **Coffee, Argeta, Štark, Red Bull and Badel** as the largest contributors to this growth. Significant cost-side challenges, including employee wage increases, higher external transportation costs, and increased commercial fees, were largely offset by

strong revenue growth, resulting in **improved profitability**. Working capital, measured through average inventory days and receivables collection days, was further improved compared to the last year.

It is important to note that as of **1 September 2025**, the **Regulation of the Government of the Republic of Serbia** concerning the limitation of retail margins came into force, which brought additional challenges in business operations. In this context, the achieved business results are all the more significant.

During 2025, Argeta recorded continuous turnover growth across all categories and, for the first time since the category is measured, achieved **the leading value position in the market of Serbia. Record sales of 2,452 tonnes** were also achieved, which represents an increase of 315 tonnes compared to 2024.

Red Bull continued to deliver record results despite all challenges related to the market and the on-the-go category. The year was closed with sales of more than **12.8 million cans**. Particularly encouraging were the results of the Perfect Store audit conducted by an independent agency, which delivered a record score of 63 points, indicating a high level of in-store execution according to the applied scoring scale.

Badel also achieved significant growth in 2025 compared to the previous year, with sales increasing by 56%.

As for novelties, the year was marked by the start of distribution of the Waterdrop brand, which was exclusively listed in the DM retail chain. In addition, a contract was signed and the distribution of the Biobaza and Melem brands, produced by Magdis, was started.

During 2025, logistics of the company Atlantic Brands implemented a series of organisational changes and process improvements aimed at increasing operational efficiency:

- **Upgrade of the WMS system** – by transitioning to a new version, significant optimisation of logistics processes was achieved, which contributed to faster and more reliable warehouse operations.
- **Development of the logistic solution** – alongside existing warehouse tools, new functionalities were introduced that further support operational excellence and process digitization.

- **Focus on people** – special attention was given to employee satisfaction, resulting in a significant reduction in fluctuation and a stable number of employees.

The end of the year also brought confirmation of cooperation for 2026 with the Serbian company Fructus, the market leader in the tea category.

STRATEGIC DISTRIBUTION UNIT SLOVENIA

In 2025, the Strategic Distribution Unit (SDU) Slovenia continued the trend of sales growth of almost all brands. The recorded sales revenue of more than **EUR 181 million** represents a **7.7% growth** compared to the previous year.

The largest value growth was achieved by the biggest brands: Barcaffè, Donat, Argeta, Haleon, Ferrero and Stock. The sales growth of these brands is also reflected in their increasing or stable market shares within their respective categories.

In the first quarter of 2025, **we started with the distribution of Mars' Ben's products** and entered the frozen category with Mars ice cream, followed by Ferrero baked products. At the end of the year, we signed two new distribution contracts with respective new principals: **Waterdrop and Pipi**, which are set to begin in 2026.

We continue to invest in our employees' development and satisfaction together with a continuous focus on improving operational efficiency across all areas of the company's operations.

STRATEGIC DISTRIBUTION UNIT NORTH MACEDONIA

In 2025, the Strategic Distribution Unit (SDU) North Macedonia continued to strengthen its position of a leading FMCG distributor in the market through growth of all brands in our portfolio, resulting in total **sales revenue of EUR 73 million**, which represents **14.8% growth** compared to the previous year.

The achieved revenue growth was supported with volume growth, increased market shares, as well as profit growth. This was achieved despite the unfavourable impact of global economy trends, the implementation of multiple government measures during the year and the tragic fire catastrophe in Kochani in March 2025.

SBU Savoury Spreads, Ferrero and SBU Coffee remain the biggest growth contributors. During 2025, overall volume saw limited growth due to the impact of inflation. A significant effect on value growth was accomplished by starting a new distribution partnership with a strong global and regional producer – **Haleon**. Through cooperation with Haleon we introduced a new business model – a regional distribution hub for surrounding markets, which is a new potential for further growth.

Despite multiple constraints, we managed to fully leverage the potential of the seasonal summer period, which contributed to the record sales achievements of Red Bull, Argeta and Hipp.

With our wide-ranged and diversified portfolio, high-quality products, we continue to satisfy a broad range of consumer needs. The synergy within our distribution portfolio, combined with the range of familiar and strong internal brands – Argeta, Grand Kafa, Cedevita, Smoki, Bananica, Najlepše Želje, Cockta, Boom Box, together with the well-known global brands Red Bull, Ferrero, Hipp, Ficosota, Beiersdorf and Haleon, places Atlantic Grupa in North Macedonia in a leading position in the distribution business. The partnership with Alkaloid ensured the inclusion of strong domestic brands Becutan, Gloss, Good Nature, Zachinal and others, as a strategic enlargement of our distribution portfolio.

The highest level of satisfaction with our distribution service is the combined result of the everyday efforts of 258 people in our organisation across all departments, a proactive business approach, continuous advancements in trade execution, as well as improvements in operational efficiency.

SDU North Macedonia succeeded in realising additional value for the company, not only in terms of positive business results, but also in the segment of people and culture.

Organisationally, our business is segmented in accordance with assortment synergies and organisational efficiency, in a way that provides focused service and satisfaction to all the brands in Food, Drinks, Home Care, Personal Care and Food Supplements categories. Our continuous focus on the current portfolio growth through the improvement of service satisfaction and reaching excellence in execution, puts SDU North Macedonia on the map of strong global and regional brands as a prospective distribution partner.

In the near future, we expect further growth of sales and investment in operational efficiency with the existing portfolio, as well as new brands.

DISTRIBUTION UNIT AUSTRIA

In 2025, Atlantic Grupa in Austria marked another record year, achieving sales revenue of **EUR 30 million**, which represent a **14.0% growth compared to the previous year**.

Strong brand performance remained the key driver of growth. Argeta, Boom Box, Cedevida, Cockta, Coffee, Donat, Smoki, Prima and Podravka are the biggest growth contributors. **Argeta** retained its leading position with a **50.3% market share in the shelf stable spreads category** (Nielsen YTD W24 2025, incl. HD) while the snack brand **Smoki** further strengthened its market presence, reaching a **10.1% market share** in the flips subcategory (Nielsen W40 2025, incl. HD). The portfolio was further strengthened by a new distribution partnership with the Austrian brand, Waterdrop, with a goal to support future growth and innovation even more.

Atlantic Grupa has also marked its **10th anniversary of operating its own distribution in the Austrian market**, confirming the strength of its long-term strategy focused on quality, partnership, and sustainable growth. In addition to strengthening its existing brand portfolio, Atlantic Austria expanded into new product categories in 2025 and enhanced its service quality through the achievement of the **IFS Broker certification**.

The success of the past ten years confirms our chosen path. Looking ahead, we will continue to focus on innovative concepts and sustainable solutions. We will actively support the development and expansion of all the brands in our portfolio to achieve new milestones together.

GDAM

In 2025, **Global Account Distribution Management** achieved remarkable growth, generating sales revenue of **EUR 52 million**, which is a **16.9% increase from the previous year**. This success was primarily driven by our strategic focus on expanding distribution in Germany and accelerating volume-driven initiatives.

Germany, our most strategic market, delivered exceptional results with a 34.0% growth versus the previous year. These results reinforce Germany's pivotal role in our long-term strategy and highlight the strength and resilience of our brands in a highly competitive environment.

Atlantic Grupa also grew in other markets. **Argeta remained the biggest contributor to the sales growth, followed by Štark and Grand.** Argeta recorded the highest sales growth in Germany, followed by Italy and France. Štark recorded a significantly higher increase compared to 2024, driven by trade marketing activities in Germany, Switzerland and Hungary. Flips and Prima remain our key international focus brands. Coffee sales grew by 41.7% compared to 2024, while the beverages category grew by 5.9% mainly driven by Cedevida's strong performance in the Benelux markets.

We will continue to focus on strengthening and expanding every brand in our portfolio to achieve new shared successes.

DISTRIBUTION UNIT RUSSIA

The Distribution Unit (DU) Russia reported **sales revenue exceeding EUR 15 million**, reflecting a year-over-year **increase of 10.6%**. Amidst ongoing market pressures, our Donat and Argeta brands held their position, underpinned by established consumer awareness and trust in the region. Through focused action and resilience, the DU succeeded in safeguarding business continuity and preventing a deterioration in performance. Despite the persistence of a demanding landscape, DU Russia continues to operate with a clear intent to secure the ongoing stability of its sales and earnings.



FINANCIAL OPERATIONS

FINANCIAL OPERATIONS

STATEMENT OF THE GROUP VICE PRESIDENT FOR FINANCE, PROCUREMENT AND IT	86
SALES DYNAMICS IN 2025	89
PROFITABILITY DYNAMICS IN 2025	94
FINANCIAL INDICATORS	97
OUTLOOK FOR 2026	102
DEFINITION AND RECONCILIATIONS OF ALTERNATIVE PERFORMANCE MEASURES (APM)	104

Economic and Geopolitical Challenges

Global tensions across Europe and the Middle East, disruptions on major trade routes, and fragmented international supply chains continued to fuel uncertainty in 2025



1,190.0 M EUR

SALES REVENUE

+10.2% ↑

GROWTH VS 2024

Market Disruptions:

Coffee and cocoa markets stayed highly volatile with persistently high prices, while elevated logistics costs continued to pressure our operations

RECOVERY OF NORMALISED EBITDA MARGIN

103.4 M EUR

NORMALISED EBITDA

+13.8% ↑

GROWTH VS 2024

INVESTMENTS AND CAPITAL STRENGTH

50.4 M EUR

CAPITAL EXPENDITURE

80 M EUR

BOND ISSUANCE AT A FIXED ANNUAL INTEREST RATE OF 2.875%

Awards and Recognition:

Received notable recognition for excellence in investor relations and sustainable business practices

Even in a demanding environment, we are delighted to have exceeded one billion euros in sales revenue for the second consecutive year.

In 2025, global economic and political developments continued to shape the business environment in which Atlantic Grupa operates. Persistent geopolitical tensions in Europe and the Middle East, disruptions in key global trade routes, as well as ongoing fragmentation of international supply chains, have all contributed to elevated uncertainty and increased volatility in commodity and logistics markets. Combined with unfavourable climate conditions across several major agricultural regions, these factors have continued to influence global pricing dynamics and cost pressures.

Throughout 2025, the markets for coffee and cocoa remained particularly unstable. Weather-related risks, limited supply and strong global demand resulted in sustained high prices of these raw materials, while the cost of logistics and transport services remained above pre-crisis levels. Such trends have put significant pressure on procurement, production planning and cost management processes. Despite these challenges, countries in our region continued to demonstrate favourable macroeconomic performance, with Croatia's strong tourism season again serving as an important driver of economic activity and contributing positively to our operations.

Even in a demanding environment, we are delighted to have exceeded one billion euros in sales revenue for the second consecutive year. With EUR 1,190.0 million in sales, we recorded a 10.2% growth compared to 2024. Sales growth was recorded across almost all business and distribution units, with especially strong contributions from the Strategic Business Units Coffee and Savoury Spreads. Our Strategic Distribution Units continued to perform exceptionally well, especially Serbia, Croatia and Slovenia. I would also like to highlight the successful launch of Lemonish and DoNatural, which reinforced our focus on innovation and our ability to anticipate and respond to evolving consumer preferences.

The integration of Strauss Adriatic, completed during 2025, continued to deliver the strategic benefits we anticipated. The expansion of our coffee portfolio through the Doncafe, C Kafa and Java brands further solidified our leadership position in the Serbian coffee market. When excluding the effect of this acquisition, Atlantic Grupa achieved a sales growth of 13.4%, demonstrating the strength of our core operations and the resilience of our brands.

Earnings before interest, taxes, depreciation and amortisation (EBITDA) reached EUR 106.0 million, an increase of 9.3% compared to the previous year, or 13.8% when

adjusted for one-off items. This growth was supported by strong sales performance, which partially offset elevated prices of raw materials - particularly coffee and cocoa and continued investments in our employees. Despite higher depreciation costs linked to elevated capital expenditure, normalised net profit increased significantly by 41.8%. In addition, the year marked a turning point in the recovery of our normalised EBITDA margin, a trend we anticipate will continue going forward.

Capital expenditure in 2025 totalled EUR 50.4 million, once again reflecting our strong focus on long-term development. Investments were directed primarily towards the modernisation and expansion of production capacities, automation of logistics processes, digitalisation initiatives, and improvements in sustainability performance across our operations. These investments lay the foundation for future growth and reinforce our competitiveness in all key markets. In July 2025, we paid a dividend of EUR 1.5 per share, maintaining our commitment to delivering value to our shareholders while ensuring the financial flexibility required for further investments and business development. On 23 May 2025, we successfully issued EUR 80 million in corporate bonds at a fixed annual interest rate of 2.875%, further strengthening our financing structure and supporting the domestic capital market.

We are proud that Atlantic Grupa has once again ranked among the leading companies in Investor Relations, securing second place in the annual selection organised by Poslovni dnevnik and the Zagreb Stock Exchange (ZSE). This recognition reaffirms our long-standing commitment to transparency, professionalism, and high-quality financial reporting and communication.

Sustainability remained an integral part of Atlantic Grupa's business model in 2025, with a continued focus on transparency, responsible governance, and alignment with the European Sustainability Reporting Standards. Our strong brands, continuous focus on quality, innovation and sustainability, combined with the dedication of all our employees and partners, enabled us to successfully navigate another year marked by global uncertainty. With this resilient foundation, Atlantic Grupa enters 2026 ready to continue its path of responsible growth, operational excellence and long-term value creation for all stakeholders.


Zoran Stanković
Group Vice President for Finance,
Procurement and IT

SALES PROFILE BY STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(EUR million)	2025	2024	2025/2024
SBU Coffee	316.2	248.8	27.1%
SBU Savoury Spreads	165.6	150.3	10.2%
SBU Snacks	130.2	125.7	3.6%
SBU Beverages	103.0	110.6	(6.9%)
SBU Pharma	104.2	95.2	9.4%
BU Donat	40.1	36.5	9.9%
SDU Croatia	283.7	266.8	6.3%
SDU Serbia	321.2	267.9	19.9%
SDU Slovenia	181.3	168.4	7.7%
SDU North Macedonia	73.4	63.9	14.8%
Other segments*	104.1	90.9	14.6%
Reconciliation**	(632.9)	(544.7)	n/a
Sales	1,190.0	1,080.3	10.2%

The comparative period has been adjusted to the reporting for 2025.

In 2025, Atlantic Grupa recorded sales of EUR 1,190.0 million, which is a significant 10.2% growth compared to the previous year. The revenue growth is recorded in almost all business and distribution units following excellent sales results of own and principal brands. The highest percentage growth was recorded by the Strategic business units Coffee and Savoury Spreads, and the Strategic distribution units Serbia and North Macedonia.

The **STRATEGIC BUSINESS UNIT COFFEE** recorded a strong double-digit growth due to sales growth of all categories. The result was in major part influenced by the adjustment of selling prices to trends in the global raw coffee market, along with stable demand and the strong market presence of key brands. All regional markets record significant sales growth with the highest percentage growth in the markets of Croatia, Serbia, and Slovenia. Additionally, sales growth across all key European markets made a significant contribution to overall growth. Analysed by categories, the most significant growth was recorded by roast and ground coffee under the Grand kafa, Barcaffè, C kafa, Bonito, and Doncafe brands. The roast and ground coffee category recorded a slight volume decline due to price increases. The espresso coffee and capsule categories, which both record volume and value growth, also contributed to the strong sales growth. Also, the instant category contributes to the growth. If sales of brands acquired by the Strauss Adriatic acquisition are excluded, the Strategic business unit Coffee records a 24.7% sales growth.

The **STRATEGIC BUSINESS UNIT SAVOURY SPREADS** recorded a strong sales growth, where the most significant growth was recorded in the markets of Germany, Kosovo, Bosnia and Herzegovina, and Serbia. The strong value and volume growth is recorded by the meat and the fish segments of savoury spreads. Jams under the Granny's Secret brand also record value and volume growth.

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, Distribution Units and Global Distribution Account Management include both sales of external principals' products and sales of own products.

* Other segments include BU New Growth, DU Austria, DU Russia and GDAM.

** 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 SNACKS** records sales growth, where the significant sales growth was recorded in the markets of Serbia, Bosnia and Herzegovina, and Kosovo. Additionally, sales growth across all key European markets made a significant contribution to overall growth. Analysed by categories, the value and volume growth are recorded by the bars, wafers, and biscuits categories, and flips under the Smoki brand. The chocolate category under the Najlepše želje brand records value and volume decrease, following the increase in prices as a consequence of the significant increase in the price of cocoa.

The **STRATEGIC BUSINESS UNIT BEVERAGES** records a decrease in sales following the revenue decrease in almost all regional markets, which was partly cancelled out by the growth in the markets of Austria and Germany. Analysed by categories, Cedevida in the retail channel records stable value and volume sales despite a volume decline in the fruit-flavoured non-alcoholic beverages category. At the same time, the candy category is recording both value and volume growth, partially offsetting the decline in Cedevida's sales in the HoReCa channel and Cockta's sales in both the HoReCa and retail channels. The decline in sales revenue is partly caused by the cessation of production and distribution of Kala and Kalnička waters from November 2024. On the other hand, our new brand Lemonish is recording excellent sales results.

The **STRATEGIC BUSINESS UNIT PHARMACY BUSINESS** records a significant increase in the sales of drugs and food supplements, as well as other categories. As of 31 December 2025, the pharmacy chain Farmacia has 110 units, including 58 pharmacies, 51 specialised stores and the web shop.

The **BUSINESS UNIT DONAT** records a strong growth due to the significant increase in sales in the markets of Croatia, Slovenia, and Russia. The value and volume increase in sales of Donat functional water and excellent sales results of herbal water under the DoNatural brand, launched in the first quarter of 2025, contribute to the growth.

The **STRATEGIC DISTRIBUTION UNIT CROATIA** records an increase in sales due to the increase in sales of own and principal brands. Among own brands, roast and ground coffee, espresso and instant coffee under the Barcaffè brand, Argeta,

functional water Donat, and the newly launched Lemonish brand especially stand out. Among principal brands, the most significant growth was recorded by Ferrero, Mars and Hipp. A double-digit sales growth was recorded by the HoReCa channel, primarily due to the increase in sales of espresso coffee under the Barcaffè brand.

The **STRATEGIC DISTRIBUTION UNIT SERBIA** recorded a strong double-digit sales growth as a result of the increase in sales primarily of own brands. Among them, the following stand out: roast and ground coffee under the Grand kafa, Bonito, C kafa and Doncafe brands, Argeta, and bars and wafers. Among principal brands, Red Bull and Badel especially stand out. The double-digit sales growth is also recorded by the HoReCa channel, where espresso coffee under the Barcaffè brand stands out.

The **STRATEGIC DISTRIBUTION UNIT SLOVENIA** recorded sales growth due to the increase in sales of own and principal brands. The growth was most impacted by the significant growth of roast and ground coffee and espresso coffee under the Barcaffè brand, Argeta, and functional water Donat. Ferrero, Mars, and Haleon stand out among principal brands.

Double-digit sales growth rates were recorded by the **STRATEGIC DISTRIBUTION UNIT NORTH MACEDONIA** due to the increase in sales of own and principal brands. Among own brands, roast and ground coffee under the Grand kafa brand, Argeta, and bars and wafers stand out. Among principal brands, a significant growth was recorded by Ferrero, Red Bull and the new principals Alkaloid and Haleon.

OTHER SEGMENTS record a significant sales growth due to the increase in sales of all components.

The **DISTRIBUTION UNIT AUSTRIA** recorded a significant sales growth due to the increase in sales of roast and ground coffee under the Grand kafa and Doncafe brands, Argeta, and Smoki. The sales growth of the principal Podravka and the beginning of the new principal Waterdrop distribution also contributed to the growth of this unit.

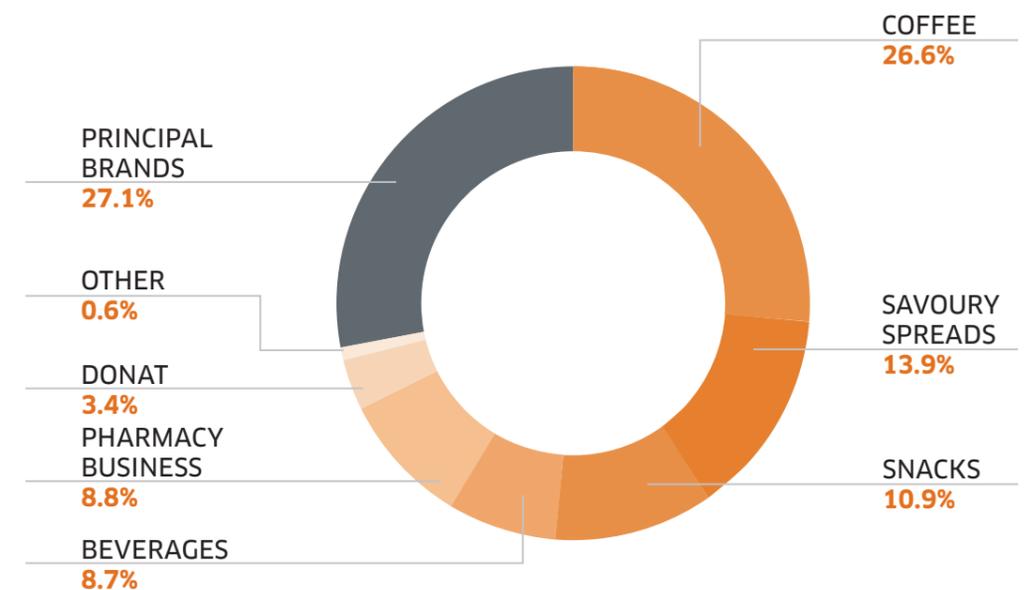
The **GLOBAL DISTRIBUTION ACCOUNT MANAGEMENT** records a double-digit sales growth rate primarily due to the very strong growth on the market of Germany. Analysed by categories, Argeta, roast and ground coffee under the Grand kafa and Doncafe brands, and Smoki record the most significant growth.

The **DISTRIBUTION MARKET RUSSIA** records an increase in sales due to the increase in sales of the functional water Donat, and Argeta.

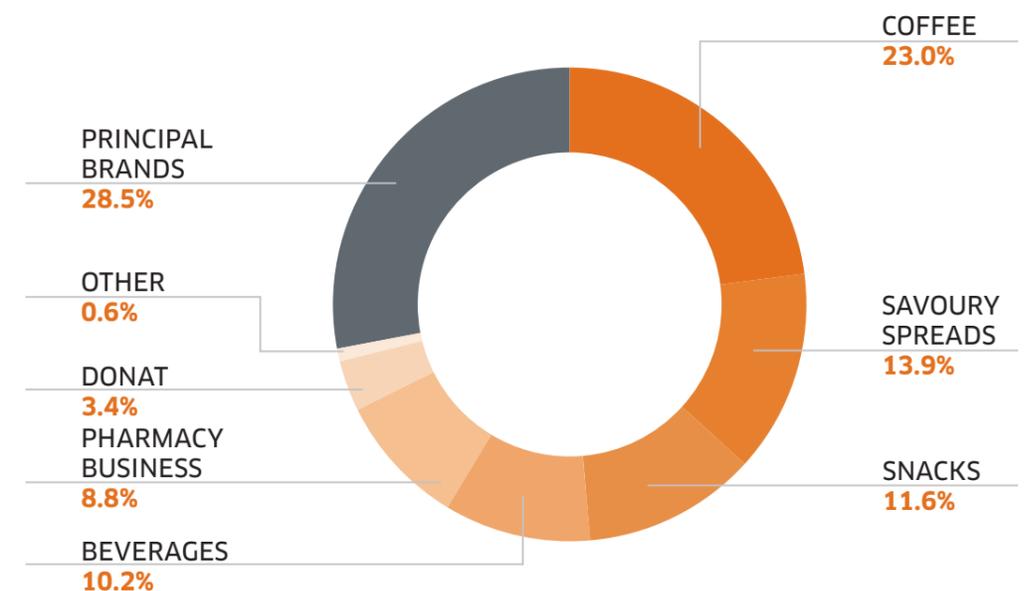
The **NEW GROWTH** records a double-digit sales growth due to the increase in sales on all regional markets, especially the markets of Croatia, Serbia, and Bosnia and Herzegovina. Analysed by categories, plant-based drinks and the smoothie category under the Boom Box brand contribute most to the growth. The growth in sales of our coffee shop chain Ziggy's also contributes to the growth.

SALES PROFILE BY SEGMENTS

2025



2024



SALES PROFILE BY MARKETS

(EUR million)	2025	% of sales	2024	% of sales	2025/2024
Croatia	392.9	33.0%	367.8	34.1%	6.8%
Serbia	324.1	27.2%	285.1	26.4%	13.7%
Slovenia	181.5	15.3%	169.1	15.7%	7.3%
Bosnia and Herzegovina	87.8	7.4%	79.7	7.4%	10.2%
Other regional markets*	104.5	8.8%	91.3	8.5%	14.5%
Key European markets**	65.2	5.5%	55.8	5.2%	16.9%
Russia and CIS	15.6	1.3%	14.2	1.3%	9.2%
Other markets	18.4	1.5%	17.2	1.6%	7.3%
Sales	1,190.0	100.0%	1,080.3	100.0%	10.2%

* Other regional markets: North Macedonia, Montenegro, Kosovo

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

The comparative period has been adjusted to the reporting for 2025.

The **MARKET OF CROATIA** records a sales growth due to the increase in sales of: (i) own brands, of which the following stand out: roast and ground coffee, espresso and instant coffee under the Barcaffè brand, Argeta, functional water Donat, and the newly launched sparkling lemonade of the Lemonish brand, (ii) the pharmacy chain Farmacia, and (iii) principal brands, led by Ferrero, Mars and Hipp.

The **MARKET OF SERBIA** records a double-digit sales growth due to the strong growth of own brands, of which the following stand out: (i) roast and ground coffee under the Grand kafa, Bonito, C kafa and Doncafe brands, (ii) espresso coffee under the Barcaffè brand, (iii) Argeta, and (iv) bars and wafers, and Smoki. Among principal brands, Badel and Red Bull contribute most to the growth.

The **MARKET OF SLOVENIA** records a significant sales growth due to the increase in sales of own brands, of which the following stand out: (i) roast and ground coffee, espresso and instant coffee under the Barcaffè brand, (ii) Argeta, and (iii) functional water Donat. Among principal brands, Ferrero, Mars and Haleon contribute most to the growth.

A double-digit sales growth is recorded in the **MARKET OF BOSNIA AND HERZEGOVINA** due to the increase in sales of: (i) roast and ground coffee under the Grand kafa brand, (ii) Argeta, (iii) bars, wafers, biscuits, and Smoki, and (iv) Boom Box products.

OTHER REGIONAL MARKETS record a strong sales growth, due to the increase in sales of all components. Argeta, roast and ground coffee under the Grand kafa brand, and Smoki contribute most to the growth.

KEY EUROPEAN MARKETS recorded a strong sales growth, due to the growth in the markets of Germany, Austria, and Sweden. Analysed by categories, the increase in sales of Argeta, Smoki, and roast and ground coffee under the Grand kafa brand especially stand out.

The **MARKET OF RUSSIA AND THE COMMONWEALTH OF INDEPENDENT STATES** recorded an increase in sales as a result of the increase in sales of Argeta and functional water Donat.

OTHER MARKETS record a significant sales growth due to the increase in sales in the markets of France, the USA, and Italy. The increase in sales of Argeta and roast and ground coffee under the Grand kafa brand contribute most to the growth.



PROFITABILITY TRENDS

(EUR million)	2025	2024	2025/2024
Sales	1,190.0	1,080.3	10.2%
EBITDA*	106.0	97.0	9.3%
Normalised EBITDA*	103.4	90.9	13.8%
EBIT*	52.6	45.8	14.9%
Normalised EBIT*	50.0	39.7	26.0%
Net profit*	32.0	26.5	20.9%
Normalised Net profit*	29.3	20.7	41.8%
Profitability margins			
EBITDA margin*	8.9%	9.0%	-7 bp
Normalized EBITDA margin*	8.7%	8.4%	+27 bp
EBIT margin*	4.4%	4.2%	+18 bp
Normalised EBIT margin*	4.2%	3.7%	+53 bp
Net profit margin*	2.7%	2.4%	+24 bp
Normalised Net profit margin*	2.5%	1.9%	+55 bp

In 2025, EBITDA amounts to EUR 106.0 million, which is a 9.3% increase compared to 2024, or a double-digit 13.8% growth, if we exclude the impact of one-off items. It is important to note that we are also recording a recovery in the normalised EBITDA margin. The increase in profitability of the strategic business units Savoury Spreads, Coffee, and Beverages, and the increase in profitability of the strategic distribution units Serbia and Croatia contributed most to the increase in normalised EBITDA. As a result of strong sales growth and prudent cost management, normalised EBITDA increased despite significantly higher raw coffee and cocoa costs and increased investments in employees.

In addition to the above, normalised net profit records a 41.8% increase despite higher depreciation of own non-current assets (as a consequence of higher capital expenditure) and right-of-use assets, and higher interest expense and tax expense.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".

OPERATING EXPENSES STRUCTURE

(EUR million)	2025	% of sales	2024	% of sales	2025/2024
Cost of goods sold	350.9	29.5%	322.5	29.9%	8.8%
Change in inventory	(5.1)	(0.4%)	3.1	0.3%	n/a
Production materials	398.8	33.5%	345.2	32.0%	15.5%
Energy	12.7	1.1%	13.5	1.3%	(5.8%)
Services	72.1	6.1%	66.6	6.2%	8.2%
Staff costs	188.2	15.8%	171.7	15.9%	9.6%
Marketing and selling expenses	46.4	3.9%	52.1	4.8%	(10.9%)
Other operating expenses	40.1	3.4%	30.9	2.9%	29.9%
Other (gains)/losses, net	(3.1)	(0.3%)	(6.1)	(0.6%)	n/a
Depreciation and amortisation	53.4	4.5%	51.2	4.7%	4.3%
Total operating expenses*	1,154.5	97.0%	1,050.7	97.3%	9.9%

The cost of goods sold records an increase due to an increase in sales of principal brands and the increase in sales of the pharmacy chain Farmacia. The costs of production materials increased significantly, primarily due to a strong increase in the prices of raw coffee and cocoa. As a consequence, the total cost of raw coffee and cocoa increased by EUR 57.8 million, despite lower volumes of these raw materials compared to the comparative period. This negative impact was partially mitigated by more favourable sugar price trends.

Energy costs are lower due to lower prices of electricity compared to the previous year.

Costs of services increased due to higher maintenance costs, costs of transport and logistics services, but also other expenses caused by higher sales and the increase in the prices of services.

Staff costs record an increase of 9.6% due to the increase in base salaries and higher variable payments as a result of higher sales. As at 31 December 2025, Atlantic Grupa has 5,807 employees, or 91 employees more compared to the previous year.

Marketing expenses recorded a decrease as a result of changed dynamics of marketing investments in the Coffee, Snacks, Beverages, and Savoury Spreads segments, with increased investments in trade marketing which is recorded as a reduction in sales revenue.

Other operating expenses increased, primarily due to a one-off item in the comparative period relating to Agrokor's border debt, i.e. income from the collection of impaired receivables in the amount of EUR 4.4 million.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".

OPERATING RESULT OF STRATEGIC BUSINESS UNITS AND STRATEGIC DISTRIBUTION UNITS

(EUR million)	2025	2024	2025/2024
SBU Coffee	26.2	21.2	24.0%
SBU Savoury Spreads	28.3	21.7	30.3%
SBU Snacks	8.3	8.8	(5.5%)
SBU Beverages	18.8	17.6	6.6%
SBU Pharma	9.5	10.9	(12.0%)
BU Donat	17.2	17.0	1.5%
SDU Croatia	17.9	16.1	11.4%
SDU Serbia	14.4	11.3	26.7%
SDU Slovenia	8.0	8.5	(5.2%)
SDU North Macedonia	4.2	3.8	10.5%
Other segments*	(46.9)	(39.7)	(17.9%)
Group EBITDA**	106.0	97.0	9.3%

STRATEGIC BUSINESS UNITS AND BUSINESS UNIT: Despite a significant increase in raw coffee prices, the SBU Coffee recorded double-digit profitability growth due to strong sales growth, lower costs of marketing activities, and successful hedging. The SBU Savoury Spreads also achieved strong profitability growth as a result of improved gross profit margin due to higher sales and reduced marketing investment intensity compared to the previous year, despite higher employee costs. The SBU Snacks saw a decline in profitability primarily due to high cocoa prices and increased investments in employees. The SBU Beverages recorded increased profitability thanks to improved gross profit margin due to favourable sugar price trends and lower intensity of marketing activities compared to the previous year. Despite growth in the Farmacia pharmacy chain's sales, the SBU Pharmacy Business experienced a decline in profitability due to significant investments in employees. The BU Donat recorded a slight increase in profitability driven by sales growth, despite higher investments in employees and marketing activities.

STRATEGIC DISTRIBUTION UNITS: Almost all strategic distribution units achieved profitability growth due to strong sales revenue growth, despite higher transport and logistics costs, and investments in employees.

OTHER SEGMENTS: Excluding one-off items, other segments recorded a decline in profitability due to higher central function costs.

The comparative period has been adjusted to the reporting for 2025.

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

** Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".

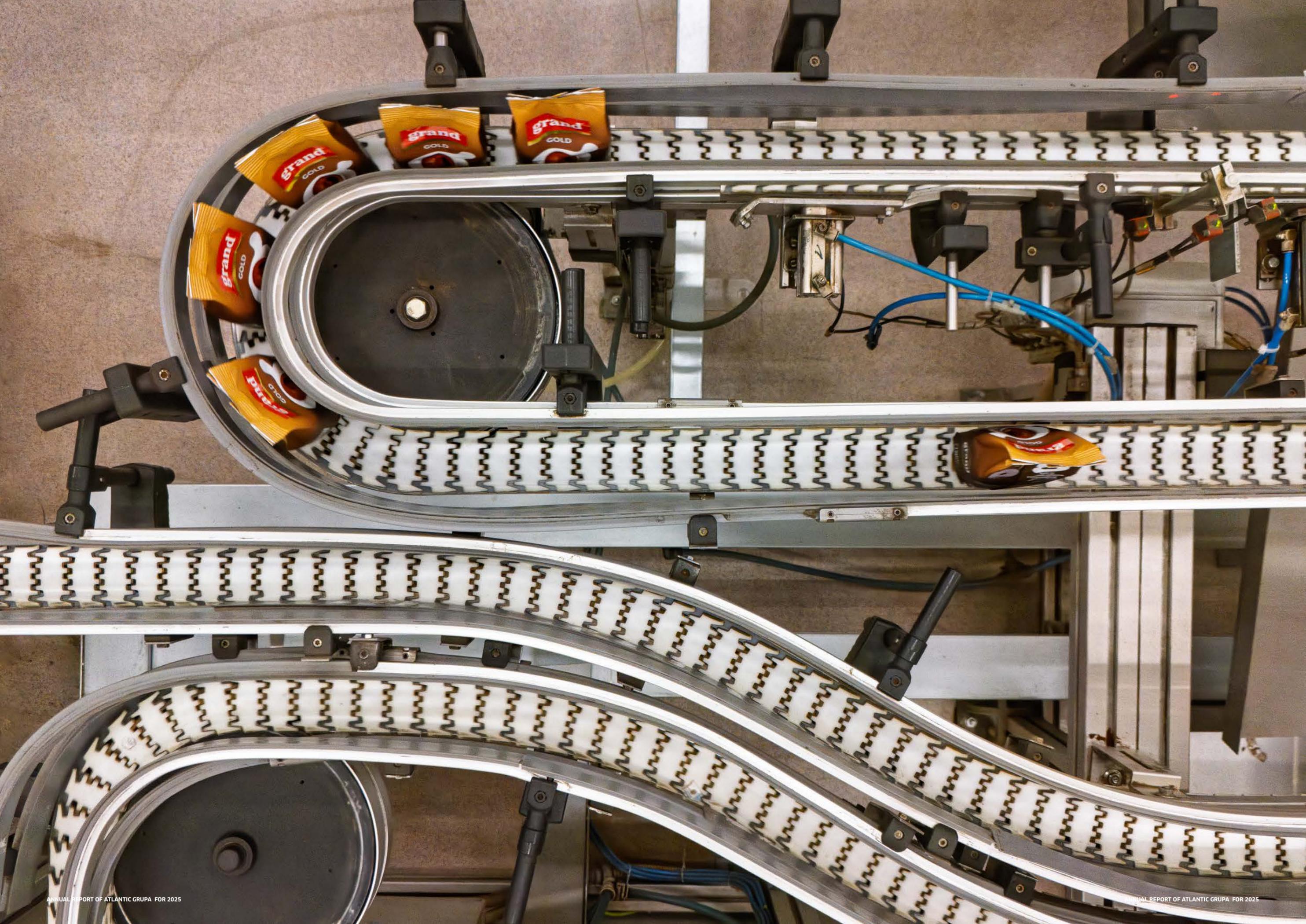
FINANCIAL INDICATORS

(EUR million)	31 Dec 2025	31 Dec 2024
Net debt*	236.6	193.4
Total assets	1,093.2	986.1
Total Equity	470.1	462.0
Current ratio*	1.6	1.2
Gearing ratio*	33.5%	29.5%
Net debt/EBITDA*	2.3	2.1
(EUR million)	2025	2024
Interest coverage ratio*	9.9	9.0
Capital expenditure*	52.1	49.4
Free cash flow*	1.3	18.5
Cash flow from operating activities	53.3	67.9

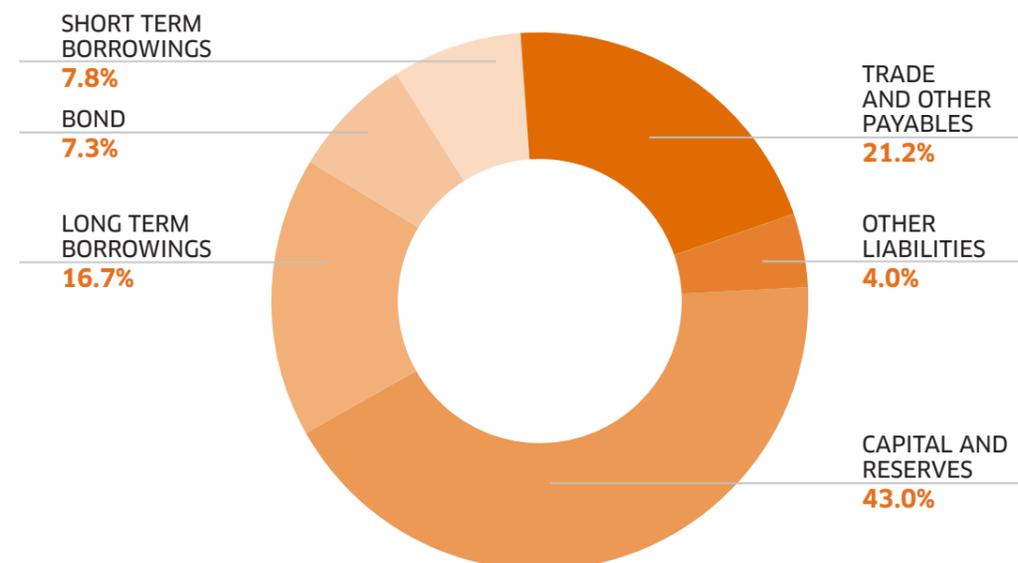
Among key determinants of the Atlantic Grupa's financial position in 2025, the following should be pointed out:

- The gearing ratio increased by 397 basis points due to the EUR 43.2 million increase in net debt compared to the end of 2024.
- The indebtedness measured as the net debt to normalised EBITDA ratio increased from 2.1 at the end of 2024 to 2.3 at the end of 2025.
- Free cash flow records a decrease due to lower cash flow from operating activities and increased capital expenditure.

* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".



THE ATLANTIC GRUPA'S EQUITY AND LIABILITIES STRUCTURE AS AT 31 DECEMBER 2025



* Certain financial measures are not defined by International Financial Reporting Standards (IFRSs). For more details on the Alternative Performance Measures (APM) used, see chapter "Definition and reconciliation of Alternative Performance Measures (APM)".

OVERVIEW OF KEY ITEMS IN THE CONSOLIDATED CASH FLOW STATEMENT

Cash flow from operating activities decreased due to inflationary pressures, higher investments in employees and higher investments in working capital. Capital expenditure in 2025 is marked by the implementation of projects in line with the Atlantic Grupa's Strategic Guidelines for 2025 and launching of projects that will be physically implemented in 2026, in accordance with the long-term Strategic investment plan.

Significant investment projects in 2025:

- SDU Croatia:
 - The relocation of the LDC Split to a new location
 - The relocation of the LDC Rijeka to a new location
- SBU Savoury Spreads:
 - Project of expansion of the cooled warehousing space at the Hadžići location completed
 - Photovoltaic power plant Hadžići put into operation
- SBU Coffee:
 - Final phase of the relocation of coffee production from the Ledine to the Šimanovci location
 - Project to expand storage capacities at the Šimanovci location initiated
- SBU Beverages:
 - Investment project to increase the granulation capacity
 - Investment project to expand the beverages filling line at the Apatovec location completed
- SBU Snacks:
 - Investment project for a new line for the production and packaging of salty snacks completed
 - Design phase and obtaining approvals and permits completed, related to the investment project for the construction of the Smoki production facility and a new central warehouse
 - Project for the construction of a photovoltaic power plant at the Ljubovija location initiated
- BU Donat:
 - Project of renovation and adaptation of the production plant in Rogaška Slatina completed
 - Completed contracting and completed order for a new line for filling non-alcoholic beverages – delivery and installation of the line as per plan will begin in the second quarter of 2026
- IT:
 - Implementation of the S/4 Hana ERP and MES systems in Atlantic Droga Kolinska and the production plant at the Šimanovci location completed

ATLANTIC GRUPA'S MANAGEMENT STRATEGIC GUIDANCE FOR 2026

Geopolitical uncertainty remains a significant risk in 2026. The continuation of conflicts in Ukraine and the Middle East, trade tensions, and unstable global conditions will continue to place additional pressure on European and regional economies. At the same time, the euro zone and the European Union are operating in an increasingly complex international environment, facing pronounced structural challenges. Shifting geopolitical circumstances, accelerated technological progress, growing climate risks, demographic ageing trends, and low productivity are all affecting the overall economic outlook. Despite these pressures, economic developments in the European Union in 2026 are expected to be characterised by moderate but stable growth, driven by modest yet steady growth in domestic demand. Labour market resilience and the gradual easing of inflation should continue to support real household income growth and, consequently, private consumption. In such an environment, countries in the region are once again expected to record significantly higher growth rates than the EU average, supported by a strong investment cycle, favourable labour market trends, salaries growth, and intensive utilisation of EU funds.

Despite complex macroeconomic conditions and heightened volatility in global commodity markets, Atlantic Grupa enters 2026 with clearly defined strategic priorities and strong growth ambitions. We expect further sales growth, exceeding EUR 1.25 billion in 2026. At the same time, we anticipate continued pressure on profitability, primarily due to pronounced volatility and high prices of raw coffee and cocoa. Despite the challenging environment, we estimate that normalised earnings before interest, taxes, depreciation and amortisation (EBITDA) will exceed EUR 110 million, with a continued slight increase in the EBITDA margin.

In 2026, we will continue with intensive capital investments exceeding EUR 60 million, with more than half allocated to the SBU Coffee and SBU Snacks. Within the SBU Coffee, we will continue investing in the establishment of a centralised coffee production and packaging location in Serbia, including the construction of a new logistics centre that will significantly increase storage capacity. Within the SBU Snacks, following the design phase and the acquisition of all necessary approvals and permits, we proceed with activities related to the construction of the Smoki production facility and a new central warehouse.

In 2026, management will focus on (i) strengthening leadership positions and maintaining profitability, (ii) selective investment in new opportunities to expand the product portfolio and markets, (iii) increasing productivity by enhancing operational excellence, implementing significant capital investments, and continuing digital transformation, and (iv) further strengthening the organisation through employee care and responsible sustainable business practices.



DEFINITION AND RECONCILIATION OF ALTERNATIVE PERFORMANCE MEASURES (APM)

The Annual report, half-year report, quarterly report and other communication to investors contain certain financial performance measures, which are not defined by International financial reporting standards (IFRS). We believe these measures, along with comparable IFRS measurements, are useful to investors because they provide a basis for measuring our operating and financial performance.

The main APMs used by Atlantic Grupa are defined and/or reconciled with our IFRS measures in this document.

EBITDA and NORMALIZED EBITDA, EBITDA margin and NORMALIZED EBITDA margin

EBITDA (Earnings before interest, tax, depreciation and amortization) equals to operating profit in the financial statements (see Note 2 – Summary of significant accounting policies in the attached audited Consolidated Financial statements) increased for depreciation, amortisation and impairment (see Notes 13, 13a, 14, 16 in the attached audited Consolidated Financial statements).

The Group also presents Normalized EBITDA which is calculated as EBITDA excluding the impact of one-off items. One-off items represent all one-off expenses/income arising from these transactions, and other one-off income and expenses. The Group's Management Board monitors normalized EBITDA to evaluate business performance of the Group and to allocate resources accordingly. Additionally, Group's management believes that normalized EBITDA provides information that enables investors to better compare Group's performance across periods.

The Group also presents EBITDA margin and Normalized EBITDA margin, which are defined as EBITDA/Normalized EBITDA as percentage of sales.

(in EUR millions)	2025	2024	2025/2024
Operating profit	52.6	45.8	14.9%
Depreciation, amortisation and impairment	53.4	51.2	4.3%
EBITDA	106.0	97.0	9.3%
Divestment costs/(gains), net	(2.8)	0.0	
Other one off (income)/costs, net	0.1	(6.2)	
Normalized EBITDA	103.4	90.9	13.8%
Sales	1,190.0	1,080.3	
EBITDA margin	8.9%	9.0%	
Normalized EBITDA margin	8.7%	8.4%	

EBIT and NORMALIZED EBIT, EBIT margin and NORMALIZED EBIT margin

EBIT (Earnings before interest and tax) equals operating profit in the financial statements (see Note 2 Summary of significant accounting policies in the attached audited Consolidated Financial statements).

The Group also presents Normalized EBIT which is calculated as EBIT excluding the impact of one-off items. The Group also presents EBIT margin, which is defined as EBIT as percentage of sales.

(in EUR millions)	2025	2024	2025/2024
Operating profit	52.6	45.8	14.9%
EBIT	52.6	45.8	14.9%
Divestment costs/(gains), net	(2.8)	0.0	
Other one off (income)/costs, net	0.1	(6.2)	
Normalized EBIT	50.0	39.7	26.0%
Sales	1,190.0	1,080.3	
EBIT margin	4.4%	4.2%	
Normalized EBIT margin	4.2%	3.7%	

NET PROFIT and NORMALIZED NET PROFIT, NET PROFIT margin and NORMALIZED NET PROFIT margin

Net profit is a subtotal which is reported in the Consolidated Income statement in the attached audited Consolidated financial statements for the period ended 31 December 2025.

The Group also presents Normalized Net profit which is calculated as Net profit excluding the impact of one-off items.

Additionally, the Group also presents Net profit margin and Normalized Net profit margin, which are defined as Net profit/Normalized Net profit as percentage of sales.

(in EUR millions)	2025	2024	2025/2024
Net profit	32.0	26.5	20.9%
Divestment costs/(gains), net	(2.8)	0.0	
Other one off (income)/costs, net	0.1	(5.8)	
Normalized net profit	29.3	20.7	41.8%
Sales	1,190.0	1,080.3	
Net profit margin	2.7%	2.4%	
Normalized net profit margin	2.5%	1.9%	

TOTAL OPERATING EXPENSES

Total operating expenses are a subtotal of the following items which are reported in the Consolidated Income statement in the attached audited Consolidated financial statements for the period ended 31 December 2025: cost of trade goods sold, change in inventories of finished goods and work in progress, material and energy costs, staff costs, marketing and promotion expenses, other operating expenses, other gains/losses-net and depreciation, amortization and impairment.

CAPITAL EXPENDITURE (CAPEX)

Capital expenditure includes payments made to acquire property, plant and equipment and intangible assets, as reported in the Consolidated Cash flow statement in the attached audited Consolidated financial statements for the period ended 31 December 2025. The Group uses capital expenditure as APM to ensure that the cash spending is in line with overall strategy of the Group.

NET DEBT and NET DEBT to EBITDA

Net debt is used by management to evaluate the Group's financial capacity. Net debt is defined as sum of current and non-current borrowings, current and non-current lease liabilities and derivative financial instruments decreased for cash and cash equivalents which are reported in the Consolidated Balance sheet in the attached audited Consolidated financial statements for the period ended 31 December 2025, as shown below:

(in EUR millions)	31 Dec 2025	31 Dec 2024
Non current borrowing	196.2	57.1
Non current lease liabilities	66.8	65.1
Current borrowings	67.4	114.1
Current lease liabilities	17.6	16.1
Derivative financial instruments, net	0.9	(5.8)
Cash and cash equivalents	(112.3)	(53.2)
Net debt	236.6	193.4
Normalised EBITDA	103.4	90.9
Net debt/Normalized EBITDA	2.3	2.1

The Group also uses the net debt to EBITDA ratio, which is net debt divided by EBITDA, to assess its level of net debt in comparison with underlying earnings generated by the Group. This measure reflects the Group's ability to service and repay its financial liabilities.

CURRENT RATIO

The current ratio compares all Group's current assets to its current liabilities which are reported in the Consolidated Balance sheet in the attached audited Consolidated financial statements for the period ended 31 December 2025. The current ratio is a liquidity ratio that measures the Group's ability to cover its short-term debt with its current assets.

(in EUR millions)	31 Dec 2025	31 Dec 2024
Current assets	527.0	439.8
Current liabilities	328.1	369.4
Current ratio	1.6	1.2

GEARING RATIO

The gearing ratio compares net debt to total equity increased for net debt. Gearing ratio is a measurement of the Group's financial leverage that demonstrates the degree to which a firm's operations are funded by equity capital versus debt financing.

(in EUR millions)	31 Dec 2025	31 Dec 2024
Net debt	236.6	193.4
Total equity	470.1	462.0
Gearing ratio	33.5%	29.5%

INTEREST COVERAGE RATIO

The interest coverage ratio is calculated by dividing Group's normalized EBITDA by total interest expense (see Note 10 - Finance cost-net in the attached audited Consolidated financial statements for the period ended 31 December 2025), as shown below. Interest coverage ratio is used to determine how easily the Group can pay interest on its outstanding debt.

(in EUR millions)	2025	2024
Normalized EBITDA	103.4	90.9
Total interest expense	10.4	10.1
Adjusted interest coverage ratio	9.9	9.0

FREE CASH FLOW

Free cash flow shows the ability of the Group to generate cash to repay financial liabilities, finance possible acquisitions, pay dividends, etc. Free cash flow equals net cash flow from operating activities less capital expenditure, items included in the Consolidated Cash Flow Statement in the attached audited Consolidated financial statements for the period ended 31 December 2025.

(in EUR millions)	2025	2024
Net cash flow from operating activities	53.3	67.9
Capex	52.1	49.4
Free cash flow	1.3	18.5

CORPORATE GOVERNANCE

CORPORATE GOVERNANCE

STATEMENT OF THE GROUP VICE PRESIDENT FOR CORPORATE ACTIVITIES	110
CORPORATE GOVERNANCE STRUCTURE	112
PERFORMANCE ON THE CAPITAL MARKET AND OWNERSHIP STRUCTURE	126
INTEGRATED QUALITY MANAGEMENT SYSTEM	132
RISKS OF ATLANTIC GRUPA	136
INTERNAL AUDIT	146
AWARDS	150
SPONSORSHIPS AND DONATIONS	154

Corporate Culture: Respect for diversity, ethical conduct, and cooperation across different business segments form the foundation of our organisational ethos and guide the way we develop initiatives, partnerships, and programmes that extend beyond our core operations



People and Culture Strategy: Focus on organisational design, authentic leadership, and supporting employees as individuals



Our **Quality Policy** confirms our commitment to sustainable development, economic efficiency, environmental protection, and social responsibility

Sustainability efforts: Through responsible behaviour and care for stakeholders, we aim to build organisational resilience while contributing positively to society and the environment

Leading responsibility: We are recognized by AmCham Croatia & Kearney as ESG Champion 2025. Also, we are the first company in Croatia to receive an LSEG ESG Score

Our approach to sustainability is grounded in long-term value creation and a clear understanding of our role and impact as a regional leader.

Atlantic Grupa is a resilient business system that places equal importance on business performance and responsible conduct within the communities in which it operates. Our approach to sustainability is grounded in long-term value creation and a clear understanding of our role and impact as a regional leader.

Climate change mitigation is a core priority of Atlantic Grupa's sustainability agenda and is fully integrated into our business model and decision-making processes. Sustainability is not managed as a standalone programme, but as an operational discipline embedded across all businesses through clearly defined responsibilities, targets, and investment plans.

Progress in this area is systematically monitored through the Atlantic Grupa Sustainability Index, which serves as a comprehensive management tool for steering sustainability performance across environmental, social, and governance priorities. The Index translates strategic objectives into clearly defined and measurable indicators, enables regular tracking of results at the Company, business unit, and operational levels, and ensures accountability through the cascading of targets into management and operational responsibilities. In this way, sustainability commitments are embedded into everyday business processes and consistently implemented across the Group.

Across all measured sustainability objectives, Atlantic Grupa consistently delivers strong results, achieving AG Sustainability Index scores above 100% in almost all measured years, which confirms the effectiveness of our systematic and disciplined approach to sustainability management. A particularly significant achievement is the reduction of direct and indirect greenhouse gas emissions (Scope 1 and 2) by approximately 48% since 2020, achieved despite continued business growth. This progress reflects a systematic approach combining energy efficiency measures, increased use of renewable energy sources, targeted technological upgrades, and the optimisation of production and logistics processes across multiple locations.

Building on these results, Atlantic Grupa has defined a clear Transition Plan with the objective of achieving a 58% reduction of Scope 1 and 2 emissions by 2030 compared to the base year. The Transition Plan is fully embedded into regular business planning and capital expenditure decisions, with its implementation entrusted to all businesses and executed through everyday operational activities rather than isolated or ad-hoc projects.

Beyond our own operations, Atlantic Grupa actively

promotes responsible practices throughout the value chain, recognising that Scope 3 emissions represent the majority of the Group's overall carbon footprint. Through a clearly defined Supplier Code of Conduct, regular risk assessments, and structured engagement, we work closely with partners and suppliers to align expectations and support continuous improvement. We believe that meaningful and lasting progress in sustainability can only be achieved through collaboration, shared accountability, and transparency.

In line with evolving regulatory requirements, Atlantic Grupa prepares its annual Sustainability Report in accordance with the European Sustainability Reporting Standards (ESRS), supported by independent external assurance. The robustness of our sustainability management framework and achieved results has been externally validated through multiple independent recognitions. For the second consecutive year, Atlantic Grupa received the AmCham Croatia & Kearney ESG Champion 2025 recognition for sustainable business practices aligned with ESG principles. Furthermore, Atlantic Grupa became the first company in Croatia to receive an ESG Score from the London Stock Exchange Group (LSEG), positioning the Company on the global ranking of companies whose ESG performance is assessed using a comprehensive methodology based on a broad set of interrelated indicators. Atlantic Grupa achieved an overall LSEG ESG Score of A- (80 out of 100), placing the Company among industry leaders and confirming the continuity of its systematic and long-term commitment to ESG practices. At the CSR & ESG Forum, organised by Smart Kolektiv and the Business Responsibility Forum, Atlantic Grupa received the prestigious award in the category "ESG Communication of the Year" for our project Green Wave. Within Atlantic Grupa, the Green Wave project serves as an educational platform for building ESG awareness and translating green agendas into concrete actions.

As an active member of the wider community, Atlantic Grupa remains aware of its responsibility to contribute to the improvement of social conditions and quality of life. Through targeted initiatives, responsible business practices, and engagement with stakeholders, we continue to live our core values of Passion, Growth, Care, and Openness, reaffirming our commitment to sustainable development and a better future for the generations to come.

Neven Vrankovic
Group Vice President for Corporate
Activities

Atlantic Grupa follows good practices of corporate governance in its operations and, in this sense, our business policy, strategy and key internal acts contribute to transparent and efficient business operations and better connections with the business environment.

Atlantic Grupa follows good practices of corporate governance in its operations and, in this sense, our business policy, strategy and key internal acts contribute to transparent and efficient business operations and better connections with the business environment. Our economic efficiency contributes to economic growth and the progress of society as a whole. The key sustainable management documents within Atlantic Grupa are: the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, Code of Corporate Governance of Atlantic Grupa, Code of Business Ethics (Croatian Chamber of Commerce), Diversity Charter (Croatian Business Council for Sustainable Development), Whistleblowing Procedure Rules and Code of Ethics of the Pur-

chasing Organisation. As a listed company, Atlantic Grupa is subject to the Corporate Governance Code jointly issued by the Zagreb Stock Exchange and the Croatian Financial Services Supervisory Agency (HANFA). In this context, in 2025 Atlantic Grupa signed the Statement of Application of the Corporate Governance Code, confirming that its governance framework and business practices are aligned with the principles of good corporate governance across all business segments. The Statement of Application of the aforementioned Code has been published on the Company's website (www.atlanticgrupa.com) as well as on the website of the Zagreb Stock Exchange (www.zse.hr) and HANFA (www.hanfa.hr).

The company's articles of association and/or internal acts prescribe that major decisions affecting the company's strategy, expenditure, risk exposure and reputation require the supervisory board's prior approval.	NO	Responsibilities of the Supervisory Board are set within the framework of the valid Companies Act.
---	-----------	--

Atlantic Grupa is developing and acting in accordance with good practice of corporate governance and endeavours, through its business strategy, business policy and key internal acts, to contribute to transparent and efficient business operations and quality relationships with the business environment in which it operates, following global and European trends. In order to efficiently and effectively follow ESG standards and European regulations, Atlantic Grupa has established a clear management model and structure in this area. Achieving productivity and profitability is supported by a clear organisational structure, corporate culture and values that connect employees and contribute to the achievement of business goals, as well as sustainable development goals. The internal control and risk management system is an integral and important component of our business operations. Its elements, as specified below, along with the description of the functioning and method of exercising voting rights at the General Assembly, composition and functioning of the Management Board and Supervisory Board and their committees, and information on the Company's shareholders, form an integral part of this Corporate Governance Statement. In addition to the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, Atlantic Grupa also applies its own Code of Corporate Governance, thus improving the standards of business transparency and fully aligning them with European Union directives. The Code defines the procedures for the

functioning of the Supervisory Board, Management Board and other bodies and structures responsible for decision-making, their relations and remuneration policies while integrating ESG factors into management processes. Moreover, it clearly defines social responsibility, covering all environmental and social aspects of sustainable development, thus ensuring the avoidance of conflicts of interest, efficient internal control and an effective responsibility system. The Code of Corporate Governance of Atlantic Grupa is accessible to all individuals and always available to all our stakeholders, as it is published on the company's website (www.atlanticgrupa.com) and on the internal portal, a digital platform available to all employees.



Zoran Vučinić – Chairman of the Supervisory Board

In the course of 2025, the Supervisory Board has performed supervision of the Company's activities in line with the decisions adopted by the Company's General Assembly and established that the Company acted fully in compliance with the decisions of the General Assembly. The Management Board and the Supervisory Board work closely together for the good of the Company and maintain regular contact. The Supervisory Board was duly informed by the Management Board of all business events of greater importance, the course of business operations, revenues and expenditures, as well as of the general status of the Company. The Management Board regularly submitted to the Supervisory Board quarterly, semi-annual and annual written reports on business operations, to which the Supervisory Board had no objections, and which were unanimously adopted. Also, the Management Board keeps the Supervisory Board fully and regularly informed on corporate strategy, planning, business developments, internal control, risk management, compliance, any deviations in the business developments from original plans, as well as on significant business transactions involving the Company and its affiliates. The Management Board regularly submits to the Supervisory Board reports prescribed by law, while in between its sessions, the Management Board duly informs the Supervisory Board on important developments regarding the Company's business operations. The Management Board of the Company acts in accordance with the adopted decision of the Supervisory Board containing a list of categories of decisions and agreements for which the prior approval of the Supervisory Board is required (contracting or participation in decision-making in matters in which member of the Management Board is the other contractual party or the other contractual party, its attorney or representative is her or his related person in the sense of Article 248a of the Companies Act or in connection with which there is a conflict of interest between a member of the Management Board and the Company). The Supervisory Board welcomed the appointment of three new members, whose expertise and professional backgrounds are regarded as a strong addition that will further enhance the Board's overall capabilities. In accordance with our commitment to transparency, accountability, and continuous improvement, the Supervisory Board undertook a comprehensive self-assessment. The assessment was conducted by the Vice Chairwoman of the Supervisory Board with the support and input of all members, without the engagement of an external auditor. Our primary objective is to evaluate the effectiveness of our governance processes, the contribution of individual members, and the overall functioning of the Board. Self-assessment provides valu-

able insights into areas of strength as well as opportunities for improvement in fulfilling our oversight role. The self-assessment results highlighted several areas where the Supervisory Board is performing strongly. The Board and its Committees work well and have a balanced composition and necessary expertise complementary to the requirements of the Company's business. The Board has demonstrated effective oversight in key strategic decisions and has remained focused on long-term value creation for the Company. Strong communication and collaboration exist between the Board and executive management, contributing to a clear understanding of the Company's priorities. The Board's collective expertise and diversity continue to be valuable assets in decision-making and governance. Administrative support for the preparation of the Board Sessions is provided by the Company's Secretary in an efficient and timely manner. There is an opportunity to focus even more on external factors and long-term strategies & disruptions scenarios. In particular, the impact of global changes on the supply chain and sustainability topics are highlighted. The self-assessment process has provided valuable insights that will guide us in further strengthening our performance. We aim to continue serving the Company with excellence and contribute to its sustainable growth.

The Supervisory Board ensures balanced representation of both genders, given that out of a total of 9 members of the Supervisory Board in 2025, 5 members (55.56%) are women, while 4 members (44.44%) are men. Cumulatively, out of a total of 16 members of the Supervisory Board and the Management Board in 2025, 7 members (43.75%) are women, while 9 members (56.25%) are men. In 2020, the Supervisory Board set the target of the proportion of women in the Management Board at the minimum of 25%, out of its total number, until 2025. It should be noted that, in 2025, this goal was achieved, as the Management Board numbers 2 female members (28.57%) and 5 male members (71.43%). Atlantic Grupa highly supports diversity within the Company and balanced representation of genders within the senior management, which is demonstrated by the fact that women hold 52% of all managerial positions in the Company. In this context, Atlantic Grupa fully complies with the requirements of the relevant European Union Directive on Gender Balance on Corporate Boards, confirming its commitment to equal opportunities and inclusive corporate governance.



Zoran Vučinić

Chairman of the Supervisory Board



Zoran Vučinić
Chairman



Monika Elisabeth Schulze
Vice-Chairwoman



Siniša Petrović
Vice-Chairman



Lars Peter Elam Håkansson
Member



Andrea Gisle Joosen
Member



Florence Jeantet
Member



Vesna Nevistić
Member



Aleksandar Pekeč
Member



Anja Svetina Nabergoj
Member



ORGANISATION OF CORPORATE AND SUSTAINABILITY GOVERNANCE IN ATLANTIC GRUPA

Atlantic Grupa's corporate governance structure is based on a dual principle, which implies the Company's Supervisory Board and Management Board. Together with the General Assembly, they represent the three principal bodies of the Company under the Articles of Association and the Companies Act. Within its corporate governance structure, Atlantic Grupa established a clear management model and structure in this area, in order to efficiently and effectively follow ESG standards and European regulations.

