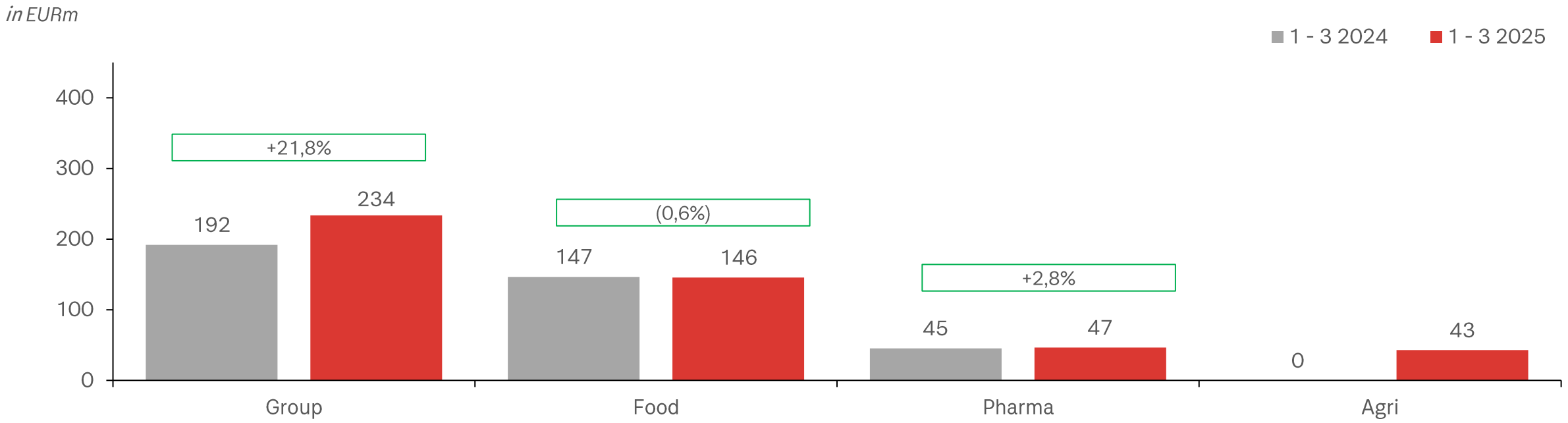
Podravka Group business results for 1 - 3 2025 period

29th April 2025

Podravka GRUPA

Podravka Group revenues by segments



Podravka Group in 1 - 3 2025[1]:

- **Own brands** → 21.4% higher sales,
- **Other sales** → 7.2% higher revenues,
- **Total Podravka Group** → 21.8% higher sales revenues.

Food segment in 1 - 3 2025[1]:

- **Own brands** → 0.2% higher sales due to the increase in sales of majority of business units,
- **Other sales** → (9.7%) lower sales due to lower sales of merchandise, while the distribution on the US market recorded an increase in sales, **Total Food** → (0.6%) lower sales.

Pharmaceuticals segment in 1 – 3 2025[1]:

- **Own brands** → 4.5% higher sales, due to the increase in sales of prescription drugs,
- **Other sales** → (5.2%) lower revenues, due to lower sales of trade goods in the market of Bosnia and Herzegovina,
- **Total Pharma** → 2.8% higher sales revenues.

Agri segment in 2 – 3 2025[1]:

- **Own brands** → recorded EUR 34.9m,
- **Other sales** → recorded EUR 3.0m,
- **Other operating revenues[2]** → which refer to revenues from agricultural subsidies amounts to EUR 4.8m.

[1]The percentages in the text refer to the realization in 1 - 3 2025 compared to 1 - 3 2024 for the segments of Food and Pharmaceuticals.; The results of the Agri segment include operating results for the period 2-3 2025 and are not shown in the comparative period, given that ownership of the segment was acquired on 31st January 2025.

[2]Other operating revenues refer to agricultural subsidies, which the Podravka Group considers to be regular operating revenues within the newly acquired Agri segment.

