



General Assembly of Podravka Inc. 2017

30th June 2017, Koprivnica





Annual Financial Reports for 2016

Key highlights of 2017

Report on the acquisition of own shares 2016

Annual Financial Reports for PODRAVKA Group and Podravka Inc. for 2016

- Management Board of PODRAVKA Inc. in a mandate that lasted until February 23rd 2017, authorised on 20th February 2017 audited annual financial statements of PODRAVKA Group and Podravka Inc. for 2016, that were also confirmed by Supervisory Board of Podravka Inc. on April 28th 2017.
- The annual reports were published on April 28th 2017 and made available to all shareholders through the Zagreb Stock Exchange, HANFA and the Company's website.
- Copies of these reports are provided to the interested shareholders.



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Changes in the Supervisory Board and Management Board of Podravka Inc.

- General Assembly of Podravka Inc. was held on 21st February 2017:
 - Resolution on the recall of Supervisory Board members Mato Crikvenac and Ivo Družić,
 - Resolution on the election of Supervisory Board members Marko Kolaković, Slavko Tešija, Luka Burilović and Damir Grbavac,

- Supervisory Board meeting of Podravka Inc. was held on 23rd February 2017:
 - Resolution on appointment of Management Board president Marin Pucar and members Ljiljana Šapina, Iva Brajević (term expires on 30th April 2017) and Hrvoje Kolarić,
 - As of 1st May 2017 Davor Doko is appointed as Management Board member.

Belupo opened a new factory



- On May 16th 2017 two production facilities were opened
→ for solid, semi-solid and liquid medications,
- Total value of investment is HRK 530 million,
- 45% of investment was funded through own funds, while 55% of investment was secured by a loan from the Croatian Bank for Reconstruction and Development,
- The effects of the investments are:
 - Increased capacity by 250%,
 - Around 200 new jobs,
 - Modern technology and latest good manufacturing practice standards implemented.

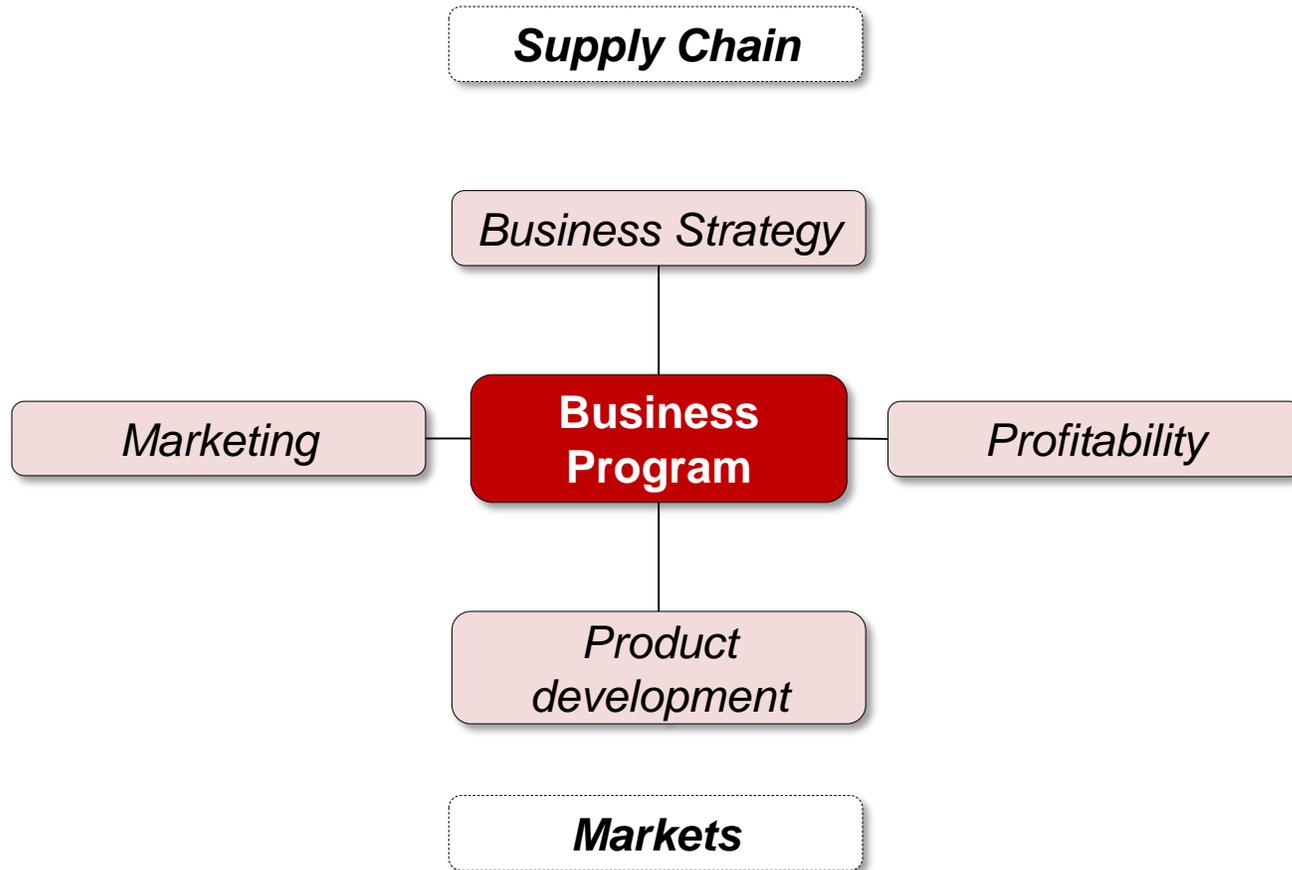
The situation with key customer in the region Adria

- On 7th April 2017 the Law for the Extraordinary Administration for Companies with Systemic Importance for the Republic of Croatia was adopted and on 10th April 2017 the law was activated,
- Deliveries to Konzum Inc. are controlled through regular collection of trade receivables, in order to control our exposure,
- Outcome of the extraordinary administration procedure is not yet known, but the Management Board is making efforts to ensure the highest collection level of Podravka's claims.



