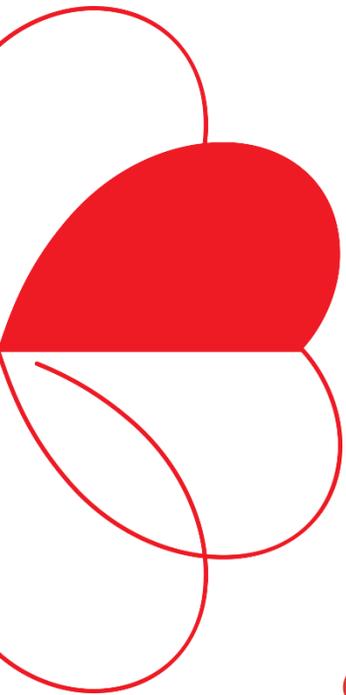


Podravka Group



CEE Investment Opportunities, Ljubljana, November 26th 2024





The Company

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Podravka Group at a glance

77 years of experience in Food segment

52 years of experience in Pharmaceutical segment

Portfolio with more than
1,800 different products

Today, Podravka Group has its companies
in **17** countries

Sales revenues in 2023
713.8 EURm

More than **6.100** employees

More than **4.400** employed in Croatia

Long-standing tradition in the production of food and pharmaceutical products



Market presence and distribution

- The leading food company in the Adria region
- Strong presence in Central and Eastern Europe



Own distribution network in 16 countries around the world

Export to more than 60 countries

Factories



Vegeta and soups factory – Koprivnica, Croatia

Pasta factory – Koprivnica, Croatia

Baby food and cream spreads factory – Koprivnica, Croatia

Mill – Koprivnica, Croatia

Snacks factory – Koprivnica, Croatia

Danica production – Koprivnica, Croatia

Kalnik factory – Varaždin, Croatia

Mirna fish factory – Rovinj, Croatia

Lagris factory – Czech Republic

Belupo factory - Koprivnica, Croatia

Farmavita factory – Sarajevo, BiH

Žito 6 factories – Slovenia

Institutional investors provide a stable ownership structure

Management Board



Ljiljana Šapina
MB member



Davor Doko
MB member



Martina Dalić
MB president



Milan Tadić
MB member



Ivan Ostojić
MB member

Ownership structure as at 30 September 2024 and Supervisory Board

President:

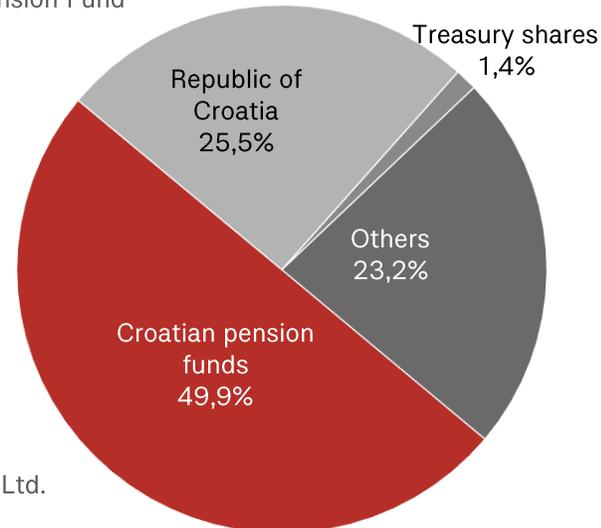
- Damir Grbavac → former president of the Management Board at Raiffeisen Pension Fund

Vice President:

- Luka Burilović → president of Croatian Chamber of Economy

Members:

- Ksenija Horvat → representative of Worker's Council
- Petar Miladin → professor at the Faculty of Law, Zagreb
- Krunoslav Vitelj → director of Koprivnica County Chamber of Commerce
- Damir Felak → senior expert associate at Hrvatske šume d.o.o.
- Ante Jelčić → Management Board member at Gumiimpex – GRP d.o.o.
- Damir Čukman → president of the Management Board at N3 Capital Partners Ltd.
- Darko Prpić → member of the Supervisory Board at SQ Kapital d.o.o.

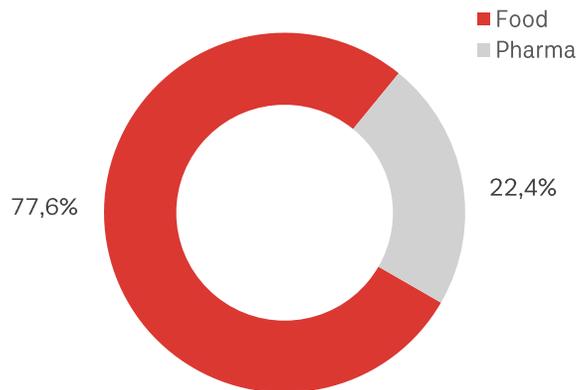


No.	Shareholder	% ownership
1.	Republic of Croatia	25,5%
2.	PBZ Croatia Osiguranje mandatory pension fund category B	15,4%
3.	AZ mandatory pension fund category B	13,1%
4.	Erste Plavi mandatory pension fund category B	9,0%
5.	Raiffeisen mandatory pension fund category B	8,8%
6.	Podravka Inc. – treasury shares	1,4%
	Other shareholders	26,8%
	Total	100,0%

Key financial indicators for 2023

Sales revenues

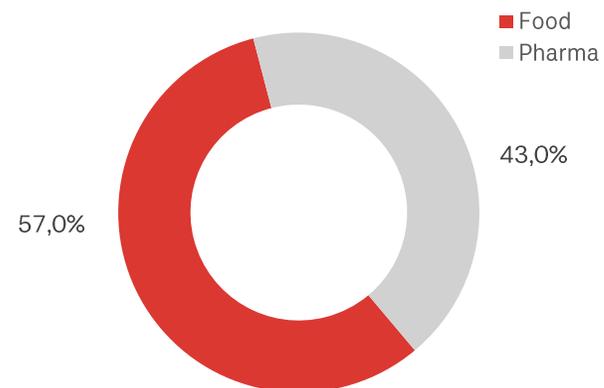
Sales revenues 12M 2023



2023 revenues	EURm
Food	554
Pharma	160
Group	714

Normalized EBITDA

Normalized EBITDA 12M 2023



2023 EBITDA	EURm
Food	52
Pharma	39
Group	92

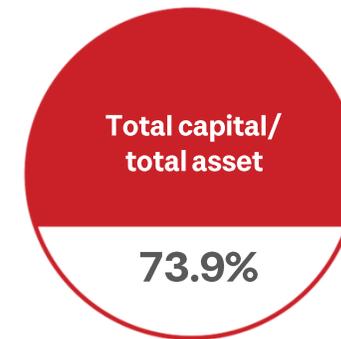
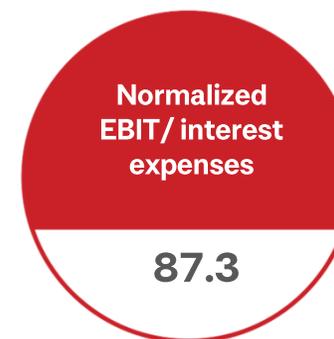
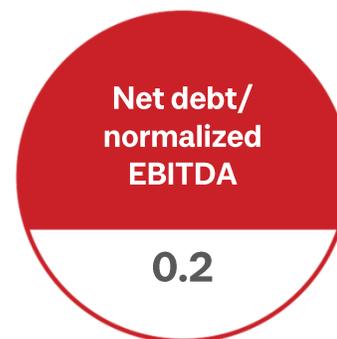
Normalized EBITDA margins in 2023

12.9%
Group

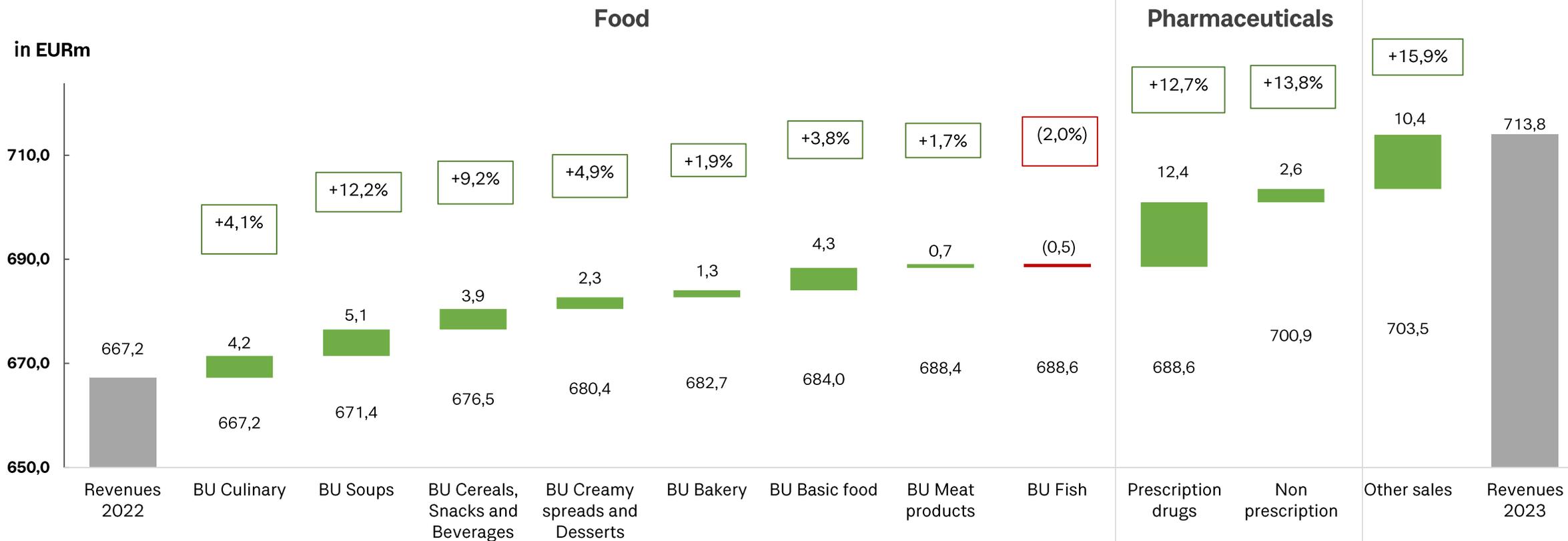
9.5%
Food

24.7%
Pharma

Low and sustainable debt level



Sales revenues by business units and categories



Revenues EURm	105.47	47.01	46.62	47.86	70.86	118.73	44.02	26.56	109.79	21.15	75.85
Revenue share	14.8%	6.6%	6.5%	6.7%	9.9%	16.6%	6.2%	3.7%	15.4%	3.0%	10.6%



