



Podravka Inc.
business
results for
January - December
2023 period
UNAUDITED

Content

- 3 General information
- 5 Significant events in 1 - 12 2023
and after the balance sheet date
- 15 Key business highlights of
Podravka Inc. in 1 - 12 2023
- 19 Key highlights of the balance sheet as
at 31 December 2023 and of the cash
flow statement in period 1 - 12 2023
- 22 Share in 1 - 12 2023
- 25 Additional tables for 1 - 12 2023
- 28 Unconsolidated financial
statements for 1 - 12 2023
- 36 Statement of liability
- 37 Contact



General information



General information

Podravka prehrambena industrija Inc., Koprivnica, is incorporated in the Republic of Croatia. Today it is included in leading companies in industry operating in the area of South-Eastern, Central and Eastern Europe. The principal activity of the Company comprises production of a wide range of food products.

The Company is headquartered in Koprivnica, Croatia, Ante Starčevića 32.

The Company's shares are listed on the Prime market of the Zagreb Stock Exchange.

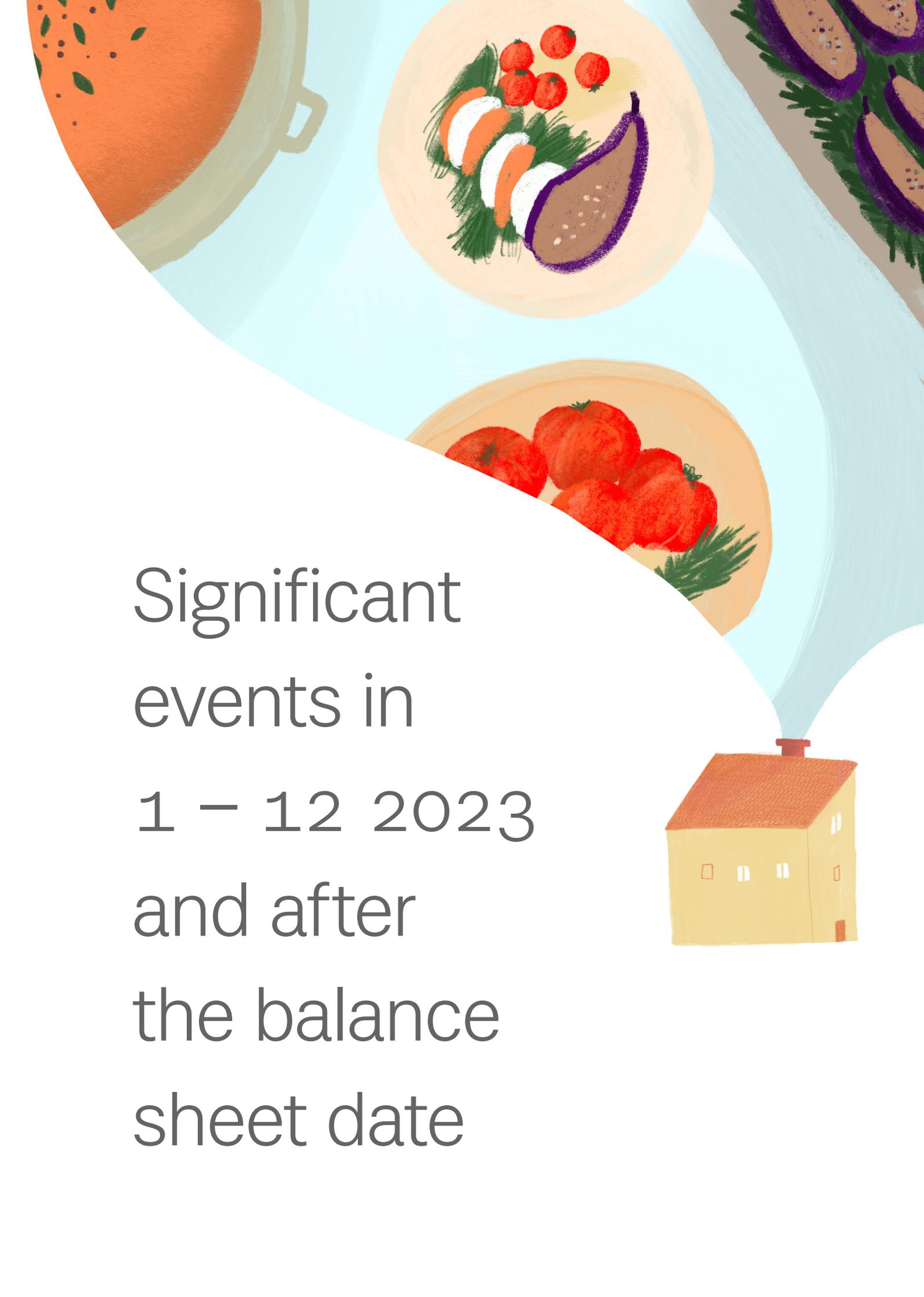
Management Board members as at 31 December 2023

PRESIDENT	Martina Dalić
MEMBER	Ljiljana Šapina
MEMBER	Davor Doko
MEMBER	Milan Tadić
MEMBER	Ivan Ostojić

The unaudited, unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (IFRS).



Significant
events in
1 – 12 2023
and after
the balance
sheet date



Significant events in 1 – 12 2023 and after the balance sheet date

The business results of the Podravka Inc. for 2023 show that the company operated successfully in the past year. Such a result was achieved primarily due to the implemented planned activities in all business segments – from sales and procurement to the successful realization of investments, the introduction of a number of new products and the expansion of agricultural production, to increasing the competence and expertise of human resources.

In the past period, we were focused on achieving the set business goals, but also on creating a foundation that will bring good results in the coming years, i.e. long-term successful business and growth.

Successfully implemented change of business model on international markets as a basis for strong growth in the Food segment in the following years

The Podravka Group generates almost 70% of its sales revenue outside of Croatia, and further internationalization in the Food segment is one of the key determinants of the Business Strategy. Therefore, in the past year, Group Podravka largely focused on activities aimed at changing and improving operations on international markets, especially the markets of Western and Central Europe, with the aim of strengthening growth and better profitability in the coming years. In the Food segment, this primarily refers to the restructuring of the markets of Poland, the Czech Republic and Hungary, through the termination of part of the unprofitable range and the harmonization of pricing policies with those in Western Europe. On the German market, Podravka has improved the way it markets its products, turning to its own distribution to large retail chains, while in traditional/ethnic stores, the distributor has been changed. All the changes are in line with the strategy that designates the market of Germany and Central Europe as a priority for sales expansion. Also, the Podravka Group and Atlantic Grupa have agreed to cooperate on foreign markets, specifically in the United States of America and Austria, in order to jointly strengthen the export of Croatian brands. Atlantic's distribution company in Austria now provides support for the placement of Podravka's products on the Austrian market, while Podravka markets Atlantic's products on the US market through its company in the USA. In this way, mutual synergies are maximized and, using the developed business network and market positions in Austria and the USA, the product placement of both companies is strengthened and brand recognition raised. With these changes, we have ensured that Podravka's products are sold at prices that bring adequate profit, i.e. that in markets with greater purchasing power they are not sold at prices lower than those on the domestic market.