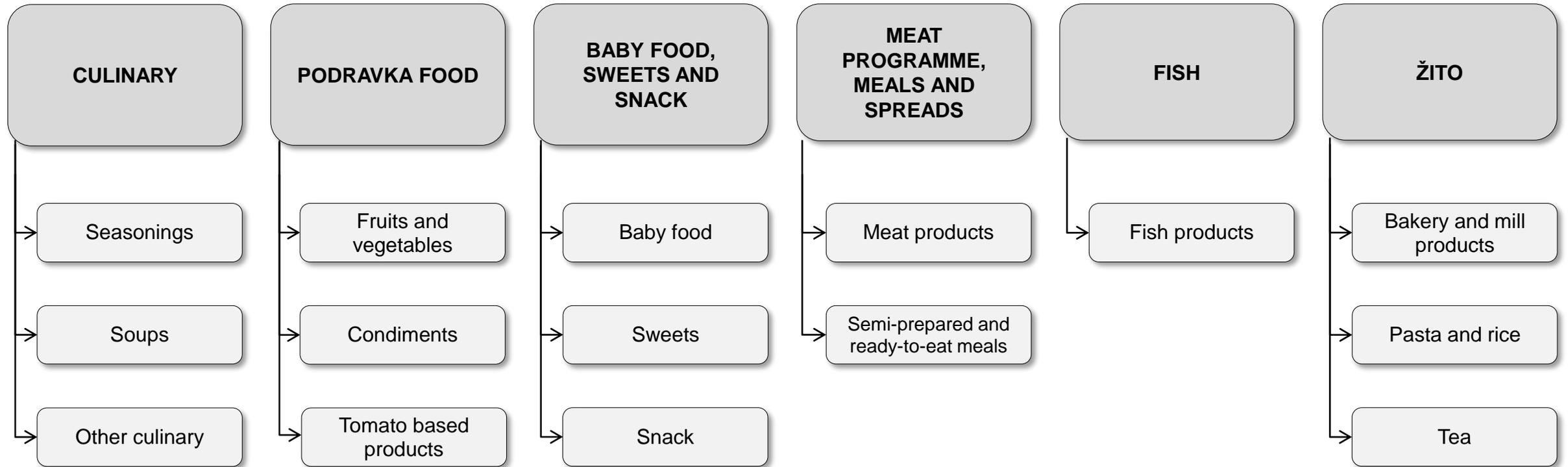
AGROKOR

New organizational structure in the Food segment



- From 1st July 2017 6 Business Programs will be introduced,
- The main goal is to ensure:
 - Stronger development of strategic brands,
 - Organic growth,
 - More significant focus on markets and trends,
 - Recognition of consumer needs.

6 Business Programs of the Food segment





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Podravka Inc. Management Board's report on the acquisition of own shares

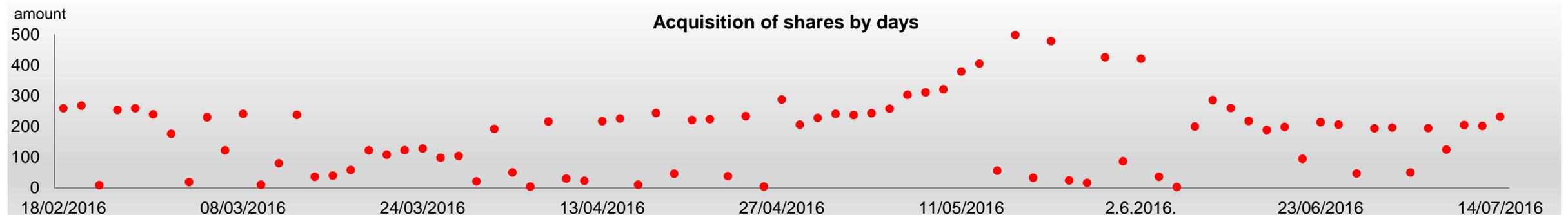
Own shares acquisition programme

- **Right** for the acquisition of own shares has been given to Management Board by General Assembly's resolution on 3th June 2015,
- **Purpose** of the programme is the realisation of ESOP¹ programme and management compensation,
- **Total share number** acquired by the programme together with current own shares cannot surpass 10% of share capital in the moment of acquisition,
- **Shares are acquired** exclusively on the Zagreb Stock Exchange at a price no higher than the last independent transaction,
- **Length** of this programme is, in accordance with the resolution on the acquisition of own shares, the period of 5 years since the date of resolution adoption.

Execution of own shares acquisition programme

- In 18th February 2016 – 27th September 2016 period Podravka Inc. acquired 23,889 of own shares that account for 0.336% of share capital
- Acquisition cost amounted to HRK 8.3 million,
- As at 20th June 2017 Podravka Inc. holds 171,100 of own shares, that account for 2.4% of share capital.

Total number of issued shares	Number of acquired own shares	Percentage of share capital	Acquisition cost ²
7,120,003	23,889	0.336%	8,270,789.44 HRK



¹Employee stock ownership programme; ²Includes transaction fees.



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