



PODRAVKA d.d.
A. Starčevića 32, 48000 Koprivnica
Tel: +385 48 651 144, Fax: +385 48 622 518
e-mail: podravka@podravka.hr, web: www.podravka.hr

24 June 2015

**PUBLIC INVITATION FOR SUBSCRIPTION OF UP TO 1,700,000 NEW ORDINARY SHARES
OF THE COMPANY PODRAVKA d.d. in 1st and 2nd ROUND**

On 3 June 2015, the General Assembly of the company PODRAVKA Food Processing Industry, Incorporated., having its registered seat in Koprivnica, A. Starčevića 32, entered into the Court Registry of the Commercial Court in Varaždin under the company registration number (MBS) 010006549, personal identification number (OIB) 18928523252 (hereinafter: „Issuer“ or „PODRAVKA Inc.“) rendered a decision on the increase of the share capital and issue of ordinary shares by way of a public offer in the Republic of Croatia, by payments in cash with a partial exclusion of the existing shareholders' pre-emption right to subscription and payment for the new shares (hereinafter: „Decision on the Share Capital Increase“). By the Decision on the Share Capital Increase, the share capital of the Issuer is being increased from the amount of HRK 1,192,400,660.00 for the amount of up to HRK 374,000,000.00 to the amount of up to HRK 1,566,400,660.00. The share capital increase shall be executed by payment in cash, by issuing of up to 1,700,000 new ordinary registered shares, in a dematerialised form, of the individual nominal value of HRK 220.00 (hereinafter: „New Shares“).

New Shares shall be the ordinary registered shares of the Issuer, of the individual nominal value of HRK 220.00 and shall grant to their holders the same rights as all existing shares, as of the date of entry of the share capital increase into the Court Registry. The existing ordinary shares of the Issuer have been admitted to trading on the Official Market of the Zagreb Stock Exchange, Inc. (security ticker: PODR-R-A). New Shares shall be issued in a dematerialised form, as an electronic record of a securities account in the computer system of the central depository managed by the Central Depository and Clearing Company Inc., Zagreb, Heinzelova 62 a (hereinafter: „CDCC“). The Issuer shall request the admittance to trading on the Official Market of the Zagreb Stock Exchange, Inc. for all New Shares. In case of a successful admittance to trading, the New Shares shall bear the security ticker PODR-R-A and ISIN (international securities identification number) HRPODRRA0004. The New Shares are being issued for the price exceeding a part of the share capital related to such shares, and the subscription price for the New Shares was determined by the Decision on the Share Capital Increase, in accordance with Article 304 Paragraph 3 of the Companies Act, in the amount of HRK 300.00 per New Share.

The Issuer's advisor for the preparation and implementation of the public offer of New Shares, without a firm commitment, is Zagrebačka banka d.d. having its registered seat in Zagreb, Trg bana Josipa Jelačića 10, personal identification number (OIB) 92963223473 (hereinafter: „Issuing Agent“), the legal advisor to the Issuer in the public offer of New Shares is Porobija & Porobija, Law Firm, having its registered seat in Zagreb, Iblerov trg 10/VII, personal identification number (OIB) 85577874038, while the legal advisor to the Issuing Agent in the public offer of New Shares is MADIRAZZA & PARTNERS Attorneys at Law LLC, having its registered seat in Zagreb, Masarykova 21, personal identification number (OIB) 37462847637.

Pursuant to the provisions of the Capital Market Act, the Issuer shall conduct the issue of New Shares by public offer in the Republic of Croatia, on the basis of an issue and admittance to trading prospectus, which, after being approved by the Croatian Financial Supervisory Services Agency, has been published in an electronic form at the website of the Zagreb Stock Exchange, Inc. www.zse.hr and of the Issuer www.podravka.hr on 23 June 2015 (hereinafter: „Issue and Listing Prospectus“).

A hard copy of the Issue and Listing Prospectus is available at the request at the registered seat of the Issuer (A. Starčevića 32, 48000 Koprivnica) within the period of up to the expiry of one year as of the admittance to trading of New Shares on the Official Market of the Zagreb Stock Exchange, Inc., free of charge. At the request of an individual investor, the Issuer or Issuing Agent shall deliver the hard copy of the Issue and Listing Prospectus free of charge.