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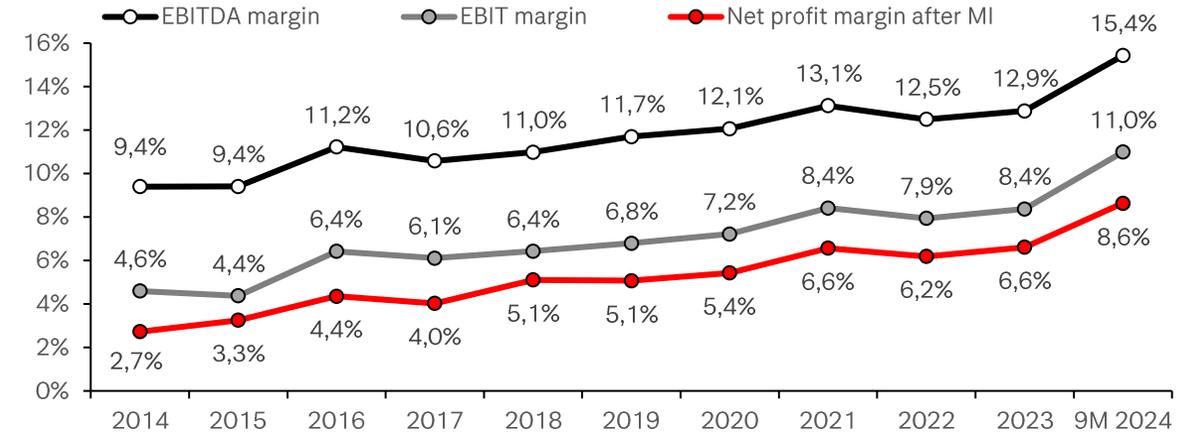
Financial indicators are continuously improving

Movement of one-off items

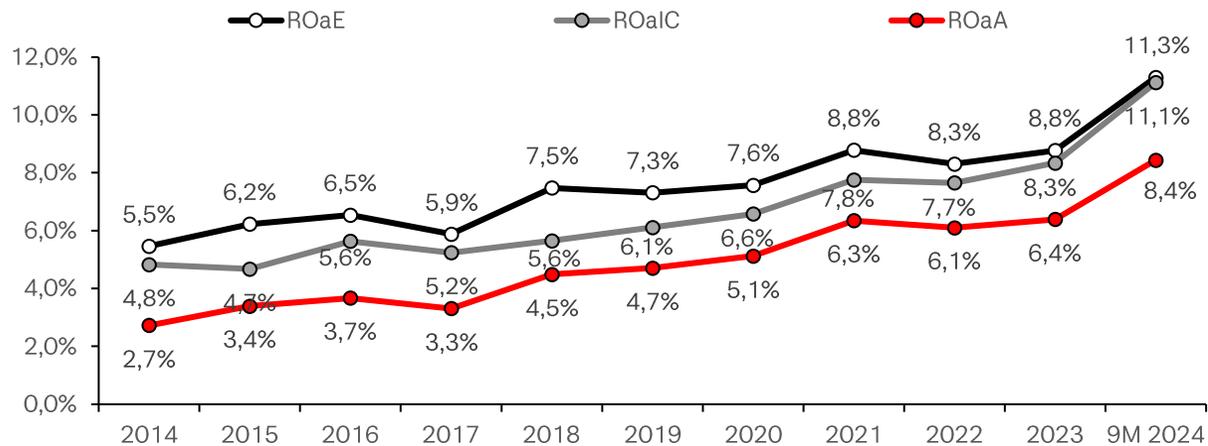
(in EURm)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	9M 24
Value adjustments	(3,7)	(4,6)	(1,5)	(11,8)	(1,2)	(1,5)	1,3	(1,2)	(1,0)	(0,5)	(0,1)
Severance payments	(9,6)	(5,4)	(1,6)	(5,3)	(0,8)	(0,7)	(0,5)	(0,5)	(0,3)	(0,5)	(0,2)
Other	1,3	39,6 ¹	1,1	(2,4)	0,5	1,7	0,1	1,9	10,9	20,1 ²	3,0 ³
Total net one-off items	(11,9)	29,5	(2,0)	(19,5)	(1,3)	(0,3)	0,9	0,1	9,6	19,1	2,7

¹EUR 15.4m of gain on a bargain purchase from Žito acquisition (badwill), EUR 21.8m of deferred tax income from Croatian government's incentives for the construction of new Belupo pharmaceutical factories, EUR 2.5m refers to other items. ²EUR 19.7m of tax incentives granted under the Investment Promotion Act. ³EUR 1.6m related to the final calculation of the used tax incentives for the expansion of the Belupo factory from 2015

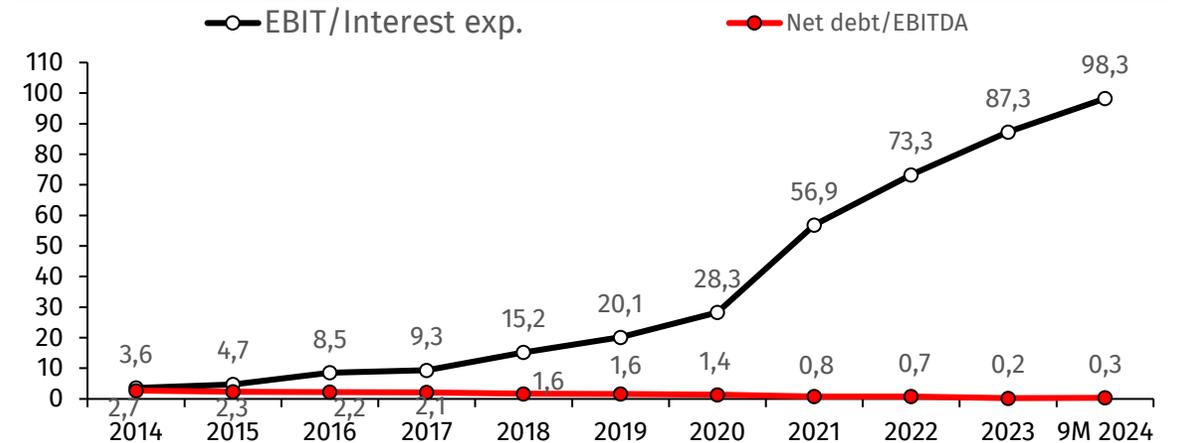
Normalized profitability margins movement



Normalized return rates movement

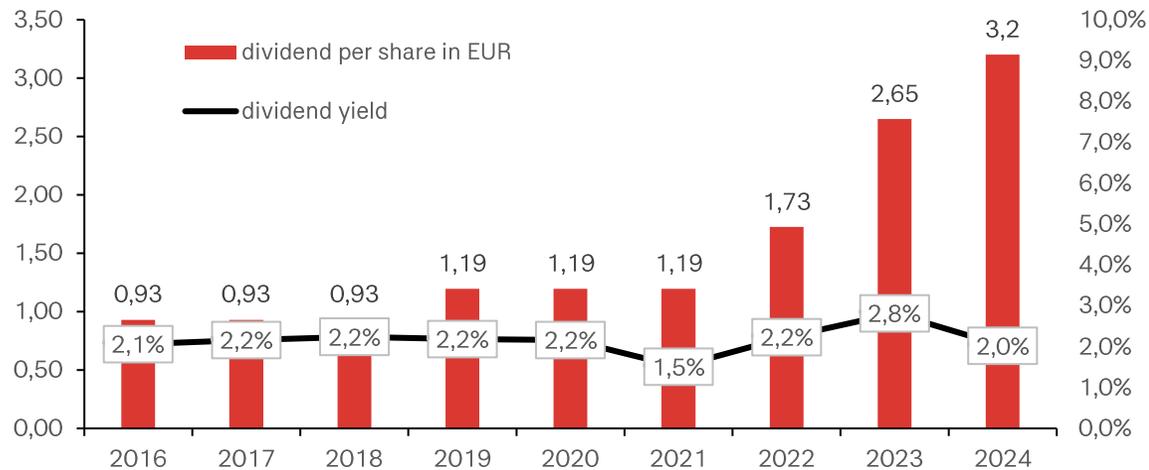


Normalized debt level movement



Good results ensure a stable dividend

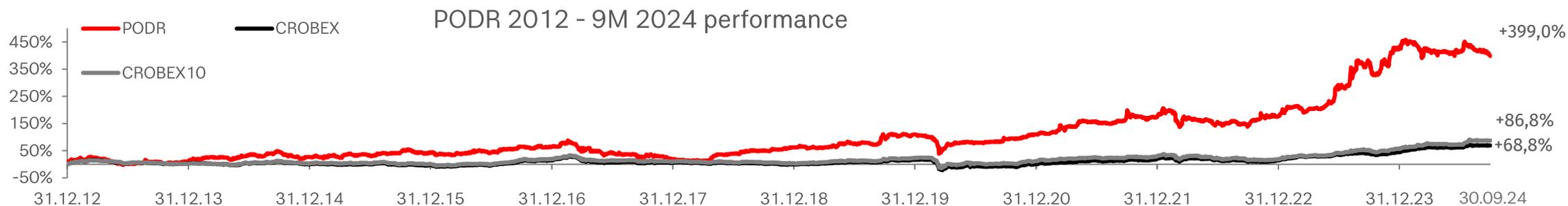
Dividend and dividend yield¹



Dividend policy of Podravka Inc.