GENERAL ASSEMBLY

The General Assembly is a body in which shareholders accomplish their rights in Company matters. The method of functioning of the General Assembly, its powers, the rights of shareholders and the method of their exercise are defined in the Company's Articles of Association, which are publicly available on the Company's website (www.atlanticgrupa.com). In order to decide on issues prescribed by law and the Company's Articles of Association, the regular General Assembly of Atlantic Grupa d.d. was held on 24 June 2025. The following decisions were made at that Assembly: distribution of a dividend to the Company shareholders in proportion to the number of shares held by each shareholder in the amount of EUR 1.50 per share; election of three new members, Andrea Gisle Joosen, Florence Jeantet and Branislav Bibić and re-election of Zoran Vučinić for a member of the Supervisory Board; election of Karl Weinfurtnner for a member of the Audit Committee; issuance of the note of release to the members of the Management Board and the Supervisory Board; approval of the Remuneration Report for 2024; approval on amendments to the Articles of Association; approval on amendments to the Decision on the remuneration of members of the Supervisory Board; and appointing an independent Auditor of the Company for the year 2025. All decisions from the meetings held by the General Assembly were made in line with legal regulations and are available on web pages of Atlantic Grupa and the Zagreb Stock Exchange (www.zse.hr).

SUPERVISORY BOARD OF ATLANTIC GRUPA

The Supervisory Board of Atlantic Grupa d.d. is comprised of nine members chaired by the Chairman and two Vice Chairpersons. Upon the expiration of the mandates of Zdenko Adrović and Franz Josef Flosbach on 3 September 2025, in accordance with the decision of the General Assembly, Andrea Gisle Joosen and Florence Jeantet joined the Supervisory Board with the beginning of their mandate on 4 September 2025. In 2025, the Supervisory Board held seven sessions. The members' attendance rate at these sessions was 93.65%, considering that Lars Peter Elam Håkansson, Andrea Gisle Joosen, Vesna Nevistić and Anja Svetina Nabergoj were justifiably prevented from participating in one session.

Zoran Vučinić
Chairman

Zoran Vučinić brings to this role 33+ years of international experience in the global fast-moving consumer goods (FMCG) industry. His last position was with The Coca-Cola Company as Chief Operating Officer of Coca-Cola North America, based in Atlanta, USA. As a fresh university graduate, he began his career in Italy in 1988 with Coca-Cola as the Marketing Services Manager for South-East Europe. After that, he held several leadership positions with growing scope of responsibility in Poland, Switzerland, Austria and Thailand. Between 2002 and 2007, he was a consultant with Egon Zehnder International and the President of the Dukat Dairy Group. In 2007, he returned to Coca-Cola as President for the Russia, Ukraine, and Belarus business unit and was later promoted to President of the Middle East & North Africa region comprised of 24 countries, based in Dubai, UAE. He is a graduate of the European School of Business (ESB), Reutlingen University, and Middlesex University London. He also received an MBA degree from the Sloan School of Management at MIT in Boston, USA.

Monika Elisabeth Schulze
Vice-Chairwoman

Monika Elisabeth Schulze brings over 30 years of professional experience across the fast-moving consumer goods (FMCG) and financial services industries, working in various countries, including

the CEE region. Her expertise lies in building strong businesses amid industry transformations, digital disruption, and the implementation of sustainability frameworks. She has a proven track record of leading teams and establishing international networks to translate vision into actionable results. In 2017, Monika was recognised by Forbes as one of the World's Most Influential CMOs and was nominated by Ad Age as a "Woman to Watch Europe". Before joining Zurich Insurance as Chief Marketing Officer, Monika ran her own strategic business consultancy. Her previous roles at Unilever included Vice President for Brand Development Europe and Business Director for Foods with P&L responsibility in Hungary. Monika holds a Master of Business Administration degree from the University of Hamburg. She currently serves on the Supervisory Boards of Atlantic Grupa and Schloss Wachenheim (a sparkling wine company in Germany), and is Deputy Chairwoman of Ökoworld, a German financial services company specializing in sustainable investments. Monika brings valuable experience and expertise in ESG and sustainability matters. In 2021, she developed the sustainability strategy and framework for non-financial reporting at Zurich Insurance Germany, which have since served as the foundation for its official public reporting. To further enhance her knowledge, she enrolled in a specialized Sustainability and ESG course, certified by Deutsche Börse, at the end of 2024. The course focuses on areas such as the EU Green Deal, the CSR Directive, the EU taxonomy, and both national and international reporting standards.

Siniša Petrović Vice-Chairman

Siniša Petrović is a tenured professor at the Commercial and Company Law Department of the Faculty of Law at the University of Zagreb. In 1995, he was a special envoy of the delegation of the Republic of Croatia for negotiations with the international community as well as a member of the delegation of the Republic of Croatia at the International Peace Conference for Bosnia & Herzegovina in Dayton. He was Vice President of the Council for the Protection of Market Competition and the Croatian representative in the Arbitration Committee of the International Chamber of Commerce. He is the author of many expert papers and participated in the drafting of Croatian regulations concerning companies, market competition, real estate mediation, privati-

sation, sports and prevention of conflicts of interest in performance of public functions. He was a member of the Negotiating Team for the Accession of the Republic of Croatia to the EU. He received his bachelor's, master's and doctor's degrees from the Faculty of Law at the University of Zagreb.

Lars Peter Elam Håkansson Member

Peter is the Chairman of the Management Board of East Capital Holding and holds Board appointments within the East Capital Group. He established East Capital's investment philosophy and strategy. He has worked within emerging and frontier markets since the early nineties and continues to travel and visit companies throughout the world. Peter has been awarded the Gold Star for best Fund Manager five times by Morningstar and Sweden's largest financial daily Dagens Industri. He and the investment teams have also received numerous Lipper awards for the performance of the funds that East Capital manages. Peter is also Chairman of the Management Board of the Swedish Music Hall of Fame, and a Supervisory Board member in Garna Stockholm Holding, Bonnier News Business, Atlantic Grupa, Cicero Holding AB and Cicero Fonder, Hjerta, LaSpa Group in Estonia and a fellow of the Royal Swedish Academy of Engineering Sciences (IVA), Finance Section. Prior to founding East Capital, Peter held a series of senior positions at Enskilda Securities in London, Paris and Stockholm - where his last role was Head of Equities and Global Head of Research. Peter has a degree from Stockholm School of Economics and has also studied at l'EDHEC in Lille. Peter's financial expertise contributes to the Board's knowledge in the area of the audit of the Company's financial statements.

Andrea Gisle Joosen Member

Andrea is a highly experienced non-executive director with a strong track record of leadership across international technology and consumer industries. She began her career at Mars Inc. and Procter & Gamble, and currently serves as a Non-Executive Director of Stadium AB, the leading sports retail chain in the Nordic region; Viaplay Group AB, a Swedish public company offering premium TV subscription services; and Zühlke, a private Swiss consultancy specialising in innovation strategies and services

on a global scale. As a non-executive director, Andrea has been deeply involved in ESG matters and has led and advised numerous Remuneration and Audit Committees. She possesses strong corporate governance expertise, particularly in international contexts. Earlier in her career, she held senior executive roles at Boxer TV Sweden, Panasonic, Chantelle Group, and Twentieth Century Fox. Andrea holds a BSc in Business Administration and an MSc in International Marketing from Copenhagen Business School, and has completed executive education programs at Harvard and IMD in Switzerland. Andrea's financial expertise contributes to the Board's knowledge in the area of the audit of the Company's financial statements.

Florence Jeantet Member

Florence Jeantet has over 20 years of executive experience in two major FMCG companies, Unilever and Danone. She has a proven track record in innovation, bringing breakthrough science to market of international brands. Florence contributed to the creation of OP2B, a coalition of over 17 CPG Global companies committed to transforming agricultural supply chains for greater resilience—before being appointed its General Manager in 2020. She successfully built global momentum around „regenerative agriculture“ and later became the SVP Chief Sustainability Officer of Danone Group, where she focused on the sustainability agenda as a growth driver. Since April 2023, Florence has been a member of the board at SIG group AG, a Swiss multinational corporation. Florence holds a Master's degree in Food Science from the University of Montpellier and has completed executive education at Harvard. She is currently an independent director and board member of Merieux Nutriscience, a global leader in food industry quality, safety, and environmental services. In 2024, Sustainability Magazine named her one of the most influential women in sustainability worldwide, and she was awarded the French National Order of Merit.

Vesna Nevistić Member

Dr. Vesna Nevistić has 25 years of professional track record in the areas of management consulting, investment banking, corporate development and restructuring. She has gained extensive expe-

rience working globally across many different industries while holding senior executive positions at some of the world's leading institutions: a Partner at McKinsey & Company in Zurich and New York; a Managing Director at Goldman Sachs in London and Zurich; a Group Managing Director and Head of Corporate Development at UBS in Zurich, where she was part of the senior executive team that successfully restructured the bank following the financial crisis. Dr. Nevistić currently runs her own advisory boutique, VereNovo GmbH, focusing on strategic and business transformation topics, and also serves as a Non-Executive Director at the Boards of two companies: Compagnie Financiere Richemont SA, a Geneva-based global luxury goods group encompassing brands like Cartier, Van Cleef & Arpels, Montblanc; and Kuehne + Nagel International AG. She supports various non profit organisations and is a member of the Finance Committee of the Swiss Study Foundation. Dr. Nevistić holds a PhD in Electrical Engineering from the Swiss Federal Institute of Technology (ETH Zurich) and Diploma/Post-Diploma degrees from the Zagreb University. She is a Swiss and Croatian citizen living in Zurich.

Aleksandar Pekeč Member

Aleksandar Pekeč is a tenured professor at Duke University's Fuqua School of Business. He is an expert in managerial decision-making in complex competitive environments, and has published articles in top academic journals in management sciences, as well as in top journals in other fields such as economics, mathematics and psychology. His consulting experience includes financial, pharmaceutical, retail, and technology industries. He was a member of the Economic Council of the President of the Republic of Croatia in the period 2010 - 2015. Professor Pekeč holds a Ph.D. degree from Rutgers University and B.Sc. degree from the University of Zagreb.

Anja Svetina Nabergoj Member

Dr. Anja Svetina Nabergoj is Lecturer at Hasso Plattner Institute of Design at Stanford University and Associate Professor at the School of Economics and Business, University of Ljubljana. She finished her undergraduate studies, completed International Full Time Master Program in Business Administration

(IMB) and earned her PhD at the Faculty of Economics, University of Ljubljana. For the last 15 years she has been developing pedagogy for teaching in innovation processes and nurturing creative mindsets to management in leading global corporations. She is the founding member of the Research as Design Team at Stanford University and member of the Advisory Board of The Stanford Catalyst for Collaborative Solutions. She has contributed chapters to numerous publications published by Edward Elgar and Routledge, and co-authored the book "Creativity in Research" published by Cambridge University Press.

Out of nine members of the Supervisory Board of the Company, six members are independent members of the Supervisory Board, namely: Monika Elisabeth Schulze, Vice Chairwoman of the Supervisory Board, and its members Peter Elam Håkansson, Andrea Gisle Joosen, Florence Jeantet, Vesna Nevistić and Anja Svetina Nabergoj. In accordance with the criteria prescribed by the Law, the Chairman of the Supervisory Board Zoran Vučinić, Vice Chairman of the Supervisory Board Siniša Petrović and Member of the Supervisory Board Aleksandar Pekeč are not considered independent in relation to the Company. Siniša Petrović and Aleksandar Pekeč are not considered independent due to their continuous membership on the Supervisory Board exceeding 12 years, while Zoran Vučinić is not considered independent as less than three years have elapsed since he served as a member of the supervisory board of a company affiliated with the majority shareholder of Atlantic Grupa.

Supervisory Board committees

Three Committees operate within the Supervisory Board to support its work and effective functioning: Audit Committee, Leadership Development and Remuneration Committee and Public Responsibility and Corporate Governance Committee. In accordance with the Company's Code of Corporate Governance, each Committee has at least three members.

The Public Responsibility and Corporate Governance Committee defines a system of mechanisms for ensuring a balance between the rights of shareholders and the needs of management to direct and manage the Company's operations. The Committee participates in developing a framework for corporate governance within the Company and monitors the

Company's annual reporting to ensure compliance with applicable corporate and sustainability reporting standards. The Committee is chaired by Anja Svetina Nabergoj. Siniša Petrović, was appointed as a member from the ranks of the Supervisory Board while Nina Tepeš, Professor at the Faculty of Law, University of Zagreb, was appointed as a member from the ranks of external experts. President of the Committee Anja Svetina Nabergoj and member Nina Tepeš are considered independent, while due to the reason stated above, Siniša Petrović is not considered independent in relation to the Company. The Committee held six sessions during 2025, and the attendance rate of its members was 100%.

The Leadership Development and Remuneration Committee proposes candidates for the Management Board, Supervisory Board and senior management personnel, a content of contracts with members of the Management Board, structure of their compensation and compensation of the Supervisory Board's members. Also, the Committee oversees the Company's human capital management and remuneration to be received by the Management Board members based on an assessment of the Company's results, their individual performance during the year, and the realisation of the Company's Sustainability Index. The Committee is chaired by Monika Schulze. Florence Jeantet, Vesna Nevistić and Aleksandar Pekeč were appointed as members from the ranks of the Supervisory Board while Zoran Sušan, Associate Professor at the Faculty of Economics, University of Rijeka, was appointed as a member from the ranks of external experts. President of the Committee Monika Schulze and members Florence Jeantet, Vesna Nevistić and Zoran Sušan are considered independent, while due to the reason stated above, Aleksandar Pekeč is not considered independent in relation to the Company. The Committee held four sessions throughout 2025, whereby the attendance percentage of its members was 100%.

The Audit Committee analyses in detail the financial reports, provides support to the company's accounting and establishes good and quality internal control within the Company. It monitors the integrity of financial information of the Company, particularly the accuracy and consistency of accounting methods used by the Company and the Group to which it belongs, including the criteria for consolidation of financial reports of the companies that belong to the Group. The Audit Committee over-

sees certain processes related to external sustainability disclosures. At least once a year, the Committee assesses the quality of the internal control and risk management system with the aim of properly identifying, publicly disclosing and managing major risks to which the Company is exposed, as well as the effectiveness of procedures for reporting misconduct and procedures for approving and disclosing related party transactions. The Committee is chaired by Lars Peter Elam Håkansson. Andrea Gisle Joosen and Zoran Vučinić were appointed as members from the ranks of the Supervisory Board, while Karl Weinfurter was appointed by the General Assembly as a member from the ranks of external experts. President of the Committee Lars Peter Elam Håkansson and members Andrea Gisle Joosen and Karl Weinfurter are considered independent, while due to the reason stated above, Zoran Vučinić is not considered independent in relation to the Company. The Committee held three sessions during 2025, and the attendance rate of its members was 100%.





Emil Tedeschi
President of the
Management Board



Mojca Domiter
Group Vice President for
People and Culture



Srećko Nakić
Group Vice President for
Markets and Distribution



Zoran Stanković
Group Vice President for
Finance, Procurement and IT



Mate Štetić
Group Vice President for
Brands and Operations



Lada Tedeschi Fiorio
Group Vice President for
Corporate Strategy
and Investments



Neven Vranković
Group Vice President for
Corporate Activities



MANAGEMENT BOARD OF ATLANTIC GRUPA

Atlantic Grupa's Management Board has seven members and it is operating in the following composition - President of the Management Board, Group Vice President for People and Culture, Group Vice President for Markets and Distribution, Group Vice President for Finance, Procurement and IT, Group Vice President for Brands and Operations, Group Vice President for Corporate Strategy and Investments, and Group Vice President for Corporate Activities.

The Management Board of Atlantic Grupa operates in the following composition:

Emil Tedeschi

President of the Management Board

Emil Tedeschi is the founder and, through his wholly owned company Myberg, majority owner of Atlantic Grupa. In his career, he has received numerous professional and media awards and in 2010 received the state decoration of the President of the Republic of Croatia for his special contribution to Croatian economy. By participating in the work of the Parliamentary Committee overseeing the negotiating process, he was actively engaged in the process of Croatia's accession to the EU. He was a member of the Social-Economic Council, President of the Croatian Employers Association in the period 2005 - 2007 and a member of the Council of Economic Advisers to the President of Croatia in the period 2010 - 2015. He is an Honorary Consul of the Republic of Ireland in the Republic of Croatia, a member of the Trilateral Commission, the Harvard John F. Kennedy School Dean's Council, the INSEAD Alumni Association, the Programme Council of the Zagreb School of Economics and Management, and the Business Council at the Faculty of Economics in Ljubljana.

Mojca Domiter

Group Vice President for People and Culture

Mojca Domiter joined Atlantic Grupa in 2011 as the Executive Director of People and Culture, and has been leading key initiatives in the fields of culture, leadership development and people-related processes. She joined Atlantic with extensive professional experience in the pharmaceutical and telecommunications industries, having previously been in charge of the human resources departments of VIPnet and JGL Rijeka. During her career, she has

worked in numerous fields, from sales and customer support to people development, but for most of her career she has designed people-related strategies and processes, focusing on the overall employee experience. At Atlantic Grupa, together with her team, she has implemented group performance, talent and reward management systems, resulting in a significant increase in employee engagement and raising the profile of Atlantic Grupa as a desirable employer. She holds a degree in Psychology from the University of Rijeka and has completed Executive MBA studies at Cotrugli Business School, as well as further training programmes at IESE, London Business School, Ashridge and Harvard.

Srećko Nakić

Group Vice President for Markets and Distribution

Srećko Nakić began his career in Atlantic in 1994 in the sales organisation. In his various roles within distribution areas, he developed recognisable trade excellence as the core competence of Atlantic Grupa, which resulted in long-term cooperation with strong international principals - Beiersdorf, Duracell, Ferrero, HIPP, Johnson & Johnson, Mars, Rauch, Red Bull, Unilever, etc. He was one of the key contributors in Cedevita's launch in the HoReCa channel and OTG segment, and from 2010 to 2014 led the integration of Droga Kolinska into Atlantic Grupa as the President of the Management Board of Droga Kolinska. As the Vice President for Distribution, he is responsible for overall distribution business operations, covering all markets with focus on expansion and overall growth. He enhanced his professional growth with relevant educational programs in institutions such as IEDC Bled School of Management.

Zoran Stanković

Group Vice President for Finance, Procurement and IT

Zoran Stanković joined Atlantic Grupa in February 2007 at the position of Vice President of Finance. Prior to that, he spent three years at Pliva as the Group's Director of Controlling responsible for the coordination and supervision of financial activities of the Pliva's network of companies, both domestic and abroad. Before his arrival to Pliva, from 1995 to 2003, he worked at Arthur Andersen and Ernst&Young as a Senior Audit Manager responsible for key accounts. He is a member of the international

Association of Chartered Certified Accountants. He graduated from the Faculty of Economics and Business at the University of Zagreb.

Mate Štetić

Group Vice President for Brands and Operations

Mate Štetić joined Atlantic Grupa in 2019 as General Manager of SBU Coffee and at the end of 2022 took over the management of the chocolate and the sweet and salted snacks portfolio. He started his career in 2001 with Ledo d.d., where he worked in different sales, export, marketing, and development positions. After that he joined Zvijezda d.d. where he held the position of Marketing and Development Director and in 2008 became the General Manager of Mlinar d.d. He worked in PIK Vrbovec d.d. from 2009 until 2019, eight years of which as the company's General Manager. He graduated from the Faculty of Economics and Business at the University of Zagreb, obtained a master's degree from Cotrugli Business School, and continued his professional development at the IEDC Bled School of Management and other business schools.

Lada Tedeschi Fiorio

Group Vice President for Corporate Strategy and Investments

Lada Tedeschi Fiorio manages the processes and teams dealing with Atlantic Grupa's strategy and growth through M&A activities and development of new areas or products with potential for the company's growth. Before her appointment to the Atlantic's Management Board in 2019, she served as the Vice President of the Supervisory Board of Atlantic Grupa. She began her career in Atlantic in 1997 as the Deputy Director for Finance. As the Vice President for Business Development, she had an important role in the IPO process in 2007 and in negotiations during different Atlantic's acquisition and sale processes. For years, she has been at the top of the list of the most powerful women in Croatian business according to the expert jury of the business magazine Lider. Before her career in Atlantic, she acquired business experience in multinational companies, Wrigley in Germany and Mars Masterfood in the United Kingdom, the Netherlands, Poland and the United Arab Emirates. She received her bachelor's degree in economics at Università commerciale L. Bocconi in Milan, and continued her professional specialisation at the London Business School.

Neven Vranković

Group Vice President for Corporate Activities

Neven Vranković joined Atlantic Grupa in 1998 as the Executive Director of Corporate Activities and in 2002 was appointed as Vice President for Corporate Activities. He gained his business experience by working in the legal department of Bergen Bank in Norway and as a career diplomat at Croatian embassies in Washington and Belgrade. He was a member of the Working Group for Preparing Negotiations for the Accession of the Republic of Croatia to the European Union for Chapter 6 - Company Law. He graduated from the Faculty of Law at the University of Zagreb and received his master's degree from the Washington College of Law, USA. Furthermore, he gained additional professional knowledge in the field of mergers and acquisitions at the business school INSEAD in France. He served as deputy chairman of the Supervisory Board of RTL Hrvatska d.o.o., Zagreb, and as a member of the Supervisory Board of Raiffeisen stambena štedionica d.d., Zagreb.

The Management Board of Atlantic Grupa is in charge of developing and implementing the Company's strategy and business plans which include aspects that relate to or may affect sustainability matters. When discussing the Company's strategy and business plan, the Management Board and Supervisory Board jointly and regularly consider the impact of proposed measures on stakeholders, the environment and society, as well as on the Company's reputation, thereby ensuring that the Company's strategy takes into account the potential impact of its activities on the environment and society and that the Company policies, culture and values promote ethical behaviour, respect for human rights, and a sound and stimulating work environment. The Management Board, in due time and in its entirety, reports to the Supervisory Board on all facts and circumstances that can influence the Company's or its daughter companies' business operations, including sustainability matters, financial position and status of assets. This Board-level commitment and alignment drives top-down accountability toward our ESG goals and helps support a positive company culture.

Strategic Management Council

Since its establishment in early 2012, the Strategic Management Council operates as a multifunctional body that discusses vital strategic and operational corporate issues, business analysis, priority definition, supervision of strategic plans, coordination between organisational units and key decision making. In 2025, the Council was operating in the following composition: members of the Management Board, Managing Directors of Strategic Business Units, Managing Directors of Strategic Distribution Units, Senior Executive Director of Distribution Business Development and Private Labels, Corporate Legal Affairs, Quality Management and Asset Management, Transformation and Information Technology, Central Purchasing, Central Finance and Corporate Controlling, Corporate Key Accounts Management, Secretary General, Executive Directors of the Business Unit Donat, Distribution Unit Austria, Corporate Strategy and New Growth, Corporate Development, Corporate Communications, and Corporate Services, as well as the Sales Director of Global Distribution Account Management.



PERFORMANCE ON THE CAPITAL MARKET AND OWNERSHIP STRUCTURE

The year 2025 began strongly on the domestic capital market, continuing the positive trend from the previous year and supported by growing investor interest.

MARKET CAPITALISATION

EUR 624.2 million

ATLANTIC GRUPA HOLDS SEVENTH PLACE IN THE CROBEX10 INDEX WITH A MARKET CAPITALISATION OF EUR 624.2 MILLION

MAJOR SHAREHOLDERS

50.2%

MYBERG D.O.O.

34.2%

PENSION FUNDS

DIVIDEND DISTRIBUTION

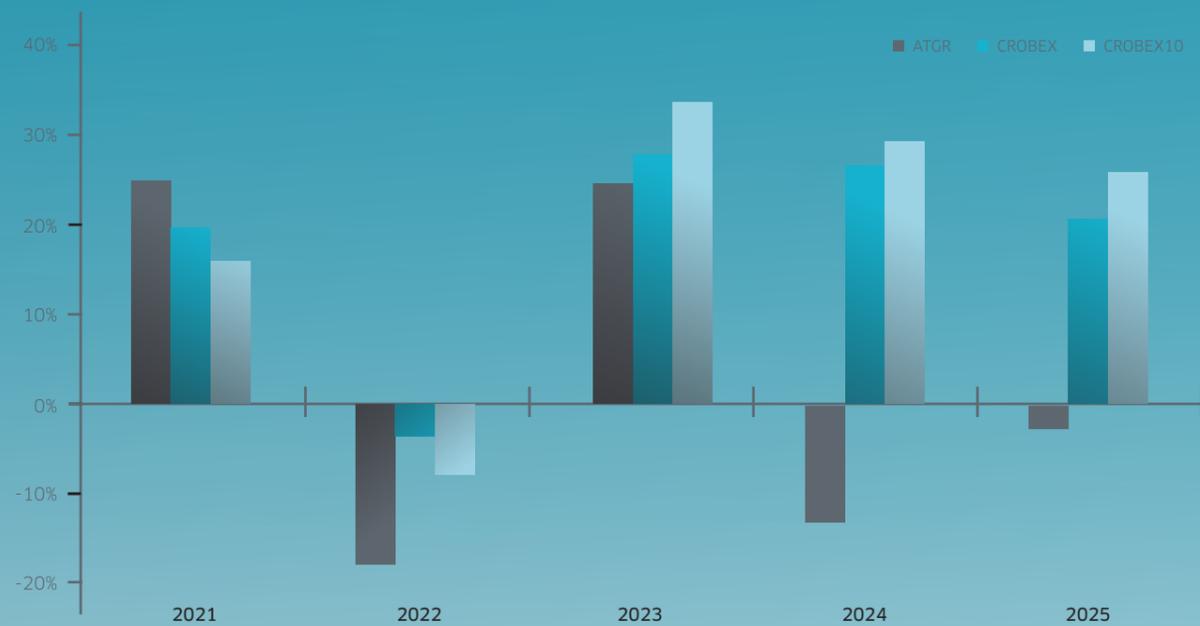
1.50 EUR

Approved dividend of EUR 1.50 per share and acquisition of treasury shares for management and employee remuneration

The year 2025 began strongly on the domestic capital market, continuing the positive trend from the previous year and supported by growing investor interest. Despite occasional corrections and sensitivity to global macroeconomic developments, the market demonstrated increasing maturity, investor confidence, and robust trading activity throughout the year, resulting in positive movements of key market indicators. Trading statistics of the Zagreb Stock Exchange in 2025 recorded pronounced growth. Total turnover on the Exchange grew by 88.5% compared to the previous year, confirming a high level of market activity and liquidity. Stock market indices achieved double digit growth for

most of the year, with key indices delivering strong returns. The CROBEX index increased by approximately 21%, while CROBEX10 increased by 23%. The share price of Atlantic Grupa declined by 4.5%. Within the CROBEX10 index, Atlantic Grupa ranked seventh by market capitalisation, reaching EUR 624.2 million as of 31 December 2025. Based on total turnover in 2025, Atlantic Grupa's share ranked sixteenth among all equities listed on the Zagreb Stock Exchange, with turnover of EUR 9.7 million. Share price movements during the year reflected overall market conditions and sector specific factors, while the company maintained a significant position in the domestic capital market.

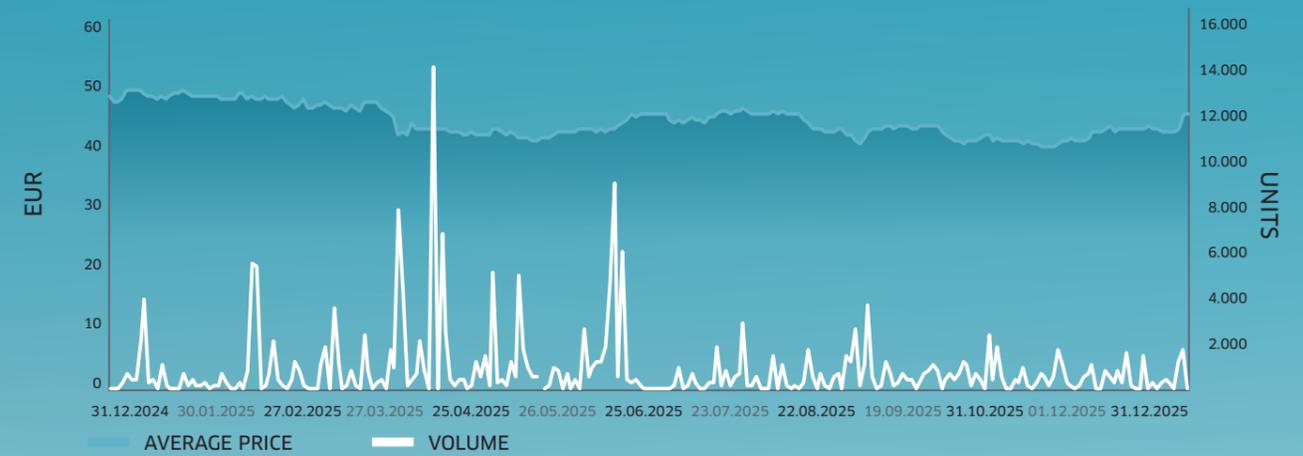
Performance on capital market by the end of December 2025

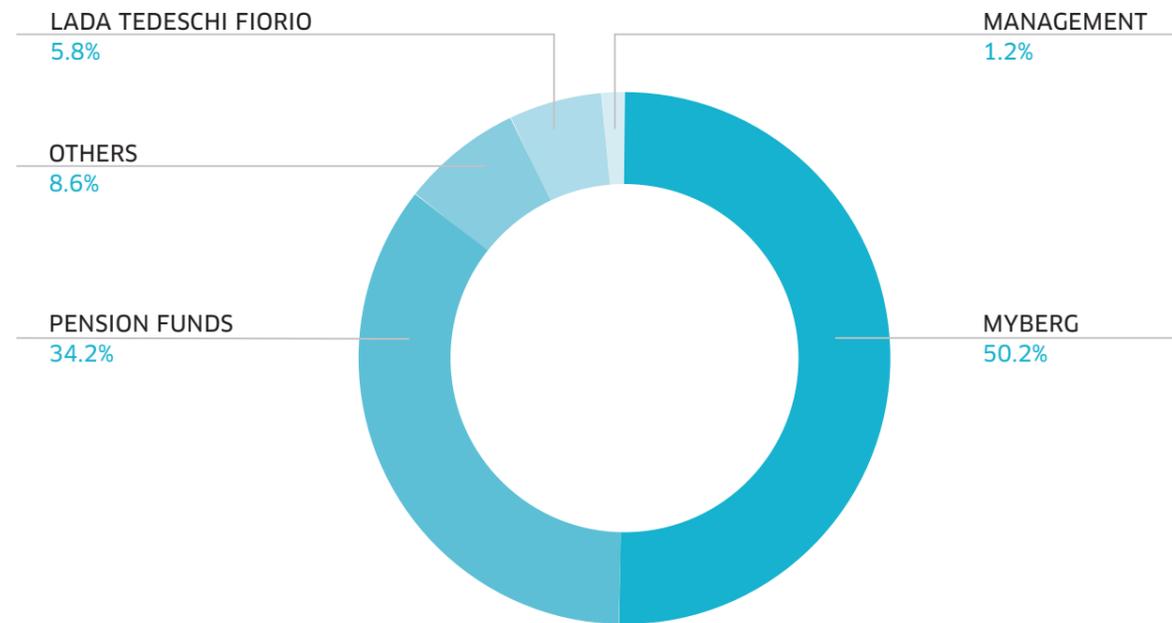


TURNOVER

EUR 9.7 million

Share movement by the end of December 2025

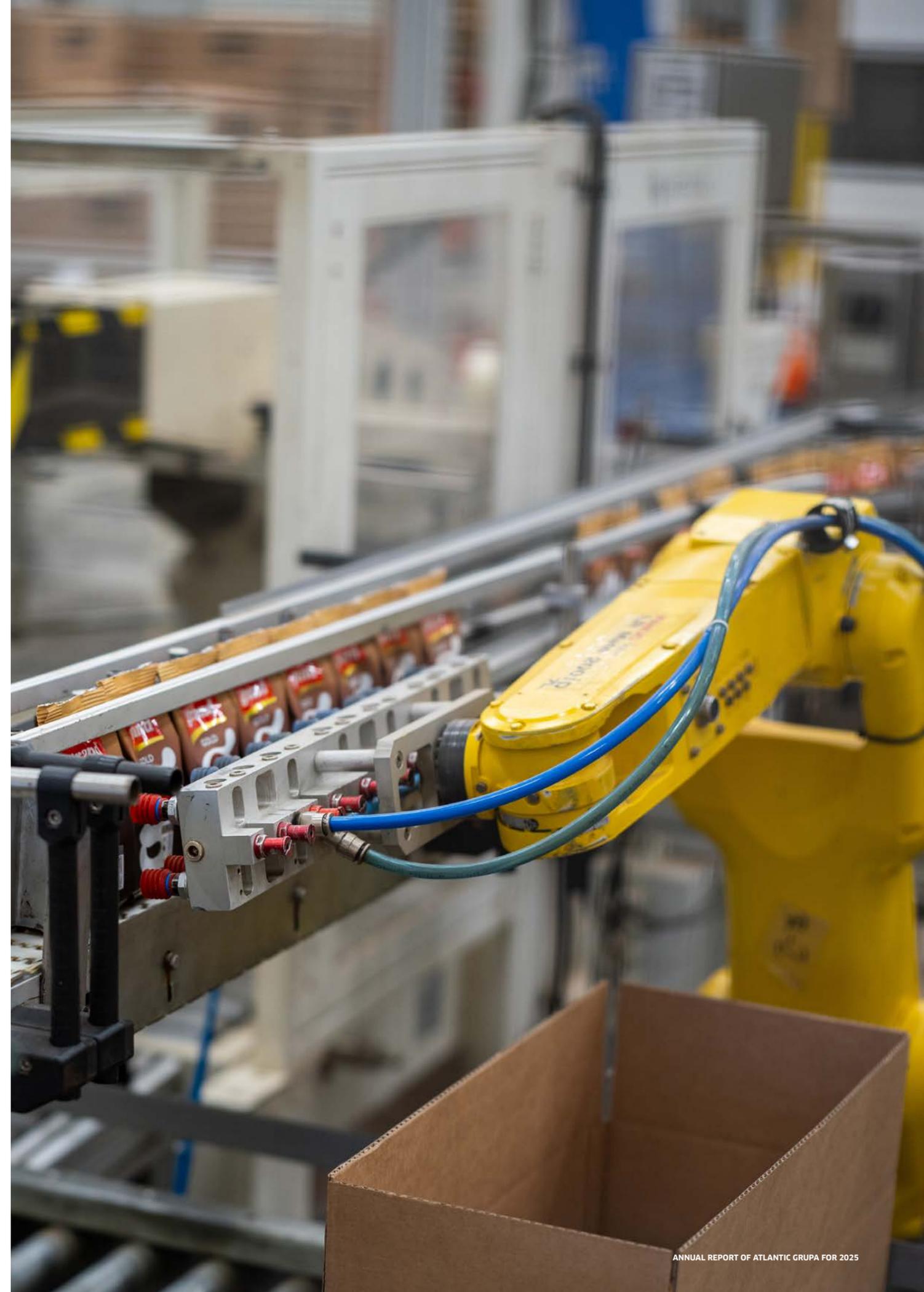
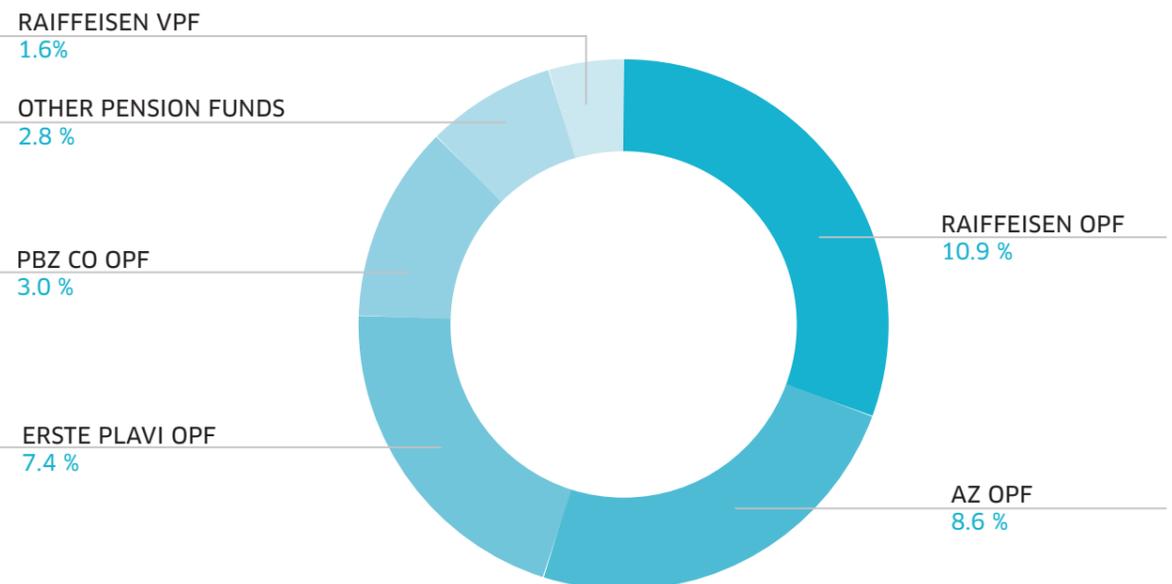




Atlantic Grupa has a stable ownership structure with 50.2% of the shares owned by Myberg, a company 100% owned by Emil Tedeschi. Other major shareholders hold the following ownership stakes: 5.8% of the shares are owned by Lada Tedeschi Fiorio, while pension funds hold 34.2% of the shares of Atlantic Grupa d.d.

Under the category Management, board members have 164,608 shares (Neven Vranković 89,507; Zoran Stanković 33,678; Srećko Nakić 32,900; Mate Štetić 8,323 and Mojca Domiter 200). Under the category Others, member of the Supervisory Board Siniša Petrović has 704 shares.

PENSION FUNDS
34.2%



INTEGRATED QUALITY MANAGEMENT SYSTEM

Integrated Quality Management System: Actively involves all production and distribution units with top-down quality strategies and rules



Corporate Quality and Sustainability Management (CQSM): Manages the integrated system horizontally and vertically across the organisation

GLOBAL STANDARDS

ISO 9001, ISO 14001, ISO 50001, and GFSI approved standards

FUTURE CERTIFICATIONS

Preparation for additional certifications in 2026 for subsidiaries like **Atlantic Brands Austria**



Continuous Improvement: Supported by third-party certifications and regular internal and external audits



Atlantic Grupa has been building and improving its own process efficiency, product quality and safety systems, and its environmental and energy management systems for years.

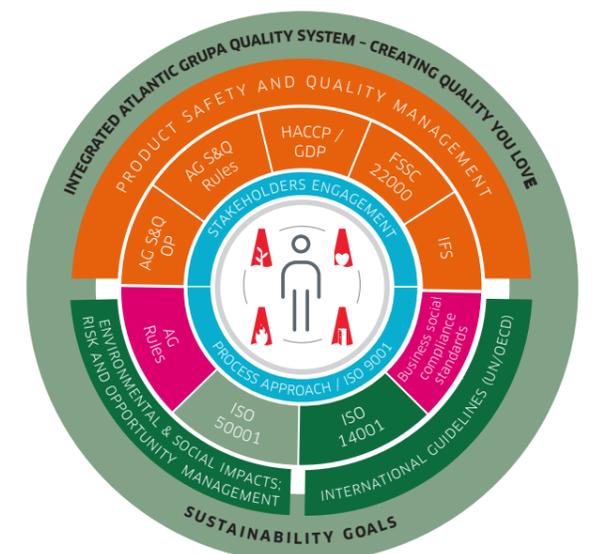
Within the framework of the integrated quality management system and the related integrated Quality Policy, Atlantic Grupa has been building and improving its own process efficiency, product quality and safety systems, and its environmental and energy management systems for years. This corporate approach actively involves all production and distribution units in a way that defines top-down quality strategies and rules, as well as benefits from the exchange of best practices established in the various markets in which we operate. The integrated system is defined and actively managed by the Corporate Quality Management (CQM) function. This system is integrated horizontally (through different

topic standards) and vertically (through the whole organisational structure) in a way that connects all the procedures, responsibilities and activities to effectively support the realisation of company's strategic and business goals. Within this framework, quality and sustainability initiatives, practices and strategies are continuously managed and improved, supported by third parties certifications that guarantee compliance with the latest global standards. These practices are self-monitored on a daily basis across all locations and regularly monitored through both internal (79 audits in 2025) and external (37 audits in 2025) compliance audits.

SPECIFIC AREA OF CONTINUOUS IMPROVEMENT	GLOBAL OR INTERNATIONAL STANDARDS APPLIED
Quality management to meet process excellence	ISO 9001 (90% legal entities own certificate)
Responsible environmental management	ISO 14001 (85% sites own certificate)
Energy and resources efficiency	ISO 50001 (55% sites own certificate)
Product safety, authenticity, and compliance in production and logistic operations	Codex Alimentarius HACCP; GFSI approved standards (IFS Food, FSSC 22000) (94% production and logistic sites own one of these certificates*)
Product safety, authenticity, and compliance in trade	IFS BROKER – one trade company owns this certificate from 2025
Specific consumer life-style requirements	Schemes for quality marks (Organic, Vegan, Halal, Kosher) apply on different legal entities
Social responsibility requirements	Two sites are registered on the SEDEX customer's platform, two sites own the RA certificates, another two Amfori BSCI approval)

*Legal entity Atlantic Grand d.o.o. Belgrade, operated in compliance with ISO 9001, ISO 14001, ISO 5001, and IFS standards during 2025; however, a certification audit was not conducted due the relocation of production facilities to a new site. The site is prepared to be certified in 2026.

Additionally, during 2025 we prepared Atlantic Brands Austria for ISO 9001 certification in 2026.



RISKS OF ATLANTIC GRUPA

To prevent and mitigate undesired impacts, the Group applies a three-lines-of-defence approach.

As a vertically integrated multinational company whose operations incorporate R&D, manufacturing and distribution of fast-moving consumer goods as well as the pharmacy business, Atlantic Grupa is exposed to a wide range of external and internal risks.

To prevent and mitigate undesired impacts, the Group applies a three-lines-of-defence approach. The first line comprises business process owners - managers of specific functions or appointed teams - who manage the risks within their areas of responsibility and monitor them on a daily, weekly, or monthly basis.

The second line is the enterprise risk management (ERM) process. Each year, risks are identified, quantified and analysed for interdependencies through structured workshops coordinated by the Corporate Risk Manager. During the year, risks are periodically reassessed and monitored for escalating or emerging risks.

The third line is the Internal Audit, which assesses the effectiveness of risk management through its programme of annual and ad-hoc audits.

Atlantic Grupa is exposed to business-environment, industry and competition risks, as well as operational and financial risks. In addition, environmental and climate risks may affect assets and the supply chain (see the chapter 'Environment', p. 192). The risks in the table below are currently assessed as having the most significant potential impact on the Group's business and financial position. The conclusion of the most recent risk assessment is that risk levels were high in 2025 and are expected to remain high in 2026. The table below includes an overview of the trends of identified risks compared to the previous year.

Business environment risk

Business-environment risks include political and macroeconomic factors as well as natural disasters and health hazards that can directly affect the company in all markets where it operates and over which the company generally has no direct influence.

Risk	Trend	Description	Mitigation and management measures
Political risk	➔	Risks that contribute to the political instability of a country and may affect its relations with other countries. These can manifest externally through adverse trade developments between countries or regions, and internally through socio-economic tensions such as strikes, protests or a deterioration of public security. In the broader global context, international conflicts - such as those in Ukraine and around the Red Sea - can amplify economic risks.	Atlantic Grupa operates in a non-cyclical food and consumer-goods industry across multiple countries. Market diversification and pan-European brand strategies help dilute this risk. The Company closely monitors domestic political developments in each country and international trends that could trigger instability or disrupt cross-border relations.
Economic risk	➔	Macroeconomic factors that can influence prices and availability of raw and packaging materials, energy, and labour; and that can affect consumer spending and purchasing power - including inflation, GDP trends and interest-rate movements.	The Company continually diversifies both its production and distribution portfolios and applies an active pricing policy to mitigate adverse economic movements.
Natural disasters and climate change	➔	Events such as earthquakes, floods and other extreme weather that can suddenly disrupt Atlantic Grupa's operations or those of the wider country/region or supply chain in which it operates.	Exposure is reduced through property insurance and catastrophe-risk transfer instruments, and through ongoing investment in resilient, higher-quality equipment and infrastructure. In the long term, the Company invests in sustainability plans to improve products and processes.
Health and safety hazards	➔	Non-compliance with local health (including infectious diseases) and safety regulations, or failure to maintain a safe and healthy workplace, which could result in injuries or fatalities, occupational illnesses or accidents, legal disputes, penalties, or reputational harm.	Atlantic Grupa consistently implements all required health and safety standards for employees and workplaces to mitigate these potential impacts.

Legend (in comparison to the previous year):

- ⬆ Risk has increased significantly
- ⬇ Risk has increased slightly
- ➔ Risk is unchanged
- ⬆ Risk has decreased slightly
- ⬇ Risk has decreased significantly

Industry and competition risks

Atlantic Grupa operates in the consumer-goods industry and in retail through the Farmacia pharmacy chain. Within these industries, the Company is exposed to open-market competition, shifting consumer trends, evolving sustainability-related regulation, risks of fires or explosions in production, changes in legal frameworks and standards, volatility in commodity/raw material/energy prices and availability, and specific risks inherent to the pharmacy business.

Risk	Trend	Description	Mitigation and management measures
Open market	↗	The liberalisation and globalisation of markets have enabled new local producers and retail chains (including hard discounters and private label), as well as facilitated the entry of global players, intensifying competition. International food competitors often benefit from stronger technology, larger R&D investment capacity, greater financial resources, broader marketing budgets and globally recognised brands. Increased competition can erode market share and profitability.	Atlantic Grupa continually expands and differentiates its product offering, raises quality, introduces global manufacturing standards, opens and develops new distribution channels, and enters new markets. Significant investment is directed to R&D, technology, brand marketing and employee education and training. The Company closely tracks market trends and consumer preferences to sustain strong market shares. In many of its markets, strong attachment to tradition and established purchasing habits drives demand for domestic products; the high recognition and market shares of the Company's brands remain a core comparative advantage. With a strategic focus on building strong, recognised brands, the Company reduces competitive risk.
Consumer trends	→	Success in the consumer goods industry depends on the ability to adapt quickly to evolving customer needs and market trends.	Atlantic Grupa monitors consumer trends, conducts market research and invests in new products, markets and business segments. These activities enable swift adaptation and learning from emerging shifts in consumer behaviour.
Regulatory frameworks for monitoring sustainable development	→	National and international regulatory frameworks are evolving to reflect social change and shifting consumer habits, placing greater emphasis on sustainability and consumer health.	Atlantic Grupa prioritises compliance with national laws and international standards by developing internal procedures and policies; extending environmental stewardship from local initiatives to corporate-level governance within a unified Environmental Management System (EMS); and considering both local and global sustainability and consumer-health trends. Examples include careful selection of raw and packaging materials to minimise environmental impacts and support consumer health, and the inclusion of environmental criteria in supplier selection, many others.
Fire and explosion	→	Certain food-production processes carry an elevated risk of fire or self-combustion, requiring heightened attention in handling raw materials and machinery.	Atlantic Grupa implements preventive and protective measures, including machinery testing and refurbishment, employee training, investment in detection and fire-protection systems, and other controls to prevent and mitigate undesired events.
Legal frameworks and standards	→	Atlantic Grupa is subject to comprehensive regulation covering food safety, product health and safety, employee safety and working conditions, environmental protection, product composition, packaging, labelling and advertising, competition law, and product appearance. Failures in these areas may lead to sanctions and fines; delayed remediation or slow adaptation to regulatory changes can create additional costs.	Food safety—and public confidence in it—is critical to Atlantic Grupa's business. Any negative event or perception could have material consequences. Health, safety and environmental regulations in Europe and other developed markets are becoming stricter and more complex; the Company continuously monitors and adapts to these developments. It invests in and implements leading international standards (e.g., ISO 9001, ISO 14001, ISO 50001, IFS and HACCP) to demonstrate compliance and to ensure the safety of products, consumers and employees. In addition, the Company manages obligations stemming from trade policies and sanctions to avoid extra costs and reputational harm, and complies with market-specific price-cap regulations where applicable.
Price and availability of commodities, raw materials and energy	→	By sourcing commodities, raw materials and energy globally, Atlantic Grupa is exposed to risks that suppliers may fail to meet agreed volumes and/or deadlines, and to price volatility in items such as coffee, sugar, cocoa, plastic and aluminium packaging, electricity and gas. Drivers beyond the Company's control include market shortages caused by severe weather or environmental events, declining global production, political or social instability, and speculative trading. Significant price movements can abnormally increase production costs for certain products.	Atlantic Grupa emphasises comprehensive planning of commodity/raw material/energy procurement, continuous monitoring of global market trends, inventory management, and active risk management of price changes and currency movements. Supplier and source diversification is a key focus. To effectively monitor all critical developments across a large number of commodities, raw materials and energy sources, Atlantic Grupa has monitoring systems and specialised platforms for timely information on events that could affect suppliers, logistics routes and access to these items. For certain key commodities - such as coffee, Atlantic Grupa establishes multifunctional teams that regularly review global trends critical to specific commodities, related raw materials or energy and currency risk.
Intellectual property	→	Protection of intellectual property rights over trademarks and certain trade secrets and know-how.	The Company enters into confidentiality agreements with employees and/or third parties to protect intellectual property.
Pharmacy business risks	→	The pharmacy segment is strictly regulated and supervised by authorities. Operations are exposed to price fluctuations on the principal and supplemental lists of medicines that pharmacies contracted with the Croatian Institute for Health Insurance (HZZO) must follow. The segment is also exposed to delays in the payment of receivables by HZZO.	Atlantic Grupa invests in compliance through internal procedures and policies. To reduce dependence on HZZO, the pharmacy business is increasing the share of over-the-counter medicines, food supplements and cosmetics in its assortment. In addition to pharmacies, specialised stores with broader OTC, food-supplement and cosmetics portfolios are opened, leveraging synergies with the Company's distribution and production portfolios. Working-capital management is applied across the segment.
Competition in the pharmacy sector	→	Despite strict regulation, the pharmacy sector is gradually liberalising. Competition primarily includes municipal and county pharmacies as well as private pharmacies.	Atlantic Grupa seeks competitive advantage through the continuous expansion of its pharmacy chain, opening of specialised stores as an upgrade of the pharmacy model, managing operations in line with best pharmacy practices, and focusing on personnel education and competency development to deliver high-quality pharmacy services.

Legend (in comparison to the previous year):

- ⬆ Risk has increased significantly
- ↗ Risk has increased slightly
- Risk is unchanged
- ↘ Risk has decreased slightly
- ⬇ Risk has decreased significantly

Operational risk

Operational risks arise from day-to-day activities and affect both competitive position and business continuity. They are influenced by the business environment, the cyclicity of the industry and the company's operating policies and decisions. Key risks include dependence on a single product, supplier or buyer; product quality and safety; reliance on IT systems; and the attraction and retention of key personnel.

Risk	Trend	Description	Mitigation and management measures
Impact of a single product	➡	If a single product accounts for a significant share of total operations, certain events affecting that product could materially influence overall performance.	Thanks to significant expansion and diversification of the production and distribution portfolios in recent decades, Atlantic Grupa does not depend on any single product. The largest category is coffee, which accounts for 26.6% of total sales, followed by savoury spreads, snacks, the pharmacy business and beverages. Aside from coffee, no other category accounts for more than a quarter of total sales. Diversification has been achieved through acquisitions, innovation in new product development and new distribution agreements.
Product quality and safety	➡	Any serious non-conformity—i.e., failure to meet quality standards or other product defects—can harm consumer health and damage the company's reputation.	Atlantic Grupa invests in quality-assurance systems and implements policies and procedures to ensure the quality of commodities and raw materials. Testing is performed throughout production, followed by, if necessary, quarantine and final testing before release. Employee training and a strong food-safety culture further strengthen prevention.
Dependence on a particular supplier	➡	Termination of a contract with a key supplier or loss of distribution rights for a product group could negatively affect operations.	Atlantic Grupa pursues diversification of business segments and of suppliers of commodities, raw materials and energy. Where diversification is not feasible, strategic long-term contracts are concluded to ensure stable relationships. Over the years the Company has built strong partnerships with domestic and international manufacturers in its distribution portfolio. Continuous expansion of the distribution portfolio enables quick adjustment if cooperation with a current partner ends.
Dependence on a particular buyer	➡	Termination of a partnership, inability to collect receivables or the bankruptcy of an important buyer could affect the financial results of Strategic Distribution Units.	Atlantic Grupa maintains strong relationships with most regional retail chains—its primary buyers—while dependence on any single customer remains at an appropriate level. Active credit-risk management (continuous monitoring of buyer risk, payment behaviour and exposure limits) is applied to reduce the impact of customer defaults or partnership terminations. To lessen dependence on any single channel, the Company develops alternative channels by investing in HoReCa and the pharmacy segment.
Operational dependence on IT systems	➡	Efficient management of production and distribution, communication with customers and suppliers, employee evaluation and the collection/ processing of customer and supplier data rely on numerous IT systems. These systems also provide data on product placement and presence in the sales network that management uses for decision-making.	To assure continuity, the Company protects its IT system to avoid dependence on any single system, supplier or data centre - this includes timely security updates and lifecycle management of key infrastructure. Continuous investment in new IT solutions increases process efficiency.
Attracting and retaining key employees	➡	Performance depends on the ability to identify, attract, motivate and retain employees across key functions and markets. Loss of key personnel or an unsuccessful succession process can hinder target achievement and harm operations. Inability to hire, develop and retain specialised talent can reduce institutional knowledge, weaken the competitive position and increase costs amid tighter labour competition, all of which could adversely affect results.	To manage this risk, Atlantic Grupa runs programmes for retention, development and attraction. All employees in key roles undergo talent reviews that define individual development plans. Talent identification is performed at all organisational levels to support succession. The strategy for retaining key personnel introduces specially designed options that ensure the Company's long-term relationship with its key personnel, which includes programmes and benefits, such as equity and retention programmes, sports activities and medical checks.

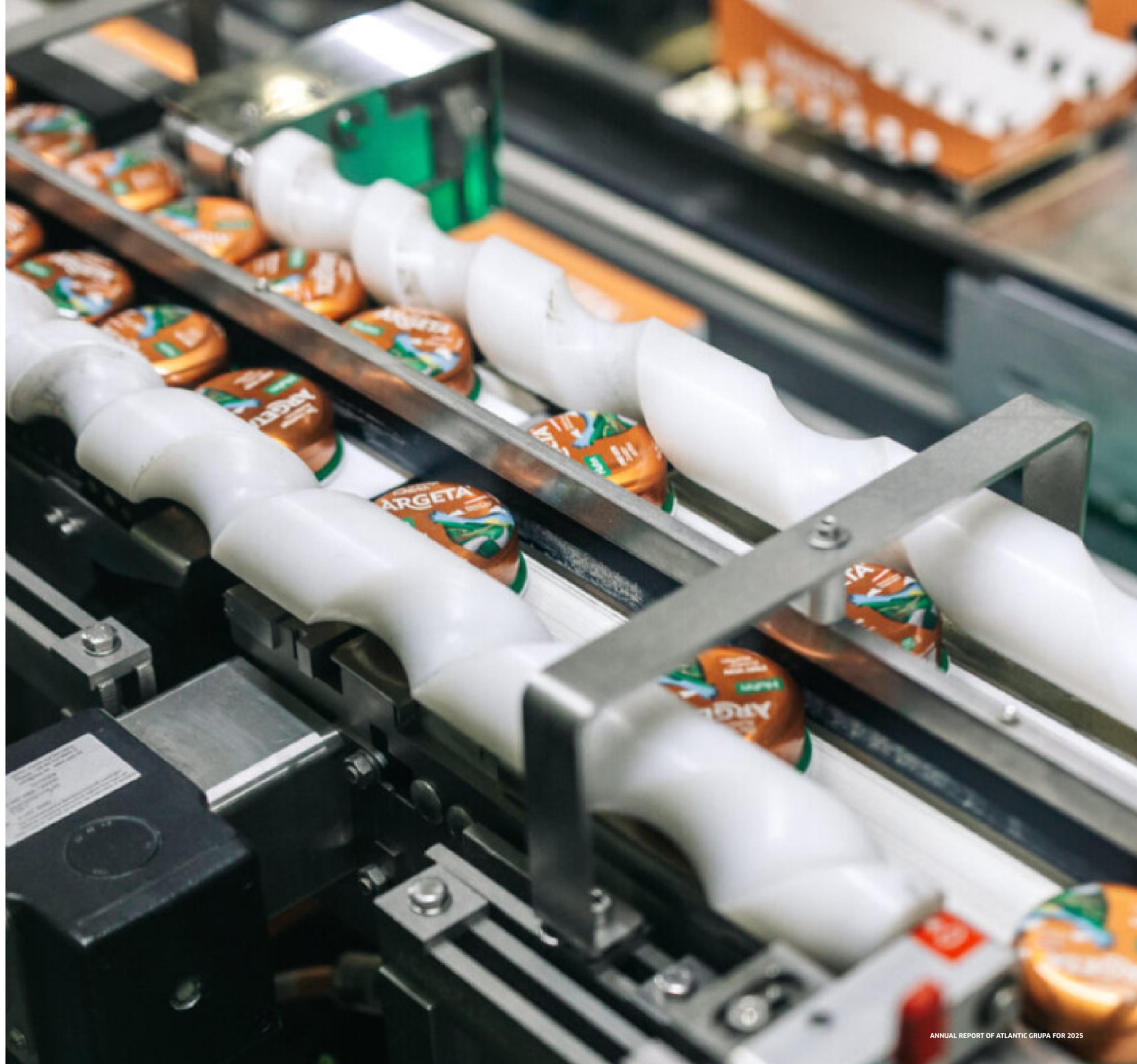
Legend (in comparison to the previous year):

- ⬆ Risk has increased significantly
- ⬇ Risk has increased slightly
- ➡ Risk is unchanged
- ⬆ Risk has decreased slightly
- ⬇ Risk has decreased significantly

Corporate Governance

Financial risks

The Company's activities expose it to a variety of financial risks which include: market risks (including currency and interest-rate risk), credit risk and liquidity risk. The Company's risk management is focused on financial-market uncertainties and aims to reduce potential negative effects on the Company's operations. The Company may use derivative financial instruments to hedge certain exposures. For detailed disclosures, see Note 3 - Financial risk management in the consolidated financial statements.



INTERNAL AUDIT

Role of Internal Audit: Estimates risk management levels, reviews internal control systems, and ensures compliance with policies, laws, and regulations



Audit Findings and Recommendations: Helps management improve processes and reduce risks to acceptable levels

AUDIT ACTIVITIES IN
2025

21

CONDUCTED AUDITS IN
VARIOUS AREAS

REPORTING STRUCTURE

Directly reports to the
Supervisory Board and
coordinates with the Audit
Committee

Digital Monitoring Tool: Tracks the realisation of proposed improvements



Internal audit is a corporate function of Atlantic Grupa that performs independent audits and controls and informs the Supervisory Board and management through comprehensive audit reports. The most important part of these reports are their findings and proposed improvements. The realisation of proposed improvements is monitored through a digital tool.

Internal audit is responsible for estimating the level of risk management in business processes, reviewing the efficiency of the internal control systems with the purpose of advancing risk management and compliance with procedures, testing and analyses of compliance of the existing business systems with adopted policies, plans, procedures, laws and regulations that can have a significant influence on business reports. It is responsible for recommending preventive measures in financial reporting, compliance, business and control in order to eliminate risks and eventual deficiencies that could lead to inefficient processes or fraud.

Internal audit informs the Audit Committee on its activities and audit plans, while its findings and recommendations help the management to improve processes, preventively eliminate potential risks or reduce risks to an acceptable level.

In 2025, twenty one audits were carried out in the following areas: use of SAP Ariba, verification of quality assurance processes for SBU Savoury spreads at the Igroš location, the process of managing contractual production for the needs of certain SBUs, the process of daily allowance payments, management of write-offs of raw materials and finished goods, management of access rights of IT tools, management of the maintenance department at the SBU Coffee's factory in Bosnia and Herzegovina, verification of the condition of HoReCa equipment at customers in the Macedonian market, analysis of gross margin for SDU Croatia and SDU Serbia, waste management process in the pharmacy business, donation approval process, customer satisfaction verification process, management of contracted production within SBU Coffee and SBU Beverages, verification of marketing investments in the Macedonian market, and others. These audit procedures initiated a total of 108 recommendations to improve business operations and reduce risk to an acceptable level.

AWARDS

TRADE
tebačke burze



ESG Champion:

Named “ESG Champion” in Croatia and North Macedonia, demonstrating commitment to sustainable development

ESG Communication of the Year:

Received the prestigious award for Green Wave - internal initiative to promote sustainable living and practices among employees

**GREEN
WAVE**

INVESTOR RELATIONS

Awarded for best relations with investors by Poslovni dnevnik, highlighting transparency and professionalism

THE WESTIN
ZAGREB



For the second year in a row, Atlantic Grupa has received the AmCham Croatia & Kearney ESG Champion 2025 award for sustainable business practices in line with ESG principles.

Atlantic Grupa once again among the best in Investor Relations

Over the fifteen years since the award was first established, Atlantic has ranked among the top three companies an impressive fourteen times. This year, Atlantic Grupa once again secured second place among the top three companies, reaffirming the importance the company places on transparency, professionalism, and high-quality business reporting as key drivers of successful operations.

With this recognition, Atlantic Grupa has once again demonstrated its continued commitment to high-quality corporate governance, open communication, and responsible reporting. This further reinforces its reputation as one of the most respected companies in the region, setting benchmarks in investor relations and sustainable business practices.

Atlantic Grupa named ESG Champion again

For the second year in a row, Atlantic Grupa has received the AmCham Croatia & Kearney ESG Champion 2025 award for sustainable business practices in line with ESG principles. The American Chamber of Commerce in Croatia (AmCham) presented the award at the fourth edition of the conference “Sustainable Business with ESG Principles”, held on 12 November in Zagreb. Together with consulting firm Kearney, an ESG survey was conducted, providing valuable insights into how Croatian companies approach the implementation of ESG principles, the challenges they face, and the best practices already in place. The results show significant progress in applying ESG principles compared to the previous year.

The end of 2025 was marked by another ESG recognition, this time on the market of North Macedonia, where our production company Atlantic Grand Skopje received the first recognition for the application of ESG practices at the ceremony of the Macedonian Stock Exchange in cooperation with AmCham in Skopje. Behind this recognition is the dedicated work of our internal Green Wave team, whose effort, expertise and consistent engagement were key to the preparation of the nomination questionnaire and the implementation of the accompanying activities.

Atlantic Grupa Wins ESG Communication of the Year Award

At the CSR & ESG Forum, organised by Smart Kolektiv and the Business Responsibility Forum, Atlantic Grupa received the prestigious award in the category “ESG Communication of the Year” for our project Green Wave.