Due to these efforts, sales revenues in the Food segment in 2023 amounted to EUR 553.6m, which is 6% or EUR 31.5m more than in 2022. These are non-normalized sales revenues, which means that the revenues growth also includes the effect of the abovementioned restructuring of international markets, which in the short term brought a decrease in sales of certain categories in order to improve the profitability of sales, but also to create a stable basis in the coming period.



New Podravka Group corporate logo presented

In order to further strengthen its presence on the global market and to ensure and support the achievement of strategic goals set by the business and sustainability strategy, Podravka redesigned its visual identity. The new visual identity is adapted to the new times and the needs and goals of the company, and for the first time the corporate logo of the Podravka Group is separated from the production logo of the Podravka brand. The new visual identity is based on the element of the heart and the red colour, it has preserved the most important and longest-lasting elements of the previous versions, thus preserving the company's recognizability and tradition. Also, this enables simpler and more effective communication with consumers and other stakeholders.

Podravka Group Business Sustainability Strategy for the period 2023-2030 adopted

The business sustainability strategy of the Podravka Group until 2030 was presented in May last year. The Strategy defines a clean environment, healthy nutrition, care for employees and the community, and responsible corporate management as the main areas of action.

These strategic pillars contain ten main goals, including obtaining 100% electricity and 50% thermal energy from renewable sources in production in the EU, reducing carbon dioxide emissions by 60% at the level of Podravka Inc., and 40% at the level of the Group, further improvement of corporate culture and climate in all organizational units, etc.

Key investments that support and enable the achievement of the sustainability goals of the Podravka Group include, among others, the expansion of the solar power plant, the construction of a cogeneration plant, the modernization of the fleet and the construction of a new logistics and distribution centre in Koprivnica. The Podravka Group will invest one hundred million euros in the achievement of sustainability goals.

In addition, in the area of healthy nutrition, Podravka will increase the number of products with a lower content of salt, added sugar and saturated fat per serving, as well as products that contain positive ingredients and/or promote a healthy, balanced and sustainable diet. In the area of a clean environment, Podravka will focus on goals such as reducing its own CO₂ emissions, increasing the share of renewable energy sources (RES) in total energy consumption, using recyclable packaging, reducing mineral fertilizers and pesticides in agricultural production, and many others. When it comes to care for employees and the community, Podravka will continue to work actively on equal gender representation and reducing the difference in salaries between men and women, improving the material status of employees and working conditions, as well as developing skills, new knowledge and competences of employees. With the support to various cultural, sports and humanitarian organizations and associations, the Podravka Group will continue to support the community in which it operates and promote awareness of the importance of a balanced and healthy diet and the importance of reducing and disposing of food waste.



New nutrition strategy aimed at a balanced and sustainable diet adopted

The nutrition strategy is part of the Sustainability Strategy as well as the Business Strategy. With its Nutrition strategy for the period until 2027, Podravka confirms its focus on healthy, balanced and sustainable nutrition through the development of new and innovative products. We continue to adjust and supplement our wide range of products in accordance with health recommendations, food trends and consumer needs. This includes products with a lower content of salt and added sugars, enriched with fibre, proteins, vitamins and minerals, as well as products based on fruits, vegetables, legumes, whole grains, plant-based protein sources, etc.

Podravka adopted the first nutrition strategy in 2014, and since then until the adoption of the new one, has reduced the total amount of salt in its products by 300 tonnes and sugar by 1,423 tonnes. Salt was mainly reduced in the range of soups, soup cubes, Fant and meat products. Sugar was mainly reduced in baby food, breakfast cereals and fruit spreads. In addition to adjustments of the recipes of existing products, which were carried out in such a way that their distinctive and consumers' favourite flavours were preserved, new products were also developed that support a balanced diet or meet individual lifestyle needs. The range has been enriched with a series of new products without additives, flavour enhancers and colourings, with specific benefits such as gluten-free products, products enriched with proteins, vitamins, minerals, fibres, etc. In addition, Podravka has reduced the use of palm oil and uses RSPO palm oil and in addition launched lines of BIO products as well as products for vegetarians and vegans.

The nutrition strategy for the period until the end of 2027 defines several key goals:

- in 75% of new and innovative products, to reduce the average content of salt and sugar by 20% compared to the current average content,
- in 75% of new and innovative products, to incorporate at least one ingredient that supports a healthy and balanced diet, such as fibres, proteins, vitamins and minerals,
- to base at least 40% of new and innovative products on ingredients related to sustainable nutrition, such as fruits, vegetables, legumes, whole grains, plant-based protein sources, etc.,
- to support sustainable nutrition with 100% of products.

Realized investments amount to EUR 52m, almost 27% more than in 2022

The Podravka Inc. investment cycle is in full swing, and is carried out in accordance with the Podravka Group Business Strategy until 2025. In 2023, investments in the amount of EUR 51.6m were realized. The investment cycle also includes an additional almost seventy million euros in 2024. The priorities of the investment cycle are investment in modernization, the introduction of new technologies and digitization, raising efficiency and energy efficiency, and further improving working conditions. It is important to point out that, in addition to an intensive investment cycle in the last two years, Podravka is in a continuous process of deleveraging, which indicates the stability of the business.



In 2023, Podravka completed the construction of the new Pasta factory. This is an investment worth more than EUR 15m, of which seven million euros were invested in construction infrastructure, and eight million euros in technology and assembly. This is also the first newly built factory in the Food segment in the last 17 years. The pasta factory was built on more than 4,800 m². It houses two fully automated process lines for the production of short and curly pasta and three automated lines for packaging and palletizing products. The new Pasta factory produces industrial pasta that is used for the production of Podravka soups, as well as curly and short pasta under the Zlato Polje brand. The construction of the factory foresees the possibility of further expansion of technological capacities and product range, as well as further investment in renewable energy sources, i.e. a solar power plant. The construction of the factory and assembly of the lines ultimately took only one year, and with this investment, Podravka additionally ensures its own pasta production, modernizes the technological production process and further growth of the soup category, as well as the development of new products. Also, during the third quarter of 2023, an investment in a line for the production of instant noodles was launched at the Pasta Factory. The investment will ensure own production, contribute to production efficiency and greater flexibility of production. The completion of the project is expected at the end of 2024, when the first own production will take place.

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. The works began in March 2023 and their completion is expected in the second part of 2024. The logistics and distribution centre will meet the expected needs for storage space on the Croatian market in the next ten years, and if needed, it can be expanded in the future. With this investment, the Podravka Group will increase its efficiency in the logistics and distribution segment of operations through the optimization of the number of warehouses, minimization of internal transport and better cost control. This will also have a positive impact on the environment through the reduction of carbon dioxide emissions.

As part of the investment in energy sustainability and efficiency, during the first quarter of 2023 Podravka initiated the realization of the second phase of INVESTMENT IN SOLAR POWER PLANTS, co-funded by the Modernisation fund in the amount of over EUR 3.3m. For the implemented first phase of the project – the largest integrated solar power plant in Croatia, Podravka received the prestigious award of the Croatian Energy Society "Hrvoje Požar" last year in the category of the realized project of rational energy management and improvement of environmental quality. The completion of the second phase is expected in the third quarter of 2024, and it will also include other production and storage sites of Podravka Inc. that were not included in the first phase, as well as the Pasta factory. The third phase of the investment in solar power plants will relate to the new logistics and distribution centre in Koprivnica. The completion of the project is expected in the second half of 2025. The investment will greatly contribute to the reduction of electricity costs.