By this public invitation for a subscription for the New Shares, the Issuer invites all persons entitled to subscribe for the New Shares pursuant to the Decision on the Share Capital Increase (hereinafter: „Investors“) to subscribe for up to 1,700,000 New Shares of the Issuer in the 1st and 2nd round of subscription.

Pursuant to the Issuer's Decision on the Share Capital Increase and the Issue and Listing Prospectus, the Management Board of the Issuer shall, within 5 working days as of the completion of the 2nd round decide on the possible conduct of a 3rd round and shall publish a public invitation for the subscription for the remaining New Shares in the 3rd round.

PROCEDURE AND TIMELINE FOR THE SUBSCRIPTION IN THE 1st AND 2nd ROUND

The share capital increase of the Issuer shall be implemented by way of a public offer with a partial exclusion of the Issuer's existing shareholders' pre-emption right to a subscription and payment for the New Shares, for the benefit of the Issuer's employees and the employees of the legal entities DANICA mesna industrija, d.o.o. having its registered seat in Koprivnica, Đelekovečka cesta 21, entered into the Court Registry of the Commercial Court in Varaždin under the company registration number (MBS) 010006846, personal identification number (OIB) 71246956955 (hereinafter: „DANICA d.o.o.“), BELUPO Pharmaceuticals and Cosmetics, Incorporated having its registered seat in Koprivnica, Ulica Danica 5, entered into the Court Registry of the Commercial Court in Varaždin under the company registration number (MBS) 010006854, personal identification number (OIB) 74181493335 (hereinafter: „BELUPO Inc.“) and LJEKARNE DELTIS PHARM having its registered seat in Koprivnica, Josipa Vargovića 4/IV, entered into the Court Registry of the Commercial Court in Varaždin under the company registration number (MBS) 080525365, personal identification number (OIB) 89014382709 (hereinafter: „LJEKARNE DELTIS PHARM“), in respect to up to 314.640 shares out of up to 1,700,000 shares which the Issuer intends to issue in the share capital increase procedure.

The Issuer's treasury shares grant no right to the participation in the share capital increase of the Issuer.

In the 1st round of subscription the right to subscribe and pay for the New Shares shall be granted to natural persons having the status of employees of any of the following legal entities: PODRAVKA Inc., DANICA d.o.o., BELUPO Inc. and LJEKARNE DELTIS PHARM on 3 June 2015 (hereinafter jointly the „Employees“, and individually the „Employee“), up to

– 314.640 New Shares (New Shares from the 1st Round), and

– depending on the outcome of the subscription and payment for the shares in the 2nd round, additional 498.360 New Shares from the 2nd Round with the Pre-Emption Right (as defined below) in respect to which the existing shareholders did not exercise the pre-emption right during the subscription and payment in the 2nd round, as explained below,

i.e. in total up to 813.000 New Shares.

In the 2nd round of subscription the right to subscribe and pay for the shares shall be granted to the shareholders of the Company which, in accordance with the rules of the CCDG, held shares at their dematerialised securities accounts with the CCDG on 3 June 2015 (hereinafter jointly the „Existing Shareholders“, or individually the „Existing Shareholder“), up to

– 1.385.360 New Shares which were not subject of subscription and payment in the 1st round in respect to which the Existing Shareholders have the pre-emption right of subscription and payment (hereinafter: „New Shares from the 2nd Round with the Pre-Emption Right“), and

ADVERTISEMENT

– depending on the outcome of the subscription and payment for the New Shares in the 1st Round, remaining New Shares from the 1st Round which were not subscribed and paid for in the 1st round (hereinafter: the „New Shares from the 2nd Round“).

Subscription in the 1st and 2nd round shall commence simultaneously.

In the 1st round of subscription, shares shall be subscribed and paid for within the period of 7 days, specifically in the period from 7 July 2015 until 13 July 2015, including the specified dates.

Minimum number of shares for subscription by the Employees is not determined, while the maximum number of shares which the individual Employee shall have the right to subscribe and pay for is 500 New Shares (hereinafter: „Maximum Subscription Right of an Employee“). All subscription forms by way of which more than the Maximum Subscription Right of an Employee is subscribed for shall be taken into consideration only up to the amount of Maximum Subscription Right of an Employee.