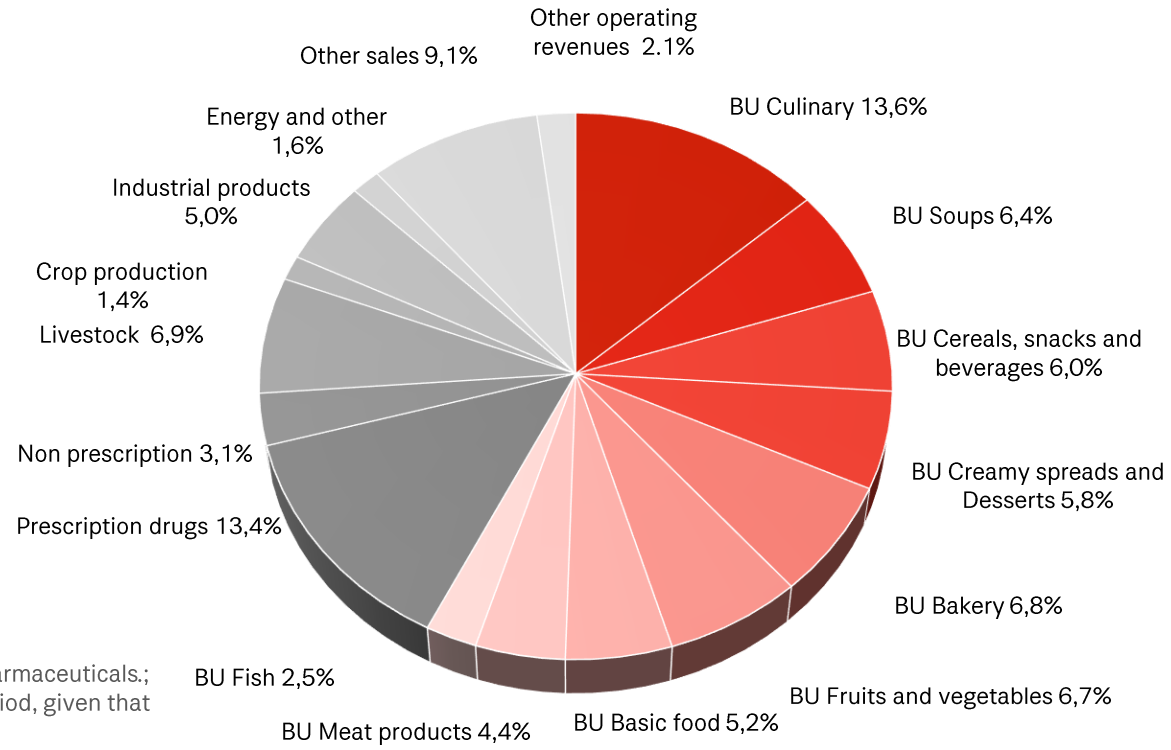
Note: The Group's revenues are adjusted for the elimination of intersegmental transactions (consolidation adjustment) between the Food and Agri segments.

Revenues by business programs, categories and sub-segments

Realization of business programs, categories and sub-segments in 1 - 3 2025. [1]:

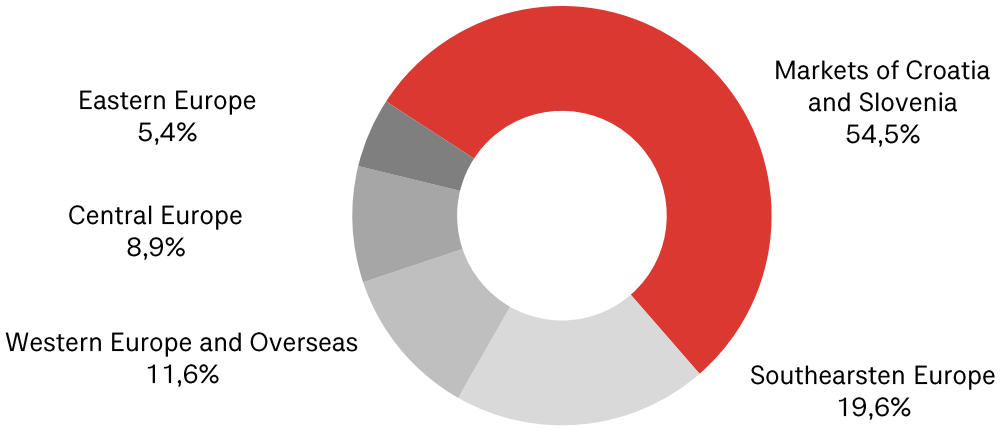
- **BU Culinary (+1.9%) →** higher sales than in the comparative period. The revenue growth was recorded mainly in the market of Germany, where restructuring was carried out during 2024 with the aim of increasing profitability, and in the markets of Croatia, Slovenia and Bosnia and Herzegovina,
- **BU Soups (+6.4%) →** revenue growth of the business unit was realised in the key markets of Southeastern Europe, Croatia and Slovenia. The Clear soups subcategory contributes most to a positive trend within the Soups business unit,
- **BU Cereals, Snack and Beverages (+8.9%)** → revenue growth was recorded primarily in the markets of Germany, Croatia, Slovenia, and Southeastern Europe. The growth was recorded by all categories, led by the Cereals category, and the Tea and beverages category,
- **BU Creamy spreads and Desserts (+9.2%)** → revenue growth was recorded mainly in the market of Slovenia and in the Southeastern Europe region, primarily due to the increase in the Creamy spreads and the Confectionery categories,
- **BU Bakery (-8.8%)** → revenue decrease, primarily in the markets of Slovenia and Italy,
- **BU Fruit and Vegetables (-4.3%)** → lower sales, primarily due to the decrease in categories Condiments and Vegetables in the market of Croatia,
- **BU Basic food (-5.5%)** → lower sales, primarily in the Flour category,
- **BU Meat products (+4.6%)** → higher sales, primarily on the market of Croatia and the market of Germany. The revenue growth arises from the categories of Ready meals, and Pâtés,
- **BU Fish (-15.5%)** → lower sales, which is primarily caused by the lack of raw material, sardines, due to significantly lower catches in the Adriatic Sea, and thus lower sales in the Canned fish category,
- **Prescription drugs (+7.0%) →** higher sales, mainly due to the increase in sales of dermatological drugs category in the markets of Southeastern and Eastern Europe,
- **Non-prescription programme (-4.8%) →** lower, as a result of the decrease in sales of the OTC drugs subcategory in the market of Croatia,
- **Livestock subsegment →** generated revenues of EUR 16.1m,
- **Crop production subsegment →** generated revenues of EUR 3.4m,
- **Industrial products subsegment →** generated revenues of EUR 11.7m,
- **Energy and other subsegment →** which includes biogas plants and smaller subsegments within the Agri segment, generated revenues of EUR 3.7m,
- **Other sales (+7.2%)** → higher sales due to the contribution of the new Agri segment in the amount of EUR 3.0m, while in the Food segment, Other sales decreased by EUR 1.2m (-9.7%), mainly due to the lower sales of merchandise. In the Pharmaceuticals segment, Other sales dropped by EUR 0.4m (-5.2%), primarily due to lower trade goods sales in the market of Bosnia and Herzegovina.

