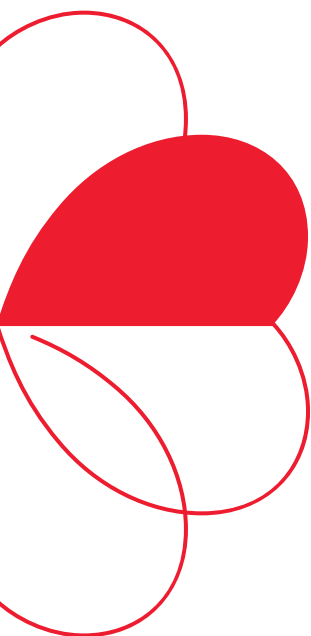


Podravka  
Group business  
results for  
1 – 6 2024  
UNAUDITED



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# Key financial indicators in 1 - 6 2024



**KEY FINANCIAL INDICATORS IN 1 - 6 2024**

NOTE: Decimal differences in the document are possible due to rounding.

<i>(in EUR millions)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>Δ</b>	<b>%</b>
Sales revenue	346.3	380.4	34.1	9.9%
EBITDA <sup>1</sup>	48.3	65.8	17.5	36.2%
Net profit after MI	45.2	40.2	(5.0)	(11.0%)
Net cash flow from operating activities	45.1	45.3	0.2	0.5%
Cash capital expenditures	28.7	39.8	11.1	38.8%
Normalized EBITDA <sup>2</sup>	49.0	66.1	17.1	34.8%
Normalized net profit after MI	26.0	38.8	12.8	49.2%
<i>(in EUR; market capitalization in EURm)</i>	<b>31 Dec 2023</b>	<b>30 June 2024</b>	<b>Δ</b>	<b>%</b>
Net debt / normalized EBITDA	0.2	0.1	(0.1)	(38.7%)
Normalized Earnings per share	6.7	8.5	1.8	26.7%
Last price at the end of period	163.0	158.0	(5.0)	(3.1%)
Market capitalization	1,143.6	1,112.8	(30.8)	(2.7%)
Return on average equity <sup>3</sup>	8.8%	8.5%		-31 bp
Return on average assets <sup>4</sup>	6.4%	6.2%		-21 bp

**KEY HIGHLIGHTS IN 1 - 6 2024:**

- In 1 - 6 2024, the Podravka Group recorded a revenue increase of EUR 34.1m (+9.9%), where the Food segment revenues increased by EUR 25.3m (+9.6%), while the Pharmaceuticals segment revenues grew by EUR 8.8m (+10.8%) relative to the comparative period.
- Operating profit before depreciation and amortisation (EBITDA) in 1 - 6 2024 amounted to EUR 65.8m, which is EUR 17.5m (+36.2%) higher than in the comparative period, while net profit after MI decreased by EUR 5.0m (-11.0%) since in the first half of 2023, tax incentives for investments in the amount of EUR 19.7m were recorded, which as a one-off item are subject to normalization.
- Normalized operating profit before depreciation and amortisation (EBITDA) amounted to EUR 66.1m and is higher than in the previous period by EUR 17.1m (+34.8%). The increase in normalized operating profit before depreciation and amortisation (EBITDA) was achieved due to higher sales revenues and higher gross profit, despite additional investments in improving the material status of employees of EUR 8.3m (+11.1%). Normalized net profit after MI is EUR 12.8m (+49.2%) higher than in the comparative period.
- Total debt at the Podravka Group level increased by EUR 2.5m (+4.3%) due to the increase in liabilities for right-of-use assets by EUR 4.3m. At the end of the reporting period, net debt<sup>5</sup> amounted to EUR 10.8m, which is EUR 4.1m (-27.3%) lower due to EUR 6.6m (+15.4%) higher cash and cash equivalents, while the leverage (net debt to normalized EBITDA ratio) at the end of the reporting period stood at 0.1.

<sup>1</sup> Reported EBITDA is calculated in a way that EBIT was increased by the depreciation, amortisation and value adjustments of the non-current assets.

<sup>2</sup> Normalized EBITDA is calculated in a way that normalized EBIT was increased by the depreciation and amortization.

<sup>3</sup> Normalized. Return on average equity is calculated in a way that normalized Net income is divided by average total shareholder's equity. Average total shareholder's equity is a sum of total shareholder's equity on the last day of reporting period (30.6.2024) and comparative period (31.12.2023) divided by 2. Normalized Net income include the last 12 months period.

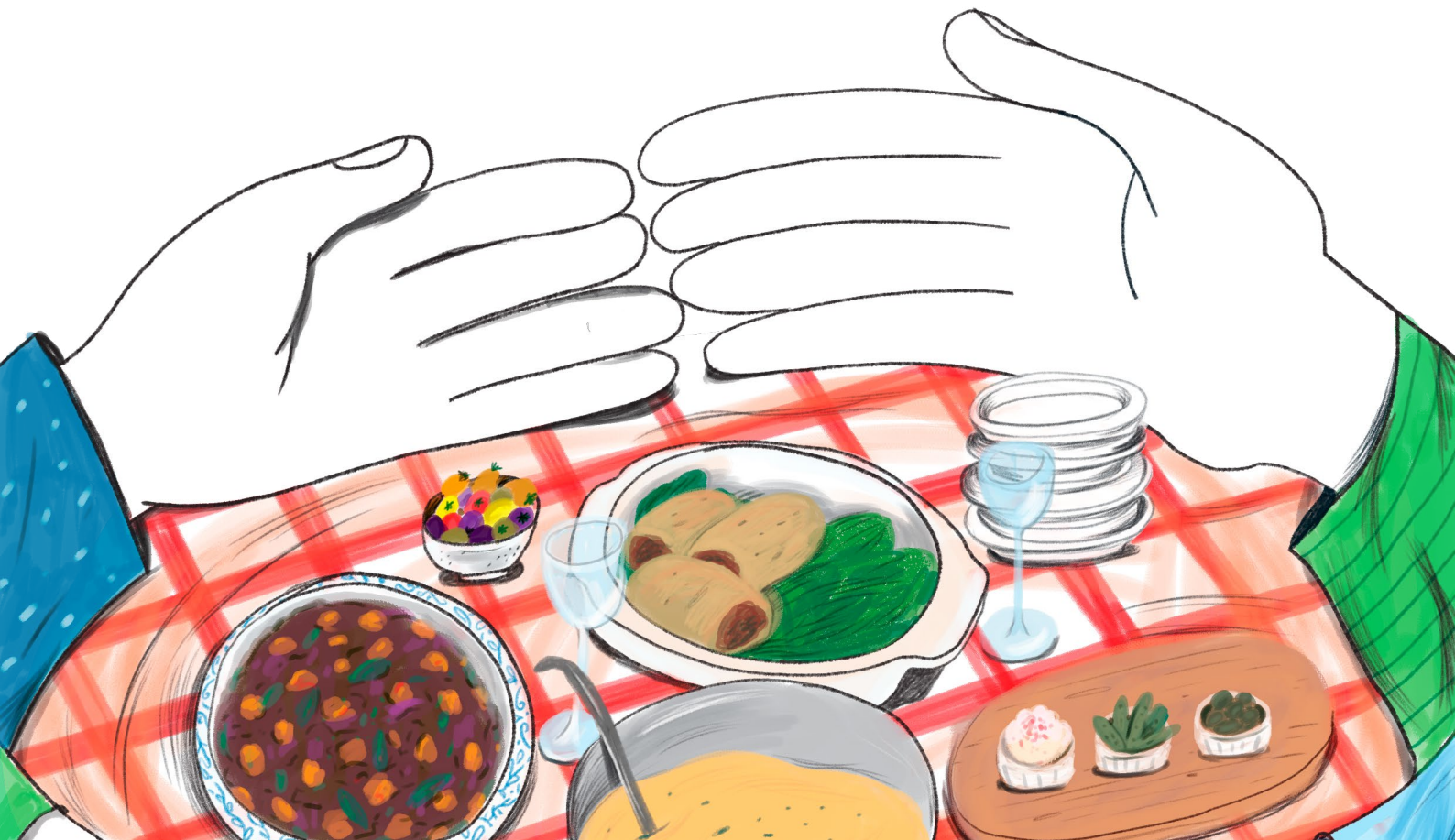
<sup>4</sup> Normalized. Return on average assets is calculated in a way that normalized Net income is divided by average total asset. Average total asset is a sum of total asset on the last day of reporting period (30.6.2024) and comparative period (31.12.2023) divided by 2. Normalized Net income include the last 12 months period.

<sup>5</sup> Net debt= Financial debt – cash and cash equivalents



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**Significant  
events in 1 - 6  
2024 and after  
the balance  
sheet date**



## **SIGNIFICANT EVENTS IN 1 - 6 2024 AND AFTER THE BALANCE SHEET DATE**

### **PODRAVKA SELECTED AS PREFERRED BUYER OF BELJE, VUPIK AND PIK VINKOVCI**

Podravka was invited to finalize negotiations on the purchase of agricultural companies of the Fortenova Group as the preferred partner. Accordingly, Podravka and the Fortenova Group signed an Exclusivity Agreement confirming that Podravka is the preferred partner, on the basis of which Podravka undertook to pay a EUR 15 million deposit for this takeover. The completion of the sales process will follow after additional negotiations and coordination of the sales contract and obtaining all necessary approvals from regulatory authorities in Croatia and the region.

The agricultural companies that Podravka should take over, BELJE plus d.o.o., PIK-VINKOVCI plus d.o.o., VUPIK plus d.o.o., Energija Gradec d.o.o., BELJE AGRO-VET plus d.o.o., and FELIX plus d.o.o., would continue to operate as independent companies, and after the completion of the transaction, alongside with Food and Pharmaceuticals, would together form a new business unit, i.e. the third pillar of Podravka's business.

Podravka is a highly profitable, financially strong and stable company with no debt, with significant investment capacity. This acquisition will be financed through borrowings from commercial banks, and we expect the European Bank for Reconstruction and Development (EBRD) to be a partner in the transaction as well. The expected partnership with the EBRD will promote the additional transfer of knowledge and best global practices in the management of agricultural companies, and the EBRD will support the introduction of good corporate management practices and effective company management procedures.

Podravka intends to invest in the modernization and productivity increase of agricultural companies through investments in new technologies, infrastructure and human resources. The working conditions and material rights of the employees are one of the most important priorities of the Podravka Management Board, and as the new owner, Podravka would also be committed to continuous work to improve the working conditions, rights and material status of the employees in these companies as well.

### **NEW PODRAVKA GROUP CORPORATE LOGO PRESENTED**

In order to further strengthen its presence on the global market and to ensure and support the achievement of strategic goals set by the business and sustainability strategy, Podravka redesigned its visual identity. The new visual identity is adapted to the new times and the needs and goals of the company, and for the first time the corporate logo of the Podravka Group is separated from the product logo of the Podravka brand. The new visual identity is based on the element of the heart and the red colour, it has preserved the most important and longest-lasting elements of the previous versions, thus preserving the company's recognizability and tradition. Also, this enables simpler and more effective communication with consumers and other stakeholders.

### **CEREMONIAL OPENING OF THE PODRAVKA PASTA FACTORY**

The new Podravka Pasta Factory in Koprivnica was officially put into operation at the beginning of 2024. It is an investment worth more than 15 million euros, of which seven



million euros were invested in construction infrastructure, and eight million euros in technology and assembly.

This investment is part of the investment cycle of the Podravka Group, which is carried out in accordance with the Group's Business Strategy until 2025. This is also the first newly built factory in the Food segment in the last 17 years. The Pasta Factory was built on more than 4,800 m<sup>2</sup>. Inside the factory, there are two fully automated process lines for the production of short and curly pasta and three automated lines for packaging and palletizing the products. The new Pasta Factory produces industrial pasta that is used for the production of Podravka soups, as well as curly and short pasta under the Zlato Polje brand. The construction of the factory foresees the possibility of further expansion of technological capacities and product range, as well as further investment in renewable energy sources, i.e. a solar power plant. The construction of the factory and assembly of the lines ultimately took only one year, and with this investment, Podravka additionally ensures its own pasta production, modernizes the technological production process and further growth of the soup category, as well as the development of new products.