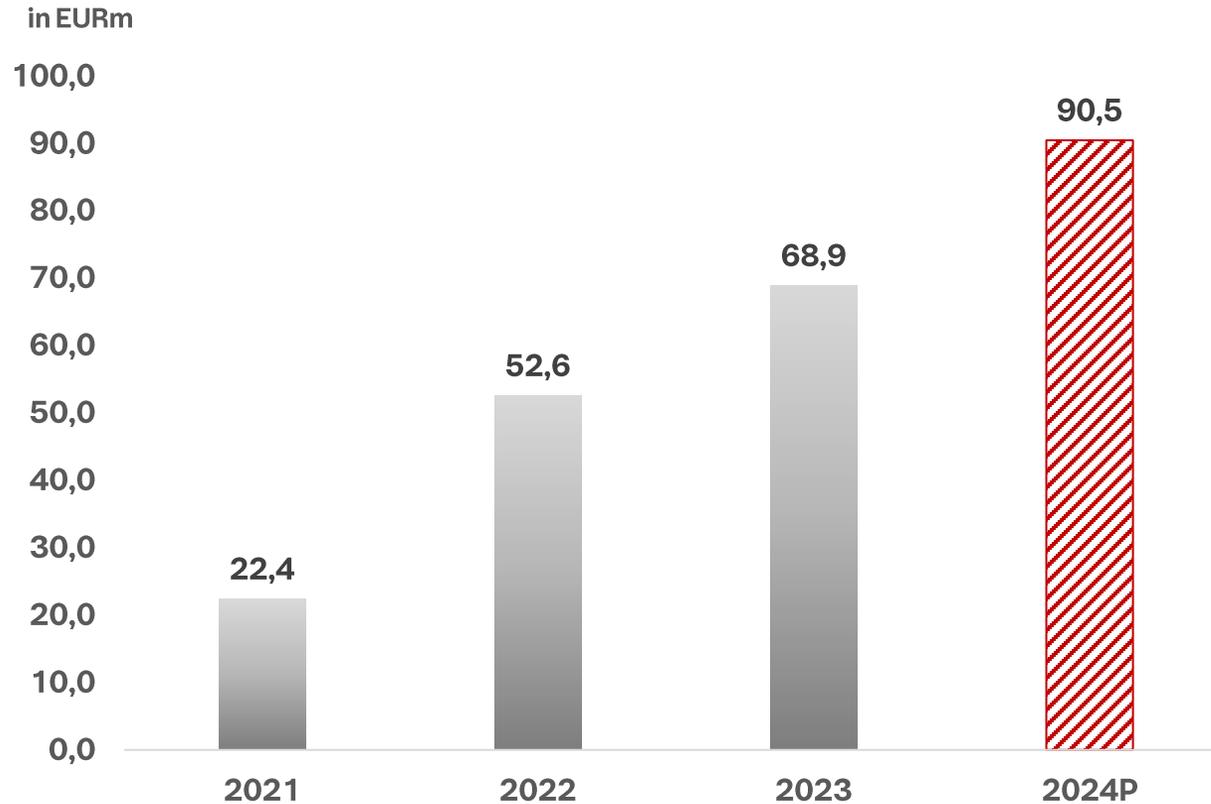
- Podravka Inc. started with regular dividend payout in 2016,
- Dividend policy defines, that Podravka Inc. will assess the possibility of dividend payment and, if possible, propose to the General Assembly dividend payment in the amount of at least 25% of the available funds for dividend payment after part of the net profit of Podravka Inc. is allocated to the legal and other reserves of Podravka Inc.,
- Legal reserves are 5% of total net profit of Podravka Inc.,
- The amount of dividend accounted for Podravka Inc. treasury shares is retained in undistributed profit,
- Focus on dividend per share amount, not on the payout ratio.

Historical share price movement



¹DY calculation is based on last mkt. price on the GA date

Investment cycle of the Podravka Group



The investment cycle of the Podravka Group is in full swing and is being implemented in accordance with the Podravka Group's Business Strategy until 2025. By the end of 2023, nearly 150 million euros have been invested as part of the investment cycle that began in 2021.

Key projects within the investment cycle





The Company

Investment highlights

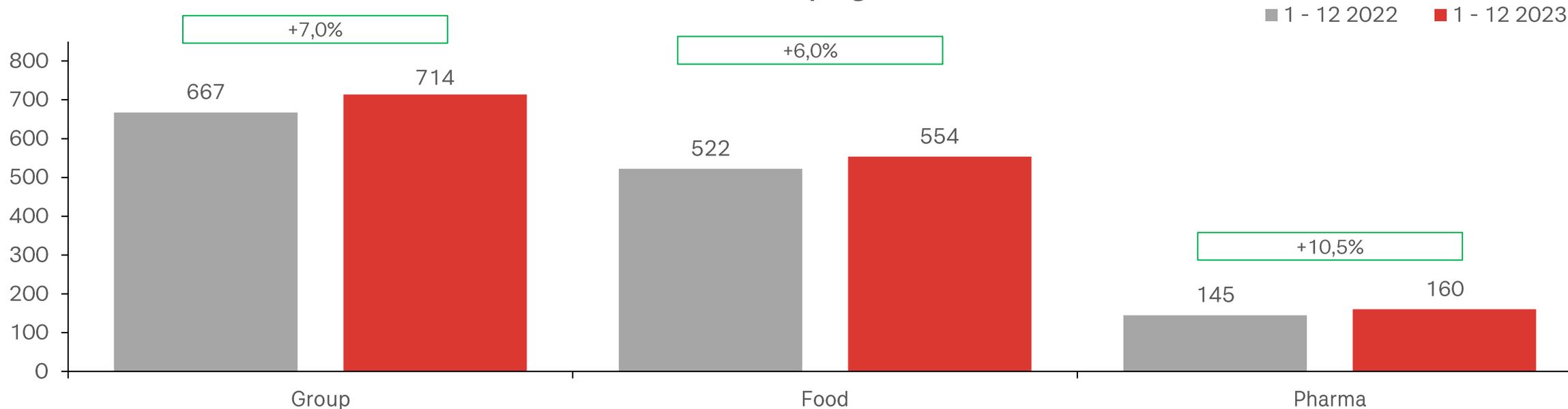
2023 results

9M 2024 results

Sales revenues increase in both segments

in EURm

Sales revenues by segment



Podravka Group in 1 - 12 2023¹:

- **Own brands** → 6.0% higher sales,
- **Other sales** → 15.9% higher revenues,
- **Total Podravka Group** → 7.0% higher sales revenues.

Food segment in 1 - 12 2023¹:

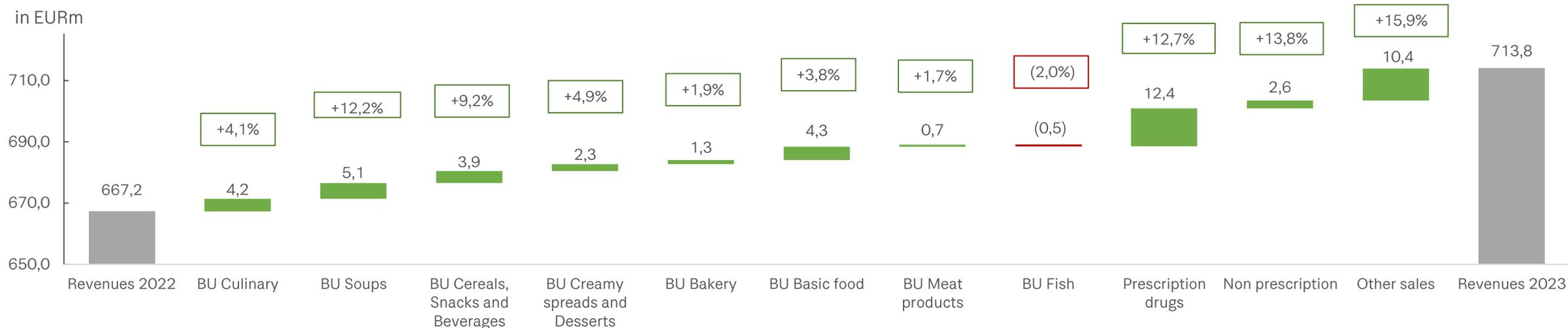
- **Own brands** → 4.4% higher sales due to the increase in sales of almost all business units,
- **Other sales** → 27.9% higher sales, primarily as a result of the development of distribution on the US market,
- **Total Food** → 6.0% higher sales.

Pharmaceuticals segment in 1 - 12 2023¹:

- **Own brands** → 12.9% higher sales, as a result of the increase in sales revenues of Prescription drugs and Non-prescription drugs,
- **Other sales** → 1.0% higher revenues, due to the increase in trade goods sales in the market of Bosnia and Herzegovina, and increase in sale of services on the market of Croatia,
- **Total Pharma** → 10.5% higher sales revenues.

¹Percentages in the text relate to performance in 1 - 12 2023 compared to 1 - 12 2022

Sales revenues increase of almost all business units

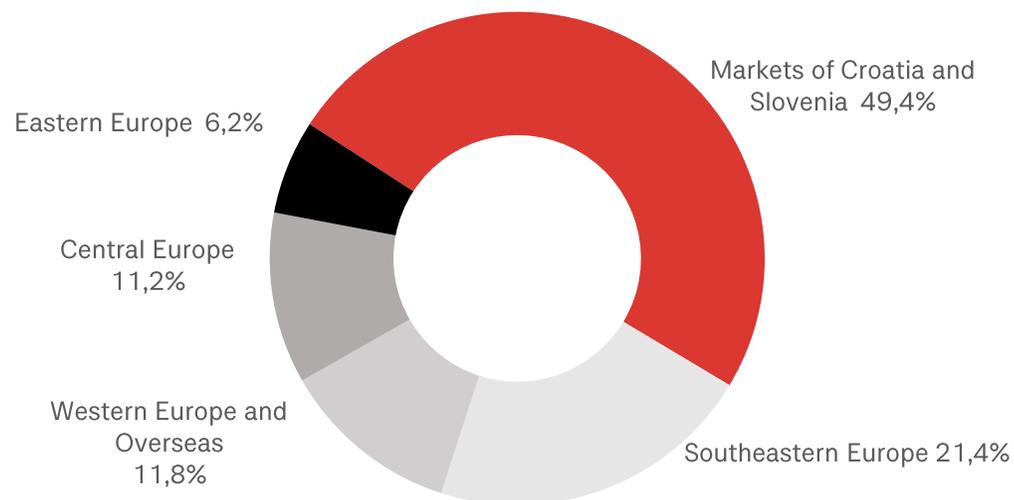


Business unit and category performance in 1 - 12 2023¹:

- **BU Culinary (+4.1%)** → Revenue growth was recorded mainly in the markets of Southeastern Europe, and Croatia and Slovenia. The revenue growth includes the effect of the restructuring of the market of Poland, where, despite lower revenues following the portfolio shrinking and optimization, profitability increased,
- **BU Soups (+12.2%)** → revenues growth was realised in the key markets of the Southeastern Europe, and Croatia and Slovenia. The new Noodles subcategory contributes to an additional positive trend within the Soups business unit,
- **BU Cereals, Snack and Beverages (+9.2%)** → sales revenue growth was recorded in all categories, primarily in the markets of Croatia, Bosnia and Herzegovina, Slovenia, North Macedonia, and Serbia,
- **BU Creamy spreads and Desserts (+4.9%)** → revenue growth was recorded in the market of Croatia and in the Southeastern Europe region in almost all categories. As a result of the internal reorganization, the Confectionery category, which was within the BU Bakery, during the reporting period became an integral part of the BU Creamy spreads and Desserts,
- **BU Bakery (+1.9%)** → sales growth, with the simultaneous implementation of the business unit portfolio optimization with the aim of increasing profitability. Revenue growth is primarily realised due to higher sales of the subcategories Bread, and Cakes and biscuit cakes,
- **BU Basic food (+3.8%)** → higher sales due to the increase in sales of almost all categories, primarily Processed fruit, Condiments and Flour. The Croatian market, which is also the most important market in the business unit portfolio, contributes most to the growth of sales revenues,
- **BU Meat products (+1.7%)** → higher sales, with the simultaneous implementation of the business unit portfolio optimization and the discontinuing of low turnover products with the aim of increasing profitability, primarily on the Croatian market,
- **BU Fish (-2.0%)** → lower sales, which is primarily caused by the decline in revenues of the Tuna subcategory due to changes in consumer spending habits. During the reporting period, new innovative products were launched within the Fish salads category, which record a positive growth trend,
- **Prescription drugs (+12.7%)** → higher sales, primarily due to the increase in sales of dermatological drugs, drugs for systemic infections, and cardiovascular drugs,
- **Non-prescription programme (+13.8%)** → higher revenues, as a result of the increase in sales of the OTC drugs subcategory
- **Other sales (+15.9%)** → in the Food segment, other sales increased by EUR 10.1m (+27.9%), mainly due to the development of distribution on the US market. In the Pharmaceuticals segment, other sales grew by EUR 0.3m (+1.0%), primarily due to higher trade goods sales in the markets of Bosnia and Herzegovina, and Croatia.