Green Wave has become a symbol of strategic and cultural transformation within the company - offering colleagues education and insights on ESG topics in an engaging and practical way. The Green Wave team is a multidisciplinary group of our experts and enthusiasts who have taken ESG beyond reporting and regulatory requirements, turning it into a driver of innovation, collaboration, and resilience. The goal is to inspire all of us to “catch the green wave” and make sustainability an integral part of everyday business.

This award reaffirms our commitment to sustainability as a strategic direction and a core business culture. For us, ESG is not just an obligation - it is part of our culture and an investment in a sustainable future.

SPONSORSHIPS AND DONATIONS

SPORTS SPONSORSHIPS



Supported various sports teams and events, including basketball clubs BC Cedevita Olimpija and BC Cedevita Junior, ski sports, football club Hajduk, WTA tournament Makarska Open 2025 and Masters Handball World Cup 2025

CULTURAL SUPPORT

Sponsored the 31th Sarajevo Film Festival, promoting sustainable solutions and environmental care

Supported numerous projects celebrating art and culture, such as the Barista Cup 2025, Slano Film Days Festival, and Theatre Ulysses in Brijuni

LITERARY INITIATIVES



Encouraged literary creativity through the Fric Award and supported the Cinema Book Club Cinestar programme

SOCIAL RESPONSIBILITY

Engaged in initiatives like street food festivals and "Piknik u Bašti" to promote socializing and enjoying the outdoors



During 2025,
we undertook
a series of activities
for our community
and supported
various associations,
organisations, and
initiatives.

Along with continuous care for all our stakeholders, we are always open to new ideas, focused on growth and passionate about everything we do. Here are just some of the activities and initiatives we took part in throughout 2025 to support our community and a number of different associations and organisations.

and North Macedonia's Pelister, making Cedevita Junior the only Croatian team to reach the second round of a European competition after many years. The club continues to establish itself as one of Croatia's leading incubators of young basketball talent, with teams in all age categories regularly reaching the finals of competitions.

Sports

Basketball

- BC Cedevita Olimpija • BC Cedevita Junior

Atlantic Grupa remains one of the main sponsors of the Slovenian basketball giant, Cedevita Olimpija Ljubljana, as well as of Cedevita Junior, where young talents hone their skills at the training centre at Zagreb's Velesajam. In a survey of leading figures from clubs in the BKT EuroCup, Cedevita Olimpija stood out as the biggest surprise of the first half of the season. The team's strong performance is backed by continuity in leadership, with head coach Zvezdan Mitrović and sporting director Chechu Mulder returning this season, a factor clearly mirrored in the results on the court.

During November, the team had multiple wins, securing a stable and very favorable position in the league standings as the new year approached. Season after season, the players win Slovenian national competitions; after claiming the national championship and Slovenian Cup titles, they immediately won the Slovenian SuperCup at the start of the season. The young talents have also made significant progress. The junior team finished the season undefeated and secured a place in the TOP 4 of the regional league, while the most talented players regularly receive opportunities to move up to the senior team. Excellent play and quality club management are also confirmed by the continuous growth in the number of fans who follow Cedevita Olimpija's matches and regularly fill Arena Stožice.

In 2025, BC Cedevita Junior began a team reconstruction, focusing fully on its young roster. After a solid performance in the ABA 2 League last season, they took the opportunity to participate in the FIBA EuroCup, where they achieved excellent results right from the start. In Group D, they finished first ahead of Slovakia's Prievidza, Cyprus' Keravnos,

Other sports activities

Within the wide portfolio of company interests, support for different sports stood out this year as well. In 2025, Atlantic Grupa continued contributing to skiing by sponsoring the Croatian and Slovenian national ski teams, the Slovenian national ski jumping team, biathlon and many other ski competitions. Our dedication to sports also included football, and we were proud sponsors of the Hajduk football club from Split. We also focused our support on running, as one of the most popular sports today. By sponsoring the Žumberak Race, dm Women's Race and the Kalnik Trail, we contributed to the growing interest in running in the region. The Jadran Split water polo club continued to achieve great results with our support, and we also sponsored the prestigious WTA tournament Makarska Open 2025, promoting women's tennis in the region. Handball remained one of the focus points of our sports engagement. The Masters Handball World Cup 2025 in Omiš brought together top-level handball players, and Atlantic Grupa continued to support this unique project. As in previous years, the company spent this year actively supporting sports activities that promote a healthy mind and togetherness, contributing not only to the popularisation of sports but also to a healthier society.

Culture and Knowledge**31st Sarajevo Film Festival**

In 2025, Atlantic Grupa again supported Sarajevo Film Festival (SFF), a key cultural event in the region that, just like Atlantic, has been pursuing sustainable solutions and has been committed to environmental care for years. So far, the festival has introduced e-tickets and online publications to reduce waste, and has also minimised its use of plastic packaging as much as possible. This year, as always, the partnership of Atlantic Grupa and SFF was enriched by the innovative activities of our brands, Grand Kafa and Argeta. As part of its "Coffee with..." programme, Grand Kafa once again organised a talk with a number of guests from the world of film, whereas Argeta organised various workshops focused on diet, creativity and sustainability, with interesting guests and prizes.

Other donations in the community

Throughout 2025, we supported numerous projects celebrating art and culture, as well as talent. As one of the leaders in the coffee category, we supported the organisation of the Barista Cup 2025, a prestigious competition that brought together the best baristas from the region and encouraged the exchange of knowledge. We also proudly contributed to the Slano Film Days festival attracting visitors from across Croatia. We continued to provide support to the unique theatre experience provided by Ulysses Theatre on the Brijuni Islands, which has been gathering top artists and theatre lovers for many years, as well as to the excellent theatre event Actors in Zagvozd. We also contributed to promoting literary creativity through the Fric Award for the best fictional prose written in one of the regional languages. Literature and film lovers were able to enjoy our products as part of the Cinema Book Club programme created by Cinestar, which shows films based on literary works. Like every year, our socially responsible initiatives were aimed at encouraging positive changes in the community. By supporting these projects, Atlantic Grupa continued its contribution to promoting culture and art.



SUSTAINABILITY STATEMENT

SUSTAINABILITY STATEMENT

GENERAL DISCLOSURES	164
ENVIRONMENT	192
SOCIAL	250
GOVERNANCE	294
AUDITOR'S LIMITED ASSURANCE REPORT ON THE SUSTAINABILITY STATEMENT	310

Welcome to Atlantic Grupa's sustainability statement for 2025. We report our ESG progress against the EU Corporate Sustainability Reporting Directive (CSRD). As such, our report is structured based on the topical standards of the ESRS.



ESRS 2

General disclosures



Going to net zero

Disclosure index IRO-2

The following index lists all the ESRS disclosure requirements in ESRS 2 and the eight topical standards that are material to Atlantic Grupa and have guided the preparation of our sustainability statement. The index can be used to navigate information relating to a specific disclosure requirement within the sustainability statement. The datapoints to be reported and hence the material information were determined using qualitative mapping based on an in-depth examination at a content level of the identified impacts, risks, and opportunities. The mapping is based on the criteria defined in para. 31 of ESRS 1. Following a comprehensive examination of our business activities and locations, we assessed the topical standards ESRS E2 - Pollution and ESRS S3 - Affected Communities as not material.

Standard		Page
ESRS 2 - General disclosures		
BP-1	General basis for preparation of the sustainability statement	170
BP-2	Disclosures in relation to specific circumstances	170
GOV-1	The role of the administrative, management and supervisory bodies	172
GOV-2	Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	172
GOV-3	Integration of sustainability-related performance in incentive schemes	175
GOV-4	Statement on due diligence	176
GOV-5	Risk management and internal controls over sustainability reporting	176
SBM-1	Strategy, business model and value chain	177
SBM-2	Interests and views of stakeholders	184
SBM-3	Material IROs and their interaction with strategy and business model	188
IRO-1	Description of the processes to identify and assess material IROs	189
E1 - Climate change		
GOV-3	Integration of sustainability-related performance in incentive schemes	197
E1-1	Transition plan for climate change mitigation	197
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	200
IRO-1	Description of the processes to identify and assess material climate-related IROs	200
E1-2	Policies related to climate change mitigation and adaptation	203
E1-3	Actions and resources in relation to climate change policies	205
E1-4	Targets related to climate change mitigation and adaptation	207
E1-5	Energy consumption and mix	207
E1-6	Gross Scopes 1, 2, 3 and total GHG emissions	209
E3 - Water and marine resources		
IRO-1	Description of the processes to identify and assess material water and marine resources-related IROs	227
E3-1	Policies related to water and marine resources	227
E3-2	Actions and resources related to water and marine resources policies	228
E3-3	Targets related to water and marine resources	229
E3-4	Water consumption	230
E4 - Biodiversity and ecosystems		
E4-1	Transition plan and consideration of biodiversity and ecosystems in strategy and business model	235
SBM-3	Material IROs and their interaction with strategy and business model	235
IRO-1	Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities	236
E4-2	Policies related to biodiversity and ecosystems	236
E4-3	Actions and resources related to biodiversity and ecosystems	237
E4-4	Targets related to biodiversity and ecosystems	238
E4-5	Impact metrics related to biodiversity and ecosystems change	238
E5 - Resource use and circular economy		
IRO-1	Description of the processes to identify and assess material resource use and circular economy-related IROs	243
E5-1	Policies related to resource use and circular economy	244
E5-2	Actions and resources related to resource use and circular economy	245
E5-3	Targets related to resource use and circular economy	246
E5-4	Resource inflows	247
E5-5	Resource outflows	248

Standard		Page
S1 - Our own workforce		
SBM-2	Interests and views of stakeholders	254
SBM-3	Material IROs and their interaction with strategy and business model	256
S1-1	Policies related to own workforce	258
S1-2	Processes for engaging with own workers and workers' representatives about impacts	259
S1-3	Processes to remediate negative impacts and channels for own workers to raise concerns	260
S1-4	Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions	260
S1-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	263
S1-6	Characteristics of the undertaking's employees	264
S1-7	Characteristics of non-employees in the undertaking's own workforce	267
S1-8	Collective bargaining coverage and social dialogue	267
S1-9	Diversity metrics	268
S1-10	Adequate wages	269
S1-11	Social protection	269
S1-13	Training and skills development metrics	269
S1-14	Health and safety metrics	270
S1-15	Work-life balance metrics	270
S1-16	Remuneration metrics (pay gap and total remuneration)	271
S1-17	Incidents, complaints and severe human rights impacts	271
S2 - Workers in the value chain		
SBM-2	Interests and views of stakeholders	275
SBM-3	Material impacts, risks and opportunities and their interaction with strategy and business model	275
S2-1	Policies related to managing material impacts on workers in the value chain, as well as related material risks and opportunities	276
S2-2	Processes for engaging with value chain workers about impacts	276
S2-3	Processes to remediate negative impacts and channels for value chain workers to raise concerns	277
S2-4	Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions	277
S2-5	Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	278
S4 - Consumers and end users		
SBM-2	Interests and views of stakeholders	283
SBM-3	Material IROs and their interaction with strategy and business model	283
S4-1	Policies related to consumers and end-users	284
S4-2	Processes for engaging with consumers and end-users about impacts	286
S4-3	Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	287
S4-4	Taking actions to manage material IROs	287
S4-5	Targets related to managing material IROs	293
G1 - Business conduct		
GOV-1	The role of the administrative, management and supervisory bodies	299
SBM-3	Material IROs and their interaction with strategy and business model	298
IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	300
G1-1	Corporate culture and business conduct policies	300
G1-2	Management of relationship with suppliers	301
G1-3	Prevention and detection of corruption and bribery	304
G1-6	Payment practice	305

Basis for preparation

BP-1; BP-2

According to the requirements of the Croatian Accounting Act (Official Gazette 85/24, 145/24, 151/25) and the Accounting Directive (2013/34/EU) as amended by the Corporate Sustainability Reporting Directive (CSRD - 2022/2464), Atlantic Grupa includes in its annual management report the information necessary to understand the Company's impacts on sustainability matters, as well as the information necessary to understand how sustainability matters affect the Company's development, performance and position.

Since 2013, the Company has been reporting in accordance with the Global Reporting Initiative (GRI) standards, following good practices related to environmental, social and governance (ESG) principles. In 2023, for the regular update on the progress of sustainability goals, the Company transitioned to the European Sustainability Reporting Standards (ESRS), with oversight provided by senior management and the Coordination Committee for Sustainability. Additionally, clear roles and responsibilities have been established within the organisation, greatly facilitating the reporting process. At the same time, this enables the Company to align its operations, leverage its full potential, avoid potential risks, and minimise the negative effects of its activities on the environment and society. This report aims to provide a full and balanced picture of Atlantic Grupa's material topics and related impacts, risks and opportunities, as well as to explain activities and performance in the calendar year ending 31 December 2025.

This report is aligned with the requirements of:

- Croatian Accounting Act (Official Gazette 85/24, 145/24, 151/25),
- EU Corporate Sustainability Reporting Directive (CSRD - 2022/2464),
- Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 as regards sustainability reporting standards (ESRS),
- Commission Delegated Regulation (EU) 2023/2486, 2026/73 and
- UN Global Compact.

With the aim of providing a comprehensive and balanced overview of important environmental, social, and governance (ESG) aspects, this report covers the entire Atlantic Grupa, including all business and distribution units, and includes information on material impacts, risks, and opportunities (IRO) related to Atlantic Grupa's business operations through direct and indirect business relationships in the upstream and/ or downstream value chain. In order to assess IRO within its value chain, the Company used information directly obtained from its suppliers and customers, as well as relevant information that is publicly available. This inclusive approach ensures that the interests and concerns of all parties involved in the Company's operations, from employees and customers to investors, suppliers and the communities the Company operates in, are duly considered and addressed.

The scope of consolidation of this sustainability statement is the same as for the financial statements (for more information on the consolidation scope, please refer to the Consolidated financial statement - Note 2 Summary of material accounting polices information, 2.2 Consolidation). The Company has not utilised the option to omit a specific piece of information corresponding to intellectual property, know-how or the results of innovation, nor has it exempted the disclosure of impending developments or matters in the course of negotiation, as provided for in Articles 19a(3) and 29a(3) of Directive 2013/34/EU.

The Management Board of Atlantic Grupa is responsible for all aspects of this report.

Disclosures in relation to specific circumstances

In our consolidated sustainability statement, the Company has adopted the same time horizons as defined by ESRS 1. The only exception applies to climate related physical risk assessments conducted using the Climatig risk tool, where different time horizons were applied as specified within section E1 IRO-1.

In order to estimate GHG emissions in the upstream and downstream value chain (Scope 3 emissions), certain estimations and assumptions are used in accordance with the GHG Protocol. Due to the availability and quality of certain data from the upstream and downstream value chain, the Company acknowledges that some measurement uncertainty

is inevitable; however, this uncertainty is assessed to be low. The accuracy level of the calculated Scope 3 GHG emissions remains high. For more information on the applied methodology for calculating Scope 3 GHG emission, please refer to section E1-6 - Gross Scopes 1, 2, 3 and Total GHG emissions.

In accordance with the amended Delegated Regulation (EU) 2023/2772, the Company continues to defer the disclosure of anticipated financial effects related to environmental matters.

The metrics provided within our Sustainability statement have not been validated by an external body.

List of disclosures incorporated by reference

Data disclosure requirement	Incorporated by reference to
BP-1 Scope of consolidation	Consolidated financial statement - Note 2 Summary of material accounting polices information, 2.2 Consolidation
GOV-1 Information about member's experience relevant to sectors, products and geographic locations of undertaking	Section Management and Supervisory Board
SBM-1 Strategy of the Group	Section Corporate strategy of Atlantic Grupa
SBM-1 Description of significant groups of products offered and markets served	Section About the company
SBM-1 Description of quality, environmental and energy management practices and standards implemented in the Company	Section Integrated Quality Management Systems
GOV-5 Risk management and internal controls	Section Risks of Atlantic Grupa

ESG Governance
GOV-1, GOV-2

The role of the administrative, management and supervisory bodies and the information provided to them

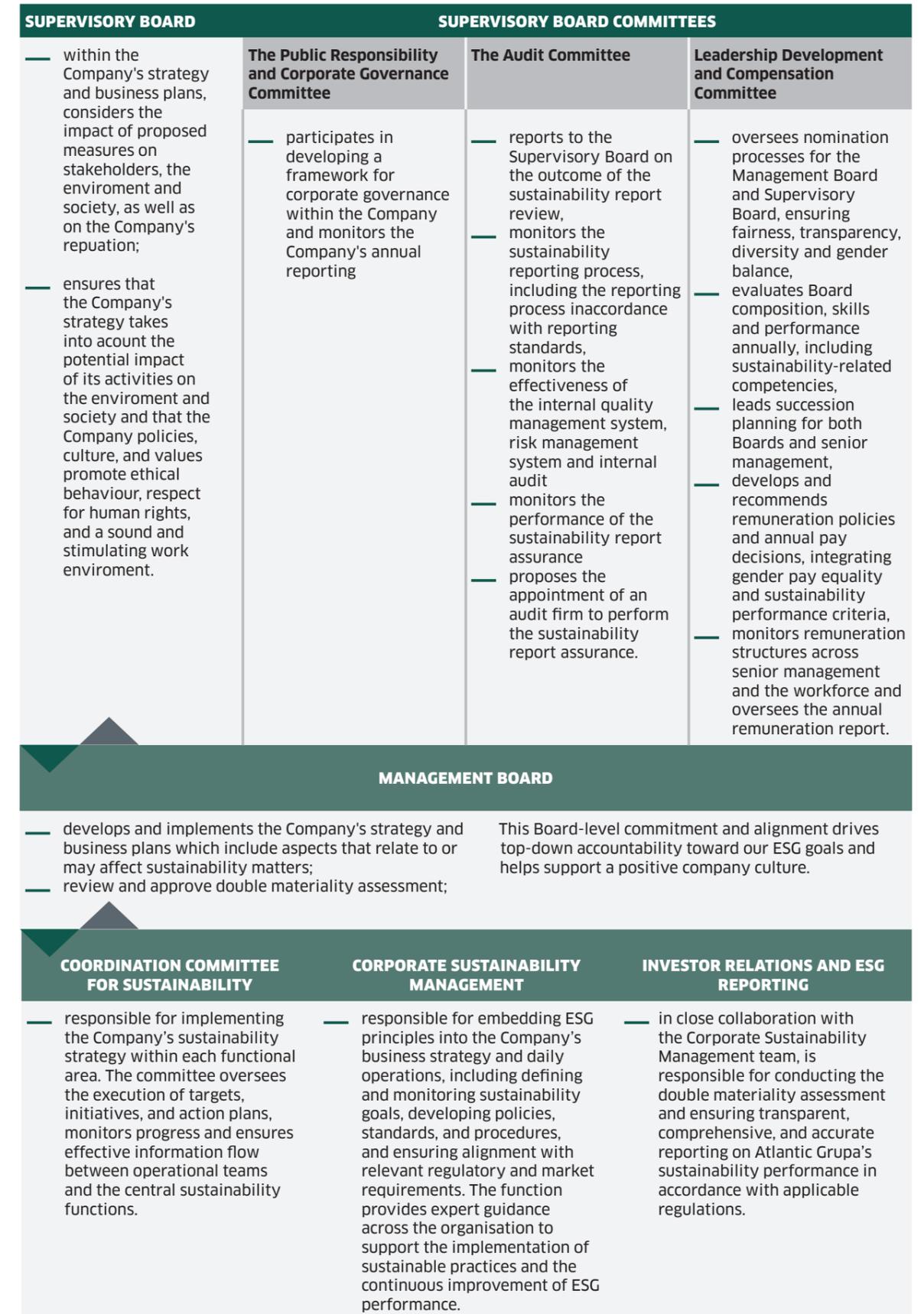
The system of governance at Atlantic Grupa is structured around a dual principle, involving the Supervisory Board and Management Board, alongside the General Assembly. These three bodies are central to the Company's operations, ensuring effective governance and alignment with sustainability goals. The Supervisory Board provides oversight of the Management Board's activities, including sustainability-related matters, while the Management

Board is responsible for implementing strategies and managing day-to-day operations. The General Assembly serves as the highest decision-making body, approving key corporate actions. Detailed information on the composition, expertise and skills of the Management Board, Audit Committee and Supervisory Board is given in section Management and Supervisory Board.

Executive and non-executive members						
We have seven executive members on the Management Board who have an executive role in the Company, manage the Company's operation and represent the Company.						
Representation of employees and other workers						
None						
Under-represented social groups						
None						
Experience relevant to the sectors, products and geographic locations of the undertaking						
Regarding the composition and expertise of the Supervisory Board and the Management Board of Atlantic Grupa, special attention is paid to gathering members of different genders, ages, skills and knowledge, including knowledge on sustainability matters, education, as well as professional and practical experience, to ensure they bring different perspectives of importance to decision-making. For more details on the specific experience relevant to the sector, products and locations of the Company for each member of the Management Board and Supervisory Board, please refer to section Management and Supervisory Board.						
Percentage by gender and other aspects of diversity that the undertaking considers						
SENIOR POSITIONS	No. of members	M	F	M%	F%	Ratio female to male
MANAGEMENT BOARD	8	6	2	73%	27%	0.4
SUPERVISORY BOARD	9	5	4	59%	41%	0.7
AUDIT COMMITTEE	4	3	1	75%	25%	0.3
The percentage of independent board members						
66.7% of the Supervisory Board are independent members, 75.0% of the Audit Committee are independent members						

Atlantic Grupa fully complies with the requirements of the relevant European Union directive on gender balance on company boards, confirming its commitment to equal opportunities and inclusive corporate governance. Also, the Company meets all legal and best-practice requirements for the Supervisory Board and its Committees regarding the member independence, as introduced by the Law and the Corporate Governance Code of the Zagreb Stock Exchange and HANFA.

Our structure of sustainable governance



approves



reports



Within Atlantic Grupa's sustainability governance framework, the Management Board and the Supervisory Board are the bodies that lead and oversee sustainability management. Other bodies have a coordinating and operational role in implementing sustainability-related processes and activities.

As part of the Company's sustainability governance system, team members who currently serve as members of the Coordination Committee for Sustainability and represent the Investor Relations & ESG Reporting and Corporate Sustainability Management departments are responsible for carrying out the double materiality assessment, i.e. assessment of all relevant impacts, risks and opportunities (IRO). They subsequently present the assessment results to the Management Board for final approval. Following the Management Board's approval of the double materiality assessment, the applied methodology as well as the identified impacts, risks, and opportunities are explained and presented to the Audit Committee.

The Corporate Sustainability Management team, in collaboration with relevant process owners, is responsible for setting targets for specific material impacts, risks, and opportunities (IROs) in accordance with ESRS requirements. Targets are defined in areas where the Company can generate the greatest positive impact for the environment and society or where urgent action is required – for example, reducing GHG emissions, enhancing resource efficiency, or improving social and governance practices. To support effective target delivery, the Coordination Committee for Sustainability includes members who hold direct responsibility for managing individual material IROs within their respective functional areas. The Corporate Sustainability Management team monitors progress toward achieving the established targets and ensures alignment with the Company's overall sustainability strategy and long-term commitments.

On an annual basis, the Corporate Sustainability Management team conducts a structured review comparing planned and achieved targets. The results of this assessment are presented to the Coordination Committee for Sustainability and subsequently to the Management Board. As part of this review, the effectiveness of the applied policies and implemented actions is systematically evaluated to determine whether they sufficiently support

the achievement of the established targets. This includes assessing whether existing measures remain appropriate, require strengthening, or need to be replaced with new approaches in order to drive improved performance. The outcome of this analysis forms the basis for refining existing targets and setting new ones for the following year, where relevant, taking into account performance trends, long-term strategic ambitions, regulatory developments, and stakeholder expectations.

The entire process of target setting, monitoring, and performance evaluation is overseen by the Management Board, ensuring accountability, strategic alignment, and continuous improvement in managing material impacts, risks, and opportunities. Management Board will continue to integrate material impacts, risks, and opportunities into its oversight of the Company's strategy, major transactions, and risk management processes, ensuring alignment with sustainability objectives.

Furthermore, for material IROs, the Company implements corporate policies and manages them through its integrated quality management system and related processes. Responsibility for these processes is organised in a matrix structure, in which corporate process owners and managers share accountability with executives from the business and distribution units. This approach ensures coordinated decision-making, alignment across functions, and effective management of material impacts, risks, and opportunities.

Our Management Board, Supervisory Board, and Audit Committee possess relevant knowledge on sustainability and our material IROs, based on their previous and current experience and training (for more details on their experience and knowledge, please refer to section Management and Supervisory Board). If specific knowledge is required to understand IRO and the Management Board, Supervisory Board and Audit Committee lack this expertise, they are encouraged to seek assistance from consultants and experts.

GOV-3 Integration of sustainability-related performance in incentive schemes

Since 2021, the achievement of defined sustainability KPI targets, presented in the section Sustainability Pillars and Priority Commitments, has been reflected in the incentive programmes for the Management Board members. In 2024, the model was further expanded, and from 2025 onwards, sustainability goals are also integrated into the incentive programs of all general managers in SBUs and SDUs, as well as selected executive directors and heads of Central Functions, SBU Marketing, R&D, and Operations.

At the beginning of the year, annual targets are set for twelve ESG KPIs. At year-end, the overall performance index is calculated using weighted ratios (AG Sustainability Index). The same methodology and KPI set apply at both corporate and SBU levels (AG and SBU Sustainability Index), while for SDUs,

the Sustainability Index is limited to five ESG KPIs under the Employees pillar.

The Leadership Development and Compensation Committee oversees the Company's human capital management and recommends to the Supervisory Board each year the remuneration to be received by the Management Board members based on an assessment of the Company's results, their individual performance during the year, and the realisation of the Company's Sustainability Index, following consultation with the President of the Management Board. The proportion of variable remuneration tied to sustainability-related targets ranges from 6% to 10%, depending on whether the bonus is allocated to the Management Board members or other eligible functions.

GOV-4 Statement on due diligence

The table below provides a mapping of where in our sustainability statement the main aspects and steps of the due diligence process are reflected. These references can be found throughout the report under relevant sections.

Core elements of due diligence	Paragraphs in the sustainability statement
Embedding due diligence in governance, strategy and business model	ESRS 2 GOV-2; ESRS 2 GOV-3; ESRS 2 SBM-3
Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2 SBM-2; ESRS 2 IRO-1
Identifying and assessing adverse impacts	ESRS 2 IRO-1; E1 IRO-1; E3 IRO-1; E4 IRO-1; E5 IRO-1; S1-3; S2-3; S4-3
Taking actions to address those adverse impacts	E1-3; E3-2; E4-3; E5-2; S1-4; S2-4; S4-4; G1-1; G1-2; G1-3
Tracking the effectiveness of these efforts and communicating	E1-4; E1-6; E3-3; E3-4; E4-4; E4-5; E5-3; E5-4; E5-5; S1-5; S2-5; S4-5; G1-1; G1-2

GOV-5 Risk management and internal controls over sustainability reporting

Atlantic Grupa's risk management framework is designed to support the Company's strategic priorities while ensuring financial security, operational resilience, and long-term value creation. It includes a clear organisational structure with defined responsibilities, enabling effective risk management at all levels. Within this framework, sustainability reporting risks are integrated into the Company's overall risk management and internal control system. The main risks of Atlantic Grupa identified by the enterprise risk management (ERM) process are presented in the chapter Risks (please refer to section Risks of Atlantic Grupa).

The objective of the risk management and internal control framework over sustainability reporting is to ensure the accuracy, completeness, reliability, and consistency of sustainability information disclosed. From a sustainability reporting perspective, potential risks are assessed to evaluate their impact on the quality, accuracy, and completeness of sustainability data. This includes risks related to data collection, calculation methodologies, documentation quality, and control effectiveness.

In 2025, no material risks related to sustainability reporting were identified; however, this area will be further assessed and refined in future reporting periods.

The internal control system over sustainability reporting is designed to address the risk of material misstatements arising from human error, inconsistent data collection, incomplete documentation, or insufficient internal controls. The framework comprises the following key components:

- 1 Risk identification and assessment - Sustainability reporting risks are identified and considered across the sustainability reporting cycle, including data collection, calculation, consolidation, validation, and disclosure.
- 2 Control activities - Control activities are implemented to mitigate identified risks and ensure compliance with ESRS requirements. These include documented calculation methodologies, clear allocation of roles and responsibilities, segregation of duties, data validation checks, and review and approval procedures.

3 Information and communication - Roles and responsibilities related to sustainability reporting are clearly defined and communicated across the organisation. Relevant sustainability information is shared through established internal reporting channels to support accurate, consistent, and timely reporting.

4 Monitoring activities - The effectiveness of internal controls over sustainability reporting is monitored through regular management reviews and internal audit activities, with findings used to continuously improve reporting processes. At the end of 2025, the internal audit department

initiated an internal audit over the calculation of 12 key sustainability KPIs across the Company's five sustainability pillars. The findings from this audit will support further strengthening of internal controls, enhance data reliability, and drive continuous improvement in sustainability reporting practices.

Additionally, in January 2026, the implementation of the Sustainability Reporting Tool ("ESG Core tool") was completed, enabling improved data reliability, stronger internal controls, enhanced data validation processes, and greater transparency in sustainability reporting.

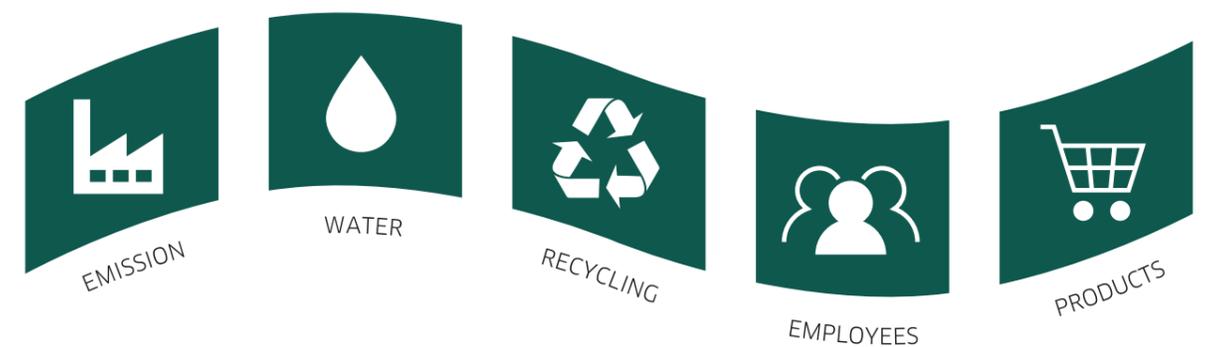
SBM-1 Strategy, business model and value chain

For detailed information, please refer to:

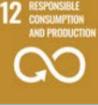
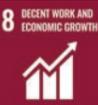
- Atlantic Grupa's strategy detailed in section Corporate strategy of Atlantic Grupa
- Atlantic Grupa's headcount detailed in section S1 Own workforce
- The breakdown of AG's total revenues presented in the section Consolidated financial statements
- Description of significant products and markets detailed in the section About the company

Sustainability pillars and priority commitments

Sustainability is fully integrated into the Company's corporate strategy. To establish clear priorities, the Company defines its sustainable development goals. These goals support and articulate the ESG dimension of the Company's overall strategic direction and encompass five common corporate priorities that apply across all business and distribution units. Together, they provide a unified framework that guides the Company's efforts to successfully adapt to evolving environmental and societal conditions and to focus on those sustainability matters that are most material to long-term value creation.



The table below provides an overview of how the Company's sustainability priority targets align with the global Sustainable Development Goals (SDGs) and the relevant European Sustainability Reporting Standards (ESRS) topics. It also indicates the ESG KPIs used to transparently measure progress toward the Company's commitments under the five priority pillars.

SUSTAINABLE DEVELOPMENT GOAL (SDG)	RELATED ESRs TOPIC	AG SUSTAINABLE PILLAR AND COMMITMENT	CONTRIBUTION TO THE AG SUSTAINABILITY INDEX	KEY PERFORMANCE INDICATORS	COMMITMENT/LTT 2030	UOM	2020	2024	2025
 13 CLIMATE ACTION Take urgent action to combat climate change and its impacts	E1 Climate change	EMISSIONS Reducing GHG emissions in line with Paris agreement targets	15%	Direct and indirect emissions	58% less compared to 2020*	t CO ₂ e	52,797	29,892	27,982
				Renewable energy use ratio	100% procurement of electrical energy from renewable sources and reducing the energy from fossil fuels in line with the transition plan 2020 - 2030	%	0.6	28.9	29.7
 6 CLEAN WATER AND SANITATION Ensure availability and sustainable management of water and sanitation for all	E3 Water and marine resources	WATER Improving technology and processes to reduce water withdrawals for operations	15%	Water withdrawal for operations	2.0 m ³ /t products	m ³ /t products	2.1	1.7	1.8
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	E5 Resource use and circular economy	RECYCLING Exclusive use of materials which are recyclable or recycled plastic	15%	Percentage of packaging materials which are recyclable	Continue to work toward 100% packaging being recyclable	%	88	93	94
				Recycled plastic use ratio	We aim to annually increase the ratio of recycled plastic	%	0.1	14.4	21.1
 8 DECENT WORK AND ECONOMIC GROWTH Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	S1 Own workforce	EMPLOYEES Generate economic growth with highly engaged and capable employees, ensuring no injuries and gender equity	40%	% of highly engaged employees	85 % min.	%	83	88	88
				Vocational training hours	17 average per employee	annual average per employee	12	16.8	20
				Work related injuries	Max 4.5 Injury Rate [IR]	Injury Rate [IR]	6.1	3.0	2.4
				Work related injuries	Max 90.0 Lost day rate [LDR]	Lost day rate [LDR]	102.9	69.8	48.6
				Share of women in managerial positions	Min 51 %	%	51.2	53	51.8
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION Ensure sustainable consumption and production patterns	S4 Consumers and end-users	PRODUCTS Innovate products in a sustainable way by reducing packaging and adapting recipes using claims that provide transparency and allow the consumers to choose a product according to their chosen lifestyle.	15%	Share of annually new and improved recipes in sustainable (claimed) categories (related to all new recipes)	Min 70 %	%		73	76
				Share of annually improved packaging with better environmental impact (related to all changes of packaging)	100 %	%		100	100

Our business model and value chain

The Company's business model is rooted in strong customer relationships, strategic investments in its brands, and the continuous improvement of business processes to enhance productivity and sustainability. With a portfolio of well-known regional FMCG brands, complemented by the product range of external partners, the Company offers consumers a wide selection of reputable products, enabling it to meet evolving consumer needs and expectations.

Supported by its own distribution system in the region, the Company creates value for shareholders and the wider economy, provides career opportunities for employees, and generates business opportunities for partners. The Company recognises that the interests, perspectives, rights, and expectations of its customers—as well as the unique insights they provide—play a critical role in shaping its business model and strategy.

The business model is designed to create value for customers, investors, and other stakeholders through a set of well-defined processes and activities. By identifying its material impacts, risks, and opportunities (IROs) and implementing relevant measures and targets, the Company delivers numerous benefits to customers, employees, the community, investors, and other stakeholders. These benefits include enhanced product quality, increased customer engagement, job security and satisfaction for employees, development opportunities, improved ethical practices across the value chain, and environmental protection.

Input data for the Company's own operations are available internally. They are collected from responsible process owners and provided to the relevant group-level process owners for consolidation. Data related to the Company's value chain are obtained directly from suppliers and customers, as well as from publicly available sources.

PRODUCTION + DISTRIBUTION

**Leading regional
manufacturer
and distributor of
FMCG brands**

VALUE CHAIN

Our Company's strategic goals involve establishing trust and strong bonds with our suppliers and customers, ensuring the upstream and downstream flow of products and services. This graphic provides an overview of Atlantic Grupa's main activities in the value chain. It shows all flows of input and output in relation to a product in the form of upstream and downstream activities.

SUPPLIERS



Our supply chain includes raw materials and packaging materials for our products, machines for production and final finishing of products, other equipment and technical devices and other services that are necessary to support our business processes, including the transportation of goods upstream and downstream. These materials, equipment and services are supplied by over 4,500 of our suppliers of various profiles, sizes and origins, which include both large global corporations and small local suppliers, and sourced through diverse and often complex supply chains, considering their characteristics, production processes and geographical origin.

The supply chain is one of the key links in business operations with a significant impact on achieving sustainable goals and long-term value for the organisation, while supplier diversification is an important strategy for organisations that strive for sustainable and successful business operations. The Company expects its suppliers to uphold the same high standards to which it adheres and to embody its core values. Integrating sustainability principles into procurement practices is essential for the Company. Therefore, it selects suppliers who demonstrate a commitment to environmental protection and sustainable development.

The Company encourages its suppliers to adopt responsible business policies and practices, aiming to generate mutual benefits and contribute positively to society and the environment. Through such collaboration, the Company supports advancing the broader global sustainability agenda.

UPSTREAM

AG's own operations:



R&D

Innovation plays a fundamental role in the Company's business development. The Company is committed to continuously innovating its product portfolio, taking into account the needs and preferences of its consumers. It regularly expands its categories based on market research and consumer insights. The innovation process for developing new products incorporates mandatory environmental and social responsibility criteria. In addition to product innovations, the Company introduces improvements across the entire organisation by enhancing business processes and placing a strong focus on sustainable development.

PRODUCTION



Atlantic Grupa is one of the leading fast-moving consumer goods manufacturers in the region, with a broad portfolio of brands and categories. The Company operates 13 production sites across the region. It is committed to modernising its production lines to improve operational efficiency, reduce environmental impacts, and enhance working conditions for its employees.

DISTRIBUTION



Atlantic Grupa, alongside its partner Ataco, is the leading distributor of fast-moving consumer goods in South-East Europe. The Company distributes both its own brands and the brands of external principals. It currently operates 17 distribution centers, supported by a fleet of more than 1,000 vehicles with direct access to over 70,000 points of sale. The Company's extensive expertise spans account management, category management, logistics, and trade marketing. Its experienced management and distribution operations are further strengthened by exceptional service quality, strong customer relationships, and deep market knowledge.

CUSTOMERS/ BUYERS

Due to the broad portfolio of its own and principal brands, the Company serves a diverse range of customers, including supermarket chains, retail stores, and HoReCa businesses. Its main customers are large retail chains across the region, providing the Company with a strong market presence in all operating territories.

The Company strives to maintain a wide and efficient distribution network, while strong partnerships with leading retail chains ensure high availability of its products. It continuously works on strengthening and developing cooperation with its customers, dedicating significant efforts to understanding their needs and ensuring efficient product delivery to meet consumer demand. The Company is committed to meeting the highest quality standards and regulatory requirements, ensuring customer satisfaction and positioning itself as a reliable and trusted partner.

CONSUMERS

Atlantic Grupa's brands, together with the brands of its principals, are used daily by millions of consumers. As one of the leading FMCG manufacturers in the region, the Company is dedicated to understanding and meeting the evolving needs of its consumers. It continuously invests in research and development to create products that not only meet but exceed consumer expectations. The Company's commitment to quality and innovation ensures the delivery of exceptional value to consumers. Atlantic Grupa is also committed to fostering trust and providing accurate and transparent information, which significantly contributes to the reputation of its brands and consumer satisfaction. Consumer trust and satisfaction are key drivers of the Company's success, and Atlantic Grupa strives to maintain strong and lasting relationships with its consumers.



RECYCLING AND CIRCULAR ECONOMY



Atlantic Grupa recognises the importance of recycling; therefore, one of the Company's five sustainability pillars focuses on increasing the use of recyclable materials and recycled plastic. The Company continuously explores opportunities to optimise packaging, operate in a more environmentally responsible manner, and reduce waste by increasing the share of recyclable packaging and recycled plastic in its products. The Company has implemented an integrated environmental management system that includes clear rules for proper waste management and a shared objective of minimising all types of waste. Atlantic Grupa works with authorised waste contractors in each country of operation to ensure that waste is managed responsibly and in compliance with local regulations. This commitment enables the Company to minimise its environmental footprint and supports its broader sustainability objectives.

DOWNSTREAM

SBM-2 Interests and views of stakeholders

According to Atlantic Grupa's Code of Corporate Governance, stakeholders are defined as individuals or groups that assume certain direct or indirect risks associated with the Company. In addition to shareholders, stakeholders include employees, customers and users of the Company's services, suppliers, creditors, the local community and public authorities.

Building and maintaining relationships with stakeholders is fully embedded in the Company's way of doing business. Across all markets in which it operates, Atlantic Grupa actively participates in forums, industry platforms and collaborative programmes.

The Management Board is responsible for ensuring transparent and high-quality relationships between Atlantic Grupa and its stakeholders, and is required to ensure that the Company respects all stakeholder rights arising from legislation and good business practices.

Stakeholder consultations are conducted regularly through multiple channels, as outlined in the table below. Feedback from these engagement processes is continuously reported to the Management Board.

Stakeholder requirements are integrated into the identification of relevant impacts, risks and opportunities. The Company applies the principle of transparent interaction and communication in every form of engagement. This approach encourages collaboration, knowledge sharing, open dialogue and in-depth discussion. It also enables Senior Leaders to develop a strong understanding of stakeholder expectations within their respective domains—for example, the Chief Procurement Officer maintains a detailed understanding of supplier needs, participates in the materiality assessment and advocates for supplier interests.



Key stakeholders, communication channels and main areas of interest

Key directly AFFECTED stakeholders	Communication channels	Main areas of interest	Impact on strategy and business model
Employees	<ul style="list-style-type: none"> Regular employee engagement survey Corporate interactive intranet Performance and development talks (setting personal goals) Trainings and internal workshops Offline and online newsletter 	<ul style="list-style-type: none"> Safe and stimulating working environment Talent development and career opportunities 	Insights from these engagement efforts are analysed and integrated into our strategic approach, helping the Company attract and retain talented individuals while further investing in the development of the people who drive our brands and operations forward.
Consumers and shoppers (with the special emphasis on the diversity of requirements and expectations)	<ul style="list-style-type: none"> Regional contact centre Brand websites Brands' Social Media Channels Product labels Marketing campaigns and events Education of consumer/shopper on points of sales 	<ul style="list-style-type: none"> Products which promote healthy lifestyle Products with low environmental impact Animal welfare Safe products for all consumers including vulnerable groups Acceptable and accessible products for people with religious restrictions Convenient and recyclable packaging 	Insights gathered through continuous consumer and shopper engagement guide brand and category strategies, strengthen consumer relevance and support the development of new value propositions that integrate sustainability principles and address diverse consumer expectations.
Customers	<ul style="list-style-type: none"> Sales agreements Meetings and B2B events 	<ul style="list-style-type: none"> Meeting consumer needs Competitive pricing 	Feedback from customer interactions informs category strategies and product offerings, ensuring relevance to end-consumers while supporting the development of competitive, value-driven commercial propositions.
External principals	<ul style="list-style-type: none"> Distribution agreements Meetings and B2B events 	<ul style="list-style-type: none"> Market penetration and expansion of their products 	Engagement with external principals shapes the Company's distribution strategy and reinforces its leadership position by supporting market penetration, category expansion and long-term collaborative growth.
Suppliers	<ul style="list-style-type: none"> Supplier portal Purchasing agreements Quality and sustainability agreements Procedures for complaints and annual evaluation 	<ul style="list-style-type: none"> Building long term relationships Timely payments Supply chain with low environment impacts, preserving biodiversity, fair human rights and animal welfare practices 	Supplier engagement informs efforts to enhance operational excellence, strengthen supply chain resilience and accelerate the integration of sustainability criteria, contributing to sustainable sourcing and long-term value creation across the supply chain.

Key stakeholders - other USERS OF SUSTAINABILITY STATEMENTS	Communication channels	Main areas of interest	Impact on strategy and business model
(Local) Communities and vulnerable groups	<ul style="list-style-type: none"> Regional contact centre Donations and sponsorships procedure Direct cooperation with local community representatives Atlantic Grupa LinkedIn profile 	<ul style="list-style-type: none"> Environmental protection Acceptable technologies and products New jobs Community Engagement 	Engagement with local communities and vulnerable groups informs initiatives that strengthen community resilience, support environmental protection and drive responsible business practices, contributing to an empowered and socially engaged organisation.
Shareholders and Creditors	<ul style="list-style-type: none"> General Assembly Corporate web page Meetings and conferences Transparent reporting 	<ul style="list-style-type: none"> Delivering strong sustainable earnings and dividends, thus establishing supportive shareholder base Transparent governance 	Feedback from shareholders and creditors guides strategic decision-making across all pillars of the business model, ensuring long-term value creation supported by transparent governance, sustainable earnings and a stable, supportive shareholder base.
Non-government organizations (NGO's)	<ul style="list-style-type: none"> Regional contact centre Donations and sponsorships procedure Direct cooperation with representatives 	<ul style="list-style-type: none"> Community engagement 	Cooperation with NGOs provides insights that enhance community engagement initiatives and strengthen the Company's social impact, contributing to the development of an empowered and responsible organisation.
Public authority bodies	<ul style="list-style-type: none"> Meetings and consultations Participation in forums, industry platforms and collaborative programmes on issues of common interest 	<ul style="list-style-type: none"> Collaboration on contributing to public good Transparent governance 	Engagement with public authorities helps shape compliant, transparent and responsible business practices, reinforces collaboration on matters of public interest and contributes to the Company's overall empowerment and alignment with regulatory expectations.
Supervisors	<ul style="list-style-type: none"> Contracts with certification bodies Contracts with auditors 	<ul style="list-style-type: none"> Accurate reporting in accordance with legislation 	Insights from audits, certifications and supervisory processes drive continuous productivity and process improvements, while supporting transparency, compliance and the development of a robust and empowered organisation.

Information collected through all communication channels is regularly reviewed as part of the Company's due-diligence process, embedded within the ISO 9001-certified quality management system and aligned with the OECD Guidelines for Multinational Enterprises. This continuous practice enables timely responses to emerging insights and may trigger adjustments to the Company's strategy, business model, processes, activities, business relationships, and operational, sourcing or market approaches.

SBM-3 Material IROs and their interaction with strategy and business model

Atlantic Grupa is committed to transparency and accountability in disclosing its material impacts, risks and opportunities. The double materiality assessment was conducted for the first time in 2024 in accordance with the ESRS requirements. The 2025 review of the double materiality assessment (DMA) has led to some changes in the material IROs. As part of this review, eight previously identified material impacts and one material opportunity are no longer considered material, reducing the total number of material IROs to 35. This refinement does not alter the list of material ESRS topics. Rather,

it reflects an improved understanding of our value chain, clearer definitions of ESRS data points at topical standard level, and a more robust application of the materiality criteria. The reduction in the number of material IROs is the outcome of a more mature, evidence based and structured assessment process carried out in 2025.

Our material IROs are presented in the table below. A more detailed overview of material IROs specific to each topic, including the connection between our IROs and our business strategy, is shown under SBM-3 within each topical standard.

Material topic	Material IROs
E1	GHG emissions in operations GHG emission in the value chain Increase in the cost of relevant raw materials as a consequence of climate change Use of electricity from renewable sources
E3	Responsible consumption of groundwater Water withdrawal for technological operations (cleaning, cooling)
E4	Deforestation in the value chain to obtain additional agricultural land
E5	Reduction of virgin material production through the procurement of recycled materials for packaging Use of recyclable packaging materials Waste reduction through the reduction of packaging material weight Recycling of a large portion of waste generated from own operations
S1	Sense of security (belonging and predictability) Differentiation through job security Appropriate salaries, as reflected in employee satisfaction Working conditions beyond minimum legal requirements Flexible models and family related leave High employee engagement Safe and healthy workplace Inclusive culture and equal pay for equal value Continues learning and development Development of new knowledge and skills and improvement of existing knowledge and skills of employees Zero- tolerance culture Gender and age diversity
S2	Improvement of working conditions through Supplier code of conduct
S4	Respecting consumer data privacy in all communication channels Regular and proactive collaboration with consumers in the development of new products Ensured consumer access to all product information Ensured consumer trust in high safety and quality food products Products available for consumers with specific ingredient expectations Focus on applying responsible marketing practices
G1	Attracting and retaining exceptional people Enhancing corporate culture through knowledge and information sharing; employer branding Business transparency Respecting business conditions with suppliers Reducing corruption in the value chain

IRO-1 Description of the processes to identify and assess material IROs

Atlantic Grupa employs a comprehensive and systematic approach to identifying its most material ESG and sustainability topics. The Company's double materiality assessment (DMA) follows a structured process designed to identify, assess and prioritise sustainability related impacts, risks and opportunities (IROs) across its operations and value chain, in line with ESRS 1 and ESRS 2 (IRO1).

The double materiality assessment (DMA) was reviewed and updated during the year based on insights and experience gathered from the first year reporting under the European Sustainability Reporting Standards (ESRS). The review has led to alterations but no significant change to the areas of focus.

Identification of impacts, risks and opportunities

The materiality assessment is based on the guidelines set out in ESRS 1 and was carried out by Atlantic Grupa's Double Materiality Assessment Team, comprising experts from Corporate Sustainability Management, Investor Relations and ESG Reporting, and Risk Management. Several workshops were organised to assess material impacts, risks and opportunities (IROs), led by the Double Materiality Assessment Team with the active participation of relevant experts from Procurement, Corporate Security, Energy and Environmental Management, Marketing, Sales, and People & Culture, ensuring the use of in-depth knowledge of the Company's own operations.

As the starting point for identifying material IROs, the Company applied the list of topics, subtopics and sub-subtopics defined in ESRS 1. The assessment relied primarily on internal data, data collected from across the value chain and, where necessary, publicly available external data.

The double materiality assessment was conducted at the consolidated level, covering all business units, distribution units and all countries in which the Company operates, and was based on its ongoing business activities. In identifying and assessing IROs, the Company considered its own operations as well as its direct and indirect business relationships across both the upstream and downstream value chain.

Engagement with all key stakeholder groups—outlined in the section SBM-2 Interests and views of stakeholders—was taken into account when performing the assessment. The process also incorporated short-term, medium-term and long-term time horizons.

During the reassessment of impacts, risks and opportunities, initial proposals for adjustments were informed by enhanced internal subject matter insights, a deeper understanding of ESRS requirements, benchmarking against publicly available CSRD reports, and insights gathered from an internal peer analysis.

Assessment of impact materiality

When assessing impact materiality, the Company classified its impacts as positive or negative, and as actual or potential. It considered the scale and scope of each impact, as well as the probability of occurrence for potential impacts. For negative impacts, a severity score was determined based on scale (from 1 to 5, with 1 being the lowest and 5 the highest), scope and irreparability, while positive impacts were assessed based on scale and scope. The severity score was then multiplied by the likelihood of occurrence to determine materiality, with a maximum possible score of 25 and a materiality threshold set at 12.5.

Assessment of financial materiality

When assessing financial materiality, that is, risks and opportunities, the Company considered the probability of their occurrence and their scale based on the estimated impact on the Company's EBITDA. In evaluating scale and probability, a 1-to-5 scale was applied (with 1 representing the lowest and 5 the highest value). The final score for each risk or opportunity was calculated by multiplying scale by probability. The maximum possible score is 25, with the materiality threshold set at 12.5. The financial materiality assessment forms an integral part of the Company's risk management system, ensuring that identified risks and opportunities are actively managed and fully aligned with the Company's enterprise risk management (ERM) framework. The Company also undertakes all necessary measures to capture and leverage identified opportunities, both now and in the future.

Sustainability statement

Prioritisation and integration with risk management

Based on the results of the double materiality assessment, the identified impacts, risks and opportunities were classified into five categories according to their scores: minimal, informative, moderately important, important and critical. Impacts, risks and opportunities assessed as moderately important, important or critical are considered material for Atlantic Grupa and represent priorities in the Company's sustainability efforts.

In assessing IROs, the Company analysed how its impacts are connected to the risks and opportunities that may arise from them. This analysis enabled a clearer understanding of how sustainability impacts may translate into financial risks or opportunities over the short, medium and long term.

Sustainability related risks are already integrated into the Company's Enterprise Risk Management (ERM) framework and are actively managed. All risk types monitored within the ERM process are treated as equally important; however, priority is given to those with the highest risk scores.

The double materiality assessment complements the existing risk management system. For this reason, the Company's Risk Management Director is a member of the Double Materiality Assessment Team, ensuring a comprehensive and unified overview of all identified risks.

Approval

The results of the double materiality assessment, including the applied methodology, were reviewed and approved by the Management Board and finally by the Audit Committee.

Implementation and follow-up

The outcomes of the DMA form the basis for the definition of sustainability priorities, targets and actions. Material impacts, risks and opportunities are incorporated into relevant management processes, and identified opportunities are considered within strategic and operational decision making. The procedure for conducting the DMA is formally established, and the assessment is updated on an annual basis to ensure that the Company's sustainability priorities remain aligned with evolving regulatory requirements, stakeholder expectations and changes within the value chain.



ENVIRONMENT

ENVIRONMENT

E1 - CLIMATE CHANGE	194
E3 - WATER AND MARINE RESOURCES	224
E4 - BIODIVERSITY AND ECOSYSTEMS	232
E5 - RESOURCE USE AND CIRCULAR ECONOMY	240

2025 ACHIEVEMENTS

	Reduction in Scope 1 and 2 CO ₂ emissions vs 2020	47%
	Energy from renewable sources	29.7%
	Less water withdrawal (m ³ /t product) vs 2020	14.3%
	Recycled plastic in total plastic quantities	21.1%
	Sourced coffee with geolocation traceability	27.5%
	Recyclable packaging materials	94%
	Waste processed for recovery	77.5%

E1

Climate change



GOV-3 **Integration of sustainability-related performance in incentive schemes**

The proportion of variable remuneration tied to sustainability-related targets for the Management Board amounts to 10%, and for the SBU general managers to 8%. This remuneration depends on the AG and the SBU Sustainability Indexes (SI), which comprises five priority pillars, including the emissions pillar. The emissions pillar represents 15% of the total weight of the AG and SBU Sustainability Indexes and includes commitments related to Scope 1 and Scope 2 emissions, as well as the use of renewable energy. Therefore, 1.5% of total remuneration of the Management Board is linked to climate-related considerations. For detailed information on how sustainability matters are incorporated into the incentive schemes, please refer to section ESRS 2 GOV-3 Integration of Sustainability-Related Performance in Incentive Schemes.

E1-1 **Transition plan for climate change mitigation**

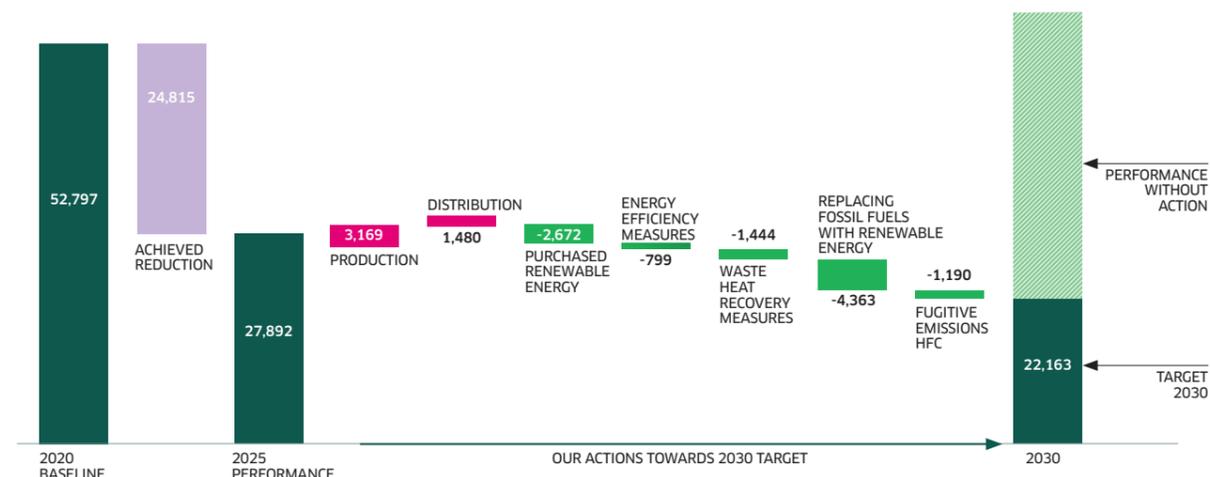
Atlantic Grupa's efforts to address climate change and contribute to protecting the future of the planet start with reducing its own carbon footprint. The following net zero transition plan addresses Scope 1 and Scope 2 GHG emissions, aligning with the Paris Agreement (2015) to limit global warming to 1.5°C.

The Company actively engaged with key stakeholders, including the Management Board, sustainability experts, and operational units, to define realistic and impactful goals. Regular meetings and workshops were held to ensure alignment with the broader business strategy and environmental objectives. The Company also consulted external stakeholders, such as environmental organizations, regulatory bodies, and customers. These consultations helped ensure that the goals were not only ambitious but also reflected industry best practices and regulatory expectations. Atlantic Grupa is not excluded from the EU Paris-aligned Benchmark.

Atlantic Grupa has committed to reduce GHG emissions (Scope 1 and Scope 2 - market-based) by 58% compared to emissions in 2020. Emissions and targets were recalculated in 2024 using the Science Based Target Initiative (SBTi) methodology, applying the absolute approach and taking into account the new company structure. The Company used the publicly available SBTi calculator, while targets have not been officially approved by the SBTi organization. Additionally, Atlantic Grupa acknowledges the common targets for 2050, which require achieving a 90% reduction of Scope 1, 2, and 3 emissions by 2050.

The progress of the transitional plan is continuously monitored using key performance indicators (KPIs), and annual reviews will be conducted to ensure alignment with the set goals. Progress will be transparently communicated to stakeholders through the Company's sustainability report.

The transition plan to achieve targets in Scope 1 and Scope 2 was prepared by Atlantic Grupa's energy team, whose members are energy managers from production sites, already in 2024. The transition plan for achieving GHG emissions reduction targets by 2030 is schematically presented in the graph below as updated with the data for 2025:



Please see E1-3 Action for more details on the already implemented action plan and the progress made in alignment with the transition plan.

Atlantic Grupa aims to achieve a total emissions target of 22,163 tCO₂e by 2030, representing a 58% reduction compared to the baseline year 2020 emissions of 52,797 tCO₂e. By 2050, the Company's goal is to reduce emissions by 90%, reaching a total of 5,280 tCO₂e.

The transition plan includes realistic business growth and several specific measures divided into five groups of levers, without changing the product portfolio and including the implementation of new technologies:

- Purchasing all electricity, wherever and whenever possible, from renewable sources with Guarantees of Origin;
- Increasing the energy efficiency of heating systems, production equipment, and vehicles;

- Recovering waste heat from production processes;
- Ceasing the use of fossil fuels for generating thermal energy for space heating (comfort heating), domestic hot water, and those parts of the process that do not require the use of steam or temperatures above 100°C, while simultaneously switching to renewable energy sources; and
- Minimising fugitive emissions from refrigerants.

A detailed analysis identified the "locked-in" emissions from fossil fuels that cannot be reduced or replaced by 2030 due to current technological limitations. Atlantic Grupa has taken these into account when creating its transition plan, ensuring that these emissions do not compromise the achievement of the set targets.

Scope	Measure	2020 Base year	2020-2030		2030 Target
Scope 1	Replacing fossil fuels with renewable energy	20,923	-2,298	6%	-6,174
	Waste heat recovery measures		-1,179	3%	
	Energy efficiency measures		-786	2%	
	Reduction of fugitive emissions		-1,910	5%	
Scope 2	Replacing fossil fuels with renewable energy	31,875	-1,402	4%	-29,898
	Purchased renewable energy		-28,457	79%	
	Waste heat recovery measures		-39	0%	
Scope 1+2		52,797	-36,072		22,163

Although emissions from Atlantic Grupa's vehicles are significant contributors to overall Scope 1 emissions, replacing existing fossil fuel vehicles with electric ones on a larger scale is not feasible before 2030.

The Management Board of Atlantic Grupa has approved the transition plan and Strategic business and distribution units integrated this transition plan into their business plans during the long-term financial planning process in 2025. More than 20 energy related projects have been identified and prepared at the conceptual stage. These projects are planned to be implemented progressively over the coming years, in line with defined investment priorities.

To ensure that the planned improvements effectively result in the anticipated reductions in energy consumption and greenhouse gas emissions, our teams cooperate with external experts and specialised advisory firms in the development and evaluation of these projects.

The implementation of the transition plan is monitored through the execution of individual measures by tracking the achievement of emission reductions. An investment of EUR 15 million in long-term assets, representing approximately 30% of the realized capital investments in 2025, is required for these measures by the end of 2029. These investments are integrated into the long-term financial planning of each business area.

The planning of OpEx is still underway, so the Company is unable to provide an estimate at this time. At this moment, Atlantic Grupa has not adopted the CapEx plan to align economic activities with the required criteria set by the EU taxonomy.

The Company is also committed to reducing Scope 3 emissions and is in the process of preparing its Scope 3 transition plan. A range of activities aimed at defining precise targets and related measures is already underway. Due to the inherent complexity of Scope 3 emissions, providing an exact timeline is challenging, though we aim to complete the plan over the next five years.

SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model

Sub-subtopic	Name of IRO	Type of IRO	IRO Description	Value chain location	Time horizon	Policy coverage
Climate change mitigation	GHG emission in operations	Negative actual impact	Due to Atlantic Grupa's production, which is partly powered by fossil fuels, GHG emissions occur.	Own operations	/	GHG emission management
Climate change mitigation	GHG emission in the value chain	Negative actual impact	Value chain emissions create significant emissions - Scope 3 has been measured and accounts for 94% of total emissions of Atlantic Grupa (excluding emissions from the principals' products of Atlantic Grupa).	Upstream	/	Supplier Code of Conduct, GHG emissions in the value chain
Climate change adaptation	Increase in the cost of relevant raw materials as a consequence of climate change	Physical Risk	The risk of climate change (primarily the occurrence of natural disasters - floods, droughts) affects the yield of the most important raw materials of Atlantic Grupa - cocoa and raw coffee; also, there may be a significant reduction in the supply of these raw materials and significantly higher prices at which they are offered.	Upstream	Short, medium and long term	Procurement process
Energy	Use of electricity from renewable sources	Positive actual impact	Atlantic Grupa promotes the use of electricity from renewable energy sources in all markets where such energy is available. In addition, The Company is implementing the installation of solar panels at its office and production locations to further reduce its carbon footprint and support long-term sustainability goals.	Own operations	/	GHG emission management

GHG emissions in operations and use of electricity from renewable sources are the two impacts which are already integrated in Atlantic Grupa's Sustainability strategy under the pillar "Emissions" with clear 2030 targets for the reduction of Scope 1 and Scope 2 emissions and increasing the share of renewable energy. Regarding the impact Emissions in the value chain, businesses already launched some new products with reduced emissions in their life cycle (e.g. Donat in rPET, Smoki with the sunflower oil in the recipe), as well the Company is committed to prepare an overall 2030 transition plan with clear targets (please see details in E1-1). Regarding the only material climate related physical risk in this topic, related to availability and costs of raw materials, the Company monitors the risk level and implement measures for its mitigation.

IRO-1 Description of the processes to identify and assess material climate-related IROs

Atlantic Grupa has implemented procedures to identify and assess climate-related impacts, risks and opportunities, which are described below. Please refer to section IRO-1 Description of the processes to identify and assess material IROs (within ESRS 2) for the general explanation of the Company's identification process.