Sales and subsidies revenues by business units, categories and subsegments in 1 - 3 2025



[1]The percentages in the text refer to the realization in 1 - 3 2025 compared to 1 - 3 2024 for the segments of Food and Pharmaceuticals.; The results of the Agri segment include operating results for the period 2-3 2025 and are not shown in the comparative period, given that ownership of the segment was acquired on 31st January 2025.

Operating revenues by region



(in EURm)	1-3 2024	1-3 2025	Δ	% change
Markets of Croatia and Slovenia	90.1	127.8	37.8	41.9%
Southeastern Europe	42.8	46.1	3.3	7.7%
Western Europe and Overseas	26.4	27.3	0.9	3.3%
Central Europe	21.5	21.0	(0.5)	(2.4%)
Eastern Europe	11.0	12.6	1.6	14.8%
Consolidation adjustment[2]	0,0	(1.4)	(1.4)	n/a
Podravka Group	**191.8**	**233.5**	**41.7**	**21.8%**

Region's performance in 1 - 3 2025[1]:

- **Markets of Croatia and Slovenia (+41.9%)** → growth comes from the newly acquired **Agri** segment which participated with EUR 39.8m**.** The **Food** segment revenues decreased by EUR 0.2m (-0.2%), primarily due to lower sales of the Bakery business unit in the market of Slovenia, and business units Fruit and vegetables and Basic food in the market of Croatia**.** The **Pharmaceuticals** segment revenues in the Market of Croatia and Slovenia are EUR 1.9m (-10%) lower, primarily due to lower sales in the Prescription drugs and Non-prescription programme categories in the market of Croatia,
- **Southeastern Europe (+7.7%)** → the newly acquired **Agri** segment participated with EUR 1.5m. The **Food** segment recorded revenue growth of EUR 1.3m (+4.3%), due to the increase in sales of almost all business units, with the largest absolute growth generated by the business units Soups, and Creamy spreads and desserts. The **Pharmaceuticals** segment revenues are EUR 0.6m higher (+4.0%), primarily due to Prescription drugs sales increase in the markets of Bosnia and Herzegovina, and North Macedonia,
- **WE and Overseas region (+3.3%)** → higher sales, where the newly acquired **Agri** segment participated with EUR 1.0m. The **Food** segment recorded EUR 0.6m (-2.2%) lower sales primarily due to the sales decrease in the Bakery business unit in the market pf Italy, while the **Pharmaceuticals** segment revenues are EUR 0.4m (+123%) higher, primarily due to an increase in Prescription drugs revenues in the markets of Germany and Great Britain,
- **Central Europe (-2.4%)** → In the **Food** segment, a decrease in revenue of EUR 1.1m (-6.1%) was recorded, primarily as a result of lower Other sales in the markets of the Czech Republic and Romania. In the **Pharmaceuticals** segment, revenue growth of EUR 0.2m (+6.4%) was achieved due to higher revenues in the markets of Poland and the Czech Republic. The newly acquired **Agri** segment accounts for EUR 0.4m of sales revenues.
- **Eastern Europe (+14.8%)** → increase in sales of the **Pharmaceuticals** segment of EUR 1.9m (+21.1%) due to the growth of Prescription drugs category revenues, while the **Food** segment recorded EUR 0.3m (-17.9%) lower revenues.

