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PRESS RELEASE

Podravka continues with growth and excellent results in 2021

Sales revenues in 2021 reached HRK 4,631.5 million, which is 2.8% growth over the year before.

Net profit totalled HRK 309.2 million, up 24.2% over 2020.

After adjusting to the COVID-19 pandemic, the company quickly and successfully responded to new challenges – delays in the supply chain and rising input costs.

A new investment and development cycle also began.

At today's session, the Supervisory Board of Podravka Inc. confirmed the unaudited results of the Podravka Group for 2021, expressing satisfaction with the continued growth, sales revenues and profit, and other company results achieved in these still challenging circumstances.

In 2021, which was marked not only by the continuing pandemic but also by delays in the supply chain and strong increases in input costs, Podravka achieved sales revenues in the amount of HRK 4,631.5 million and net profits of HRK 309.2 million, the best result in company history. In comparison with the year before, sales revenues increased 2.8% and profit 24.2%. With continued organic growth, this growth in profit also enabled the company to further rationalise operations, along with strict controls of operational costs.

Sales revenues grew in both segments of the Podravka Group, Food and Pharmaceuticals, with own brands achieving a growth of revenues of HRK 94.8 million or 2.3%.



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Last year, the Food segment achieved HRK 3,601.3 million in sales revenues, which is HRK 74.2 million or 2.1% higher than the year before. Within that segment, the highest absolute growth was achieved within the business units Culinary and Podravka food. The growth of HRK 43.8 million kuna in the business unit Culinary was mostly achieved by the category Universal seasonings and Soups, with strong growth in sales revenues in the Adria and Western Europe and Overseas regions. The business unit Podravka food achieved a growth in sales revenues of HRK 37.2 million, mostly in the categories Flour, Condiments and Vegetables, and growth was highest in the Adria region.

What is worth mentioning is the significant growth of exports of Food segment in all regions compared to 2019, where International markets stand out with a growth of 8.6% or HRK 89.1 million. In this way, during the pandemic, Podravka strengthened its export position.

The Pharmaceutical segment achieved sales revenues of HRK 1,030.3 million in 2021, up 5.5% over the year before. The Prescription drugs programme achieved growth of HRK 31.2 million, primarily from the growth of sales in dermatological medicines, and the best results were achieved on the markets Russia, BiH and Slovakia. The Non-prescription drugs programme achieved a growth of sales of HRK 3.4 million, thanks to the results of the subcategory herbal products on the Croatian market.

In terms of sales revenues of the Podravka Group by region, the highest absolute growth was recorded in the Adria region, in the amount of HRK 107 million. Eastern Europe saw growth of HRK 13.3 million, and Western Europe and Overseas region of HRK 7.5 million.

“Last year was excellent, despite the continuing pandemic and strong growth of input costs, not only because of our excellent sales results, but also due to several other



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important business steps. We are particularly proud to have achieved these results without raising the prices of our products, as we absorbed the rising costs of raw materials through our internal reserves. I would like to thank all Podravka employees for the hard work, knowledge and energy they have invested in these results. Together with all investment and development activities that we have launched, our results confirm that our ambitions for the further growth and development of Podravka and its transformation into a truly Croatian multinational company are founded,” stated President of the Podravka Management Board, Martina Dalić, Ph.D.

Last year, Podravka invested HRK 21 million in the permanent increase of employee incomes, particularly those with the lowest salaries, and employees also received an additional one-time reward for successful operations. A decision was passed to invest in the HVAC system of production plants in Koprivnica and Varaždin, which will also improve working conditions. The company has continued to raise incomes this year, with an additional investment of HRK 35 million.

The reconstruction of the headquarter building, the first renovations to be performed in more than 40 years, with improvements to be made to the energy and IT systems, is expected to be completed in July 2022. These works are valued at HRK 87.8 million. Construction of a new logistics and distribution centre in the Danica business zone in Koprivnica is expected to begin in the autumn, upon completion of the preparatory works that are underway – completion of technical documentation and obtaining all permits.

In addition to investing in its employees and their working conditions, the Podravka Group has not forgotten about the community in which it operates, fully aware of the importance of its corporate social responsibility. In 2021, various segments of society were assisted: residents and institutions in the earthquake-affected areas, the health care system affected by the COVID-19 pandemic, lower income families, and the youngest and most vulnerable members of our community.