#### **CEREMONIAL OPENING OF PODRAVKA'S NEW TOMATO PROCESSING PLANT IN VARAŽDIN**

Podravka's new tomato processing facility within the Fruit and Vegetable Factory in Varaždin officially started operating in July. The investment with a total value of more than EUR 13 million represents a significant step forward in the modernization and increase in the primary processing capacity of fresh tomatoes in continental Croatia, thus securing the continuity of own production. The investment also includes investment in agricultural machinery and irrigation.

For the needs of the new plant, this year Podravka organized the production of tomatoes on its own land and with subcontractors, in total on approximately four hundred hectares. Podravka continues subcontractor production in Istria, and in order to meet the capacity of the new plant, it has been significantly expanded to the continent as well. Tomatoes for Podravka are produced this year by almost seventy subcontractors, twice as many as last year, and a total yield of around 25 thousand tonnes is expected.

#### **PODRAVKA MODERNIZED THE BAKERY IN MARIBOR WITH 9 MILLION EUROS**

In July, the Podravka Group officially opened the modernized plant of Žito Group Bakery in Maribor. Žito, a bakery industry from Slovenia that is part of the Podravka Group, increased production capacity and automated production with an investment worth 9 million euros. This investment is also part of the Žito Turnaround project that continues for several years, which created the conditions for a long-term sustainable and successful business. The process resulted in the transformation of Žito into a modern bakery industry. Production has been consolidated, efficiency and productivity increased, and the product range optimized. During the entire Turnaround process, from the beginning of 2022 to the end of 2024, the Podravka Group's investments in Žito will amount to more than 26 million euros.



## REALIZED INVESTMENTS AMOUNT TO ALMOST EUR 46 MILLION, ALMOST 60% MORE THAN IN THE SAME PERIOD LAST YEAR

The investment cycle of the Podravka Group is in full swing, and is carried out in accordance with the Podravka Group Business Strategy until 2025. Until the end of 2023, as part of the investment cycle that started in 2021, almost EUR 150m have been invested. During the first half of 2024, investments in the amount of almost EUR 46m were realized, which is almost 60% more than in the same period last year.

The priorities of the investment cycle are investment in modernization, the introduction of new technologies and digitization, raising effectiveness and energy efficiency, and further improving working conditions.

More details on the significant capital projects underway are presented below.

The **construction of a logistics and distribution centre** in Koprivnica is the largest investment within the Podravka Group's Business Strategy until 2025, with the total value of EUR 48m. The works began in March 2023 and their completion is expected in the last quarter of 2024. The logistics and distribution centre will meet the expected needs for storage space on the Croatian market in the next ten years, and if needed, it can be expanded in the future. With this investment, the Podravka Group will increase its efficiency in the logistics and distribution segment of operations through the optimization of the number of warehouses, minimization of internal transport and better cost control. This will also have a positive impact on the environment through the reduction of carbon dioxide emissions.

In the new Pasta factory, which was put into operation at the beginning of the year, investment in a **line for the production of instant noodles** is underway. The investment will ensure own production, contribute to production efficiency and greater flexibility of production. The completion of the project is expected at the end of 2024, when the first own production will take place.

As part of the investment in energy sustainability and efficiency, the realization of the second phase of **investment in solar power plants** is underway, co-funded by the Modernisation fund – this is described in more detail in a separate chapter below.

In 2024, we continue with **investments in agricultural machinery** and related equipment. The investment will result in savings in the costs of agrotechnical operations and provide the necessary raw materials for the new primary processing factory for fresh tomatoes in continental Croatia. We are also continuing to invest in the **irrigation of agricultural lands** – this is described in more detail in a separate chapter below.

The project is underway to **build a central facility for transport and maintenance with accompanying facilities**, which will contribute to improving the working conditions of logistics employees and will make logistics processes more efficient. It is an investment with a total value of around three million euros. The construction site of the new Podravka Transport Centre, which will replace the existing, outdated facility, was officially opened in July, and the expected duration of the works is estimated at approximately six months.





Podravka will thus significantly improve its own transport infrastructure, and the location of the new Transport Centre, in the immediate vicinity of the soon-to-be-completed logistics and distribution centre, will significantly increase the overall efficiency of logistics operations.

During the second quarter of 2024, investment activities related to the **automation of the process of filling ready meals in pouch packaging at the Danica Factory** intended for retail and gastro customers were initiated. The investment will result in improved efficiency of the existing production process of ready meals and enable the launch of a new product range in this category. In June, negotiations with suppliers were held, and the suppliers are expected to start manufacturing the production equipment in July this year. The completion of the project is expected in the middle of 2025.

A new **IT solution for planning and reporting on profitability** is being implemented. It is an investment that will enable further digitization of the planning process and reporting on the profitability of business segments and markets. By this, a higher level of flexibility will be achieved during the planning and reporting processes, and the processes will be largely automated. The completion of the project and use of the system is expected in the third quarter of 2024.

The project of **transitioning the existing SAP system to the SAP S/4HANA version** is also underway, which will improve operations and efficiency of business processes, primarily those in finance and accounting.

#### **THE SECOND PHASE OF INVESTMENT IN SOLAR POWER PLANTS CO-FUNDED BY THE MODERNISATION FUND IS UNDERWAY**

In accordance with the Sustainable Development Strategy, Podravka initiated projects to increase the share of renewable energy sources (as well as its own electricity production), and in 2023, the implementation of projects for the construction and equipping of the solar power plants Podravka Danica, Belupo – Danica, Cocktail and warehouse, Kalnik and Dugopolje began.

Five projects, including Belupo, were submitted to the Modernisation Fund competition, and all of them were positively evaluated. The total value is EUR 5,553,377.76, of which the support of the Modernisation Fund is 60% and amounts to EUR 3,330,106.66.

During October 2023, works began on all the above mentioned locations, the substructure was installed, most of the equipment was delivered (inverters, photovoltaic panels) and cable laying work is being carried out. The anticipated completion of the investments, with commissioning and obtaining all permits for permanent work, is October this year. Total installed power after the completion of the second phase will be 13.04 MW.

The next phase of the investment in solar power plants relates to the Pasta Factory and the new logistics and distribution center in Koprivnica, and the projects are expected to



be completed in the second half of 2025. The investments will greatly contribute to the reduction of electricity costs.

For the implemented first phase of the project – the largest integrated solar power plant in Croatia, Podravka received the prestigious award of the Croatian Energy Society “Hrvoje Požar” last year in the category of the realized project of rational energy management and improvement of environmental quality.

## **PODRAVKA CONTINUES TO INVEST IN IRRIGATION SYSTEMS ON AGRICULTURAL LANDS**

This year, Podravka continues to invest in the modernization of agricultural production, and one of the key goals is further investment in irrigation systems, i.e. the expansion of agricultural lands under irrigation. The project is co-financed by the European Union and the Republic of Croatia from the Rural Development Programme.

As part of Submeasure 4.1. “Support for investments in agricultural holdings” – implementation of operation type 4.1.1. “Restructuring, modernization and increasing the competitiveness of agricultural holdings” – investments in irrigation on agricultural holdings, Podravka was granted funds for the drip irrigation system in the amount of EUR 99,749.15. The plots are located on the territory of the municipalities of Hlebine and Koprivnički Bregi, and the total net area under the irrigation system is 63 ha.

Irrigation systems are a prerequisite for successful vegetable production, which strengthens the competitiveness of domestic agricultural production. With irrigation systems, we reduce the risk of the consequences of drought and contribute to a high and high-quality yield of agricultural crops, i.e. vegetables. Investing in irrigation will ensure greater quantities of high-quality raw materials for Podravka's factories, the production of raw materials of controlled origin (“from field to table”), reduce the need for imported raw materials, encourage domestic production, reduce the costs of producing finished products, and increase the yields of vegetables and other crops.

Podravka will continue to increase the production of its agricultural crops, as well as investments in irrigation systems and the modernization of agricultural production, with the aim of as efficient production as possible and increasing the quality and yield of agricultural products. All this will enable the security of supplying factories with high-quality raw materials, strengthening the leadership position and competitiveness and, ultimately, the satisfaction of end consumers.

## **NEW PRODUCT VEGETA FINE BLEND LAUNCHED**

Vegeta is the best-selling dehydrated food seasoning in Europe<sup>6</sup> and the leading brand on the market, which revolutionized the category of universal seasonings by adding pieces of vegetables, thus setting a standard that others continued to follow. We continuously monitor and listen to the needs of our consumers and introduce innovations – like Vegeta

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<sup>6</sup> This statement and calculations are based on NIQ's data from the trade panel in thirty (30) European countries (Austria, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, the Czech Republic, Denmark, Estonia, France, Greece, Croatia, Ireland, Italy, Latvia, Lithuania, the Netherlands, Norway, Germany, Hungary, Poland, Portugal, Romania, North Macedonia, Slovakia, Slovenia, Serbia, Spain, Sweden, Switzerland and Ukraine), according to which Vegeta is the leading brand in terms of volume sales in the dehydrated (dry) food seasonings category in the period October 2022 – September 2023 at the level of the total retail market in accordance with local definitions (copyright © 2023, Nielsen Consumer LLC, all rights reserved).



Fine blend, a food seasoning, but without visible pieces of vegetables – and it is a universal seasoning that does not exist on the market.

Vegeta Fine blend is unique, and the recipe and taste are the same as Vegeta Original. Ideal for all those dishes that require a smooth texture of seasonings, for example breading or marinating meat, tofu or vegetables and in various soups, sauces and dips.

#### **PODRAVKA RECEIVED EQUAL PAY CHAMPION CERTIFICATE**

Podravka includes professional equality and equal opportunities in all human resource management processes. The Equal Pay Champion certificate received confirmed that these are not just efforts, but that there are concrete results behind them. It is the first certificate in Croatia that is guided by the “Equal pay for equal work” principle, and it was launched with the aim of recognizing employers who are determined to achieve fairness and equality in their organization. The emphasis is on actively encouraging an inclusive organizational culture that provides equal opportunities for everyone.

In Podravka, with the introduction of the new salary system, a new basic salary was defined regardless of the gender of the executor, which had the effect of reducing the gender pay gap. Job applications are not defined by gender, and women and men are employed equally. Likewise, depending on their qualifications, they have equal opportunities for development and advancement. Additional competent female candidates are actively sought when managerial and professional positions are opened or for promotions. A positive example is the Management Board of Podravka Inc. where the share of women is 40%, which is already in line with the European Union Gender Equality Strategy until 2025.

Podravka is among 16 employers who received recognition for their work in reducing the gender pay gap and were declared leaders on this path. The Equal Pay Champion certificate is awarded by the SELECTIO Group, a leading group for consulting in human resources.

#### **ČOKOLINO DARK AND VEGETA NATUR PASTY SEASONINGS DECLARED THE VOTED PRODUCTS OF THE YEAR 2024 IN CROATIA AND SLOVENIA**

The Voted Product of the Year is a renowned global award for marketing innovation voted by consumers, and the goal is to direct consumers to the best products and to reward manufacturers for quality and innovation. Consumers recognize the Voted Product of the Year sign on store shelves as a guarantee of excellence and trustworthy products

#### **PODRAVKA RECEIVED ANOTHER RECOGNITION FOR ITS NUTRITION STRATEGY – HEALTHCOMM AWARD**

In 2023, Podravka created a communication campaign “Food that cares for you”. Its main goals were to raise awareness of the importance of a healthy diet, of Podravka's products that are suitable for a nutritionally balanced diet and enable delicious meals, and the promotion of the Nutrition Strategy and everything that is done as part of it. For the results achieved by this campaign, but also for everything that was done in previous years, Podravka won the HealthComm Award for the greatest contribution to the public



health of society. It was awarded as part of the HealthComm Forum, which took place in Zagreb in June.

From 2014 to the end of 2023, Podravka reduced salt in its products by 350 tonnes and sugar by 1,784 tonnes. An average of 17% of salt was removed from the salty product categories, and an average of 30% of sugar was removed from the sweet categories.

Also, Podravka has developed its own tools for managing the nutritional quality of products – nutritional profiles. They represent a unique methodology of recommended criteria for the content of macro and micro nutrients per serving of the product, which has been scientifically confirmed by the Faculty of Food Technology and Biotechnology of the University of Zagreb.

In addition, Podravka developed standards for meals in primary schools founded by Koprivničko-križevačka County, which led to the improvement and standardization of meals in 18 primary schools.