IMPACT IDENTIFICATION to climate change mitigation and energy use:

As a manufacturer of food products, the Company has significant energy needs for thermal food processing (e.g. roasting, baking, cooking, sterilisation or pasteurization, etc.), which are primarily met by using fossil fuels. In distribution, energy consumption is mainly related to fuels for transport vehicles and, to a lesser extent, to ensuring adequate storage conditions in our warehouses. Within the scope of its own operations, the Company collects and analyses data on the types and quantities of energy sources for all production sites, as well as transport and logistics centers.

The use of fossil fuels within our own operations, as well as within our value chain, has been identified

as our material impact. For the value chain, we conducted an inventory screening as described in E1-6, which creates 93% of total Scope 3 emissions.

Climate related PHYSICAL RISK IDENTIFICATION:

Building on the climate-related assessments conducted in 2023 and 2024, the 2025 analysis introduced a more structured and comprehensive methodology. For physical risks, the Climatig Tool was used to identify relevant climate-related hazards. The assessment was carried out under two IPCC climate scenarios:

- **RCP 4.5** - a moderate-emissions pathway assuming stabilization by mid-century, and
- **RCP 8.5** - a high-emissions trajectory associated with more severe and accelerated climate impacts.

To capture the full range of potential outcomes, and in line with the expected lifespan of Company's assets as well as its strategic planning, climate projections were analysed across three time horizons:

- **Short term:** up to 2030
- **Medium term:** up to 2040
- **Long term:** up to 2050

The scope of the assessment covered our own production and distribution sites. Particular attention

was given to agricultural commodities that are essential to our production processes, given their sensitivity to climate-related disruptions. Climate-related hazards considered physical risks, such as hail, heat wave, forest fire, cyclones, droughts and others.

Based on information about climate-related hazards for different climate scenarios, the Company analysed how its assets and activities may be exposed to these identified climate-related hazards, considering the geographic location of its various sites. Based on the RCP 8.5 high-risk scenario, the Company identified the locations that face a high level of risk for specific climate-related hazards. This analysis resulted in the identification of a small number of sites with higher levels of exposure to climate hazards. For these locations, we conducted a detailed resilience analysis. This analysis showed that all necessary activities and measures to minimise potential negative impacts on Atlantic Grupa's operations or financial performance have already been implemented. The results of this analysis were integrated into our double materiality assessment as potential risks with a high likelihood of occurrence but with low magnitude, given the limited number of locations with higher exposure and the resilience measures already in place. Accordingly, climate-related physical risks within our own operations were assessed as non-material.

However, significant vulnerabilities were detected within the upstream supply chain, particularly for raw materials such as cocoa and coffee. These commodities are highly sensitive to climate variability, and events like prolonged droughts or severe flooding could reduce yields, disrupt supply continuity, and increase procurement costs. Therefore, climate-related physical risks within our value chain—specifically those linked to climate-sensitive raw materials—are assessed as material. Mitigation measures have already been implemented with the aim of minimising these risks and strengthening the resilience of our supply chain.

Climate related TRANSITION RISK IDENTIFICATION:

Climate-related transition risks and opportunities are the potential impacts on Atlantic Grupa's business that would occur in the case of a successful climate transition. They arise from a range of so-called transition events: regulations, market evolutions, technological developments, etc. Transition events could have negative business impacts (risks) or positive business impacts (opportunities).

In line with the Force on Climate-related Financial Disclosures (TCFD) framework, the transition events identified in Atlantic Grupa's own operations and along the upstream and downstream value chain were determined across the following categories: policy, liability, technology, market, and reputation for transition risks.

The Company assessed climate related transition risks based on the assumption of the Net Zero Emissions by 2050 (NZE) scenario, developed by the International Energy Agency (IEA). The NZE scenario is aligned with the Paris Agreement objective of limiting global warming to 1.5 °C and is based on rapid deployment of clean energy technologies, major improvements in energy efficiency, and universal energy access by 2030. Following the identification phase, Atlantic Grupa carried out a qualitative assessment of transition events in order to identify those that were the most material by determining the extent to which its assets and business activities may be exposed and are sensitive to each event. The financial materiality was qualitatively assessed based on two criteria:

- **Likelihood:** Probability of the risk/opportunity materializing in the economy;

- **Magnitude:** Severity of the negative/positive financial impacts caused by the risk/opportunity on the Company's business

Based on this assessment, all identified transition risks were assessed as non-material due to their limited scale and impact on our business model. While these risks exist, they do not pose a significant threat to our operations or financial performance in the short, medium, or long term. Nevertheless, they represent important considerations for strategic planning and long-term resilience.

Resilience of our strategy and business model to climate change

The outcomes of the scenario analysis for climate-related physical and transition risks provide Atlantic Grupa with important insights into potential business and financial impacts and serve as a key input into the Company's medium- to long-term strategic planning. To mitigate these risks Atlantic Grupa is undertaking the following actions:

- **Sourcing commodities responsibly**
Atlantic Grupa takes comprehensive actions to ensure that the raw materials most vulnerable to climate change—particularly coffee and cocoa—are sourced in a deforestation-free manner. This includes close collaboration with suppliers, implementation of traceability systems, and adherence to recognised sustainability standards to reduce environmental impacts and strengthen long-term supply resilience.
- **Continually evolving its portfolio towards more sustainable products**
Although the ability to fully anticipate and respond to sudden shifts in consumer demand is limited, the breadth of Atlantic Grupa's portfolio and the strength of its core brands enhance the Company's ability to absorb potential impacts. For example, Atlantic Grupa's ongoing product innovation efforts—such as reducing packaging and adapting recipes while using claims that enhance transparency and enable consumers to choose products aligned with their lifestyle-support alignment with emerging customer expectations and regulatory requirements while improving long-term resilience.

- **Hedging against commodity price volatility**
Atlantic Grupa actively hedges coffee and continuously monitors market insights and risk indicators—including the impact of changing weather patterns—across all key commodities. This enables the Company's procurement function to develop timely and informed hedging proposals that help stabilise input costs despite rising climate-related pressures.

- **Reducing GHG emissions**
Atlantic Grupa is taking action to reduce its most material GHG emissions, as outlined in the Company's Transition Plan. These efforts go beyond reducing Scope 1 and Scope 2 emissions—the Company is actively developing a detailed approach to reducing Scope 3 emissions, which account for the largest share of its climate impact and require deep engagement with suppliers and other stakeholders.

- **Investing in technology and upskilling**
Atlantic Grupa continues to invest in new technologies and workforce training to ensure compliance with existing and future climate-related legislation. These investments prepare the Company's operations, teams, and supply chain partners to meet increasing regulatory expectations and adapt to evolving market conditions.

Despite the progress made, significant uncertainties remain regarding the extent, timing, and geographic distribution of both physical and transition climate risks affecting Atlantic Grupa's business. These uncertainties reinforce the importance of continued monitoring, adaptability, and long-term resilience planning.

E1-2 Policies related to climate change mitigation and adaptation

All Atlantic Grupa policies are available to employees and, upon request, to key stakeholders. These policies include the expectations of key stakeholders such as the Management Board, shareholders, creditors, supervisors, employees, and customers.

Atlantic Grupa has a high-level climate change policy defined within its Corporate Quality Policy, which includes adaptation and mitigation measures, energy efficiency, use of renewable energy, and reduction of GHG emissions. This policy has been approved by top management and is further detailed within individual processes and their operational procedures.

Climate change adaptation policy in supply chain

Atlantic Grupa manages the identified risk, "Increase in the cost of relevant raw materials as a consequence of climate change," through its procurement process, based on a policy available via the organizational procedure that includes risk identification and adaptation measures. This policy applies to all procurement processes for direct materials, and the Executive Director of Central Procurement is accountable for its implementation. The objective is to anticipate potential risks for the Company arising from the supply market and to implement timely risk-mitigation measures, including hedging strategies and the procurement of predetermined quantities.

Climate change mitigation policy and use of electricity from renewable sources

Within the Energy management process, the Policy of GHG Emission Management summarizes Atlantic Grupa's approach to energy, climate change, Scope 1 and Scope 2 emissions, and the use of renewable electricity within the scope of its operations. The Group Vice President for Finance, Procurement, and Investment is accountable for this policy. The central Operational Excellence function monitors the implementation of policies across all locations. The process manager oversees the energy management team, which is comprised of all the Company's energy professionals, to facilitate the sharing of knowledge and expertise across all locations. The objective is to ensure a structured transition from fossil fuels to renewable energy sources, enhance energy efficiency across operations, phase out the use of fluorinated gases in equipment, procure electricity from renewable sources wherever available, and further invest in on-site solar energy solutions.

In 2025, the Policy for GHG Emissions in the Value Chain was additionally developed as a corporate working procedure. The policy defines the Scope 3 GHG calculation process, which incorporates data and impacts from multiple Company's processes and integrates all business and distribution units.



The Scope 3 GHG calculation serves as the foundation for developing the Company's Scope 3 Transition Plan. The objective of the policy is to ensure a structured transition towards:

- Procuring commodities produced without causing deforestation or conversion of natural ecosystems;
- Implementing eco-design and product innovation measures, including the shift to lower-emission materials (e.g., transition from virgin to recycled materials, lightweight packaging solutions);
- Promoting regenerative agriculture through improved farming techniques and sustainable practices within the supply chain;
- Working directly with suppliers in reducing their emissions, through measures such as improving energy efficiency and advancing their decarbonization initiatives.

The Corporate Sustainability Management Director, who also serves as the Head of the Coordination Committee for Sustainability, is responsible for the policy and oversees the coordination of all related activities and targets in close collaboration with all committee members.

E1-3 Actions and resources in relation to climate change policies

All energy-significant locations of Atlantic Grupa are certified according to the ISO 50001 standard. All locations have implemented an energy and greenhouse gas management process, a cyclical procedure aimed at continuous improvement based on the best global practices in accordance with the methodology of planning, execution, verification and optimisation of processes.

The Company's transition plan focuses on the following main levers and investments to reduce emissions:

1. Purchase all electricity from renewable sources with Guarantees of Origin, wherever and whenever possible.
 - a) Since 2021, Atlantic Grupa's policy has been to purchase electrical energy from renewable sources wherever available (Guarantee of Origin). In 2024, the Company procured

electrical energy from 100% renewable sources, with guarantees of origin in all three major markets where it has operational control (Slovenia, Croatia, and partially Serbia). Accordingly, in 2025, in addition to procuring electricity from renewable sources in Slovenia, Croatia, and Serbia, the Company also began procuring renewable electricity in Bosnia and Herzegovina.

- b) Atlantic Grupa's own sources of renewable energy – capital investment project 2022–2027.

Atlantic Grupa, with the aim of actively participating in the global transformation to ensure renewable sources of energy and reduce dependence on external factors of uncertainty, initiated an investment project in 2022 to install its own solar panels on the roofs of selected production buildings and warehouses. In 2025, solar panels were installed at the Hadžići production site in Bosnia and Herzegovina with a capacity of 540kW. During 2025, a project was prepared for the installation of solar panels at the Ljubovija plant in Serbia. The project is expected to continue in 2026, following the receipt of the necessary permits. By the end of the investment cycle, planned for 2027, 18% of the total electricity consumption of Atlantic Grupa will be generated by its own solar panels.

2. The Company is continuously increasing the energy efficiency of heating systems, production equipment, buildings and vehicles. Efforts focus on improving the efficiency of electricity-powered equipment, optimizing production processes, and minimizing cooling energy loss to reduce indirect emissions. In 2025, investments were made in new equipment, including a new efficiency refrigerator unit in Sarajevo, the isolation of the tunnel pasteurizer at the Igroš site, new isolation of roof at Šimanovci coffee production site and renovation of factory building at the Rogaška Slatina production site. Equipment is regularly renewed to enhance energy efficiency, such as renovating ventilation, heating and cooling systems, insulating thermal systems, and introducing LED lighting.
3. The Company is continuously working on developing measures to recover waste heat from production processes. One example is the project implemented at Atlantic Grand Belgrade, where heat recovery from the coffee roaster is used to

preheat raw coffee. This approach significantly reduces energy consumption and shortens process duration. At the end of 2025, an upgrade of the roasting technology was implemented at the Izola site, enabling the utilization of waste heat and the recovery of heat from steam venting for building heating and domestic hot-water preparation. The impact of this upgrade will be visible in 2026.

4. Replacing fossil fuels with renewables at the Šimanovci coffee production site. Space heating has been partly shifted from natural-gas boilers to heat pumps that use electricity from renewable energy sources.
5. The Company takes adequate care in servicing cooling equipment to minimize fugitive emissions from refrigerants. Certain amounts of direct emissions are generated from HFC fluorinated hydrocarbons used in these systems. Since the base year, a reduction of 24,815 tCO₂ in Scope 1 and Scope 2 emissions has been achieved (please see details in E1-6). For expected reductions, please refer to E1-1 Transition Plan.

Actions for Scope 3 reduction:

The Company has made significant progress in building knowledge and understanding the actions required to reduce Scope 3 emissions, which represents an important step toward the development of a transition plan. Activities undertaken in 2025 included:

- a) Improved Scope 3 calculations in the upstream part related to raw materials (as approx. 86% of total Scope 3 GHG emissions are within the category 1, of which approx. 79% are emissions related to purchasing of raw materials):
 - a. Improved granularity to distinguish Forest, Land and Agriculture emission (FLAG) (specifically Land Management - LM, Land-Use Change -LUC) and industrial emissions,
 - b. Improved accuracy for emissions related to coffee where country specific data were applied for LUC,
 - c. Improved accuracy for emissions related to cocoa where supplier's primary data for emission factors were applied.
- b) With a "top down approach" four most relevant categories were identified, on which the reduction of FLAG emissions is most viable; the potential levers to apply were assessed.

- c) Organized focused workshops with all businesses and Central procurement and assessed the potential levers which could be applied within the framework of specific business or supplier related strategies.

In 2025, Atlantic Grupa introduced the digital platform Sphera Supply Chain Sustainability (SCS), which serves to monitor supplier performance. The platform provides the basis for a systematic follow-up process, including the tracking and measurement of suppliers' progress toward emission reduction targets.

Additionally, Atlantic Grupa's commitment to sustainable business practices within its value chain is defined by the Supplier Code of Conduct, which explicitly addresses the management of emissions and reduction of carbon footprint.

At the operative level, the Director of Corporate Sustainability Management, along with the team, monitors new findings and regulatory requirements and defines policies for sustainable product development applicable to all business units. The main goal is to integrate the eco design principles into product development and innovation processes, thereby reducing emissions across the product life cycle.

To support R&D teams in addressing GHG emissions from the early stages of product design, a mandatory control checklist for new product designs has been in use since 2023.

The Company continuously explores opportunities to reduce Scope 3 GHG emissions through sustainable product innovation. Material consumption is being systematically optimized, as further detailed in section E5 - Circular Economy.

The Company recognises that a significant share of its Scope 3 emissions is associated with deforestation within agricultural supply chains. In 2025, a portion of purchased coffee was sourced from traceable origins verified as not contributing to deforestation. Additional information is provided in section E4 - Biodiversity. This shift resulted in an estimated reduction of 1.195 tCO₂ (in calculation is assumed that Land use change emissions factor for "deforestation free" commodity is zero).

E1-4 Targets related to climate change mitigation and adaptation

In 2023, Atlantic Grupa set a short-term objective to reduce greenhouse gas emissions by 2030, covering total emissions from Scope 1 and Scope 2, in line with the Paris Agreement's goal to limit global warming to 1.5°C. For details on methodology and stakeholder involvement, refer to E1-1 Transition Plan.

In accordance with the above and respecting the level of ambition required by the Science Based Target Initiative, Atlantic Grupa aims to reduce Scope 1 and Scope 2 (market-based) emissions by 58% compared to the base year. The base year was not normalized because production quantities are key drivers, and this increase was included in the transition plan. For more details on levers, including the adoption of new technologies and target values, refer to E1-1 Transition Plan, and for data on past progress, see E1-6.

In 2025, compared to 2024, emissions were lower primarily due to purchased renewable energy in Bosnia and Herzegovina, decreasing from 29,892 tCO₂ to 27,982 tCO₂ for Scope 1 and 2.

Atlantic Grupa's goal is to use 100% electricity from renewable energy sources in all markets where available and to install solar panels at office and production locations. For more details, see E1-2 Actions.

Atlantic Grupa recognizes the necessity of setting a target for Scope 3 emissions in line with the Science Based Target Initiative (SBTi). As a significant share of upstream value-chain emissions originates from the agricultural sector—particularly from the breeding, cultivation, and processing of meat and agricultural raw materials—the Company anticipates defining two separate and distinct targets: one aimed at reducing FLAG (Forest, Land and Agriculture) emissions related to raw materials, and a second target focused on reducing non-FLAG industrial emissions

E1-5 Energy consumption and mix

Energy consumption is presented in the table below. Data are collected from each location, either through direct measurement or from utility bills, without validation by external bodies. In 2025, no biomass was used. All operations are within high climate impact sectors, and the relevant data is presented in the table below.



Energy consumption		2020	2024	2025	Δ vs PY
Fuel consumption from coal	MWh	0	0	0	0
Fuel consumption from natural gas	MWh	43,159	40,472	42,749	2,277
Fuel consumption from crude oil and petroleum products	MWh	18,937	20,679	21,516	837
Fuel consumption from heating oil	MWh	2,861	1,527	1,450	(77)
Fuel consumption from vehicle	MWh	18,746	28,299	29,881	1,582
Total fuel consumption from fossil fuels	MWh	83,703	90,977	95,596	4,619
Heat energy from fossil fuels - purchased	MWh	8,523	8,154	8,460	306
Electrical energy from fossil fuels	MWh	42,488	6,393	3,198	3,195
Total energy from fossil fuels	MWh	134,715	105,524	107,254	1,730
Share of energy from fossil fuels	%	97.0	71.1	70.3	0.8
Electrical energy from nuclear energy	MWh	3,416	0	0	0
Share of energy from nuclear energy	%	2.5	0	0	0
Heat energy from renewable sources - purchased	MWh	0	0	0	0
Heat energy from renewable sources - generated	MWh	531	377	0	(377)
Electrical energy from renewable sources - purchased	MWh	0	40,373	42,863	2,490
Electrical energy from renewable sources - generated	MWh	249	2,130	2,442	312
Total energy from renewable sources	MWh	779	42,879	45,305	2,426
Share of energy from renewable sources	%	0.6	28.9	29.7	0.8
Total energy	MWh	138,911	148,403	152,559	4,156
Total heat energy	MWh	92,758	99,508	104,056	4,548
Total electrical energy	MWh	46,153	48,895	48,503	(392)

Energy intensity per net revenue		2020	2024	2025	Δ vs PY
Total energy consumption per net revenue (100% in high climate impact sector)	MWh/000 €	0.20	0.14	0.13	(0.01)

For energy intensity, total energy consumption is divided by total net revenue. The figure for total net revenue can be found in the financial statements, income statement, on page 330.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

Atlantic Grupa is focused on energy efficiency across all activities, using renewable energy sources and improving upstream and downstream processes to reduce GHG emissions throughout product life cycles. In the production units of Atlantic Grupa, there are no manufacturing processes that generate

greenhouse gases, so all emissions, except for fugitive emissions, result from energy needs. To manage greenhouse gas emissions, the organizational procedure for GHG emissions management, closely related to the organizational procedure for energy management, is defined at the corporate level.

There were no significant changes in the operational structure. The only change in 2025 was the divestment of Montana which accounted for less than 1% of total emissions and therefore had no material impact on overall GHG emissions. For details on the methodological upgrades to Scope 3 calculations, please see below.

**Scope 1:
Direct emissions in the Company's own operations**

Direct GHG emissions (Scope 1) are generated from fuels used at Atlantic Grupa's facilities and vehicles: natural gas, liquefied petroleum gas (LPG), heating oil, and gas oil. Considering the structure of energy consumption and the significant share of thermal energy required for food processing, most Scope 1 emissions are locked-in and cannot be easily substituted with energy from renewable sources. Therefore, energy efficiency and gradual substitution of fossil fuels will remain the main focus. In 2025, no Scope 1 emissions from biomass were recorded.

Calculation method for GHG emissions of Scope 1 and 2:

Emissions data, derived from energy consumption, covers all relevant Atlantic Grupa locations and energy uses. Since Atlantic Grupa operates in multiple countries with varying calculation methodologies and emission factor updates, a unified approach is applied for all calculations.

Based on the primary data on energy consumption and the use of hydrofluorocarbons (HFCs) provided by each location, GHG emissions are calculated across all organisational levels using pre-defined metrics, culminating in the consolidated emissions for the entire Company.

For the year 2025, this calculation was, for the first time, performed in parallel using a new digital tool, "ESG Core". The tool was specifically customised to reflect the Company's organisational structure and enables greater accuracy of calculations as well as faster monitoring and reporting. Emission factors, as a critical attribute of the calculation process, are also managed within this tool.

For Scope 1 emissions from fossil fuels, emission factors from the GHG Protocol calculation tool version were used, expressed in CO₂ equivalent, including CH₄ and N₂O emissions. Emissions from the unintentional release of hydrofluorocarbons (HFCs) include data from all industrial refrigeration plants and most small split systems, calculated using the GHG Protocol methodology.

The Company used the Association of Issuing Bodies (AIB) database (link: European Residual Mix | AIB (aib-net.org)) for emission factors in all markets/sites to ensure consistency. Specifically, "Production mix" factors were applied for the location-based method and "Residual mix" factors for the market-based method. Although these factors are about 1% lower than CO₂e, they were used due to the lack of reliable residual emission data and the relevance of the source. The Company follows the GHG Protocol's recommendations for data hierarchy and quality for the market-based method. The exception is North Macedonia, where no AIB data are available. Local institutions were consulted, and the following GHG emission factors (kg/kWh) were applied: 0.685 (2020), 0.608 (2021), 0.764 (2022), 0.643 (2023), 0.554 (2024) and 0.664 (2025). For Scope 2 emissions related to thermal energy, data from thermal energy suppliers were used. Since factors for 2025 have not yet been published, a three-year average was applied.

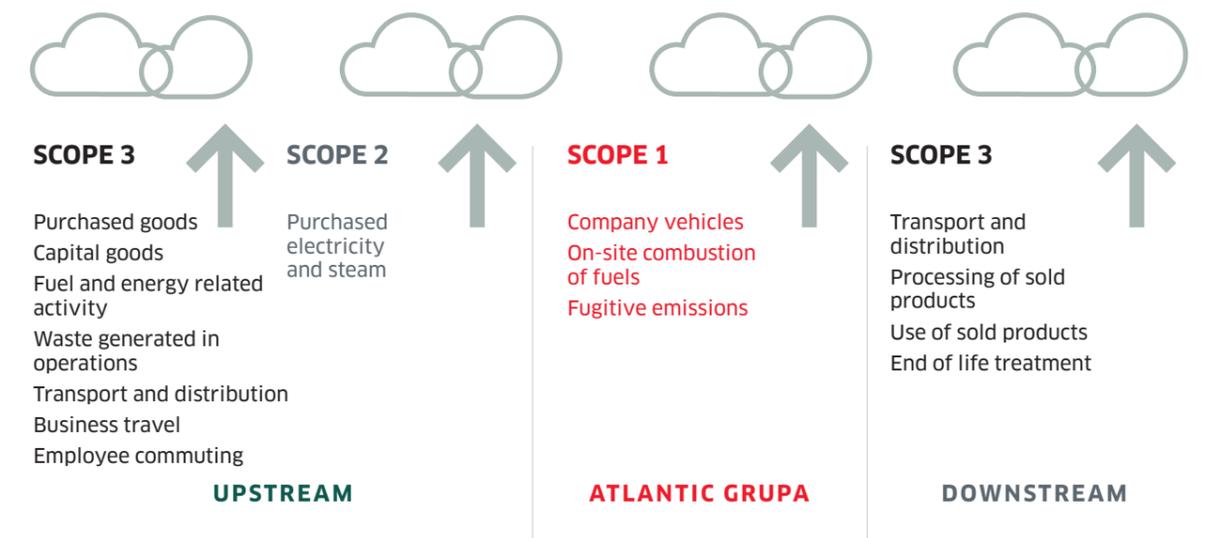
Since most emissions at Atlantic Grupa result from production and distribution activities, the impact of rising winter temperatures on emissions is very small. At the same time, the need for cooling and drying in production processes increases, so this slight reduction is balanced by increased energy consumption during the warmer part of the year.

**Scope 2:
Indirect emissions in the Company's own operations**

Indirect GHG emissions (Scope 2) arise from the purchase of electrical energy and, to a lesser extent, thermal energy, primarily steam and hot water. Atlantic Grupa purchases 93% of its electricity with a Guarantee of Origin (in 2024: 86%), arranged directly through a renewable energy purchase agreement with the supplier. All documents are bundled with a cancellation statement containing attributes about the energy generation. In the base year 2020, indirect GHG emissions represented 60% of the total direct and indirect emissions in the Company's own operations calculated using the market-based methodology, while in 2025, this share was reduced to 17%.

**Scope 3:
Emissions in the value chain**

The largest share of GHG emissions originates from a range of activities across the value chain, extending beyond the boundaries of Atlantic Grupa—from the production of raw materials and packaging to the use of products. Emissions from both upstream and downstream activities in the value chain represent 93% (in FY24: 92%) of Atlantic Grupa's total GHG emissions.



The Company's methodology for carbon accounting in upstream and downstream value chain activities is based on the GHG Protocol, as outlined in the table below. Operational control is applied as the organisational boundary for all locations. This process results in the calculation of total Scope 3 GHG emissions, which is carried out annually and coordinated by the Corporate Sustainability Management department. Data are collected from various internal departments and systems, as presented in the table below. The calculations have not been externally verified. Emissions factors are predominantly sourced from secondary databases. In 2025,

measurement accuracy was improved, and the emission factors used for Scope 3 reporting for 2025 were updated to their latest available versions. A primary emissions factor was obtained for the purchased cocoa category, and these primary emission factors represent 8% of the total Scope 3 emissions.

Data related to divested Montana's operations was removed from all categories back to the baseline year. Please refer to the methodology notes below for further information.

Methodology for significant Scope 3 GHG emissions inventory calculation

GHG SCOPE 3 CATEGORY	Share of primary data	Methodology notes
PURCHASING GOODS Purchasing goods include procurement related to production and non-production activities. In this calculation, only purchased goods directly related to the production of own branded products are taken into account; excluded are all final goods from principals purchased for resale.*	100% for raw and packaging materials, contract production and water (sourced from the Company database), estimation of POS materials	GHG emissions related to purchasing raw and packaging materials, contract production, water supply and purchasing of POS materials. Average data method with purchasing quantities from Company's ERP systems is used alongside emission factors from DEFRA, WRAP and Agribalyse databases** and directly from cocoa supplier. To improve granularity and distinguish FLAG (LM, LUC) emissions from industrial emissions, the granularity available in the databases or from cocoa supplier was used, while for coffee the sLUC methodology with country-specific calculations using FAOSTAT data was applied and added to previously used emission factor. To improve the accuracy of the activity data, we enhanced the dataset for the quantities of purchased packaging and used water. These methodological improvements required a recalculation of the base year across the categories and resulted in higher reported emissions due to the sLUC adjustments.
CAPITAL GOODS	100% (sourced from the Company database)	GHG emissions related to investments in new equipment, IT, cloud/program solutions. Methodology for estimating emissions is spend-based using the USEEIO emission factors*** and Capex database.
FUEL and ENERGY RELATED ACTIVITIES	100% (sourced from the Company database)	GHG emissions related to fuel and electricity include extraction, production and transportation of fuel and electricity. Average data method is based on fuel and electricity consumption in kWh – from energy management database, DEFRA database and T&D losses factors for countries.
UPSTREAM TRANSPORT and DISTRIBUTION	100% (sourced from the Company database)	All transportation from Atlantic Grupa's production sites to distributors and from distribution sites (that are not outsourced) to consumers. Farmacia's transport and the transport of raw materials from suppliers to Atlantic Grupa are excluded. Mileage is calculated according to travel documentation and transportation requests (Company internal databases and the LogNet application) and uses the DEFRA database for emission factors.
WASTE GENERATED IN OPERATIONS	100% (sourced from the Company database)	Waste generated from Atlantic Grupa's operations. Quantities are calculated based on record sheets from environmental management databases, and emissions are estimated using the DEFRA database.
BUSINESS TRAVEL	100% (sourced from the Company database)	Business travel using other modes of transport (bus, airplane, ship, excluding company cars) is calculated based on mileage. Emissions from company cars are reported under Scope 1. The evaluation is made by extrapolating actual data obtained from the travel network application for the period January–June 2023 for previous years, combined with actual data for 2024 and 2025, and applying emission factors from the DEFRA database.
EMPLOYEE COMMUTING	Estimation based on survey in 2023	Based on data from the 2023 employee survey, results were analyzed and extrapolated to all employees on an annual basis. The survey collected information on commuting methods and the distance employees live from the workplace. For the estimation of emissions, the DEFRA database was used.
LEASED ASSETS	/	Not material
TRANSPORT and DISTRIBUTION	Estimation on distributed pallets	Methodology for estimating emissions is spend-based using the USEEIO emission factors 1 and Capex database. Warehousing and distribution of pallets as reported by Atlantic Grupa's outsourced distribution partner for Slovenia and Austria. The estimation is based on the number of pallets and the assumption of an average route.
PROCESSING OF SOLD PRODUCTS	100% (sourced from the Company database)	Atlantic Grupa's contract production partners provide packaging services for the Company. Average data method is used with actual quantities and emission factors from DEFRA database. In 2025, due to an identified error, one supplier was reclassified from Category 1, as this supplier provides only packaging services.
USE OF SOLD PRODUCTS	Estimation based on survey in 2023	In 2023, Atlantic Grupa conducted a survey among employees to identify the most common ways they use the Company's products to consider energy requirements for storing and processing these products for individual consumption. The survey data were used as an average practice for any consumer and extrapolated to entire production quantities.
END OF LIFE TREATMENT	100% (sourced from the Company database)	Packaging quantities released on the market for Atlantic Grupa's own branded products. Principals' packaging is excluded. The recyclable materials are intended to enter a closed loop (except the triplex foil), which was taken into account. Data is sourced from the Company's ERP system (quantities of material consumed in production) and the DEFRA database. In 2025 the category was recalculated due to more accurate activity data.
LEASED ASSETS	/	Not applicable
FRANCHISES	/	Not applicable
INVESTMENTS	/	Not applicable

Emission factors for Scope 1 and Scope 2 are based on IPCC AR6 Global Warming Potential values, Agricultural emissions derived from FAOSTAT are calculated using IPCC AR5 values because FAOSTAT has not yet adopted AR6 methodology. This results in a methodological mix that is currently unavoidable and not materially impact the comparability.

* We base our approach on priority criteria, including categories that significantly contribute to the company's risk exposure, categories we have direct influence over, and those deemed critical by stakeholders.

** DEFRA (UK department for environment, food and rural affairs) has published conversion factors allowing organisations and individuals to calculate greenhouse gas (GHG) emissions from a range of activities, including energy use, water consumption, waste disposal, recycling and transport activities.

Agribalyse is a French public life-cycle assessment (LCA) database developed by ADEME (French Agency for ecological transition) and its scientific partners, providing transparent environmental impact data for agricultural and food products. It is widely used for food LCA, ESG reporting, eco-design, and environmental labeling.

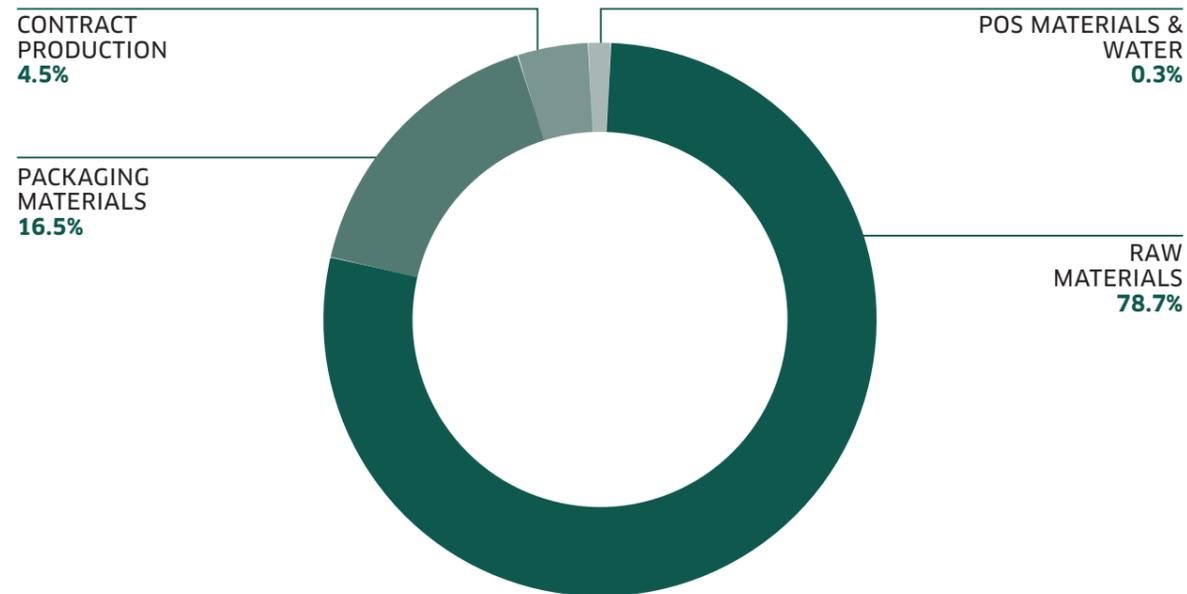
WRAP (WASTE & RESOURCES ACTION PROGRAMME) is UK registered organisation with aim to achieve a circular economy by helping organisations reduce waste, develop sustainable products and use resources in an efficient way.

***USEEIO (U.S. environmentally extended input-output) model by the environmental protection agency (EPA) estimates the environmental impacts of producing and consuming goods and services, using combined economic and environmental data. It is used for calculating carbon footprints and environmental assessments, helping organisations understand both direct and indirect emissions.

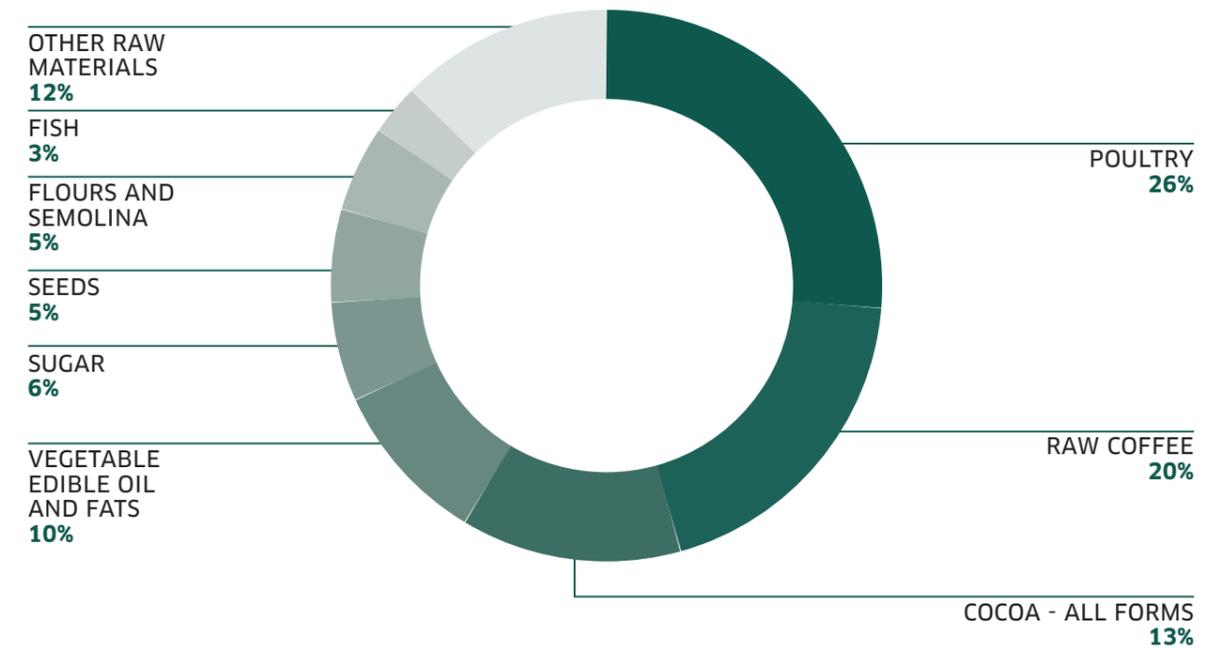
In total, the Company's significant GHG emissions for Scope 3 in 2025, calculated according to the described methodology, amount to 354,013 tCO₂e (for FY24: 347,202 tCO₂e). If GHG emissions generated in the upstream value chain of final goods from external principals purchased for resale are also included, a high level estimation of the Company's total Scope 3 GHG emissions in 2025 amount to 376,000 tCO₂e (for FY24: 300,500 tCO₂e).

Overall, the main source of Scope 3 GHG emissions is purchasing goods. The following graphs illustrate the distribution within this category:

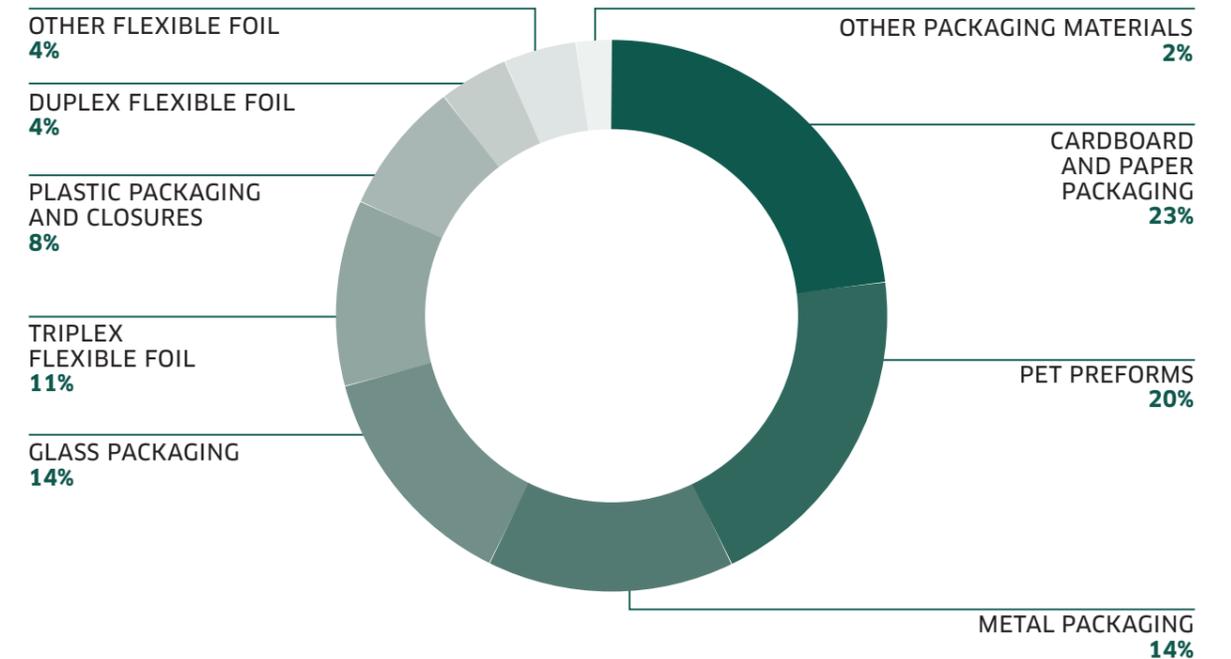
The distribution of GHG emissions of Scope 3 in purchasing goods for the operation of strategic business units for 2025:



The distribution of GHG emissions of Scope 3 in the sub-category of raw materials for 2025:



The distribution of GHG emissions of Scope 3 in the sub-category of packaging materials for 2025:



Atlantic Grupa GHG emissions of scope 1, 2 and 3, as reported in the table below:

GREENHOUSE GAS (GHG) EMISSIONS		2020	2024	2025	Δ vs PY
Scope 1 GHG emissions	tCO ₂ e	20,923	22,850	23,112	262
Share of Scope 1 GHG emissions under regulated emission trading schemes	tCO ₂ e	n.a.	n.a.	n.a.	n.a.
Scope 2 GHG emissions (location-based)	tCO ₂ e	27,773	27,900	28,881	981
Scope 2 GHG emissions (market-based)	tCO ₂ e	31,875	7,042	4,870	(2,172)
Significant Scope 3 GHG emissions	tCO ₂ e	290,410	347,202	354,013	6811
1. Purchased goods and services	tCO ₂ e	245,444	290,226	304,349	
2. Capital goods	tCO ₂ e	5,166	7,848	7,702	
3. Fuel- and energy-related activities not included in Scope 1 or Scope 2	tCO ₂ e	9,587	7,529	7,332	
4. Upstream transportation and distribution	tCO ₂ e	9,306	12,347	11,630	
5. Waste generated in operations	tCO ₂ e	883	937	1,268	
6. Business travel	tCO ₂ e	17	117	163	
7. Employee commuting	tCO ₂ e	8,438	8,438	8,569	
8. Upstream leased assets	tCO ₂ e	n.a.	n.a.	n.a.	
9. Downstream transportation and distribution	tCO ₂ e	751	885	904	
10. Processing of sold products	tCO ₂ e	3,276	10,803	4,718	
11. Use of sold products	tCO ₂ e	7,147	7,653	6,948	
12. End-of-life treatment of sold products	tCO ₂ e	395	418	431	
13. Downstream leased assets	tCO ₂ e	n.a.	n.a.	n.a.	
14. Franchises	tCO ₂ e	n.a.	n.a.	n.a.	
15. Investments	tCO ₂ e	n.a.	n.a.	n.a.	
Total GHG emissions (location-based)	tCO ₂ e	339,106	397,952	406,006	9,898
Total GHG emissions (market-based)	tCO ₂ e	343,208	377,094	381,995	6,744

GHG intensity per net revenue		2020	2024	2025	Δ vs PY
Total GHG emissions (location based) per net revenue	tCO ₂ e/ 000€	0.48	0.36	0.34	(0.04)
Total GHG emissions (market based) per net revenue	tCO ₂ e/ 000€	0.48	0.34	0.32	(0.04)

To calculate GHG intensity, Atlantic Grupa divides gross Scope 1, Scope 2, and Scope 3 GHG emissions by the total net revenue, calculated for both market-based and location-based emissions. The figure for total net revenue is sourced from the financial statements, income statement, page 330.

EU taxonomy

The EU Taxonomy (the Taxonomy) is a classification system for environmentally sustainable economic activities, as set out in Regulation (EU) 2023/2486 and its delegated acts. For the 2025 reporting year, we have chosen to apply the updated reporting tables and possibility of exempting non-material activities as implemented through EU Regulation 2026/73 effective from 1 January 2026.

Taxonomy analysis procedure

All companies that are subject to consolidation in the financial statements are included in the EU taxonomy analysis. Atlantic Grupa follows a two-step process to arrive at our Taxonomy disclosures. Firstly, with an interdisciplinary team consisting of employees from Finance, IT and Capital Investments departments, we screened whether any of the economic activities defined in the EU Taxonomy for all six environmental objectives are being performed by Atlantic Grupa. Taxonomy-eligible activities relevant to Atlantic Grupa are identified based on the activity descriptions, the referenced NACE codes, and the supplementary publications of the EU Commission. Secondly, we evaluated whether the identified eligible activities fulfil the criteria for taxonomy alignment. Although we have made progress in fulfilling the technical screening criteria, we do not have sufficient documentation on the compliance of the identified eligible activities with the substantial contribution and do no significant harm (DNSH) criteria. Therefore, for 2025, we only report our eligible activities. Furthermore, to avoid double counting, each identified eligible economic activity is allocated to one environmental objective and one KPI. Additionally, no significant estimations were used in the calculation of all three KPIs.

Revenues

The core business activity of Atlantic Grupa (production of food and beverages) is not covered by the activities listed in the latest version of the Delegated Acts. Accordingly, these activities are classified as Taxonomy-non-eligible, and we therefore report no Taxonomy-eligible revenue for the reporting period.

The denominator is defined in line with the revenue definition disclosed in the Company's consolidated financial statements and includes sales revenues

and other operating revenues, such as income from services and other income, as presented in the audited consolidated financial statements and prepared in accordance with the Company's accounting policies (Note 5 to the attached audited consolidated financial statements).

Operating expenses

In accordance with the EU Regulation 2026/73, we have applied the newly introduced option for determining the relevance of the OpEx KPI.

Our operating costs are linked to revenues generated through our core activity (the production of food and beverages), which is a taxonomy-non-eligible activity. Our taxonomy defined denominator amounts to EUR 44 million (FY24:EUR 39 million), which is less than 5% of our total operating costs, and therefore considered immaterial, representing only a very small portion of our overall business operations and not constituting a significant driver of our environmental performance. Accordingly, we have omitted the detailed assessment and reporting of taxonomy-eligible or taxonomy-aligned OPEX and disclosed only the OPEX denominator.

The denominator is the sum of the following cost components: costs associated with research and development, costs of short-term leases, and maintenance and repair costs, including all direct expenses associated with the day-to-day maintenance of property, plant and equipment (Notes 5 and 8 to the attached audited financial statements).

Capital expenditure

The relevant capital expenditure for the calculation of the KPI Capex is determined on the basis of the consolidated financial statements and calculated by adding up all the Company's acquisitions recognised under the following accounting standards:

- International Accounting Standard 16: Property, Plant and Equipment,
- International Accounting Standard 38: Intangible Assets (excluding Goodwill)
- International Financial Reporting Standard 16: Right-of-Use Assets; and
- International Accounting Standard 40: Investment properties

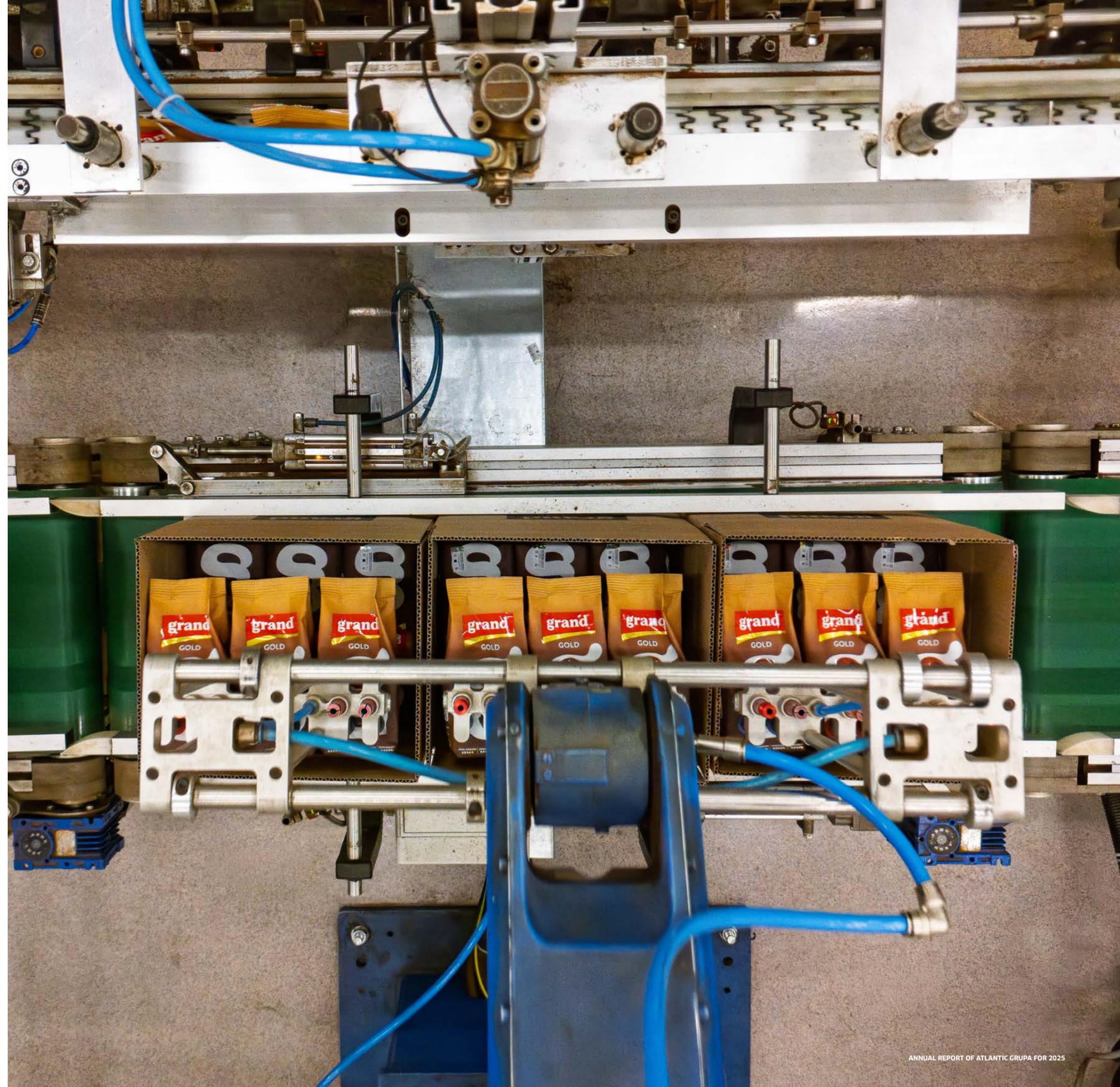
Eligible capital expenditure mainly relates to construction works, replacing and installing air-condi-

Sustainability statement

tioning and ventilation systems with high-efficiency technologies, energy renovation of buildings and installation of solar photovoltaic systems. We carried out an assessment of alignment of the listed taxonomy-eligible capital expenditure. However, we do not have sufficient documentation on the compliance of the listed activities with the substantial contribution and do no significant harm (DNSH) criteria. Therefore, all the listed eligible activities are considered as taxonomy-non-aligned. By comparing additions in tangible and intangible assets (numerator) with the denominator consisting of additions in tangible and intangible assets (Notes 13, 14 and 16 to the attached audited financial statements) and investments related to right-of-use assets from leases (Note 13a to the attached audited financial statements), we arrive at a figure of 43.2% (56.4% in FY24) of taxonomy-eligible capital expenditure in 2025.

Minimum safeguard measures

Atlantic Grupa operates in accordance with the minimum safeguard measures related to the procedures undertaken by the company to ensure compliance with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights. For more information on the minimum social standards please refer to sections ESRS S1 and ESRS G1.



Summary table

2025

KPI	Total	Proportion of Taxonomy-eligible activities (%)	Taxonomy-aligned activities	Proportion of Taxonomy-aligned activities (%)	Breakdown by environmental objectives of Taxonomy-aligned activities						Proportion of enabling activities (%)	Proportion of transitional activities (%)	Not assessed activities considered non-material (%)	Taxonomy-aligned activities in 2024	Proportion of Taxonomy aligned activities in 2024
					Climate Change Mitigation (%)	Climate Change Adaptation (%)	Water (%)	Circular Economy (%)	Pollution (%)	Biodiversity (%)					
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)
	tEUR	%	tEUR	%	%	%	%	%	%	%	%	%	%	tEUR	%
Turnover	1,207,136	-	-	%	%	%	%	%	%	%	%	%	%	-	%
CapEx	73,505	43.2%	-	%	%	%	%	%	%	%	%	%	%	-	%
OpEx	44,339	-	-	%	%	%	%	%	%	%	%	%	%	-	%

CapEx KPI

2025

Economic Activities	Code	Taxonomy-eligible KPI (Proportion of Taxonomy-eligible CapEx)	Taxonomy-aligned KPI (monetary value of CapEx)	Taxonomy-aligned KPI (Proportion of Taxonomy-aligned CapEx)	Climate Change Mitigation	Environmental objective of Taxonomy-aligned activities					Enabling activity	Transitional activity	Proportion of Taxonomy-aligned in Taxonomy-eligible
						Climate Change Adaptation	Water	Circular Economy	Pollution	Biodiversity			
						(7)	(8)	(9)	(10)	(11)			
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)
		%	tEUR	%	%	%	%	%	%	%	(E where applicable)	(T where applicable)	%
Electricity generation using solar photovoltaic technology	CCM 4.1.	0.6%	%	%	%	%	%	%	%	%	No	No	%
District heating/cooling distribution	CCM 4.15.	0.5%	%	%	%	%	%	%	%	%	No	No	%
Production of heat/cool using waste heat	CCM 4.25.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Construction, extension and operation of water collection, treatment and supply systems	CCM 5.1.	0.1%	%	%	%	%	%	%	%	%	No	No	%
Renewal of water collection, treatment and supply systems	CCM 5.2.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Construction, extension and operation of waste water collection and treatment	CCM 5.3.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Infrastructure enabling low-carbon road transport and public transport	CCM 6.15.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	13.3%	%	%	%	%	%	%	%	%	No	No	%
Freight transport services by road	CCM 6.6.	0.3%	%	%	%	%	%	%	%	%	No	No	%
Construction of new buildings	CCM 7.1.	2.9%	%	%	%	%	%	%	%	%	No	No	%
Renovation of existing buildings	CCM 7.2.	1.6%	%	%	%	%	%	%	%	%	No	No	%
Installation, maintenance and repair of energy efficiency equipment	CCM 7.3.	2.1%	%	%	%	%	%	%	%	%	No	No	%
Installation, maintenance and repair of instruments and devices for measuring, regulation and controlling energy performance of buildings	CCM 7.5.	0.1%	%	%	%	%	%	%	%	%	No	No	%
Acquisition and ownership of buildings	CCM 7.7.	21.2%	%	%	%	%	%	%	%	%	No	No	%
Flood risk prevention and protection infrastructure	CCA 14.2.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Renewal of water collection, treatment and supply systems	CCA 5.2.	0.1%	%	%	%	%	%	%	%	%	No	No	%
Renovation of existing buildings	CCA 7.2.	0.3%	%	%	%	%	%	%	%	%	No	No	%
Installation, maintenance and repair of energy efficiency equipment	CCA 7.3.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Data processing, hosting and related activities	CCM 8.1.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Data processing, hosting and related activities	CCA 8.1.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Urban waste water treatment	WTR 2.2.	0.0%	%	%	%	%	%	%	%	%	No	No	%
Sum of alignment per objective				%	%	%	%	%	%	%			%
Total CapEx		43.2%	%	%	%	%	%	%	%	%	%	%	%

E3

Water and marine resources



IRO-1
Description of the processes to identify and assess material water and marine resources-related IROs

Atlantic Grupa’s material impacts involve water consumption and withdrawals in its own operations. In its assessment, the Company distinguishes between water consumption for products, mainly

beverage production (groundwater bottled water), and water withdrawal for technological operations and cleaning.

Sub-subtopic	Name of IRO	Type of IRO	IRO Description	Value chain	Policies
Water consumption	Responsible consumption of groundwater	Positive actual impact	All Atlantic Grupa businesses take necessary measures to protect the sources from which water is extracted and ensure good operational practices to prevent water loss.	Own operations	Concession agreements on the level of SBU Beverages and BU Donat
Water withdrawals	Water withdrawal for technological operations (cleaning, cooling) in water scarcity areas (Skopje, Izola)	Negative actual impact	Water withdrawal for technological operations (cleaning, cooling) reduces local freshwater availability, particularly in areas with sensitive or limited water resources. This creates direct environmental pressure by decreasing the amount of water available for other users and ecosystems.	Own operations	Rules of Energy and Water Management

When assessing water-related IROs, Atlantic Grupa relies on the World Resources Institute’s Aqueduct Water Risk Atlas, not only for its own locations (production, distribution, and offices) but also for regions where key raw materials are grown.

Atlantic Grupa’s coffee production facility and distribution warehouse in Skopje, North Macedonia, as well as distribution warehouses in Čačak and Niš, Serbia, are located in high water-risk areas. In all mentioned facilities, the Company performs activities that require minimal water withdrawal, as distribution activities do not require water and coffee production uses a dry production process.

Regardless of the level of water withdrawal, all Company locations ensure the rational and responsible use of water in line with top-management expectations and the Rules of Energy and Water Management. Water is not viewed solely as an input resource but through its entire life cycle. Even in locations where water availability does not present significant challenges, the volumes of water discharged at the end of the production cycle require appropriate treatment to prevent environmental impact and ensure compliance with water protection standards. Across all locations, Atlantic

Grupa regularly monitors total water and groundwater used, both for consumption and withdrawal. The Company also monitors water treatment parameters at production sites, including: degree of purification, number of outlets, number and type of separators or purifiers, identification of municipal purifiers. All production locations have an established environmental and energy management system, ensuring compliance with standards for discharged water quality and implementing annual improvement plans to reduce water use. To identify material impacts, risks, and opportunities regarding water and marine resources, the Company has not conducted consultations with affected communities.

E3-1
Policies related to water and marine resources

Water consumption in beverage production is regulated by concession agreements rather than direct policies. These agreements set the allowed quantities for production, which are adhered to within the business plans of SBU Beverages and BU Donat. Production teams at the plants are responsible for maximising and efficiently managing the use of

allowed quantities. The general manager of each business unit is accountable for implementing these regulations in SBU/BU operations.

Policies related to water withdrawals for operations are defined within the corporate Rules of Energy and Water Management and are managed by process owners of the Energy Management System. SBU Directors of Operations are responsible for implementing the policy in SBU operations. Key elements of the policy include reducing water withdrawal and ensuring responsible water use. The corporate rules are derived from organisational procedures covering all requirements of ISO 50001, and they are applied across all production sites within the Company.

E3-2 Actions and resources related to water and marine resources policies

In the following section, the Company outlines its continuous activities, as well as the specific actions undertaken in 2025.

Water consumption

For beverage production, in accordance with local regulations and concession agreements, the volume of water withdrawn from wells is determined by the concession terms; therefore, no additional measures beyond full regulatory compliance are required. Regular measurements of groundwater levels in wells are carried out. All wells are fenced, locked, and under constant video surveillance. Daily monitoring is conducted by the security service. Microbiological and chemical analyses of well water and finished products are performed each day during production. All obligations are fulfilled in accordance with the well-abstraction concession. In 2025, the phase-out of one water-bottling program resulted in a reduction of our water concessions by one.

Water withdrawals for production operations

Across all sites, Atlantic Grupa implemented activities to improve water efficiency in production processes and ensure compliance with water quality standards at discharge points, in line with the Rules of Energy and Water Management. Continuous efforts include:

- preventing failures that can cause unnecessary water spills through telemetry monitoring and alert systems;

- optimisation of cleaning procedures and production processes to reduce water needs;
- investing in advance technological upgrades that require less water;
- implementing technological solutions for water reuse; and
- raising employees' awareness about the economical use of water.

In 2024, Atlantic Grupa implemented two key measures to reduce water withdrawal, including the introduction of free-cooling technology at the Izola production site and the start-up of a water-recirculation system for bottle rinsing in Apatovec, which enabled a notable reduction in water withdrawal. As a result, the volume of evaporated water in cooling systems decreased from 13,095m³ in 2024 to 5,479m³ in 2025. Building on these improvements, additional progress was made in 2025: the Smoki production line was equipped with an automated CIP (Clean-in-Place) cleaning system, resulting in reduced water and chemical use compared to manual cleaning.

At the Company level, the Igroš production site in Serbia uses the largest quantities of water per tonne of product and is located in a moderate water-risk area. To improve water management at this site, Atlantic Grupa previously invested in a water-based cooling system for the production process, thereby reducing water withdrawal. In 2025, the installation of a system for partial water recirculation on the pepper-roasting line was completed. During the pepper season, process validation was carried out, and the equipment was partially operated, which still resulted in lower water consumption in this process with the full effect to be captured in the next reporting year. Lower production volumes, combined with nearly the same water withdrawal, resulted in a slightly higher metric compared to last year (please see E3-4).

Investments to reduce water withdrawal are an integral part of the business investment plan. For the coffee factory in Skopje, the Company's only production site in a high water-risk area, no investments are planned due to low water withdrawal.

While Atlantic Grupa has not established a detailed transition plan similar to the one for emissions reductions, the Company's energy team prepares an annual operational plan with activities aimed at reducing water withdrawal at each location in line with the 2030 target.

E3-3 Targets related to water and marine resources

Atlantic Grupa will continue to comply with local regulations and contractual agreements, minimizing the risk of well contamination and incidents through regular measurements of groundwater levels, daily monitoring, and daily microbiological and chemical analyses. The target is 100% annual compliance with the requirements defined in the concession agreement for SBU Beverages and BU Donat, for the entire duration of each individual concession agreement and this target was achieved in 2025. The Company does not hold concessions for water consumption in high water-risk areas.

In line with the certified Rules of Energy and Water Management, all Company's production sites regularly monitor water withdrawal on a monthly basis in relation to production quantities and set annual targets accordingly. The target for water withdrawal is 2.0 m³ per tonne of product by 2030, calculated as the total water withdrawal across all production sites divided by total production quantities (tonnes). While the target level has already

been achieved, maintaining it remains appropriate and operationally robust, as water-saving investments are offset by factors that increase operational water needs, such as higher production volumes, changes in product mix, and a growing number of recipes requiring additional cleaning cycles.

This KPI is one of twelve ESG KPIs within the five pillars of sustainable goals set at the corporate level; it contributes 15% to the Atlantic Grupa Sustainability Index. For the first time, targets are also being developed at the SBU and site levels, including for locations in high water-risk areas. All targets are set voluntarily, reflecting Atlantic Grupa's commitment and responsibility to optimizing resources. These targets are not based on conclusive scientific evidence but rather reflect current technological processes and capabilities, as well as assessments of future business trends.

Relevant stakeholders involved in the target-setting process include the Management Board, energy experts, and employees. Targets are monitored annually, and metrics with progress are published within E3-4 Water Consumption.

E3-4 Water consumption

Water withdrawal and water consumption data (the reported data for water withdrawal represent the quantities as directly measured on sites), along with the source of data, are presented in the tables below. These data have not been validated by an external body.

Water withdrawal		2020	2024	2025	Δ vs PY
Total water withdrawal from all sources and for any use	m ³	445,707	410,469	402,031	(8,438)
Total water consumption (for food production)	m ³	81,221	91,469	89,855	(1,614)
Total water withdrawal for operations (technology + cleaning)	m ³	338,874	299,309	297,413	(1,896)
Total water withdrawal for operations (technology + cleaning) per production unit	m ³ /t	2.1	1.7	1.8	0.1
Total water consumption in high water-risk areas	m ³	<1	<1	<1	0
Recycled water	m ³	0	15,700	16,813	1,113
Stored water	m ³	0	0	0	0

Total water withdrawal from all sources and for any use is directly measured at all Atlantic Grupa sites.

Total water consumption includes groundwater and bottled water used for beverage production at the SBU Beverages and BU Donat production sites, as well as water used for production at the SBU Savoury Spreads and SBU Snacks production sites, based on realised production orders recorded in the ERP system. In 2025, the calculation method was upgraded to also include water used for products manufactured at the SBU Snacks production sites.

Water withdrawal for operations (technology and cleaning) is directly measured at all Company production sites, with quantities used in recipes deducted, and expressed in m³. Water withdrawal for operations per production unit is calculated as the water withdrawal measured at production sites (excluding quantities consumed in rec-

ipes), divided by the total production quantities (tonnes) across all production sites, based on realized production orders recorded in the ERP system, and expressed in m³/t.

Water consumption in high water-risk areas includes a coffee factory and a distribution warehouse in Skopje, as well as distribution warehouses in Čačak and Niš, as disclosed within IRO-1. Total quantities are considered negligible based on the nature of the technological process at these sites.