[1]The percentages in the text refer to the realization in 1 - 3 2025 compared to 1 - 3 2024 for the segments of Food and Pharmaceuticals.; The results of the Agri segment include operating results for the period 2-3 2025 and are not shown in the comparative period, given that ownership of the segment was acquired on 31st January 2025.

[2]The Group's revenues are adjusted for the elimination of intersegmental transactions (consolidation adjustment) between the Food and Agri segments.

Profitability of the Food segment

Food segment	REPORTED				NORMALIZED[1]			
(in EURm)	1-3 2024	1-3 2025	Δ	%	1-3 2024	1-3 2025	Δ	%
Sales revenue	146.5	145.6	(0.9)	(0.6%)	146.5	145.6	(0,9)	(0.6%)
Gross profit	53.2	52.7	(0.5)	(0.9%)	53.3	52.7	(0,5)	(1.0%)
EBITDA	23.9	22.5	(1.4)	(6.0%)	24.1	22.6	(1,5)	(6.2%)
EBIT	17.8	15.8	(2.0)	(11.4%)	18.0	15.9	(2,1)	(11.6%)
Net profit after MI	14.5	10.6	(3.9)	(26.8%)	14.6	10.7	(3,9)	(26.9%)
Gross margin	36.3%	36.2%		-12 bp	36.4%	36.2%		-14 bp
EBITDA margin	16.3%	15.4%		-88 bp	16.4%	15.5%		-93 bp
EBIT margin	12.1%	10.8%		-131 bp	12.3%	10.9%		-136 bp
Net profit margin after MI	9.9%	7.3%		-259 bp	10.0%	7.3%		-263 bp

Food segment profitability in 1 - 3 2025:

Gross profit

- is EUR 0.5m lower, with a stable gross margin of 36.2%,

EBITDA

- reported lower by EUR 1.4m (-6.0%), normalized also lower by EUR 1.5m (-6.2%). The decrease in the normalized operating profit before depreciation and amortisation (EBITDA)) is mainly caused by investments in improving the material status of employees, which resulted in an increase in staff costs of EUR 3.0m (+9.3%),

Net profit after MI

- reported lower by EUR 3.9m (-26.9%) due to the above-mentioned impact of higher staff costs, higher depreciation costs due to the completed significant investment cycle, as well as the costs of financing the acquisition of agricultural companies of the Fortenova Group. Podravka Inc. is the debtor of the borrowing for financing the acquisition, therefore the financing cost is formally borne by the Food segment.

[1]Normalized for one-off impact.

Profitability of the Pharmaceuticals segment

Pharma segment	REPORTED				NORMALIZED[1]			
(in EURm)	1-3 2024	1-3 2025	Δ	%	1-3 2024	1-3 2025	Δ	%
Sales revenue	45.3	46.5	1.2	2.8%	45.3	46.5	1.2	2.8%
Gross profit	23.4	24.5	1.1	4.9%	23.4	25.4	1.1	4.9%
EBITDA	14.0	14.0	(0.0)	(0.1%)	14.0	14.0	(0.0)	(0.1%)
EBIT	11.7	11.7	(0.0)	(0.0%)	11.7	11.7	(0.0)	(0.0%)
Net profit after MI	9.0	9.0	(0.0)	(0.2%)	9.0	9.0	(0.0)	(0.2%)
Gross margin	51.6%	52.7%		+108 bp	51.6%	52.7%		+108 bp
EBITDA margin	30.9%	30.0%		-87 bp	30.9%	30.0%		-87 bp
EBIT margin	25.9%	25.2%		-70 bp	25.9%	25.2%		-70 bp
Net profit margin after MI	19.9%	19.3%		-57 bp	19.9%	19.3%		-57 bp

Pharmaceuticals segment profitability in 1 - 3 2025:

Gross profit

- is EUR 1.1m (+4.9%) higher, with an increase in gross margin from 51.6% to 52.7%,

EBITDA

- is at the level of the comparative period, despite investments in improving the material status of employees, which resulted in an increase in staff costs of EUR 1.3m (+14.4%),

Net profit after MI

- is also at the level of the comparative period.

[1]Normalized for one-off impact.