¹Percentages in the text relate to performance in 1 - 12 2023 compared to 1 - 12 2022

Sales revenues growth of almost all regions



(in EURm)	2022	2023	Δ	% change
Markets of Croatia and Slovenia	332.8	352.9	20.1	6.0%
Southeastern Europe	139.5	152.6	13.1	9.4%
Western Europe and Overseas	71.3	84.1	12.8	18.0%
Central Europe	84.6	80.2	(4.3)	(5.1%)
Eastern Europe	39.1	44.1	5.0	12.8%
Podravka Group	667.2	713.8	46.7	7.0%

Region's performance in 1 - 12 2023¹:

- **Markets of Croatia and Slovenia (+6.0%)** → **Food** segment revenues are 6.4% higher, primarily due to sales increase of the business units Basic food and Cereals, Snack and Beverages; **Pharmaceuticals** segment revenues are 4.3% higher, due to higher sales of Prescription drugs and the Non-prescription programme,
- **Southeastern Europe (+9.4%)** → **Food** revenues are 10.4% higher, due to the increase in sales of almost all business units, with the largest absolute growth generated by the business units Culinary and Soups; **Pharmaceuticals** revenues are 7.0% higher, primarily due to Prescription drugs and Non-prescription programme sales increase,
- **WE and Overseas region (+18.0%)** → **Food** segment recorded 17.3% higher sales primarily due to the development of distribution on the US market, and sales increase in the Culinary and Bakery business units; **Pharmaceuticals** segment revenues are 86.9% higher, primarily due to an increase in Prescription drugs revenues,
- **Central Europe (-5.1%)** → **Food** revenues down by 7.1%, primarily as a result of a decrease in revenues of the Basic food and Culinary business units. The lower result of Central Europe is primarily related to the targeted process of restructuring, and shrinking and optimizing the portfolio on the markets of Poland and the Czech Republic, which resulted in increased profitability; **Pharmaceuticals** revenues up by 10.2% primarily due to higher revenues in the Prescription drugs category,
- **Eastern Europe (+12.8%)** → **Pharmaceuticals** revenues 25.8% higher, due to the increase in sales of the Prescription drugs category; **Food** revenues down by 33.8% following the termination of operations on the Russian market

¹Percentages in the text relate to performance in 1 - 12 2023 compared to 1 - 12 2022

Food segment – higher revenues and normalized profitability

Food segment (in EURm)	REPORTED				NORMALIZED ¹			
	2022	2023	Δ	%	2022	2023	Δ	%
Sales revenue	522.2	553.6	31.5	6.0%	522.2	553.6	31.5	6.0%
Gross profit	164.6	168.7	4.2	2.5%	164.6	168.7	4.2	2.5%
EBITDA	61.7	52.5	(9.3)	(15.0%)	51.2	52.5	1.3	2.5%
EBIT	39.8	29.3	(10.6)	(26.5%)	29.7	29.6	(0.1)	(0.4%)
Net profit after MI	31.8	43.3	11.5	36.2%	23.6	24.0	0.4	1.7%
Gross margin	31.5%	30.5%		-104 bp	31.5%	30.5%		-104 bp
EBITDA margin	11.8%	9.5%		-235 bp	9.8%	9.5%		-33 bp
EBIT margin	7.6%	5.3%		-234 bp	5.7%	5.3%		-34 bp
Net profit margin after MI	6.1%	7.8%		+173 bp	4.5%	4.3%		-18 bp

Food segment profitability in 1 - 12 2023:

Gross profit

- is EUR 4.2m higher, with slightly lower gross margin achieved at the level of 30.5%,

EBITDA

- reported lower by EUR 9.3m (-15.0%), normalized higher by EUR 1.3m (+2.5%). The increase in the normalized operating profit before depreciation and amortisation (EBITDA) was achieved despite the negative impact of the increase in the costs of raw materials, packaging and energy by EUR 3.9m (+1.7%), with additional investments in improving the material status of employees, which resulted by an increase in staff costs by EUR 5.1m (+4.5%),

Net profit after MI

- reported higher by EUR 11.5m (+36.2%) which also contains impact of tax benefits based on the Investment Promotion Act in the amount of EUR 19.7m, while at the normalized level it is higher by EUR 0.4m (+1.7%).

¹Normalized for one-off impact.

Pharmaceutical segment – higher revenues and profitability

Pharma segment (in EURm)	REPORTED				NORMALIZED ¹			
	2022	2023	Δ	%	2022	2023	Δ	%
Sales revenue	145.0	160.2	15.2	10.5%	145.0	160.2	15.2	10.5%
Gross profit	72.2	80.0	7.8	10.8%	72.2	80.0	7.8	10.8%
EBITDA	32.1	39.5	7.3	22.9%	32.1	39.5	7.4	22.9%
EBIT	22.7	30.0	7.3	32.1%	23.3	30.2	6.9	29.6%
Net profit after MI	17.3	23.0	5.8	33.5%	17.7	23.2	5.5	30.8%
Gross margin	49.8%	49.9%		+15 bp	49.8%	49.9%		+15 bp
EBITDA margin	22.2%	24.6%		+248 bp	22.2%	24.7%		+249 bp
EBIT margin	15.7%	18.7%		+306 bp	16.1%	18.8%		+278 bp
Net profit margin after MI	11.9%	14.4%		+248 bp	12.2%	14.5%		+225 bp

Pharmaceuticals segment profitability in 1 - 12 2023:

Gross profit

- is EUR 7.8m (+10.8%) higher, with a retention of the stable gross margin,

EBITDA

- reported higher by EUR 7.3m (+22.9%) while normalized profit before depreciation and amortisation (EBITDA) is higher by EUR 7.4m. The most significant impact on the increase in operating profit before depreciation and amortisation (EBITDA) came from the growth of sales revenues and lower marketing expenses,

Net profit after MI

- reported higher by EUR 5.8m (+33.5%), while normalized net profit after minority interest is EUR 5.5m (+30.8%) higher. In addition to the impact above the EBIT level, net profit after minority interests was impacted by higher tax expense following the higher profit before tax.

¹Normalized for one-off impact.

Podravka Group – higher revenues and normalized profitability from both segments

Podravka Group (in EURm)	REPORTED				NORMALIZED ¹			
	2022	2023	Δ	%	2022	2023	Δ	%
Sales revenue	667.2	713.8	46.7	7.0%	667.2	713.8	46.7	7.0%
Gross profit	236.7	248.7	12.0	5.1%	236.7	248.7	12.0	5.1%
EBITDA	93.9	91.9	(1.9)	(2.0%)	83.3	91.9	8.6	10.4%
EBIT	62.5	59.3	(3.3)	(5.2%)	53.0	59.7	6.8	12.8%
Net profit after MI	49.1	66.4	17.3	35.3%	41.3	47.2	5.9	14.2%
Gross margin	35.5%	34.8%		-64 bp	35.5%	34.8%		-64 bp
EBITDA margin	14.1%	12.9%		-119 bp	12.5%	12.9%		+39 bp
EBIT margin	9.4%	8.3%		-107 bp	7.9%	8.4%		+43 bp
Net profit margin after MI	7.4%	9.3%		+194 bp	6.2%	6.6%		+42 bp

Profitability of the Podravka Group in 1 - 12 2023:

Gross profit

- higher by EUR 12.0m (+5.1%), where the positive impact came both from the Food and the Pharmaceuticals segments,

EBITDA

- reported lower by EUR 1.9m (-2.0%), while normalised operating profit before depreciation and amortisation (EBITDA) is EUR 8.6m (+10.4%) higher,

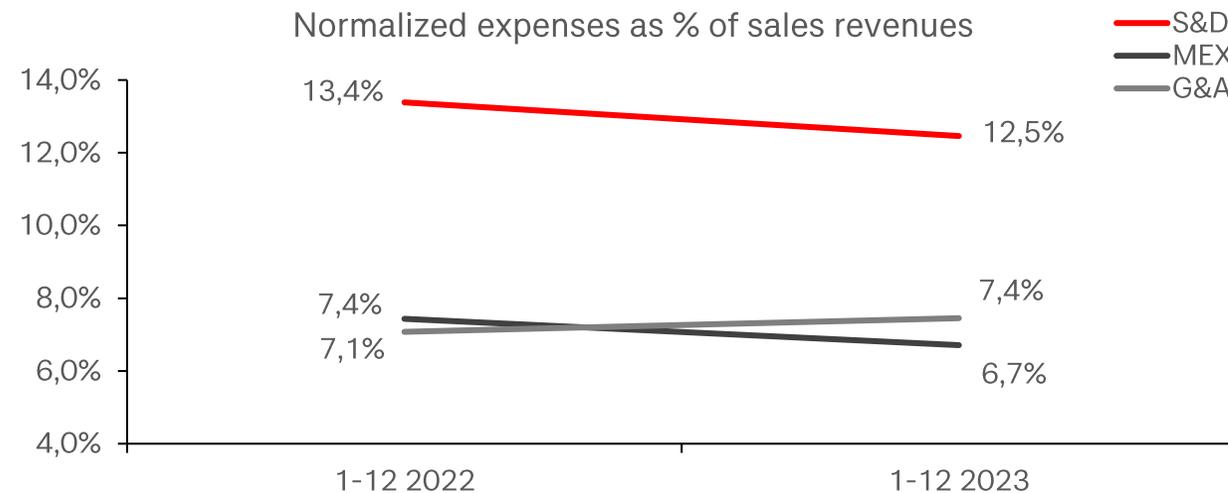
Net profit after MI

- reported higher by EUR 17.3m (+35.3%), while normalized net profit after minority interests is EUR 5.9m (+14.2%) higher, due to the growth in net profit of the Food and the Pharmaceuticals.

¹Normalized for one-off impact.

Business expenses influenced by price movements of raw materials, packaging and energy, and investments in improving the material status of employees

Business expenses 1 - 12 2023 vs. 1 - 12 2022 % change	REPORTED	NORMALIZED ¹
Cost of goods sold (COGS)	8.1% ↑	8.1% ↑
General and administrative expenses (G&A)	6.6% ↑	12.6% ↑
Sales and distribution costs (S&D)	(0.4%) ↓	(0.4%) ↓
Marketing expenses (MEX)	(3.4%) ↓	(3.4%) ↓
Other expenses / (revenues), net	(92.6%) ↓	(55.3%) ↓
Total	8.3% ↑	6.5% ↑



¹Normalized for one-off impact.