Recycled water quantities are estimated based on the number of daily cycles and the estimated volume of water used in the water-recirculation system for bottle rinsing at the Apatovec production site, as well as in the new recirculation system on the pepper-roasting line at the Igroš production site. There is no water stored in the Company's processes.

Water intensity		2020	2024	2025	Δ vs PY
Water consumption per net revenue	m ³ /mil EUR	119.6	86.9	74.4	(12.5)

The water intensity ratio is calculated as total water consumption divided by total net revenue. The figure for total net revenue can be found in the financial statements, income statement, page 330.



E4

Biodiversity and ecosystems



**E4-1
Transition plan and consideration
of biodiversity and ecosystems in
strategy and business model**

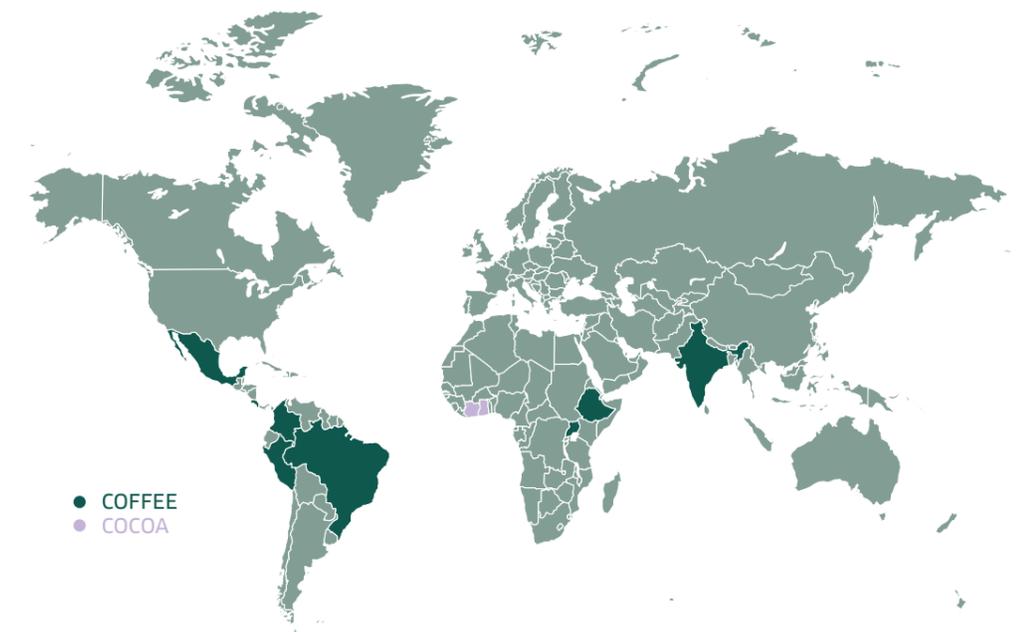
Atlantic Grupa has not identified any material risks in the area of biodiversity. As a result, the Company does not have a transition plan in place.

SBM-3 Material IROs and their interaction with strategy and business model

Sub subtopic	Name of IRO	Type of IRO	IRO Description	Value chain	Policy coverage
Land-use change, freshwater use change and sea-use change	Deforestation in the value chain to obtain additional agricultural land (raw materials from the EUDR* Regulation)	Negative actual impact	Deforestation to obtain additional agricultural land (for coffee and cocoa production).	Upstream	Approval of suppliers

Coffee and cocoa represent 58% (in FY24:53%) of our total spend on direct materials. One of the Company's strategic priorities is to maintain and strengthen its leadership in the coffee segment, which serves as the cornerstone of its business. As product volume increases, it becomes increasingly important to minimise the negative impact on bio-

diversity. By carefully selecting suppliers and ensuring transparency and traceability in the supply chain, Atlantic Grupa will ensure that the extraction of raw materials, especially strategic raw materials coffee and cocoa, does not affect already established ecosystems



WORLD MAP FROM WHERE WE SOURCE COFFEE AND COCOA

Coffee: Brazil, Colombia, India, Ethiopia, Guatemala, Rwanda, Peru, Costa Rica, Mexico, Uganda, Vietnam
Cocoa: Ivory Coast, Ghana

*Regulation (EU) 2023/1115 on deforestation-free products

Regarding its own operations, they are not located within protected areas. The only exception is the beverage production plant in Apatovec, which is positioned within the preserved area Natura 2000. However, the Company does not expand, construct, or exceed emission limits in this area, operates in full compliance with applicable local legislation, and has not identified this as a material impact.

In its operations, Atlantic Grupa does not supply or use endangered, vulnerable, or near-threatened plant and animal species as defined by the global IUCN Red List of Threatened Species, and the Company has not identified this as a material aspect.

IRO-1 Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities

In its assessment, Atlantic Grupa took into account operations at all locations and their supply chains with tier 1 and tier 2 suppliers. The Company did not conduct direct consultations with affected communities.

Regarding the supply chain, as a company is operating in the food and beverage sector, Atlantic Grupa is largely dependent on agricultural and aquacultural products and also uses natural resources, such as wild-caught fish and forest fruit harvesting for certain products. Additionally, wood fibre is used in the production of our cardboard and paper packaging. Atlantic Grupa's negative actual impact on biodiversity is related to deforestation in the value chain to obtain additional agricultural land (raw materials from the EUDR Regulation).

Agricultural activities are shifting to new areas in search of better yields, which poses a greater risk of forest degradation and conversion of existing ecosystems into new agricultural lands. Deforestation has been identified as a key driver of biodiversity loss, as highlighted in the 2019 IPBES' Global Assessment Report on Biodiversity and Ecosystem Services. This negative environmental impact arises from irresponsible practices in the production of coffee, cocoa, soy, palm oil, and wood, which constitute a significant portion of Atlantic Grupa's raw

* Ipbes: the intergovernmental science-policy platform on biodiversity and ecosystem services

materials (coffee and cocoa represent 58% of the Company's total direct material spend; therefore, the Company focuses on them in its IRO). The Company has not identified material transitional, physical, or systemic risks.

E4-2 Policies related to biodiversity and ecosystems

The Supplier Approval Policy stipulates the requirement to sign the Code of Conduct, which defines the core principles and expectations for suppliers. Together, the Policy and the Code embed supplier-related requirements and outline fundamental standards in environmental responsibility, social practices, and corporate governance (ESG). These include preventing deforestation by ensuring sourcing practices do not negatively impact forests, lands, or protected areas. The policy applies to all new suppliers of direct materials, including contract manufacturing suppliers. All previously approved suppliers have also received the Code of Conduct for signature and are required to comply with its provisions. This policy addresses Atlantic Grupa's material impact on deforestation in the value chain, particularly related to raw materials listed in the EU Deforestation Regulation (Regulation (EU) 2023/1115) on deforestation-free products. The highest level accountable for implementation is the Executive Director of Central Procurement.

While the Company has not committed to third-party certifications organisation-wide, selected sites maintain Rainforest Alliance, Organic, and Cocoa Horizons certifications, ensuring segregated traceability of certified raw materials to products. These certifications address social rights and contribute to preventing deforestation and land degradation. When selecting raw materials, the Company ensures that all materials are accompanied by documentation proving origin and legally permitted use, and that species are not listed on the IUCN Red List. By selecting suppliers who meet the Company's requirements and guarantee traceability to origin, Atlantic Grupa mitigates negative impacts on land degradation and prevents deforestation in the upstream value chain.

Our policy for managing the site located within and outside a protected area is to continuously monitor

and adapt to environmental legislation and other requirements related to environmental management and biodiversity preservation. As part of our environmental protection process, we are committed to ongoing improvement of our environmental impact.

These principles apply across all Atlantic Grupa locations. The policy is available to all employees and, upon request, to affected stakeholders. Business units define strategies and criteria for materials in specifications, ensuring alignment with customer requirements and legislation. The procurement team ensures compliance with these principles and regularly monitors biodiversity-related metrics.

E4-3 Actions and resources related to biodiversity and ecosystems

Since the targets have not yet been defined, Atlantic Grupa does not have detailed action plans to achieve them. When selecting raw materials for new or existing products, the Company prioritises the principle of preserving land and preventing degradation. The Company is focused on the following activity:

Identified key deforestation drivers and geo-location traceability system implementation

From 2024, Atlantic Grupa's efforts were directed towards adhering to the new EUDR (Regulation (EU) 2023/1115). The implementation is being conducted in phases, with some aspects still ongoing. The Company will prepare for compliance with the new Regulation by the given deadline.

Atlantic Grupa has already agreed with suppliers to source coffee with proven origin with the traceability to geolocations in 2025 and has introduced new metric (please see E4-5). Despite the fact that the EUDR is not yet officially in force, the share of coffee with verified origin already stands at 27.5%. The Company conducted research and had an overall understanding of high-risk areas for forest degradation. The initial deliveries provided precise information, forming the foundation for a regulatory-required risk analysis and mitigation plan. Additionally, the Company has purchased software to automate requested EUDR process. The Company intends to establish a supplementary system to verify how suppliers implement effective forest conserva-

tion practices within their operations and verifies geo-locations of all EUDR-relevant commodities it uses: coffee, cocoa, palm oil, soy, and wood. This system also incorporates data from independent third-party verification schemes such as Rainforest Alliance, RSPO (Roundtable on Sustainable Palm Oil), and FSC (Forest Stewardship Council). The provision of remedy is not relevant, as Atlantic Grupa does not work directly with farmers. Biodiversity offsets are not included in the action plan, and local and indigenous knowledge has not been incorporated. For metrics and progress please see E4-5.

Beside the mentioned activity, which directly addresses the material impact, Atlantic Grupa recognises the importance of many other measures that indirectly reduce its negative impact on biodiversity and therefore implements them in practice:

- Working with suppliers with high ESG awareness**
Long-term relationships with suppliers allow the Company to better understand their activities. Active communication builds capacity in both directions. The Company has worked with large global suppliers of coffee and cocoa for several years and monitors their sustainability performance primarily through their sustainability commitments and reports, including topics related to deforestation and biodiversity. In 2025, Atlantic Grupa introduced the digital platform Sphera Supply Chain Sustainability (SCS), which serves to monitor supplier performance. More information about supplier management, risk detection, and the implementation of Sphera SCS can be found in section G1-2 Management of relationship with suppliers.
- Sustainable sourcing of natural resources**
In 2025, Atlantic Grupa used wild species such as tuna, sardine, and Atlantic mackerel. The Company sourced only species categorised as "least concern": yellowfin tuna (*Thunnus albacares*), skipjack tuna (*Katsuwonus pelamis*), European sardine (*Sardina pilchardus*), and Atlantic mackerel (*Scomber scombrus*). The Company does not use endangered, vulnerable, or near-threatened plant and animal species as defined by the global IUCN Red List of Threatened Species. Among wild land species, Atlantic Grupa only uses forest fruits for jams in limited permitted quantities, harvested under supervision and with approval from relevant authorities to ensure proper preservation.

3. **Certified sustainable raw and packaging materials**
Atlantic Grupa values certification programmes and independent foundations that confirm responsible agricultural practices, many of which address both social and environmental aspects with a segregated level of traceability. Examples of the Company's sustainable products include those certified by Rainforest Alliance, Bio, Organic, and MSC. In 2025, due to the gradual phase-out of part of the chocolate programme, the share of certified cocoa within the overall coffee and cocoa category decreased. Additionally, the share of MSC products within the overall fish segment decreased due to the expansion of the fish spreads category and a 22% reduction in the volume of products with the MSC certificate. For metrics and progress please see E4-5
The Company strives to increase the share of FSC-certified paper and cardboard used in its operations. The Company's brands Argeta, Barcaffè, and Cedevita source FSC-certified cardboard for secondary packaging material.
4. **Adapting recipes to use raw materials that are not recognised as key drivers of deforestation**
The company started in 2022 by replacing palm oil with rapeseed oil in Prima products and continued this initiative by using locally sourced sunflower oil for the Smoki brand. In 2025 new recipes were adopted with lower quantities of palm oil however due to the increase in overall production, the metric percentage remains the same. The Company has initiated projects on the remaining products, but success depends on numerous tests and the availability of suitable alternatives on the market. For metrics and progress please see E4-5

E4-4 Targets related to biodiversity and ecosystems

Atlantic Grupa is proactively preparing for upcoming regulatory and voluntary requirements related to nature and biodiversity. This involves conducting in-depth research to better understand the negative impact within its value chain and implementing effective mitigation measures. These efforts will enable the Company to assess its readiness to establish specific goals with metrics related to land

degradation, which currently cannot be set as the Company is awaiting the forthcoming EUDR legislative proposal and our main goal in 2026 is to properly implement EUDR regulation. Additionally, the Company plans to implement a transparent traceability system to collect geodata for EUDR-relevant commodities such as coffee and cacao.

E4-5 Impact metrics related to biodiversity and ecosystems change

The reduction of negative impact is measured by the metric:

% of sourced coffee with geolocation traceability (compliance with EUDR) in 2025: 27.5%

Data were obtained from: incoming documentation provided by suppliers, internal records of DDS (Due diligence statement creation in the Traces NT system, defined in Regulation (EU) 2023/1115) and total quantity data from the ERP system.

Additional metrics for indirect mitigation measures:

% of certified cocoa and coffee within the total purchased coffee and cocoa	
2024	2025
2.0%	0.3%*

*In 2025, no certified cocoa was procured, please see E4-3.

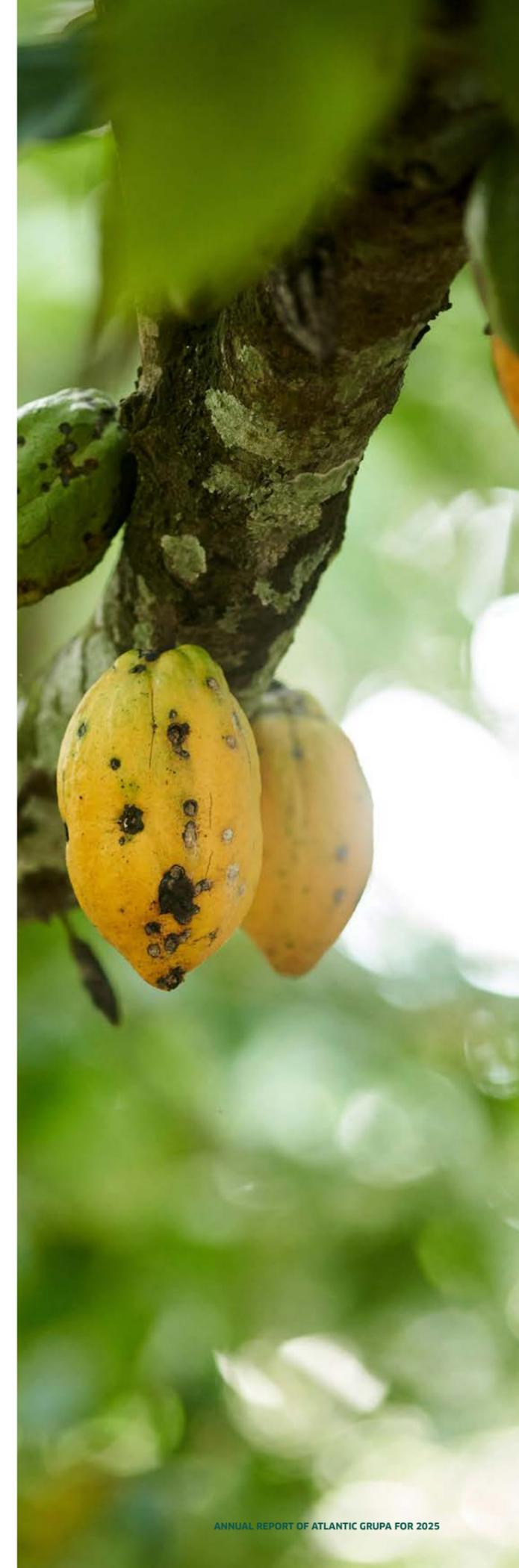
Data were collected from the ERP system and purchasing quantities in the coffee and cocoa category. Materials with certificates have unique codes and include the certificate label in their names, enabling identification and traceability. The calculation has not been validated by an external body; however, traceability and proper identification of certified materials have been confirmed through product certification.

Share of MSC-certified tuna within the total fish segment sale	
2024	2025
5.0%	3.8%

Data were collected from the ERP system and sold quantities in the fish category. Products with MSC certificates have unique codes and include the certificate label in their names, enabling identification and traceability. The calculation has not been validated by an external body; however, traceability and proper identification of certified materials have been confirmed through product certification.

Share of palm oil within the fats and oils purchase category			
2022	2023	2024	2025
41%	38%	13%	13%

Data were collected from the ERP system and purchasing quantities in the fats and oils category.



E5

Resource use and circular economy



IRO-1 **Description of the processes to identify and assess material resource use and circular economy-related IROs**

In Atlantic Grupa's business, the main material inputs are the raw materials and packaging materials used in the production of own-branded products and principals' FMCG products that enter the distribution chain. The outputs are the pre-packed FMCG products delivered to the market and different types of waste generated during the production processes and commissioning of goods.

In the assessment, the Company took into account its activities across all operational locations. Atlantic Grupa did not conduct direct consultations with affected communities. The Company's impact extends into its downstream value chain, as its products are sold internationally and their packaging ultimately becomes waste.

Atlantic Grupa's priority focus, which positively impacts the circular economy, is to optimise the quantity of packaging and ensure that materials are

recyclable. Additionally, the Company depends on resources in the upstream value chain where the use of recycled materials enables sustainable resource management.

Atlantic Grupa monitors global trends and, in collaboration with its suppliers, actively seeks innovative solutions to enhance both the recyclability of packaging (downstream) and the recycled content of procured materials (upstream). At its own locations, the Company implements a comprehensive waste management system, applying best circular economy practices in line with the ISO 14001 standard. In 2025, 77.5% (in FY24: 70.5%) of its waste was further processed for recovery operations (either reuse, recycling, composting and incineration for energy use). For a detailed description, please refer to section IRO 1 Description of the processes to identify and assess material IROs (within ESRS 2).

Subsubtopic	Name of IRO	Type of IRO	IRO Description	Value chain	Policy coverage
Resources inflows, including resource use	Reduction of virgin material production through the procurement of recycled materials for packaging	Positive actual impact	Atlantic Grupa sources FSC-certified cardboard, rPET (used for Donat), and other types of partially recycled plastics, thereby contributing to the reduction of virgin material production.	Own operations	
Resource outflows related to products and services	Use of recyclable packaging materials	Positive actual impact	Use of recyclable packaging, with more than 90% of packaging currently recyclable.	Own operations	Environmental process management
Resource outflows related to products and services	Waste reduction through the reduction of packaging material weight	Positive actual impact	Reduction of packaging material weight per product unit, contributing to overall waste reduction.	Own operations	
Waste	Recycling of a large portion of waste generated from own operations	Positive actual impact	A large portion of the waste generated by Atlantic Grupa at its production, warehouse, and office locations is recycled or reused (over 70% of total waste). The Company contracts and supervises its waste management partners to ensure compliance, and it also facilitates the circulation of reusable wooden pallets in cooperation with customers.	Own operations	Environmental process management

E5-1 Policies related to resource use and circular economy

All businesses must follow the corporate Environmental process management policy, which requires:

Activity directions	Addressing IRO
Use of recycled materials in packaging	Reduction of virgin material production through the procurement of recycled materials for packaging
Enabling that product packaging is recyclable	Use of recyclable packaging materials
Minimising packaging quantity to reduce post-consumer waste Reducing non-functional packaging in secondary packaging and developing other innovations with better environmental impact	Waste reduction through the reduction of packaging material weight
Preventing improper waste practices in the company's operations	Recycling of a large portion of waste generated from own operations

As of 2025, all IRO-related policies are consolidated into a Corporate Environmental Process. Atlantic Grupa's operational procedure Environmental process management, for which the Environmental Process Manager is accountable, establishes a unified approach to environmental management based on circular economy principles. It drives packaging innovations in product development to minimize material weight, reduce non-functional secondary packaging, and promote the use of recycled and recyclable materials. Additionally, the procedure sets clear rules for waste management at all locations the Company operates in, ensuring compliance with local and national legislation, minimizing landfilled waste, and fostering continuous improvement. The Company actively seeks solutions to prevent, reuse, or recycle all types of waste generated in direct operations, with separately collected waste handed over to contracted partners for further processing or disposal.

Following the policy above, all business units determine their action plans and set the criteria for materials in material specifications, taking care they are also aligned with customer demands (e.g. responsible retailers). The procurement team ensures appropriate raw materials that meet the business objectives.

All Atlantic Grupa's policies are available to all employees and, upon request, to affected stakeholders. The Company actively engages with key stakeholders, including its Management Board, environmental experts, sustainability experts, and operational units, to define impactful policies and follow the principles of ISO 14001, under which it is also certified.

E5-2 Actions and resources related to resource use and circular economy

The actions are implemented on an ongoing basis, while specific activities are planned annually in accordance with the defined target.

Reduction of virgin material production through the procurement of recycled materials for packaging

Atlantic Grupa strives to build a sustainable supply chain in collaboration with its suppliers in order to reduce its environmental impact. When choosing the right packaging, the Company follows the rules of circular economy and encourages businesses to avoid

virgin packaging materials of any type of packaging. As a strategic priority, Atlantic Grupa continuously seeks new market solutions to increase the percentage of recycled plastic. The brand Donat introduced 100% recycled PET on all markets in 2021 and closed the loop in cooperation with the supplier. In 2025, Cockta introduced 100% recycled PET packaging in the Croatian and Bosnian markets. Other good practices include introducing 50% recycled heat shrinkable foils in operations and the wider application of stretch foil containing 30% recycled material. Virgin plastic is still used in HDPE caps, duplex, and triplex foils, as there are currently no suitable technological alternatives in the food industry to replace these materials. All implemented actions contribute to metric E5-4, while considering the anticipated increase in production volumes. Future actions will include compliance with the new Directive (EU) 2019/904 on single-use plastics and wider portfolio packed in 100% recycled PET.

Use of recyclable packaging materials

Recyclability is a key aspect of our packaging materials. In 2025, 94% (in FY24: 93%) of all packaging placed on the market was recyclable, while non-recyclable packaging primarily consisted of triplex foils used for coffee products. Development efforts are focused on transitioning to mono-material, biodegradable, and aluminum-free foils. Additionally, in 2025 Atlantic Grupa initiated preparations in new packaging technology at its Izola location, enabling the testing and broader adoption of next-generation materials starting in 2026.

Waste reduction through the reduction of packaging material weight

Businesses strive to reduce the environmental impact of their packaging by continuously identifying and utilising new opportunities for packaging optimisation, innovation and cost reduction while maintaining the highest quality and safety standards for their products. Given the volume of packaging used, these efforts have significant environmental implications. Through operational excellence businesses aim for resource efficiency by monitoring material consumption and measuring losses, including food and packaging waste. In 2025, Atlantic Grupa improved the environmental impact of 52 existing SKUs through initiatives such as lightweighting and reducing the number of colors in packaging design, including the redesign of Grand Gold with one fewer color.

Recycling of a large portion of waste generated from own operations

Waste management at each site is an integral part of our daily operations. Our businesses and distribution logistics centers continuously seek improvements, and the activities listed below represent just a few of our ongoing initiatives.

Wasted granulate and broken candies from Cedevida's production are handed over to a contracted partner and used as a supplement in animal feed. At the Izola coffee production site, activities have been initiated to remove the waste status of big bags, and a contract with the collector company was signed in 2025.

In 2025, Atlantic Argeta in Bosnia and Herzegovina signed a contract with a local collector for the collection of waste bones. As a result of this collaboration, these waste streams shifted from being a cost to generating revenue, and less waste were sent to landfill. The production site in Igroš has successfully implemented the action plan aimed at separate waste collection across all waste streams, which has also contributed to an improved percentage in the established metric Waste process for recovery (see E5-5 for metric and progress). The Company also ensure that separately collected waste is properly prepared for transport. At certain locations, waste fractions of paper/cardboard, stretch foil, and composite packaging are pressed before being handed over to authorised waste collection services. In 2025, Atlantic Grupa continued the practice of installing new and refurbishing existing press containers and waste baling devices. Atlantic Brands in Šimanovci purchased its own press container for mixed municipal waste. All locations hand over separately collected cardboard, paper, and stretch foil to contracted partners for further recycling. In Apatovec, the Company has been dehydrating waste sludge before transport since 2019. The waste sludge collected after cleaning the waste separator at Atlantic Štark's plant in Belgrade is handed over to an operator and used as an energy source.

During 2025, the Company continued implementing separate collection of biowaste, segregated from mixed municipal waste, at the Atlantic Cedevida Apatovec and Atlantic Zagreb Vukovina sites. To improve the environmental management system at the Vukovina, Atlantic Cedevida Zagreb, and Atlantic Štark Bel-

grade sites, food waste dehydration equipment was introduced. The equipment was successfully tested at the Cedevida site in 2025, and further activities will continue in 2026.

For all above actions, financial resources are planned in the annual plans for each business unit, but due to price fluctuations and complex Opex planning, we are currently unable to estimate the amount of financial and other resources on a consolidated level. The provision of remedy is not relevant in our case.

E5-3 Targets related to resource use and circular economy

Plastic materials have the highest share in Atlantic Grupa's packaging materials, so the Company set the corporate ESG goal to constantly - year to year - increase the share of recycled plastic in the total amount of purchased plastic. The Company measure progress on the corporate level using the ESG KPI "Recycled plastic use ratio". The increase in recycled content is also mandated by Directive (EU) 2019/904 which came into force in 2019 and was incorporated into the new Packaging and Packaging Waste Regulation (PPWR) regulation in 2025. Both set targets of 25% recycled PET in bottles by 2025 and 30% by 2030, and the Company will align its goals accordingly.

Recognising the large quantities of all packaging, Atlantic Grupa strives to ensure that 100% of its materials will be recyclable by 2030. However, technological limitations and the availability of next generation materials may delay this achievement. This is a voluntary target. Currently, 94% of the company's materials are recyclable. Atlantic Grupa measures progress on the corporate level using the ESG KPI "Share of packaging materials which are recyclable". For the methodology of calculation and progress achievement, please see E5-5.

Atlantic Grupa constantly innovates to minimise material usage, helping consumers make eco-friendly choices. The share of annually improved packaging with better environmental impact (related to all changes of packaging) is one of ESG KPIs in the Products pillar. The Company's continuous and long-term goal by 2030 is that 100% of innovations and changes to existing packaging have better environmental impact.

All the above three targets are related to own branded products, produced in own and outsourced operations and are part of Atlantic Grupa's Sustainability Index. For more details about the Index, please refer to GOV-3 Integration of sustainability-related performance in incentive schemes.

Within the scope of waste generated in its facilities, the Company still has significant potential to further reduce the amount of waste sent to landfills. Currently, 77.5% of waste is separately collected and further processed (recovery waste) in alignment with the waste hierarchy (please see E5-5 for details), while the rest is landfilled or incinerated. In some markets

(e.g. North Macedonia, Bosnia and Herzegovina), there is a lack of better waste treatment solutions locally. Consequently, not only municipal waste but also separately collected waste is disposed of in landfills. The EU legislation allows a maximum of 10% of the total municipal waste to end up as landfilled waste, and in all locations situated in EU markets, Atlantic Grupa is fully aligned with this goal. Atlantic Grupa's continuous and short-term goal, based on planned activities, is to significantly increase the proportion of waste recovered across operations, aiming for 78% by 2026.

For progress and methodology for all above listed targets achievements, please see E5-4 and E5-5.

E5-4 Resource inflows

Overall total weight of products and materials used	2024		2025	
Category of materials	Weight (tonnes)	%	Weight (tonnes)	%
Raw materials (biological)	103,828	82	132,957	84
Packaging materials	23,348	18	25,422	16
TOTAL (tonnes)	127,176		158,379	

The largest and most strategic raw material categories by tonnage are coffee, cocoa, poultry, sugar, and oils and fats. Out of the total purchased materials, Atlantic Grupa purchased 0.1% in 2025 of sustainably sourced raw materials with certificates (in FY24: 0.2%). For information on the sustainability certificates the company uses, please see chapter E4 Biodiversity. The quantities of packaging materials procured in 2025 are as follows:

PACKAGING MATERIALS	2024 Weight [t]	2025 Weight [t]
Cardboard and paper packaging	8,379	10,595
Glass packaging	4,973	4,878
PET preforms	3,452	3,120
Metal packaging	1,998	2,132
Triplex flexible foil	1,440	1,434
Plastic packaging and closures	1,273	1,248
Duplex flexible foil	761	811
Other flexible foils	731	899
Other packaging materials	340	305
Total	23,348	25,422

Quantities are obtained from the ERP system, which records purchased quantities for all metrics in this chapter. There is no overlap between categories. Some paper materials have an FSC certificate – please see chapter E4 Biodiversity for details. Aluminium, which is used in paté tins, is known for its multiple recycling options and is available on the market with a high share of recycled content. However, the percentage varies, making it impossible to provide an exact number.

Pillar RECYCLING Summarized results for all Atlantic Grupa's brands	UOM	2020	2024	2025
Recycled plastic use ratio	% of total amount of purchased plastic	0.1	14.4	21.1

The Company collects declarations of conformity for the share of recycled plastic for the KPI "Recycled plastic use ratio". The ESG KPI "Recycled plastic use ratio" is calculated in the ESG Core reporting tool by dividing the amount of recycled plastic purchased for production during the reporting year by the total amount of the plastic packaging.

The absolute quantity of recycled content in this KPI for 2025 is 1,531 tonnes (in FY24: 1,106 tonnes).

E5-5 Resource outflows

Atlantic Grupa's general goal is to achieve circular recycling, i.e. transforming used packaging into new packaging. Since its products are intended for consumption, repaired or recycled content is not relevant. The expiration dates are set to ensure they do

not compromise the safety and quality of products and the well-being of its consumers. In the ESG pillar "Recycling", the Company tracks its progress through ESG KPIs:

Pillar RECYCLING Summarized results for all Atlantic Grupa's brands	UOM	2020	2024	2025
Share of packaging materials which are recyclable	% of the total amount of packaging used in production	88	93	94

The KPI "Share of packaging materials which are recyclable" is calculated by dividing the amount of the recyclable packaging by the total amount of packaging, both spent on finished production orders in the reporting year. The quantities are obtained from the ERP system and calculation is provided by the ESG KPI reporting tool. The category of recyclable materials includes single-layer uniform materials, cardboards of all types, aluminium with polypropylene, varnished cans DA, HDPE in LDPE, PP, metallized polypropylene, etc. For double-layer materials, Atlantic Grupa follows the criteria set in international guidance (CEFLEX Designing for a Circular Economy Guidelines) and it collects the declarations of conformity from suppliers. Other materials which are not in the category "recyclable" are triplex foil (alu/plastic) and PVC.

When it comes to improved packaging, the practice of consistently reducing the amount of packaging materials is well established and ubiquitous across all SBUs. Also, other innovations with better environmental impact are included, such as less colour on

packaging or use of bioplastic. The table below presents the consolidated percentage of packaging innovations with a better environmental impact (related to any kind of innovations).

Pillar PRODUCTS Summarized results for all Atlantic Grupa's brands	UOM	2022	2024	2025
Share of annually improved packaging with better environmental impact (related to all changes of packaging)	% of all packaging innovations per year	84	100	100

Data is gathered through the business R&D process report and the number of SKUs with changes per year and calculated in "ESG Core" reporting tool.

All Atlantic Grupa's branded products feature clear labels for safe disposal and proper recycling of packaging. As the Company operates in the FMCG industry, its packaging is designed for single use rather than multiple reuse.

Waste generated

At Atlantic Grupa's locations, given its operations in the food industry, **5,615 tonnes of organic waste**

(62% of total waste) were generated in 2025 (in FY24: 5,444 tonnes of organic waste - 66% of total waste). For all such waste streams, the Company strives to identify the most effective treatment solutions to minimize food waste. Additional waste is generated from the packaging of raw materials and packaging materials, which arrive in various types of packaging, as well as from process residues. For more details on how the Company manages waste, please see E5-2.

Type	Year	Recovery operations				Disposal		
		Preparation for reuse [t]	Recycling [t]	Composting [t]	Incineration for energy use [t]	Incineration [t]	Landfill [t]	Total [t]
Non-hazardous waste	2024	1,588	2,177	731	1,840	32	2,626	8,994
Non-hazardous waste	2025	1,811	2,168	625	2,374	11	2,009	8,999
Hazardous waste	2024	2	63	-	1	19	-	85
Hazardous waste	2025	2	37	-	0.1	17	-	56
Total	2024	1,590	2,241	731	1,840	52	2,626	9,079
Total	2025	1,813	2,205	625	2,374	28	2,009	9,055

The data in the table above includes all different waste types generated in Atlantic Grupa's production and distribution sites, except waste collected in Farmacia's operations, that represents less than 0.5% of total waste. The listed waste processing methods are reported based on the information provided by waste disposal contractors. The Company does not have radioactive waste.

The summary for 2025 in total is presented in the table below:

	Weight (t)		% of total waste	
	2024	2025	2024	2025
Non-recycled waste*	4,518	4,411	49.8%	48.2%
Other waste	4,562	4,643	50.2%	51.3%
Waste processed for recovery**	6,402	7,017	70.5%	77.5%

* Incineration, landfill and incineration for energy use

** Preparation for reuse, recycling, composting and incineration for energy use

SOCIAL

SOCIAL

S1 - OWN WORKFORCE	252
S2 - WORKERS IN THE VALUE CHAIN	272
S4 - CONSUMERS AND END USERS	280

2025 ACHIEVEMENTS

	Highly engaged employees	88%
	Workplace injuries vs 2020	-61%
	Training hours per employee vs 2020	+67%
	Women in managerial positions	51.8%
	Pay gap	0.7%
	New recipes in claimed category	76%

S1

Own workforce

Sustainability statement

SBM-2 Interests and views of stakeholders

Atlantic Grupa's People and Culture Strategy is an integral part of the Company's corporate strategy and is developed based on business priorities, organisational needs, and insights gathered from employees. The strategy reflects stakeholder interests through structured engagement processes, including regular employee surveys, feedback sessions, and consultations across different levels and functions.

It was collaboratively designed by the People and Culture team in alignment with senior management and informed by employee input to ensure relevance and inclusivity. The strategy covers all key aspects of the employee lifecycle; talent acquisition and management, onboarding, corporate culture, employee well-being and engagement, career and succession planning, training and development, performance management, as well as compensation and rewarding.

These interconnected processes aim to address employee expectations and organisational needs by creating an **agile, consumer-centric organisation, developing inspirational leaders, and fostering a motivating and inclusive workplace.**

For more details on stakeholder engagement processes, please refer to ESRS 2 SBM-2 - Interests and Views of Stakeholders.



SBM-3 Material IROs and their interaction with strategy and business model

Sub-subtopic	Name of IRO	Type of IRO	IRO Description	Value chain location	Time horizon	Policy coverage
Secure employment	Sense of security (belonging and predictability)	Positive actual impact	Stable employment conditions foster belonging and life predictability for employees.	Own operations	/	People and Culture Processes
Secure employment	Differentiation through job security	Opportunity	Differentiation from other employers through the provision of a more secure workplace compared to other private-sector companies.	Own operations	Long term	People and Culture Processes
Adequate wages	Appropriate salaries, as reflected in employee satisfaction	Positive actual impact	Employee satisfaction with fair and adequate compensation, supported by the Company's practice of regular and timely salary payments, has improved year-over-year as reflected in engagement survey results.	Own operations	/	People and Culture Processes
Collective bargaining, including rate of workers covered by collective agreements	Working conditions beyond minimum legal requirements.	Positive actual impact	Better working conditions than the minimum legal requirements based on the collective agreement.	Own operations	/	People and Culture Processes
Work-life balance	Flexible models and family related leave	Positive actual impact	Enhanced employee satisfaction and contribution, supported by benefits such as maternity and paternity leave, sabbaticals, part-time arrangements after parental leave, and hybrid work options.	Own operations	/	People and Culture Processes
Work-life balance	High employee engagement	Opportunity	The company aims to maintain employee engagement above 85% (high-performance norm 84%), as higher engagement supports stronger financial performance. This is enabled by adapting P&C processes to the needs of younger generations, foreign workers and other emerging workforce segments.	Own operations	Medium term	People and Culture Processes
Health and safety	Safe and healthy workplace	Positive actual impact	Employees maintain good health and remain capable of performing their tasks effectively over the long term.	Own operations	/	People and Culture Processes Occupational Safety and Health Protection Rules covering Atlantic Grupa d.d. and its affiliated companies
Gender equality and equal pay for work of equal value	Inclusive culture and equal pay for equal value	Positive actual impact	The Company fosters a more equal and inclusive culture through a minimal pay gap, gender-neutral hiring practices and a consistently high share of women in managerial positions, which it aims to maintain long term, and which significantly exceeds market norms in several countries where it operates.	Own operations	/	People and Culture Processes
Training and skills development	Continuous learning and development.	Positive actual impact	Employees are provided with structured learning opportunities fostering continuous professional growth.	Own operations	/	People and Culture Processes
Training and skills development	Development of new knowledge and skills and improvement of existing knowledge and skills of employees.	Opportunity	By 2030, the Company wants to further increase the number of training hours per employee to 17 hours per employee, which positively impacts financial results; development of new skills (e.g. ESG).	Own operations	Medium term	People and Culture Processes
Measures against violence and harassment in the workplace	Zero-tolerance culture	Positive actual impact	Corporate culture that does not tolerate violence.	Own operations	/	People and Culture Processes
Diversity	Gender and age diversity	Positive actual impact	More equal and inclusive culture focused on gender and age diversity, reflected in an above-average share of women in managerial positions.	Own operations	/	People and Culture Processes

All people in Atlantic Grupa's own workforce (employees and freelancers across all markets) are included in the scope of this Report. Detailed characteristics of employees and freelancers are presented under Disclosure Requirements S1-6 and S1-7. All material topics apply to the entire own workforce, with the exception of Collective Bargaining, which does not apply to freelancers.

Atlantic Grupa's strategy and business model are designed to remain resilient by addressing the material impacts and opportunities identified through the Company's double materiality assessment. The material S1 topics directly shape strategic resilience, as they influence the Company's ability to retain key talent, maintain operational continuity and secure workforce capabilities required for future growth. This resilience is supported by the Company's ability to maintain secure employment and competitive wages across diverse markets, ensuring stability and predictability for its workforce. High levels of employee engagement and strong work-life balance practices, reflected in an 88% employee satisfaction rate in 2025 help mitigate the risks of disengagement and turnover while enhancing productivity and organisational cohesion. The Company's proactive approach to occupational health and safety, resulting in workplace injury rate (IR) of 2.4 (in FY24: 3.0), further underscores its commitment to long-term employee well-being and operational continuity.

The integration of material impacts and opportunities into strategic planning helps ensure that the business model remains robust under changing labour market, regulatory and demographic conditions. Initiatives such as increasing average training hours to seventeen per employee by 2030 enhance organisational agility, support the development of new skills, and prepare the workforce for evolving ESG and regulatory requirements. These efforts are complemented by programmes that promote gender equality and diversity, reinforcing the Company's strategic focus on inclusion, equal opportunities and a culture that supports innovation and high-quality decision-making.

Continuous investment in employee development, operational efficiency and community impact further enhances the Company's ability to navigate uncertainty and leverage opportunities. By strengthening workforce capabilities and reducing exposure to workforce-related risks (e.g. skill short-

ages, retention risks, demographic changes), these initiatives contribute directly to the resilience of the strategy and business model. By fostering a supportive, inclusive and future-ready work environment, Atlantic Grupa ensures sustainable growth and long-term value creation for all people in its own workforce and for its broader stakeholder community.

As part of its long-term strategic direction, Atlantic Grupa is also advancing transition efforts aimed at reducing negative environmental impacts and moving toward greener and climate-neutral operations. These developments may introduce changes in technologies, processes and required competencies, creating potential short-term impacts for workers, such as the need for reskilling or adjustments in work organisation. To ensure a fair and inclusive transition, the Company supports employees through transparent communication, targeted capability-building initiatives and continuous investment in safe, modern and sustainable workplaces, enabling the workforce to adapt confidently to ongoing transformation.

In Atlantic Grupa's double materiality assessment, the risk of child labour and forced labour was evaluated as low, considering the regulatory frameworks of the markets in which the Company operates. Consequently, these subtopics were assessed as non-material.

S1-1 Policies related to own workforce

Atlantic Grupa's principles on human rights, equal opportunities, safe and healthy working conditions, and collective bargaining are embedded in the Company's Code of Corporate Governance, which is further described in G1 - Business Conduct. **Occupational Safety and Health Protection Rules covering Atlantic Grupa d.d. and its affiliated companies** provide detailed guidance on workplace safety. Additionally, the **People and Culture Processes document** outlines policies on diversity, adequate wages, secure employment, gender equality and equal pay for work of equal value, work-life balance, training and skills development, collective bargaining, health and safety, and measures against violence and harassment in the workplace. Diversity is defined broadly, encompassing racial and ethnic or-

igin, colour, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national extraction or social origin, and other attributes. These policies aim to foster a supportive, inclusive, and growth-driven environment for all employees. They mitigate risks such as workplace dissatisfaction, turnover, and health-related challenges, while creating opportunities to enhance employee engagement and organisational performance. Monitoring of the above-mentioned policies is ensured through structured KPIs, internal and external audits, and employee feedback mechanisms, ranging from an annual engagement survey to grievance and whistleblowing reporting systems. These policies cover all Atlantic Grupa employees across all geographies and business units, addressing material impacts on employee well-being, professional growth, and workplace safety. Stakeholders include employees at all organisational levels and, indirectly, their families and communities. Accountability for implementation of People and Culture Processes rests with the Chief People Officer, supported by the People and Culture team and operational managers. For Occupational Safety and Health Protection Rules, responsibility lies with the Corporate Security and General Affairs Department at normative, preventive, and operational levels.

Atlantic Grupa aligns its policies with internationally recognised frameworks such as the UN Global Compact, the ILO Declaration on Fundamental Principles and Rights at Work, as well as the OECD Guidelines for Multinational Enterprises, ensuring compliance with the highest ethical and labour standards.

Humans Rights Protection

Atlantic Grupa is committed to upholding internationally recognised human rights, conducting business with integrity, and improving the lives of employees, workers across its value chain, and surrounding communities. The Company's Code of Corporate Governance provides clear guidance on workplace conduct and identifies points of contact for employees seeking support. It sets out a zero-tolerance approach to child labour and forced or compulsory work and ensures compliance with health and safety regulations to maintain a safe and healthy working environment.

Atlantic Grupa's whistleblowing process ensures a structured and confidential mechanism for reporting irregularities. Employees and affiliated per-

sons can report concerns via email, post, phone, or in-person meetings to a designated confidential person. Reports are acknowledged within seven days, investigated, and feedback provided within 30 to 90 days. Whistleblowers are protected from retaliation, and their identity remains confidential unless disclosure is required by law. All reports are documented, and Atlantic Grupa takes measures to prevent retaliation and ensure compliance with whistleblower protection laws.

In addition to internal safeguards, the Company reinforces human-rights protection across its value chain through its Supplier Code of Conduct. The CoC includes provisions addressing worker safety, the prohibition of child labour, forced labour and human trafficking, as well as expectations regarding lawful and non-precarious employment, all aligned with ILO standards. Further detail is provided in section S2 (Workers in the value chain).

S1-2 Processes for engaging with own workers and workers' representatives about impacts

Atlantic Grupa applies a collaborative approach to operational and strategic planning, ensuring that employees and trade unions are actively involved in decision-making processes.

The Company's comprehensive communication infrastructure serves a dual purpose: it facilitates regular information sharing and provides channels for collecting employee feedback. In addition to these channels, employees can share insights through various engagement methods. A cornerstone of this process is the annual employee engagement survey, conducted for more than a decade and overseen by the People and Culture department and the Chief People and Culture Officer. The survey measures overall employee satisfaction and specific aspects of people management. Based on survey results, team-level action plans are developed by team leads to address identified areas for improvement. Participation rates and satisfaction scores serve as indicators of the effectiveness of the Company's engagement practices. Additional mechanisms include targeted surveys, focus groups, stay and exit interviews, and annual performance development discussions. Regular meetings between manage-

ment and trade union representatives ensure that operational contributors have a meaningful voice in decision-making. Furthermore, through People Business Partners, the Company provides dedicated support to vulnerable employees, such as foreign workforce and persons with disabilities.

In 2025, Atlantic Grupa maintained its strong employee engagement performance, matching last year's results. With an 89% participation rate, the engagement score remained steady at a high-performing 88%. Additionally, 90% of respondents continued to advocate for Atlantic Grupa as a desirable place to work.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

Atlantic Grupa provides a structured grievance mechanism that enables employees to raise concerns or report violations related to human rights in the workplace, including issues such as discrimination, harassment, or other rights abuses.

- **Grievance Email:** Atlantic Grupa has established a dedicated email address for grievances, dostojanstvo@atlanticgrupa.com, localised for each market with the corresponding country prefix (SI, MK, RS, etc). Employees can use this channel to directly submit their concerns.
- **Internal Investigation and Response Committee:** Each grievance is handled by an appointed Committee, which includes relevant experts for each market. Depending on local specifics, members may include People and Culture Heads, Legal, and Health & Safety representatives. The Committee oversees the entire grievance process.
- **Accessible Procedures:** Detailed procedures for submitting grievances and the Committee's role are documented and available to employees via the Company's internal intranet.

In the 2024 annual engagement survey, over 89% of employees said they are familiar with the process for submitting formal reports about human rights concerns within the workplace. In 2025, this level of awareness increased to 91%, demonstrating improvement in employees' understanding of the company's human rights reporting channels.

S1-4 Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

Within its sustainability strategy, Atlantic Grupa has defined four strategic KPIs that directly support the goal of fostering an empowered organization through care and responsibility: employee engagement, average training hours per employee, work-related injury rates (Injury Rate - IR and Lost Days Rate - LDR) and share of women in managerial positions. These KPIs reflect the Company's commitment to building organizational resilience, ensuring development opportunities, and anticipating environmental, social, and regulatory changes. They serve as key indicators for monitoring progress and evaluating the effectiveness of actions taken.

For other identified material impacts and opportunities, Atlantic Grupa continuously tracks relevant indicators to assess performance trends and determine corrective measures where necessary. A comprehensive overview of these KPIs and indicators is provided under Disclosure Requirement S1-5.

As of 2025, Atlantic Grupa has achieved all long-term targets defined for its material topics. The Company continues to meet the objectives related to Secure Employment, Adequate Wages, Collective Bargaining, Work-Life Balance, Occupational Health & Safety, Gender Equality & Equal Pay, Measures Against Violence & Harassment in the Workplace, and Diversity. Given the consistent progress in these areas, no additional corrective action plans have been deemed necessary; however, Atlantic Grupa will continue implementing the established activities to sustain these high standards and further embed them across the organisation.

The final remaining long-term goal, Training & Skills Development, has also been reached in 2025, with the Company achieving its target for average training hours per employee. Building on this success, Atlantic Grupa will further expand its learning and development portfolio, with a continued focus on strengthening digital literacy and ESG-related competencies to support the future growth and resilience of its workforce.

Secure Employment

Atlantic Grupa remains committed to ensuring job security for all employees. In 2025, the Company further strengthened workforce stability, increasing the share of permanent employees with open-ended employment contracts from 92% in 2024 to 92.8% in 2025.

Atlantic's long-term employment strategy supports a predictable and stable work environment, which remains a key driver of employee engagement and retention.

The Company's broader strategy, focused on business growth, operational efficiency, and resilience, further supports secure employment across all its markets. Ongoing regional research, including the *Most Desired Employer* (Poslodavac Prvog Izbora, TalentX) studies, consistently shows that job security is among the top three attributes most valued by employees. This reinforces Atlantic Grupa's position as a leading employer in the Adriatic region. By prioritising employment stability, the Company clearly differentiates itself from other private-sector employers.

Adequate wages

In 2025, Atlantic Grupa continues to regularly review salaries and supplemental income, guided by market trends and economic indicators, to ensure alignment with cost-of-living increases, internal pay equity, and long-term financial stability.

As part of this effort, while in 2024 a total of 83% of employees received salary adjustments averaging 17% and supplements were increased for 82% of the workforce, in 2025 salary adjustments were granted to 80% of employees with an average increase of 12%, and supplements were raised for 45.2% of the workforce.

These initiatives reflect Company's dedication to recognising employee contributions and supporting their financial well-being. Additionally, Atlantic continues to share financial successes with employees through seasonal awards based on business unit performance and year-end bonuses tied to the overall success of Company.

Collective bargaining

Atlantic Grupa ensures equal rights for all its employees in relevant markets by applying the same

and most favourable rules and rights to everyone, regardless of their coverage under a collective agreement. If there is no collective agreement in the market, local legal regulations and Atlantic Grupa's internal acts harmonised with local legislation are applied to employees.

Atlantic Grupa strongly supports the right of association of its employees and the work of its unions. In 2025, 87% of Atlantic's employees remain covered with collective agreements.

Work-life balance

Atlantic Grupa's **flexible work models** continued to include the Work-from-Home Day Bank, providing employees with ongoing flexibility in planning remote work throughout the year. At the same time, Anchor Day continued to play an important role in bringing teams together and highlighting the irreplaceable value of in-person collaboration.

A free day for employees' birthdays, an additional day off for parents of first graders on the first day of school, and complimentary medical checks remained the most popular work-life balance benefits across the organisation, with the majority of employees making use of them in 2025.

The Company's **sabbatical programme** continued to be one of the most effective ways to support selected employee groups in pursuing personal ambitions and taking time to fully recharge, contributing to long-term satisfaction, higher productivity, and stronger retention.

In 2025, Atlantic Grupa introduced **subsidised sport cards** (Multisport, PassSport, FitPass and Sport Master), providing all employees, regardless of their work location, with access to a broad range of sports and well-being facilities in their local communities.

Health and safety

Atlantic Grupa embeds occupational risk prevention into all activities and decision-making processes across every organisational level, ensuring that a safe and healthy workplace remains a core operational foundation. The prevention model encompasses key disciplines such as occupational medicine, emergency preparedness, industrial hygiene, ergonomics, and applied psychosociology, all integrated within the Company's comprehensive health and safety management system.

Operating a complex business environment with diverse technological processes, Atlantic Grupa faces a wide range of hazards and risks to employee health and safety. Effective risk management is therefore an ongoing priority, addressed through continuous improvement initiatives and active engagement of all stakeholders within the health and safety governance framework.

In 2025, Atlantic Grupa invested more than EUR 73,000 across all its markets to strengthen preventive measures and continuously improve its health and safety performance. These investments included the procurement of equipment designed to protect people and assets in crisis situations.

The Company also enhanced its training system by introducing a dedicated e-learning platform for employees. In addition, Atlantic Grupa provided training to 861 external contractors, ensuring that complex and high-risk tasks were completed with zero injuries among external contractors at Company locations. These and other initiatives demonstrate Atlantic Grupa's strong commitment not only to safeguarding the health and safety of its own employees, but also to protecting the wellbeing of all individuals working with and alongside the Company.

Diversity

Atlantic Grupa continues to advance diversity and inclusion in line with EU Diversity & Inclusion Directives, maintaining a commitment to equal opportunity across all markets. A key KPI in this area, the **share of women in managerial positions**, remained consistently high, standing at **53.2% in 2024** and **51.8% in 2025**, confirming the Company's ability to sustain balanced leadership representation year after year. Aware of the importance of diversity and non-discrimination in the workplace and in employment, Atlantic Grupa signed the **Diversity Charter**, the initiative started by 16 EU Member States, which was developed in Croatia within the project of the Croatian Business Council for Sustainable Development. By signing the Charter, the Company committed to promoting diversity and non-discrimination across its work and business environment, implementing these principles in practice and regularly reporting on related activities.

Training and skills development

Atlantic Grupa's performance management system is designed to support the Company's strategy of

incorporating strategic goals in each employee's individual goals. When defining KPIs, the Company balances economic and financial indicators with social and environmental objectives, ensuring that performance reflects the sustainable development of the entire organisation.

As in 2024, Performance & Development Talks (PDT) in 2025 involved 79% professionals and managers. Among this population, 57% were women and 43% were men. Over 1,400 employees were engaged in discussions with their leaders at the beginning of the year, setting individual development plans. All employees underwent training on how to take charge of their development and choose their own path, all the while understanding the necessity for thriving within Atlantic's dynamic business environment. Resources like the Career Management Handbook, Career Opportunities Workshops, and PDT module in HRIS tutorials constantly support employees in actively shaping their own development.

4.4/5

Development opportunity satisfaction from PDT Survey

Leveraging internal expertise to strengthen organisational resilience

In 2025, the Trade Academy demonstrated how internal expertise can be mobilised to build commercial capability and strengthen organisational resilience across Atlantic Grupa's markets. Established in 2022, the Academy has evolved into a unified, practice-based learning platform delivered by more than **60 internal instructors**. Through 291 training sessions attended by **over 1,430 employees**, the programme reinforced consistent sales standards, accelerated onboarding and enhanced cross-team collaboration. With an average rating of 4.8, it proved highly effective in transferring field-based knowledge and supporting day-to-day execution. Its contribution to developing a skilled and agile sales organisation was recognised through **the Best HR Practice 2025 - Gold** award, affirming the Academy's contribution as a relevant enabler of Atlantic Grupa's strategic goals.

Developing essential digital skills for a more agile organisation

The Digital Literacy programme demonstrated how structured capability development can support operational efficiency and digital adoption across Atlantic Grupa. A total of **2,211 training participations** were recorded, with 802 unique employees, 15% of the workforce, completing at least one module. More than 4,143 training hours were delivered through courses covering **MS Copilot, new Outlook functionalities, OneDrive, SharePoint and Teams with Copilot**. Supported by an internal assessment conducted across departments and markets to map digital readiness, the programme contributed to strengthening Atlantic Grupa's organisational resilience and preparedness for future digital requirements.

Measures against violence and harassment in the workplace

Atlantic Grupa upholds a zero-tolerance policy against violence and harassment, reinforcing a culture of respect and inclusion. The Company's policy framework is embedded in its Code of Corporate Governance, and clear reporting mechanisms are in place to ensure full compliance.

Key measures include:

- Whistleblowing system as well as Grievance system, with a dedicated confidential reporting channel,
- Annual engagement survey records increased awareness among employees about formal reporting processes, increasing from 89% in 2024 to 91% in 2025; and
- Same as previous year, no verified cases of workplace violence or harassment reported in 2025.

By embedding these practices, Atlantic Grupa safeguards a workplace where all employees feel secure, valued, and protected.

Gender equality and equal pay for work of equal value

Guided by the EU Gender Equality Strategy 2020-2025, during the past 12 months, Atlantic Grupa further strengthened its leadership position in promoting pay equality, inclusion, and transparent people practices across all markets. Building on the Equal Pay Certification first obtained in 2024, the Company once again earned the prestigious Equal

Pay Champion title. This recognition reaffirms that Atlantic Grupa's longstanding performance based compensation system continues to deliver statistically negligible gender pay differences, with the gender pay gap further decreasing from 1.1% in 2024 to statistically negligible 0.7% in 2025.

S1-5 Targets related to advancing positive impacts and managing material opportunities

Atlantic Grupa's target-setting process involved direct engagement with workforce representatives and the use of structured employee feedback mechanisms. This included regular consultations with unions and an analysis of insights from the employee engagement survey. The feedback collected through these channels was benchmarked against the organisation's current performance on each topic and against leading industry standards, forming the basis for long-term targets for 2030.

Performance results, whether at the organisational level or specific to individual locations or functions, are communicated transparently through regular meetings with management and employee representatives, as well as through employee meetings and town halls.

For targets defined within the Company's sustainability strategy, progress is measured against the 2020 base year. For all other targets, 2024 serves as the baseline and will be used to monitor progress in future reporting periods.

IROs	Methodology	2020	2024	2025	Long term target-2030
Secure employment	Guided by EU labour market best practices and ILO standards on decent work , defining job security through a balance of permanent and temporary contracts.	N/A	8.20% of employees have fixed-term contracts	7.2% of employees have fixed-term contracts	Less than 15% of fixed-term contracts, consistently
Adequate wages	Defined in line with national legislation or collective agreements	N/A	In 2024, none of the employees were paid below the applicable adequate wage benchmark.	In 2025, none of the employees were paid below the applicable adequate wage benchmark.	Less than 5% of the employees paid below the applicable adequate wage benchmark.
Collective bargaining	Aligned with EU Directive on Collective Bargaining Coverage , defining industry benchmarks for collective agreements in FMCG industry.	N/A	87% of employees are covered with collective bargaining agreements	87% of employees are covered with collective bargaining agreements	More than 67% of employees covered by a collective agreement, consistently
Work-life balance	Developed in reference to ISO 45003 (Occupational Health & Psychological Well-being) and ESG best practices for employee engagement and Atlantic Grupa's engagement survey historical results.	N/A	"I am generally able to balance my work and my personal responsibilities = 93% "	"I am generally able to balance my work and my personal responsibilities = 92% "	Engagement Survey score above 85% on the statement: "I am generally able to balance my work and my personal responsibilities.", consistently
Occupational Health and Safety	Defined using the standard formulas outlined in GRI reporting guidelines for calculating Injury Rate (IR) and Lost Day Rate (LDR). The baseline state was established by assessing Atlantic Grupa's historical performance, which was then benchmarked against regional production companies .	IR = 6.1 LDR=102.9	IR =3.0 LDR=69.8	IR =2.4 LDR = 48.6	Work related injuries max 4.5 injury rate & max. 90 lost days rate (LDR)
Gender equality and equal pay	Guided by EU Gender Equality Strategy 2020-2025 guidelines with the aim to maintain equality in Atlantic Grupa.	N/A	Pay Gap = 1.1%	Pay Gap = 0.7%	Maintain the Pay Gap below 5%, continuously
Training and skills development	Developed in reference to World Economic Forum (WEF) Future of Jobs Report and EU Skills Agenda benchmarks for employee upskilling that connect training hours directly to the company's profitability and competitiveness. These are then compared with Atlantic Grupa's base line FY2020 to define realistically ambitious long-term goal.	Average training hours per employee (2020) = 12	Average training hours per employee (2024) = 17	Average training hours per employee = 20	Vocational training hours 17 average per employee
Measures against violence and harassment in the workplace	Reflecting ILO Convention No. 190 on Violence & Harassment in the Workplace , defining organisational zero-tolerance policies.	N/A	No verified cases in 2024	No verified cases in 2025	Number of Verified Cases less than 1, consistently
Diversity	Guided by EU Diversity & Inclusion Directives and with the aim to promote workplace inclusion.	Share of women in managerial positions = 52.4%	Share of women in managerial positions = 53.2%	Share of women in managerial positions = 51.8%	Share of women in managerial positions - min. 51%

S1-6 Characteristics of the Undertaking's Employees

Gender distribution

Gender distribution reflects the total headcount of women and men across all countries of operation.

Gender	Number of employees (headcount)	
	2024	2025
Male	2,648	2,661
Female	2,882	2,955
Other	0	0
Not reported	0	0
Total Employees	5,530	5,616

Geographic distribution

Geographic distribution shows the average headcount by country where Atlantic Grupa operates.

Country	Number of employees (headcount)	
	2024	2025
Croatia	2,153	2,232
Serbia	2,171	2,129
Slovenia	661	680
Other	546	575

Atlantic Grupa reports employee characteristics based on the average headcount during the reporting period across all operating countries, excluding freelancers and contractors. Data includes gender and geographic distribution, contract types, working time arrangements, and employee turnover.

Employment characteristics

Employment characteristics - information on employees by contract type, broken down by gender 2025					
	FEMALE	MALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees (headcount)	2,955	2,661	0	0	5,616
Number of permanent employees (headcount)	2,723	2,472	0	0	5,195
Number of temporary employees (headcount)	232	189	0	0	421
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0
Number of full-time employees (headcount)	2,919	2,654	0	0	5,574
Number of part-time employees (headcount)	36	6	0	0	42

Employment characteristics - information on employees by contract type, broken down by gender 2024					
	FEMALE	MALE	OTHER	NOT DISCLOSED	TOTAL
Number of employees (headcount)	2,882	2,648	0	0	5,530
Number of permanent employees (headcount)	2,686	2,471	0	0	5,158
Number of temporary employees (headcount)	196	177	0	0	373
Number of non-guaranteed hours employees (headcount)	0	0	0	0	0
Number of full-time employees (headcount)	2,840	2,642	0	0	5,482
Number of part-time employees (headcount)	42	6	0	0	48

Information on employment characteristics is presented by contract type and working time arrangements, broken down by gender. Categories include permanent and temporary employees, full-time and part-time employees, and non-guaranteed hours employees (none reported in 2025).

Definitions

- Permanent employees: Open-ended employment contracts
- Temporary employees: Fixed-term employment contracts
- Full-time employees: Contracts with full weekly working hours
- Part-time employees: Contracts with reduced weekly working hours
- Non-guaranteed hours employees: No contractual assurance of minimum working hours

Employee turnover

In 2025, a total of 563 employees left Atlantic Grupa, resulting in a reduced employee turnover rate of 10.0%, compared with 661 employees and a turnover rate of 12.0% recorded in 2024.

This rate is calculated by dividing the total number of leavers by the average number of employees during the reporting period.

For details on personnel costs and average headcount, please refer to Note 6 "Staff Costs" in the consolidated financial statements.

S1-7 Characteristics of non-employees in the undertaking's own workforce

Freelancers

Atlantic Grupa engages freelancers primarily to address specific business needs. Most are contracted to meet seasonal workforce demands during peak periods, ensuring operational continuity. Others

provide time-limited project support, offering specialised expertise or assistance for particular initiatives. Additionally, freelancers are occasionally engaged for administrative or part-time support roles to enhance efficiency.

In 2025, the headcount of freelancers increased to 207, compared with an average of 198 freelancers engaged throughout the reporting period in 2024.

S1-8 Collective bargaining coverage and social dialogue

Collective bargaining	2025	2024		
Total percentage of collective bargaining coverage	87%	87%		
Coverage rate (for countries with >50 employees representing >10% of total employees)	Collective bargaining agreement			
	Employees EEA coverage rate		Employees Non-EEA coverage rate	
	2025	2024	2025	2024
0-19%				
20-39%				
40-59%				
60-79%	Croatia	Croatia		
80-100%	Slovenia	Slovenia	Adria region	Adria region

Collective bargaining

Coverage is calculated by dividing the total number of employees covered by collective bargaining agreements by the total number of employees in Atlantic Grupa, excluding freelancers and contractors. For entities with significant employment (more than 50 employees and representing at least 10% of total employees), coverage is calculated at the market level by dividing the number of employees covered by collective agreements by the total number of employees in that market.

S1-9 Diversity metrics

2025					
SENIOR POSITIONS	No. of employees	Male	Female	% of Male	% of Female
MANAGEMENT BOARD	8	6	2	73.3%	26.7%
SUPERVISORY BOARD*	9	5	4	59.3%	40.7%
SENIOR MANAGERS	586	279	307	47.7%	52.3%
Total	602	290	312	48.2%	51.8%

2024					
SENIOR POSITIONS	No. of employees	Male	Female	% of Male	% of Female
MANAGEMENT BOARD	7	6	1	85.7%	14.3%
SUPERVISORY BOARD*	9	6	3	66.7%	33.3%
SENIOR MANAGERS	686	316	370	46.1%	53.9%
Total	702	328	374	46.8%	53.2%

*The Audit committee consists of three members of the Supervisory Board (also included in the numbers above).

Senior positions at Atlantic Grupa include all managerial roles and members of the Supervisory Board. Gender distribution in these positions is calculated based on the average headcount of men and women during the reporting period, excluding freelancers and contractors.