As part of the MODERNIZATION OF THE DANICA MEAT INDUSTRY, an investment in the new modern system for product sterilization worth EUR 2.4m in the meat canning plant has been completed. With the introduction of the new system, the sterilization capacity will increase by 25% and significant savings in thermal energy will be achieved. Compared to the previous sterilization system, water consumption will be reduced by as much as 70%. The investment represents a step forward in the improvement and modernization of the



production process in the factory of meat products, with the aim of optimizing costs and improving efficiency. The new sterilization system will make the work of the plant workers much easier because the entire process of filling and emptying the sterilizer is automated. Also, during the first nine months of 2023, an investment in the luncheon meat line of the Danica meat industry was launched. The investment will contribute to increasing the efficiency of the luncheon meat production, and its commissioning is expected during 2024.

An investment in the MODERNIZATION AND INCREASE IN THE PRIMARY PROCESSING CAPACITY FOR FRESH TOMATOES IN CONTINENTAL CROATIA is underway, which includes the construction of a facility within the existing Kalnik factory in Varaždin. This will ensure the increase in the primary processing capacity for fresh tomatoes and continuity of own production, and the beginning of commercial production in the new facility is expected in the third quarter this year. In a broader sense, the investment also includes investment in AGRICULTURAL MACHINERY AND IRRIGATION, which is necessary for the smooth performance of primary production. For the needs of the new factory, Podravka will organize the production of tomatoes on its own land and with subcontractors, in total on approximately 400 hectares. Podravka will continue subcontractor production in Istria, but in order to meet the capacity of the new factory, it will also expand cooperation with subcontractors.

After completing the project of PRODUCTION MANAGEMENT SYSTEM DIGITALIZATION at the Soups and Vegeta factory, the project continued during 2023 at other production sites in Croatia. The digitalization of the production site in Varaždin is underway, and the planned completion of the entire project is mid-2024. This way, the monitoring of work on production lines will be digitized, which will enable better plant efficiency and use of production resources. Also, with the aim of reducing procurement costs, increasing efficiency, transparency and standardization of procurement processes at the level of the Podravka Group, in 2023 investments were made in the DIGITIZATION OF PROCUREMENT PROCESSES, and the new system was successfully implemented at the end of 2023. At the end of 2023, a new IT solution was selected for the implementation of INFORMATION TECHNOLOGIES FOR PLANNING AND REPORTING ON PROFITABILITY. It is an investment that will enable further digitization of the planning process and reporting on the profitability of business segments and markets. By this, a higher level of flexibility will be achieved during the planning and reporting processes, and the processes will be largely automated. The completion of the project and use of the system is expected in the third quarter of 2024. The project of transitioning the existing SAP system to the SAP S/4HANA version is underway, which will improve operations and efficiency of business processes, primarily those in finance and accounting.

At the end of the year, a decision was made to continue INVESTMENTS IN AGRICULTURAL MACHINERY and related equipment. The investment will result in savings in the costs of agrotechnical operations and provide the necessary raw materials for the new primary processing factory for fresh tomatoes in continental Croatia.

Also, at the end of 2023, a decision was made to BUILD A CENTRAL FACILITY FOR TRANSPORT AND MAINTENANCE WITH ACCOMPANYING FACILITIES, which will contribute to improving



the working conditions of logistics employees and will make logistics processes more efficient. The start of construction is expected in the first quarter, and completion in the third quarter of 2024.

After the completion of the works on the reconstruction and modernization of the main office building, the RENOVATION OF OTHER OFFICE SPACES AT THE LOCATION OF THE COMPANY'S HEADQUARTERS HAS BEEN COMPLETED. The renovation includes IT and energy reconstruction and overall modernization, which will significantly improve the working conditions of employees and reduce energy consumption.

Salaries and employee earnings increased twice in 2023, on average higher by almost 19%

The past year was marked by the continued increase in the material status of employees. During 2023, salaries were increased twice (in July and December), which is a total of five increases in the past two and a half years. In addition, in July 2023, Podravka and the unions reached an agreement on a new salary system for all employees of Podravka Inc. and Belupo, which entered into force on 1st December 2023. Podravka thus introduced a fairer and more modern salary system that replaced the previous tariff system, which dates back to 1997. In this way, numerous inconsistencies in the valuation of jobs were corrected and clearer opportunities for promotion were opened up.

With the implementation of the new system, THE SALARY INCREASE AMOUNTED TO AT LEAST EUR 150 GROSS. FOR A THIRD OF THE EMPLOYEES EVEN MORE THAN THIS, AND THESE ARE EMPLOYEES WHOSE JOBS WERE NOT ADEQUATELY VALUED IN THE OLD SALARY SYSTEM. In addition to the monthly salary, Podravka's employees also receive a non-taxable allowance, which the employer, at its discretion, pays to all employees in equal monthly amounts based on the limits set for these payments by the Income Tax Regulation. In 2023, this allowance amounted to EUR 82.95 net per month.

As a result, THE AVERAGE NET SALARY OF EMPLOYEES DETERMINED BY THE NEW SALARY SYSTEM INCREASED BY THE MONTHLY NON-TAXABLE ALLOWANCE FOR DECEMBER 2023 AMOUNTED TO EUR 1,059 NET AND IT WAS ALMOST 19% HIGHER THAN FOR DECEMBER 2022 AND ALMOST 52% HIGHER THAN FOR DECEMBER 2020. However, the actually paid average net salary and earnings for December 2023 of employees on the former tariff is even higher than this amount, as allowances for meals, transportation, etc. needs to be added to it. This will be explained in more detail in the Annual Report.

The new system classifies jobs according to the degree of complexity of the job into respective salary classes. The contracted gross salary of an employee depends on the job complexity and no one can have a gross salary lower than the minimum of the salary class their job belongs to. Also, a new, higher base for calculating salary allowances for special working conditions has been introduced (such as shift work or overtime work), and the length of service calculation. In addition, the new system gives greater opportunities for the promotion and rewarding of employees based on results, which was not possible until now because the former system was based solely on the level of education. The new salary system made it possible to correct the long-standing injustices and inconsistencies that had burdened Podravka's employees for many years.



At the Podravka Inc. General Assembly, dividend distribution of EUR 2.65 per share approved, 53% higher than last year, and new Supervisory Board members elected

At the General Assembly of Podravka Inc. held on 17th May 2023, the shareholders of Podravka Inc. confirmed the proposal of the Management of Podravka Inc. on the payment of a dividend of EUR 2.65 per share, which is 53% more than last year. The dividend was paid on 14th July 2023 to all shareholders in the register of shareholders as at 15th June 2023. Taking into account the last market price of the Podravka share at the end of 2022 (EUR 84.15), the paid amount of the dividend implies a dividend yield of 3.1%. With the continuity of the dividend yield over the years, the Podravka Group confirms its focus on meeting the expectations set by shareholders.

The terms of the members of the Supervisory Board Marina Dabić and Tomislav Kitonić expired on 30th June 2023. The new members of the Supervisory Board are Darko Prpić, Damir Čukman and Ante Jelčić; they were elected for a four-year term, which for Darko Prpić and Damir Čukman began on 1st July 2023, while Ante Jelčić began to perform his duties on 17th May 2023.