Key highlights of expenses in 1 - 12 2023:

Cost of goods sold (COGS):

- increased by 8.1% relative to the comparative period due to movements in prices of raw materials, packaging and energy, and investments in improving the material status of employees. The increase in the cost of production materials was mitigated by improving production processes and procurement processes,

General and administrative expenses (G&A):

- higher by EUR 3.3m (+6.6%), primarily due to higher depreciation cost and investments in improving the material status of employees,

Sales and distribution costs (S&D):

- lower by EUR 0.4m (-0.4%) than in the comparative period, primarily as a result of lower other selling costs and lower net provisions for trade receivables,

Marketing expenses (MEX):

- lower by 3.4% (marketing investments -5.7%, cost of marketing department -1.0%), due to the focus on achieving better efficiency with lower investments

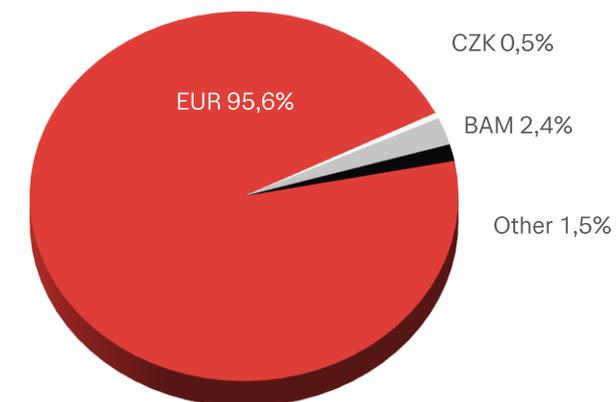
Other expenses (revenues), net:

- in the reporting period, other expenses and income, net amounted to EUR -1.1m (positive impact), while in the comparative period they amounted to EUR -15.1m (positive impact). This was mainly affected by the income from sale of non-operating assets.

Continuous improvement of debt indicators

(in EURm) ¹	2022	2023	% change
Financial debt ²	84.0	57.4	(31.6%)
Cash and cash equivalents	21.9	42.5	94.1%
Net debt	62.1	14.9	(76.0%)
Interest expense	0.7	0.7	(5.3%)
Net debt / normalized EBITDA	0.75	0.16	(78.2%)
Normalized EBIT / Interest expense	73.3	87.3	19.1%
Equity to total assets ratio	71.8%	73.9%	+210 bp

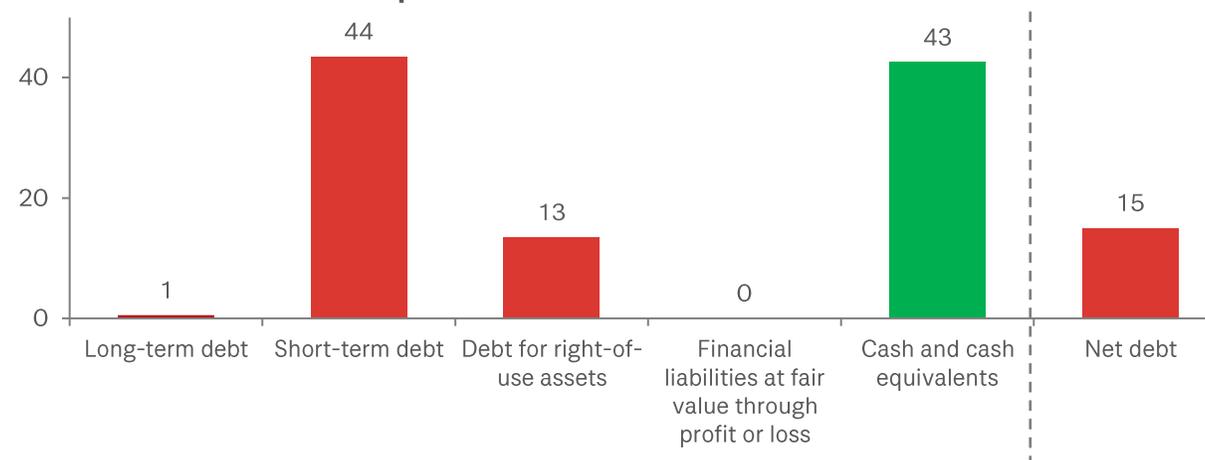
Currency structure of debt as at 31 December 2023



Key highlights:

- **Financial debt decrease** → due to regular repayments,
- **Lower interest expenses** → continuous decrease due to regular repayments,
- **Weighted average cost of debt excluding liabilities for right-of-use assets:**
 - As at 31 December 2023 → 0.84%,
 - As at 31 December 2022 → 0.66%.

Net debt components in EURm as at 31 December 2023



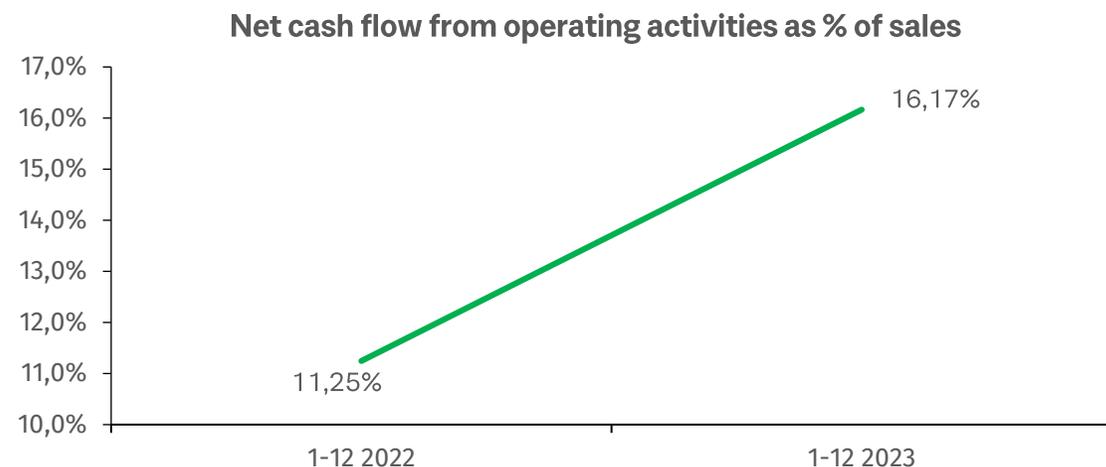
¹All P&L figures are calculated on the trailing 12 months level, while BS figures are taken at the end of period, ²Long-term and short-term borrowings + lease liabilities + financial liabilities at fair value through P&L

Key highlights of the cash flow

Working capital movement in BS	31 December 2023 / 31 December 2022		Impact
Inventories	↓	(9.7%)	<ul style="list-style-type: none"> lower 9.7% and are maintained at the optimum level in accordance with the needs of operations,
Trade and other receivables	↑	8.7%	<ul style="list-style-type: none"> this movement is a result of the increase in sales revenues in the reporting period
Trade and other payables	↑	23.3%	<ul style="list-style-type: none"> higher by 23.3% as a result of higher liabilities related to the realization of capital investments, as well as the increase in the prices of raw materials and packaging in the reporting period.

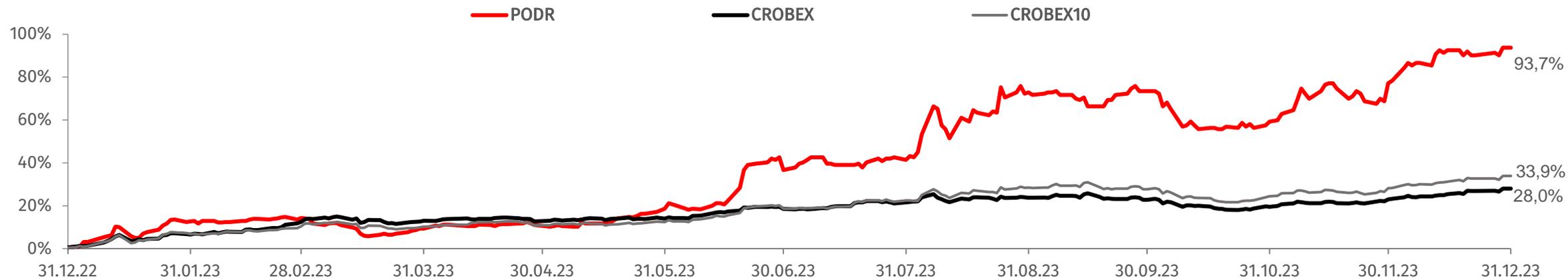
(in EURm)	1-12 2022	1-12 2023	Δ
Net cash from operating activities	75.0	115.4	53.8%
Net cash from investing activities	(57.5)	(39.6)	31.1%
Net cash from financing activities	(0.0)	(55.2)	n/a
Net change of cash and cash equivalents	17.5	20.6	17.8%

- In 2024, expected **capital expenditures** are at a level of almost EUR 100m.



Podravka's share price movement

PODR share price movement in 1 – 12 2023



Market activity with PODR share

(EUR; units)	1-12 2022	1-12 2023	% change
Average daily price	81.4	129.9	59.5%
Average daily number of transactions	14	14	(0.2%)
Average daily volume	1,214	1,366	12.6%
Average daily turnover	95,633.4	176,797.9	84.9%
Reported earnings per share	7.0 ¹	9.5	35.3%
Normalized earnings per share	5.9 ¹	6.7	14.3%

Last price on
31.12.2022

84.15 EUR

Dividend per share

2.65 EUR

Last price on
31.12.2023

163.00
EUR

Dividend yield²

3.1%

¹Based on the results for 2022 ²Dividend yield calculated based on the last mkt. price at the end of 2022.



The Company

Investment highlights

2023 results

9M 2024 results

Significant events in 1 – 9 2024

-  Podravka and Fotrenova Group signed a purchase agreement on the takeover of Belje, PIK Vinkovci and Vupik
-  Opening of new Podravka pastry factory in Koprivnica and opening of new Tomato processing plant in Varaždin.
-  During the first nine months of 2024, investments in the amount of almost EUR 64m were realized, which is almost 36% more than in the same period last year.
-  The construction of a logistics and distribution centre in Koprivnica is the largest investment within the Podravka Group's Business Strategy until 2025, with the total value of EUR 48m.
-  At the Podravka Inc. General Assembly, dividend distribution of EUR 3.20 per share approved, 21% higher than last year.

