

GENERAL ASSEMBLY PODRAVKA Inc.

April 30th, 2020



A red-tinted photograph of a multi-story building under construction. Scaffolding and construction equipment are visible. The text "WE KNOW WHERE WE'RE GOING, BECAUSE WE KNOW WHERE WE COME FROM" is overlaid in large, white, bold, sans-serif capital letters.

**WE KNOW WHERE
WE'RE GOING,
BECAUSE WE
KNOW WHERE WE
COME FROM**

Audited annual financial reports for 2019

Management Board and Supervisory Board of PODRAVKA Inc. authorised on March 23rd, 2020 audited annual financial statements of PODRAVKA Group (consolidated) and PODRAVKA Inc. (unconsolidated) for 2019.

The reports were published on March 23rd, 2020.



Significant sales growth is the result of focus on organic growth

Strong revenue growth of own brands of HRK 163.5m.

Continuous investment in the development of own brands and product innovation.





Sales growth recorded in all business units

HRK m	2018	2019	Δ	%
Food (own brands)*	3,093.4	3,220.6	127.2	4.1%
BU Culinary	894.0	934.7	40.7	4.5%
BU Baby food, sweets and snacks	407.2	435.9	28.7	7.0%
BU Podravka food	392.0	401.0	9.0	2.3%
BU Žito and Lagris	949.2	956.9	7.7	0.8%
BU Meat products, meals and spreads	270.4	284.1	13.7	5.1%
BU Fish	180.5	207.9	27.5	15.2%
Pharmaceuticals (own brands)	747.1	783.4	36.3	4.9%
Prescription drugs	643.6	670.0	26.5	4.1%
Non-prescription programme	103.5	113.4	9.8	9.5%
Own brands	3,840.5	4,004.0	163.5	4.3%
Other sales	391.6	405.4	13.8	3.5%
PODRAVKA GROUP	4,232.1	4,409.4	177.3	4.2%

* During 2019, a certain range was classified from other sales into its own brands. For the sake of comparability, a change was made in both observed periods.



Focus on markets where the Podravka Group is an established manufacturer

HRK m	2018	2019	Δ	%
Adria	2,964.4	3,082.6	118.1	4.0%
WE and Overseas	436.4	466.2	29.8	6.8%
Central Europe	508.3	509.5	1.3	0.3%
Eastern Europe	292.4	334.9	42.5	14.5%
New markets	30.7	16.1	(14.5)	(47.4%)
PODRAVKA GROUP	4,232.1	4,409.4	177.3	4.2%





Podravka Group profitability is the result of own brands sales growth and increased cost control

HRK m	2018	2019	19-18	19/18
Sales revenue	4,232	4,409	177	4.2%
Food	3,335	3,454	119	3.6%
Pharmaceuticals	897	955	58	6.5%
EBITDA	464	509	45	9.8%
<i>EBITDA margin</i>	11.0%	11.5%	-	+59 bb
Food	323	326	3	1.1%
Pharmaceuticals	141	183	42	29.7%
Net profit after MI	206	222	16	7.7%
<i>Net profit margin after MI</i>	4.9%	5.0%	-	+16 bb
Food	145	138	(7)	(4.9%)
Pharmaceuticals	61	84	23	37.9%

Liabilities for long-term and short-term loans and borrowings decreased by HRK 190.0m.



Profitability management despite market trends

Higher staff costs of HRK 62.5m are the result of continued improvement of the material rights of Podravka Group employees.