Podravka's share reached its highest value in history

At the end of 2023, the share of Podravka reached its highest level in history so far. The last price in 2023 was EUR 163, which made its value 93.7% higher than the last price in 2022. The market value of the company then reached as much as EUR 1,143.6m. The importance of the Podravka share was also recognized by the investor community, and Podravka received a special recognition from the Zagreb Stock Exchange. Podravka won the prize of the Zagreb Stock Exchange in two categories - for the Top Turnover Share and the Stock of the Year as chosen by the public. The fact that the Podravka share attracted the greatest interest of investors indicates that the investor community recognized Podravka as a company worth investing in.

Podravka develops SuperfoodChef-AI by Coolinarika - the first AI assistant in the food industry in the region

Podravka was the first in the food industry in the region to launch an innovative digital product driven by artificial intelligence (AI) and thus became one of the leading brands in the world that integrated generative AI technology in its digital channels.

This is SuperfoodChef-AI by Coolinarika, a personal AI assistant for a nutritionally balanced diet developed to create an even better user experience on the largest regional culinary platform - Coolinarika, by integrating GPT (generative pre-trained transformer) technology. Coolinarika is one of the most visited portals in Croatia and the central place for the exchange of recipes in the entire region, visited by almost 70,000 users daily, and has long been a leader in setting innovative trends on the market. In addition to the website, SuperfoodChef-AI is also present on the Coolinarika mobile application. The first Croatian AI assistant in the kitchen was created in a partnership between Podravka and the leading regional IT company Infobip and the international digital agency C3 Croatia – 01 Content & Technology, and is currently in the beta phase of development, i.e. it is still under development and being upgraded.



Year marked by awards

In 2023, Podravka received many awards, from those at the corporate level, such as the awards of the Zagreb Stock Exchange, to recognition for the coolest cereals, which Lino cereals for children can boast. The awards received are the result of hard work, constant improvement of business, investment in production, safety and satisfaction of our consumers and they additionally confirm the desire for the best. They point to the strong position of our high-quality products, not only in Croatia, but in the region and the world, and represent additional motivation in all future plans and achievements.

Last year, Podravka received two awards from the Zagreb Stock Exchange - the Stock of the Year and the Top Turnover Share awards. Likewise, Poslovni dnevnik and the Zagreb Stock Exchange recognized Podravka as one of the companies that best cooperates with investors, awarding it the second prize, which is the third time in the last four years. Following the company's excellent results, the President of the Management Board, Martina Dalić, was declared Businesswoman of the Year, as chosen by the expert jury of Večernji list and Poslovni dnevnik. Podravka regularly and timely communicates about the results of its business, as well as all other news regarding the company. The result of this is also the last year's prestigious PR award GrandPRix, awarded by the Croatian Association for Public Relations. The project marking 75 years of Podravka was awarded, through which numerous activities were carried out – from investments, donations, culinary shows, etc.

On several occasions during 2023, Podravka's significant effort in the context of ESG was also recognized. The company thus received two certificates in the field of human resources management – Employer Partner and Mamforce, as well as the annual award of the “Hrvoje Požar” Foundation of the Croatian Energy Society in the category for the realized project of rational energy management and improvement of environmental quality for the construction project of the largest integrated solar power plant in Croatia.

Podravka's products have also received many awards. Eight of them were awarded the Superior Taste Award, while Vegeta was once again declared the best-selling universal seasoning in Europe. Lino Njupalice in the meat pates category and Dolcela muffins in the cake mixes and creams category were declared the best according to Chosen by Moms, Dolcela HI protein shakes received the guarantee mark Live healthy, and Vegeta BIO was declared the best product in the category and holder of the "Selected product of the year" for 2023.

The Vegeta in your pocket campaign won a bronze award (bronze pie) at the Digital Pie competition on the Slovakian market, where Podravka also won the title of Superbrand for the tenth time. With the AI.VAR campaign for Podravka ajvar on the Slovenian market, Podravka also won the most important award for digital communications in the region – the SoMo Fighter statue, and the year ended with the most sought-after international design quality label. Podravka and Bruketa&Žinić&Grey agency received the Red Dot award for the design of the Vegeta&Spirulina packaging, winning the “Red Dot Best of the Best” title, which is awarded to the best among all Red Dot winners.



Podravka and citizens provided EUR 74,000 for renovation of school kitchens and dining halls

Podravka, as a socially responsible company, has been supporting financially and with product donations many humanitarian, economic, cultural, sports and scientific projects throughout the Republic of Croatia for decades. Accordingly, throughout February and March 2023, Podravka carried out the campaign “We donate and renovate school kitchens” aimed at helping schools across Croatia to renovate kitchens and dining halls. In the period from 15th February to 15th March, EUR 0.10 was allocated from the sale of each blue Vegeta package, Podravka’s most famous brand, for donations to schools.

In the end, in order to help renovate a larger number of schools than initially planned, Podravka doubled the amount collected through the sales campaign. Thus, Podravka and the citizens who participated in the campaign by buying the blue Vegeta packaging together donated EUR 74,000 for the renovation of a total of ten school kitchens and dining halls.

Podravka is a signatory of the voluntary agreement on the food waste prevention and reduction “United against food waste”

Podravka is among the 33 signatories who in March 2023 together with the Ministry of Agriculture signed a voluntary agreement “United against food waste” aimed at preventing and reducing food waste. The agreement is one of the measures of the Plan to prevent and reduce food waste in the Republic of Croatia and the reform measure “Improving the food donation system in the Republic of Croatia” from the National Recovery and Resilience Plan.

With their signature, the signatories voluntarily undertake to invest efforts in reducing food waste in their business processes, to donate food, but also to actively communicate with consumers. The ultimate goal of the Agreement is to reduce the generation of food waste in the Republic of Croatia by 30% by 2028.

Podravka and University North concluded a cooperation agreement

On the occasion of the opening of the new building of the University North in the Koprivnica campus, Podravka and the University signed an agreement expanding the existing cooperation in June last year. Podravka becomes the teaching base of the University, that is, it will participate in scientific research and professional projects of the University, enable the organization and execution of professional practice, enable the control of learned skills, organize guest lectures at certain courses with the aim of presenting practical experiences, etc. On the other hand, the University North committed to prepare students for practice classes well, to work out methods of testing the acquired practical knowledge, etc.





Key business
highlights of
Podravka Inc.
in 1 – 12 2023



Overview of sales revenues in 1–12 2023

NOTE: Pursuant to the Act on the introduction of the euro as the official currency in the Republic of Croatia, as of 1 January 2023 Podravka Inc. adjusted the reporting of data published in previous periods in such a way that it converted the data previously published in HRK into EUR, applying the fixed conversion rate of EUR 1 = HRK 7,5345 in accordance with the rules for conversion and rounding from the aforementioned Act.

Decimal differences in the document are possible due to rounding

Sales revenues by business units

(in EUR millions)	1 - 12 2022	1 - 12 2023	Δ	%
BU Culinary	78.3	82.4	4.2	5.3%
BU Soups	34.7	38.4	3.7	10.7%
BU Cereals, Snack and Beverages	31.4	35.7	4.3	13.8%
BU Creamy spreads and Desserts	28.9	33.0	4.1	14.2%
BU Bakery	2.7	2.6	(0.1)	(4.6%)
BU Basic food	64.1	72.7	8.5	13.3%
BU Meat products	38.7	39.2	0.4	1.1%
BU Fish	15.8	17.1	1.4	8.7%
Other sales	23.8	24.6	0.8	3.5%
Total	318.4	345.7	27.3	8.6%

* 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. Therefore, historical data was adjusted due to new organizational structure.