Overview of key financial indicators in 1-9 2024 period



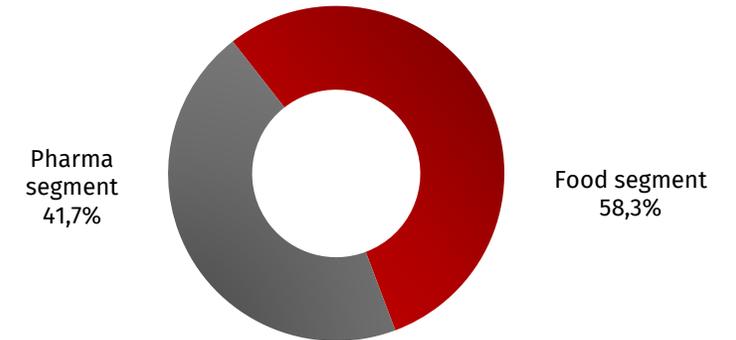
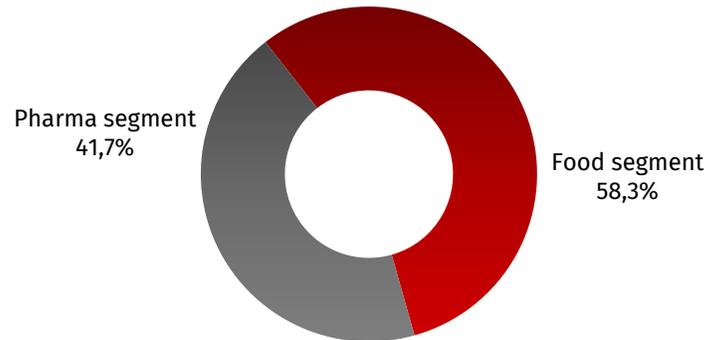
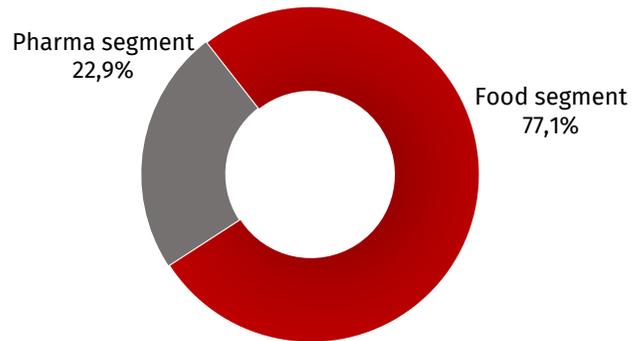
Sales revenues



Normalized Operating
profit



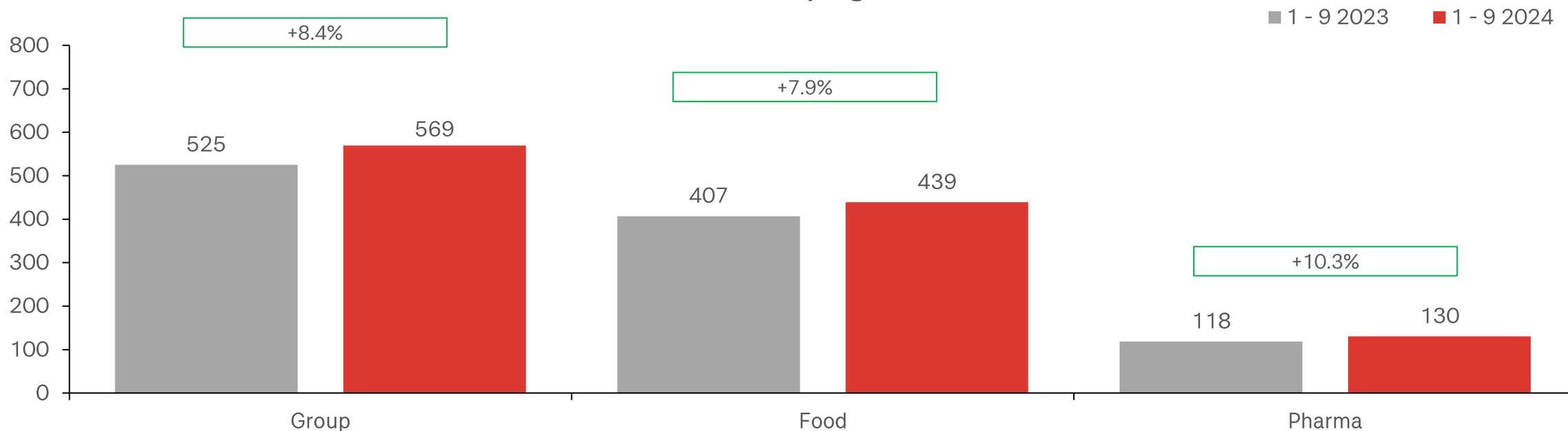
Normalized Net profit
after MI



Sales revenues increase in both segments

in EURm

Sales revenues by segment



Podravka Group in 1 - 9 2024¹:

- **Own brands** → 8.1% higher sales,
- **Other sales** → 11.0% higher revenues,
- **Total Podravka Group** → 8.4% higher sales revenues.

Food segment in 1 - 9 2024¹:

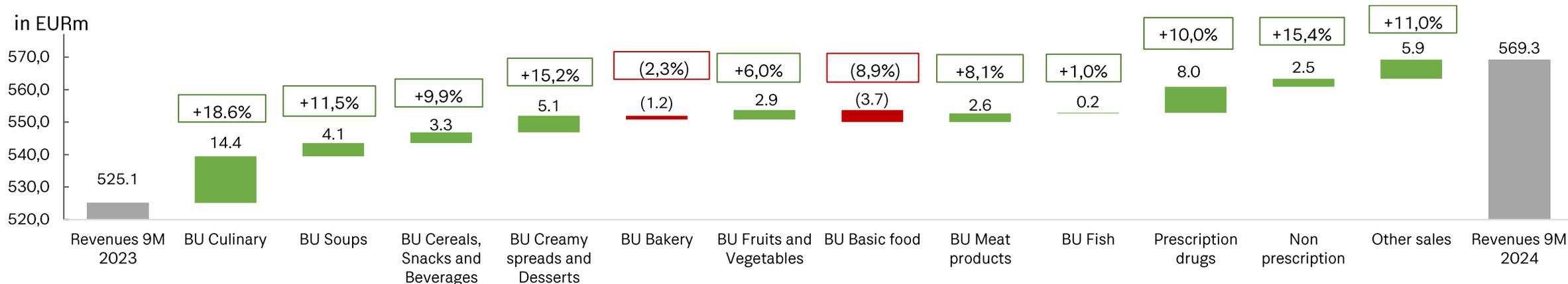
- **Own brands** → 7.4% higher sales due to the increase in sales of majority of business units,
- **Other sales** → 13.5% higher sales, primarily as a result of the development of distribution on the US market,
- **Total Food** → 7.9% higher sales.

Pharmaceuticals segment in 1 - 9 2024¹:

- **Own brands** → 10.9% higher sales, due to the increase in sales of prescription drugs,
- **Other sales** → 7.4% higher revenues, due to the increase in trade goods sales in the market of Bosnia and Herzegovina,
- **Total Pharma** → 10.3% higher sales revenues.

¹Percentages in the text relate to performance in 1 - 9 2024 compared to 1 - 9 2023

Sales revenues increase of almost all business units

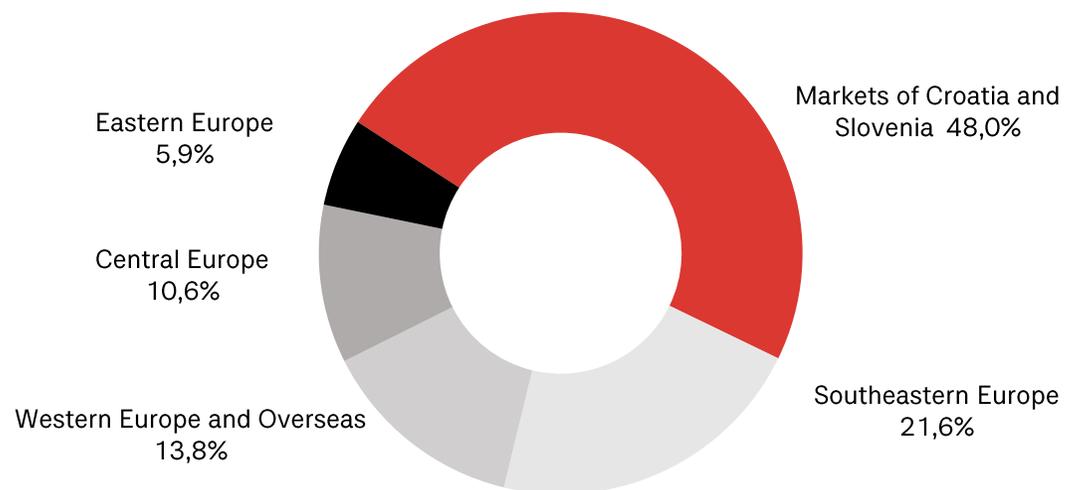


Business unit and category performance in 1 - 9 2024¹:

- **BU Culinary (+18.6%)** → revenue growth was recorded mainly in the markets of Germany, USA, Poland and Croatia. The revenue growth includes the effect of the restructuring of the markets of Poland and Germany, where higher revenues were recorded with a profitability increase,
- **BU Soups (+11.5%)** → revenue growth of the business unit was realised in the key markets of Croatia, Southeastern and Western Europe. The Clear soups subcategory contributes most to a positive trend within the Soups business unit,
- **BU Cereals, Snack and Beverages (+9.9%)** → revenue growth was recorded in all categories, primarily in the market of Croatia. The most significant growth within the business unit was recorded by the Cereals category, subcategories Cereals for Children and Čokolino,
- **BU Creamy spreads and Desserts (+15.2%)** → revenue growth was recorded in the markets of Croatia, Bosnia and Herzegovina, and Germany, primarily due to the increase in the Creamy spreads category,
- **BU Bakery (-2.3%)** → mild revenue decrease. Revenue growth was achieved in subcategories Bread, Rolls and Sweet bakery products, while the decrease in revenues of the overall Business unit is primarily generated by the Mill products category,
- **BU Fruit and Vegetables (+6.0%)** → separated from the Basic food business unit from the beginning of 2024, recorded an increase, primarily due to the growth of categories Condiments, Processed fruit and Tomato products,
- **BU Basic food (-8.9%)** → lower sales, primarily in the Flour category, subcategory Large packaging for industrial customers,
- **BU Meat products (+8.1%)** → higher sales, primarily on the Croatian market and the market of Switzerland. The revenue growth arises from the categories of Ready meals, and Dried Meat and Sausage Products,
- **BU Fish (+1.0%)** → higher sales, which is primarily impacted by the new Fish salads category which records a significant increase compared to the same period of the previous year,
- **Prescription drugs (+10.0%)** → higher sales, due to the increase in sales of almost all subcategories, primarily dermatological drugs, cardiovascular drugs, and the nervous system drugs. The revenue growth is most significant in the markets of Croatia, and Bosnia and Herzegovina,
- **Non-prescription programme (+15.4%)** → higher revenues, as a result of the increase in sales of the OTC drugs subcategory,
- **Other sales (+11.0%)** → In the Food segment, Other sales increased by EUR 4.3m (+13.5%), mainly due to the development of distribution on the US market which includes the revenues from the distribution of Atlantic Grupa's products. In the Pharmaceuticals segment, Other sales grew by EUR 1.6m (+7.4%), primarily due to higher trade goods sales in the market of Bosnia and Herzegovina.