Profitability of the Agri segment

Agri segment	REPORTED			NORMALIZED[1]		
(in EURm)	2-3 2025[2]	Δ	%	2-3 2025[2]	Δ	%
Operating revenues	- 42.8	-	-	- 42.8	-	-
Sales revenue	- 37.9	-	-	- 37.9	-	-
Other operating revenues[3]	- 4.8	-	-	- 4.8	-	-
Gross profit	- 5.4	-	-	- 5.4	-	-
EBITDA	- 60.7	-	-	- 5.6	-	-
EBIT	- 56.6	-	-	- 1.5	-	-
Net profit after MI	- 55.5	-	-	- 0.4	-	-
Gross margin	- 12.7%	-	-	- 12.7%	-	-
EBITDA margin	- 141.9%	-	-	- 13.1%	-	-
EBIT margin	- 132.4%	-	-	- 3.6%	-	-
Net profit margin after MI	- 129.7%	-	-	- 0.9%	-	-

Agri segment profitability in 2-3 2025:

Gross profit

- the Agri segment recorded gross profit of EUR 5.4m with the gross margin of 12.7%,

EBITDA

- Within the Agri segment, the difference between the paid compensation and the net acquired assets of the agricultural companies of the Fortenova Group was recorded in the amount of EUR 55.04m, which is shown in the reported operating profit before depreciation and amortisation (EBITDA). Since this is treated as a one-off item, the normalised operating profit before depreciation and amortisation (EBITDA) is reduced by the stated effect, and amounts to EUR 5.6m,

Net profit after MI

- amounts to EUR 0.4m and was reduced by the effect of the acquisition explained above in the part of recording the difference between the paid compensation and the net acquired assets of the agricultural companies of the Fortenova Group in the amount of EUR 55.04m.

[1]Normalized for one-off impact.

[2]Given that the Podravka Group acquired control over the segment on 31st January 2025, the results of the Agri segment include operating results for the period 2-3 2025, while they are not shown in the comparative period.

[3]Other operating revenues refer to agricultural subsidies, which the Podravka Group considers to be regular operating revenues within the newly acquired Agri segment.

Profitability of the Podravka Group

Podravka Group	REPORTED				NORMALIZED[1]			
(in EURm)	1-3 2024	1-3 2025	Δ	%	1-3 2024	1-3 2025	Δ	%
Operating revenues	191.8	233.5	41.7	21.8%	191.8	233.5	41.7	21.8%
Sales revenue	191.8	228.7	36.9	19.2%	191.8	228.7	36.9	19.2%
Other operating revenues	0.0	4.8	4.8		0.0	4.8	4.8	
Gross profit	76.6	82.4	5.8	7.6%	76.6	82.4	5.8	7.6%
EBITDA	37.9	96.9	59.0	155.9%	38.0	42.0	3.9	10.3%
EBIT	29.5	83.9	54.4	184.4%	29.7	29.0	(0.7)	(2.4%)
Net profit after MI	23.5	74.9	51.5	219.4%	23.6	19.9	(3.7)	(15.6%)
Gross margin	39.9%	35.3%		-464 bb	40.0%	35.3%		-466 bb
EBITDA margin	19.7%	41.5%		+2176 bb	19.8%	18.0%		-186 bb
EBIT margin	15.4%	35.9%		+2055 bb	15.5%	12.4%		-307 bb
Net profit margin after MI	12.2%	32.1%		+1985 bb	12.3%	8.5%		-377 bb

Profitability of the Podravka Group in 1 - 3 2025:

Gross profit

- recorded EUR 5.8m (+7.6%) higher gross profit, where the newly acquired Agri segment participates with EUR 5.4m,

EBITDA

- is EUR 3.9m (+10.3%) higher. The difference between operating profit before depreciation and amortisation and normalised operating profit before depreciation and amortisation primarily refers to the recorded difference between the paid compensation and the net acquired assets of the agricultural companies of the Fortenova Group in the amount of EUR 55.04m, which is treated as a one-off item,