Podravka's Nutrition Strategy contains goals until 2027. The goals refer to the further reduction of ingredients such as salt and sugar, the removal of undesirable ingredients such as additives, flavour enhancers, colourings, palm oil. At the same time, care is taken to add positive ingredients such as protein, fibre, vitamins, minerals, whole grain cereals, and BIO products, products for vegetarians/vegans and gluten-free products are being developed.

#### **PODRAVKA WON AWARDS FOR ITS SUPERFOODCHEF-AI**

Podravka won two valuable awards in Copenhagen for its Superfoodchef-AI project. It is the first AI assistant in the food industry in the region, which enables users to receive personalized recipe recommendations for a nutritionally balanced diet. The Native Advertising Institute, which grants awards to the best in native advertising worldwide, recognized the importance of this project in two categories: Best Use of Artificial Intelligence and Best Native Advertising Strategy, and awarded SuperfoodChef-AI two silvers, while Podravka stood out as a leader in digital innovation.

SuperfoodChef-AI, which was developed by Podravka in cooperation with the agency O1 Content & Technology – C3 Croatia and Infobip, is proof that even a traditional industry like the food industry adopts new, modern tools, keeps up with the times, recognizes potential opportunities and paves the way for further progress.

#### **BELUPO B.FIT PROGRAM LAUNCHED – A COMPREHENSIVE SOLUTION FOR REDUCING BODY WEIGHT**

The Belupo B.Fit program, a comprehensive solution for controlling and reducing excess body weight, was launched on the Croatian market. In addition to the diet program, B.Fit presents a line of products that contain nutritionally balanced meal replacements.

B.Fit was created in collaboration between Belupo and Podravka, who recognized a serious public health problem faced by almost two-thirds (65%) of Croatian residents who are



overweight or obese (42% overweight and 23% obese).<sup>7</sup>

The B.Fit program is intended for everyone who wants to improve their lifestyle and who is looking for a long-term and healthy solution for reducing body weight and a personalized approach. The B.Fit product line is accompanied by a complete support program for reducing excess body weight, which was clinically proven in a study conducted by the Srebrnjak Children's Hospital.

The program enables healthy and safe weight loss through the adoption of healthy lifestyle habits. The support program is designed based on a comprehensive approach to body weight regulation and consists of products, menus, and support from nutritionists and doctors, along with advice from kinesiologists for exercise, which are available on the website [www.bfit.hr](http://www.bfit.hr)

#### **THE GENERAL ASSEMBLY ADOPTED THE DECISION ON THE DIVIDEND DISTRIBUTION IN THE AMOUNT OF EUR 3.20 PER SHARE, 21% MORE THAN LAST YEAR**

At the General Assembly of Podravka Inc. held on 16<sup>th</sup> May 2024, the shareholders of Podravka Inc. approved the proposal of the Management Board and the Supervisory Board of Podravka Inc. on the dividend distribution in the amount of EUR 3.20 per share, which is 21% more than last year. The dividend was paid on 12<sup>th</sup> July 2024 to all shareholders in the register of shareholders as at 14<sup>th</sup> June 2024.

Taking into account the last market price of the Podravka share at the end of 2023 (EUR 163.00), the dividend amount implies a dividend yield of 2.0%. With the continuity of the dividend yield over the years, the Podravka Group confirms its focus on meeting the expectations set by shareholders.

#### **INVESTOR DAY WAS HELD AT PODRAVKA'S HEADQUARTERS**

In May this year, the Investor Day of the Podravka Group was held at Podravka's headquarters in Koprivnica with the aim of presenting the business results and key and current projects and initiatives at the Group level. Representatives of pension and investment funds, banks, analysts and investment service providers were welcomed by the President of the Management Board Martina Dalić and member of the Management Board Davor Doko. Along with the presentation of business results for 2023, investor representatives had the opportunity to ask questions to the Management Board representatives. As part of the event, a tour of the factory complex was organized, where they could see first-hand the production process of some of Podravka's most famous products. As part of the tour, they visited the Soup and Vegeta Factory, as well as the newly built Pasta Factory, and saw the logistics and distribution centre under construction.

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<sup>7</sup> Source: European Health Interview Survey in Croatia 2019 (EHIS). Basic indicators. Croatian Institute for Public Health, 2021



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# Overview of sales revenues in 1 - 6 2024



## OVERVIEW OF SALES REVENUES IN 1 - 6 2024

### SALES REVENUES BY SEGMENT IN 1 - 6 2024

(in EUR millions)	1 - 6 2023	1 - 6 2024	Δ	%
<b>Food</b>	<b>265.2</b>	<b>290.5</b>	<b>25.3</b>	<b>9.6%</b>
Own brands	246.9	267.4	20.5	8.3%
Other sales	18.3	23.2	4.9	26.5%
<b>Pharmaceuticals</b>	<b>81.0</b>	<b>89.8</b>	<b>8.8</b>	<b>10.8%</b>
Own brands	66.4	73.8	7.4	11.1%
Other sales	14.7	16.1	1.4	9.7%
<b>Podravka Group</b>	<b>346.3</b>	<b>380.4</b>	<b>34.1</b>	<b>9.9%</b>
Own brands	313.3	341.1	27.9	8.9%
Other sales	33.0	39.3	6.3	19.0%

#### MOVEMENTS OF THE FOOD SEGMENT REVENUES (1 - 6 2024 COMPARED TO 1 - 6 2023):

- **Own brands** recorded EUR 20.5m (+8.3%) higher sales due to the increase in sales of the majority of business units,
- **Other sales** recorded EUR 4.9m (+26.5%) higher sales, primarily as a result of the development of distribution on the US market,
- Overall, the **Food segment** recorded EUR 25.3m (+9.6%) higher sales.

#### MOVEMENTS OF THE PHARMACEUTICALS SEGMENT REVENUES (1 - 6 2024 COMPARED TO 1 - 6 2023):

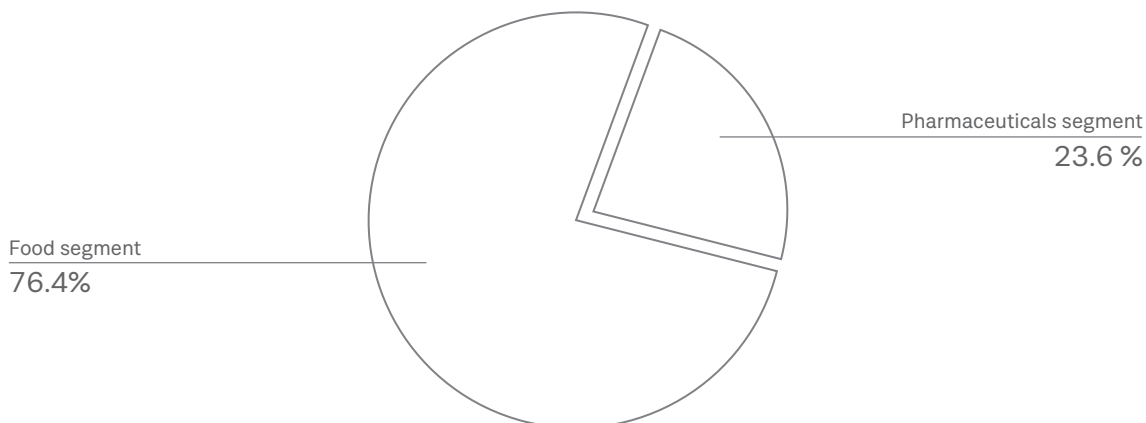
- **Own brands** recorded EUR 7.4m (+11.1%) higher sales, mainly due to the increase in sales of prescription drugs
- **Other sales** recorded EUR 1.4m (+9.7%) higher revenues, due to the increase in trade goods sales in the market of Bosnia and Herzegovina,
- Overall, the **Pharmaceuticals segment** recorded EUR 8.8m (+10.8%) higher sales revenues.

#### MOVEMENTS OF THE PODRAVKA GROUP REVENUES (1 - 6 2024 COMPARED TO 1 - 6 2023):

- Podravka Group's **own brands** recorded an increase in sales of EUR 27.9m (+8.9%),
- The revenues of **other sales** are EUR 6.3m (+19.0%) higher,
- Overall, the **Podravka Group** sales revenues are EUR 34.1m (+9.9%) higher.



## SALES REVENUES BY SEGMENT IN 1 - 6 2024



## SALES REVENUES BY BUSINESS UNITS AND CATEGORIES IN 1 - 6 2024

### Sales revenues by business units and categories

<i>(in EUR millions)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>Δ</b>	<b>%</b>
BU Culinary	51.1	62.1	11.0	21.6%
BU Soups	24.1	26.9	2.8	11.6%
BU Cereals, Snack and Beverages	21.9	24.2	2.2	10.1%
BU Creamy spreads and Desserts	21.7	25.6	3.9	18.0%
BU Bakery	35.5	34.3	(1.2)	(3.3%)
BU Fruits and Vegetables	31.1	33.7	2.7	8.6%
BU Basic food	28.2	25.2	(2.9)	(10.4%)
BU Meat products	19.9	21.5	1.6	8.1%
BU Fish	13.5	13.8	0.3	2.5%
Prescription drugs	55.9	60.9	5.0	8.9%
Non-prescription programme	10.5	12.9	2.4	23.0%
Other sales	33.0	39.3	6.3	19.0%
<i>Other sales Food</i>	<i>18.3</i>	<i>23.2</i>	<i>4.9</i>	<i>26.5%</i>
<i>Other sales Pharmaceuticals</i>	<i>14.7</i>	<i>16.1</i>	<i>1.4</i>	<i>9.7%</i>
<b>Podravka Group</b>	<b>346.3</b>	<b>380.4</b>	<b>34.1</b>	<b>9.9%</b>

NOTE: from 1<sup>st</sup> January 2024 as a result of internal reorganization, a part of assortment was separated from BU Basic food, and a new BU Fruit and Vegetables was created. Historical data have been adjusted to the new structure for comparability purposes.



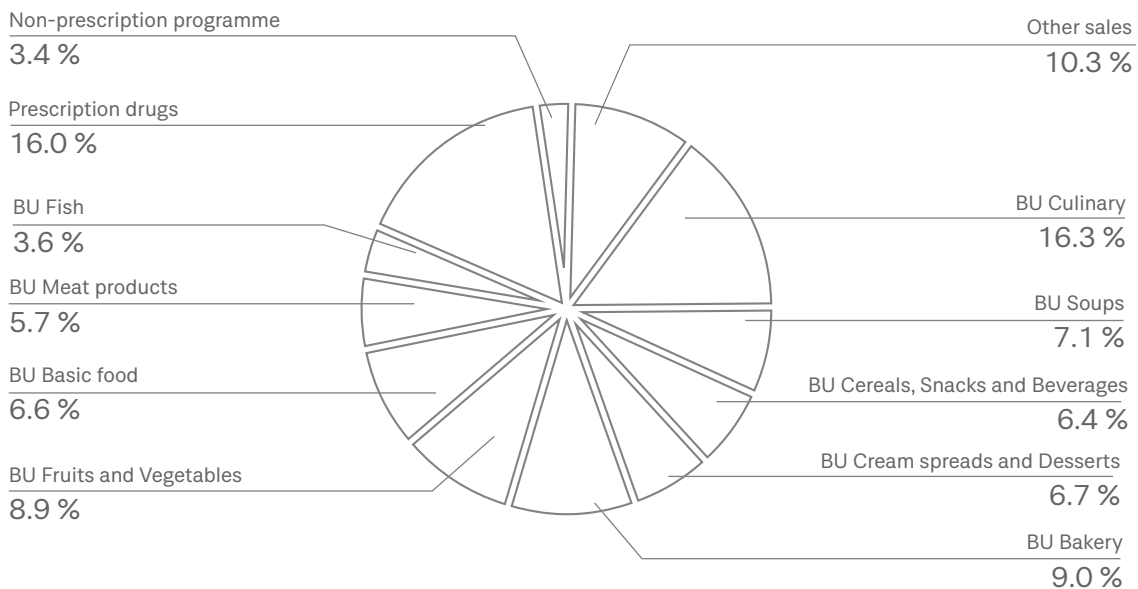
**MOVEMENTS OF SALES REVENUES BY BUSINESS UNITS AND CATEGORIES (1 - 6 2024 COMPARED TO 1 - 6 2023):**