Sales revenues by region

(in EUR millions)	1 - 12 2022	1 - 12 2023	Δ	%
Markets of Croatia and Slovenia	182.8	201.4	18.6	10.2%
Southeastern Europe	61.2	70.3	9.1	14.9%
WE and Overseas	42.3	44.7	2.4	5.7%
Central Europe	26.8	24.6	(2.3)	(8.4%)
Eastern Europe	5.3	4.8	(0.6)	(10.6%)
Total	318.4	345.7	27.3	8.6%



In the 1 – 12 2023 period, total sales revenues of Podravka Inc. amounted to EUR 345.7m, which is EUR 27.3m (+8.6%) higher than in the comparative period. The revenue growth includes the effect of the restructuring of international markets, which in the short term brought a decrease in the sales of certain categories in order to improve the profitability of sales, but also to create a stable base in the coming period. Revenue growth was recorded by all business units except the BU Bakery, which recorded a slight decrease of EUR 0.1m. It is important to point out that during 2023, BU Bakery carried out the process of product portfolio optimization and the reduction of the number of items with the aim of increasing profitability. Most markets achieved revenue growth. In the market of Central Europe, revenues were EUR 2.3m (-8.4%) lower. 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 and a sustainable base for growth in the future period. The lower result of Eastern Europe results from the termination of operations on the Russian market.

Profitability of Podravka Inc. in 1 – 12 2023

NOTE: The overview and explanation of value adjustments to non-current assets used in the EBITDA calculation, the overview and explanation of items treated as one-off by management and the overview of methodology of calculation of the normalized result are provided in the “Additional tables for 1 – 12 2023” section.

On 2nd May 2023, the Ministry of Economy and Sustainable Development approved to Podravka Inc. the status of the beneficiary of investment support from the Investment Promotion Act. The status was approved based on investments to expand capacity and increase business competitiveness through construction and equipment at the sites in the City of Koprivnica and the City of Varaždin. The project investment plans the construction of a new logistics and distribution centre and a new plant for tomato processing, the purchase of new machinery and equipment, and the creation of at least 15 new jobs. Taking into account the probability of activation of the assets declared in the application for the acquisition of the status of the support beneficiary in the three-year investment period, the business plans in the possible period of use of the support, and the plans for tax corrections of the planned accounting profit, Podravka Inc. determined the amount of incentives that can be used in the total amount of EUR 19,718 thousand. Deferred tax assets were recorded in the same amount.

(in EUR millions)	Profitability of Podravka Inc.				Normalized			
	1 - 12 2022	1 - 12 2023	Δ	%	1 - 12 2022	1 - 12 2023	Δ	%
Sales revenue	318.4	345.7	27.3	8.6%	318.4	345.7	27.3	8.6%
Gross profit	90.2	91.4	1.3	1.4%	90.2	91.4	1.3	1.4%
EBITDA*	34.1	36.6	2.5	7.3%	35.4	36.1	0.7	2.0%
EBIT	18.7	20.5	1.8	9.4%	21.2	20.5	(0.7)	(3.5%)
Net profit	26.3	47.4	21.1	80.3%	28.4	27.7	(0.7)	(2.3%)
Gross margin	28.3%	26.4%		-187 bp	28.3%	26.4%		-187 bp
EBITDA margin	10.7%	10.6%		-13 bp	11.1%	10.4%		-68 bp
EBIT margin	5.9%	5.9%		+5 bp	6.7%	5.9%		-74 bp
Net margin	8.3%	13.7%		+545 bp	8.9%	8.0%		-90 bp

* EBITDA is calculated in a way that EBIT was increased by depreciation and amortisation and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortisation.



In the 1 – 12 2023 period, Podravka Inc. recorded an increase in gross profit of EUR 1.3m (+1.4%). Operating profit before depreciation and amortization (EBITDA) is EUR 2.5m (+7.3%) higher, while normalized operating profit before depreciation and amortisation (EBITDA) is EUR 0.7m (+2.0%) higher than in the comparative period.

The increase in the normalized operating profit before depreciation and amortisation (EBITDA) was achieved despite the increase in the costs of raw materials, packaging and energy by EUR 10.6m (+7.2%), and with additional investments in improving the material status of employees, which resulted by an increase in costs of EUR 6.1m (+9.3%). These impacts were mitigated through the optimization of the product range, the management of the production process, and changes in the procurement processes. In addition to creating greater competition through the increased number of suppliers, an integral part of the procurement processes improvement is the regular use of electronic auctions, so in 2023 the number of conducted electronic auctions is 56% higher than in 2022, and the value of procured items that were carried out through electronic auctions is 92% higher compared to 2022.

Net profit is EUR 21.1m higher (+80.3%) which was positively impacted by tax incentives in accordance with the Investment Promotion Act in the amount of EUR 19.7m, while the normalized net profit was lower by EUR 0.7m (-2.3%).



Key highlights of
the balance sheet
as at 31 December
2023 and of
the cash flow
statement in period
1 – 12 2023



Key highlights of the balance sheet as at 31 December 2023

As at 31 December 2023, total assets of Podravka Inc. amounted to EUR 527.0m, which is 9.6% higher than as at 31 December 2022.

Property, plant and equipment

Property, plant and equipment of Podravka Inc. are EUR 37.6m or +27.3% higher compared to 31 December 2022, due to the realized capital investments implemented within the strong investment cycle on the basis of the adopted Business Strategy.

Inventories

Inventories of Podravka Inc. are EUR 14.4m (-17.5%) lower than as at 31 December 2022, and are maintained at the optimum level in accordance with the needs of operations.

Trade and other receivables

Trade and other receivables of Podravka Inc. are EUR 8.3m (+12.5%) higher than as at 31 December 2022, as a result of higher trade receivables due to regular development of operations and loans given to related companies in the reporting period.

Cash and cash equivalents

Cash and cash equivalents of Podravka Inc. at the end of the observed period are EUR 12.9m higher (+335.2%) compared to 31 December 2022.

Long-term and short-term borrowings

As at 31 December 2023, long-term and short-term borrowings of Podravka Inc. are EUR 1.0m lower than as at 31 December 2022 due to repayment of short-term borrowings.

Considering the strong cash flow from operating activities, the continuous deleveraging is carried out with simultaneous strong investments in the investment cycle.

Trade and other payables

Trade and other payables of Podravka Inc. are EUR 20m or +41.9% higher compared to 31 December 2022.

Here it is important to point out that this movement is primarily 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.



Key highlights of the cash flow statement in 1–12 2023

Net cash flow from operating activities in 1 – 12 2023 amounted to positive EUR 69.8m, due to business operations and movements in the working capital. In other words, it is higher than EBITDA which amounted to EUR 36.6m Net cash flow from investing activities at the same time amounted to negative EUR 40.9m, primarily due to cash used for the purchase of non-current tangible and intangible assets and loans given to related companies. In the same period, net cash flow from financing activities amounted to negative EUR 16.0m, primarily due to the paid dividend. As at 31 December 2023, cash and cash equivalents amounted to EUR 16.7m.