Net profit after MI

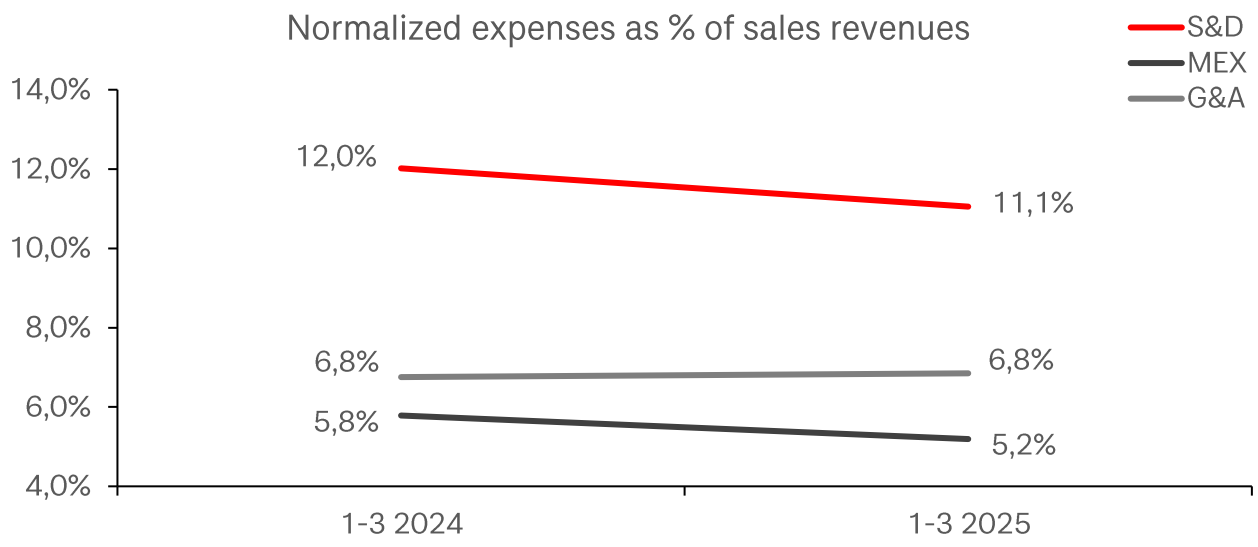
- is EUR 3.7m lower (-15.6%), primarily due to investments in the material rights of employees, higher depreciation costs due to the completed significant investment cycle, and financial costs related to the acquisition of agricultural companies of the Fortenova Group.

[1]Normalized for one-off impact.

Note: consolidated result of the Podravka Group is presented after elimination of intragroup transactions.

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

Business expenses 1 - 3 2025 vs. 1 - 3 2024 % change	REPORTED	NORMALIZED[1]
Cost of goods sold (COGS)	31.2% ↑	31.2% ↑
General and administrative expenses (G&A)	23.4% ↑	23.4% ↑
Sales and distribution costs (S&D)	12.0% ↑	12.0% ↑
Marketing expenses (MEX)	9.3% ↑	9.3% ↑
Other expenses / (revenues), net	(<100%) ↓	(209.5%) ↓
Total	(7.8%) ↓	26.2% ↑



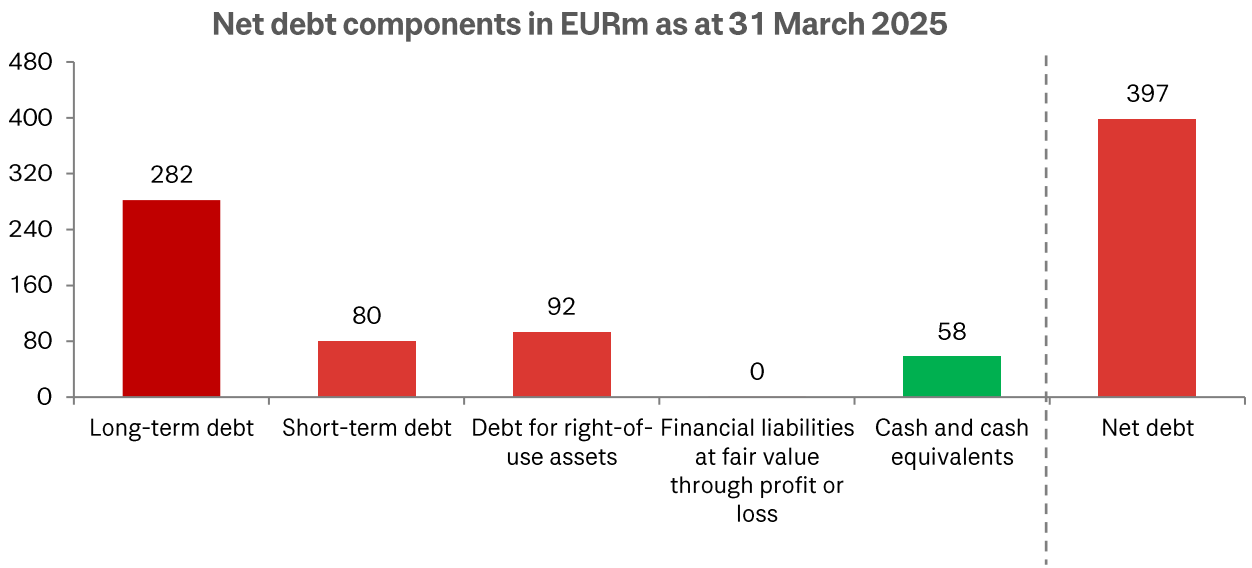
Key highlights of expenses in 1 - 3 2025[2]:

- **Cost of goods sold (COGS):**
  - increased by EUR 35.9m, where the newly acquired Agri segment contributes to the increase in costs with EUR 37.3m. In the Pharmaceuticals segment, they are at the level of the comparative period, while in the Food segment they are lower due to slightly lower sales.
- **General and administrative expenses (G&A):**
  - higher by EUR 3.1m (+23.4%), where the newly acquired Agri segment contributes EUR 2.3m, while the remainder relates to the Food and Pharmaceutical segments due to the increase in material rights of employees in relation to the comparative period.
- **Sales and distribution costs (S&D):**
  - higher by EUR 2.8m (+12.0%) where the newly acquired Agri segment participates with EUR 1.4m, while the remainder relates to the Food and Pharmaceutical segments following the improved material rights of employees in relation to the comparative period.
- **Marketing expenses (MEX):**
  - are EUR 1.0m higher (+9.3%), which arises from the Food and Pharmaceuticals segments, primarily due to an increase in costs of the marketing department following the improved material rights of employees in relation to the comparative period.
- **Other expenses (revenues), net:**
  - In the reporting period, other expenses and income, net amounted to EUR -55.7m (positive impact), which primarily refers to the recorded difference between the paid compensation and the net acquired assets of the agricultural companies of the Fortenova Group in the amount of EUR 55.04m, which is treated as a one-off item.

[1]Normalized for one-off impact.
[2]The percentages in the text refer to the realization in 1 - 3 2025 compared to 1 - 3 2024 for the segments of Food and Pharmaceuticals.; The results of the Agri segment include operating results for the period 2-3 2025 and are not shown in the comparative period, given that ownership of the segment was acquired on 31st January 2025.

The increase in indebtedness stems from the acquisition of the newly acquired Agri segment

(in EURm)[1]	2024	1-3 2025	% change
Financial debt[2]	57.7	455.1	689.2%
Cash and cash equivalents	27.1	57.7	112.6%
Net debt	30.5	397.4	n/a
Interest expense	0.96	4.19	336.5%
Net debt / normalized EBITDA	0.26	3.29	n/a
Normalized EBIT / Interest expense	85.3	19.4	(77.3)%
Equity to total assets ratio	74.7%	51.9%	n/a



Key highlights:

- The increase in net debt as of March 31, 2025 is a consequence of the financing of the acquisition of agricultural companies of the Fortenova Group. The transaction value is EUR 333 million, for which Podravka d.d. secured EUR 283 million through a club loan from Croatian banks, while the EBRD contributed EUR 50 million. An additional increase relates to the right-of-use assets related to the newly acquired Agri segment.
- Net debt/Normalized EBITDA is 3.3, and the indicator is obtained by calculating income statement items at the level of the last 12 months, while balance sheet items are taken at the end of the period, whereby for the newly acquired Agri segment, the current calculation includes income statement items for the period 2-3, 2025. given that the Podravka Group acquired control over the segment on 31.1.2025 and therefore the indicator is currently at a higher level.
- **Weighted average cost of debt excluding liabilities for right-of-use assets:**

  - As at 31 March 2025 → 3.2%,
  - As at 31 December 2024 → 0.8%.

[1]All indicators were calculated in such a way that the income statement items were calculated at the level of the last 12 months, while the balance sheet items were taken at the end of the period, whereby for the newly acquired Agri segment, the current calculation includes income statement items for the period 2-3, 2025, given that the Podravka Group acquired control over the segment on 31st January 2025

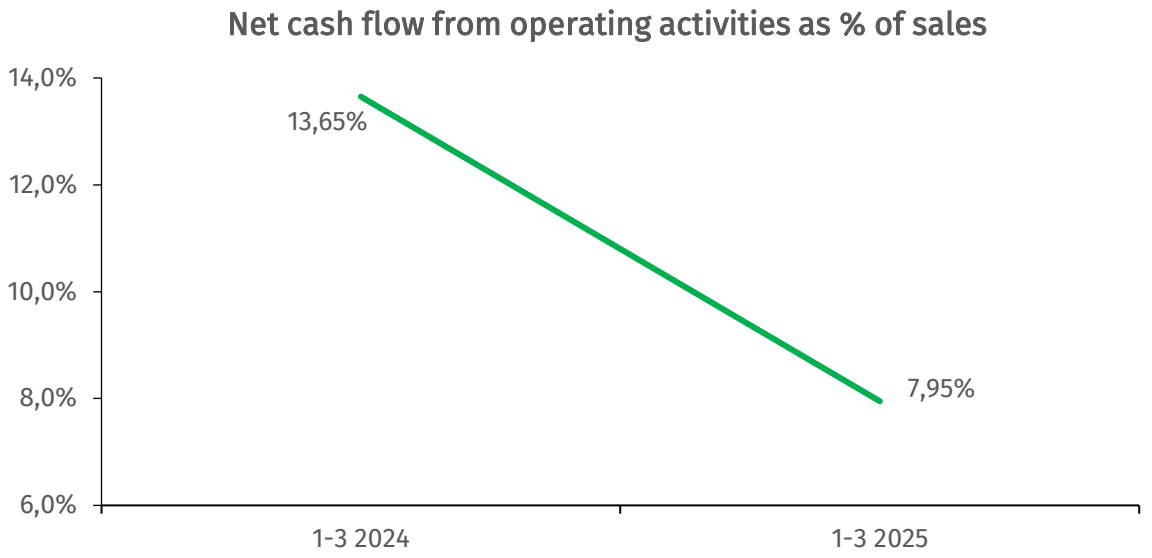
[2]Long-term and short-term loans + lease liabilities + financial liabilities at fair value through profit or loss.