¹Percentages in the text relate to performance in 1 - 9 2024 compared to 1 - 9 2023

Sales revenues growth of all regions



(in EURm)	1-9 2023	1-9 2024	Δ	% change
Markets of Croatia and Slovenia	261.1	273.4	12.3	4.7%
Southeastern Europe	112.8	122.9	10.1	8.9%
Western Europe and Overseas	59.9	78.8	18.9	31.6%
Central Europe	58.9	60.5	1.5	2.6%
Eastern Europe	32.5	33.8	1.3	4.1%
Podravka Group	525.1	569.3	44.2	8.4%

Region's performance in 1 - 9 2024¹:

- **Markets of Croatia and Slovenia (+4.7%)** → **Food** segment revenues are 3.5% higher, due to sales increase of most business units, the Business unit Creamy spreads and Desserts, Business unit Fruit and vegetables and Business unit Meat. In the market of Croatia and Slovenia, the Retail sales channel achieved the strongest revenue growth; **Pharmaceuticals** segment revenues in the Market of Croatia and Slovenia also recorded revenue growth of 10.3%,
- **Southeastern Europe (+8.9%)** → **Food** revenues are 7.0% higher, due to the increase in sales of almost all business units, with the largest absolute growth generated by the business units Culinary, Soups, and Creamy spreads and Desserts; **Pharmaceuticals** revenues are 13.5% higher, primarily due to Prescription drugs and Trade goods sales increase in the market of Bosnia and Herzegovina,
- **WE and Overseas region (+31.6%)** → **Food** segment recorded 29.9% higher sales primarily due to the sales increase in the Culinary business unit, but also to the development of distribution on the US market; **Pharmaceuticals** segment revenues are 181.3% higher, primarily due to an increase in Prescription drugs revenues in the market of Germany and in Scandinavia,
- **Central Europe (+2.6%)** → **Food** revenues recorded an increase in revenue of 2.2%, primarily as a result of an increase in revenues of the Culinary business unit in the market of Poland, which is a result of the previously implemented market restructuring aimed at improving profitability; **Pharmaceuticals** revenues up by 5.0% primarily due to higher revenues of the Prescription drugs category in the markets of the Czech Republic and Slovakia,
- **Eastern Europe (+4.1%)** → **Food** segment recorded 6.0% higher revenues primarily due to the increase in revenues of the Culinary business unit; **Pharmaceuticals** segment recorded EUR 3.8% higher revenues, due to the growth of Non-prescription drugs and Prescription drugs.

¹Percentages in the text relate to performance in 1 - 9 2024 compared to 1 - 9 2023

Food segment – higher revenues and normalized profitability

Food segment (in EURm)	REPORTED				NORMALIZED ¹			
	1-9 2023	1-9 2024	Δ	%	1-9 2023	1-9 2024	Δ	%
Sales revenue	406.9	438.9	32.0	7.9%	406.9	438.9	32.0	7.9%
Gross profit	125.7	153.9	28.2	22.5%	125.7	153.9	28.3	22.5%
EBITDA	42.6	61.1	18.5	43.3%	43.4	61.1	17.7	40.8%
EBIT	25.5	42.5	17.0	66.7%	26.2	42.6	16.4	62.5%
Net profit after MI	40.4	35.1	(5.4)	(13.3%)	21.3	34.0	12.6	59.2%
Gross margin	30.9%	35.1%		+418 bp	30.9%	35.1%		+418 bp
EBITDA margin	10.5%	13.9%		+344 bp	10.7%	13.9%		+326 bp
EBIT margin	6.3%	9.7%		+341 bp	6.4%	9.7%		+326 bp
Net profit margin after MI	9.9%	8.0%		-195 bp	5.2%	7.7%		+250 bp

Food segment profitability in 1 - 9 2024:

Gross profit

- is EUR 28.2m higher, with an increase in gross margin from 30.9% to 35.1%,

EBITDA

- reported higher by EUR 18.5m (+43.3%), normalized higher by EUR 17.7m (+40.8%). The increase in the normalized operating profit before depreciation and amortisation (EBITDA) was achieved due to the increase in sales revenues and higher gross profit, despite additional investments in improving the material status of employees, which resulted in an increase in staff costs of EUR 11.2m (+12.2%),

Net profit after MI

- reported lower by EUR 5.4m (-13.3%) since in the first 9 months of 2023, tax incentives for investments in the amount of EUR 19.7 million were recorded, which as a one-off item are subject to normalization, while at the normalized level it is higher by EUR 12.6m (+59.2%).

¹Normalized for one-off impact.

Pharmaceutical segment – higher revenues and profitability

Pharma segment (in EURm)	REPORTED				NORMALIZED ¹			
	1-9 2023	1-9 2024	Δ	%	1-9 2023	1-9 2024	Δ	%
Sales revenue	118.2	130.4	12.1	10.3%	118.2	130.4	12.1	10.3%
Gross profit	57.7	67.3	9.6	16.7%	57.7	67.3	9.6	16.7%
EBITDA	29.8	37.1	7.2	24.3%	29.8	37.1	7.3	24.3%
EBIT	23.1	30.3	7.2	30.9%	23.2	30.3	7.2	31.0%
Net profit after MI	17.9	25.1	7.2	40.2%	17.9	23.5	5.6	31.3%
Gross margin	48.8%	51.7%		+285 bp	48.8%	51.7%		+285 bp
EBITDA margin	25.2%	28.4%		+321 bp	25.2%	28.4%		+322 bp
EBIT margin	19.6%	23.3%		+367 bp	19.6%	23.3%		+368 bp
Net profit margin after MI	15.1%	19.3%		+412 bp	15.1%	18.0%		+289 bp

Pharmaceuticals segment profitability in 1 - 9 2024:

Gross profit

- is EUR 9.6m (+16.7%) higher, with an increase in gross margin from 48.8% to 51.7%,

EBITDA

- reported higher by EUR 7.2m (+24.3%). The most significant impact on the increase in operating profit before depreciation and amortisation (EBITDA) came from the growth of sales revenues and gross profit,

Net profit after MI

- is EUR 7.2m (+40.2%) higher, while at the normalized level it is EUR 5.6m higher (+31.3%). The difference stems from the normalization of taxes, which refers to the final calculation of used tax incentives for the expansion of the Belupo factory from 2015 in the amount of EUR 1.6m.

¹Normalized for one-off impact.

Podravka Group – higher revenues and normalized profitability from both segments

Podravka Group (in EURm)	REPORTED				NORMALIZED ¹			
	1-9 2023	1-9 2024	Δ	%	1-9 2023	1-9 2024	Δ	%
Sales revenue	525.1	569.3	44.2	8.4%	525.1	569.3	44.2	8.4%
Gross profit	183.4	221.3	37.9	20.6%	183.4	221.3	37.9	20.7%
EBITDA	72.5	98.2	25.7	35.5%	73.2	98.2	25.0	34.1%
EBIT	48.6	72.8	24.1	49.7%	49.4	72.9	23.5	47.7%
Net profit after MI	58.3	60.2	1.8	3.1%	39.2	57.5	18.2	46.5%
Gross margin	34.9%	38.9%		+394 bp	34.9%	38.9%		+395 bp
EBITDA margin	13.8%	17.2%		+344 bp	13.9%	17.2%		+330 bp
EBIT margin	9.3%	12.8%		+352 bp	9.4%	12.8%		+341 bp
Net profit margin after MI	11.1%	10.6%		-54 bp	7.5%	10.1%		+263 bp

Profitability of the Podravka Group in 1 - 9 2024:

Gross profit

- higher by EUR 37.9m (+20.6%), where the positive impact came primarily from the Food segment, but also from the Pharmaceuticals segment,

EBITDA

- reported higher by EUR 25.7m (+35.5%), while normalized operating profit before depreciation and amortisation (EBITDA) is EUR 25.0m (+34.1%) higher,

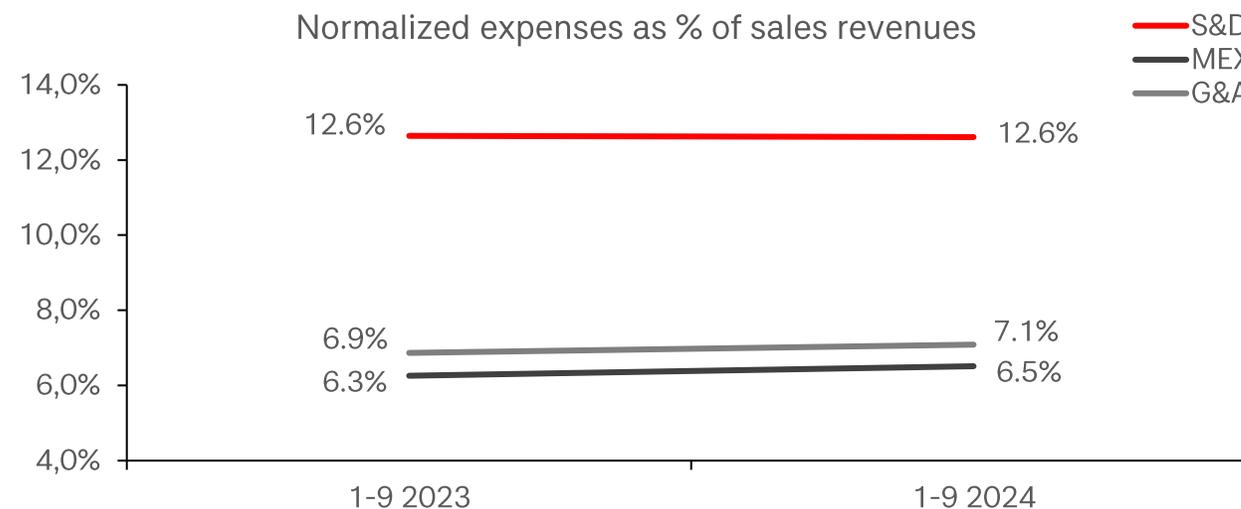
Net profit after MI

- reported higher by EUR 1.8m (+3.1%), while normalized net profit after minority interests is EUR 18.2m (+46.5%) higher, due to the growth in net profit of both the Food and the Pharmaceuticals segments.

¹Normalized for one-off impact.