If the total amount of subscribed and paid shares in the 1st round:

a) exceeds 314.640 New Shares from the 1st Round (in case the Existing Shareholders exercised in the 2nd round their pre-emption right at subscription and payment of 1.385.360 New Shares from the 2nd Round with the Pre-Emption Right in entirety), or

b) exceeds 314.640 New Shares from the 1st Round (in case the Existing Shareholders failed to exercise in the 2nd round their pre-emption right at subscription and payment of 1.385.360 New Shares from the 2nd Round with the Pre-Emption Right in entirety), increased for the number of New Shares from the 2nd Round with the Pre-Emption Right in respect to which the Existing Shareholders failed to exercise the pre-emption right during subscription and payment in the 2nd round, however up to maximum 498.360 of such New Shares from the 2nd Round with the Pre-Emption Right, or

c) exceeds, in any case, 813.000 New Shares,

the shares shall be allocated in a manner that an individual Employee shall receive the shares proportionally to the share of validly subscribed and paid shares in the 1st round by such an Employee in the total demand for subscription and payment for shares in the 1st round, taking into consideration that each Employee who subscribes and pays for 10 or less shares in the 1st round shall receive at least the amount of shares subscribed and paid for. If the number of shares resulting from the allocation is not divisible by 10, the Employees who subscribed and paid for more than 10 shares in the 1st round shall receive the amount of shares corresponding to the first lower number divisible by 10. If the number of shares resulting from such an allocation is less than 10, such participant in the 1st round shall receive 10 shares.

In the 2nd round of subscription, the shares shall be subscribed and paid for within 14 days, in the period from 7 July 2015 until 20 July 2015, including the specified dates.

Minimum number of shares for subscription in the 2nd round is not specified. Maximum number of the New Shares from the 2nd Round with the Priority Right which an individual Existing Shareholder may subscribe for in the 2nd round, shall be determined in a manner that the total number of New Shares from the 2nd Round with the Priority Right (1.385.360) is divided by 5.242.492 (the total number of existing shares of the Company (5.420.003 shares) decreased by the number of treasury shares of the Company (177.511 shares)) and then multiplied by the number of shares that an individual Existing Shareholder held on 3 June 2015 (hereinafter: „Maximum Right of Subscription for New Shares from the 2nd Round with the Priority Right“). In case the above described calculation does not result in an integer, the result shall be rounded down to the nearest integer. All subscription forms whereby more than the Maximum Right of Subscription for New Shares from the 2nd Round with the Priority Right is subscribed, shall be taken into consideration only in accordance with the below stated conditions and in any case up to the total number of New Shares (1.700.000).

New Shares from the 2nd Round with the Priority Right in respect to which the Existing Shareholders failed to exercise their pre-emption right, and which were not subscribed and paid for in the 1st round, as well as the New Shares from the 1st Round which were not subscribed and

ADVERTISEMENT

paid for in the 1st round (hereinafter: „Remaining New Shares“), shall be allocated to the Existing Shareholders which exercised in entirety their pre-emption right at the subscription for New Shares from the 2nd Round with the Pre-Emption Right and which subscribed and paid for more than the Maximum Right of Subscription for New Shares from the 2nd Round with the Pre-Emption Right. In case the total number of subscribed and paid shares of the Existing Shareholders which exercised their pre-emption right at the subscription for New Shares from the 2nd Round with the Pre-Emption Right and which subscribed and paid for more than the Maximum Right of Subscription for New Shares from the 2nd Round with the Pre-Emption Right, exceeds the Remaining New Shares, the allocation of such shares to each such Existing Shareholder shall be made proportionally to the share of validly subscribed and paid New Shares from the 2nd Round of each such Existing Shareholder, which exceeds the number of shares on the basis of the Maximum Right of Subscription for New Shares from the 2nd Round with the Pre-Emption Right of such Existing Shareholder, in totally expressed demand for the subscription and payment for the New Shares from the 2nd Round on the part of all Existing Shareholders which, at the subscription and payment, exceeded such Maximum Right of Subscription.

The Existing Shareholders shall not be obliged to submit separate subscription form for the purpose of subscription of more than the Maximum Right of Subscription for the New Shares from the 2nd Round with the Pre-Emption Right.

Each Investor shall be authorised to recall and/or amend previously made subscription and payment for the New Shares until the expiry of the last day for subscription and payment in the round wherein such subscription and payment were made.