- The **Culinary business unit** recorded EUR 11.0m (+21.6%) higher sales. Revenue growth was recorded mainly in the markets of Germany, the USA, Poland and Croatia. The revenue growth includes the effect of the restructuring of the markets of Poland and Germany, where higher revenues were recorded with a profitability increase,
- The **Soups business unit** recorded EUR 2.8m (+11.6%) sales growth. The revenue growth of the business unit was realised in the key markets of the Southeastern Europe and Croatia. The Clear soups subcategory contributes most to a positive trend within the Soups business unit,
- The **Cereals, Snack and Beverages business unit** recorded EUR 2.2m (+10.1%) higher sales. The sales revenue growth was recorded in almost all categories, primarily in the market of Croatia. The most significant growth within the business unit was recorded by the Cereals category, subcategories Čokolino and Cereals for Children,
- The **Creamy spreads and Desserts business unit** records EUR 3.9m (+18.0%) higher sales. The revenue growth was recorded in the market of Croatia and in the Southeastern Europe region primarily due to the increase in the Creamy spreads category,
- The **Bakery business unit** recorded a revenue decrease of EUR 1.2m (-3.3%). Revenue growth was achieved in subcategories Bread, Sweet bakery products, while the decrease in revenues of the overall Business unit is primarily generated by the Mill products category,
- The **Fruit and vegetables business unit**, separated from the Basic food business unit from the beginning of 2024, recorded an increase of EUR 2.7m (+8.6%), primarily due to the growth of categories Condiments, Processed fruit and Tomato products. The market of Croatia, which is the most significant market in the business unit portfolio, contributes most to the revenue growth,
- In the observed period, the **Basic food business unit** recorded EUR 2.9m (-10.4%) lower sales, primarily in the Flour category, subcategory Large packaging for industrial customers,
- In the reporting period, the **Meat products business unit** recorded EUR 1.6m (+8.1%) higher sales, primarily on the Croatian market. The revenue growth arises from the categories of Ready meals, and Dried Meat and Sausage Products,
- The **Fish business unit** recorded EUR 0.3m (+2.5%) higher sales, which is primarily impacted by the new Fish salads category which records a significant increase compared to the same period of the previous year,



- The **Prescription drugs category** recorded EUR 5.0m (+8.9%) higher sales, due to the increase in sales of almost all subcategories, primarily dermatological drugs, cardiovascular drugs, and the nervous system drugs. The revenue growth is most significant in the markets of Croatia, and Bosnia and Herzegovina,
- The revenues of the **Non-prescription programme category** are EUR 2.4m (+23.0%) higher, as a result of the increase in sales of the OTC drugs subcategory,
- The **Other sales category** recorded EUR 6.3m (+19.0%) higher sales. In the Food segment, Other sales increased by EUR 4.9m (+26.5%), mainly due to the development of distribution on the US market which includes the revenues from the distribution of Atlantic Grupa's products. In the Pharmaceuticals segment, Other sales grew by EUR 1.4m (+9.7%), primarily due to higher trade goods sales in the market of Bosnia and Herzegovina.

#### SALES REVENUES BY BUSINESS UNIT AND CATEGORY IN 1 - 6 2024



## SALES REVENUES BY REGION IN 1 - 6 2024

### Sales revenues by region

<i>(in EUR millions)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>Δ</b>	<b>%</b>
<b>Markets of Croatia and Slovenia</b>	<b>168.7</b>	<b>177.6</b>	<b>9.0</b>	<b>5.3%</b>
Food	138.2	142.9	4.6	3.4%
Pharmaceuticals	30.4	34.8	4.3	14.2%
<b>Southeastern Europe</b>	<b>75.5</b>	<b>83.1</b>	<b>7.6</b>	<b>10.0%</b>
Food	52.2	56.7	4.5	8.7%
Pharmaceuticals	23.3	26.3	3.0	13.0%
<b>WE and Overseas</b>	<b>38.3</b>	<b>53.5</b>	<b>15.2</b>	<b>39.9%</b>
Food	38.0	52.4	14.5	38.1%
Pharmaceuticals	0.3	1.1	0.8	262.7%
<b>Central Europe</b>	<b>39.7</b>	<b>41.8</b>	<b>2.2</b>	<b>5.5%</b>
Food	33.9	35.4	1.5	4.4%
Pharmaceuticals	5.7	6.4	0.7	12.0%
<b>Eastern Europe</b>	<b>24.2</b>	<b>24.4</b>	<b>0.2</b>	<b>0.8%</b>
Food	2.9	3.1	0.2	7.4%
Pharmaceuticals	21.3	21.3	(0.0)	(0.1%)
<b>Podravka Group</b>	<b>346.3</b>	<b>380.4</b>	<b>34.1</b>	<b>9.9%</b>

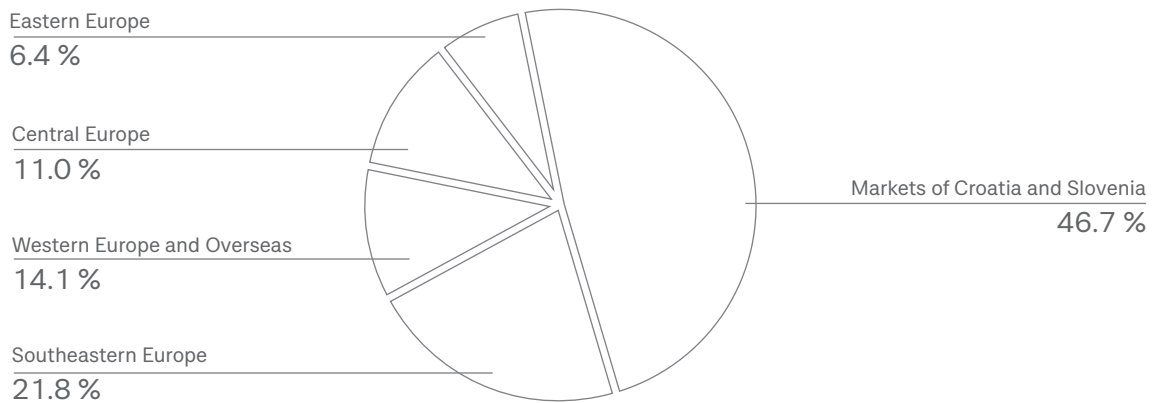
### MOVEMENTS OF SALES REVENUES BY REGION (1 - 6 2024 COMPARED TO 1 - 6 2023):

- The **Markets of Croatia and Slovenia** recorded a sales increase of EUR 9.0m (+5.3%). Food segment revenues increased by EUR 4.6m (+3.4%), due to sales increase of most business units, primarily the Business unit Fruit and vegetables, and Business unit Creamy spreads and Desserts. In the market of Croatia and Slovenia, the Retail sales channel achieved the strongest revenue growth. Pharmaceuticals segment revenues in the Market of Croatia and Slovenia also recorded the revenue growth of EUR 4.3m (+14.2%),
- Revenues of the **Southeastern Europe region** grew by EUR 7.6m (+10.0%) in the reporting period. The Food segment recorded revenue growth of EUR 4.5m (+8.7%), due to the increase in sales of almost all business units, with the largest absolute growth generated by the business units Culinary and Soups. Pharmaceuticals segment revenues are EUR 3.0m higher (+13.0%), primarily due to Prescription drugs and Trade goods sales increase in the market of Bosnia and Herzegovina,



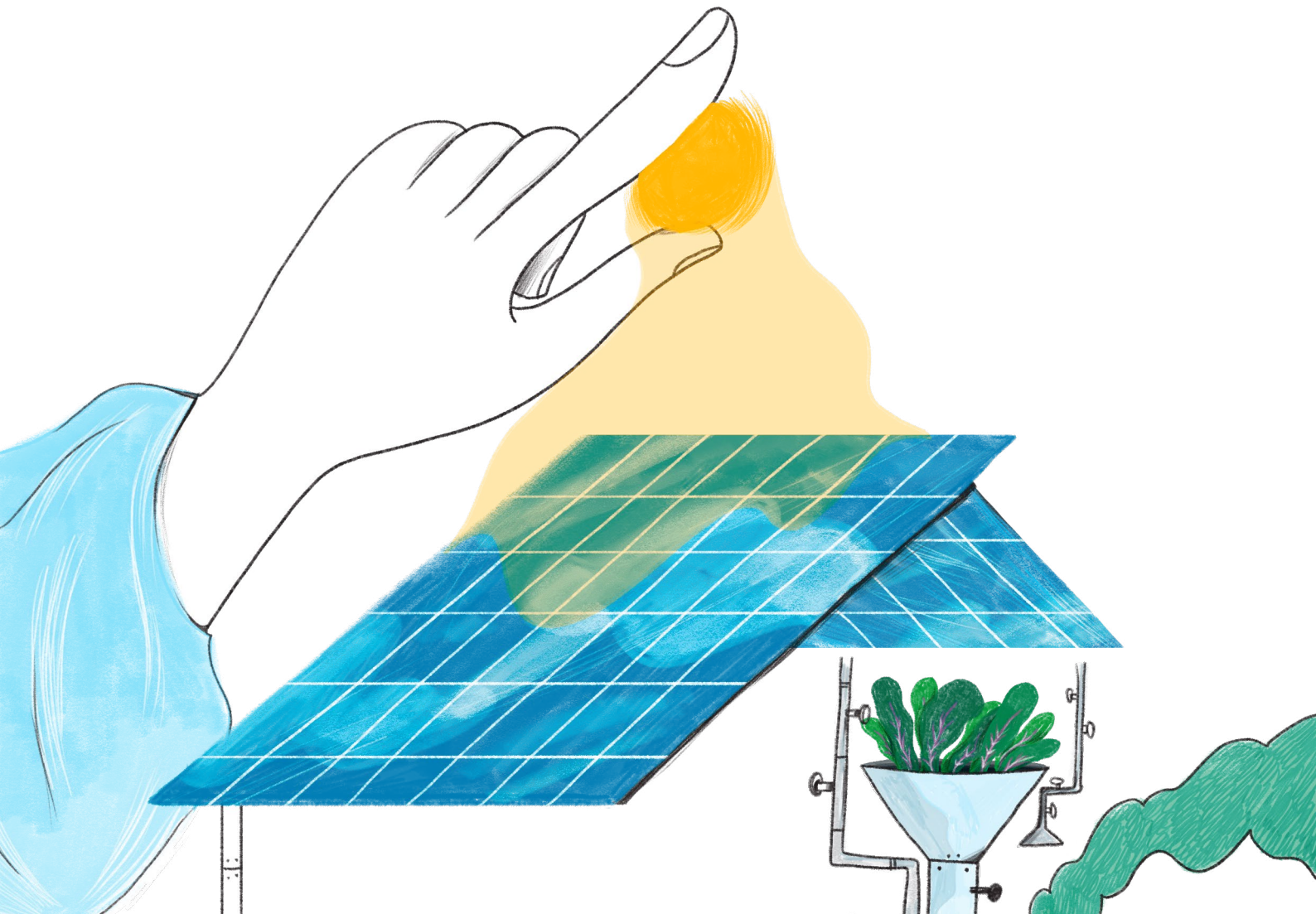
- The **Western Europe and Overseas region** recorded EUR 15.2m (+39.9%) higher sales. The Food segment recorded EUR 14.5m (+38.1%) higher sales primarily due to the sales increase in the Culinary business unit, but also to the development of distribution on the US market. The Pharmaceuticals segment revenues are EUR 0.8m (+262.7%) higher, primarily due to an increase in Prescription drugs revenues,
- The revenues of **Central Europe** in the reporting period are higher by EUR 2.2m (+5.5%). In the Food segment, an increase in revenue of EUR 1.5m (+4.4%) was recorded, primarily as a result of an increase in revenues of the Culinary business unit in the market of Poland, which is a result of the previously implemented market restructuring aimed at improving profitability. In the Pharmaceuticals segment, revenue growth of EUR 0.7m (+12.0%) was achieved due to higher revenues of the Prescription drugs category,
- The **Eastern Europe region** recorded a mild increase in revenues of EUR 0.2m (+0.8%), as a result of the increase in sales of the Food segment which recorded EUR 0.2m (+7.4%) higher revenues, primarily due to the increase in revenues of the Culinary business unit, while the Pharmaceuticals segment recorded revenues at the same level as in the same period of the previous year.

