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PRESS RELEASE

BUSINESS RESULTS OF THE PODRAVKA GROUP FOR 2020

**Despite the corona-crisis, the Podravka Group retained its stability and achieved growth**

- Net profits achieved in the amount of HRK 248.9 million kuna, representing growth of 12.3 percent over the year before
- Sales revenues increased by HRK 93.8 million, or 2.1 percent
- Achieved results are the result of organic business growth
- In these very difficult and complex operating conditions, the company demonstrated a high ability to rapidly adapt its operations to the new extraordinary situation, thereby successfully responding to the many challenges it faced

At today's session, the Supervisory Board of Podravka d.d confirmed the unaudited business results of the Podravka Group for 2020, and expressed its satisfaction at the achieved indicators in what was a very challenging year. After an exceptionally successful 2019, the Podravka Group continued its successful operations in 2020. Net profits were achieved in the amount of HRK 248.9 million, representing growth of 12.3 percent over one year earlier. This is primarily the result of organic growth, with the simultaneous control of operating expenditures.



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Sales revenues of the Podravka Group increased by HRK 93.8 million, to HRK 4503.2 million, representing growth of 2.1 percent over one year before. The sales revenue trend was affected by growth in both business segments: Food and Pharmaceuticals.

The Food segment achieved sales revenues of HRK 3527.0 million, which is an increase of HRK 73 million over one year earlier. Within this segment, nearly all business programmes achieved a growth in sales revenues, with a growth in own brands of 3.1 percent. The most significant business programme, Culinary, achieved the highest absolute growth in sales revenues of HRK 68.4 million, or 7.3 percent higher than the year before. The business programme Children's food, desserts and snacks achieved an increase in sales revenues of HRK 24.9 million. The business programme Meat products, dishes and spreads achieved a revenue growth of HRK 21.3 million, Fish of HRK 13.1 million, and Podravka food of HRK 2.1 million over the year before.

The second segment of the Podravka Group, Pharmaceuticals, achieved sales revenues of HRK 976.2 million, representing growth of 2.2 percent over the year before. The category Over-the-counter achieved a sales revenue growth of HRK 6.5 million, while the category Other sales achieved a growth in sales revenues of HRK 18.5 million, primarily due to the increase in sales of goods of the company Farmavita in BiH. The category Prescription medications experienced a drop in sales revenues of HRK 4.1 million from the year before, due to a depreciation of the Russian rouble.

With regard to the achievement of Podravka Group sales revenues by region, the highest absolute growth in sales revenues was registered in the Central Europe region, in the amount of HRK 48.9 million. A significant growth in sales revenues over the year before was also recorded in the region Western Europe and Transoceanic countries, in the amount of HRK 38.7 million, while the Adria region achieved a growth in sales revenues of HRK 29 million.



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Operations in 2020 were marked by the appearance of the COVID-19 epidemic on all markets where the Podravka Group is present. Under such extraordinary circumstances, particularly in the conditions of the strict measures implemented from March to May 2020, and the reintroduction of strict measures towards the end of the year, Podravka Group confirmed its position as one of the key companies responsible for ensuring continuous production and regular supply of food and pharmaceuticals in Croatia. The working processes within the company were completely adapted to the newly arisen situation, in the shortest possible timeframe, to ensure that production was unfolding in accordance with the market demands. Though at the start of this crisis the procurement and supply of raw materials and packaging to meet production demands was very hindered, the Podravka Group took all the necessary activities to ensure sufficient supplies of its food and pharmaceutical products, thereby meeting the needs of its loyal customers on the many markets where it operates. These positive results confirm the company's ability to adapt its operations, even in unpredictable, extraordinary situations, and to retain the strength and sustainability of the business model and core activities of the Podravka Group.