In case an Investor fails to pay the total amount for the New Shares subscribed within the deadlines determined by this Public Invitation, the New Shares shall be allocated to such an Investor in accordance with the amount paid. In case an Investor pays more than the amount for which he/she/it subscribed the New Shares, at allocation, the amount specified in the Subscription Form shall be taken into consideration, while the excess amount shall be refunded to such an Investor within 7 days as of the expiry of the last day of the deadline determined for the subscription and payment for the New Shares in the 2nd or 3rd round (if the 3rd round will be held).

In other cases of excess payments by an individual Investor (excess of funds after the allocation et al.) or in case of a recall of the subscription, the Issuer shall, within 7 days as of the expiry of the last day of the deadline determined for the subscription and payment for the New Shares in the 2nd or 3rd round (if the 3rd round will be held), refund the excess funds, or in case of a recall of the subscription, the aggregate funds paid, to the account specified by the Investor in the Subscription Form.

The success of the subscription and payment for the New Shares as well as the exact amount of the share capital increase shall be determined and published in accordance with the subscription and payment status on the date of completion of the deadline for subscription and payment for the New Shares in the 2nd or 3rd round, if the 3rd round will be held, in the following period of 3 working days at most.

The Management Board of the Issuer shall, within 5 working days as of the completion of the 2nd round, decide on the possible implementation of the 3rd round and shall publish a public invitation for the subscription of the remaining New Shares which were not subscribed and paid in the 1st and 2nd round (New Shares in the 3rd Round). The right to subscribe and pay for the New Shares in the 3rd Round shall be granted to all investors regardless of whether or not they participated in the 1st or 2nd round, within 7 days as of the day stated in the public invitation for the subscription for the shares in the 3rd round.

The New Shares issue shall be deemed to have been successfully completed if, in the previously determined deadlines for subscription and payment, at least 60% of the total amount of the issue or at least 1.020.000 of New Shares is subscribed and paid for.

If the subscription for the New Shares is not successful, the Issuer shall, within 7 days as of the expiry of the last day of the deadline determined for subscription and payment for the New Shares in the 2nd or 3rd round (if the 3rd round will be held) refund to the Investors the funds paid to the account number determined by the Investors in the Subscription Form.

ADVERTISEMENT

According to the Decision on the Share Capital Increase, if the increase of the share capital is not entered into the Court Registry within 12 months as of the date of rendering of the Decision on the Share Capital Increase, subscription statement (Subscription Form) shall no longer bind the Investor, and the Issuer shall, within 7 days upon expiry of the stated deadline refund to the Investors the funds paid.

In all cases of the refund to the Investors of the funds paid, the Issuer shall neither bear the payment system costs nor any other costs, nor shall pay the interest to the Investors.

PLACES FOR SUBSCRIPTION AND DEADLINES FOR PAYMENT

Investors natural persons may subscribe for the New Shares solely in the selected business units of Zagrebačka banka d.d., at the following addresses:

Pula, Laginjina 1
Umag, Jadranska 18
Rijeka, Korzo, A. Starčevića 10
Zadar, Relja, Polačišće 2
Gospić, Kaniška 9
Šibenik, Fra Jeronima Milete bb
Split, Dobri, Ivana Gundulića 26a
Split, Lazarica, Poljička cesta 12-14
Dubrovnik, Gruž, Dr. Ante Starčevića 45
Bjelovar, Frana Supila 2
Đurđevac, Stjepana Radića 13
Križevci, Trg A. Nemčića 2
Koprivnica, Ivana Meštrovića bb
Osijek, Esseker centar, Ribarska 4-6
Osijek, Blok centar, Trg slobode 4
Požega, Trg Sv. Trojstva 20
Slavonski Brod, Korzo, I. B. Mažuranić 1
Vukovar, Europske Unije 1
Virovitica, Trg Franje Tuđmana 1
Čakovec, Ul. kralja Tomislava 5
Varaždin, Petra Preradovića 17
Varaždin, Kapucinski trg 5
Ludbreg, Trg Sv. Trojstva 20
Zabok, Matije Gupca 59
Sesvete, Zagrebačka 15
Zagreb, Dubrava 47
Zagreb, Ilica 251
Zagreb, Trg bana J. Jelačića 10
Zagreb, Špansko, Tenchinijeva 2a
Zagreb, Maksimirska 86-88a
Zagreb, Resselova 2
Zagreb, Savska 60
Karlovac, Stjepana Radića 5
Zaprešić, Ul. bana J. Jelačića 1
Samobor, Šmidhenova 1
Sisak, Frankopanska 10
Velika Gorica, Trg kralja Tomislava 32

Subscription and payment (only cash free payment/transfer) for the New Shares, shall be organised exclusively for the Employees at the premises of the Issuer at the address A. Starčevića 32, 48 000 Koprivnica.