Share in 1-12 2023



Share in 1–12 2023

List of major shareholders as at 31 December 2023

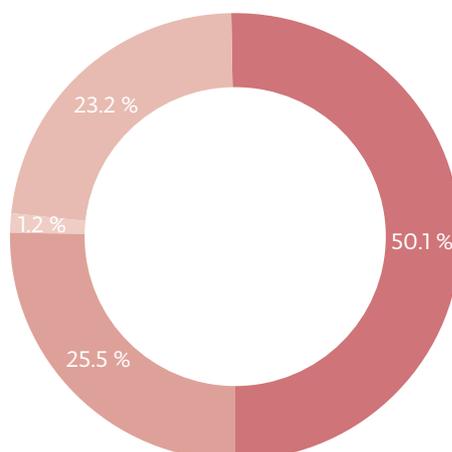
No.	Shareholder	Number of shares	% of ownership
1.	PBZ Croatia osiguranje mandatory pension fund, category B	1,097,644	15.4%
2.	AZ mandatory pension fund, category B	932,563	13.1%
3.	RSC* - Croatian Pension Insurance Institute	727,703	10.2%
4.	Erste Plavi mandatory pension fund, category B	638,248	9.0%
5.	Raiffeisen mandatory pension fund, category B	625,298	8.8%
6.	RSC* - Republic of Croatia	452,792	6.4%
7.	Capital Fund	406,842	5.7%
8.	Pivac Brothers Meat Industry	370,977	5.2%
9.	Republic of Croatia	167,281	2.3%
10.	OTP banka D.D./aggregate custody accounts	97,035	1.4%
	Other shareholders	1,603,620	22.5%
	Total	7,120,003	100.0%

* The Restructuring and Sale Centre holds 1,241,504 shares through four accounts, Capital fund Inc. holds 406,842 shares, the Republic of Croatia additionally holds 167,281 shares on a separate account.

Podravka Inc. has a stable ownership structure where the most significant stake is held by the Republic of Croatia and domestic pension funds. A total of 7,120,003 shares have been issued at nominal price of EUR 30.0 per share. As at 31 December 2023, the Republic of Croatia holds 25.5% stake, and domestic pension funds (mandatory and voluntary) hold a total of 50.1% stake. Podravka Inc. has 1.2% of treasury shares. Podravka Inc.'s shares have been listed on the Prime Market of the Zagreb Stock Exchange and in eight Zagreb Stock Exchange indices (CROBEX, CROBEX10, CROBEXtr, CROBEX10tr, CROBEXprime, CROBEXplus, CROBEXnutris and ADRIAprime).

Ownership structure as at 31 December 2023

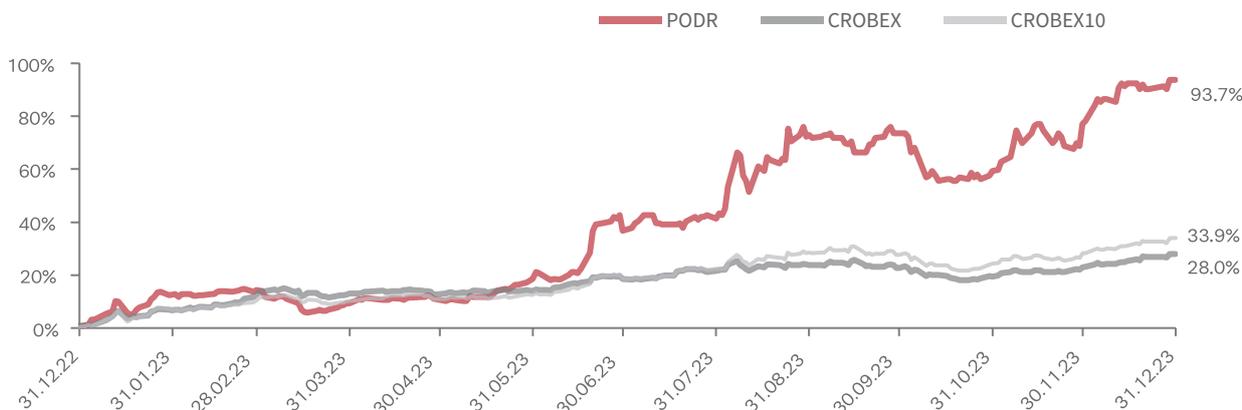
- Croatian pension funds** 50.1 %
- Republic of Croatia 25.5 %
- Others 23.2 %
- Treasury shares 1.2 %



** Includes all mandatory and voluntary pension funds managed by the pension companies: AZ, ROMF, PBZCO and ERSTE.



Share price movement in 1–12 2023



<i>(closing price in EUR; closing points)</i>	31 December 2022	31 December 2023	%
PODR-R-A	84.1	163.0	93.7%
CROBEX	1,979.9	2,533.9	28.0%
CROBEX10	1,156.2	1,548.6	33.9%

At the end of 2023, the Podravka's share reached its highest level in history so far. The last price in 2023 was EUR 163, which made its value 93.7% higher than the last price in 2022. The market value of the company then reached as much as EUR 1,143.6m. At the same time, the stock indices grew, where CROBEX increased by 28.0%, while CROBEX10 increased by 33.9%.

Result on the Croatian capital market in 1–12 2023

<i>(in EUR; in units)¹</i>	1 - 12 2022	1 - 12 2023	%
Weighted 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%

In the 1 - 12 2023 period, the weighted average daily price of Podravka's share recorded an increase of 59.5% relative to the comparative period. Compared to 1 - 12 2022, the average daily number of transactions is 0.2% lower, the average daily volume increased by 12.6%, and the average daily turnover increased by 84.9%.

¹ The weighted average daily price in the reporting period is calculated as the sum of the weighted average daily prices in the reporting period, multiplied by the daily volume weight. The daily volume weight is calculated as a ratio of daily volume and total volume in the reporting period. The formula, Weighted average daily price in the reporting period = Σ average daily price * (daily volume/total volume in the reporting period). Other indicators are calculated as the average of average daily transactions/volume/turnover in the reporting period. Block trades are excluded from the calculation.



An illustration featuring a man's face in profile at the top right, wearing dark sunglasses and having a white beard. Below him, a hand is shown watering a small green plant with a blue teardrop. The background is white.

Additional tables for 1 – 12 2023

Additional tables for 1 – 12 2023

EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments to non-current assets. Value adjustments to non-current assets in the reporting and the comparative periods are presented in the table below.