Age distribution of employees	2025	2024
Age < 30 (head count)	762	787
Age 30-50 (head count)	3,380	3,358
Age > 50 (head count)	1,473	1,385
Total	5,616	5,530

The age distribution of employees is calculated by summing the total headcount of employees under 30 (29 or younger), employees between 30 and 50 (30 to 49), and employees aged 50 or above, excluding freelancers and contractors. This calculation is based on an average taken over the reporting period.

S1-10 Adequate wages

Atlantic Grupa ensures compliance with all legal wage requirements in the markets where it operates, guaranteeing that no employee is paid below the mandated minimum. The Company determines the lowest wage for each country by considering basic pay and any fixed guaranteed supplements and assessing this amount against the applicable adequate-wage benchmark. The Company evaluates adequate wages against relevant national minimum wages and applicable collective agreements.

Beyond regulatory compliance, the Company maintains competitive and fair wages by regularly conducting and participating in market salary research, using industry benchmarks and best practices to guide its compensation strategy. This approach ensures remuneration reflects employee skills, experience, and market conditions, supporting well-being and long-term business sustainability.

Same as previous year, in 2025, none of the employees were paid below the applicable adequate wage benchmark. Freelancers and contractors are excluded from this calculation.

S1-11 Social protection

All Atlantic Grupa employees are covered by social protection measures in line with applicable laws, including illness, unemployment, work-related injury and acquired disability, parental leave, and retirement.

Beyond legal compliance, Atlantic Grupa operates a Solidarity Programme for employees and their families. This programme provides assistance in cases of natural disasters (such as floods, earthquakes, or fires), scholarships for children of deceased employees, coverage of additional medical expenses for serious illness or injury, and free psychotherapeutic support.

S1-13 Training and skills development metrics

Atlantic Grupa conducts annual Performance & Development Talks (PDT) between employees and managers to review objectives, performance, and career development. Same as previous year, in 2025, this process covered 79% of our professionals and managers. Within this population, 57% were women and 43% were men. This figure is based on the Company's internal calculation, representing the percentage of professional and managerial positions involved in PDT, aligned with the Company's target to include the majority of these roles in the process.

Taking into consideration the ESRS requirement (% of the total HC involved in Performance and Development Talks), 26% of the total HC population is included in PDT. The gender split is 58% women and 42% men.

Average number of training hours per employee				
	2020	2024	2025	2025 HC*
Female	13	21	26	24
Male	11	15	14	13
Total	12	17	20	19

Training hours include time spent on various learning activities such as on-site training, on-line courses, workshops, certification programs, and mandatory compliance education. They exclude trainee programs, course development, and instructor time. Hours per employee and by gender are calculated by dividing total recorded training hours by full-time equivalent (FTE) for each gender, based on the reporting period. Freelancers and contractors are excluded. Additionally, in accordance with ESRS requirements, for 2025 HC* training hours per employee and by gender are calculated by dividing the total recorded training hours in Atlantic Grupa by the headcount for each gender.

S1-14 Health and safety metrics

All employees of Atlantic Grupa and its affiliated companies are fully covered by the occupational health and safety system (100%). This coverage also applies to all individuals present or performing work at Atlantic Grupa locations. The Company maintains detailed records of all workplace injuries and work-related illnesses, including cases involving non-employees.

Work related injuries	2020	2024	2025
Minor injuries	52	37	29
Major injuries	10	2	3
Fatalities	0	0	0
Total	62	39	32
IR	6.1	3.0	2.4
LDR	102.9	69.8	48.6

Number of work-related injuries

The consolidated number of work-related accidents for employees during the reporting period is based on records from local health and safety management systems across Atlantic Grupa entities.

Injury rate (IR)

This rate represents the number of work-related accidents per 1,000,000 hours worked. It is calculated by dividing the number of cases recorded during the reporting period by aggregated working hours and multiplied by 1,000,000. Working hours are estimated annually and adjusted by a

In 2025, Atlantic Grupa recorded zero work-related fatalities. The fatality rate from occupational injuries remained at 0. No cases of occupational diseases were reported, nor were any illnesses or injuries identified that could be linked to work activities or conditions. The injury rate among external contractors performing work and/or services at Atlantic Grupa locations and affiliated companies was also 0.

During 2025, a total of 636 workdays were lost due to work-related injuries or illnesses. This represents a significant improvement compared to 2024, when 914 workdays were lost. Additionally, no workdays were lost due to fatalities caused by work-related injuries or illnesses in 2025.

multiplier of 1.13 to account for specific business activities (pharmacy and production) occurring on non-working days and multiple shifts.

Lost day rate (LDR)

This rate represents the number of lost workdays due to work injuries per 1,000,000 hours worked. It is calculated by dividing the number of lost workdays recorded during the reporting period by aggregated working hours and multiplied by 1,000,000. The same multiplier (1.13) is applied for business activities outside standard working days and multiple shifts.

S1-15 Work-life balance metrics

Atlantic Grupa ensures that all employees are entitled to family-related leave in accordance with employment terms and conditions outlined in employee handbooks and contracts.

	2024			2025		
	parental leave	1st day in school	total family related leave	parental leave	1st day in school	total family related leave
Female	4.2%	1.5%	5.7%	5.0%	1.4%	6.4%
Male	0.6%	1.2%	1.8%	1.3%	1.2%	2.5%
Total	4.9%	2.6%	7.5%	6.3%	2.6%	8.9%

S1-16 Remuneration metrics (pay gap and total remuneration)

Remuneration metrics	2024	2025
Gender pay gap (%)	1.1	0.7
Annual total remuneration ratio	38.3	33.4

Atlantic Grupa is committed to gender pay equity, reflecting its dedication to a fair and inclusive workplace and a proactive approach to addressing gender disparities within the FMCG sector. Remuneration policies at all levels are based on structured, objective and transparent criteria, thus enabling their positive impact on gender equality in remuneration.

The gender pay gap is calculated based on all employees' gross hourly pay, including taxable and non-taxable salary elements. The calculation subtracts the average gross hourly pay of female employees from that of male employees, divides the difference by the average male pay, and multiplies by 100.

The annual total remuneration ratio is calculated by dividing the highest-earning employee's total remuneration by the median annual remuneration for all employees, excluding the highest earning employee. Total remuneration includes taxable and non-taxable income.

Additionally, detailed breakdown is provided below, offering a more accurate representation of the Company's compensation structure.

	2024	2025
Atlantic Grupa d.d.	17.8	16.8
Austria	4.4	4.1
Bosnia and Herzegovina	4.2	3.8
Montenegro	2.6	2.6
North Macedonia	11.3	12.5
Serbia	13.7	13.2
Russia	2.0	2.3
Slovenia	14.1	16.4
Other LE without Atlantic Grupa d.d. on the Croatian market	14.0	13.4

The total remuneration ratio is calculated by dividing the highest-earning employee's total remuneration by the median annual remuneration for employees in each country, excluding the highest earner. Total remuneration includes taxable and non-taxable income. Atlantic Grupa conducts this analysis at the market level to reflect significant legal and economic differences in salaries across regions. This approach ensures realistic comparisons by considering local conditions such as regulatory frameworks, tax policies, and labour cost structures. In Croatia, Atlantic Grupa separately reports data for the legal entity Atlantic Grupa d.d. (AGDD), which includes headquarters and central management roles with strategic responsibilities. Other Croatian entities are grouped together to provide a clear comparison for operational and business functions.

S1-17 Incidents, complaints and severe human rights impacts

Same as previous year, in 2025, there were no reported cases of human rights violations defined in accordance with the UN Guiding Principles on Business and Human Rights (the Declaration of the International Labour Organization (ILO) on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises).

A young girl with braided hair, wearing a white sweater, is shown in profile from the chest up, holding hands with an adult whose arm is visible on the left. They are standing in a field of tall grasses at sunset. The sun is low on the horizon, creating a bright lens flare and casting a warm glow over the scene. The sky is blue with scattered white clouds. The overall mood is peaceful and hopeful.

S2 Workers in the value chain



SBM-2
Interests and views of stakeholders

Ensuring the relevance of its brands and categories is one of Atlantic Grupa’s strategic priorities. To realise this goal, the Company works in close partnership with suppliers of raw materials, ingredients, and packaging, who are critical to advancing its sustainability commitments and delivering value to customers, employees, and communities. Maintaining its leadership position in distribution is another strategic priority, underpinned by strong customer and principal relationship management. Atlantic Grupa recognises workers employed by its suppliers, customers, and principals as a key group of affected stakeholders whose interests, views, and rights may be influenced by its operations, as outlined in SBM-2 Interests and Views of Stakeholders section within ESRS 2 General Disclosures.

The Company considers their expectations—particularly regarding safe and fair working conditions, respect for human rights, and responsible business conduct—when shaping its strategy and business model. Insights gathered through regular dialogue with business partners and structured ESG data collection inform strategic decisions related to responsible sourcing, supplier selection and development, procurement practices, partnership models, and customer relationship management. By systematically integrating these stakeholder perspectives into its strategic planning, the Company strengthens its approach to managing brands and categories, supports its distribution leadership, and embeds responsible practices across its value chain.

SBM-3
Material impacts, risks and opportunities and their interaction with strategy and business model

Sub subtopic	Name of IRO	Type of IRO	IRO Description	Value chain	Policy coverage
All sub subtopics	Improvement of working conditions through Supplier Code of Conduct (CoC)	Actual positive impact	Atlantic Grupa promotes better working conditions among suppliers by mandating compliance with the Supplier Code of Conduct. This ensures respect for human rights and ethical labour practices and reduces risk of non-compliance.	Upstream	Approval of the supplier

The Company’s material impact relates to improving working conditions across its supply chain by requiring all relevant suppliers to comply with the Supplier Code of Conduct (CoC), which establishes expectations for respect for human rights and fair labour practices. As one of the Company’s strategic pillars is to empower its organisation, which also includes its suppliers, it encourages them to review and strengthen their due diligence procedures to prevent human rights violations in their supply chains and to contribute to good industry practices. This commitment is supported by the Company’s ongoing risk analysis and mapping covering suppliers of raw materials, packaging, energy, and services, taking into account turnover, geographic location, and suppliers’ management of their own value chains. Atlantic Grupa directly manages its tier 1 suppliers through contractual relationships. Among 37 key

suppliers of raw materials, packaging, and energy providers, all operate in low-risk countries according to the Human Development Index (HDI), which served as the basis for country-risk classification.

The Company reviews all relevant suppliers and their policies, certificates, and ESG-related documentation through the ESG questionnaires submitted via the Sphera SCS (Supply Chain Sustainability) platform, which provides a structured assessment of social and labour-related risks. When elevated risk is identified, corrective actions may include requesting additional documentation or conducting targeted on-site audits. The Sphera SCR (Supply Chain Risk Management) tool additionally provides continuous monitoring of broader environmental, social, and geopolitical risks, enabling proactive mitigation across the value chain.

Tier 2 suppliers, particularly in coffee and cocoa agriculture, may operate in high and very high-risk countries according to HDI, such as Rwanda, Ethiopia, Uganda, India, Ivory Coast, and Ghana, where there is potential risk of child or forced labour. Although the Company does not interact with these suppliers directly, these risks are mitigated indirectly through cascading requirements to tier 1 suppliers and strengthened traceability.

The Supplier Code of Conduct and the Company's ESG evaluations apply to all groups of workers across the value chain, meaning that the related risks and opportunities concern the entire workforce rather than specific sub-groups. The Company notes that the ESG questionnaire submitted via Sphera SCS platform collects information at a general level for all worker categories and therefore does not provide the granularity needed to assess individual worker groups.

S2-1 Policies related to managing material impacts on workers in the value chain

Atlantic Grupa's approach to managing its material impact on workers in the value chain is embedded in the Approval of the Supplier procedure, which requires ESG risk evaluation, verification of supporting documents, and completion of ESG questionnaires via the Sphera SCS platform prior to approving suppliers of raw materials and packaging. Signing the Supplier Code of Conduct is mandatory before initiating any business collaboration. This policy is designed to cover all value-chain workers connected to relevant suppliers.

The Supplier CoC sets Atlantic Grupa's commitment to respect human rights and labour rights of value-chain workers and is aligned with the UN Guiding Principles on Business and Human Rights, the ILO Declaration, and the OECD Guidelines for Multinational Enterprises. It explicitly covers child labour and child protection, forced or compulsory labour and human trafficking (including prohibition of recruitment fees and coercive practices), non-discrimination and fair treatment, freedom of association and collective bargaining, working time and fair wages, and occupational health and safety. These topics are embedded in supplier approval and ongoing compliance.

To support adherence to these international standards, Atlantic Grupa monitors supplier practices through the ESG assessment process and the contractual acceptance of the Supplier CoC, and requires suppliers to maintain appropriate grievance mechanisms and to implement corrective actions where non-compliance is identified. Although the Company does not engage directly with workers employed by its suppliers, it expects suppliers to ensure effective worker-engagement practices and to provide channels through which workers can raise concerns safely and without fear of retaliation. Compliance with the Supplier CoC and ESG requirements is monitored by the Corporate Sustainability Management (CSM) department, while the Central Procurement is responsible for implementing the approval process.

In 2025, the Company identified no cases of non-respect of the UN Guiding Principles, ILO Declaration or OECD Guidelines involving workers in its value chain. Customer requests related to human-rights requirements are handled by Corporate Legal Affairs, which coordinates with CSM and Central Procurement to reflect these requirements in supplier-related policies. The Supplier CoC is available on the Company's official website.

S2-2 Processes for engaging with value chain workers about impacts

Atlantic Grupa engages with value chain workers indirectly through its suppliers by collecting ESG-related information via the Sphera SCS platform. Suppliers are required to submit ESG questionnaires and supporting documentation, which enables the Company to obtain insights into working conditions, human-rights practices, and the existence of worker grievance mechanisms in the value chain.

In 2025, the implementation of Sphera SCS provided a more consistent and structured approach to supplier engagement, improving the quality and comparability of information received about value chain workers. This digital tool also helps identify potential labour-related impacts that may arise within supplier operations.

In addition to indirect engagement, the Company continues to conduct direct assessments of service providers working at its BSCI-certified Atlantic

Štark Belgrade production site. These assessments remain an ongoing component of supplier oversight to ensure continuous compliance with social and labour standards.

S2-3 Processes to remediate negative impacts and channels for value chain workers to raise concerns

Atlantic Grupa requires its suppliers to maintain effective grievance mechanisms as set out in the Supplier Code of Conduct. Information on these mechanisms is collected through ESG questionnaires submitted via the Sphera SCS platform, allowing the Company to understand how suppliers receive, process, and resolve worker complaints within their operations.

As the Supplier Code of Conduct and Sphera SCS platform were introduced at the end of 2024 and extended in 2025, the Company is gradually integrating grievance-related information submitted by suppliers into its regular monitoring activities. While the Company does not directly evaluate the level of worker awareness or trust in supplier grievance mechanisms, it will continue to rely on SCS-based disclosures to monitor this area as part of its ongoing supplier oversight.

For concerns related directly to Atlantic Grupa, suppliers and their workers may submit grievances via nepravilnosti@atlanticgrupa.com, which forms part of the Company's Whistleblowing Procedure Rules disclosed under G1-1 Corporate culture and business conduct policies. This contact is also indicated in the Supplier Code of Conduct provided to suppliers and is additionally accessible through the Supplier Portal on the Company's official website.

S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions

Atlantic Grupa addresses its material impact on value chain workers through actions integrated into the Approval of the Supplier procedure and the implementation of the Sphera SCS and Sphera SCRM systems. From 2025, ESG risk evaluation, verification of supplier documentation, and signing of the Supplier Code of Conduct became mandatory for approving suppliers of raw materials and packaging. ESG compliance checks have been incorporated into both regular and emergency supplier approvals. This fulfils the commitment announced in 2024 to introduce mandatory Supplier CoC signing from 2025 and to digitalise supplier assessments in line with ESRS S2 requirements, with implementation now completed for relevant suppliers.

The Company's actions focus on advancing its material positive impact - *Improvement of working conditions through Supplier Code of Conduct (CoC)*. Through the Sphera SCS platform, the Company collects supplier policies, certificates, and ESG questionnaire data covering topics such as human rights, fair labour practices, occupational health and safety, and social/labour certifications (e.g., ISO 45001, SA8000, BSCI, ISO 26000). This enables consistent evaluation of supplier practices and supports the prioritization of corrective actions for suppliers identified as higher risk. The Sphera SCRM system complements this by monitoring dynamic social and human-rights-related risks in the supply chain, including exposure to high-risk countries in tier 2 agricultural sourcing. Social risk indicators within SCRM cover potential non-compliance with human rights and labour practices. As this is an ongoing monitoring process, the action horizon for this measure is continuous.

Effectiveness of these actions is monitored through Sphera-based indicators, including the level of CoC coverage among raw-material and packaging suppliers, the completeness and quality of ESG questionnaires, and changes in supplier-level social-risk signals generated by SCRM. These insights contribute to ongoing enhancements in supplier evaluation

Sustainability statement

processes and support delivery of the Company's material impact.

During 2025, no indications of human rights violations were identified in the supply chain. No significant operational expenditures (Opex) or capital expenditures (Capex) were required for these activities.

S2-5 Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

Atlantic Grupa aims to strengthen the management of social and human-rights-related risks in its supply chain by further integrating insights from the Sphera SCS assessment data with dynamic risk indicators from the Sphera SCR system. The Company's qualitative objective is to enhance early detection of potential labour and human rights risks and to support suppliers in improving their social practices through more targeted corrective actions. To reinforce this approach, Atlantic Grupa has set a quantitative and time-bound target for at least 50% of direct materials suppliers and outsourced suppliers to complete the Sphera SCS assessment, which includes social and human-rights-related requirements defined in the Supplier Code of Conduct, by the end of 2026, as further outlined in section G1-2.



S4

Consumers and end users

**SBM-2**
Interests and views
of stakeholders

Atlantic Grupa's strategy places consumers at the centre of all business activities. Through systematic monitoring of consumer preferences and expectations via various communication channels, the Company gathers essential insights that guide product and brand development. Innovation is driven by these insights, while sustainability considerations are integrated into every stage of product design and improvement. This approach ensures that business models and investments support the achievement of the Company's sustainability objectives and deliver long-term value for consumers and end users.

For more details, please refer to the SBM-2 Interests and Views of Stakeholders section within General Disclosures.

SBM-3
Material IROs and their interaction
with strategy and business model

Atlantic Grupa recognizes that actual and potential impacts on consumers and end users stem from its business strategy and model. These impacts are closely connected to the Company's commitment to ensuring product quality, safety, and transparent communication with consumers. This commitment is embedded in both the strategy and the business model, guiding decisions and actions that aim to minimize risks and enhance positive outcomes for consumers and end users. Further detail on how consumer-related impacts are integrated into the Company's business model and reflected in its strategic priorities is provided in ESRS 2 SBM-1 and SBM-2.

Sub-subtopic	Name of IRO	Type of IRO	IRO Description	Value chain	Policy coverage
Privacy	Respecting consumer data privacy in all communication channels.	Actual positive impact	In all communication channels with consumers, the Company respects the privacy of their data.	Own operations	Personal Data Management Policy
Freedom of expression	Regular and proactive collaboration with consumers in the development of new products.	Actual positive impact	Regular and proactive collaboration with consumers in the development of new products.	Own operations	Corporate New/Existing product development policy Consumer Impact and Safety Policy
Access to (quality) information	Ensured consumer access to all product information.	Actual positive impact	Providing complete and accurate product information (all nutritional aspects of the product in the local language are available on each product, including additional statements such as Halal, kosher, vegan, allergen information).	Own operations	Corporate policy for authorisation and labelling of products
Health and safety	Ensured consumer trust in high safety and quality food products.	Actual positive impact	By implementing rigorous food safety and quality standards, the Company strengthened consumer confidence in its products.	Own operations	The set of corporate Safety and Quality Policies, including Food Safety Culture Policy (FSCL) The product safety and quality policy
Non-discrimination	Products available for consumers with specific ingredient expectations.	Actual positive impact	Products available for consumers with specific ingredient expectations (ethical and religious groups - halal, kosher) and nutritional value (sugar-free, additive-free, animal-free ingredients - vegan, fasting).	Own operations	Consumer Impact and Safety Policy
Responsible marketing practices	Focus on applying responsible marketing practices.	Actual positive impact	The Company focuses on ensuring that all marketing activities adhere to responsible marketing practices.	Own operations	Consumer Impact and Safety Policy

Atlantic Grupa's disclosure addresses all consumer groups that may be materially impacted by its operations and value chain, including impacts related to product offerings, marketing strategies, and business relationships. This includes the direct and indirect impacts of its operations, products, and services on consumers in all regions of operation.

By prioritising consumer trust and transparency, Atlantic Grupa respects data privacy, collaborates closely with consumers in product development, and provides accurate product information to foster long-term loyalty. The Company emphasises food safety and product integrity at every stage, supported by accurate nutritional and ingredient data from suppliers. With a focus on wide product availability and responsible marketing, Atlantic Grupa ensures accessibility and aligns with consumer expectations. These efforts build resilience, keeping the company adaptable, competitive, and aligned with its core values of consumer well-being, innovation, and sustainability.

The Company recognizes that diverse consumer needs and expectations are a critical component of its strategy. Products are designed for various consumer segments, including those with specific dietary or ethical requirements (e.g., organic, vegan, low-cal-

orie, Halal, Kosher). By addressing these needs, Atlantic Grupa expands market reach, strengthens brand loyalty, and promotes corporate responsibility.

Diversification of products and consumer groups enhances resilience, reduces dependency, and supports long-term competitiveness in line with the Company's core values of consumer well-being, innovation, and sustainability.

S4-1 Policies related to consumers and end-users

Atlantic Grupa manages material impacts affecting consumers and end-users through a comprehensive set of policies and procedures. These policies reflect our commitment to respecting human rights, as defined by the UN Global Compact principles and Atlantic Grupa's Code of Corporate Governance. They are aligned with internationally recognized standards, including the ILO Declaration on Fundamental Principles and Rights at Work and the OECD Guidelines for Multinational Enterprises, ensuring integrity in all interactions with stakeholders. The fact that we successfully integrated respect for human rights into all our policies by adopting and applying all fundamental international principles is

reflected in the absence of any human rights violations reported in 2025. Any potential violations can be reported through our Contact Centre or whistleblower mechanism (see G1 Protection of Whistleblowers). As we had no reports of human rights violations, we did not implement measures to provide and enable remedies.

Our process management structure defines four core processes directly linked to consumer well-being: Personal Data Management, New Product Development, Product Safety and Quality Assurance, and Marketing Management. Corporate-level process owners ensure these policies are regularly updated to reflect stakeholder expectations, emerging trends, and new findings.

All material IROs identified in the previous section are covered by the following policies:

— Personal Data Management Policy

Atlantic Grupa ensures appropriate control over the collection, processing, and storage of personal data across all operations. The policy is centrally defined and implemented throughout all legal entities, ensuring that personal data is processed lawfully and for legitimate purposes.

The Group Vice President for Corporate Activities appoints a Personal Data Protection Advisor, and Data Protection Officers for specific markets and processes. Corporate Services oversees compliance through scheduled audits, with ultimate responsibility resting with the Director of Corporate Services.

Technical and organizational measures for data protection are defined by IT Security Rules and fully applied to safeguard confidentiality. The Corporate Legal Affairs department reviews and approves all data processing agreements to ensure compliance with General Data Protection Regulation (GDPR) and local regulations.

— Corporate New/Existing product development policy (N/EPD)

This policy governs the entire process of bringing new products to market and is centrally defined by the NPD corporate process owner. It is approved by SBU Marketing Directors, who ensure implementation across all SBUs.

The NPD process follows a standardized stage-gate model, where progression between stages is based on inputs such as marketing strategy, market research, consumer validation, business case, risk analysis, and resource requirements. The process begins with ideation and concludes

at the Launch Control gate. Sustainability criteria are integrated from the earliest stages of product development. These include reducing packaging, minimizing environmental impacts, and adapting recipes to clean-label principles using claims designed to provide transparency and enable consumers to make informed choices aligned with their lifestyle.

— Corporate policy for authorisation and labelling of products

This policy establishes a standardized process for authorizing and labelling food, food supplements, and other FMCG products to ensure compliance across all markets.

The Director of Corporate Quality Management holds ultimate responsibility for the policy, while implementation involves cross-functional collaboration between Legal Affairs, Regulatory, R&D, Marketing, and Quality Assurance departments. The goal is to provide consumers with accurate and complete product information in line with legal requirements and regulatory standards for each market.

— Food Safety Culture Policy (FSCL)

Atlantic Grupa's Food Safety Culture Policy establishes shared values and behaviours that prioritize food safety across all organizational levels and legal entities. It applies to all employees and promotes individual and collective responsibility for maintaining a strong food safety culture.

The policy is owned by the Food Safety and Quality sector within the Corporate Quality Management (CQM) department, with ultimate responsibility held by the CQM Director. Senior management ensures implementation throughout the Company, reinforcing the principle of leading by example.

The policy's effectiveness is monitored through annual surveys conducted by Quality Assurance experts, with improvement plans assigned to production and distribution managers. These managers ensure employees understand their responsibilities and implement actions that strengthen food safety culture.

— The Set of Corporate Safety and Quality Policies

Atlantic Grupa's set of Safety and Quality Policies establish mandatory requirements for safe

and consistent production and distribution of food products across all production sites and logistics centres. Where applicable, these rules also apply to subcontractors and contract distributors handling Atlantic Grupa's own-label products, serving as reference standards during quality assurance supervision.

The policies are owned by the Food Safety and Quality sector within the CQM department, with ultimate responsibility held by the CQM Director. Their primary objective is to ensure best practices for protecting consumer health, safety, and security. Implementation is delegated to all SBUs and SDUs, supported by corporate oversight of processes, infrastructure, and compliance systems.

— Consumer Impact and Safety Policy

Atlantic Grupa's Consumer Impact and Safety Policy defines principles for ethical, transparent, and responsible marketing communication, advertising, and promotional activities across all markets. The policy applies to all Atlantic Grupa's brands and covers the entire marketing value chain, including external partners, with special attention to vulnerable consumer groups.

Its primary objective is to prevent misinformation, discriminatory practices, and human rights violations, while promoting consumer trust, product transparency, and social inclusion. Marketing Directors of SBUs hold ultimate responsibility for implementation. All marketing communications undergo rigorous legal and quality reviews to ensure compliance with applicable laws and industry standards, avoiding misleading claims and safeguarding consumer well-being.

All the above-mentioned policies are available to all employees via the intranet across all markets.

S4-2 Processes for engaging with consumers and end-users about impacts

Atlantic Grupa engages with consumers through multiple communication channels and structured research activities, aligned with its stakeholder en-

agement process described in ESRS 2 SBM-2. To understand preferences, expectations, and potential impacts of products and services, the Company conducts customer satisfaction surveys, market preference studies, competitive analysis, brand recognition research, loyalty assessments, and online feedback analysis. These processes involve direct consumer participation and provide insights that inform strategic decisions and product development.

Responsibility for implementation lies with marketing departments within each SBU, starting with brand managers and extending to marketing directors, ensuring that consumer feedback is integrated into business objectives.

Effectiveness of engagement is assessed through market research, consumer surveys, and a formal complaints mechanism, which enables tracking and resolution of consumer concerns. Additionally, proactive collaboration with consumers during new product development ensures alignment with expectations and strengthens trust.

S4-3 Processes to remediate negative impacts and channels for consumers and end-users to raise concerns

Atlantic Grupa provides multiple channels for consumers to raise concerns, including a dedicated Contact Centre accessible via toll-free phone, email, and online forms indicated on product packaging. The Contact Centre handles inquiries, suggestions, and complaints, ensuring accessibility for vulnerable consumers through language support and disability-friendly options. Privacy is strictly protected, and all processes comply with consumer protection laws and GDPR requirements.

Every complaint is logged and processed through an official procedure. Cases are forwarded to the Quality Control department for analysis, with involvement from brand managers, Legal Affairs, and Corporate Communications to ensure resolution and preventive measures. Responses are provided promptly and within legally defined deadlines. If a consumer is dissatisfied, escalation options include mediation or independent bodies before legal action.

Effectiveness is monitored through systematic data collection and analysis of complaints, response times, and customer satisfaction indicators. Insights from complaints feed into product and process improvements to reduce recurrence. In 2025, Atlantic Grupa recorded a total of 20,101 consumer communication contacts, which represents a 24% decrease compared to 26,678 contacts in 2024. This reduction is primarily the result of lower brand activity, particularly fewer prize-game campaigns, most notably in the Serbian market, where a marked decline occurred in contacts related to SBU Beverages and SBU Snacks.

Across all markets, 737 complaints were received in 2025, compared to 810 in 2024, reflecting a 9% year-on-year decrease and confirming continued improvements in product quality control and more consistent consumer experiences. In both reporting years, 2024 and 2025, no complaints related to human rights violations were recorded.

Call centre performance indicators remained strong and within industry benchmarks. The average response time improved slightly from 00:00:04 in 2024 to 00:00:03 in 2025, while the average handle time remained stable at 00:05:44 in 2024 and 00:05:39 in 2025, consistent with the industry standard of 2-6 minutes. Customer satisfaction remained high in both years, with an average score of 4.6 out of 5 in 2024 and 2025, confirming the sustained quality and reliability of consumer support service.

S4-4 Taking actions to manage material IROs

Atlantic Grupa has implemented measures to address material consumer-related impacts identified in 2025. While specific future initiatives and targets will be defined in the upcoming reporting periods, the Company continues to apply established practices in marketing, data protection and quality assurance to safeguard consumer well-being. The key actions taken during the year are outlined below.



Respecting consumer data privacy in communication channels

Atlantic Grupa ensures lawful collection and processing of personal data through robust technical and organizational measures, regular employee training, and compliance monitoring. External partners are required to adhere to the same data protection standards. In cases of misuse, corrective procedures are applied, and affected individuals are notified in line with legal requirements.

Compliance with the Personal Data Management Policy is monitored through regular audits and supervision, ensuring alignment with GDPR and local regulations. In 2025, as in 2024, no claims or violations related to consumer privacy were reported, reaffirming the effectiveness of our data protection system.

Regular and proactive collaboration with consumers in the development of new products

Atlantic Grupa engages consumers directly in new product development through focus groups and product testing to understand preferences, attitudes, and behaviours. Insights from these interactions guide product design, ensuring alignment with evolving consumer expectations and regulatory requirements across all markets. In 2025, this approach was applied across all SBUs through extensive consumer engagement initiatives. SBU Coffee conducted neuromarketing studies, blind product tests for Turkish and instant coffee, and packaging design evaluations to optimize product appeal. SBU Savoury Spreads carried out concept tests for new salad products, user segmentation studies, and halal consumer research in France to tailor offerings for international markets. SBU Snacks implemented multiple concept and post-launch tests for Smoki Protein, Prima biscuits, and Štark products, supported by retail tracking and continuous feedback through call centres. These insights directly informed recipe improvements, packaging redesigns,

and the introduction of products aligned with sustainability and inclusivity criteria.

Sustainability is embedded in this process from the outset. Each product category applies predefined criteria, including improved nutritional value (e.g., no added sugar, high fibre), clean-label principles (free from additives), socially specific recipes (e.g., vegan, Halal, Kosher), and biodiversity/environmental protection (e.g., organic, certified Rainforest Alliance, palm oil-free, GMO-free).

Effectiveness is monitored through ESG KPIs in the “Products” category, such as the share of new formulations introduced annually with sustainability claims and the ratio of products with improved packaging that reduces greenhouse gas emissions. Atlantic Grupa targets at least 70% of new products annually to meet these sustainability criteria (see S4-5).

Ensured consumer access to all product information

Atlantic Grupa ensures that consumers have access to accurate and complete product information through a structured labelling process managed by the Regulatory department within Corporate Quality Management. For own brands, SBU Marketing holds ownership of product declarations, supported by Legal Affairs, Regulatory, R&D, and Quality Assurance teams. The same expertise is applied to adapt and authorize labels for external principals, ensuring compliance in local languages across all markets.

Labels include all mandatory information—such as ingredients, storage and preparation instructions, waste separation guidance, recommended daily doses, nutritional and health claims, and certified scheme labels (e.g., organic, responsible fishing)—to enable informed consumer choices based on dietary, ethical, and medical needs.

EXAMPLES OF PRODUCT CLAIMS FEATURED ON ATLANTIC GRUPA PRODUCTS

NUTRITIONAL CLAIMS	HEALTH CLAIMS	PRODUCT CERTIFICATION SCHEMES
Low in calories	Clinically proven to support digestive function	Organic
Source of fibre	+ Mg Supports the metabolism	GMO free
High in vitamins	+ Zn Boosts cognitive function	Vegan
Free from additives		Halal
		MSC
		Rainforest Alliance

Effectiveness is monitored through complaint analysis and data from the Contact Centre, ensuring continuous improvement in the relevance and accessibility of product information.

Ensured consumer trust in high safety and quality food products

Atlantic Grupa ensures product safety and quality through the implementation of corporate rules across strategic business operations. Quality Assurance (QA) departments within SBUs/BUs and SDUs/DUs are fully dedicated to achieving these goals, supported by the Corporate Quality Management Department, which provides regulatory and compliance expertise. Main objectives are achieved when every batch of finished product:

- complies with specifications for material quality and recipe integrity,
- is packed in a container that poses no risk of injury during opening,
- meets purity requirements regarding food contaminants, pesticide residues, veterinary drug residues (e.g., antibiotics), and migration from packaging,
- contains no allergens (except those declared), no genetically modified organisms, and no pathogenic microorganisms,
- is produced under hygienic conditions, properly packed, labelled, and distributed.

To achieve these objectives, Atlantic Grupa implements comprehensive measures, including:

- Identification and management of potential risks affecting consumer health and safety, such as food safety, food defence, food fraud, and traceability.
- Quality control plans throughout all process stages: product design, supplier sample approval, incoming goods release, production, and distribution until final product release.
- Regular site inspections assessing sanitary and technical conditions at all locations.
- Ensuring safe transport and distribution of products to customers.
- Full compliance with legal and regulatory requirements and adoption of best practices.
- Emergency preparedness through incident response plans for crises impacting consumer safety.

Food safety risks are managed through HACCP studies (hazard assessment), while food fraud risks

are addressed through VACCP studies (vulnerability assessment), under the responsibility of site-level teams. Continuous improvement and competency development are supported through:

- Onboarding training for new employees in quality assurance tasks.
- Regular renewal of key skills, such as good hygiene practices.
- Advanced training programs planned within the Functional Lab Quality to ensure knowledge growth across key positions.

Globalization of supply chains, diversification of food production, new raw materials and packaging, and climate change significantly impact food safety. To mitigate these risks, Atlantic Grupa conducts pre-approval supplier evaluations and site audits for raw materials, packaging, contract manufacturing, and services affecting product safety and quality. In 2025, the Company completed 68 supplier on-site audits and 32 transportation service assessments, compared with 58 supplier audits and 78 transportation assessments in 2024, demonstrating strengthened supplier monitoring and a more targeted approach to transportation service assessments. All evaluations are performed by experienced internal auditors, with annual planning based on supplier/material risk level, using data from the Rapid Alert System for Food and Feed (RASFF) portal and supplier history. Depending on risk severity, all materials were monitored for pollutants in both 2024 and 2025.

Effectiveness of product safety and quality processes and food safety culture is measured through key indicators, including consumer complaints, food safety culture index, and incidents of non-compliance such as product withdrawals/recalls.

Products available for consumers with specific expectations regarding ingredients

Atlantic Grupa addresses diverse consumer needs by offering products that meet dietary preferences and values of various ethnic and religious communities, including vegan, Halal, and Kosher options. These processes follow the same approach as described under the material impact Regular and Proactive Collaboration with Consumers in the Development of New Products.

In 2025, all SBUs delivered targeted innovations aligned with these principles. Notable examples in-

clude Smoki WOW and Prima, both certified as Vegan and Halal, and Smoki Protein, which in addition to Halal and Vegan certifications contains 20% protein and no palm oil. Recipe improvements were also made for Najlepše Želje cookies, reducing palm oil content, and for Skroz Keksy Limun ICE cookies, which now contains no artificial colors, eliminates palm oil, and uses locally sourced sunflower oil instead. Similarly, within our Coffee segment, Barcaffè offers sustainable choices such as Barcaffè Bio (organic), Barcaffè Flora (Rainforest Alliance certified with fully recyclable packaging), and Barcaffè Single Origin Peru (Rainforest Alliance certified, blockchain traceability, and fully recyclable packaging), along with “Florista – the coffee fertilizer” made from used coffee grounds. Our Argeta range addresses specific dietary needs with clear labelling, including Halal, Vegan, GMO-free, and MSC-certified products for sustainable fishing practices. All Argeta products, except salads, are gluten-free, and in 2025 the brand launched six new additive-free products. Boom Box offers a 100% vegan portfolio, reinforcing our commitment to diverse consumer preferences. In 2025, Boom Box improved its cereal recipes by removing sweeteners and introduced three gluten-free products. Donat successfully launched herbal waters designed to provide refreshing hydration and targeted metabolic support, with the clear goal of promoting digestive health and overall well-being. These products have low energy value, contain no added colorants or sweeteners, and are suitable for vegans. Finally, Atlantic Grupa expanded its beverage portfolio with Lemonish, an innovative carbonated drink launched in 2025. Lemonish is a low-calorie, plant-based sparkling lemonade made with natural CO₂ bubbles and no sweeteners.

By continuously evolving our portfolio, Atlantic Grupa ensures that all consumers—regardless of dietary requirements or beliefs—have access to high-quality, sustainable, and non-discriminatory choices. This commitment reflects our dedication to respect, inclusivity, and consumer well-being.

The effectiveness of these actions is monitored in the same way as described for material impact Regular and proactive collaboration with consumers in the development of new products.

Focus on applying responsible marketing practices in marketing activities

Atlantic Grupa is committed to responsible marketing practices that prioritize transparency, account-

ability, and ethics. All marketing communications—including advertising, promotions, and product messaging—undergo rigorous review by legal, regulatory, and quality control teams to ensure compliance with laws, regulations, and industry standards, and to prevent misleading or unsubstantiated claims, particularly regarding environmental benefits. Special attention is given to communications targeting children, ensuring messages are responsible, ethical, and culturally sensitive. Marketing practices respect diversity and inclusivity across all audiences. For brand partnerships and ambassador affiliations, potential ambassadors are evaluated to ensure alignment with company values and brand integrity. Responsibility for implementing these processes is outlined in S4-2.

In 2025, this commitment was demonstrated through targeted initiatives across SBUs. SBU Coffee brands launched campaigns promoting social well-being, such as Grand Kafa’s breast cancer awareness initiative, which enabled 45,000 free mammograms. Barcaffè strengthened its mission of fostering human connection through AI-powered *Conversation Cards* and continued campaigns like *Srčne Ekipe*. SBU Savoury Spreads reinforced positive social values through Argeta’s Good Side of Sport platform and youth programs, including *Pokal Argeta Junior*, *Kolopark Pokal* and *Schoolchildren on Skis*, engaging over 5,000 children in sports activities. SBU Snacks supported young talents through Najlepše Želje donations and promoted healthy snacking via Smoki Protein campaigns and sponsorships for youth sports clubs. SBU Beverages advanced mental health awareness through Cedevida’s Budi Dobro. Budi CE. platform, which attracted more than 80,000 users in six weeks and offered 24/7 psychological support. BU Donat focused on digestive health education through expert-led programs and collaborations with national health initiatives, ensuring clear and credible guidance for all consumers, especially vulnerable groups.

Effectiveness is monitored through KPIs such as sales results, customer satisfaction scores, brand attributes, ad trackers, and market share metrics, providing real-time insights into the impact of mitigation efforts on consumer perceptions and behaviours.

All measures are integrated into business processes and continuously implemented to uphold Atlantic Grupa’s commitment to consumer well-being and

satisfaction while minimizing potential negative impacts. The above-mentioned actions do not require significant financial resources.

S4-5 Targets related to managing material IROs

Atlantic Grupa has established a target extending to 2030 related to the material impact *Regular and proactive collaboration with consumers in the development of new products*, with a focus on deliv-

ering sustainable innovations year after year that are aligned with consumer needs and expectations. Each product category identifies relevant solutions from the predefined list of “products with claims” categories. Packaging improvements are also a priority, with all SBUs consistently reducing packaging materials (see E5-5).

In 2025, we exceeded the target, with the Company’s share of new recipes within the claimed categories reaching 76%, compared to 73% in 2024. This increase demonstrates continued progress within all businesses toward the 2030 target and reflects the Company’s strengthened focus on developing products with added value for consumers.

Pillar PRODUCTS	UOM	2030 Target	2024	2025
Summarized results for all brands				
Share of new recipes per year in claimed category	% of all new recipes per year	Min 70%	73	76

The methodology for setting targets is based on internal assessments of consumer expectations across markets and product categories, combined with planned development capabilities of each SBU. Insights were gathered through various communication channels, as described in ESRS 2 SBM-2 (Interests and views of stakeholders).

In 2025, SBU Savoury Spreads, New Growth, BU Donat, and SBU Beverages achieved 100% of new products with claims, while SBU Coffee and SBU Snacks reached 64% and 63%, respectively. In total, 80 new recipes with claims were developed. This represents a notable improvement compared with 2024, when SBU New Growth and SBU Beverages also achieved full alignment with claimed categories, SBU Savoury Spreads reached 79%, and SBU Coffee and SBU Snacks recorded half of their new recipes including claims. Overall, 37 new recipes with claims were introduced in 2024, demonstrating substantial year-on-year growth across the portfolio.

This target applies to all businesses and is managed through the Sustainability Index, which is integrated into the management reward model for General Managers and Marketing/R&D Directors. This ensures accountability and continuous focus on innovation that creates consumer value while maintaining social responsibility.

For other material impacts, specific targets have not yet been adopted. However, effectiveness of policies and actions is monitored through Atlantic Grupa’s integrated management systems, including daily internal monitoring, regular internal and external audits, continuous risk-management processes and evaluations performed by Internal Audit. Insights generated through these procedures are integrated into ongoing strategic and operational planning to support continuous improvement and progress toward sustainability objectives.

GOVERNANCE

GOVERNANCE

G1 - BUSINESS CONDUCT

296



2025 ACHIEVEMENTS



Of direct materials suppliers and outsourced suppliers completed the Supply Chain Sustainability (SCS) assessment and confirmed compliance with the Supplier Code of Conduct

30%

TARGET FOR 2026



(at least) of direct materials suppliers and outsourced suppliers that confirm compliance with the Supplier Code of Conduct through the SCS platform

50%

G1

Business conduct

Atlantic Grupa continuously develops and operates in line with best practices of corporate governance, striving through its business strategy, policies, and key internal acts to ensure transparent and efficient operations and foster strong, responsible relationships with the business environment in which it operates.

In addition to the Corporate Governance Code of the Zagreb Stock Exchange and HANFA, Atlantic Grupa also applies its own Code of Corporate Governance, thus improving the standards of business transparency and fully aligning them with European Union directives.

Atlantic Grupa's Code of Corporate Governance Code reflects a corporate governance framework set by the European law, domestic regulations, and best international practices, yet customised to the Company's own principles, structure and business requirements. In its last iteration made in 2025, the Code defines processes that aim to ensure sustainable development and responsibility for the implementation of adopted policies and procedures as a framework for performance management and performance measurement, risk management, anti-corruption behaviour and prevention of conflicts of interest aligned with a strategic approach to ESG topics.

Namely, the Code defines the procedures for the functioning of the Supervisory Board, Management Board, and other bodies and structures responsible for decision-making, their relations and remuneration policies integrating ESG factors into management processes.

The specific article defines social responsibility covering all environmental and social aspects of sustainable development, thus ensuring the avoidance of conflicts of interest, efficient internal control, and an effective responsibility system.

The Code is made available to all individuals and our stakeholders upon request and it is also accessible on the Company's intranet (internal digital platform made available on all company devices and screens placed in business facilities) and the Company's website.

Internal audit is responsible for business compliance in relation to, among all other applicable regulations, defined procedures within the Code of Corporate Governance of Atlantic Grupa and examining and analysing compliance of the existing business systems with adopted policies, plans, procedures, laws and rules that can have a significant impact on business reports.

GOV-1 The role of the administrative, supervisory and management bodies

The rules of conduct are embodied in several acts of the Company, which form the backbone for their further implementation at all levels of business. Primarily, they are determined by the Code of Corporate Governance of Atlantic Grupa adopted by the Supervisory Board and Management Board of Atlantic Grupa, and by the Code of Ethics in the Business of the Croatian Chamber of Economy, of which Atlantic Grupa is a signatory. In this way, the Supervisory Board and Management Board share responsibility for the Company's business behaviour framework and ensure that the Company's policies, people and processes are aimed at that goal. They realise this joint responsibility through their cooperation in this matter.

In the process of passing and adopting such corporate acts, an important advisory role is carried by the Public Responsibility and Corporate Governance Committee, which ensures that the aforementioned acts contain all regulatory assumptions. Internal audit is responsible for monitoring, examining and analysing compliance with such adopted rules of conduct and reports on that matter to the Audit Committee. Such a governing structure ensures that ESG principles are embedded into the Company's governance framework, allowing for comprehensive management of societal impact, stakeholder interests, and

implementation of ethical business practices that are being implemented downstream within the organisational structure of the Company.

The Audit Committee monitors the Company's reporting on the business conduct and sustainability, and that the Company policies and processes related thereto are in place.

At Atlantic Grupa, members of the Supervisory Board and Management Board are introduced to the Code of Corporate Governance, Code of Ethics in Business and other relevant corporate acts upon their appointment. This process ensures they are fully familiarised with the company's principles of ethical conduct, governance standards, and behavioural rules prior to assuming their duties. In order to keep the highest level of expertise in administrative, management, and supervisory bodies in matters of business conduct, we find it essential to focus on continued development of knowledge, skills, and attitudes of their members that align with best practices in corporate governance, business conduct and ethics, and strategic management. The Supervisory Board and Management Board members receive further education and updates whenever new legal, regulatory, or corporate governance rules come into effect.

For more information, please refer to section ESRS 2 GOV 1 The role of the administrative, management and supervisory bodies.

SBM-3 Material IROs and their interaction with strategy and business model

Sub-subtopic	Name of IRO	Type of IRO	IRO Description	Value chain location	Time horizon	Policy
Corporate culture	Attracting and retaining exceptional people	Positive actual impact	Attracting and retaining exceptional people to achieve business strategy and annual plans.	Own operations	/	Code of Corporate Governance and the Code of Ethics in the Business
Corporate culture	Enhancing corporate culture through knowledge and information sharing; employer branding.	Opportunity	Encouraging knowledge and information sharing to enhance corporate culture; attracting talent from outside the organisation (employer branding).	Own operations	Short, medium and long term	Code of Corporate Governance and the Code of Ethics in the Business
Protection of whistle-blowers	Business transparency.	Positive actual impact	Business transparency (encouraging employees to report irregularities, thereby contributing to better business operations and achieving better business results).	Own operations	/	Whistleblowing Procedure Rules
Management of relationships with suppliers including payment practices	Respecting business conditions with suppliers	Positive actual impact	Securing the highest quality suppliers based on the conditions we uphold and our reputation.	Own operations	/	Purchasing Guidelines Ethical Code of the purchasing organisation
Prevention and detection including training	Reducing corruption in the value chain.	Positive actual impact	Reducing corruption in the value chain.	Own operations	/	Code of Corporate Governance, Code of Ethics in Business and Ethical Code of the purchasing organisation

IRO-1 Description of the processes to identify and assess material impacts, risks and opportunities

In identifying and assessing material IROs within Business Conduct, we considered specific characteristics of all our operating locations, the unique aspects of our sector and business activities, and our value chain. For more details, please see section Description of the processes to identify and assess material impacts, risks and opportunities (within ESRs 2 IRO-1).

G1-1 Corporate culture and business conduct policies

Corporate culture

At Atlantic Grupa, corporate culture is the backbone of our success. It transforms the workplace into a community, products into experiences, and contributions into meaningful change. Atlantic's strategic goals are built upon the strengths of our corporate culture, ensuring they reflect the values, behaviours, and unique intangible qualities that define our company.

Atlantic's corporate culture is deeply embedded in its governance framework, guided by key documents such as Atlantic's Code of Corporate Governance and the Code of Ethics in Business. Leaders exemplify the Company's values of Passion, Care, Openness, and Growth through their daily interactions with teams, setting the tone for behaviours and expectations across the organisation.

To ensure alignment with business goals, Atlantic Grupa evaluates cultural effectiveness through regular engagement surveys, focus groups, and performance metrics such as employee satisfaction and leadership competencies. Internal communication channels, including townhall meetings and newsletters, further support transparency and cultural cohesion. This process is overseen by the People and Culture Team in collaboration with Corporate Communications and Strategy, with outcomes and initiatives regularly communicated to employees.

Business conduct policy

Within the Code of Corporate Governance, Atlantic

Grupa defines its Business Conduct Policy, with implementation overseen by the Group Vice President for Corporate Activities Atlantic Grupa upholds a steadfast commitment to conducting business in an ethical and principled manner, guided by its internal values and international standards. Even in the absence of regulatory mandates, the Company prioritises integrity, fairness, and authenticity in all its operations. Its approach to preventing and detecting corruption and bribery is risk-based and comprehensive, ensuring alignment with legal obligations, societal expectations, and internal principles.

For the purpose of establishing and maintaining the culture and values of Atlantic Grupa and its subsidiaries, standards are defined that should apply in relation to the conduct and communication of members of the Management Board, Supervisory Board and its Committees, workers and other persons acting on behalf of the Company between themselves, and in relation to their conduct towards stakeholders, shareholders and third parties. The basic principles and standards of conduct that members of the Management Board, Supervisory Board and its Committees, workers and other persons acting on behalf of the Company must comply with between themselves and towards external stakeholders and shareholders are as follows:

- professionalism, expertise, impartiality;
- conscientiousness and honesty;
- prohibition of any form of discrimination and any form of harassment that violates a person's dignity;
- equality, justice and respect of human rights, integrity and dignity of a person;
- responsibility;
- transparency;
- compliance with the rules of business ethics;
- honesty in relations with business partners, shareholders and other stakeholders;
- avoiding conflicts of interest and
- managing the Company's assets with due care.

The above listed principles and standards of conduct are not an exhaustive list, but only a basic framework of conduct.

Depending on the gravity of violation and the person who committed a violation of the listed principles and standards, measures prescribed by the provisions of the law governing labour and employment relations, the law governing companies and/

or measures prescribed by internal acts of the Company may be imposed.

Business conduct training

Despite the absence of formal business conduct training, all employees are directed and duly informed on the Company's rules of conduct that are made available in digital manner at the Company's official intranet platform, where all employees, at any time, can access Company's documents, also available at the Company's premises on our bulletin boards.

Protection of whistleblowers

Our approach

In line with legal requirements and Atlantic Grupa's commitment to maintaining an honest, transparent, and ethical working environment, the Company has established a comprehensive system for reporting irregularities. This system ensures that any person, being internal or external stakeholder, who has gained information through her or his professional activity with the Company can report concern in a safe and confidential manner, with full protection against retaliation. The procedure is governed by the Whistleblowing Procedure Rules, and its implementation is overseen by the Group Vice President for Corporate Activities. An appointed Confidential Person and their Deputy are responsible for managing the process and ensuring compliance with all prescribed steps.

Information on the number and outcome of report analyses is reported to the President of the Management Board and the Audit Committee of Atlantic Grupa. Persons who anonymously report or publicly disclose information on irregularities and whose identity was subsequently revealed are entitled to protection from retaliation. The Company is obliged to undertake all required and necessary actions to protect the reporter from the possibility of harmful actions and will take the necessary measures to stop such actions and eliminate the consequences. Atlantic Grupa enforces a zero-tolerance policy for retaliation, ensuring that no adverse measures are taken against individuals who report irregularities. The Company may not dismiss, provide negative work evaluations, discriminate, or disadvantage the working position of an employee for reporting concerns. The reporter's identity, as well as any data that could reveal their identity, and other information specified in the report are kept strictly confidential.

Employees are regularly informed about the reporting procedure and the designated confidential persons through the Company's intranet platform, where all relevant documents and reporting channels are available at any time, as well as through bulletin boards at Company premises. Through these measures, Atlantic Grupa ensures that whistleblowing mechanisms are effective, accessible, and aligned with best practices, reinforcing the Company's culture of integrity and ethical conduct.

Actions and targets

The ambition of the whistleblowing programme is to handle all cases in an appropriate, objective, fair, and timely manner. No significant actions were needed in 2025, as we conduct effective monitoring as part of regular operations. Similarly, there are no targets regarding protection of whistleblowers as effectiveness is measured by tracking all reports through the designated communication system. In 2025, one irregularity was reported (FY2024:1), which was, following a detailed analysis, resolved.

G1-2 Management of relationship with suppliers

Our approach

The supply chain is one of the key components of business with a significant impact on achieving sustainable goals and long-term value for the organisation. Consequently, supplier diversification stands out as a crucial strategy for organisations pursuing sustainable and successful operations.

Atlantic Grupa strives to maintain strong, transparent, and responsible relationships with all suppliers, creating shared value for both parties. To support this, we provide a supplier portal accessible via our corporate website, where potential suppliers can register and access key information about our procurement organization, categories, required standards and certifications, and the Ethical Code of the Purchasing Organization. This Code sets clear expectations for integrity, sustainability, and compliance, and applies to all employees involved in procurement activities. The portal also enables suppliers to establish direct contact with our purchasing department, propose cooperation, share business ideas, and provide feedback based on previous experience. To further strengthen

collaboration and innovation, Atlantic Grupa regularly organizes interactive workshops with suppliers, fostering open dialogue and joint problem-solving. Many innovative solutions and sustainability improvements in our products have resulted from these joint projects, demonstrating the importance of partnership in achieving our strategic and ESG goals.

The basic principles for procurement and supplier relationship management are defined in the Purchasing Guidelines, the fundamental document of Atlantic Grupa's purchasing organisation, accompanied by procedures, manuals, and instructions detailing specific areas of procurement activities across its operating companies. The Executive Director of Central Procurement is accountable for the implementation of the Purchasing Guidelines. The Guidelines stipulate that Atlantic Grupa's purchasing organisation takes only such actions and practices that ensure sustainable resource use and procurement by promoting waste reduction, improving environmental impacts, and safeguarding human and labour rights. When sourcing and selecting new suppliers, the Company actively seeks partners who share its values and business principles, promoting high standards such as legal compliance, respect for human and employee rights, prohibition of child labour and worker abuse, adherence to environmental regulations, and commitment to environmental protection.

Atlantic Grupa places great emphasis on fair treatment of all suppliers, ensuring that partnerships remain economically sustainable from the suppliers' perspective as well. An important contribution to this is the regular payment for delivered goods and services, i.e., payment of invoices within the agreed terms. All suppliers, regardless of their size, are guaranteed equal treatment.

Atlantic Grupa sources certain raw materials from distant geographical regions due to their unavailability in local markets, such as coffee, cocoa, peanuts, and vitamins. For all raw materials and packaging that can be procured locally, the Company prioritizes local suppliers to maximize economic, social, and environmental benefits. This approach supports local communities, reduces transportation-related emissions, and strengthens regional supply chains, while ensuring compliance with Atlantic Grupa's quality and sustainability standards.

Additionally, the Company pays special attention to the presence of so-called vulnerable suppliers in its supply chains—those exposed to significant economic, environmental, or social risks. Although no significant presence of vulnerable suppliers has been identified among Atlantic Grupa's direct suppliers so far, the Company remains focused on detecting such risks in the deeper layers of its supply chains, where vulnerable suppliers may appear as suppliers to its suppliers. To achieve this, Atlantic Grupa uses supply chain mapping, surveys of first tier suppliers, supplier audits, and requests for appropriate documentation to confirm the absence of vulnerable suppliers in their own supply chains.

Key actions

To maintain and further strengthen our positive impact on supplier relationships, and to ensure long-term cooperation with the most reliable and high-quality suppliers, Atlantic Grupa implements the following key processes:

(A) **Supplier Qualification and Performance Monitoring**

Atlantic Grupa applies a comprehensive and long-established supplier monitoring model, introduced in 2014 and continuously improved since then, to ensure that all suppliers meet the Company's required standards. The process includes the verification of certificates and documentation related to applicable quality standards, as well as the review of supplier questionnaires covering master data, production capacities, workforce information, food safety and food fraud management practices, and environmental and social policies. Ongoing monitoring of delivery compliance and adherence to agreed procurement terms is also carried out throughout the year.

Supplier evaluation is conducted annually, and each supplier receives structured feedback regarding their performance rating and the required improvements. The annual evaluation serves as an important input for defining the supplier audit plan, which covers suppliers of raw materials, packaging materials, contracted production, and service providers whose work may affect product safety. The Company also regularly supervises service providers involved in waste management processes. Findings from supplier audits are systematically translated into action plans designed to drive continuous improvement.

(B) **Supply Chain Risk and Sustainability Management**

Risk identification and assessment across the supply chain are integral components of Atlantic Grupa's procurement and Supplier Relationship Management (SRM) processes. Using the digital platform Sphera SCRM (Supply Chain Risk Management), the Company assesses a wide range of risks affecting its key 500 suppliers. The tool continuously monitors financial stability, operational events, legal and compliance-related issues, human rights and labour practices, environmental incidents, information security risks, logistics performance, natural hazards, political and country risks, and other factors that may disrupt supply continuity. Through automated risk intelligence scanning of approximately 300,000 online media sources, the platform provides timely notifications and data-driven insights, enabling early detection of potential disruptions. These insights are consolidated into the annual Supply Chain Risk Report.

In 2025, Atlantic Grupa introduced a complementary process for evaluating suppliers of direct materials and outsourced suppliers in critical sustainability, food safety, and cybersecurity areas. This process is conducted through the Sphera SCS (Supply Chain Sustainability) platform, which centralizes supplier engagement, data collection, and analysis. Through this system, selected suppliers undergo a comprehensive assessment covering ESG topics such as climate change, resource use, biodiversity, and workforce practices; food safety topics such as hygiene, traceability, and audit systems; and cybersecurity topics including governance, technical safeguards, and physical security, among others. Based on the results, the Company assigns an internal risk rating (low, medium, or high) and plans improvement actions, including corrective action plans for high-risk suppliers in the next reporting period.

The platform also enhances transparency by consolidating supplier documentation and supporting the confirmation of adherence to the Supplier Code of Conduct, available in six languages. To enable smooth participation, Atlantic Grupa provided multilingual user guides and organized bilingual webinars before the assessment phase. Completing this assessment will become a standard requirement for new suppliers before onboarding. Through integration of these processes, the Company strength-

ens the sustainability, security, and resilience of its supply chain.

(C) **Policies Supporting Responsible Procurement**

Atlantic Grupa's supplier relationships are supported by two key policy frameworks that ensure ethical, responsible, and sustainable conduct across the supply chain.

— **Supplier Code of Conduct**

The Supplier Code of Conduct defines the environmental, social, and governance standards that all suppliers are required to uphold when conducting business with the Company. These expectations cover environmental protection (including emissions, energy efficiency, water and waste management, biodiversity, and hazardous substances), human rights and fair work practices (such as prohibition of child and forced labor, fair wages, working hours, non-discrimination, occupational health and safety, and grievance mechanisms), and governance and business ethics (including anti-corruption requirements, fair competition, confidentiality, compliance programs, traceability, product safety, credible claims, and cooperation on ESG improvements). Starting in 2025, supplier compliance with the Code is confirmed exclusively through the Company's digital sustainability assessment platform.

— **Ethical Code of the Purchasing Organization**

The Ethical Code of the Purchasing Organization sets standards for procurement staff behavior and decision-making. It requires legal compliance, application of sustainable purchasing criteria, respect for diversity, fair treatment of suppliers, and strict avoidance of conflicts of interest. The Code also establishes clear rules regarding symbolic business gifts, which may be accepted only when they do not influence procurement decisions, negotiations, or supplier selection. It further outlines the obligations of purchasing staff to maintain confidentiality, act professionally, develop their competencies, and uphold transparent and ethical business practices, including mechanisms for reporting potential misconduct.

Targets

Atlantic Grupa is committed to strengthening supplier participation in its sustainability due diligence processes. As part of this effort, the Company monitors the adoption of sustainability commitments

among suppliers of direct materials and outsourced suppliers assessed through the Sphera SCS platform.

In the initial rollout year (2025), just under 30% of direct materials suppliers and outsourced suppliers completed the SCS assessment and confirmed compliance with the Supplier Code of Conduct.

Atlantic Grupa aims to increase the share of direct materials suppliers and outsourced suppliers that confirm compliance with the Supplier Code of Conduct through the Sphera SCS platform to at least 50% by the end of 2026.

G1-3 Prevention and detection of corruption and bribery

Atlantic Grupa conducts its business in an ethical and principles-based manner, even in the absence of applicable regulatory requirements. The Company applies a coordinated, holistic, and risk-based approach to monitoring its conduct against regulatory obligations, societal expectations, and its own internal standards. Its commitment to integrity, fairness, and authenticity is embedded in the Company's purpose and values.

To understand the terms bribery and corruption, it is important to note that they include practices such as facilitation payments, fraud, extortion, collusion, money laundering, and offering or receiving gifts, loans, fees, rewards, or other advantages as inducements for dishonest, illegal, or unethical behaviour. These terms also encompass embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstruction of justice. Atlantic Grupa respects good and responsible business practices in the marketplace, as well as international norms, and treats all stakeholders with integrity. This is formally demonstrated through the Company's accession to the Code of Ethics in Business issued by the Croatian Chamber of Economy, which sets guidelines for ethical conduct of businesses in the Croatian economy, and the Corporate Governance Code issued by the Zagreb Stock Exchange and HANFA.

The reporting procedure for corruption-related misconduct is defined under the Whistleblowing Proce-

dures Rules of Atlantic Grupa, which prescribes the reporting procedure, as well as rights and duties of each and all employees of Atlantic Grupa who in their work observe or become aware of either an actual or a potential illegal action or potential violation of the accepted rules of business conduct in the Company carried out by another employee(s). The Company's Whistleblowing Procedure Rules comply with local regulations that are aligned with the United Nations Convention against Corruption.

Any employee who observes or becomes aware of misconduct has the right, at their own discretion, to submit an anonymous report on potential misconduct without disclosing their identity. Individuals appointed to lead the process after a report is submitted operate independently and outside the chain of management involved in the matter. Annual reporting on these issues is submitted to the Audit Committee to support its monitoring role. The Audit Committee then reports to the Supervisory Board on the outcomes and provides its opinion.

Atlantic Grupa and its subsidiaries require all suppliers to act with integrity and comply with all applicable laws in their respective countries, including the prohibition of giving or receiving bribes or other personal payments. Supplier requirements are defined in detail in the Ethical Code of the purchasing organisation and in the Company's Purchasing Guidelines.

In both 2024 and 2025, the Company recorded no incidents, convictions, or fines related to violations of anticorruption and antibribery laws, nor any breaches of internal procedures or standards regarding antibribery and anticorruption. Consequently, no significant actions were required in 2025. Similarly, Atlantic Grupa has no specific targets related to the prevention and detection of corruption and bribery, as effectiveness is measured through the ongoing monitoring of all reports submitted via the designated communication system.