#### SALES REVENUES BY REGION IN 1 - 6 2024



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# Profitability in 1 - 6 2024



## PROFITABILITY IN 1 - 6 2024

NOTE: The overview and explanation of items treated as one-off by management and the overview of methodology of calculation of the normalized result are provided in the "Additional tables for 1 - 6 2024" section.

### PROFITABILITY OF THE FOOD SEGMENT IN 1 - 6 2024

(in EUR millions)	Profitability of the Food segment				Normalized			
	1 - 6 23	1 - 6 24	Δ	%	1 - 6 23	1 - 6 24	Δ	%
Sales revenue	265.2	290.5	25.3	9.6%	265.2	290.5	25.3	9.6%
Gross profit	82.1	102.6	20.5	25.0%	82.1	102.6	20.5	25.0%
EBITDA*	27.1	39.8	12.7	46.9%	27.8	40.0	12.3	44.1%
EBIT	15.6	27.6	12.0	76.4%	16.3	27.8	11.5	70.6%
Net profit after MI	32.2	22.1	(10.1)	(31.4%)	13.0	22.3	9.2	70.8%
Gross margin	31.0%	35.3%		+436 bp	31.0%	35.3%		+437 bp
EBITDA margin	10.2%	13.7%		+348 bp	10.5%	13.8%		+331 bp
EBIT margin	5.9%	9.5%		+360 bp	6.1%	9.6%		+342 bp
Net margin after MI	12.1%	7.6%		-454 bp	4.9%	7.7%		+275 bp

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

### PROFITABILITY OF THE FOOD SEGMENT (1 - 6 2024 COMPARED TO 1 - 6 2023):

- In the 1 - 6 2024 period, the Food segment recorded an increase in **gross profit** of EUR 20.5m (+25.0%) with an increase in gross margin from 31.0% to 35.3%. **Operating profit before depreciation and amortisation (EBITDA)** is EUR 12.7m (+46.9%) higher, while **normalised operating profit before depreciation and amortisation (EBITDA)** is EUR 12.3m (+44.1%) higher,
- The increase in the **normalized operating profit before depreciation and amortisation (EBITDA)** was achieved due to the increase in sales revenues and higher gross profit, despite additional investments in improving the material status of employees, which resulted in an increase in staff costs of EUR 6.7m (+11.6%).
- **Net profit after minority interests** is EUR 10.1m lower (-31.4%) since in the first half of 2023, tax incentives for investments in the amount of EUR 19.7 million were recorded, which as a one-off item are subject to normalization, while at the normalized level it is higher by EUR 9.2m (+70.8%).



## PROFITABILITY OF THE PHARMACEUTICALS SEGMENT IN 1 - 6 2024

(in EUR millions)	Profitability of the Pharmaceutical segment				Normalized			
	1 - 6 23	1 - 6 24	Δ	%	1 - 6 23	1 - 6 24	Δ	%
Sales revenue	81.0	89.8	8.8	10.8%	81.0	89.8	8.8	10.8%
Gross profit	40.1	46.3	6.2	15.4%	40.1	46.3	6.2	15.4%
EBITDA*	21.2	26.0	4.8	22.6%	21.2	26.0	4.8	22.6%
EBIT	16.8	21.5	4.7	28.0%	16.8	21.5	4.7	28.1%
Net profit after MI	13.0	18.2	5.2	39.7%	13.0	16.6	3.6	27.5%
Gross margin	49.5%	51.5%	+202 bp		49.5%	51.5%	+202 bp	
EBITDA margin	26.2%	29.0%	+277 bp		26.2%	29.0%	+278 bp	
EBIT margin	20.7%	23.9%	+321 bp		20.7%	24.0%	+323 bp	
Net margin after MI	16.1%	20.2%	+418 bp		16.1%	18.5%	+241 bp	

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

## PROFITABILITY OF THE PHARMACEUTICALS SEGMENT (1 - 6 2024 COMPARED TO 1 - 6 2023):

- The Pharmaceuticals segment recorded EUR 6.2m (+15.4%) higher **gross profit**, with a mild increase in gross margin from 49.5% to 51.5%,
- **Operating profit before depreciation and amortisation (EBITDA)** is higher by EUR 4.8m (+22.6%). The most significant impact on the increase in operating profit before depreciation and amortisation (EBITDA) came from the growth of sales revenues and gross profit,
- **Net profit after minority interests** is EUR 5.2m (+39.7%) higher, while at the normalized level it is EUR 3.6m higher (+27.5%). The difference stems from the normalization of taxes, which refers to the final calculation of used tax incentives for the expansion of the Belupo factory from 2015 in the amount of EUR 1.6m.



## PROFITABILITY OF THE PODRAVKA GROUP IN 1 - 6 2024

(in EUR millions)	Profitability of the Podravka Group				Normalized			
	1 - 6 23	1 - 6 24	Δ	%	1 - 6 23	1 - 6 24	Δ	%
Sales revenue	346.3	380.4	34.1	9.9%	346.3	380.4	34.1	9.9%
Gross profit	122.2	148.9	26.7	21.8%	122.2	148.9	26.7	21.8%
EBITDA*	48.3	65.8	17.5	36.2%	49.0	66.1	17.1	34.8%
EBIT	32.4	49.1	16.7	51.4%	33.1	49.4	16.2	49.0%
Net profit after MI	45.2	40.2	(5.0)	(11.0%)	26.0	38.8	12.8	49.2%
Gross margin	35.3%	39.1%	+384 bp		35.3%	39.1%	+385 bp	
EBITDA margin	14.0%	17.3%	+334 bp		14.2%	17.4%	+322 bp	
EBIT margin	9.4%	12.9%	+354 bp		9.6%	13.0%	+341 bp	
Net margin after MI	13.1%	10.6%	-247 bp		7.5%	10.2%	+269 bp	

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

## PROFITABILITY OF THE PODRAVKA GROUP (1 - 6 2024 COMPARED TO 1 - 6 2023):

- In the observed period, the Podravka Group recorded EUR 26.7m (+21.8%) higher **gross profit** with an increase in **gross margin** from 35.3% to 39.1%, where the positive impact came primarily from the Food segment, but also from the Pharmaceuticals segment,
- **Operating profit before depreciation and amortisation (EBITDA)** is EUR 17.5m (+36.2%) higher, while **normalised operating profit before depreciation and amortisation (EBITDA)** is EUR 17.1m (+34.8%) higher,
- **Net profit after minority interests** is EUR 5.0m lower (-11.0%). **Normalized net profit after minority interests** is EUR 12.8m (+49.2%) higher, due to the growth in net profit of both the Food and the Pharmaceuticals segments.





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# Key highlights of the income statement in 1 - 6 2024



## KEY HIGHLIGHTS OF THE INCOME STATEMENT IN 1 - 6 2024

Podravka group (in EUR millions)	Reported				Normalized			
	1 - 6 2023	1 - 6 2024	Δ	%	1 - 6 2023	1 - 6 2024	Δ	%
Cost of goods sold	224.0	231.5	7.5	3.3%	224.0	231.3	7.3	3.3%
General and administrative expenses	24.3	27.1	2.8	11.6%	23.6	27.0	3.4	14.4%
Selling and distribution costs	43.6	47.7	4.2	9.6%	43.6	47.7	4.2	9.6%
Marketing expenses	22.7	25.8	3.1	13.8%	22.7	25.8	3.1	13.8%
Other expenses (income), net	(0.7)	(0.8)	(0.1)	14.1%	(0.7)	(0.8)	(0.1)	13.4%
<b>Total operating expenses</b>	<b>313.8</b>	<b>331.3</b>	<b>17.5</b>	<b>5.6%</b>	<b>313.1</b>	<b>331.0</b>	<b>17.9</b>	<b>5.7%</b>

### COST OF GOODS SOLD

Cost of goods sold increased by EUR 7.5m (+3.3%) relative to the comparative period, primarily as a result of additional investments in improving the material status of employees, while the prices of raw materials, packaging and energy record a decrease compared to the first half of the previous year.

### GENERAL AND ADMINISTRATIVE EXPENSES

In relation to the comparative period, general and administrative expenses are EUR 2.8m higher (+11.6%), primarily due to additional investments in improving the material status of employees and costs of services.

### SELLING AND DISTRIBUTION COSTS

In the observed period, selling and distribution costs are EUR 4.2m (+9.6%) higher than in the comparative period, primarily as a result of additional investments in improving the material status of employees and higher depreciation costs.

### MARKETING EXPENSES

In the reporting period, marketing expenses (which include marketing investments expenses and marketing department expenses) are 13.8% higher than in the comparative period. In this, the costs of marketing investments are higher by EUR 2.7m (+23.6%) due to the increased marketing activities, while the costs of the marketing department are higher by EUR 0.5m (+4.1%).



### **OTHER EXPENSES (INCOME), NET**

In the reporting period, other expenses and income, net amounted to EUR -0.8m (positive impact), while in the comparative period they amounted to EUR -0.7m (positive impact). This was mainly affected by foreign exchange losses, which in 1 - 6 2024 amounted to EUR 0.2m, while in the previous period foreign exchange losses amounted to EUR 0.4m.

### **NET FINANCE COSTS**

In the observed period, net finance costs amounted to EUR 0.5m (negative impact), while in the same period of the previous year they amounted to EUR 0.3m (negative impact).

### **INCOME TAX**

The reported income tax of the Podravka Group in 1 – 6 2024 amounted to EUR 7.5m (negative impact), while in the same period of the previous year it amounted to EUR -13.7m (positive impact), due to tax incentives based on the Investment Promotion Act.



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# Key highlights of the balance sheet as at 30 June 2024



## KEY HIGHLIGHTS OF THE BALANCE SHEET AS AT 30 JUNE 2024

### PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment of the Podravka Group are EUR 24.5m or (+7.1%) higher compared to 31 December 2023, due to the realized capital investments implemented within the strong investment cycle on the basis of the adopted Business Strategy.

### INVENTORIES

Inventories of the Podravka Group are EUR 9.6m (+6.4%) higher than as at 31 December 2023 and are maintained at the optimum level in accordance with the needs of operations. Compared to 30 June 2023, inventories are lower by EUR 4.6m (-2.8%).

### TRADE AND OTHER RECEIVABLES

Trade and other receivables of the Podravka Group are EUR 8.0m (+6.2%) higher than as at 31 December 2023 primarily as a result of the increase in sales revenues in the reporting period. Compared to 30 June 2023, receivables are higher by EUR 12.2m (+9.8%), due to growth in sales revenue and a change in the commercial model in the Pharmaceuticals segment on the Croatian market.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents of the Podravka Group at the end of the observed period are EUR 6.6m higher (+15.4%) compared to 31 December 2023. This is explained in the “Key highlights of the cash flow statement in 1 – 6 2024” section.

### LONG-TERM AND SHORT-TERM BORROWINGS

As at 30 June 2024, long-term and short-term borrowings of the Podravka Group amounted to EUR 42.2m and are EUR 1.9m lower than as at 31 December 2023 as a result of regular repayment of borrowings. Considering the strong cash flow from operating activities, the continuous deleveraging is carried out with simultaneous investments in the investment cycle.

### TRADE AND OTHER PAYABLES

Trade and other payables of the Podravka Group are EUR 23.5m (or +20.1%) higher compared to 31 December 2023, and EUR 21.2m (+17.7%) higher compared to 30 June 2023.

This movement is primarily a result of liabilities related to the realization of capital investments, and regular business operations.