<i>Value adjustments</i>	<i>1 - 12 2022</i>	<i>1 - 12 2023</i>
<i>(in EUR millions)</i>	<i>Podravka Inc.</i>	<i>Podravka Inc.</i>
Investments in subsidiaries	1.18	0.36
Tangible assets	-	0.08
Intangible assets	0.12	0.16
Total	1.31	0.59

<i>Reported EBITDA calculation</i>	<i>1 - 12 2022</i>	<i>1 - 12 2023</i>
<i>(in EUR millions)</i>	<i>Podravka Inc.</i>	<i>Podravka Inc.</i>
Reported EBIT	18.70	20.46
+amortization and depreciation	14.14	15.58
+value adjustments	1.31	0.59
Reported EBITDA	34.14	36.63

<i>Normalized EBITDA calculation</i>	<i>1 - 12 2022</i>	<i>1 - 12 2023</i>
<i>(in EUR millions)</i>	<i>Podravka Inc.</i>	<i>Podravka Inc.</i>
Normalized EBIT	21.23	20.48
+amortization and depreciation	14.14	15.58
+value adjustments	1.31	0.59
Normalized EBITDA	35.36	36.06

One-off items in 1 – 12 2023 and 1 – 12 2022

In the 1 - 12 2023 period, Podravka Inc. incurred EUR 0.05m costs of severance payments for employees on long-term sick leaves, cost of impairment of investment in the related company in Russia in the amount of EUR 0.36m, impairment of tangible assets related to equipment in the amount of EUR 0.08m, and impairment of intangible assets in the amount of EUR 0.16m. Positive effects during 2023 refer to the sale of part of non-operating assets in the amount of EUR 0.54m and the write-off of liabilities in the amount of EUR 0.08m. The normalization below the EBIT result primarily refers to the received tax benefits in accordance with the Investment Promotion Act in the amount of EUR 19.72m. The estimated impact of these one-off items on tax amounts to EUR 4 thousand (decreases it).



In the 1 - 12 2022 period, Podravka Inc. incurred EUR 0.05m costs of severance payments for employees on long-term sick leaves, cost of impairment of investment in the related company in Russia in the amount of EUR 1.18m, a one-off impact of actuarial calculation difference according to the new collective agreement (result of the increase in severance pay for retirement) in the amount of EUR 1.39m and impairment of intangible assets in a related company of EUR 0.12m. Positive effects during 2022 refer to the sale of part of non-operating assets in the amount of EUR 0.05m and the reversal of impairment of receivables in the amount of EUR 0.18m with respect to the related company in Russia. The estimated impact of these one-off items on tax amounts to EUR 0.456m (decreases it).

Normalization of Podravka Inc. Profit and Loss Statement

	1 - 12 2022	1 - 12 2023
<i>(in EUR millions)</i>	<i>Podravka Inc.</i>	<i>Podravka Inc.</i>
Reported EBIT	18.70	20.46
+severance payments (long-term sick leave)	0.05	0.05
+actuarial calculation	1.39	-
+sale of non-operating assets	(0.05)	(0.54)
+receivable impairment reversal - Russia	(0.18)	-
+liabilities write-off	-	(0.08)
+investments in subsidiaries	1.18	0.36
+value adjustment of tangible assets	-	0.08
+value adjustment of intangible assets	0.12	0.16
Normalized EBIT	21.23	20.48
Reported Net Profit	26.29	47.40
+normalizations above EBIT level	2.53	0.02
+tax benefits according to Investment Promotion Act	-	(19.72)
+estimated impact of normalization on taxes	(0.456)	(0.004)
Normalized Net Profit	28.37	27.70



Unconsolidated financial statements in 1 - 12 2023



Unconsolidated Profit and Loss Statement in 1 - 12 2023

<i>(in EUR thousands)</i>	1 - 12 2022	% of sales revenues	1 - 12 2023	% of sales revenues	% change
Sales revenue	318,421	100.0%	345,746	100.0%	8.6%
Cost of goods sold	(228,252)	(71.7%)	(254,300)	(73.6%)	11.4%
Gross profit	90,169	28.3%	91,447	26.4%	1.4%
General and administrative expenses	(22,818)	(7.2%)	(25,391)	(7.3%)	11.3%
Selling and distribution costs	(30,685)	(9.6%)	(29,346)	(8.5%)	(4.4%)
Marketing expenses	(17,662)	(5.5%)	(17,286)	(5.0%)	(2.1%)
Other (expenses) / income. net	(308)	(0.1%)	1,036	0.3%	(436.0%)
Operating profit	18,696	5.9%	20,460	5.9%	9.4%
Financial income	11,622	3.6%	12,017	3.5%	3.4%
Other financial expenses	(32)	(0.0%)	(25)	(0.0%)	(20.5%)
Interest expenses	(275)	(0.1%)	(663)	(0.2%)	140.8%
Net foreign exchange differences on borrowings	(12)	(0.0%)	(20)	(0.0%)	(69.9%)
Net finance costs	11,303	3.5%	11,309	3.3%	0.0%
Profit before tax	29,999	9.4%	31,769	9.2%	5.9%
Current income tax	(4,386)	(1.4%)	3,919	1.1%	(189.3%)
Deferred tax	677	0.2%	11,713	3.4%	1,630.6%
Income tax	(3,709)	(1.2%)	15,631	4.5%	(521.4%)
Net profit for the year	26,290	8.3%	47,400	13.7%	80.3%



Unconsolidated Balance Sheet as at 31 December 2023

<i>(in EUR thousands)</i>	31 Dec 2022	% share	31 Dec 2023	% share	% change
ASSETS					
Non-current assets					
Intangible assets	11,555	2.4%	13,109	2.5%	13.4%
Property, plant and equipment	137,678	28.6%	175,305	33.3%	27.3%
Right-of-use assets	4,594	1.0%	3,756	0.7%	(18.2%)
Investment property	14,016	2.9%	13,819	2.6%	(1.4%)
Investments in subsidiaries	129,724	27.0%	129,816	24.6%	0.1%
Non-current financial assets	4,956	1.0%	4,915	0.9%	(0.8%)
Deferred tax assets	10,333	2.1%	21,876	4.2%	111.7%
Total non-current assets	312,856	65.0%	362,596	68.8%	15.9%
Current assets					
Inventories	82,044	17.1%	67,673	12.8%	(17.5%)
Trade and other receivables	66,782	13.9%	75,106	14.3%	12.5%
Financial assets at fair value through profit and loss	12	0.0%	59	0.0%	391.7%
Debit securities at amortized cost	14,999	3.1%	0	0.0%	(100.0%)
Income tax receivables	316	0.1%	1,239	0.2%	292.1%
Cash and cash equivalents	3,837	0.8%	16,698	3.2%	335.2%
Non-current assets held for sale	143	0.0%	3,633	0.7%	2,440.6%
Total current assets	168,133	35.0%	164,408	31.2%	(2.2%)
Total assets	480,989	100.0%	527,004	100.0%	9.6%



Unconsolidated Balance Sheet as at 31 December 2023

<i>(in EUR thousands)</i>	31 Dec 2022	% share	31 Dec 2023	% share	% change
EQUITY AND LIABILITIES					
Shareholders' equity					
Issued capital	207,897	43.2%	213,600	40.5%	2.7%
Share premium	24,360	5.1%	17,179	3.3%	(29.5%)
Treasury shares	(5,634)	(1.2%)	(6,929)	(1.3%)	23.0%
Reserves	102,214	21.3%	109,621	20.8%	7.2%
Retained earnings / (accumulated loss)	31,309	6.5%	53,365	10.1%	70.4%
Attributable to equity holders of the parent	360,146	74.9%	386,836	73.4%	7.4%
Non-current liabilities					
Borrowings	133	0.0%	0	0.0%	(100.0%)
Lease liabilities	3,158	0.7%	2,322	0.4%	(26.5%)
Non-current provisions for employee benefits	4,269	0.9%	4,114	0.8%	(3.6%)
Other non-current provisions	1,516	0.3%	1,624	0.3%	7.1%
Total non-current liabilities	9,076	1.9%	8,060	1.5%	(11.2%)
Current liabilities					
Trade and other payables	47,860	10.0%	67,895	12.9%	41.9%
Financial liabilities at fair value through profit and loss	0	0.0%	9	0.0%	n/a
Borrowings	59,530	12.4%	58,678	11.1%	(1.4%)
Lease liabilities	1,585	0.3%	1,577	0.3%	(0.5%)
Current provisions for employee benefits	2,771	0.6%	3,932	0.7%	41.9%
Other current provisions	21	0.0%	17	0.0%	(19.0%)
Total current liabilities	111,767	23.2%	132,108	25.1%	18.2%
Total liabilities	120,843	25.1%	140,168	26.6%	16.0%
Total equity and liabilities	480,989	100.0%	527,004	100.0%	9.6%