Key highlights of the cash flow

Working capital movement in BS	31 March 2025 / 31 March 2024	Impact
Inventories	↑ 19.9%	• higher by 19.9% and are maintained at an optimal level in accordance with business needs with the newly acquired Agri segment contributing EUR 66.3 million, while the Food and Pharmaceuticals segment's inventories are maintained at an optimal level in line with business needs,
Trade and other receivables	↑ 18.4%	• higher by 18.4%, with the Agri segment contributing EUR 59.1 million, while the Food and Pharmaceutical segments were at a slightly lower level compared to the comparable period,
Trade and other payables	↑ 14.2%	• higher by 14.2%, with the Agri segment contributing EUR 31.6 million, while the Food and Pharmaceutical segments were at a slightly lower level compared to the comparable period.

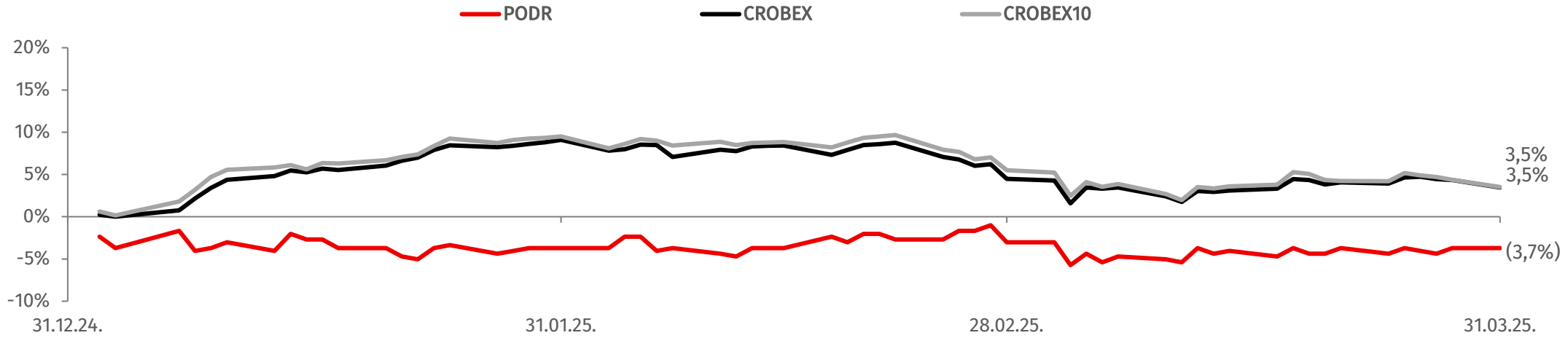
(in EURm)	1-3 2024	1-3 2025	Δ
Net cash from operating activities	26.2	18.6	(29.1%)
Net cash from investing activities	(10.8)	(310.5)	n/a
Net cash from financing activities	(3.9)	322.5	n/a
Net change of cash and cash equivalents	**11.5**	**30.6**	**166.0%**

- In 2025, expected **capital expenditures** are at a level of almost EUR 72.2m.



Podravka's share price movement

PODR share price movement in 1 – 3 2025



Market activity with PODR share

(EUR; units)	1-3 2024	1-3 2025	% change
Average daily price	163.6	142.8	(12.7%)
Average daily number of transactions	12	11	(9.7%)
Average daily volume	770	573	(25.5%)
Average daily turnover	125,954.0	79,229.0	(37.1%)
Reported earnings per share	10.5[1]	17.8	70.0%
Normalized earnings per share	9.1[1]	8.6	(5.5%)

[1]Based on the results for 2024 [2]Dividend yield calculated based on the last mkt. price at the end of 2024.

Last price on 31.12.2024

148.50 EUR

Last price on 31.03.2025

143.00 EUR

Dividend proposal per share

3.20 EUR

Proposed dividend yield[2]

2.2%

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