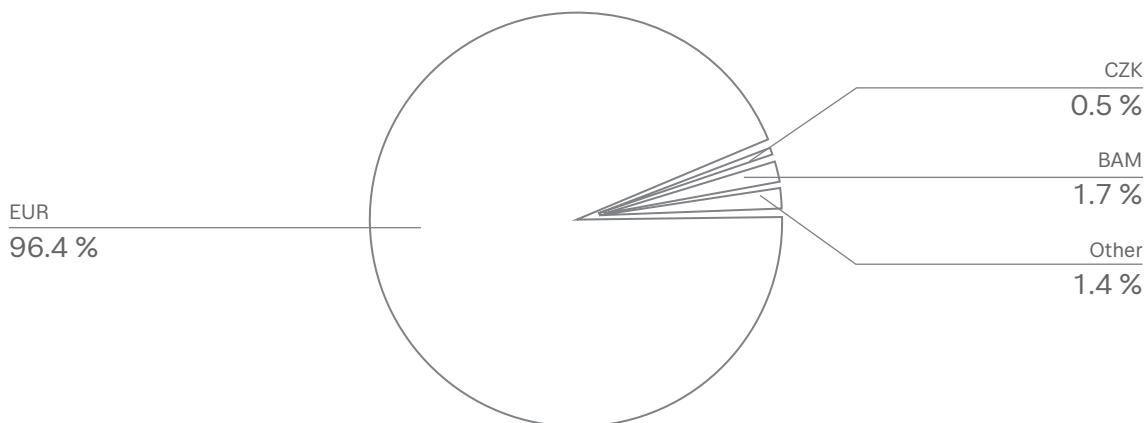
### INDEBTEDNESS

As at 30 June 2024, the total debt of the Podravka Group related to borrowings and other interest-bearing financial liabilities amounted to EUR 59.9m, of which EUR 0.3m relates to long-term borrowings, EUR 41.9m to short-term borrowings, while EUR 17.7m relates



to liabilities for right-of-use assets. The **average weighted cost of debt** on all the stated liabilities as at 30 June 2024 was 1.5%, while if right-of-use assets are excluded it was 0.8%.

#### CURRENCY STRUCTURE OF DEBT AS AT 30 JUNE 2024



Analysing the debt currency structure, the highest exposure, of 96.4%, was in the Euro (EUR). The debt share in the Bosnia and Herzegovina mark (BAM) amounted to 1.7%, in the Czech koruna (CZK) to 0.5%, while the remainder of 1.4% relates to other currencies.

<i>(in EUR millions)*</i>	<b>2023</b>	<b>1 - 6 2024</b>	<b>Δ</b>	<b>%</b>
Financial debt <sup>8</sup>	57.4	59.9	2.5	4.3%
Cash and cash equivalents	42.5	49.1	6.6	15.4%
Net debt <sup>9</sup>	14.9	10.8	(4.1)	(27.3%)
Interest expense	0.68	0.75	0.07	10.1%
Net debt / normalized EBITDA	0.16	0.10	(0.06)	(38.7%)
Normalized EBIT / Interest expense	87.3	100.8	13.5	15.5%
Equity to assets ratio <sup>10</sup>	73.9%	72.2%		-173 bp

\* NOTE: all indicators are calculated in a way that income statement items are calculated at the level of the last 12 months, while balance sheet items are taken at the period end.

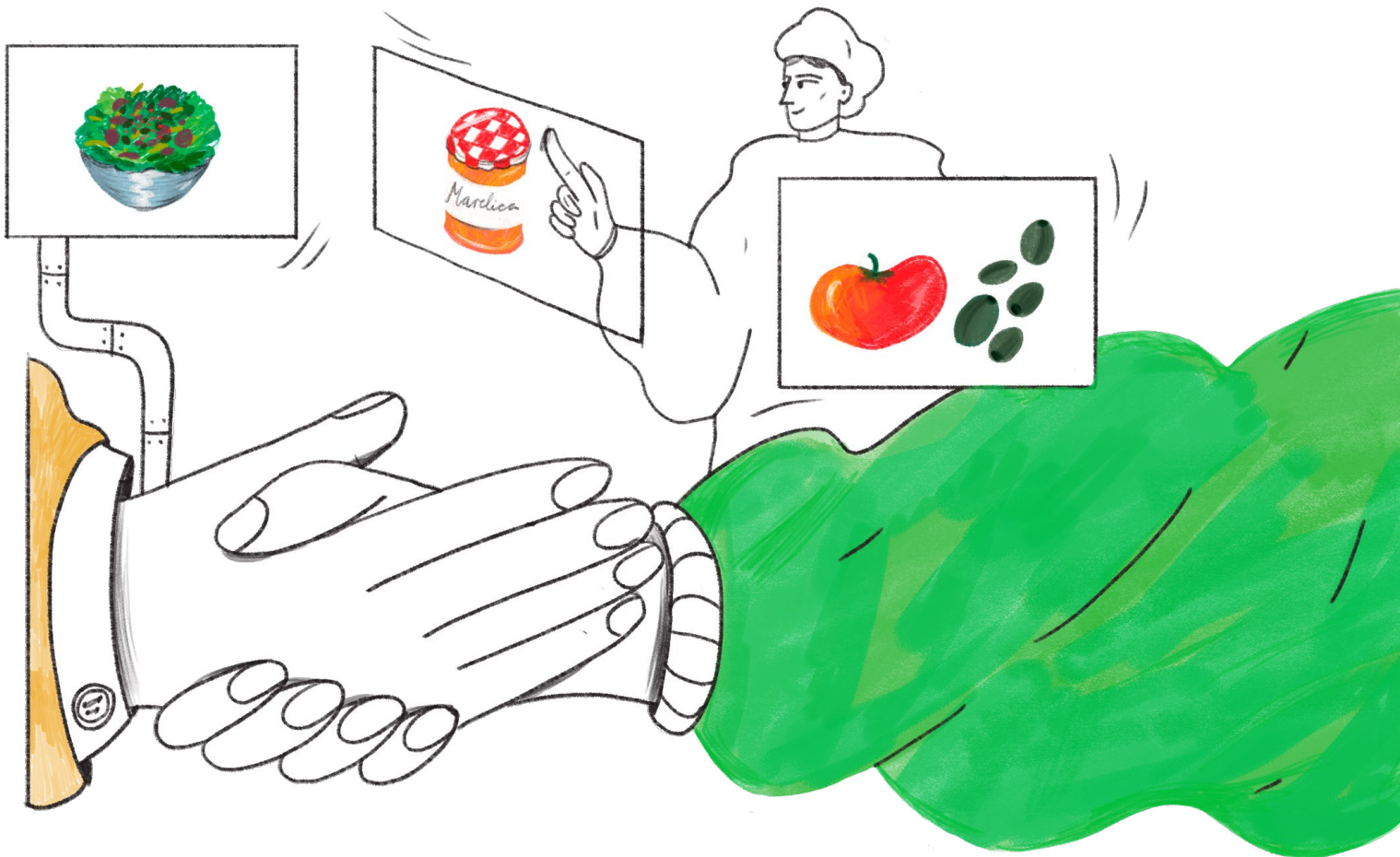
Net debt decrease as at 30 June 2024 compared to 31 December 2023 is the result of an increase in the line item cash and cash equivalents of EUR 6.6m. The increase in normalized EBITDA and the decrease in net debt led to a lower net debt to normalized EBITDA ratio. The increase in normalized EBIT has driven the rise in the interest coverage ratio (Normalized EBIT / Interest expense).

<sup>8</sup> Financial debt: long-term and short-term borrowings + lease liabilities + financial liabilities at fair value through profit or loss. The data is provided in the "Consolidated statements of financial position as at 30 June 2024" section.

<sup>9</sup> Net debt: Financial debt – Cash and cash equivalents.

<sup>10</sup> Equity to assets ratio: total shareholder's equity / total assets. The data is provided in the "Consolidated statements of financial position as at 30 June 2024" section.

# Key highlights of the cash flow statement in 1 - 6 2024



## KEY HIGHLIGHTS OF THE CASH FLOW STATEMENT IN 1 - 6 2024

<i>(in EUR millions)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>Δ</b>
Net cash flow from operating activities	45.1	45.3	0.5%
Net cash flow from investing activities	2.1	(31.1)	n/a
Net cash flow from financing activities	(18.5)	(7.7)	58.1%
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>28.8</b>	<b>6.6</b>	<b>(77.2%)</b>

### NET CASH FLOW FROM OPERATING ACTIVITIES

In the observed period, net cash flow from operating activities amounted to positive EUR 45.3m as a result of operating business and dynamics of movements in the working capital.

### NET CASH FLOW FROM INVESTING ACTIVITIES

Net cash flow from investing activities in the reporting period amounted to negative EUR 31.1m, primarily due to cash capital expenditures in the amount of EUR 39.8m.

The most significant **capital expenditures** in 1 - 6 2024 were related to:

- Continuation of investment activities related to the investment in the construction of a new logistics and distribution centre with the aim of increasing efficiency in the logistics and distribution segment of business through optimization of the number of warehouse spaces, minimization of internal transport, greater control of costs and reduction of carbon dioxide emissions. Investment activities in the first half of 2024 marked the completion of the installation of racks in the high-bay warehouse and the completion of the assembly of logistics and technological equipment,
- Finalisation of investment activities related to the construction of the new tomato factory in continental Croatia. During the first half of 2024, technology and production equipment were installed, and the construction works were completed
- Finalisation of investment activities related to the bakery concentration project in order to improve production efficiency and reduce operating expenses. The investment activities in the first half of 2024 marked the continuation of investments in production equipment, assembly of the received equipment and the expansion of the existing shipping area,
- Continuation of investment activities related to investment in additional solar power plants and reconstruction of the thermal energy production and supply system that will reduce energy consumption. During the first half of 2024, most of the solar panels and inverters were installed. Also, works on the installation of cable routes were carried out,
- Continuation of investment activities in the line for the production of instant noodles, which will ensure the appropriate level of quality through the management of own production (“insourcing”). During the first half of 2024, investment activities consisted





of tenders for technological equipment and implementation of technological trials of recipe development at the supplier of the process line. Also, the main project has been completed and most of the production equipment has arrived,

- Continuation of the investment activities for the project of transitioning the existing SAP system to the SAP S/4HANA version, which will improve operations and efficiency of business processes, primarily those in finance and accounting
- Finalisation of investment activities related to the modernization of the truck fleet aimed at reducing maintenance costs and improving the efficiency, timeliness and reliability of transport and distribution. Also, investment activities related to the purchase of forklifts continued with the aim of reducing maintenance costs, increasing the timeliness, quality and reliability of delivery,
- Finalisation of investment activities related to the 2<sup>nd</sup> and 3<sup>rd</sup> phases of investment in agricultural machinery and irrigation systems with the aim of securing own raw materials and better soil cultivation. During the first half of 2024, most of the agricultural machinery was received, while the delivery of the remainder is expected during July. The investment will contribute to reducing costs of agrotechnical operations,
- Finalisation of investment activities related to the production digitization project of other factories in order to improve production efficiency and reduce operating expenses,
- Continuation of investment activities related to investment in IT technologies for planning and profitability. During the first half of 2024, the design of the desired state of the system was defined. Also, its implementation was initiated. The goal of IT technologies for planning and profitability is to improve business processes, which will result in time savings and a higher level of automation and flexibility,
- Start of investment activities related to the construction of a central facility for transport and maintenance with accompanying facilities. The investment will contribute to improving working conditions and increasing the efficiency of logistics processes.

The above capital expenditures are expected to positively impact the operating profitability increase.

In 2024, expected capital expenditures are at a level of around EUR 90.5m.

## NET CASH FLOW FROM FINANCING ACTIVITIES

In the 1 - 6 2024 period, net cash flow from financing activities amounted to negative EUR 7.7m primarily due to the repayment of lease liabilities, borrowings, and the purchase of treasury shares.