Anti-corruption training

The procurement department is the most exposed department to risks of bribery and corruption due to its critical role in managing supplier relationships and overseeing significant financial transactions. In accordance with our Ethical Code, all staff members within the purchasing organisation are required to respect the values, standards, principles, and rules

outlined therein. This code serves as a fundamental guideline to ensure integrity, transparency, and fairness in all procurement activities, thereby mitigating potential risks and fostering a culture of ethical conduct. To further strengthen awareness and compliance, an internal training session on ethical behaviour and business conduct was organized for the Central Procurement team. The training was focused on identifying corruption and bribery risks in procurement and reporting irregularities and conflicts of interest, as part of our ongoing commitment to uphold the highest ethical standards. Training materials are available through internal channels, and employees are encouraged to actively participate in these sessions, which are designed to provide practical guidance and support for everyday procurement scenarios. Also, as part of the onboarding process for members of the Management Board and the Supervisory Board, the programme includes a mandatory segment covering the Company's anti-corruption policies, procedures, and expectations, ensuring that all newly appointed members are fully familiar with the principles of ethical conduct and compliance.

Our suppliers and business partners are also obliged to comply with our anti-corruption principles and the Ethical Code, as stipulated in contractual agreements and the Supplier Code of Conduct.

G1-6 Payment practice

In 2025, the Company's standard payment term for suppliers was within 60 days. All suppliers, regardless of their size, are guaranteed equal treatment, and in specific circumstances certain suppliers were granted earlier payment terms.

In 2025, the average time the Company takes to pay an invoice, starting from the date when the contractual or statutory term of payment begins, is 64 days (FY2024: 55 days). For this calculation, all suppliers are taken into consideration for all our legal entities (which are part of the consolidation). This increase is primarily driven by the specific characteristics of the pharmacy business. If Farmacia is excluded, the average payment time would amount to 42 days (FY2024: 44 days).

There are currently no outstanding legal proceedings for late payments.

Appendix B

The following table contains all the datapoints that derive from other EU legislation, as listed in ESRS Appendix B, and also indicates where the data points can be found in our report.

Disclosure requirement	Data point	Name	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Section
ESRS 2 GOV-1	21 (d)	Board's gender diversity	x		x			ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1	21 (e)	Percentage of board members who are independent			x			ESRS 2 GOV-1 The role of the administrative, management and supervisory bodies
ESRS 2 GOV-4	30	Statement on sustainability due diligence	x					ESRS 2 GOV-4 Statement on due diligence
ESRS 2 SBM-1	40 (d) i	Involvement in activities related to fossil fuel activities	x	x	x		Not relevant	
ESRS 2 SBM-1	40 (d) ii	Involvement in activities related to chemical production	x		x		Not relevant	
ESRS 2 SBM-1	40 (d) iii	Involvement in activities related to controversial weapons	x		x		Not relevant	
ESRS 2 SBM-1	40 (d) iv	Involvement in activities related to cultivation and production of tobacco			x		Not relevant	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x		E1-1 Transition plan for climate change mitigation
ESRS E1-1	16 (g)	Undertakings excluded from Paris-aligned Benchmarks		x	x			E1-1 Transition plan for climate change mitigation
ESRS E1-4	34	GHG emission reduction targets	x	x	x			E1-4 Targets related to climate change mitigation and adaptation
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources	x					E1-5 Energy consumption and mix
ESRS E1-5	37	Energy consumption and mix	x					E1-5 Energy consumption and mix
ESRS E1-5	40-43	Energy intensity associated with activities in high climate impact sectors	x					E1-5 Energy consumption and mix
ESRS E1-6	44	Gross Scope 1, 2, 3 and total GHG emissions	x	x	x			E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-6	53-55	Gross GHG emissions intensity	x	x	x			E1-6 Gross Scopes 1, 2, 3 and total GHG emissions
ESRS E1-7	56	GHG removals and carbon credits				x	Not relevant	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Not relevant	
ESRS E1-9	66 (a)	Disaggregation of monetary amounts by acute and chronic physical risk		x			Not relevant	
ESRS E1-9	66 (c)	Location of significant assets at material physical risk		x			Not relevant	
ESRS E1-9	67 (c)	Breakdown of the carrying value of its real estate assets by energy-efficiency classes			x		Not relevant	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	x				Not relevant	
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the E-PRTR Regulation emitted to air, water and soil	x				Not material	
ESRS E3-1	9	Water and marine resources	x					E3-1 Policies related to water and marine resources
ESRS E3-1	13	Dedicated policy	x					E3-1 Policies related to water and marine resources
ESRS E3-1	14	Sustainable oceans and seas	x					E3-1 Policies related to water and marine resources
ESRS E3-4	28 (c)	Total water recycled and reused	x					E3-4 Water consumption
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x					E3-4 Water consumption
ESRS 2 IRO 1 - E4	16 (a) i	Biodiversity sensitive areas	x					E4 - IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities
ESRS 2 IRO 1 - E4	16 (b)	Land degradation	x					E4 - IRO-1 Description of the processes to identify and assess material biodiversity and ecosystem-related impacts, risks, dependencies and opportunities
ESRS 2 IRO 1 - E4	16 (c)	Threatened species	x					E4 - SBM-3 Material IROs and their interaction with strategy and business model
ESRS E4-2	24 (b)	Sustainable land/ agriculture practices or policies	x					E4-2 Policies related to biodiversity and ecosystems
ESRS E4-2	24 (c)	Sustainable oceans/seas practices or policies	x				Not material	
ESRS E4-2	24 (d)	Policies to address deforestation	x					E4-2 Policies related to biodiversity and ecosystems
ESRS E5-5	37 (d)	Non-recycled waste	x					E5-5 Resource outflows
ESRS E5-5	39	Hazardous waste and radioactive waste	x					E5-5 Resource outflows
ESRS 2 SBM3 - S1	14 (f)	Risk of incidents of forced labour	x					S1 - SBM-3 Material IROs and their interaction with strategy and business model
ESRS 2 SBM3 - S1	14 (g)	Risk of incidents of child labour	x					S1 - SBM-3 Material IROs and their interaction with strategy and business model
ESRS S1-1	20	Human rights policy commitments	x					S1-1 Policies related to own workforce
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x			S1-1 Policies related to own workforce
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Not material	
ESRS S1-1	23	Workplace accident prevention policy or management system	x					S1-1 Policies related to own workforce

Disclosure requirement	Data point	Name	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Materiality	Section
ESRS S1-3	32 (c)	Grievance/complaints handling mechanisms	x					S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns
ESRS S1-14	88 (b), (c)	Number of fatalities and number and rate of work-related accidents	x		x			S1-14 Health and safety metrics
ESRS S1-14	88 (e)	Number of days lost to injuries, accidents, fatalities or illness	x					S1-14 Health and safety metrics
ESRS S1-16	97 (a)	Unadjusted gender pay gap	x		x			S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-16	97 (b)	Excessive CEO pay ratio	x					S1-16 Remuneration metrics (pay gap and total remuneration)
ESRS S1-17	103 (a)	Incidents of discrimination	x					S1-17 Incidents, complaints and severe human rights impacts
ESRS S1-17	104 (a)	Non-respect of UNGPs on Business and Human Rights and OECD Guidelines	x		x			S1-17 Incidents, complaints and severe human rights impacts
ESRS 2 SBM3 - S2	11 (b)	Significant risk of child labour or forced labour in the value chain	x					S2 - SBM-3 Material impacts, risks and opportunities and their interaction with strategy and business model
ESRS S2-1	17	Human rights policy commitments	x					S2-1 Policies related to managing material impacts on workers in the value chain, as well as related material risks and opportunities
ESRS S2-1	18	Policies related to value chain workers	x					S2-1 Policies related to managing material impacts on workers in the value chain, as well as related material risks and opportunities
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines	x		x			S2-1 Policies related to managing material impacts on workers in the value chain, as well as related material risks and opportunities
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8			x			S2-1 Policies related to managing material impacts on workers in the value chain, as well as related material risks and opportunities
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x					S2-4 Taking action on material impacts on value chain workers, and approaches to managing material risks and pursuing material opportunities related to value chain workers, and effectiveness of those actions
ESRS S3-1	16	Human rights policy commitments	x				Not material	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights, ILO principles or OECD guidelines	x		x		Not material	
ESRS S3-4	36	Human rights issues and incidents	x				Not material	
ESRS S4-1	16	Policies related to consumers and end-users	x					S4-1 Policies related to consumers and end-users
ESRS S4-1	17	Non-respect of UNGPs on Business and Human Rights and OECD guidelines	x		x			S4-1 Policies related to consumers and end-users
ESRS S4-4	35	Human rights issues and incidents	x					S4-4 Taking actions to manage material IROs
ESRS G1-1	10 (b)	United Nations Convention against Corruption	x					G1-3 Prevention and detection of corruption and bribery
ESRS G1-1	10 (d)	Protection of whistleblowers	x					G1-1 Corporate culture and business conduct policies
ESRS G1-4	24 (a)	Fines for violation of anti-corruption and anti-bribery laws	x		x			G1-3 Prevention and detection of corruption and bribery
ESRS G1-4	24 (b)	Standards of anti-corruption and anti-bribery	x				Not relevant	

AUDITOR'S LIMITED ASSURANCE REPORT ON SUSTAINABILITY STATEMENT

Management's statement of responsibility for the sustainability statement

According to the provisions of Articles 32 and 36 of the Accounting Act (NN 85/24, 145/24, 151/25), the Management Board is responsible for the preparation of the consolidated Sustainability Statement in accordance with the European Sustainability Reporting Standards (ESRS) and for:

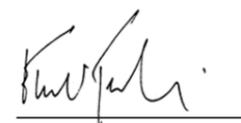
- preparation of disclosures in the section "EU taxonomy" of the consolidated Sustainability Report in accordance with the reporting requirements of Article 8 of EU Regulation 2020/852 (EU Taxonomy Regulation)
- design, implementation, and maintenance of internal control systems that the Management Board deems necessary to enable the preparation of the consolidated Sustainability Statement, free from material misstatements due to fraud or error, and
- selection and application of appropriate sustainability reporting methods, as well as making reasonable judgments and estimates regarding individual sustainability disclosures, considering the circumstances.

The Management Board is also responsible for the design and implementation of the process for identifying information disclosed in the consolidated Sustainability Statement in accordance with the ESRS, and for disclosing this process in the section ESRS 2 IRO-1 in the consolidated Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and understanding the affected stakeholders;
- identification of actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect, or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to financing or cost of capital in the short, medium, or long term;
- assessment of the significance of the identified impacts, risks, and opportunities related to sustainability issues by selecting and applying appropriate materiality thresholds, and
- making assumptions that are reasonable under the circumstances.

The consolidated Sustainability Statement was approved by the Management Board on 30 March 2026.

Signed on behalf of the Management Board on 30 March 2026.



Emil Tedeschi
President and Chief Executive Officer



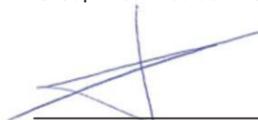
Mojca Domiter
Group Vice President for People and Culture



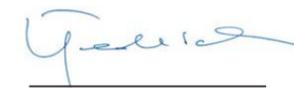
Srećko Nakić
Group Vice President for Markets and Distribution



Zoran Stanković
Group Vice President for Finance, Procurement and IT



Mate Štetić
Group Vice President for Brands and Operations



Lada Tedeschi Florio
Group Vice President for Corporate Strategy and Investments



Neven Vranković
Group Vice President for Corporate Activities



Shape the future
with confidence

Ernst & Young d.o.o.
Radnička cesta 50, 10 000 Zagreb
Hrvatska / Croatia
MBS: 080435407
OIB: 58960122779
PDV br. / VAT no.: HR58960122779

Tel: +385 1 5800 800
Fax: +385 1 5800 888
www.ey.com/hr

Banka / Bank:
Erste & Steiermärkische Bank d.d.
Jadranski trg 3A, 51000 Rijeka
Hrvatska / Croatia
IBAN: HR3324020061100280716
SWIFT: ESBCHR22

Independent auditor's limited assurance report on Sustainability Statement

To the Shareholders of Atlantic Grupa d.d.

Scope

We have been engaged by Atlantic Grupa d.d. to perform a 'limited assurance engagement,' as defined by International Standards on Assurance Engagements, here after referred to as the engagement, to report on consolidated Sustainability Statement (the "Subject Matter") of Atlantic Grupa d.d. (the "Company", an EU/EEA entity) and its subsidiaries (together "the Group"), contained in the Management Report (the "Sustainability Statement"), as at 31 December 2025 and for the year then ended.

Criteria applied by the Group

In preparing the Sustainability Statement, Atlantic Grupa d.d. applied the provisions of the Articles 32 and 36 of the Croatian Accounting Act, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Group to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1 and IRO-2 and
- Compliance of the disclosures set out in the Sustainability Statement with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation").

Inherent limitations in preparing the sustainability statement

Inherent limitations exist in all assurance engagements.

The criteria, nature of the Sustainability Statement, and absence of long-standing established authoritative guidance, standard applications and reporting practices allow for different, but acceptable, measurement methodologies to be adopted which may result in variances between entities. The adopted measurement methodologies may also impact the comparability of sustainability matters reported by different organizations and from year to year within an organization as methodologies evolve.

In reporting forward-looking information in accordance with ESRS, Management is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Group. The actual outcome is likely to be different since anticipated events frequently do not occur as expected.

In determining the disclosures in the Sustainability Statement, Management interprets undefined legal and other terms. Undefined legal and other terms may be interpreted differently, including the legal conformity of their interpretation and, accordingly, are subject to uncertainties.



Shape the future
with confidence

Management and Audit Committee responsibilities

Management is responsible for designing and implementing a process to identify the information reported in the Sustainability Statement in accordance with the ESRS and for disclosing this process in note ESRS 2 IRO-1 and IRO-2 of the Sustainability Statement. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and developing an understanding of its affected stakeholders;
- the identification of the actual and potential impacts (both negative and positive) related to sustainability matters, as well as risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital over the short-, medium-, or long-term;
- the assessment of the materiality of the identified impacts, risks and opportunities related to sustainability matters by selecting and applying appropriate thresholds; and
- making assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Sustainability Statement, in accordance with Croatian Accounting Act Articles 32 and 36, including:

- compliance with the ESRS;
- preparing the disclosures in subsection EU Taxonomy within the environmental section of the Sustainability Statement, in compliance with Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal controls that Management determines are necessary to enable the preparation of the Sustainability Statement that is free from material misstatement, whether due to fraud or error; and
- the selection and application of appropriate sustainability reporting methods and making assumptions and estimates about individual sustainability disclosures that are reasonable in the circumstances.

Audit committee is responsible for overseeing the Group's sustainability reporting process.

Auditor's responsibilities

We conducted our engagement in accordance with the *International Standard for Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* ('ISAE 3000 (Revised)') as prescribed by the Article 37 of the Croatian Accounting Act, and the terms of reference for this engagement as agreed with Atlantic Grupa d.d. on 30 September 2025. Those standards require that we plan and perform our engagement to express a conclusion on whether we are aware of any material modifications that need to be made to the Subject Matter in order for it to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risk of material misstatement, whether due to fraud or error.

Our responsibility is to express a conclusion on the presentation of the Subject Matter based on the evidence we have obtained.



Shape the future
with confidence

Our responsibilities in respect of the Subject Matter, in relation to the Process, include:

- Obtaining an understanding of the process but not for the purpose of providing a conclusion on the effectiveness of the process, including the outcome of the process;
- Considering whether the information identified addresses the applicable disclosure requirements of the ESRS; and
- Designing and performing procedures to evaluate whether the process is consistent with the Group's description of its process, as disclosed in note ESRS 2 IRO-1 and IRO-2.

Our other responsibilities in respect of the Subject Matter include:

- Identifying disclosures where material misstatements are likely to arise, whether due to fraud or error;
- Designing and performing procedures responsive to disclosures in the Sustainability Statement where material misstatements are likely to arise. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our limited assurance conclusions.

Our independence and quality management

We have maintained our independence and confirm that we have met the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants, which establishes the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. We have the required competencies and experience to conduct this assurance engagement.

We also apply International Standard on Quality Management 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services engagements*, which requires that we design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Description of procedures performed

Procedures performed in a limited assurance engagement vary in nature and timing from and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Our procedures were designed to obtain a limited level of assurance on which to base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.



Shape the future
with confidence

Although we considered the effectiveness of management's internal controls when determining the nature and extent of our procedures, our assurance engagement was not designed to provide assurance on internal controls. Our procedures did not include testing controls or performing procedures relating to checking aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making enquiries, primarily of persons responsible for preparing the Sustainability statement and related information and applying analytical and other appropriate procedures.

A limited assurance engagement involves performing procedures to obtain evidence about the Sustainability Statement.

The nature, timing and extent of procedures selected depend on professional judgement, including the identification of disclosures where material misstatements are likely to arise, whether due to fraud or error, in the Sustainability Statement.

In conducting our limited assurance engagement, with respect to the Process, we:

- Obtained an understanding of the Process by:
 - performing inquiries to understand the sources of the information used by Management (e.g., stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation of its Process; and
- Evaluated whether the evidence obtained from our procedures about the process implemented by the Group was consistent with the description of the process set out in note ESRS 2 IRO-1 and IRO-2.

In conducting our limited assurance engagement, with respect to the Sustainability Statement, we:

- Obtained an understanding of the Group's reporting processes relevant to the preparation of its Sustainability Statement including the consolidation process by obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Sustainability Statement, but not evaluating the design of particular control activities, obtaining evidence about their implementation or testing their operating effectiveness;
- Evaluated whether material information identified by the process to identify the information reported in the Sustainability Statement is included in the Sustainability Statement;
- Evaluated whether the structure and the presentation of the Sustainability Statement is in accordance with the ESRS;
- Performed inquiries of relevant personnel and analytical procedures on selected information in the Sustainability Statement;
- Evaluated methods, assumptions and data for developing material estimates and forward-looking information and on how these methods were applied;
- Obtained an understanding of the process to identify EU taxonomy eligible and aligned economic activities for turnover, CAPEX and OPEX and the corresponding disclosures in the Sustainability Statement;
- Evaluated the presentation and use of EU taxonomy templates in accordance with relevant requirements;
- Reconciled and ensured consistency between the reported EU taxonomy economic activities and the items reported in the primary financial statements including the disclosures provided in related notes.

We also performed such other procedures as we considered necessary in the circumstances.



Shape the future
with confidence

Limited Assurance Conclusion

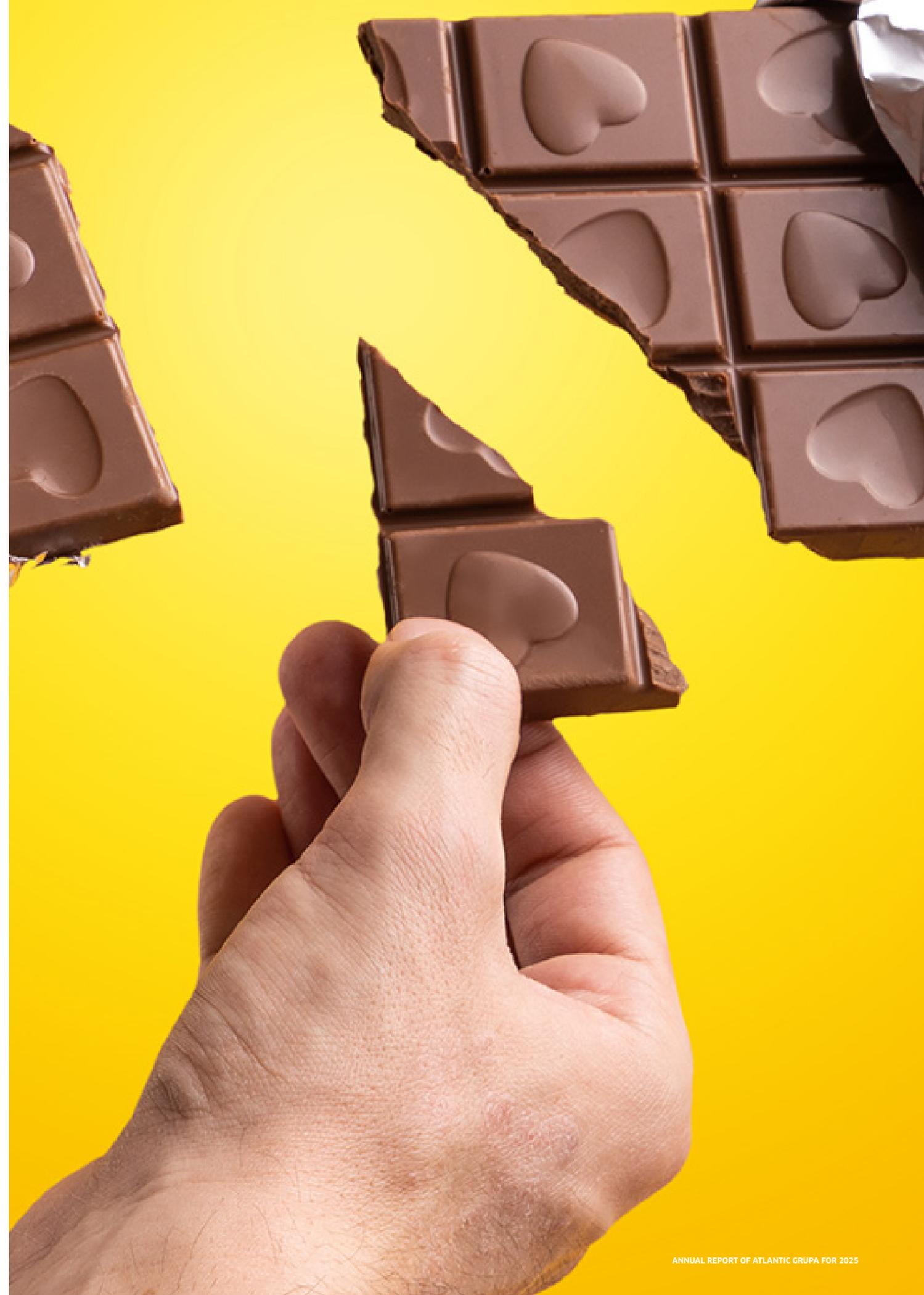
Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Sustainability Statement is not prepared, in all material respects, in accordance with Articles 32 and 36 of the Croatian Accounting Act, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including that the process carried out by the Management to identify the information reported in the Sustainability Statement (the "Process") is in accordance with the description set out in note ESRS 2 IRO-1 and IRO-2; and
- compliance of the disclosures in subsection EU Taxonomy within the environmental section of the Sustainability Statement with Article 8 of Regulation (EU) 2020/852 (the "Taxonomy Regulation").

Ivana Krajinović

Ivana Krajinović
Member of the Board and certified auditor

Ernst & Young d.o.o.
Radnička cesta 50
10 000 Zagreb
30 March 2026



FINANCIAL STATEMENTS

FINANCIAL STATEMENT

AUDITOR'S REPORT	324
CONSOLIDATED FINANCIAL STATEMENTS	330

Responsibility for the annual financial statements

In accordance with provisions of Law on Capital Market, Zoran Stanković, Group Vice President for Finance, Procurement and IT and Tatjana Ilinčić director of Department of Corporate Reporting and Consolidation, person responsible for corporate accounting, reporting and consolidation, together as persons responsible for the preparation of annual reports of the company Atlantic Grupa d.d. Zagreb, Miramarska 23, OIB 71149912416 (hereinafter: Company), hereby make the following

STATEMENT

According to our best knowledge the annual consolidated financial statements for 2025 are prepared in accordance with applicable standards of financial reporting and give true and fair view of the assets and liabilities, profit and loss, financial position and operations of the Company and its subsidiaries (together – “the Group”).

Report of the Company’s Management board for the period from 1 January to 31 December 2025 contains the true presentation of development, results and position of the Group, with description of significant risks and uncertainties to which the Group is exposed.

In Zagreb, 30 March 2026



Zoran Stanković
Group Vice President for Finance, Procurement and IT



Tatjana Ilinčić
Director of Corporate Reporting and Consolidation

Responsibility for the consolidated financial statements

Pursuant to the Croatian Accounting Act, the Management Board is responsible for ensuring that consolidated financial statements, which are prepared for each financial year in accordance with International Financial Reporting Standards (IFRS) as endorsed by the European Union (“EU”) give a true and fair view of the financial position and results of Atlantic Grupa d.d. and its subsidiaries (the “Group”) for that period.

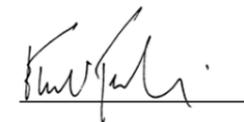
The Management Board has a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the consolidated financial statements.

In preparing these consolidated financial statements, the responsibilities of the Management Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgments and estimates are reasonable and prudent;
- applicable accounting standards are followed; and
- the consolidated financial statements are prepared on the going concern basis.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the consolidated financial position of the Group and must also ensure that the consolidated financial statements comply with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

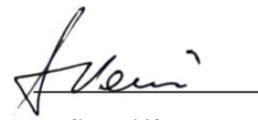
The accompanying consolidated financial statements were approved for issuance by the Management Board on 30 March 2026.



Emil Tedeschi
President and Chief Executive Officer



Mojca Domiter
Group Vice President for People and Culture



Srećko Nakić
Group Vice President for Markets and Distribution



Zoran Stanković
Group Vice President for Finance, Procurement and IT



Mate Štetić
Group Vice President for Brands and Operations



Lada Tedeschi Florio
Group Vice President for Corporate Strategy and Investments



Neven Vranković
Group Vice President for Corporate Activities



Shape the future
with confidence

INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Atlantic Grupa d.d.

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of Atlantic Grupa d.d. (the Company) and its subsidiaries (together- the Group), which comprise the consolidated balance sheet as at 31 December 2025, consolidated income statement and the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025 and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

We are independent of the Company and the Group in accordance with the International Ethics Standards Board of Accountants' (IESBA) International Code of Ethics for Professional Accountants, including International Independence Standards (IESBA Code), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to our audit of the financial statements of public interest entities in Republic of Croatia, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report, including in relation to this matter. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matter below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



We deliver excellence.



Shape the future
with confidence

Key audit matters (continued)

Key Audit Matter	How we addressed Key Audit Matter
<p>Assessment of impairment of goodwill and intangible assets with indefinite useful lives</p> <p>See Note 2.7 <i>Impairment of non-financial assets</i> and Note 4.b <i>Impairment of goodwill and intangible assets with indefinite useful lives</i></p> <p>The Group has goodwill and other intangible assets with indefinite useful lives (Brands & Licenses) with carrying amounts totalling EUR 191,947 thousand as at 31 December 2025.</p> <p>The carrying amount of the goodwill and indefinite life intangible assets represents 18% of total consolidated assets and the assessment of the "fair value" and "value in use" of the Group's cash generating units ("CGU") represents significant area of management's judgement regarding the future results of the business and the discount rates applied to future cash flow forecasts.</p> <p>The Group annually assesses the accounting estimate of indefinite useful life. It involves significant management's judgments about the strength of the brand and future cash flows generated from brands and licenses affected.</p> <p>Due to the range of judgements and assumptions used in the models and impairment assessments, as well as the significant carrying amount of the goodwill and intangible assets, this is an area considered to be a key audit matter.</p>	<p>Audit procedures included understanding of the assets impairment assessment process. We performed inquiry of management and examined the methodology used by management to assess the carrying value of respective goodwill, and intangible assets and their useful life, to determine their compliance with IFRS as adopted by the EU and consistency of application.</p> <p>We evaluated the Group's future cash flow forecasts and the process by which they were prepared. We compared the budget inputs in the model to the approved budgets and forecast inputs in the model to management plans.</p> <p>We compared the current year (2025) actual results with the figures included in the prior year (2024) forecast to evaluate assumptions used. We also evaluated management's key assumptions for long-term growth rate by comparing it to historical growth results.</p> <p>We performed audit procedures on the mathematical integrity of the impairment models and sensitivity analysis and tested the appropriateness of discount rates and royalty rates used in the calculation with the assistance of the valuation specialists.</p> <p>We reviewed reports related to market share of the individual brands.</p> <p>We also assessed adequacy of the disclosures in the consolidated financial statements and if these are in line with the requirements of IFRS as adopted by the EU.</p>

Other information

Management is responsible for the other information. Other information comprises the information included in the Annual Report, but does not include consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.



We deliver excellence.



Shape the future
with confidence



We deliver excellence.

Other information (continued)

With respect to the Management Report (excluding the Sustainability Statement) and Corporate Governance Report, we also performed procedures required by the Accounting Act. Those procedures include considering whether the Management Report (excluding the Sustainability Statement) is prepared in accordance with the requirements of Articles 22 and 24 of the Accounting Act and whether the Corporate Governance Report includes the information specified in Articles 22 and 25 of the Accounting Act.

Based on the procedures undertaken, to the extent we are able to assess it, we report that:

1. the information given in the enclosed Management Report and Corporate Governance Report is consistent, in all material respects, with the enclosed consolidated financial statements;
2. the enclosed Management Report is prepared in accordance with requirements of Articles 22 and 24 of the Accounting Act, excluding the requirements on sustainability reporting. Auditor's conclusion regarding the procedures conducted on the Sustainability Statement, in accordance with Article 37 of the Accounting Act, is provided separately; and
3. the enclosed Corporate Governance Report includes the information specified in Articles 22 and 25 of the Accounting Act.

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit of consolidated financial statements, we are also required to report if we have identified material misstatements in the other information (excluding the Sustainability Statement). We have nothing to report in this respect.

Responsibilities of management and Audit Committee for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



Shape the future
with confidence



We deliver excellence.

Auditor's responsibilities for the audit of the consolidated financial statements (continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purpose of the group audit. We remain solely responsible for our audit opinion.

We communicate with Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In compliance with Article 10(2) of Regulation (EU) No. 537/2014 of the European Parliament and the Council, we provide the following information in our independent auditor's report, which is required in addition to the requirements of ISAs:

Appointment of Auditor and Period of Engagement

Ernst & Young d.o.o. was initially appointed as auditors of the Company on 29 June 2017. Our appointment has been renewed annually by General Assembly of Shareholders, with the most recent reappointment on 24 June 2025, representing a total period of uninterrupted engagement appointment of nine years.

Kulić & Sperk d.o.o. was initially appointed as auditors of the Company on 18 June 2020, and this appointment has been renewed annually by General Assembly of Shareholders, with the most recent reappointment on 24 June 2025, representing a total period of uninterrupted engagement appointment of six years.



Shape the future
with confidence

Consistence with Additional Report to Audit Committee

We confirm that our audit opinion on the consolidated financial statements expressed herein is consistent with the additional report to the Audit Committee of the Company, which we issued on 27 March 2026 in accordance with Article 11 of Regulation (EU) No. 537/2014 of the European Parliament and the Council.

Provision of Non-audit Services

We declare that no prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and the Council were provided by us to the Company and its controlled undertakings within the European Union. In addition, there are no other non-audit services which were provided by us to the Company and its controlled undertakings and which have not been disclosed in the consolidated financial statements.

Reporting on the Report on Income Tax Information

For the year ended 31 December 2025 the Company was required under Article 44 of the Accounting Act of the Republic of Croatia to publish a Report on Income Tax Information and the Company published this report in accordance with Article 44 of the Accounting Act of the Republic of Croatia.

Report based on Delegated Regulation (EU) 2018/815 on supplementing Directive 2004/109/EZ of European parliament and Council related to regulatory technical standard for specification of single electronic reporting format of reporting

Independent report on the compliance of consolidated financial statements prepared pursuant to Article 462 (5) of the Capital Market Act (Official Gazette 65/18, 17/20,83/21 and 151/22) applying the requirements of the Delegated Regulation (EU) 2018 / 815 on establishing of single electronic reporting format for issuers (the ESEF Regulation).

We have conducted a reasonable assurance engagement on whether the consolidated financial statements, as contained in the attached electronic file *AG consolidated FS 2025 ENG*, are prepared, for the purposes of public disclosure pursuant to Article 462, paragraph 5 of the Capital Market Act, in all material respects in accordance with the requirements of the ESEF Regulation.

Responsibilities of the management and Audit Committee

Management is responsible for the preparation of the consolidated financial statements in accordance with ESEF Regulation.

Furthermore, management is responsible for maintaining an internal control system that reasonably ensures the preparation of consolidated financial statements without material non-compliances with ESEF Regulation requirements, whether due to fraud or error.

Management is also responsible for:

- the public disclosure of consolidated financial statements included in the annual report, in XHTML format and
- selecting and using XBRL codes in accordance with ESEF regulation.

Audit Committee is responsible for overseeing the preparation of the consolidated financial statements in ESEF format as part of the financial reporting process.

Auditor's responsibilities

Our responsibility is to express a conclusion, based on the audit evidence gathered, as to whether the consolidated financial statements are free from material non-compliances with the requirements of the ESEF Regulation. We conducted our reasonable assurance engagement in accordance with International Standard for Assurance Engagements ISAE 3000 (revised)- Assurance engagements other than audits or reviews of historical financial information.



We deliver excellence.



Shape the future
with confidence

Work performed

The nature, timing and extent of the procedures selected depend on the auditor's judgment. Reasonable assurance is a high degree of assurance, however it does not guarantee that the scope of procedures will identify all significant (material) non-compliance with ESEF regulation.

In respect of the subject matter, we have performed the following procedures:

- we read the requirements of the ESEF Regulation,
- we have gained an understanding of the Company's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed the risks of material non-compliance with the ESEF Regulation due to fraud or error; and
- Based on this, devise and implement procedures to respond to the assessed risks and to obtain reasonable assurance for the purpose of expressing our conclusion.

The aim of our procedures was to assess whether:

- the consolidated financial statements, which are included in the annual report, are prepared in the relevant XHTML format,
- the information contained in the consolidated financial statements required by the ESEF Regulation is marked and all markings meet the following requirements:
 - the XBRL markup language was used,
 - the basic taxonomy elements listed in the ESEF Regulation with the closest accounting significance have been used, unless an additional taxonomy element has been created in accordance with Annex IV. ESEF Regulation,
 - the labeled elements comply with the common labeling rules under the ESEF Regulation.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

Based on the procedures performed and evidence gathered, the consolidated financial statements presented in ESEF format for the year ended on 31 December 2025, contained in the aforementioned attached electronic file and prepared pursuant to Article 462 paragraph 5 of the Capital Market Act prepared for public disclosure, are prepared in all material respects in line with the requirements of Articles 3, 4 and 6 of the ESEF Regulation.

Further to this conclusion, as well as the opinion contained in this independent auditor's report related to accompanying consolidated financial statements and annual report for the year ended 31 December 2025, we do not express any opinion on the information contained in these presentations or on any other information contained in the aforementioned file.

The partners in charge of the audit resulting in this independent auditor's report are Ivana Krajinović for Ernst & Young d.o.o. and Janja Kulić for Kulić & Sperk d.o.o.

Ivana Krajinović

Ivana Krajinović,
Member of the Management Board and Certified auditor

30 March 2026

Ernst & Young d.o.o.
Radnička cesta 50
10000 Zagreb
Republic of Croatia

Janja Kulić

Janja Kulić,
Director and Certified auditor

30 March 2026

Kulić & Sperk d.o.o.
Radnička cesta 52
10000 Zagreb
Republic of Croatia

<i>(all amounts expressed in thousands of EUR)</i>	Note	2025	2024
Revenues	5	1,207,136	1,096,513
Cost of trade goods sold		(350,871)	(322,512)
Change in inventories of finished goods and work in progress		5,057	(3,132)
Material and energy costs		(411,580)	(358,714)
Staff costs	6	(188,216)	(171,661)
Marketing and promotion costs	7	(46,423)	(52,116)
Depreciation, amortisation and impairment	13, 13a, 14, 15, 16	(53,405)	(51,212)
Other operating costs	8	(112,174)	(97,484)
Other gains - net	9	3,095	6,130
Operating profit		52,619	45,812
Finance income	10	109	109
Finance costs	10	(10,628)	(10,092)
Finance costs - net	10	(10,519)	(9,983)
Profit before tax		42,100	35,829
Income tax expense	11	(9,974)	(9,262)
Net profit for the year		32,126	26,567
Attributable to:			
Owners of the Company		31,987	26,452
Non-controlling interests		139	115
		32,126	26,567
Earnings per share for profit attributable to the equity holders of the Company during the year (in EUR)	12		
- basic		2.41	1.99
- diluted		2.41	1.99

The accompanying notes form an integral part of these consolidated financial statements.

<i>(all amounts expressed in thousands of EUR)</i>	Note	2025	2024
Net profit for the year		32,126	26,567
Other comprehensive (loss) / income:			
Items that will not be reclassified to profit or loss			
Actuarial losses from defined benefit plan, net of tax		(150)	(136)
		(150)	(136)
Items that may be subsequently reclassified to profit or loss			
Currency translation differences, net of tax	23	491	87
Cash flow hedges, net of tax	23	(4,540)	4,577
		(4,049)	4,664
Total other comprehensive (loss) / income for the year, net of tax		(4,199)	4,528
Total comprehensive income for the year		27,927	31,095
Attributable to:			
Owners of the Company		27,795	30,968
Non-controlling interests		132	127
Total comprehensive income for the year		27,927	31,095

The accompanying notes form an integral part of these consolidated financial statements.

<i>(all amounts expressed in thousands of EUR)</i>	Note	31 December 2025	31 December 2024
ASSETS			
Non-current assets			
Property, plant and equipment	13	231,823	216,048
Right-of-use assets	13a	79,810	77,165
Investment property	14	6,968	9,903
Intangible assets	16	222,966	222,444
Deferred tax assets	26	8,124	6,807
Financial assets at fair value through other comprehensive income	18	108	109
Trade and other receivables	19	16,377	13,894
		<u>566,176</u>	<u>546,370</u>
Current assets			
Inventories	20	143,918	126,357
Trade and other receivables	19	264,032	244,775
Prepaid income tax		1,814	2,200
Derivative financial instruments	17	-	5,827
Cash and cash equivalents	21	112,302	53,206
		<u>522,066</u>	<u>432,365</u>
Assets held for sale	15	4,910	7,392
		<u>526,976</u>	<u>439,757</u>
TOTAL ASSETS		<u>1,093,152</u>	<u>986,127</u>
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital	22	106,698	106,698
Share premium	22	28,167	28,979
Treasury shares	22	(3,721)	(4,347)
Reserves	23	2,205	5,909
Retained earnings		<u>335,488</u>	<u>323,621</u>
		468,837	460,860
Non-controlling interests		<u>1,294</u>	<u>1,162</u>
Total equity and reserves		<u>470,131</u>	<u>462,022</u>
Non-current liabilities			
Borrowings	25	196,222	57,114
Lease liabilities	13a	66,818	65,061
Deferred tax liabilities	26	21,204	22,732
Other non-current liabilities		11	51
Provisions	27	10,712	9,773
		<u>294,967</u>	<u>154,731</u>
Current liabilities			
Trade and other payables	24	231,532	227,963
Borrowings	25	67,384	114,128
Lease liabilities	13a	17,563	16,087
Derivative financial instruments	17	901	-
Current income tax liabilities		5,117	5,961
Provisions	27	5,557	5,235
		<u>328,054</u>	<u>369,374</u>
Total liabilities		<u>623,021</u>	<u>524,105</u>
TOTAL EQUITY AND LIABILITIES		<u>1,093,152</u>	<u>986,127</u>

The accompanying notes form an integral part of these consolidated financial statements.

<i>(all amounts expressed in thousands of EUR)</i>	Attributable to owners of the Company				Non-controlling interest	Total
	Share Capital, Premium and Treasury shares	Reserves	Retained earnings	Total		
Balance at 1 January 2024	132,948	(712)	312,987	445,223	1,035	446,258
Comprehensive income:						
Net profit for the year	-	-	26,452	26,452	115	26,567
Other comprehensive income / (loss)	-	4,652	(136)	4,516	12	4,528
Total comprehensive income	-	4,652	26,316	30,968	127	31,095
Transaction with owners:						
Share based payment (Note 22)	3,632	(3,632)	-	-	-	-
Purchase of treasury shares (Note 22)	(5,250)	-	-	(5,250)	-	(5,250)
Shares granted (Note 23)	-	5,835	-	5,835	-	5,835
Transfer (Note 23)	-	(234)	234	-	-	-
Dividends (Note 22)	-	-	(15,916)	(15,916)	-	(15,916)
Balance at 31 December 2024	131,330	5,909	323,621	460,860	1,162	462,022
Balance at 1 January 2025	131,330	5,909	323,621	460,860	1,162	462,022
Comprehensive income / (loss):						
Net profit for the year	-	-	31,987	31,987	139	32,126
Other comprehensive loss	-	(4,042)	(150)	(4,192)	(7)	(4,199)
Total comprehensive income / (loss)	-	(4,042)	31,837	27,795	132	27,927
Transaction with owners:						
Share based payment (Note 22)	3,784	(3,784)	-	-	-	-
Purchase of treasury shares (Note 22)	(3,970)	-	-	(3,970)	-	(3,970)
Shares granted (Note 23)	-	4,067	-	4,067	-	4,067
Transfer (Note 23)	-	55	(55)	-	-	-
Dividends (Note 22)	-	-	(19,915)	(19,915)	-	(19,915)
Balance at 31 December 2025	131,144	2,205	335,488	468,837	1,294	470,131

The accompanying notes form an integral part of these consolidated financial statements.

<i>(all amounts expressed in thousands of EUR)</i>	Note	2025	2024
Net profit for the year		32,126	26,567
Income tax	11	9,974	9,262
Depreciation, amortisation and impairment	13, 13a, 14, 15, 16	53,405	51,212
Gain on sale of property, plant and equipment and non-current assets held for sale	9	(2,243)	(579)
Gain on sale of subsidiary - net of fees paid	9	(573)	-
Provision for current assets	8	6,824	231
Foreign exchange differences - net		89	(72)
Increase / (decrease) in provision for risks and charges - net	27	1,056	(6)
Fair value losses / (gains) on financial assets	9	179	(145)
Share based payment	22	3,784	3,632
Interest income		(1,265)	(3,268)
Interest expense	10	10,430	10,055
Other non-cash items - net		961	(521)
		<u>114,747</u>	<u>96,368</u>
Changes in working capital			
Increase in inventories		(21,683)	(21,027)
Increase in current receivables		(23,237)	(12,413)
Increase in current payables		5,629	22,280
Cash generated from operations		75,456	85,208
Interest paid		(10,390)	(9,528)
Income tax paid		(11,723)	(7,768)
Cash flows from operating activities		53,343	67,912
Cash flows used in investing activities			
Purchase of property, plant and equipment and intangible assets	13, 14, 16	(52,062)	(49,430)
Proceeds from sale of property, plant and equipment and non-current assets held for sale		8,451	3,348
Acquisition of subsidiaries and proceeds from sale of subsidiary - net of cash acquired/disposed	29	(2,873)	(35,332)
Acquisition of financial assets through OCI		-	(22)
Loans granted and deposits placed	19	(28,324)	(763)
Proceeds from loans and deposits granted	19	28,466	18,115
Interest received		1,232	3,332
		<u>(45,110)</u>	<u>(60,752)</u>
Cash flows from / (used in) financing activities			
Purchase of treasury shares	22	(3,970)	(5,250)
Proceeds from borrowings, net of fees paid	25	145,070	97,102
Repayment of borrowings	25	(92,082)	(85,867)
Proceeds from bonds issued, net of fees paid	25	66,513	-
Redemption of bonds	25	(26,697)	-
Principal elements of lease payments	13a	(18,111)	(16,521)
Dividends paid to Company shareholders	22	(19,915)	(15,916)
		<u>50,808</u>	<u>(26,452)</u>
Net increase / (decrease) in cash and cash equivalents		59,041	(19,292)
Exchange gains / (losses) on cash and cash equivalents		55	(55)
Cash and cash equivalents at beginning of year		53,206	72,553
Cash and cash equivalents at end of year	21	112,302	53,206

The accompanying notes form an integral part of these consolidated financial statements.

NOTE 1 – GENERAL INFORMATION

Operating as a vertically integrated multinational company, Atlantic Grupa d.d. (“the Company”) and its subsidiaries (“the Group”) have business activities that incorporate R&D, production, and distribution of fast-moving consumer goods in Southeast Europe, other European markets and Russia. With its modern production network, the Group stands out as one of the leading foods & beverage producers in Southeast Europe with prominent coffee brands Grand Kafa and Barcaffè, beverage brands Cockta and Cedevita, a portfolio of sweet and salted snacks brands Smoki, Najlepše želje and Bananica, a savoury spread brand Argeta and natural mineral water Donat. Additionally, the Group owns the leading pharmacy chain in Croatia under the Farmacia brand. With its own distribution network in Croatia, Slovenia, Serbia, Austria, North Macedonia and Russia, the Group also distributes a range of products from external partners. The Group has manufacturing plants in Croatia, Slovenia, Serbia, Bosnia and Herzegovina and North Macedonia with companies and representative offices in 10 countries. The Group exports its products to more than 40 markets worldwide.

The Company is domiciled in Zagreb, Miramarska 23, Croatia.

The Company’s shares are listed on the Prime market of the Zagreb Stock Exchange. The shareholder structure is shown in Note 22.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION

The material accounting policies adopted in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all periods presented, unless otherwise stated.

2.1 Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) which were endorsed by the European Union (EU) under the historical cost convention, as modified by the revaluation of financial assets that have been measured at fair value and derivative financial instruments.

The preparation of consolidated financial statements in conformity with IFRS which were endorsed by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed in Note 4.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous financial year except for the amendments listed below which are the result of amendments to International Financial Reporting Standards (IFRS) adopted by the Group as of 1 January 2025 and which did not have material impact on the financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued by the International Financial Standards Board („Board”) but are not yet effective.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.1 Basis of preparation (continued)***a) Standards and Interpretations effective in the current period*

The following new standards and amendments to the existing standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee and adopted by the EU are effective for the current period:

- **Amendments to IAS 21** *The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability*, issued on 15 August 2023 (effective date for annual periods beginning on or after 1 January 2025).

The adoption of these Standards and Interpretations had no significant impact on the consolidated financial statements of the Group.

b) Standards and Interpretations issued by IASB and endorsed by the EU but not yet effective

- **Amendments to IFRS 9 and IFRS 7 - Classification and Measurement of Financial Instrument**, issued on 30 May 2024 (effective date for annual periods beginning on or after 1 January 2026).
- **Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity**, issued on 18 December 2024 (effective date for annual periods beginning on or after 1 January 2026).
- **Annual Improvements to IFRS Accounting Standards – Volume 11**, issued on 18 July 2024 (effective date for annual periods beginning on or after 1 January 2026).

c) Standards and Interpretations issued by IASB but not yet adopted by the EU

At the date of authorization of these financial statements the following standards, revisions and interpretations were in issue by the International Accounting Standards Board but not yet adopted by the EU:

- **IFRS 18** *Presentation and Disclosure in Financial Statements* (issued on 9 April 2024).
- **IFRS 19 including Amendments** *Subsidiaries without Public Accountability: Disclosures* (issued on 9 May 2024 and on 21 August 2025).
- **Amendments to IAS 21** *The Effects of Changes in Foreign Exchange Rates: Translation to a Hyperinflationary Presentation Currency* (issued on 13 November 2025).

The application of IFRS18 *Presentation and Disclosure in Financial Statements* will introduce changes to the presentation of financial statements, primarily with respect to the classification and presentation of items in the statement to profit or loss. The Group is currently assessing the specific effects of applying this standard on the presentation of its financial statements, however, no impact on the reported financial result is expected.

For the other standards and interpretations mentioned, the Group does not expect their adoption to have significant impact on its financial statements.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.2 Consolidation***(a) Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Acquisition related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of identifiable acquiree's net assets.

Goodwill is initially measured as excess of the aggregate of the consideration transferred and the fair value of non-controlling interest in the acquiree and acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the Group's share of the identifiable net assets acquired. If this is lower than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss (Note 2.6).

Inter-company transactions, balances and unrealised gains on transactions between Group companies are eliminated. Unrealised losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Transactions with non-controlling interests

The Group treats transactions with non-controlling interests that do not result in loss of control as transactions with equity owners of the Group. For purchase from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiary

When the Group ceases to have control, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in other comprehensive income are reclassified to profit or loss.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.3 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, responsible for allocating resources and assessing performance of the operating segments is the Management Board of the Company.

2.4 Foreign currencies*(a) Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment where the entity operates ('the functional currency'). The consolidated financial statements are presented in EUR, which is the functional currency of the Company and the reporting currency of the Group.

(b) Transactions and balances in foreign currency

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of these transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

Foreign exchange gains and losses related to borrowings and lease liabilities are presented in the income statement within 'finance income or cost'. All other foreign exchange gains and losses are presented in the income statement within 'other gains/(losses) - net'.

(c) Group companies

The results and financial position of all Group entities with a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet;
- (ii) income and expenses for each income statement are translated at average exchange rates; and
- (iii) all resulting exchange differences are recognised in other comprehensive income.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations are taken into other comprehensive income. When a foreign operation is sold, exchange differences that were recorded in equity are reclassified from other comprehensive income to the income statement as part of the gain or loss on sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in other comprehensive income.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.5 Property, plant, and equipment**

Property, plant and equipment is included in the balance sheet at historical cost less accumulated depreciation and provision for impairment, if required.

Land and assets under construction are not depreciated. Depreciation of other items of property, plant and equipment is calculated using the straight-line method to allocate their cost to residual values over their estimated useful lives, as follows:

Buildings	10 to 50 years
Plant and equipment	2 to 20 years

The residual value of an asset is an estimated amount that the Group would currently obtain from disposal of the asset less estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life. The residual value of an asset is nil if the Group expects to use the asset until the end of its physical life. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each balance sheet date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.7).

2.6 Intangible assets*(a) Goodwill*

Goodwill represents the excess of the acquisition cost over the fair value of the Group's share of the net identifiable assets of the acquired subsidiary and the amount recognised for non-controlling interests and fair value of any previous interest held at the acquisition date. Goodwill on acquisition of subsidiaries is included in intangible assets.

Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate a potential impairment and carried at cost less accumulated impairment losses. Impairment losses on goodwill are recognised immediately as an expense and not subsequently reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units that are expected to benefit from synergies of the business combination in which the goodwill arose. Goodwill is monitored at the operating segment level.

(b) Brands

Brands acquired in a business combination are carried at initially determined fair value (recognised at acquisition date) less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of brands over their estimated useful life (7 to 15 years).

Brands with indefinite useful lives are not amortised but are tested annually for impairment at the cash generating unit level.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.6 Intangible assets (continued)***(c) Computer software*

Acquired computer software licences are capitalized based on the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (up to 5 years).

(d) Licences

Licences acquired in a business combination are recognized at fair value at the acquisition date. Licences have indefinite useful lives and are not amortised but are tested annually for impairment at the cash generating unit level. Separately acquired licences are recognized at historical cost and amortized using the straight-line method over their estimated useful lives (5 years).

(e) Customer contracts

Customer contracts acquired in a business combination are carried at initially determined fair value (recognised at acquisition date) less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of contracts over their estimated useful life (from 5 to 15 years).

2.7 Impairment of non-financial assets

Assets that are subject to amortisation and depreciation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

2.8 Financial assets

The Group classifies its financial assets in the following categories: financial assets at fair value through profit or loss, financial asset at fair value through other comprehensive income (OCI), and financial assets at amortised cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of financial assets at initial recognition and re-values this designation at each reporting date.

Financial assets at amortised costs

The Group measures financial assets at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model with the objective of holding financial assets to collect contractual cash flows,
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

Financial assets at amortised cost include trade receivables and loans and deposits given.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.9 Leases***(i) The Group's leasing activities and accounting policy*

The Group leases various offices, equipment and vehicles. Rental contracts are typically made for fixed periods of 12 months to 5 years but may have extension options as described in (iii) below, or be concluded for an indefinite period. Contracts may contain both lease and non-lease components. The Group has elected not to separate lease and non-lease components and instead accounts for these as a single lease component. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability. The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions. In that sense, incremental borrowing rate of 3.70%, representing unsecured risk of the Company was used for new and modified leases whose maturity is above 5 years (2024: 3.19%), and incremental borrowing rate of 2.95%, representing the secured risk of the Company was used for new and modified leases with maturity of 5 years and less (2024: 2.83%).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life.

Payments associated with short-term leases of equipment and vehicles, all leases of low-value assets and software licences are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets (below EUR 5 thousand) comprise IT equipment and small items of office furniture.

(ii) Variable lease payments

The Group may be exposed to variable payment terms linked to an index or rate, which are not included in the lease liability until they take effect. When adjustments to lease payments based on an index or rate take effect, the lease liability is reassessed and adjusted against the right-of-use asset. Variable lease payments which depend on the sales realization, if contracted, are recognized in the income statement within "other operating costs".

(iii) Extension and termination options

Extension and termination options are included in a number of property and equipment leases across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations.

Lease income from operating leases where the Group is a lessor is recognised in income on a straight-line basis over the lease term. Initial direct costs incurred in obtaining an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income. The respective leased assets are included in the balance sheet based on their nature.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.10 Inventories**

Inventories of raw materials and spare parts are stated at the lower of cost, determined using the weighted average method and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

The cost of work-in-progress and finished goods comprises raw materials, direct labour, other direct costs and related production overheads (based on normal operating capacity). It excludes borrowing costs.

Trade goods are carried at selling price less applicable taxes and margins.

Where necessary, a provision is made for damaged and expired inventories.

2.11 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, deposits held at call with banks and other short-term highly liquid instruments with original maturities of three months or less (excluding bills of exchange). Bank overdrafts are included within borrowings in current liabilities on the balance sheet.

2.12 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Any excess of the fair value of the consideration received over the par value of the shares issued is presented in the notes as a share premium.

Where any Group company purchases the Company's equity share capital (treasury shares), the consideration paid, including all directly attributable incremental transaction costs, is deducted from equity until the shares are cancelled or reissued. Where such ordinary shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

2.13 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.14 Current and deferred tax**

The current tax charge is calculated based on the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and consider establishing provisions where appropriate based on amounts expected to be paid to the tax authorities.

2.15 Employee benefits*(a) Pension obligations and post-employment benefits*

The Group makes payments to mandatory pension funds on behalf of its employees in the ordinary course of business through salary deductions, as required by law. All contributions made to the mandatory pension funds are recorded as salary expense when incurred. The Group has no other pension scheme and consequently, has no other obligations in respect of employee pensions. In addition, the Group is not obliged to provide any other post-employment benefits except for the one-off retirement payment as prescribed by local legislation or internal rulebook.

(b) Termination benefits

Termination benefits are payable when employment is terminated by the Group before the normal retirement date or whenever an employee accepts voluntary redundancy in exchange for these benefits or when retiring regularly or early. The Group recognises termination benefits when it is demonstrably committed to either: terminating the employment of current employees according to a detailed formal plan without the possibility of withdrawal; or providing termination benefits as a result of an offer made to encourage voluntary redundancy or early retirement. The liability recognised in the balance sheet in respect of one-off retirement payment is the present value of the defined benefit obligation at the end of the reporting period. This obligation is calculated annually by independent actuaries. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise. Interest costs/income arising from actuarial calculation are charged/credited to income statement within 'interest expenses'. Benefits falling due more than 12 months after the balance sheet date are discounted to their present value.

(c) Long-term employee benefits

The Group recognises a liability for long-term employee benefits (jubilee awards) evenly over the period the benefit is earned based on actual years of service. The long-term employee benefit liability is determined annually by an independent actuary, using assumptions regarding the likely number of staff to whom the benefit will be payable, estimated benefit cost and the discount rate. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged immediately or credited to the income statement within "staff costs". Interest costs/income arising from actuarial calculation are charged/credited to income statement within "interest expense".

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.15 Employee benefits (continued)***(d) Share-based compensation*

Management and employees of the Group are entitled through ESOP program to receive remuneration in the form of share-based payment transactions, whereby employees render services as consideration for equity instruments ('equity-settled transactions').

The cost of equity-settled transactions with employees is measured by reference to the fair value at the date on which they are granted. The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the service conditions are fulfilled, ending on the date on which relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

(e) Short-term employee benefits

The Group recognises a provision for bonuses and accumulating unused vacation entitlement days if contractually obliged or if there is a past practice that has created a constructive obligation.

2.16 Provisions

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.17 Revenue recognition**

The Group recognise revenue to depict the transfer of promised goods or services to customers in the amount that reflects the consideration to which the Group expect to be entitled in exchange for those goods or services. This core principle is delivered in a five-step model framework.

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, returns, rebates and discounts, expenses of listing the products and marketing activities that are an integral part of contracts with customers. All other marketing activities related to marketing campaigns that are not integral part of customer contract are presented within Marketing and promotion costs. The Group recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Group's activities as described below.

(a) Sales of products and trade goods – wholesale

The Group manufactures and sells its own products and goods of third parties in the wholesale market. Sales of goods are recognised when the Group has delivered the products to the wholesaler, the wholesaler has full discretion over the price to sell and there is no unfulfilled obligation that could affect the wholesaler's acceptance of the products. Delivery does not occur until the products have been shipped to the specified location, the risks of loss have been transferred to the wholesaler and either of the following has occurred: the wholesaler has accepted the products in accordance with the contract, the acceptance provisions have lapsed or the Group has objective evidence that all criteria for acceptance have been satisfied. Products are sold with volume discounts and customers have a right to return faulty products in the wholesale market. Sales are recorded based on the price specific in the sales contracts, net of estimated volume discounts and returns at the time of sale. Accumulated experience is used to estimate and provide for the discounts and returns. The volume discounts are assessed based on anticipated annual purchases. No element of financing is deemed present as the sales are made with a credit term of up to 90 days, which is consistent with the market practice.

(b) Sales of goods – retail

The Group operates a pharmacy and specialised stores and discount stores. Sale of goods are recognised when a group entity sells a product to the customer. Retail sales are paid in cash or by credit card. The Group operates a customer loyalty programme, allowing customers to accumulate points when they purchase products. The points can then be redeemed as discount on subsequent purchase, subject to a minimum number of points being obtained. Consideration received is allocated between the products sold and the points issued. Part of fair value of the points issued is deferred as liability in the balance sheet and recognised as revenue when the points are redeemed.

(c) Sales of services

Sales of services are recognised in the accounting period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be provided.

(d) Interest income

Interest income arising from fixed-term bank deposits, loans granted and interest from customers is recognised on a time-proportion basis using the effective interest method.

(e) Rental income

Rental income is generally recognised in the period in which the services are provided using a straight-line basis over the terms of contracts with lessee and presented in income statement within 'other income'.

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.18 Dividend distribution**

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's consolidated financial statements in the period in which dividends are approved by the Company's General Assembly.

2.19 Value added tax

The Tax Authorities require the settlement of value added tax (VAT) on a net basis. VAT related to sales and purchases is recognised and disclosed in the balance sheet on a net basis. Where a provision has been made for impairment of receivables, the impairment loss is recorded for the gross amount of the debtor, including VAT.

2.20 Assets held for sale

Assets are classified as assets held for sale when their carrying value is to be recovered principally through a sale transaction and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell and no depreciation is charged to profit and loss statement.

2.21 Derivative financial instruments and hedging activities

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group designates derivatives as hedges of a particular risk associated with a recognised asset or liability or a highly probable forecast transaction (cash flow hedge).

The Group documents at the inception of the transaction the relationship between hedging instruments and hedged items as well as its risk management objectives and strategy for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives that are used in hedging transactions are highly effective in offsetting changes in fair values or cash flows of hedged items.

The fair value of cash flow hedge derivatives is disclosed in Note 17 and changes in cash flow hedge reserves are disclosed in Note 23.

The effective portion of changes in the fair value of derivatives that are designated and qualify as cash flow hedges, is recognised in other comprehensive income (OCI). The gain or loss related to the ineffective portion is recognised immediately in the income statement within "Other gains/(losses) – net". Amounts accumulated in equity are reclassified from OCI to profit or loss in the periods when the hedged item affects profit or loss. The change in fair value of the time value of an option that hedges a transaction related hedged item – subject to the condition that it is separated from the hedging relationship – is recognised in other comprehensive income to the extent that it relates to the hedged item and is accumulated in a separate component of equity.

When a hedging instrument expires or is sold or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is recognised when the forecast transaction is ultimately recognised in the income statement. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in equity is immediately transferred from other comprehensive income to the income statement within "Other gains/(losses) – net".

NOTE 2 – SUMMARY OF MATERIAL ACCOUNTING POLICIES INFORMATION (continued)**2.22 Trade payables**

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the regular operating cycle of the business if longer). If not, they are presented as non-current liabilities. Trade payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.23 Investment property

Investment property is carried at historical cost less accumulated depreciation and provision for impairment (useful life of 25 years). Investment property is derecognized when it either has been disposed of or when it is permanently withdrawn from use and no future economic benefit is expected from its disposal. Transfers are made to or from investment property only when there is a change in use. The carrying amount approximates fair value. Investment property is held for long term rental yields and is not occupied by the Group.

2.24 Operating profit

Operating profit comprises the difference between operating revenues (revenues from sale of products, trade goods and services, interest income and other income) and operating costs – all costs excluding finance costs and taxes.

2.25 Events after the reporting period

Events that occur after the reporting period and provide necessary information about the Group's position on the reporting date (adjusting events) are reflected in the financial statements. Events that occur after the reporting period and are not adjusting events are disclosed in the notes when they are significant.

NOTE 3 – FINANCIAL RISK MANAGEMENT**3.1 Financial risk factors**

The Group's business activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Group's risk management program focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. The Group uses derivative financial instruments to hedge certain risk exposures.

(a) *Market risk*

(i) *Foreign exchange risk*

The Group operates internationally and is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the Serbian dinar (RSD), Russian ruble (RUB) and to a lesser extent the US dollar (USD).

Movements in exchange rates between the above-mentioned currencies and EUR may have an impact on the results of the Group's future operations and future cash flow. The amounts in the tables below represent the EUR amounts denominated in the stated currencies at the balance sheet date for major balance sheet monetary items.

31 December 2025 <i>(in thousands of EUR)</i>	RSD	USD	RUB
Trade and other receivables	75,609	54	1,616
Cash and cash equivalents	6,627	71	927
Trade and other payables	(37,556)	(10,506)	(2,395)
Borrowings	(34,197)	-	-
Lease liabilities	(215)	-	-
Net balance sheet exposure	10,268	(10,381)	148

31 December 2024 <i>(in thousands of EUR)</i>	RSD	USD	RUB
Trade and other receivables	72,772	10	1,688
Cash and cash equivalents	4,261	3	322
Trade and other payables	(33,100)	(11,577)	(1,906)
Borrowings	(17,092)	(226)	-
Lease liabilities	(62)	-	-
Net balance sheet exposure	26,779	(11,790)	104

Given that the Group also has subsidiaries outside of Croatia, its shareholders equity value is exposed to fluctuations in exchange rates. Equity changes caused by movements in foreign exchange rates are shown as translation differences in the Group's consolidated statement of comprehensive income.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)**

(a) *Market risk (continued)*

(i) *Foreign exchange risk (continued)*

In the event of a rise of 1% in the RSD against EUR, assuming all other variables remain constant, the profit after tax for the year would have been EUR 4 thousand higher (2024: EUR 67 thousand lower), and other comprehensive income would be EUR 1,148 thousand higher (2024: EUR 1,139 thousand higher).

In the event of a rise of 1% in the RUB against EUR, assuming all other variables remain constant, the profit after tax for the year would have been EUR 13 thousand higher (2024: EUR 16 thousand higher) and other comprehensive income would be EUR 63 thousand higher (2024: EUR 43 thousand higher).

(ii) *Equity securities risk*

The Group is exposed to equity securities fair value and price risk with respect to investments held by the Group classified on the consolidated balance sheet as fair value through OCI. Equity investments classified as fair value through OCI are not listed. To manage its fair value and price risk arising from investments in equity securities, the Group monitors market transactions and performance of entities.