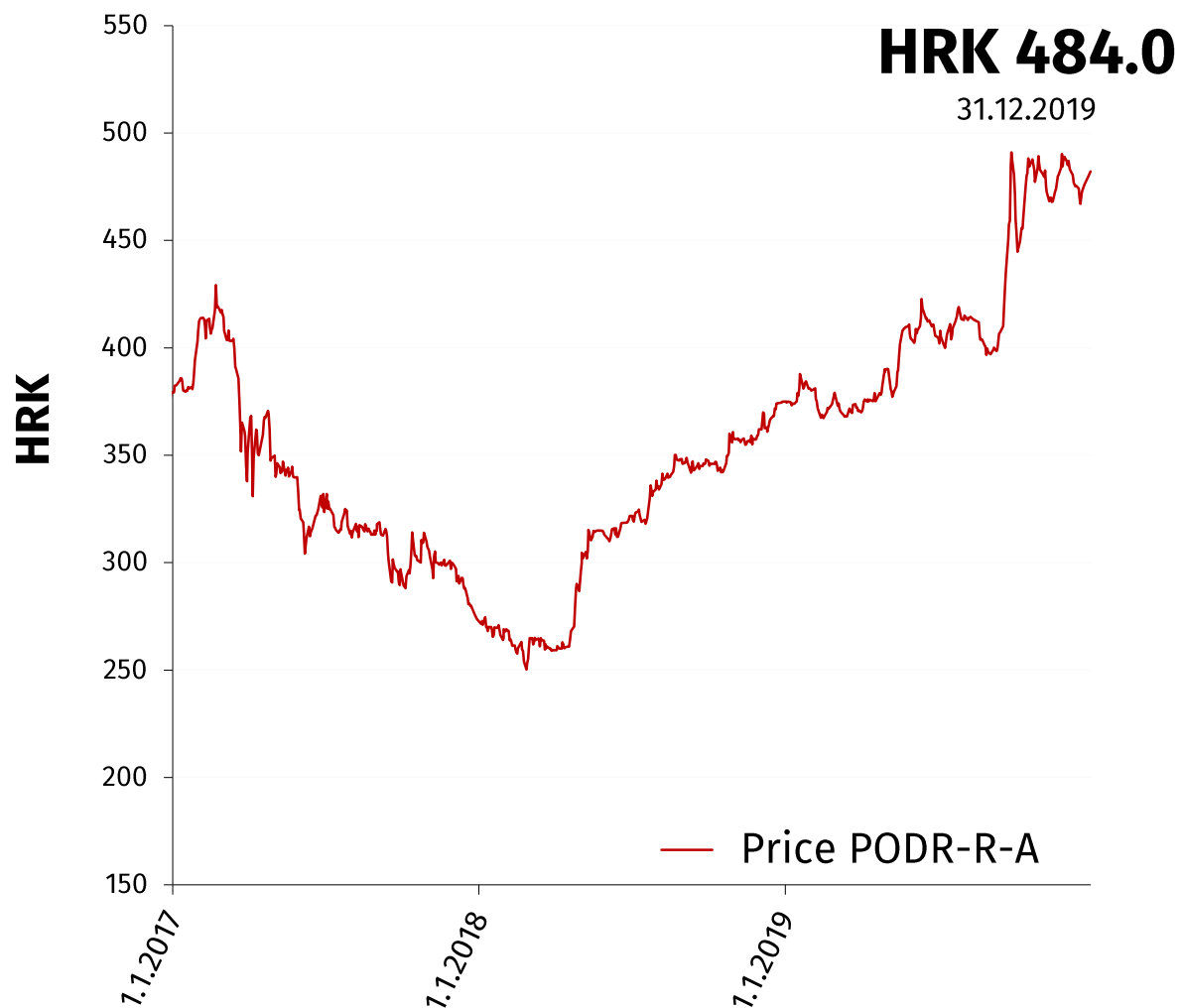
The second half of 2019 was marked by rising prices of raw materials and intermediate goods.

Increase in marketing investments as a support to organic growth and strengthening our own brands.





Creating higher value for shareholders



The share price of Podravka d.d. on 31.12.2019 increased compared to the same date last year by HRK 109, which is an increase of 29.1%.

The weighted average daily price of a Podravka share increased by HRK 112, or 35.6% compared to 2018.

The annual growth of the share price exceeded the growth of the domestic stock indices CROBEX and CROBEX10, which increased by 15.4% and 18.0%, respectively.

*Podravka share price on April 28th, 2020 amounted to HRK 413.



Continuation of investment activities for greater efficiency, competitiveness and security

Investment in modernization of equipment and investments in machines will enable more efficient production of Podravka's products and more successful placement on the markets of the region and the world.

Further efforts in this direction will increase the competitiveness of Podravka's range.





Lino Lada is achieving new successes

Lino Lada Gold won the Gold Basket in the Product of the Year category and confirmed its status as one of the most successful new product launches.

Lino Lada ice cream was declared the best in the world and its unique taste and appearance was awarded with gold.





Podravka Group in the first quarter (1-3) 2020





Podravka Group in the first quarter (1-3) 2020

<i>HRK m</i>	1-3 2019	1-3 2020	20-19	20/19
Sales revenue	1,017	1,229	211	20.8%
Food	815	971	155	19.1%
Pharmaceuticals	202	258	56	27.7%
EBITDA	156	177	21	13.2%
<i>EBITDA margin</i>	15.4%	14.4%	-	-96 bb
Food	115	148	33	28.5%
Pharmaceuticals	41	29	(12)	(29.7%)
Net profit	80	91	11	13.5%
<i>Net profit margin</i>	7.9%	7.4%	-	-47 bb
Food	63	87	24	38.8%
Pharmaceuticals	17	4	(13)	(78.5%)



Ensuring stability and business continuity

Podravka responded to the crisis situation extremely promptly and thus demonstrated its ability to adapt to market challenges.

The main goal of the company is to maintain the stability of production, logistics and sales processes and ensure business continuity despite the current global crisis.





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JER ZNAMO ODAKLE DOLAZIMO.