



SUPERVISORY BOARD

No. SB-53-5-2023  
Koprivnica, 4<sup>th</sup> April 2023

Pursuant to Article 263, item 3 and Articles 300.c and 300.d of the Companies Law ("Official Gazette" no. 152/11 - clear version, 111/12, 68/13, 110/15, 40/19, 34/22, 114/22 and 18/23), the Supervisory Board of Podravka Inc., at its 53<sup>rd</sup> session held on 4<sup>th</sup> April 2023, accepted the

**REPORT OF PODRAVKA Inc. SUPERVISORY BOARD  
ON PERFORMED SUPERVISION OVER PODRAVKA Inc.  
MANAGING BUSINESS IN 2022**

During 2022, the Supervisory Board of Podravka Inc. (hereinafter: the "Supervisory Board") performed its function in composition as follows:

- Damir Grbavac – president from 1.11.2022 and member from 1.7.2022,
- Želimir Vukina – president to 31.10.2022,
- Luka Burilović – deputy president,
- Marina Dabić, Damir Felak (from 8.9.2022), Ksenija Horvat, Tomislav Kitonić, Ivan Ostojić (to 30.6.2022), Dajana Milodanović (to 7.9.2022), Petar Miladin and Krunoslav Vitelj – Supervisory Board members.

The Supervisory Board has, in accordance with its powers defined under the provisions of the Companies Act and the Articles of Association of Podravka Inc., continuously supervised the business operations of Podravka Inc. and Podravka Group in 2022 by making decisions and conclusions over thirteen sessions held in 2022.

In supervising of the Podravka Inc. business operations, the Supervisory Board discussed in 2022 all key matters regarding business operations of Podravka Inc. and its related companies and has regularly received written business reports as well as other reports and decisions proposals of the Management Board which, in accordance with the regulations and the Articles of Association of Podravka Inc, it considered and decided upon.

The Supervisory Board was informed by the Management Board on all important business developments, course of business and in general on Podravka Inc. and Podravka Group business.

The Management Board was regularly submitting monthly, quarterly, semi-annual and annual business reports to the Supervisory Board.

In order to be more efficient in performance of its functions, the Supervisory Board acts through the committees as follows: the Audit Committee, the Remuneration Committee and the Nomination Committee.

The Audit Committee acted during 2022 in composition as follows: Ivana Matovina – president of the Audit Committee, Tomislav Kitonić – deputy president of the Audit Committee, Želimir Vukina as member of the Audit Committee to 31.10.2022 and Damir Grbavac as member of the Audit Committee from 1.11.2022.

The Audit Committee held eight sessions in 2022.

The Remuneration Committee acted during 2022 in composition as follows: Luka Burilović – president of the Remuneration Committee and its members as follows: Petar Miladin, Želimir Vukina to 31.10.2022 and Damir Grbavac from 1.11.2022.

The Remuneration Committee held six sessions in 2022.

The Nomination Committee acted during 2022 in composition as follows: Želimir Vukina – president of the Nomination Committee to 31.10.2022, Damir Grbavac - president of the Nomination Committee from 1.11.2022 and its members as follows: Luka Burilović and Krunoslav Vitelj.

The Nomination Committee held three sessions in 2022.



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Having examined the management of business operations of Podravka Inc., the Supervisory Board has established that Podravka Inc. performed in 2022 in accordance with applicable laws, the Articles of Association and other decisions and acts of Podravka Inc.

In accordance with Article 300.c of the Companies Act, the Supervisory Board has examined the Non-consolidated and Consolidated Annual Financial Statements together with the opinion of the independent auditor Ernst&Young Ltd., as submitted by Podravka Inc. Management Board.

The Supervisory Board has determined that Annual Financial Statements of Podravka Inc. and its related companies (Podravka Group Consolidated Statements) and of Podravka Inc. (Company Non-consolidated Statements) for 2022 were constituted in accordance with positions in business records of Podravka Inc. and its related companies, presenting correctly the assets and business status of Podravka Inc. and its related companies.

The Supervisory Board, in accordance with the previously submitted opinion of the Audit Committee, has no objections to the Auditor's Report on the audit performed. Also, the Supervisory Board has no objections to the Annual Report of the Management Board on the Status of the Company and its related companies.

Pursuant to such findings, the Supervisory Board has approved the Annual Financial Statements for 2022 and Auditor's opinion, whereby, pursuant to Article 300.d of the Companies Act, such reports are determined by the Management and the Supervisory Boards.

Constituent parts of the Annual Financial Statements of Podravka Inc. and its related companies for the business year ended 31<sup>st</sup> December 2022 are as follows:

1. Statement of financial position (Balance sheet)
2. Statement of profit and loss
3. Statement of other comprehensive income
4. Statement of cash flow
5. Statement of changes in equity
6. Notes to financial statements
7. Annual Report of the Management Board on the Status of the Company and its related companies
8. Report on performed audit of the independent auditor Ernst&Young Ltd.

The Supervisory Board agrees with the proposal of the Management Board on the profit distribution of Podravka Inc. for the year 2022, establishing that Company net profit in 2022 amounts HRK 198,078,794.46 (26,289,573.89 EUR) and proposal that this amount shall be allocated to legal reserves in the amount of 1,314,478.69 EUR (9,903,939.69 HRK), to other reserves in the amount of 6,107,087.24 EUR (46,013,848.89 HRK), for dividend payment to shareholders of PODRAVKA Inc. in the gross amount of 2,65 EUR (19,97 HRK) per share and the remaining part of net profit shall be retained in retained earnings.

The Supervisory Board consented with the Decision Proposal on the profit distribution of Podravka Inc. for the year 2022 and proposed to the General Assembly of Podravka Inc. to proceed with decision-making.

President of the  
Supervisory Board:

Damir Grbavac