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Share in  
1 - 6 2024



## SHARE IN 1 - 6 2024

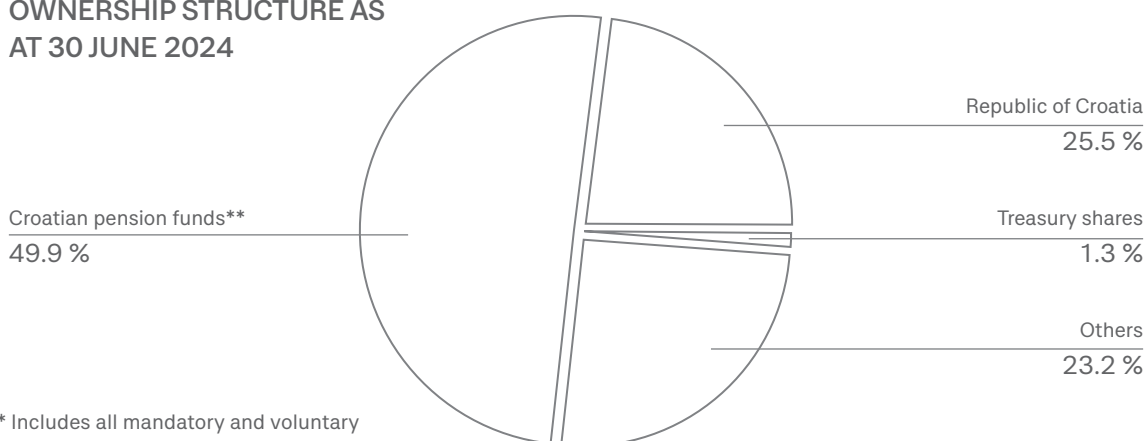
### LIST OF MAJOR SHAREHOLDERS AS AT 30 JUNE 2024

No.	Shareholder	Number of shares	% of ownership
1.	PBZ Croatia Osiguranje mandatory pension fund, category B	1,097,644	15.4%
2.	AZ mandatory pension fund, category B	932,563	13.1%
3.	RSC* - Croatian Pension Insurance Institute	727,703	10.2%
4.	Erste Plavi mandatory pension fund, category B	638,248	9.0%
5.	Raiffeisen mandatory pension fund, category B	625,298	8.8%
6.	RSC* - Republic of Croatia	452,792	6.4%
7.	Capital Fund	406,842	5.7%
8.	Pivac Brothers Meat Industry	370,977	5.2%
9.	Republic of Croatia	167,281	2.3%
10.	OTP banka D.D./aggregate custody accounts	97,035	1.4%
	<b>Other shareholders</b>	<b>1,603,620</b>	<b>22.5%</b>
	<b>Total</b>	<b>7,120,003</b>	<b>100.0%</b>

\* The Restructuring and Sale Centre holds 1,241,504 shares through four accounts, Capital Fund Inc. holds 406,842 shares, the Republic of Croatia additionally holds 167,281 shares on a separate account.

Podravka Inc. has a stable ownership structure where the most significant stake is held by the Republic of Croatia and domestic pension funds. A total of 7,120,003 shares have been issued at nominal price of EUR 30.0 per share. As at 30 June 2024, the Republic of Croatia holds 25.5% stake, and domestic pension funds (mandatory and voluntary) hold a total of 49.9% stake. Podravka Inc. has 1.3% of treasury shares. Podravka Inc.'s shares have been listed on the Prime Market of the Zagreb Stock Exchange and in eight Zagreb Stock Exchange indices (CROBEX, CROBEX10, CROBEXtr, CROBEX10tr, CROBEXprime, CROBEXplus, CROBEXnutris and ADRIAprime).

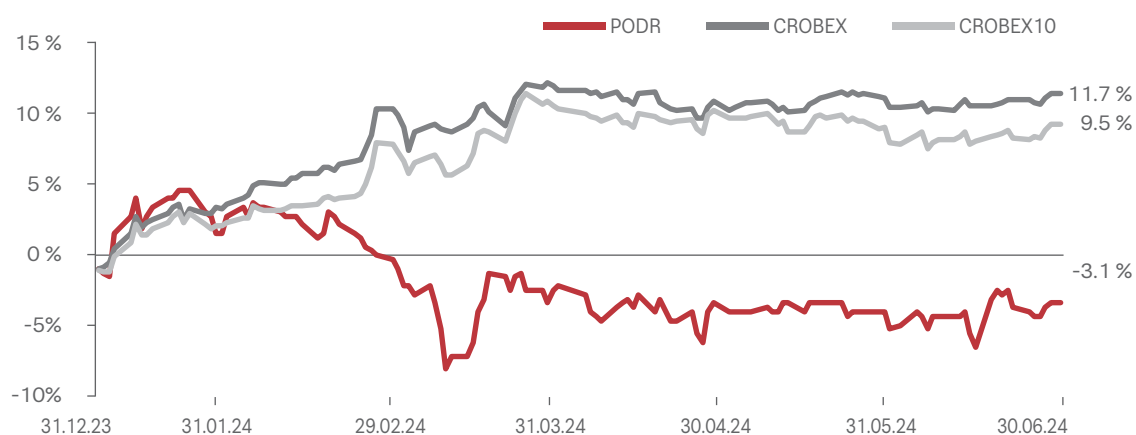
### OWNERSHIP STRUCTURE AS AT 30 JUNE 2024



\*\* Includes all mandatory and voluntary pension funds managed by the pension companies: AZ, ROMF, PBZCO and ERSTE.



## SHARE PRICE MOVEMENT IN 1 - 6 2024



<i>(closing price in EUR; closing points)</i>	<b>31 December 2023</b>	<b>30 June 2024</b>	<b>%</b>
PODR-R-A	163.0	158.0	(3.1%)
CROBEX	2,533.9	2,829.8	11.7%
CROBEX10	1,548.6	1,696.4	9.5%

In the reporting period, the Podravka's share decreased by 3.1% compared to the end of 2023. At the same time, the stock indices grew, where CROBEX increased by 11.7%, while CROBEX10 increased by 9.5%.

## RESULT ON THE CROATIAN CAPITAL MARKET IN 1 - 6 2024

<i>(in EUR; in units<sup>11</sup>)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>%</b>
Weighted average daily price	97.4	161.2	65.5%
Average daily number of transactions	11	11	(4.9%)
Average daily volume	738	615	(16.8%)
Average daily turnover	71,323.1	99,051.3	38.9%

In the 1 - 6 2024 period, the weighted average daily price of Podravka's share recorded an increase of 65.5% relative to the comparative period. Compared to 1 - 6 2023, the average daily number of transactions is 4.9% lower, the average daily volume decreased by 16.8%, and the average daily turnover increased by 38.9%.

<sup>11</sup> The weighted average daily price in the reporting period is calculated as the sum of the weighted average daily prices in the reporting period, multiplied by the daily volume weight. The daily volume weight is calculated as a ratio of daily volume and total volume in the reporting period. The formula, *Weighted average daily price in the reporting period =  $\sum$  average daily price\*(daily volume/total volume in the reporting period)*.

Other indicators are calculated as the average of average daily transactions/volume/turnover in the reporting period. Block trades are excluded from the calculation.



## VALUATION

<i>(in EUR millions; last price and earnings per share in EUR)*</i>	<b>2023</b>	<b>1 - 6 2024</b>	<b>%</b>
Last price	163.0	158.0	(3.1%)
Weighted average number of shares <sup>12</sup>	7,015,732	7,042,882	0.4%
Market capitalization <sup>13</sup>	1,143.6	1,112.8	(2.7%)
EV <sup>14</sup>	1,169.1	1,131.0	(3.3%)
Normalized earnings per share <sup>15</sup>	6.7	8.5	26.7%
EV / sales revenue	1.6	1.5	(7.7%)
EV / normalized EBITDA	12.7	11.3	(11.4%)
EV / normalized EBIT	19.6	14.9	(23.9%)
Last price / normalized earnings per share ratio (P / E)	24.2	18.6	(23.5%)

\* NOTE: all indicators are calculated in a way that income statement items are calculated at the level of the last 12 months, while balance sheet items are taken at the period end.

<sup>12</sup> The weighted average number of shares is calculated on the basis of previous 12 months period by dividing the sum of the weighted number of shares of each individual month by the total number of calendar days in the previous 12 months. The weighted number of shares on a monthly basis is calculated by reducing the total number of issued shares by the amount of treasury shares and multiplying the difference by the number of days of that month.

<sup>13</sup> Market Capitalization: Last price \* Weighted average number of shares.

<sup>14</sup> Enterprise value: Market Capitalization + Net debt + Minority interests.

<sup>15</sup> Normalized earnings per share is calculated in a way that normalized Net income after minority interests is divided with weighted average number of shares. Normalized Net income after minority interests include the last 12 months period.



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# Additional tables for 1 - 6 2024



## ADDITIONAL TABLES FOR 1 - 6 2024

### CALCULATION OF REPORTED AND NORMALIZED EBITDA

EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments to non-current assets. Value adjustments to non-current assets in the reporting and the comparative periods are presented in the table below.

Reported EBITDA calculation (in EUR millions)	1 - 6 2023			1 - 6 2024		
	Group	Food	Pharma	Group	Food	Pharma
<b>Reported EBIT</b>	<b>32.45</b>	<b>15.64</b>	<b>16.80</b>	<b>49.11</b>	<b>27.59</b>	<b>21.51</b>
+amortization and depreciation	15.88	11.45	4.43	16.71	12.20	4.51
+value adjustments	-	-	-	-	-	-
<b>Reported EBITDA</b>	<b>48.33</b>	<b>27.10</b>	<b>21.23</b>	<b>65.82</b>	<b>39.79</b>	<b>26.02</b>

Normalized EBITDA calculation (in EUR millions)	1 - 6 2023			1 - 6 2024		
	Group	Food	Pharma	Group	Food	Pharma
<b>Normalized EBIT</b>	<b>33.12</b>	<b>16.31</b>	<b>16.81</b>	<b>49.35</b>	<b>27.82</b>	<b>21.53</b>
+amortization and depreciation	15.88	11.45	4.43	16.71	12.20	4.51
+value adjustments	-	-	-	-	-	-
<b>Normalized EBITDA</b>	<b>49.00</b>	<b>27.76</b>	<b>21.24</b>	<b>66.06</b>	<b>40.02</b>	<b>26.04</b>

### ONE-OFF ITEMS IN 1 - 6 2024 AND 1 - 6 2023

In the 1 - 6 2024 period, the Food segment incurred EUR 0.17m costs of severance payments for employees, EUR 0.11m of costs related to the restructuring of the Žito Group, and income from the sale of non-operating assets of EUR 0.05m.

The estimated impact of these one-off items on tax of the Food segment is EUR 0.04m (decreases it).

The Pharmaceuticals segment incurred EUR 0.02m costs of severance payments related to long-term sick leaves, and EUR 1.6m related to the final calculation of the used tax incentives for the expansion of the Belupo factory from 2015.

The estimated impact of these one-off items on tax of the Pharmaceuticals segment is EUR 3 thousands (decreases it).

In the 1 - 6 2023 period, the Food segment incurred EUR 0.64m costs of severance payments for employees (long-term sick leaves, the restructuring of the Žito Group, and the restructuring in Poland), EUR 0.02m of income from the sale of non-operating assets, and EUR 0.04m of costs related to the restructuring of the Žito Group.



The estimated impact of these one-off items on tax of the Food segment is EUR 0.11m (decreases it).

In the 1 - 6 2023 period, the Podravka Group received tax incentives on the basis of the Investment Promotion Act in the amount of EUR 19.72m, treated as a one-off item.

In the Pharmaceuticals segment, EUR 1 thousand of severance costs was incurred, related to the restructuring in Russia.