Unconsolidated Cash Flow Statement in 1 - 12 2023

<i>(in EUR thousands)</i>	1 - 12 2022	1 - 12 2023	% change
Profit / (loss) for the year	29,999	31,769	5.9%
Depreciation and amortization	14,136	15,578	10.2%
Impairment of long-term intangible assets	123	157	27.6%
Impairment of long-term tangible assets	0	77	100.0%
Impairment of investments	1,184	359	(69.7%)
Impairment / (reversal of impairment) of loans given and interest	78	(439)	(662.8%)
Reversal of impairment of assets held for sale	0	(2)	(100.0%)
Remeasurement of financial instruments at fair value	(17)	(38)	(123.5%)
Dividend income	(11,235)	(11,116)	1.1%
Share based payment transactions	766	681	(11.1%)
(Profit) / Loss on sale and disposal of non-current assets	(183)	(534)	(191.8%)
(Profit) / Loss on sale of assets held for sale	0	2	100.0%
Impairment on trade receivables and other receivables	564	(1,174)	(308.2%)
(Decrease) / Increase in provisions	1,350	1,093	(19.0%)
Gains from liabilities write off	0	(75)	(100.0%)
Interest income	(370)	(863)	(133.2%)
Interest expense	307	688	124.1%
Foreign exchange differences	(21)	7	133.3%
Total adjustments	6,682	4,401	(34.1%)
Changes in working capital:			
(Increase)/Decrease in inventories	(23,983)	14,371	159.9%
(Increase) in receivables	407	(8,172)	(2,107.9%)
Increase in payables	9,166	25,066	173.5%
Cash generated from operations	22,271	67,435	202.8%
Income tax paid	(4,545)	2,996	165.9%
Interest paid	(295)	(675)	(128.8%)
Net cash from operating activities	17,431	69,756	300.2%



Unconsolidated Cash Flow Statement in 1 - 12 2023

<i>(in EUR thousands)</i>	1 - 12 2022	1 - 12 2023	% change
Cash flows from investing activities			
Increase of investments in subsidiaries	(284)	(451)	(58.8%)
Investing in marketable securities	(14,985)	0	100.0%
Proceeds from investing in marketable securities	0	15,173	100.0%
Purchase of property, plant, equipment and intangibles	(40,788)	(56,924)	(39.6%)
Proceeds from sale of property, plant, equipment and intangibles	296	627	111.8%
Loans given	(8,979)	(10,000)	(11.4%)
Proceeds from loans given	9,153	6,820	(25.5%)
Interest received	76	427	461.8%
Dividends received	7,974	3,451	(56.7%)
Net cash from investing activities	(47,537)	(40,877)	14.0%
Cash flows from financing activities			
Proceeds from borrowings	95,904	94,085	(1.9%)
Repayment of borrowings	(47,641)	(87,199)	(83.0%)
Purchase of treasury shares	(3,542)	(5,250)	(48.2%)
Sale of treasury shares	2,764	2,625	(5.0%)
Repayment of lease liabilities	(1,761)	(1,812)	(2.9%)
Dividend paid	(12,113)	(18,467)	(52.5%)
Net cash from financing activities	33,611	(16,018)	(147.7%)
Net (decrease) / increase of cash and cash equivalents	3,505	12,861	266.9%
Cash and cash equivalents at beginning of year	332	3,837	1,055.7%
Cash and cash equivalents at the end of year	3,837	16,698	335.2%



Unconsolidated Statement of Changes in Equity in 1 - 12 2023

<i>(in EUR thousands)</i>	<i>Subscribed capital</i>	<i>Capital gains</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings</i>	<i>Total</i>
As at 1 January 2022	207,897	24,690	(5,228)	84,895	33,612	345,866
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	26,290	26,290
Actuarial losses (net of deferred tax)	-	-	-	240	-	240
Other comprehensive income	-	-	-	240	-	240
Total comprehensive income	-	-	-	240	26,290	26,530
<i>Transactions with owners recognized directly in equity</i>						
Allocation from retained earnings	-	-	-	17,079	(17,079)	-
Exercise of options	-	(1,096)	3,136	-	594	2,634
Fair value of share-based payment transactions	-	766	-	-	-	766
Purchase of treasury shares	-	-	(3,542)	-	-	(3,542)
Dividends paid	-	-	-	-	(12,108)	(12,108)
Total transactions with owners recognized directly in equity	-	(330)	(406)	17,079	(28,593)	(12,250)
As at 31 December 2022	207,897	24,360	(5,634)	102,214	31,309	360,146
<i>Comprehensive income</i>						
Profit for the year	-	-	-	-	47,400	47,400
Actuarial losses (net of deferred tax)	-	-	-	(14)	-	(14)
Other comprehensive income	-	-	-	(14)	-	(14)
Total comprehensive income	-	-	-	(14)	47,400	47,386
<i>Transactions with owners recognized directly in equity</i>						
Allocation from retained earnings	-	-	-	7,421	(7,421)	-
Exercise of options	-	(2,159)	3,955	-	656	2,452
Fair value of share-based payment transactions	-	681	-	-	-	681
Purchase of treasury shares	-	-	(5,250)	-	-	(5,250)
Dividend paid	-	-	-	-	(18,579)	(18,579)
Adjustment of Issued Capital and Shares - EUR Conversion	5,703	(5,703)	-	-	-	-
Total transactions with owners recognized directly in equity	5,703	(7,181)	(1,295)	7,421	(25,344)	(20,696)
As at 31 December 2023	213,600	17,179	(6,929)	109,621	53,365	386,836

Notes to the financial statements

In 1-12 2023 period there were no changes in accounting policies.
The audited Annual report of the Podravka for 2022 are available at:
<https://www.podravka.com/investors/financial-reports>

Implications of the Russian-Ukrainian crisis on the Podravka Inc. operations

In the Food segment the Russian market is not so significant in terms of total sales revenues or in terms of profitability. Management of Podravka Inc. continuously considers all risks associated with the Russian-Ukrainian conflict and assesses that these risks do not threaten Podravka's operations stability.



Koprivnica, February 26th 2024

**STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL
STATEMENTS**

According to our best knowledge unaudited financial statements of Podravka Inc. for the period 1 - 12 2023 have been prepared in compliance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards (IFRS) and provide an overall and true presentation of assets, liabilities, profit and loss, financial position and business operations.

Corporate Accounting Director:
Senka Peroš



Board Member:
Davor Doko



Podravka
PREHRAMBENA INDUSTRIJA D.D.
KOPRIVNICA 173

Contact

Podravka Inc.
Ante Starčevića 32, 48 000 Koprivnica
www.podravka.hr

Investor Relations
e-mail: ir@podravka.hr