No reliable external information exists with respect to fair value. Management believes, based on internal information, that the fair value equals or exceeds carrying value. However, due to limited information available, management has not carried out a sensitivity analysis. At 31 December 2025, if the fair value of the financial assets through OCI would change, with all other variables held constant, other comprehensive income and revaluation reserves would also change for the same amount.

(iii) *Cash flow and fair value interest rate risk*

As the Group has no significant interest-bearing assets, the Group's income and operating cash flows are substantially independent of changes in market interest rates.

The Group's interest rate risk arises from long-term borrowings and bonds issued. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash held at variable interest rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk although no borrowings are carried at fair value.

The Group analyses its interest rate changes on a regular basis. Various scenarios are simulated taking into consideration refinancing, renewal of existing positions and alternative financing. Based on these scenarios, the Group calculates the impact on profit and loss of a defined interest rate shift. As at 31 December 2025, if the effective interest rate on borrowings increased/decreased by 100 basis points on an annual level (2024: 100 basis points), the profit after tax would have been lower/higher by EUR 535 thousand (2024: EUR 608 thousand lower/higher), mainly as a result of increased/decreased interest expense.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)***(b) Credit risk*

The Group's assets, potentially subjecting the Group to concentrations of credit risk, primarily include cash, deposits and trade and other receivables. The Group has policies in place to ensure that sales of products are made to customers with an appropriate credit history, within previously defined credit limits. The Group's credit risk is low, since receivables are dispersed among a large group of customers. Additionally, the Group's key customers are large retail chains, whereas dependence on these customers is reduced by developing alternative distribution channels. The Group reduces credit risk by implementing strict policies for receivables collection and goods delivery, as well as securing receivables with standard security instruments (bills of exchange and promissory notes). No credit limits were exceeded during the reporting period and management does not expect any losses from non-performance by these counterparties. A detailed analysis and maximum exposure to credit risk is shown in Notes 17 and 19.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of contracted credit facilities and the ability to meet all obligations. The Group aims to maintain flexibility in funding by keeping contracted credit lines available.

Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group finance. Group finance monitors Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn contracted borrowing facilities when needed. Such forecasting takes into consideration the Group's debt financing plans, covenant compliance and compliance with internal balance sheet ratio targets.

Surplus cash held over and above the balance required for working capital management is invested in interest bearing current accounts, time deposits and cash funds, i.e. instruments with appropriate maturities or sufficient liquidity.

At 31 December 2025, the Group held cash and cash equivalents in the amount of EUR 112,302 thousand (2024: EUR 53,206 thousand) and short-term deposits in the amount of EUR 14 thousand (2024: EUR 12 thousand). These are expected to readily generate cash inflows for managing liquidity risk.

Trade and other payables, as well as short-term borrowings are due within 12 months after the balance sheet date, while the long-term borrowings' maturity is disclosed in Note 25.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)**3.1 Financial risk factors (continued)***(c) Liquidity risk (continued)*

The table below analyses financial liabilities of the Group according to contracted maturities. The amounts disclosed in the table below represent the contractual undiscounted cash flows.

<i>(in thousands of EUR)</i>	Less than 1 year	Between 1-5 years	Over 5 years	Total
31 December 2025				
Trade and other payables	215,711	-	-	215,711
Borrowings	74,407	208,836	-	283,243
Lease liabilities	20,196	45,681	32,987	98,864
Derivative financial instruments	901	-	-	901

<i>(in thousands of EUR)</i>	Less than 1 year	Between 1-5 years	Over 5 years	Total
31 December 2024				
Trade and other payables	213,740	-	-	213,740
Borrowings	118,519	60,026	-	178,545
Lease liabilities	18,289	42,676	33,139	94,104

3.2 Changes in liabilities arising from financial activities

<i>(in thousands of EUR)</i>	Borrowings Current	Borrowings Non-Current	Leases Current	Leases Non-Current	Total
1 January 2025	114,128	57,114	16,087	65,061	252,390
Cash flow	(72,156)	164,960	(18,111)	-	74,693
Disposal of subsidiary	-	-	(5)	(14)	(19)
Acquisitions, modifications, and leases expirations	-	-	2,341	19,023	21,364
Current portion	25,825	(25,825)	17,251	(17,251)	-
FX differences	(76)	(27)	-	(1)	(104)
Other	(337)	-	-	-	(337)
31 December 2025	67,384	196,222	17,563	66,818	347,987

<i>(in thousands of EUR)</i>	Borrowings Current	Borrowings Non-Current	Leases Current	Leases Non-Current	Total
1 January 2024	73,435	86,338	13,508	49,368	222,649
Cash flow	(23,785)	35,020	(16,521)	-	(5,286)
Acquisition of subsidiary	-	-	428	1,130	1,558
Acquisitions, modifications, and leases expirations	-	-	2,827	30,410	33,237
Current portion	64,285	(64,285)	15,846	(15,846)	-
FX differences	47	9	(1)	(1)	54
Other	146	32	-	-	178
31 December 2024	114,128	57,114	16,087	65,061	252,390

The Group classifies interest paid as cash flows from operating activities.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)**3.3 Capital risk management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital and net debt. Net debt is calculated as total borrowings (including long-term and short-term borrowings, as shown in the consolidated balance sheet) plus lease liabilities and derivative financial instruments less cash and cash equivalents. Total capital and net debt are calculated as equity, as shown in the consolidated balance sheet, plus net debt.

The gearing ratios were as follows:

<i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
Total borrowings (Note 25)	263,606	171,242
Lease liabilities (Note 13a)	84,381	81,148
Derivative financial instruments (Note 17)	901	(5,827)
Less: Cash and cash equivalents (Note 21)	<u>(112,302)</u>	<u>(53,206)</u>
Net debt	236,586	193,357
Total equity	470,131	462,022
Total capital and net debt	<u>706,717</u>	<u>655,379</u>
Gearing ratio	33%	30%

In order to maintain or adjust the capital structure, the General assembly, in accordance with the Decision on dividend policies, may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or Group may sell assets to reduce debt.

3.4 Fair value estimation

All financial instruments for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3 - Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

NOTE 3 – FINANCIAL RISK MANAGEMENT (continued)**3.4 Fair value estimation (continued)**

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps is calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date, with the resulting value discounted back to present value.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

The fair value of derivative financial instruments is determined based on specific valuation techniques (level 2).

NOTE 4 – KEY ACCOUNTING ESTIMATES

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below.

(a) Expected useful lives of brands and licences

Expected useful lives of brands and licences is considered to be indefinite unless there are circumstances that would indicate they should be limited to a certain period. The Group considers such indicators at each reporting period.

(b) Impairment of goodwill and intangible assets with indefinite useful lives

Goodwill and intangible assets with indefinite useful lives are tested annually for impairment as stated in Note 2.7. Brands with indefinite useful lives are tested for impairment on an individual asset basis, licences at the level of pharmacy business type (pharmacies and specialized stores), whereas goodwill is tested based on the operating segment to which it is allocated.

Goodwill and intangible assets with indefinite lives have been allocated to cash generating units within operating segments as follows:

(i) Licences

Operating segment <i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
SBU Pharmacy business	25,898	24,342
	<u>25,898</u>	<u>24,342</u>

NOTE 4 – KEY ACCOUNTING ESTIMATES (continued)

(b) Impairment test for goodwill and intangible assets with indefinite useful lives (continued)

(ii) Brands

Operating segment <i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
SBU Savoury Spreads	32,126	32,126
SBU Snacks	15,330	15,350
SBU Coffee	13,609	13,609
BU Donat	6,255	6,255
	67,320	67,340

(iii) Goodwill

Operating segment <i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
SBU Pharmacy business	22,230	22,322
SBU Snacks	21,272	21,350
SBU Savoury Spreads	16,475	16,475
BU Donat	10,679	10,679
SBU Coffee	9,861	9,883
SDU Serbia	6,909	6,928
SDU Croatia	6,617	6,630
SDU Slovenia	3,535	3,544
SDU North Macedonia	803	805
SBU Beverages	348	348
	98,729	98,964

The recoverable amount of cash generating units is determined based on value-in-use calculations. These calculations use cash flow projections from financial forecasts approved by the management, covering a seven-year period.

NOTE 4 – KEY ACCOUNTING ESTIMATES (continued)

(b) Impairment test for goodwill and intangible assets with indefinite useful lives (continued)

Value in use calculations for goodwill were determined based on the following assumptions on after-tax discount rates:

Operating segment	2025	2024
SBU Coffee	9.5%	10.2%
SBU Savoury Spreads	9.9%	10.1%
SBU Snacks	10.2%	11.1%
SBU Pharmacy business	7.2%	6.7%
BU Donat	8.8%	9.1%
SDU Croatia	7.8%	5.9%
SDU Serbia	10.4%	8.4%
SDU Slovenia	7.3%	5.2%
SDU North Macedonia	12.9%	8.7%

The Growth rate assumptions were based on historical data and management's expectations for market development. Terminal growth rate is 2.0% for all Operating segments (except for SBU Coffee, 1.0%) and individual asset impairment tests, and it is based on management's expectations for market development (2024: 2.0%, SBU Coffee: 1.0%). In 2025, most business segments recorded a decrease in the post-tax discount rate compared to 2024, primarily due to (i) lower beta coefficient, (ii) lower interest rates in the markets of Serbia, Croatia and North Macedonia and (iii) a lower equity risk premium in the Serbian and Croatian markets. Discount rates in the distribution segment increased, mainly driven by a higher beta coefficient.

NOTE 4 – KEY ACCOUNTING ESTIMATES (continued)

(b) *Impairment test for goodwill and intangible assets with indefinite useful lives (continued)*

The Royalty rate assumptions used for impairment tests of brands are as follows:

	2025	2024
Barcaffe	5.0%	5.0%
Najlepše želje	6.0%	6.0%
Bananica	5.1%	5.1%
Smoki	7.5%	7.5%
Argeta	8.0%	8.0%
Donat	10.7%	10.7%

Impairment testing of goodwill and intangible assets with indefinite useful lives as at the balance sheet date did not result in the recognition of any impairment loss on goodwill or intangible assets (2024: EUR 3,374 thousand).

A reasonably expected change in any of the key assumptions used in the impairment test, with all other variables unchanged, may result in additional impairment.

The sensitivity analysis of the key assumptions used in the impairment testing of brands showed that a discount rate increase by 100 basis points, with other variables unchanged, would not result in additional impairment of brands. At the same time, if the terminal growth rate was reduced by 100 basis points, with other variables unchanged, it would not lead to an additional decrease in the value of brands. Also, a decrease in the royalty rate by 50 basis points, with other variables unchanged, would not imply additional impairment of brands.

The sensitivity analysis of the key assumptions used in the impairment testing of goodwill and licences shows that increasing the discount rate by 100 basis points, with other variables unchanged, would not result in the additional impairment of goodwill. At the same time, if the terminal growth rate was reduced by 100 basis points, with other variables unchanged, it would not lead to an additional decrease in the value of goodwill. Decrease in expected free cash flow by 500 basis points, with other variables unchanged, would not imply additional impairment of goodwill.

(c) *Deferred tax asset recognition*

The net deferred tax asset represents income taxes recoverable through future deductions from taxable profits and is recorded on the balance sheet. Deferred tax assets are recorded to the extent that realisation of the related tax benefit is probable. In determining future taxable profits and the amount of tax benefits that are probable in the future, management makes judgements and applies estimation based on previous years taxable profits and expectations of future income that are believed to be reasonable under the existing circumstances (Note 26).

NOTE 5 – SEGMENT INFORMATION

The business model of the Group is organized through five strategic business units (SBU) and one business unit (BU). In addition to business units, separate department – New Growth is established, which is focused on the development of new brands of Atlantic Grupa.

The distribution business is organized to cover six largest markets – Croatia, Serbia, Slovenia, North Macedonia, Russia and Austria and department of Global Distribution Account Management covering the markets dominantly managed by distribution partners.

Business units	Distribution units
SBU Coffee	SDU Croatia
SBU Beverages	SDU Serbia
SBU Savoury Spreads	SDU Slovenia
SBU Snacks	SDU North Macedonia
SBU Pharmacy bussines	DU Russia
BU Donat	DU Austria
New Growth	Global Distribution Account Management

SBU – STRATEGIC BUSINESS UNIT

SDU – STRATEGIC DISTRIBUTION UNIT

BU – BUSINESS UNIT

DU – DISTRIBUTION UNIT

For more efficient management of individual business and distribution units, the organization unites similar business activities or products, shared markets, or channels, together.

Since DU Russia, DU Austria, Global distribution network management and New Growth do not meet quantitative thresholds, required by IFRS 8 for reportable segments, they are reported within “Other segments”. “Other segments” category comprises also of non-allocable business activities (headquarters and support functions in all markets of Atlantic Grupa) which are excluded from the reportable operating segments.

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, and the income tax is calculated at the level of each entity in accordance with the regulations of the country in which the entity operates.

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 include sales of own products also reported as business units’ sales. This double counting of own product sales is eliminated in the “Reconciliation” line. For segmental profit calculation, sales between operating segments are carried out at arm's length.

NOTE 5 – SEGMENT INFORMATION (continued)

Sales revenues	2025	2024
<i>(in thousands of EUR)</i>		
SBU Coffee	316,205	248,811
SBU Savoury Spreads	165,583	150,316
SBU Snacks	130,175	125,704
SBU Beverages	102,975	110,574
SBU Pharmacy business	104,178	95,218
BU Donat	40,124	36,497
SDU Croatia	283,692	266,798
SDU Serbia	321,188	267,851
SDU Slovenia	181,289	168,402
SDU North Macedonia	73,377	63,914
Other segments	104,148	90,866
Reconciliation	(632,915)	(544,693)
Total	1,190,019	1,080,258

Operating results	For the year ended 31 December 2025		
	Operating Profit / (Loss) before Depreciation, Amortisation and Impairment	Depreciation, Amortisation and Impairment	Operating Profit / (Loss)
<i>(in thousands of EUR)</i>			
SBU Coffee	26,231	10,471	15,760
SBU Savoury Spreads	28,328	3,932	24,396
SBU Snacks	8,282	6,371	1,911
SBU Beverages	18,800	4,591	14,209
SBU Pharmacy business	9,550	4,442	5,108
BU Donat	17,230	456	16,774
SDU Croatia	17,907	6,506	11,401
SDU Serbia	14,374	3,414	10,960
SDU Slovenia	8,033	628	7,405
SDU North Macedonia	4,158	1,364	2,794
Other segments	(46,869)	11,230	(58,099)
Total	106,024	53,405	52,619

NOTE 5 – SEGMENT INFORMATION (continued)

Operating results*	For the year ended 31 December 2024		
	Operating Profit / (Loss) before Depreciation, Amortisation and Impairment	Depreciation, Amortisation and Impairment	Operating Profit / (Loss)
<i>(in thousands of EUR)</i>			
SBU Coffee	21,152	9,736	11,416
SBU Savoury Spreads	21,737	3,899	17,838
SBU Snacks	8,764	8,373	391
SBU Beverages	17,637	4,215	13,422
SBU Pharmacy business	10,852	3,561	7,291
BU Donat	16,979	420	16,559
SDU Croatia	16,068	5,450	10,618
SDU Serbia	11,344	3,158	8,186
SDU Slovenia	8,475	1,052	7,423
SDU North Macedonia	3,763	1,155	2,608
Other segments	(39,747)	10,193	(49,940)
Total	97,024	51,212	45,812

Geographical information

The total of non-current assets other than financial instruments, deferred income tax assets and trade and other receivables is located as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Croatia	190,711	185,842
Serbia	190,295	174,329
Slovenia	131,739	137,498
Other markets	28,822	27,891
Total geographically allocated non-current assets	541,567	525,560

* Comparative period has been adjusted to reflect 2025 reporting

NOTE 5 – SEGMENT INFORMATION (continued)

Sales by markets	2025		2024	
	(in thousands of EUR)	%	(in thousands of EUR)	%
Croatia	392,908	33.0	367,834	34.0
Serbia	324,063	27.2	285,126	26.4
Slovenia	181,524	15.3	169,111	15.6
Bosnia and Herzegovina	87,813	7.4	79,706	7.4
Other regional markets*	104,527	8.8	91,296	8.4
Key European markets**	65,185	5.5	55,750	5.2
Russia and CIS countries	15,549	1.3	14,154	1.4
Other markets	18,450	1.5	17,281	1.6
Total sales by markets	1,190,019	100.0	1,080,258	100.0

*Other regional markets: North Macedonia, Montenegro, Kosovo

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

Sales by geographical segments is determined by geographical location of the customer.

Analysis of revenue by category	2025		2024	
	(in thousands of EUR)	%	(in thousands of EUR)	%
Sales by type of products				
Own brands	761,965	63.1	678,151	61.8
Principal brands	323,876	26.8	306,889	28.0
Farmacia	104,178	8.6	95,218	8.7
Total sales by type of products	1,190,019	98.5	1,080,258	98.5
Other income /i/	17,117	1.5	16,255	1.5
Total revenues	1,207,136	100.0	1,096,513	100.0

/i/ Other income mainly comprises of interest income, rental income and income from the reversal of unused provisions.

NOTE 6 – STAFF COSTS

	2025	2024
(in thousands of EUR)		
Gross salaries /i/	159,904	142,166
Christmas and Easter bonuses and holiday allowances	9,658	9,690
Public transport	2,896	2,950
Termination benefits	533	711
Other staff costs /ii/	15,225	16,144
	188,216	171,661

In 2025, the average number of employees was 5,822 (2024: 5,728).

/i/ Pension contributions that the Group calculated for payment to mandatory pension funds in 2025 amounted to EUR 29,640 thousand (2024: EUR 27,295 thousand).

/ii/ Other staff costs include bonuses, education expenses, accruals for unused vacation days and jubilee awards.

NOTE 7 – MARKETING AND PROMOTION COSTS

	2025	2024
(in thousands of EUR)		
Marketing and promotion costs - external	41,900	45,842
Marketing and promotion costs - related parties (Note 30)	500	2,109
Sponsorships and donations - external	4,023	4,165
	46,423	52,116

NOTE 8 – OTHER OPERATING COSTS

	<u>2025</u>	<u>2024</u>
<i>(in thousands of EUR)</i>		
Transportation costs	31,046	29,536
Maintenance	26,897	23,536
Taxes and contributions not related to operating results	7,003	6,868
Rentals (Note 13a)	6,122	5,639
Non-production material	5,417	5,147
Entertainment	4,706	5,355
Provision for impairment of inventories (Note 20)	4,123	3,243
Fuel	4,116	4,168
Intellectual services	3,904	3,344
Production services	3,558	3,749
Travel expense and daily allowances	2,582	2,560
Non-production services	2,408	1,983
Telecommunication services	1,733	1,671
Bank charges	1,559	1,378
Provision for impairment of trade receivables (Note 19)	1,430	1,410
Provision for impairment of loans granted and other receivables (Note 19)	1,271	-
Supervisory Board fees	272	264
Collection of previously impaired loans given (Note 19)	-	(4,422)
Collection of previously impaired trade receivables (Note 19)	(580)	(1,452)
Other – related parties (Note 30)	397	492
Other	4,210	3,015
	<u>112,174</u>	<u>97,484</u>

NOTE 9 – OTHER GAINS – NET

	<u>2025</u>	<u>2024</u>
<i>(in thousands of EUR)</i>		
Gain on sale of property, plant, and equipment and non-current assets held for sale	2,243	579
Gain on sale of raw materials	798	4,605
Gain on sale of subsidiary - net of fees paid	573	-
Fair value (losses) / gains on financial assets	(179)	145
Foreign exchange (losses) / gains – net	(1,110)	145
Other gains - net	770	656
	<u>3,095</u>	<u>6,130</u>

NOTE 10 – FINANCE COSTS – NET

	<u>2025</u>	<u>2024</u>
<i>(in thousands of EUR)</i>		
Finance income		
Foreign exchange gains on borrowings and lease liabilities	109	109
	<u>109</u>	<u>109</u>
Finance costs		
Interest expense on bank borrowings	(5,421)	(6,331)
Interest expense on lease liabilities	(2,808)	(2,631)
Interest expense on bonds	(1,686)	(382)
Interest expense on provisions for employee benefits	(377)	(349)
Other interest expense /i/	(138)	(362)
Total interest expense	<u>(10,430)</u>	<u>(10,055)</u>
Foreign exchange losses on borrowings and lease liabilities	(198)	(37)
	<u>(10,628)</u>	<u>(10,092)</u>
Finance costs - net	<u>(10,519)</u>	<u>(9,983)</u>

/i/ Other interest expenses relate to interest arising from unwinding of discount and default interests.

NOTE 11 – INCOME TAX

	<u>2025</u>	<u>2024</u>
<i>(in thousands of EUR)</i>		
Current tax	11,391	10,553
Deferred tax (Note 26)	(1,417)	(1,291)
	<u>9,974</u>	<u>9,262</u>

NOTE 11 – INCOME TAX (continued)

The tax on the Group's profit before tax differs from the theoretical amount that would arise using the weighted average tax rate applicable to profits of the consolidated entities as follows:

<i>(in thousands of EUR)</i>	<u>2025</u>	<u>2024</u>
Profit before taxation	42,100	35,829
Income tax calculated at Croatian statutory income tax rate of 18%	7,578	6,449
<i>Tax effects of:</i>		
Higher income tax rates overseas	263	1,264
Adjustments of current income tax related to prior years	-	526
Income not subject to tax	(1,556)	(922)
Expenses not deductible for tax purposes	2,730	1,125
Effect of utilized tax incentives	(12)	(200)
Utilisation of previously unrecognized tax losses	(25)	(61)
Tax losses for which no deferred tax assets were recognised	143	186
Effect of utilized tax losses	379	518
Pillar 2 top-up tax	474	377
Income tax	9,974	9,262

The effective tax rate was 23.7% (2024: 25.9%).

In December 2021, the OECD released model rules to introduce a global minimum corporate income tax rate of 15% applicable to multinational enterprise groups with global revenue over EUR 750 million ("Pillar Two"). The formal adoption of Directive (EU) 2022/2523 in December 2022 aims to achieve a coordinated implementation of Pillar Two in the EU Member States.

The Group is within the scope of the OECD Pillar Two model rules. Pillar Two legislation was enacted in Republic of Croatia, the jurisdiction in which the Company is incorporated, and has come into effect from 1 January 2024. The Group applies the IAS 12 exception to recognising and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

Under the legislation, the Group is liable to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate.

The Group has estimated, based on Country-by-country report that the effective tax rates exceed 15% in all jurisdictions in which it operates, except for jurisdiction of Bosnia and Herzegovina where two of its subsidiaries operate. The group's assessment indicates for jurisdiction of Bosnia and Herzegovina that the weighted average effective tax rate based on accounting profit is 10% for the annual financial year ended 31 December 2025 (2024: 12%).

Considering the impact of specific adjustments in the Pillar Two legislation, the Group recognised a current income tax expense of EUR 474 thousand for the year ended 31 December 2025 (2024: EUR 377 thousand).

NOTE 12 – EARNINGS PER SHARE**Basic earnings per share**

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the year, excluding ordinary shares purchased by the Company and held as treasury shares.

	<u>2025</u>	<u>2024</u>
Net profit attributable to shareholders of the Company <i>(in thousands of EUR)</i>	31,987	26,452
Weighted average number of ordinary shares in issue	13,266,169	13,268,182
Basic earnings per share <i>(in EUR)</i>	2.41	1.99

Diluted earnings per share

Diluted earnings per share are the same as basic earnings per share since there were no diluted potential ordinary shares.

NOTE 13 – PROPERTY, PLANT AND EQUIPMENT

<i>(in thousands of EUR)</i>	Land	Buildings	Plant and equipment	Assets not yet in use	Total
At 31 December 2023					
Cost	14,291	127,216	284,067	21,384	446,958
Accumulated depreciation and impairment charge	(1,209)	(73,959)	(196,827)	-	(271,995)
Net book amount	13,082	53,257	87,240	21,384	174,963
At 1 January 2024					
Opening net book amount	13,082	53,257	87,240	21,384	174,963
Additions	-	-	-	44,963	44,963
Transfer	-	8,011	37,611	(45,622)	-
Disposals	-	(17)	(542)	(2)	(561)
Depreciation	-	(3,699)	(19,269)	-	(22,968)
Impairment charge	(55)	-	(50)	(31)	(136)
Transfer from investment property	1,670	3,866	-	-	5,536
Transfer to assets held for sale	(296)	-	-	-	(296)
Acquisition of subsidiary	131	9,302	4,712	297	14,442
Foreign exchange differences	2	45	46	12	105
Closing net book amount	14,534	70,765	109,748	21,001	216,048
At 31 December 2024					
Cost	15,743	154,562	318,127	21,001	509,433
Accumulated depreciation and impairment charge	(1,209)	(83,797)	(208,379)	-	(293,385)
Net book amount	14,534	70,765	109,748	21,001	216,048
At 1 January 2025					
Opening net book amount	14,534	70,765	109,748	21,001	216,048
Additions	-	-	-	43,795	43,795
Transfer	2	7,822	31,785	(39,609)	-
Disposals	-	-	(277)	-	(277)
Depreciation	-	(4,093)	(21,919)	-	(26,012)
Transfer to investment property	(214)	(2,057)	(1,860)	-	(4,131)
Transfer from assets held for sale	875	1,912	-	-	2,787
Disposal of subsidiary	-	-	(156)	-	(156)
Foreign exchange differences	(1)	(56)	(139)	(35)	(231)
Closing net book amount	15,196	74,293	117,182	25,152	231,823
At 31 December 2025					
Cost	16,405	163,361	339,888	25,152	544,806
Accumulated depreciation and impairment charge	(1,209)	(89,068)	(222,706)	-	(312,983)
Net book amount	15,196	74,293	117,182	25,152	231,823

The Group has no pledged property, plant, and equipment as collateral for loan repayment.

NOTE 13a – LEASES

This note provides information for leases where the Group is lessee.

(i) Amounts recognized in the balance sheet

<i>(in thousands of EUR)</i>	Buildings	Vehicles	Other	Total
Right-of-use assets				
At 1 January 2024	41,063	18,224	437	59,724
Additions	4,221	14,221	243	18,685
Acquisition of subsidiary	73	1,458	-	1,531
Lease modification	16,925	446	195	17,566
Lease expiration	(1,455)	(1,423)	-	(2,878)
Depreciation	(8,831)	(8,531)	(117)	(17,479)
Foreign exchange differences	24	(8)	-	16
At 31 December 2024	52,020	24,387	758	77,165
Additions	4,807	11,261	-	16,068
Disposal of subsidiary	-	(20)	-	(20)
Lease modification	9,199	(77)	47	9,169
Lease expiration	(2,823)	(772)	-	(3,595)
Depreciation	(9,121)	(9,656)	(130)	(18,907)
Foreign exchange differences	7	(61)	(16)	(70)
At 31 December 2025	54,089	25,062	659	79,810
		31 December 2025		31 December 2024
<i>(in thousands of EUR)</i>				
Lease liabilities				
Current		17,563		16,087
Non-current		66,818		65,061
		84,381		81,148

(ii) Amounts recognized in the income statement

<i>(in thousands of EUR)</i>	2025	2024
Depreciation charge of right-of-use assets	18,907	17,479
Interest expense (included in "Finance cost")	2,808	2,631
Expense related to short-term leases, leases of software licences, low value assets and variable lease component which is not capitalized (included in "Other operating expenses")	6,122	5,639

The total cash outflow for leases in 2025 was EUR 18,111 thousand (2024: EUR 16,521 thousand).

NOTE 14 – INVESTMENT PROPERTY*(in thousands of EUR)***At 31 December 2023**

Cost	22,383
Accumulated depreciation	(6,587)
Net book amount	15,796

At 1 January 2024

Opening net book amount	15,796
Acquisition of subsidiary	112
Depreciation	(469)
Transfer to property, plant and equipment	(5,536)
Closing net book amount	9,903

At 31 December 2024

Cost	14,417
Accumulated depreciation	(4,514)
Net book amount	9,903

At 1 January 2025

Opening net book amount	9,903
Additions	159
Depreciation	(307)
Transfer to property, plant and equipment	(2,787)
Closing net book amount	6,968

At 31 December 2025

Cost	10,608
Accumulated depreciation	(3,640)
Net book amount	6,968

At the reporting date, there is no significant difference between the carrying amount and the fair value of the investment property.

NOTE 15 – ASSETS HELD FOR SALE

	2025	2024
<i>(in thousands of EUR)</i>		
At 1 January	7,392	7,392
Transfer from property, plant and equipment	4,131	296
Impairment charge	(680)	-
Disposal	(5,931)	(296)
Foreign exchange differences	(2)	-
At 31 December	4,910	7,392

The amount of assets held for sale as at 31 December 2024 mostly relates to the construction land in Zagreb, owned by the Company, whose sale was finalized during 2025. Assets held for sale as at 31 December 2025 mostly relate to the assets of a subsidiary in the Republic of Serbia that became available for sale following the relocation of production to a new site.

NOTE 16 – INTANGIBLE ASSETS*(in thousands of EUR)***At 31 December 2023**

	Goodwill	Licences	Brands	Rights and Customer services	Software	Assets not yet in use	Total
Cost	107,672	31,133	98,586	2,961	41,537	2,247	284,136
Accumulated amortisation and impairment charge	(6,774)	(6,706)	(22,621)	(2,069)	(31,572)	-	(69,742)
Net book amount	100,898	24,427	75,965	892	9,965	2,247	214,394

At 1 January 2024

Opening net book amount	100,898	24,427	75,965	892	9,965	2,247	214,394
Foreign exchange differences	88	-	29	-	3	3	123
Additions	-	-	-	-	-	5,325	5,325
Transfer	-	-	-	-	4,784	(4,784)	-
Acquisition of subsidiary	1,352	-	10,776	-	574	60	12,762
Amortisation	-	(68)	(2,152)	(375)	(4,182)	-	(6,777)
Impairment charge	(3,374)	-	-	-	-	(9)	(3,383)
Closing net book amount	98,964	24,359	84,618	517	11,144	2,842	222,444

At 31 December 2024

Cost	107,480	31,253	109,411	2,961	48,365	2,842	302,312
Accumulated amortisation and impairment charge	(8,516)	(6,894)	(24,793)	(2,444)	(37,221)	-	(79,868)
Net book amount	98,964	24,359	84,618	517	11,144	2,842	222,444

At 1 January 2025

Opening net book amount	98,964	24,359	84,618	517	11,144	2,842	222,444
Foreign exchange differences	(143)	(1)	(51)	-	(14)	(1)	(210)
Additions	-	-	-	-	-	6,173	6,173
Transfer	-	-	-	-	5,854	(5,854)	-
Disposal of subsidiary	-	-	-	-	(8)	-	(8)
Acquisition of subsidiary	-	2,066	-	-	-	-	2,066
Amortisation	-	(17)	(2,330)	(248)	(4,291)	-	(6,886)
Impairment charge	(92)	(510)	-	-	-	(11)	(613)
Closing net book amount	98,729	25,897	82,237	269	12,685	3,149	222,966

At 31 December 2025

Cost	107,542	33,327	108,133	2,961	54,456	3,149	309,568
Accumulated amortisation and impairment charge	(8,813)	(7,430)	(25,896)	(2,692)	(41,771)	-	(86,602)
Net book amount	98,729	25,897	82,237	269	12,685	3,149	222,966

The disclosure on goodwill and intangible assets with indefinite useful lives impairment test and the basis for impairment charge are provided in Note 4 b).

The Group has no pledged intangible assets as collateral for loan repayment.

NOTE 17 – FINANCIAL INSTRUMENTS BY CATEGORY

The accounting policies for financial instruments have been applied to the line items below:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Financial assets at amortised cost		
Trade receivables	224,376	204,845
Loans and deposits given	4,964	5,113
Other financial assets at amortized cost	14,896	12,110
Cash and cash equivalents	112,302	53,206
	<u>356,538</u>	<u>275,274</u>
Financial assets at fair value through other comprehensive income	108	109
Derivative financial instruments		
Cash flow hedges	-	5,827
Total financial assets	<u>356,646</u>	<u>281,210</u>
Total current	340,161	267,207
Total non-current	16,485	14,003
Financial liabilities at amortised cost		
Borrowings	263,606	171,242
Lease liabilities	84,381	81,148
Trade and other payables	215,711	213,685
	<u>563,698</u>	<u>466,075</u>
Derivative financial instruments		
Cash flow hedges	901	-
Financial liabilities at fair value through profit or loss		
Contingent consideration for acquisition of subsidiaries	-	69
Total financial liabilities	<u>564,599</u>	<u>466,144</u>
Total current	301,559	343,955
Total non-current	263,040	122,189

NOTE 18 – FINANCIAL ASSETS THROUGH OTHER COMPREHENSIVE INCOME

Investments in financial assets through other comprehensive income (OCI) relate to unlisted equity instruments and are carried at cost since they do not have a quoted market price and fair value cannot be reliably measured.

During 2025 and 2024, there were no impairment provisions on financial assets through OCI.

NOTE 19 – TRADE AND OTHER RECEIVABLES

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Non-current receivables		
Loans and deposits given /i/	3,791	4,178
Other non-current receivables	11,479	8,707
Other non-current receivables – related parties (Note 30)	1,107	1,009
	<u>16,377</u>	<u>13,894</u>
Current receivables		
Trade receivables /ii/	224,376	204,845
Loans and deposits given /i/	1,173	935
Other receivables /iii/	38,483	38,995
	<u>264,032</u>	<u>244,775</u>
	<u>280,409</u>	<u>258,669</u>
<i>(in thousands of EUR)</i>		
Financial assets		
Category: Trade and other receivables		
Trade receivables	224,376	204,845
Loans and deposits given	4,964	5,113
Other receivables	14,896	12,110
	<u>244,236</u>	<u>222,068</u>

NOTE 19 – TRADE AND OTHER RECEIVABLES (continued)

/i/ Loans and deposits given are as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Non-current receivables		
Loans	3,989	4,550
Deposits	378	316
Current portion	<u>(576)</u>	<u>(688)</u>
	3,791	4,178
Current receivables		
Loans	583	235
Current portion of non-current receivables	576	688
Deposits	<u>14</u>	<u>12</u>
	1,173	935
	<u>4,964</u>	<u>5,113</u>

The fair value of loans and deposits approximates the carrying amounts.

On 16 July 2024, Atlantic Grupa collected EUR 8.6 million based on a financial instrument issued by Fortenova Group STAK Stichting from the Netherlands, comprising EUR 7.1 million of principal and EUR 1.5 million of interest. The payment originates from a financial arrangement established during Fortenova's restructuring process, through the so-called "Supplier Loan Note Instrument". Consequently, the amount of EUR 4,422 thousand has offset other operating expenses.

/ii/ Trade receivables are as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Gross trade receivables	213,766	196,630
Trade receivables – related parties (Note 30)	17,398	14,791
Provision for trade receivables	<u>(6,788)</u>	<u>(6,576)</u>
	<u>224,376</u>	<u>204,845</u>

NOTE 19 – TRADE AND OTHER RECEIVABLES (continued)

/iii/ Other receivables are as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Prepaid expenses	19,019	15,416
Prepaid expenses – related parties (Note 30)	1,250	816
Advances to suppliers	9,885	8,128
Receivables from government institutions	6,019	12,241
Interest receivable	182	131
Interest receivable – related parties (Note 30)	-	18
Other	<u>2,128</u>	<u>2,245</u>
	<u>38,483</u>	<u>38,995</u>

Due to uncertainty regarding collection, an impairment of other receivables in the amount of EUR 1,271 thousand was recognized (2024: -), (Note 8).

/iv/ Accrued interest up to the balance sheet date is recorded within other income.

As at 31 December 2025, trade receivables in the amount of EUR 6,788 thousand (2024: EUR 6,576 thousand) were provided for. The individually impaired receivables relate to customers that are in unexpected difficult economic situations. The ageing of these receivables is as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Up to 3 months	1,193	678
3 to 6 months	99	174
Over 6 months	<u>5,496</u>	<u>5,724</u>
	<u>6,788</u>	<u>6,576</u>

NOTE 19 – TRADE AND OTHER RECEIVABLES (continued)

As at 31 December 2025, trade receivables in the amount of EUR 19,078 thousand (2024: EUR 18,050 thousand) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing of these receivables is as follows:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Up to 3 months	17,897	7,289
3 to 6 months	720	1,017
Over 6 months	461	9,744
	19,078	18,050

The carrying amounts of the Group's financial assets are denominated in the following currencies:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
EUR	148,330	129,508
RSD	75,609	72,772
Other	20,297	19,788
	244,236	222,068

Movements on the provision for impairment of trade receivables are as follows:

	2025	2024
<i>(in thousands of EUR)</i>		
As at 1 January	6,576	5,996
(Disposal) / acquisition of subsidiary	(13)	951
Provision for receivables impairment (Note 8)	1,430	1,410
Collected amounts reversed (Note 8)	(580)	(1,452)
Receivables written off	(642)	(343)
Exchange differences	17	14
As at 31 December	6,788	6,576

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

NOTE 20 – INVENTORIES

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Trade goods	63,943	54,389
Finished goods	49,100	43,757
Raw materials and supplies	28,724	26,403
Work in progress	2,151	1,808
	143,918	126,357

During 2025, inventories of EUR 4,123 thousand (2024: EUR 3,243 thousand) were impaired due to the adjustment to net realisable value (Note 8).

NOTE 21 – CASH AND CASH EQUIVALENTS

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
Deposits up to three months /i/	75,593	19,906
Gyro account and cash on hand	36,709	33,300
	112,302	53,206

/i/ Accrued interest up to the balance sheet date is recorded within other income.

Cash and cash equivalents are denominated in the following currencies:

	31 December 2025	31 December 2024
<i>(in thousands of EUR)</i>		
EUR	95,131	44,136
BAM	8,188	2,796
RSD	6,627	4,261
RUB	927	322
Other	1,429	1,691
	112,302	53,206

NOTE 22 – SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES

<i>(in thousands of EUR)</i>	Number of shares	Share capital	Share premium	Treasury shares	Total
1 January 2024	13,288,225	106,698	28,760	(2,510)	132,948
Purchase of treasury shares	(93,732)	-	-	(5,250)	(5,250)
Share based payments	64,242	-	219	3,413	3,632
31 December 2024	13,258,735	106,698	28,979	(4,347)	131,330
Purchase of treasury shares	(89,898)	-	-	(3,970)	(3,970)
Share based payments	85,427	-	(812)	4,596	3,784
31 December 2025	13,254,264	106,698	28,167	(3,721)	131,144

All shares issued are ordinary shares, including all relevant rights except for treasury shares. These rights include the right to vote at the Company's General Assembly, as well as the right to dividend payment.

The ownership structure of the Company is as follows:

	31 December 2025		31 December 2024	
	Number of shares	%	Number of shares	%
MYBERG d.o.o.	6,695,276	50.20	6,695,276	50.20
Raiffeisen Obligatory pension fund	1,447,396	10.85	1,447,396	10.85
AZ Obligatory pension fund	1,147,784	8.61	1,147,784	8.61
Erste Plavi Obligatory pension fund	988,464	7.41	988,464	7.41
Lada Tedeschi Fiorio	772,624	5.79	772,624	5.79
Other Management board members	164,608	1.23	163,165	1.22
Other shareholders	2,038,112	15.28	2,044,026	15.33
Treasury shares	82,936	0.63	78,465	0.59
Total	13,337,200	100.00	13,337,200	100.00

The founder and majority owner of the company MYBERG d.o.o., Zagreb is Mr. Emil Tedeschi.

The annual consolidated financial statements of the largest group of companies, in which the Company is a controlled member, are prepared by MYBERG d.o.o., Zagreb. These statements are available within the legal deadline in the Register of Annual Financial Reports at the Financial Agency - FINA.

Dividend distribution

According to the decision of the Company's General Assembly from 24 June 2025, the distribution of dividend in the amount of EUR 1.50 per share, or EUR 19,915 thousand in total was approved. Dividend was paid in July 2025.

In 2024 the distribution of dividend in the amount of EUR 1.20 per share, or EUR 15,916 thousand in total was approved. Dividends were paid in July 2024.

NOTE 22 – SHARE CAPITAL, SHARE PREMIUM AND TREASURY SHARES (continued)**Share based payments**

According to the Company's ESOP program, employees can opt to receive bonus in Company's shares and this right is granted to the Management as well as to other employees defined by ESOP resolution (equity- settled transactions).

In addition to the right to pay bonuses in shares, employees, if decide to keep the shares for a period of at least two or three subsequent years of employment (vesting period), acquire the right to additional shares, while the other part is available without restrictions.

Members of senior management are eligible to participate in the Executive Longevity Premium program, which was created as a result of Atlantic Grupa's desire to recognize the critical contribution of senior management positions in creating and implementing a long-term strategy. Through this program, the Company grants a package of shares to members of senior management for their long-term contribution to the Company in a senior executive position, whereby the right to a third of the shares from the package is acquired upon completion of six years in an executive position, while the right to the remaining two thirds is acquired upon retirement.

Additionally, employees who, according to the internal performance management evaluation process have made an extraordinary contribution in the previous business year are awarded with an additional package of shares, 20% of which are vested in the current year, while the remaining 80% are vested after the expiration of an additional three and five years of employment.

In addition to the previous mentioned programs, there is also a Special award of the Chief Executive Officer who awards the best employees for their contribution in the previous financial year in shares. The right to acquire these shares is fully exercised in the current year.

In 2025, members of the Management Board and employees received a total of 60,299 non-conditional shares granted in 2024, 5,456 conditional shares granted in 2022 and 19,672 conditional shares granted in 2021.

In 2024, members of the Management Board and employees received a total of 42,137 non-conditional shares granted in 2023, 95 conditional shares granted in 2022, 6,126 conditional shares granted in 2021 and 15,884 conditional shares granted in 2020.

NOTE 23 – RESERVES

<i>(in thousands of EUR)</i>	Reserves /i/	Translation reserves /ii/	Cash flow hedge reserves /ii/	Total
At 1 January 2024	11,108	(10,675)	(1,145)	(712)
Foreign exchange differences	-	75	-	75
Transfer to retained earnings	(234)	-	-	(234)
Share based payment	(3,632)	-	-	(3,632)
Shares granted /iii/	5,835	-	-	5,835
Cash flow hedge	-	-	4,577	4,577
At 31 December 2024	13,077	(10,600)	3,432	5,909
Foreign exchange differences	-	498	-	498
Transfer to retained earnings	55	-	-	55
Share based payment	(3,784)	-	-	(3,784)
Shares granted /iii/	4,067	-	-	4,067
Cash flow hedge	-	-	(4,540)	(4,540)
At 31 December 2025	13,415	(10,102)	(1,108)	2,205

/i/ Reserves mainly comprise legal and statutory reserves, as well as bonuses to employee that will be paid in shares. These reserves are distributable.

/ii/ Movements represent amounts attributable to the owners of the Company only.

/iii/ As at 31 December 2025, in accordance with share-based payments program, a total of 146,550 shares (2024: 138,242 shares) were granted. The fair value of the shares granted was determined on the vesting date according to the estimated market price of the share in the amount of EUR 47.00 per share (2024: EUR 50.50 per share).

Components of other comprehensive income:

<i>(in thousands of EUR)</i>	2025	2024
Cash flow hedges		
<i>Currency forward contracts</i>		
Reclassification during the year to profit or loss	(2,591)	739
Net (loss) / gain during the year of not-yet matured contracts	(702)	2,591
	<u>(3,293)</u>	<u>3,330</u>
<i>Currency option contracts</i>		
Cost of hedge	-	(422)
Reclassification during the year to profit or loss	(1,247)	-
Net gain during the year of not-yet matured contracts	-	1,669
	<u>(1,247)</u>	<u>1,247</u>
	<u>(4,540)</u>	<u>4,577</u>

NOTE 24 – TRADE AND OTHER PAYABLES

<i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
Trade payables	141,164	147,363
Trade payables – related parties (Note 30)	36	30
Other payables	90,332	80,570
	<u>231,532</u>	<u>227,963</u>

Other payables recorded as at 31 December are as follows:

<i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
Accrued expenses (suppliers)	47,575	39,375
Contractual obligation to customers	20,903	19,680
Contractual obligation to customers – related parties (Note 30)	177	286
Gross salaries payable	13,223	12,333
Vacation accrual	4,565	4,200
Value added tax liabilities	2,530	1,846
Deferred income	170	117
Dividend payable	99	82
Termination benefits payable	68	44
Other	1,022	2,607
	<u>90,332</u>	<u>80,570</u>

Financial liabilities i.e. trade and other payables excluding gross salaries payable, termination benefits payable and liabilities to state institutions are denominated in the following currencies:

<i>(in thousands of EUR)</i>	31 December 2025	31 December 2024
EUR	158,424	161,488
RSD	37,556	33,100
USD	10,506	11,577
RUB	2,395	1,906
Other	6,830	5,669
	<u>215,711</u>	<u>213,740</u>

NOTE 25 – BORROWINGS

	<u>31 December 2025</u>	<u>31 December 2024</u>
<i>(in thousands of EUR)</i>		
Long-term borrowings		
Financial institutions /i/	116,551	57,114
Bonds /ii/	79,671	-
	<u>196,222</u>	<u>57,114</u>
Short-term borrowings		
Financial institutions /i/	67,197	74,332
Bonds /ii/	187	39,796
	<u>67,384</u>	<u>114,128</u>
	<u>263,606</u>	<u>171,242</u>

/i/ Long-term loans from financial institutions include ten loans (2024: five loans) with two of them having maturity in 2026. Short-term loans from financial institutions include two loans (2024: nine loans). As at 31 December 2025, the Group had EUR 76,308 thousand of unused credit lines (2024: EUR 45,762 thousand).

/ii/ In May 2025 the Company issued corporate bonds in the amount of EUR 80,000 thousand at the price of 99.884% with a coupon of 2.875% per annum with semi-annual interest payment of interest and final redemption on 23 May 2030. The purpose of these bonds is financing working capital and refinance of bonds whose maturity was on 11 December 2025.

The Group has no borrowings secured by pledges.

Part of borrowings from financial institutions are subject to covenant clauses, whereby the Group is required to meet certain key performance indicators such as total net debt cover, interest cover, cash flow cover and maximum capital expenditures. At the balance sheet date, all covenant clauses were met.

The exposure of the Group's borrowings to interest rate changes and the contractual re-pricing dates at the balance sheet date are as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
<i>(in thousands of EUR)</i>		
Fixed interest rate	173,055	69,579
Variable interest rate - up to 3 months Variable interest rate - 3 to 6 months	21,552	38,546
Bonds /ii/	68,999	63,117
	<u>263,606</u>	<u>171,242</u>

NOTE 25 – BORROWINGS (continued)

The maturity of long-term borrowings is as follows:

	<u>31 December 2025</u>	<u>31 December 2024</u>
<i>(in thousands of EUR)</i>		
Between 1 and 2 years	55,552	31,013
Between 2 and 5 years	140,670	26,101
	<u>196,222</u>	<u>57,114</u>

The average effective annual interest rate related to borrowings from financial institutions at the balance sheet date was 4.33% (2024: 3.93%). The effective annual interest rate related to bonds at the balance sheet date was 2.11% (2024: 0.96%).

The carrying amounts and fair value of long-term borrowings as at 31 December were as follows:

<i>(in thousands of EUR)</i>	<u>Carrying amounts</u>		<u>Fair value</u>	
	<u>2025</u>	<u>2024</u>	<u>2025</u>	<u>2024</u>
Financial institutions	116,551	57,114	112,382	55,956
Bonds	79,671	-	79,469	-
	<u>196,222</u>	<u>57,114</u>	<u>191,851</u>	<u>55,956</u>

The carrying amount of short-term borrowings approximates their fair value.

The carrying value of borrowings and bonds is translated from the following currencies:

	<u>31 December 2025</u>	<u>31 December 2024</u>
<i>(in thousands of EUR)</i>		
EUR	229,409	153,924
RSD	34,197	17,092
USD	-	226
	<u>263,606</u>	<u>171,242</u>

NOTE 26 – DEFERRED TAX

Deferred tax assets are recognized for tax loss carry forwards and tax credits to the extent that realization of the related tax benefit through future taxable profits of the related Group entities is probable. The Group did not recognize deferred tax assets of EUR 2,213 thousand (2024: EUR 1,367 thousand) in respect of losses that arose in seven subsidiaries (2024: in the Company and eight subsidiaries) that can be carried forward against future taxable income.

Deferred tax assets have not been recognized in respect of these losses as it is not probable that future taxable profit will be available for utilization of the temporary differences. Tax losses amounting to EUR 13,639 thousand (2024: EUR 8,959 thousand) expire over the next five years, while the tax losses in the amount of EUR 445 thousand (2024: EUR 290 thousand) do not expire.

Deferred tax assets*(in thousands of EUR)*

	Provisions	Other	Total
At 1 January 2024	3,403	2,124	5,527
Credited to the income statement (Note 11)	354	629	983
Credited to other comprehensive income	11	43	54
Acquisition of subsidiary	55	207	262
Exchange differences	(3)	(16)	(19)
At 31 December 2024	3,820	2,987	6,807
Credited to the income statement (Note 11)	644	538	1,182
(Charged) / credited to other comprehensive income	(1)	72	71
Disposal of subsidiary	(7)	-	(7)
Exchange differences	68	3	71
At 31 December 2025	4,524	3,600	8,124

Deferred tax liabilities*(in thousands of EUR)*

	Fair value uplifts of assets acquired in business combinatios	Other	Total
At 1 January 2024	20,091	-	20,091
(Credited) / charged to the income statement (Note 11)	(311)	3	(308)
Charged to other comprehensive income	-	1,202	1,202
Acquisition of subsidiary	1,743	-	1,743
Exchange differences	4	-	4
At 31 December 2024	21,527	1,205	22,732
(Credited) / charged to the income statement (Note 11)	(237)	2	(235)
Credited to other comprehensive income	(83)	(1,202)	(1,285)
Exchange differences	(10)	2	(8)
At 31 December 2025	21,197	7	21,204

NOTE 27 – PROVISIONS*(in thousands of EUR)*

	Employee benefits	Legal proceedings	Other provisions	Total
At 31 December 2024	13,875	952	181	15,008
Analysis of total provisions:				
Non-current	8,701	891	181	9,773
Current	5,174	61	-	5,235
At 1 January 2025	13,875	952	181	15,008
Additions	12,316	226	-	12,542
Utilised during the year	(9,606)	(71)	-	(9,677)
Reversed during the year	(1,588)	(39)	(181)	(1,808)
Disposal of subsidiary	(38)	-	-	(38)
Interest expense	377	-	-	377
Increases charged to other comprehensive income	150	-	-	150
Transfer to reserves	(283)	-	-	(283)
Exchange differences	(4)	2	-	(2)
At 31 December 2025	15,199	1,070	-	16,269
Analysis of total provisions:				
Non-current	9,846	866	-	10,712
Current	5,353	204	-	5,557

Employee benefits

This provision comprises estimated long-term employee benefits relating to one-off retirement benefits and jubilee awards, as defined by the collective bargaining agreement and bonuses to employees. The non-current portion of the provision relates to estimated acquired rights to termination benefits and jubilee awards that will be paid after 31 December 2025. The current amount of employee benefits includes annual bonuses to employees and part of jubilee awards and termination benefits in the amount of EUR 1,160 thousand (2024: EUR 1,043 thousand) that will be paid out within the period of 12 months from the balance sheet date.

Legal proceedings

In addition to the above, in the ordinary course of business, the Group is defendant and plaintiff in pending legal proceedings. In Management's opinion, the outcome of these legal proceedings will not give rise to any significant loss beyond the amounts provided a 31 December 2025.

NOTE 28 – COMMITMENTS

Capital expenditure contracted at 31 December 2025 but not yet incurred amounted to EUR 22,662 thousand for property, plant and equipment (2024: EUR 26,157 thousand) and EUR 139 thousand for intangible assets (2024: EUR 96 thousand).

NOTE 29 – BUSINESS COMBINATIONS, ACQUISITION AND DIVESTMENT OF SUBSIDIARIES

/i/ In line with Atlantic Grupa's strategic orientation towards the development of key product categories and the disinvestment of non-core business segments, the Group concluded a sale and purchase agreement in July, under which Marko Gross, as the buyer, took over the company Montana Plus d.o.o., including the Montana brand, company assets and all the employees.

The Group realized a gain from the sale of subsidiary in the amount of EUR 573 thousand.

Cash received and receivables from sale of subsidiary

(in thousands of EUR)

Cash	522
Receivables	515
Total proceeds from sale	1,037

Net asset value of subsidiary disposed	(464)
--	-------

Gain from sale of subsidiary	573
-------------------------------------	------------

Net asset value of subsidiary disposed

(in thousands of EUR)

Property, plant and equipment	156
Right-of-use assets	20
Intangible assets	8
Deferred tax assets	7
Inventories	97
Trade and other receivables	537
Prepaid income tax	19
Cash and cash equivalents	80
Provisions	(38)
Lease liabilities	(20)
Trade and other payables	(402)
	464

Cash flow from sale of subsidiary

(in thousands of EUR)

Cash received	522
Cash in subsidiary sold	(80)
Proceeds from sale of subsidiary, net	442

NOTE 29 – BUSINESS COMBINATIONS, ACQUISITION AND DIVESTMENT OF SUBSIDIARIES (continued)

/ii/ The expansion of pharmacy operations in Croatia and the strengthening of the leading market position in this segment represent one of the key pillars of Atlantic Grupa's corporate strategy. On 1 October 2025, the acquisition of Ljekarne Ćurković was completed. As a result of this transaction, the license in the amount of EUR 2,066 thousand was recognized.

(in thousands of EUR)

Cash paid	2,094
Carrying value of net assets acquired	(28)
License	2,066

Carrying value of net assets acquired

(in thousands of EUR)

Inventories	98
Trade and other receivables	149
Cash and cash equivalents	69
Trade and other payables	(288)
	28

Cash flow from acquisition of subsidiary

(in thousands of EUR)

Cash paid	2,094
Cash in subsidiary acquired	(69)
Payments for acquisition of subsidiary	2,025

Acquired subsidiary in 2025 contributed with EUR 342 thousand of revenues and EUR 49 thousand of loss to the Group.

/iii/ On 29 December 2025, Group and Belupo d.d. signed an agreement on the sale of the Ljekarne Deltis Pharm institution. On the date of signing the agreement, the first installment in the amount of EUR 1,290 thousand was paid, and the closing of the transaction took place in January 2026. This transaction represents a significant event after the reporting date. As of the date of authorization of these financial statements, the initial accounting for the business combination has not been completed, as the purchase price allocation (PPA) process, including the identification and measurement of the fair value of the acquired assets and liabilities, is still ongoing. Accordingly, the full financial effects of the transaction will be disclosed in the financial statements for the year ended 2026, and it does not constitute an adjusting event.

NOTE 29 – BUSINESS COMBINATIONS, ACQUISITION AND DIVESTMENT OF SUBSIDIARIES (continued)

/iv/ On March 1 Atlantic Grupa finalised transaction of acquiring Strauss Adriatic d.o.o., Šimanovci, the owner of Serbian coffee brands Doncafe and C kafa and modern production facility in Šimanovci industrial zone, near Belgrade. As a result of this transaction, the goodwill in the amount of EUR 1,352 thousand was recognized.

Cash paid for acquisition of subsidiary

(in thousands of EUR)

Cash paid		38,612
Fair value of net assets acquired		(37,260)
Goodwill		1,352

Value of net asset acquired

(in thousands of EUR)

	Fair value	Carrying value
Brand	10,776	8,400
Property, plant, and equipment	14,368	5,124
Intangible assets	634	634
Right-of-use assets	1,531	1,531
Deferred tax assets	262	262
Inventories	6,550	6,626
Trade receivables and other receivables	9,732	9,732
Cash and cash equivalents	3,465	3,465
Deferred tax liabilities	(1,743)	-
Provisions	(198)	(198)
Lease liabilities	(1,558)	(1,558)
Trade payables and other payables	(6,559)	(6,559)
Net assets	37,260	27,459

Cash flow from acquisitions of subsidiary

(in thousands of EUR)

Cash paid		38,612
Cash in subsidiary acquired		(3,465)
Payments for acquisition of subsidiary		35,147

Acquired subsidiary in 2024 contributed in the consolidated Income statement with total revenues of EUR 32,040 thousand and a net loss of EUR 3,577 thousand. Had the acquisition taken place at the beginning of 2024, the consolidated revenue for the 2024 would have been EUR 37,125 thousand higher, while net loss would have been EUR 5,485 thousand higher. In 2025, the acquired company was merged into the subsidiary Atlantic Grand d.o.o., Serbia.

/v/ In 2024, the Group paid additional EUR 185 thousand related to the final purchase price for the acquisition of the subsidiary Eurocenter d.o.o., Zagreb, which was merged to the Company in June.

NOTE 30 – RELATED PARTY TRANSACTIONS

The Group enters into transactions with related parties – significant shareholders and entities owned or controlled by the ultimate controlling party ('other entities'), among which the most significant transactions are made with Ataco d.o.o., which is co-owned by the ultimate controlling party and which is distributor for a number of quality brands, including the Group's brands on Bosnia and Herzegovina and Montenegro markets.

Related party transactions that relate to balances as at 31 December 2025 and as at 31 December 2024 and transactions recognized for the years then ended, are as follows:

(in thousands of EUR)

	Note	31 December 2025	31 December 2024
RECEIVABLES			
Non-current trade and other receivables			
Other related parties	19	1,107	1,009
Current trade and other receivables			
Other related parties	19	18,648	15,625
LIABILITIES			
Trade and other payables			
Other related parties	24	213	316

(in thousands of EUR)

	Note	2025	2024
REVENUES			
Sales revenues			
Other related parties		104,125	95,584
Other revenues			
Other related parties		52	41
EXPENSES			
Marketing and promotion costs			
Other related parties	7	500	2,109
Other operating costs			
Other related parties	8	397	492

Management board compensation

In 2025 members of the Management Board received total gross amount of EUR 3,793 thousand relating to salaries, bonuses, and other receipts in kind (2024: EUR 3,765 thousand).

NOTE 31 – AUDITORS' FEES

Statutory audit services fees to the auditors of the Group's financial statements amounted to EUR 587 thousand (2024: EUR 572 thousand), while fees related to other services amounted to EUR 194 thousand (2024: 94 thousand). Other services relate to Consolidated Sustainability report (ESRS), Report on remuneration of the Management Board and the Supervisory Board, the reports on related party transactions, forensic services and tax services related to the company's operations in North Macedonia.

NOTE 32 – SUBSIDIARIES

The Group is comprised of the Company and the following subsidiaries in which the Company has an ownership interest above 50% and exercises control:

	31 December 2025	31 December 2024
Atlantic Cedevita d.o.o., Croatia	100%	100%
Atlantic Trade d.o.o. Zagreb, Croatia	100%	100%
- Atlantic Droga Kolinska d.o.o, Slovenia	100%	100%
- Atlantic Štark d.o.o., Serbia	100%	100%
- Atlantic Argeta d.o.o., Bosnia and Herzegovina	100%	100%
- o.o.o. Atlantic Brands, Russia	100%	100%
- Atlantic Grand d.o.o., Serbia	100%	100%
- Atlantic Grand d.o.o., Bosnia and Herzegovina	100%	100%
- Atlantic Grand d.o.o.e.l., North Macedonia	100%	100%
- Atlantic Brands d.o.o., Serbia	100%	100%
- Strauss Adriatic d.o.o., Serbia (merged with Atlantic Grand in 2025)	-	100%
- Atlantic Trade d.o.o., Slovenia	100%	100%
- Atlantic Trade d.o.o., North Macedonia	75%	75%
- Procaffe d.o.o., Croatia	100%	100%
Farmacia Holding d.o.o., Croatia	100%	100%
- ZU Ljekarne Farmacia, Croatia	100%	100%
- Farmacia - specijalizirana prodavaonica d.o.o., Croatia	100%	100%
- ZU Ljekarne sv. Kuzma i Damjan, Croatia	100%	100%
- Ljekarne Ćurković ZU, Croatia (acquired in 2025)	100%	-
Montana Plus d.o.o., Croatia (disposed in 2025)	-	100%
Atlantic Point d.o.o., Croatia	100%	100%
Hopen Investments, BV, Netherlands	100%	100%
- Atlantic Management GmbH, Germany	100%	100%
Atlantic Brands GmbH, Austria	100%	100%

NOTE 33 - EVENTS AFTER THE REPORTING PERIOD

Except as disclosed in Note 29, no material events have occurred after the balance sheet date that would have a significant impact on the financial statements as at the date or for the period then ended, or that were of such importance for the Group's operations that they would require disclosure in the notes to the financial statements.

The Management Board of Atlantic Grupa d.d. (hereinafter: Atlantic Grupa or the Company), pursuant to the provisions of Articles 250a, 250b, 300a and 300b of the Companies Act and Articles 462 and 463 of the Capital Market Act, at its session held on 30 March 2026, rendered the following

DECISION

I The Annual Report of Atlantic Grupa d.d. is hereby determined, as stated in the text of the "ANNUAL REPORT 2025" enclosed with this Decision.

II The audited non-consolidated and consolidated annual financial statements for 2025 are hereby determined, which consist of the following: statement of financial position (balance sheet), income statement, statement of other comprehensive income, cash flow statement, statement of changes in equity and notes to the financial statements, as stated in the text that forms an integral part of the Report referred to in item I of this Decision.

III It is hereby determined that the auditor, Ernst & Young d.o.o. from Zagreb, Radnička cesta 50, Croatia and Kulić & Spirk d.o.o. from Zagreb, Radnička cesta 52, Croatia, produced the Auditor's Report for 2025, as stated in the text that forms an integral part of the Report referred to in item I of this Decision.

IV The Management Board's Report on the Status of the Company / Management Report for the period from 1 January 2025 to 31 December 2025 is hereby determined, as stated in the text that forms an integral part of the Report referred to in item I of this Decision.

V It is hereby determined that the auditor Ernst & Young d.o.o. from Zagreb, Radnička cesta 50, Croatia prepared a sustainability report assurance, all in the text that forms an integral part of the Report from point I of this Decision.

VI Pursuant to Article 463 of the Capital Market Act, the Company's Management Board adopted the decision to publish the reports referred to in items I to V of this Decision, indicating that the Supervisory Board has yet to decide on them, i.e. they have not yet been approved by the competent body of the issuer Atlantic Grupa d.d.

VII Pursuant to Article 300b of the Companies Act:

1. The reports referred to in items II and IV of this Decision shall be submitted to the Supervisory Board for examination together with a proposal that the Supervisory Board approves those Reports at its session scheduled according to the published calendar of events (28 April 2026);

2. The Auditor's Report referred to in item III and V of this Decision shall be submitted to the Supervisory Board, so that the Supervisory Board could take its position at the session scheduled according to the published calendar of events (28 April 2026);

3. After the Supervisory Board adopts the decisions referred to in items 1 and 2, the Company's Management Board shall, concurrently, at the session of the Supervisory Board scheduled according to the published calendar of events (28 April 2026), submit to the Supervisory Board the Proposal of decision on the distribution of profits, so that the Supervisory Board could take its position;

4. The decision of the Company's Supervisory Board on approval of annual reports, as well as the consequently adopted proposal of the Management Board and Supervisory Board on the distribution of profits, shall be published in accordance with Article 463 paragraph 4 of the Capital Market Act.

Atlantic Grupa d.d.

Emil Tedeschi, President of the Management Board