Business expenses influenced by investments in improving the material status of employees

Business expenses 1 - 9 2024 vs. 1 - 9 2023 % change	REPORTED	NORMALIZED ¹
Cost of goods sold (COGS)	1.8% ↑	1.8% ↑
General and administrative expenses (G&A)	15.5% ↑	11.8% ↑
Sales and distribution costs (S&D)	8.1% ↑	8.1% ↑
Marketing expenses (MEX)	12.8% ↑	12.8% ↑
Other expenses / (revenues), net	125.8% ↑	(38.9%) ↓
Total	4.2% ↑	4.3% ↑



¹Normalized for one-off impact.

Key highlights of expenses in 1 - 9 2024:

Cost of goods sold (COGS):

- increased by EUR 6.3m (+1.8%) relative to the comparative period, primarily as a result of additional investments in improving the material status of employees, while the prices of raw materials, packaging and energy record a decrease compared to the first half of the previous year,

General and administrative expenses (G&A):

- higher by EUR 5.7m (+15.5%), primarily due to additional investments in improving the material status of employees, as well as to the costs related to the purchase of agricultural companies of the Fortenova group.

Sales and distribution costs (S&D):

- higher by EUR 5.4m (+8.1%) than in the comparative period, primarily as a result of additional investments in improving the material status of employees and higher depreciation costs,

Marketing expenses (MEX):

- higher by 12.8%. In this, the costs of marketing investments are higher by EUR 3.2m (+19.7%) due to the increased marketing activities, while the costs of the marketing department are higher by EUR 1.0m (+6.1%), due to additional investments in improving the material status of employees.

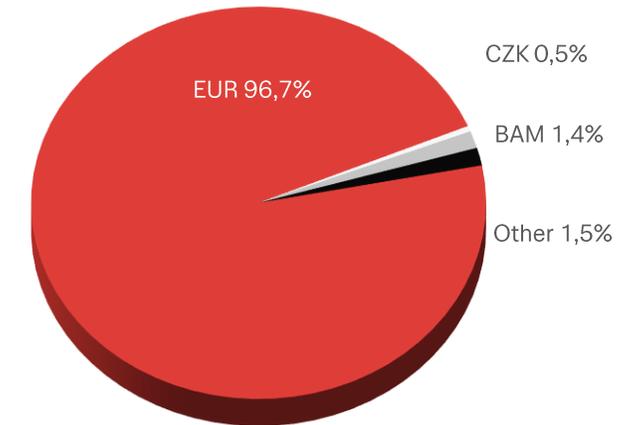
Other expenses (revenues), net:

- In the reporting period, other expenses and income, net amounted to EUR -2.9m (positive impact), while in the comparative period they amounted to EUR -1.3m (positive impact). The difference was mainly impacted by the border debt received from the Fortenova group (total effects are presented in the One-off items section).

Continuous improvement of debt indicators

(in EURm) ¹	2023	1-9 2024	% change
Financial debt ²	57.4	58.5	1.9%
Cash and cash equivalents	42.5	21.2	(50.2%)
Net debt	14.9	37.4	150.6%
Interest expense	0.68	0.85	23.9%
Net debt / normalized EBITDA	0.16	0.32	97.1%
Normalized EBIT / Interest expense	87.3	98.3	12.6%
Equity to total assets ratio	73.9%	75.4%	+147 bp

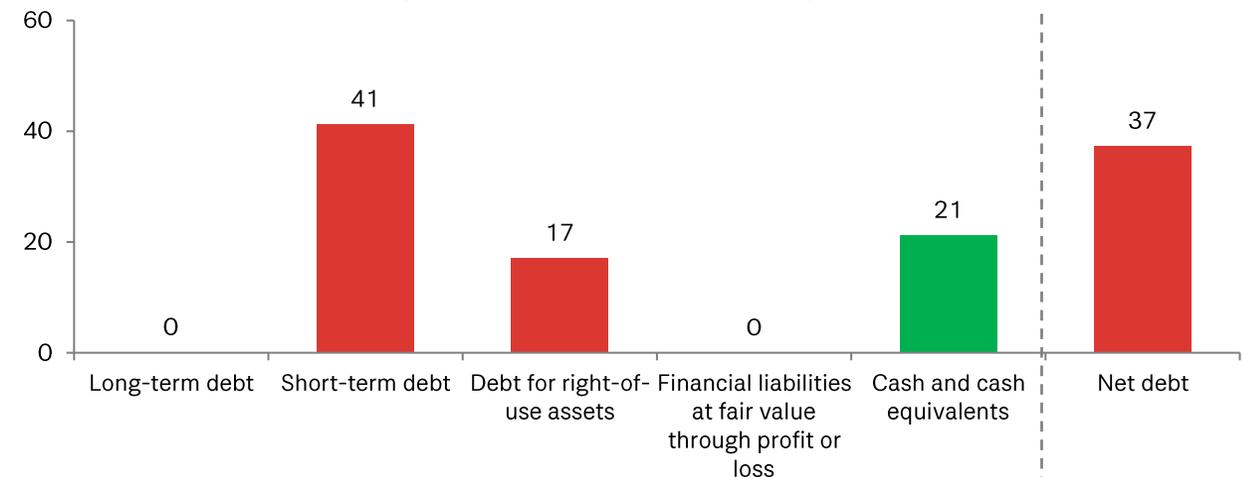
Currency structure of debt as at 30 September 2024



Key highlights:

- **Financial debt increase** → due to increase in debt for right-of-use assets,
- **Lower long term debt** → due to regular repayments,
- **Lower short term debt** → due to regular repayments,
- **Weighted average cost of debt excluding liabilities for right-of-use assets:**
 - As at 30 September 2024 → 1.60%,
 - As at 31 December 2023 → 0.84%.

Net debt components in EURm as at 30 September 2024



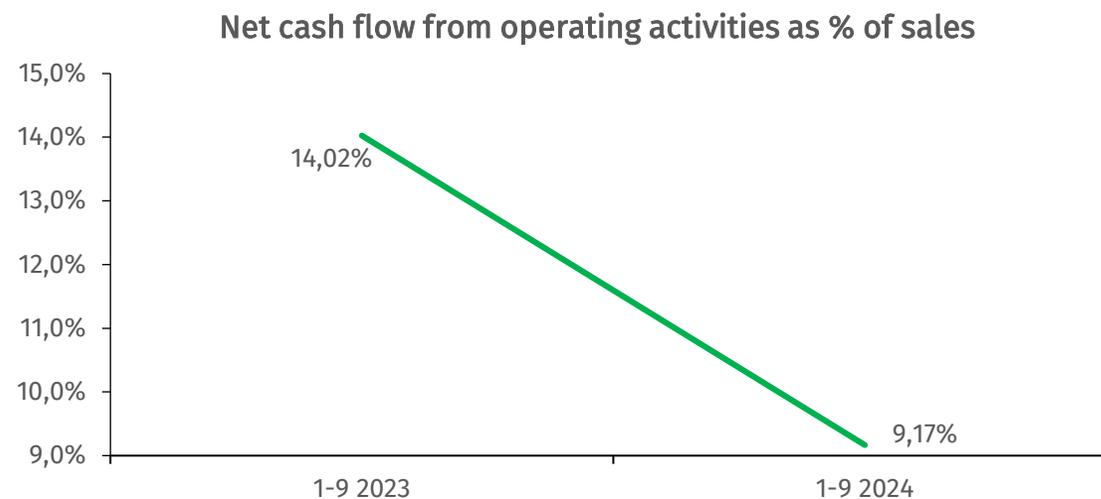
¹All P&L figures are calculated on the trailing 12 months level, while BS figures are taken at the end of period, ²Long-term and short-term borrowings + lease liabilities + financial liabilities at fair value through P&L

Key highlights of the cash flow

Working capital movement in BS	30 September 2024 / 30 September 2023		Impact
Inventories	↑	4.6%	• higher by 4.6% and are maintained at the optimum level in accordance with the needs of operations,
Trade and other receivables	↑	13.5%	• higher by 13.5% as a result of growth in sales revenue and a change in the commercial model in the Pharmaceuticals segment on the Croatian market,
Trade and other payables	↑	4.7%	• higher by 4.7% as a result of liabilities related to the realization of capital investments, and regular business operations.

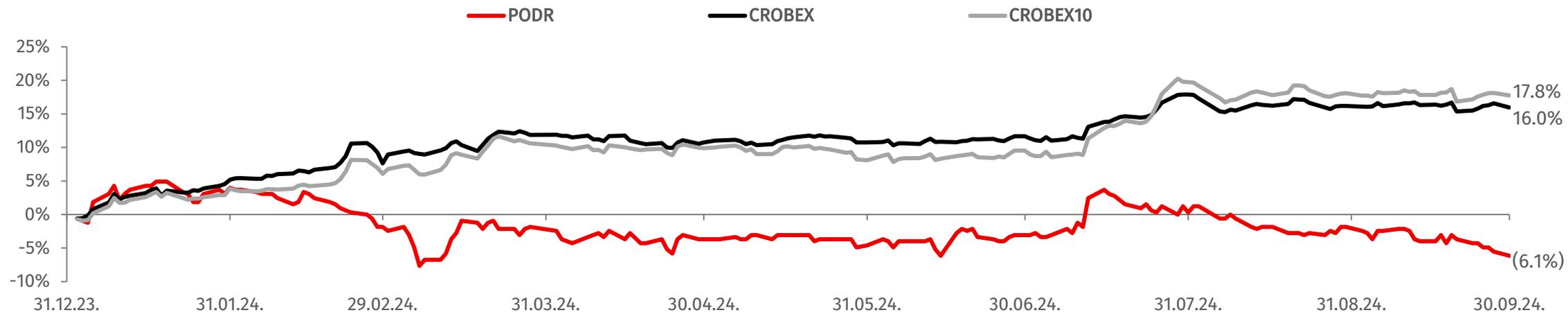
(in EURm)	1-9 2023	1-9 2024	Δ
Net cash from operating activities	73.6	52.2	(29.1%)
Net cash from investing activities	(13.8)	(40.2)	(192.0%)
Net cash from financing activities	(53.3)	(33.3)	37.5%
Net change of cash and cash equivalents	6.6	(21.4)	(424.8%)

- In 2024, expected **capital expenditures** are at a level of almost EUR 89.4m.



Podravka's share price movement

PODR share price movement in 1 – 9 2024



Market activity with PODR share

(EUR; units)	1-9 2023	1-9 2024	% change
Average daily price	123.1	161.4	31.1%
Average daily number of transactions	14	11	(24.2%)
Average daily volume	1317	731	(44.5%)
Average daily turnover	161,193.7	118,024.6	(26.8%)
Reported earnings per share	9.5 ¹	9.7	2.3%
Normalized earnings per share	6.7 ¹	9.3	38.1%

Last price on
31.12.2023

163.00
EUR

Dividend per share

3.20 EUR

Last price on
30.09.2024

153.00
EUR

Dividend yield²

2.0%

¹Based on the results for 2023 ²Dividend yield calculated based on the last mkt. price at the end of 2023.

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