Investors legal entities may subscribe for the New Shares solely through Market Sector (Institutional Sale) of Zagrebačka banka d.d. (information stated herein below).

New Shares in both rounds shall be subscribed for by a written statement – Subscription Form. New Shares subscribed shall be paid by the investors in full to the special account no: HR7223600001300095312, which has been opened with Zagrebačka banka d.d. for the purposes of payments for the New Shares, whereby the valid payment in the 1st round shall be deemed solely

ADVERTISEMENT

the payment received in the above mentioned account by 13 July 2015, 23:59 hours, and in the 2nd round only the payments received in the above mentioned account by 20 July 2015, 23:59 hours (hereinafter: „Final Payment Receipt Deadline“). If the Investors pay for the New Shares through other payment system institutions, such Investors should independently obtain information from such institutions as to the time necessary for the funds paid to be received in the above account until the Final Payment Receipt Deadline.

When subscribing for the New Shares, the Investors or their legal representative are obliged to present an identification document (ID card or passport), document presenting their personal identification number (OIB) as well as information on the bank account to which the possible refunds are to be made. The Bank account shall be IBAN-based.

Except personally, the New Shares may also be subscribed via a proxy. Aside from the identification document, when subscribing for the New Shares, the proxies shall submit a special power of attorney in the Croatian language, whereon the signature of the grantor has been certified by a notary public. In the event that the signature of the grantor has been certified abroad, the text of the power of attorney (if made in a foreign language) and certification shall be translated into the Croatian language by a certified court interpreter.

Powers of attorney whereon the signature of the grantor is to be certified abroad, shall be certified either (i) in a consulate of the Republic of Croatia, or (ii) before an authorised body of a foreign state, where in the latter case, the powers of attorney might (depending on the jurisdiction) be subject to additional certification by an apostile, or other certifications in accordance with the international treaties.

Text of the power of attorney has been published at the website of the Issuer.

In case the Issuer's shares are held on the behalf of the Existing Shareholder by a custodian bank, the New Shares may be subscribed for by the custodian bank or the Existing Shareholder himself/herself/itself to which the custodian bank issued a power of attorney as described above.

This Public Invitation does not represent a complete overview of the procedures for subscription and payment for the New Shares. Detailed and complete rules governing the subscription and payment for the New Shares procedure, as well as the rules of allocation of the New Shares in case a number of New Shares is subscribed and paid for during the subscription and payment greater than the number set forth by the Decision on the Share Capital Increase are included and available to the Investors in the Issue and Listing Prospectus.

Prior to deciding on the subscription for New Shares, the Issuer invites all Investors to inspect the Issue and Listing Prospectus as well as all other documents of the Issuer publicly available at the website of the Zagreb Stock Exchange and website of the Issuer, and to independently assess the financial status, potential and risk factors related to the Issuer and the New Shares and, only then, based on the above, decide on the subscription for the New Shares, if any.

Investors may request additional information concerning the subscription and payment for the New Shares by an inquiry to:

For Investors – natural persons
Zagrebačka banka d.d.
Information telephone of Zagrebačka banka
Working hours:
Monday – Friday od 07:00 – 21:00
Saturday 08:00-13:00
Tel. +385 1 3789 387
e-mail: zaba@unicreditgroup.zaba.hr

For Investors – legal entities
Zagrebačka banka d.d.
Markets Sector (Institutional sales)
Savska 62, Zagreb
Tel: + 385 1 6006 672, +385 1 6006 611,
+ 385 1 6006 674
Fax: + 385 1 6325 400
e-mail:
institutional.sales@unicreditgroup.zaba.hr

Public Invitation shall be published in at least one daily newspaper, at the website of the Issuer (www.podravka.hr), in the Official Gazette and via the Zagreb Stock Exchange (www.zse.hr) and shall be delivered to Croatian News Agency (*Hrvatska izvještajna novinska agencija*) as well as to the Official Registry of Prescribed Information with the Croatian Financial Services Supervisory Agency.

PODRAVKA Inc.