## NORMALIZATION OF THE PROFIT AND LOSS STATEMENT BY SEGMENTS

Reported and normalized profitability (in EUR millions)	1 - 6 2023			1 - 6 2024		
	Group	Food	Pharma	Group	Food	Pharma
<b>Reported gross profit</b>	<b>122.21</b>	<b>82.11</b>	<b>40.10</b>	<b>148.87</b>	<b>102.62</b>	<b>46.26</b>
+cost of restructuring Žito group	-	-	-	0.03	0.03	-
<b>Normalized gross profit</b>	<b>122.21</b>	<b>82.11</b>	<b>40.10</b>	<b>148.90</b>	<b>102.65</b>	<b>46.26</b>
<b>Reported EBITDA</b>	<b>48.33</b>	<b>27.10</b>	<b>21.23</b>	<b>65.82</b>	<b>39.79</b>	<b>26.02</b>
+severance payments	0.64	0.64	0.00	0.19	0.17	0.02
+income from the sale of other asset	(0.02)	(0.02)	-	(0.05)	(0.05)	-
+cost of restructuring Žito group	0.04	0.04	-	0.08	0.08	-
<b>Normalized EBITDA</b>	<b>49.00</b>	<b>27.76</b>	<b>21.24</b>	<b>66.06</b>	<b>40.02</b>	<b>26.04</b>
<b>Reported EBIT</b>	<b>32.45</b>	<b>15.64</b>	<b>16.80</b>	<b>49.11</b>	<b>27.59</b>	<b>21.51</b>
+normalizations above EBITDA level	0.67	0.67	0.00	0.24	0.23	0.02
<b>Normalized EBIT</b>	<b>33.12</b>	<b>16.31</b>	<b>16.81</b>	<b>49.35</b>	<b>27.82</b>	<b>21.53</b>
<b>Reported Net profit after MI</b>	<b>45.19</b>	<b>32.18</b>	<b>13.01</b>	<b>40.24</b>	<b>22.07</b>	<b>18.17</b>
+normalizations above EBIT level	0.67	0.67	0.00	0.24	0.23	0.02
+effect of deferred tax asset	(19.72)	(19.72)	-	(1.60)	-	(1.60)
+estimated impact of normalization on taxes	(0.11)	(0.11)	(0.00)	(0.05)	(0.04)	(0.003)
<b>Normalized Net profit after MI</b>	<b>26.04</b>	<b>13.03</b>	<b>13.01</b>	<b>38.84</b>	<b>22.25</b>	<b>16.59</b>







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**Consolidated  
financial  
statements in  
1 - 6 2024**



**CONSOLIDATED FINANCIAL STATEMENTS IN 1 - 6 2024****CONSOLIDATED PROFIT AND LOSS STATEMENT IN 1 - 6 2024**

<i>(in EUR thousands)</i>	<b>1 - 6 2023</b>	<b>% of sales revenues</b>	<b>1 - 6 2024</b>	<b>% of sales revenues</b>	<b>%change</b>
Sales revenue	346,259	100.0%	380,386	100.0%	9.9%
Cost of goods sold	(224,048)	(64.7%)	(231,511)	(60.9%)	3.3%
<b>Gross profit</b>	<b>122,210</b>	<b>35.3%</b>	<b>148,875</b>	<b>39.1%</b>	<b>21.8%</b>
General and administrative expenses	(24,276)	(7.0%)	(27,083)	(7.1%)	11.6%
Selling and distribution costs	(43,563)	(12.6%)	(47,746)	(12.6%)	9.6%
Marketing expenses	(22,668)	(6.5%)	(25,786)	(6.8%)	13.8%
Other (expenses) / income, net	742	0.2%	847	0.2%	14.1%
<b>Operating profit</b>	<b>32,446</b>	<b>9.4%</b>	<b>49,107</b>	<b>12.9%</b>	<b>51.4%</b>
Financial income	567	0.2%	745	0.2%	31.4%
Other financial expenses	(628)	(0.2%)	(987)	(0.3%)	57.1%
Interest expenses	(189)	(0.1%)	(207)	(0.1%)	9.5%
Net foreign exchange differences on borrowings	(46)	(0.0%)	(58)	(0.0%)	23.9%
<b>Net finance costs</b>	<b>(297)</b>	<b>(0.1%)</b>	<b>(506)</b>	<b>(0.1%)</b>	<b>70.6%</b>
<b>Profit before tax</b>	<b>32,149</b>	<b>9.3%</b>	<b>48,600</b>	<b>12.8%</b>	<b>51.2%</b>
Current income tax	3,120	0.9%	(3,736)	(1.0%)	219.8%
Deferred tax	10,545	3.0%	(3,717)	(1.0%)	135.2%
<b>Income tax</b>	<b>13,665</b>	<b>3.9%</b>	<b>(7,453)</b>	<b>(2.0%)</b>	<b>154.5%</b>
<b>Net profit for the year</b>	<b>45,814</b>	<b>13.2%</b>	<b>41,147</b>	<b>10.8%</b>	<b>(10.2%)</b>
Net profit / (loss) attributable to:					
<b>Equity holders of the parent</b>	<b>45,194</b>	<b>13.1%</b>	<b>40,239</b>	<b>10.6%</b>	<b>(11.0%)</b>
Non-controlling interests	620	0.2%	908	0.2%	(46.3%)



## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

<i>(in EUR thousands)</i>	<b>31 Dec 2023</b>	<b>% share</b>	<b>30 June 2024</b>	<b>% share</b>	<b>% change</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	3,776	0.5%	3,776	0.5%	0.0%
Intangible assets	33,439	4.3%	35,008	4.3%	4.7%
Property, plant and equipment	342,366	44.0%	366,821	44.8%	7.1%
Right-of-use assets	13,200	1.7%	17,381	2.1%	31.7%
Investment property	13,819	1.8%	13,798	1.7%	(0.2%)
Non-current financial assets	5,734	0.7%	5,916	0.7%	3.2%
Deferred tax assets	25,385	3.3%	21,601	2.6%	(14.9%)
<b>Total non-current assets</b>	<b>437,719</b>	<b>56.3%</b>	<b>464,301</b>	<b>56.8%</b>	<b>6.1%</b>
<b>Current assets</b>					
Inventories	150,826	19.4%	160,416	19.6%	6.4%
Trade and other receivables	128,255	16.5%	136,216	16.7%	6.2%
Financial assets at fair value through profit and loss	59	0.0%	0	0.0%	(100.0%)
Debit securities at amortized cost	7,957	1.0%	0	0.0%	(100.0%)
Income tax receivable	3,292	0.4%	600	0.1%	(81.8%)
Cash and cash equivalents	42,528	5.5%	49,087	6.0%	15.4%
Non-current assets held for sale	7,434	1.0%	7,455	0.9%	0.3%
<b>Total current assets</b>	<b>340,351</b>	<b>43.7%</b>	<b>353,774</b>	<b>43.2%</b>	<b>3.9%</b>
<b>Total assets</b>	<b>778,070</b>	<b>100.0%</b>	<b>818,075</b>	<b>100.0%</b>	<b>5.1%</b>



## CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2024

<i>(in EUR thousands)</i>	<b>31 Dec 2023</b>	<b>% share</b>	<b>30 June 2024</b>	<b>% share</b>	<b>% change</b>
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Subscribed capital	213,600	27.5%	213,600	26.1%	0.0%
Capital gains	17,479	2.2%	17,134	2.1%	(2.0%)
Treasury shares	(6,929)	(0.9%)	(8,556)	(1.0%)	23.5%
Reserves	172,144	22.1%	197,741	24.2%	14.9%
Retained earnings / (accumulated losses)	168,056	21.6%	159,790	19.5%	(4.9%)
<b>Attributable to equity holders of the parent</b>	<b>564,350</b>	<b>72.5%</b>	<b>579,709</b>	<b>70.9%</b>	<b>2.7%</b>
Non-controlling interests	10,642	1.4%	10,655	1.3%	0.1%
<b>Total shareholders' equity</b>	<b>574,992</b>	<b>73.9%</b>	<b>590,364</b>	<b>72.2%</b>	<b>2.7%</b>
<b>Non-current liabilities</b>					
Borrowings	534	0.1%	259	0.0%	(51.5%)
Lease liabilities	8,137	1.0%	12,166	1.5%	49.5%
Non-current provisions for employee benefits	7,482	1.0%	7,372	0.9%	(1.5%)
Other non-current provisions	5,068	0.7%	5,136	0.6%	1.3%
Other non-current liabilities	2,427	0.3%	2,366	0.3%	(2.5%)
Deferred tax liability	4,352	0.6%	4,316	0.5%	(0.8%)
<b>Total non-current liabilities</b>	<b>28,000</b>	<b>3.6%</b>	<b>31,615</b>	<b>3.9%</b>	<b>12.9%</b>
<b>Current liabilities</b>					
Trade and other payables	117,091	15.0%	140,603	17.2%	20.1%
Income tax payable	1,845	0.2%	3,756	0.5%	103.6%
Financial liabilities at fair value through profit and loss	9	0.0%	46	0.0%	411.1%
Borrowings	43,507	5.6%	41,916	5.1%	(3.7%)
Lease liabilities	5,254	0.7%	5,544	0.7%	5.5%
Current provisions for employee benefits	7,192	0.9%	4,051	0.5%	(43.7%)
Other current provisions	180	0.0%	180	0.0%	0.0%
<b>Total current liabilities</b>	<b>175,078</b>	<b>22.5%</b>	<b>196,096</b>	<b>24.0%</b>	<b>12.0%</b>
<b>Total liabilities</b>	<b>203,078</b>	<b>26.1%</b>	<b>227,711</b>	<b>27.8%</b>	<b>12.1%</b>
<b>Total equity and liabilities</b>	<b>778,070</b>	<b>100.0%</b>	<b>818,075</b>	<b>100.0%</b>	<b>5.1%</b>



## CONSOLIDATED CASH FLOW STATEMENT IN 1 - 6 2024

<i>(in EUR thousands)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>% change</b>
<b>Profit before tax</b>	<b>32,149</b>	<b>48,600</b>	<b>51.2%</b>
Depreciation and amortization	15,885	16,710	5.2%
Reversal of impairment of given loans and interests	(2)	(2)	0.0%
Reversal of impairment of assets held for sale	0	(4)	(100.0%)
Remeasurement of financial instruments at fair value	16	95	493.8%
Share based payment transactions	252	227	(9.9%)
Profit on sale and disposal of non-current assets	(164)	(27)	83.5%
Profit on sale of assets held for sale	(33)	(53)	(60.6%)
Adjustment for impairment losses of trade and other receivables	(195)	(134)	31.3%
Increase in provisions	(2,119)	(3,105)	(46.5%)
Interest income	(564)	(743)	(31.7%)
Interest expenses	802	1,098	36.9%
Effect of changes in foreign exchange rates	345	(9)	(102.6%)
<b>Total adjustments</b>	<b>14,220</b>	<b>14,245</b>	<b>0.2%</b>
<b>Changes in working capital:</b>			
(Increase) / Decrease in inventories	1,998	(9,590)	(580.0%)
Decrease / (Increase) in trade receivables	(5,613)	(7,054)	(25.7%)
Increase in trade payables	5,906	378	(93.6%)
<b>Cash generated from operations</b>	<b>48,660</b>	<b>46,579</b>	<b>(4.3%)</b>
Income tax paid	(2,740)	(142)	94.8%
Interest paid	(814)	(1,099)	(35.0%)
<b>Net cash from operating activities</b>	<b>45,106</b>	<b>45,338</b>	<b>0.5%</b>



## CONSOLIDATED CASH FLOW STATEMENT IN 1 - 6 2024

<i>(in EUR thousands)</i>	<b>1 - 6 2023</b>	<b>1 - 6 2024</b>	<b>% change</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant, equipment and intangibles	(28,650)	(39,773)	(38.8%)
Proceeds from investing in marketable securities	30,289	8,000	(73.6%)
Proceeds from sale of property, plant, equipment and intangibles	208	141	(32.2%)
Proceeds from sale of assets held for sale	65	53	(18.5%)
Loans given	0	(178)	(100.0%)
Repayment of loans receivable	2	2	0.0%
Interest received	218	700	221.1%
<b>Net cash from investing activities</b>	<b>2,135</b>	<b>(31,053)</b>	<b>(1554.5%)</b>
<b>Cash flow from financing activities</b>			
Dividend pay-out to minority shareholders	0	(895)	(100.0%)
Dividend pay-out	(5)	(8)	(60.0%)
Purchase of treasury shares	(3,020)	(1,757)	41.8%
Sale of treasury shares	581	0	(100.0%)
Proceeds from borrowings	65,745	2	(100.0%)
Repayment of borrowings	(78,333)	(1,625)	97.9%
Repayment of lease	(3,424)	(3,443)	(0.6%)
<b>Net cash from financing activities</b>	<b>(18,456)</b>	<b>(7,726)</b>	<b>58.1%</b>
<b>Net (decrease) / increase of cash and cash equivalents</b>	<b>28,785</b>	<b>6,559</b>	<b>(77.2%)</b>
Cash and cash equivalents at beginning of the year	21,913	42,528	94.1%
<b>Cash and cash equivalents at the end of year</b>	<b>50,698</b>	<b>49,087</b>	<b>(3.2%)</b>



## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY IN 1 - 6 2024

<i>(in EUR thousands)</i>	<i>Subscribed capital</i>	<i>Capital gains</i>	<i>Treasury shares</i>	<i>Other reserves</i>	<i>Retained earnings/ accumulated loss</i>	<i>Total</i>	<i>Non-controlling interests</i>	<i>Total</i>
<b>As at 1 January 2023</b>	<b>207,897</b>	<b>24,780</b>	<b>(5,634)</b>	<b>163,898</b>	<b>128,241</b>	<b>519,182</b>	<b>9,424</b>	<b>528,606</b>
<i>Comprehensive income</i>	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	66,362	66,362	1,218	67,580
Foreign exchange differences	-	-	-	5	-	5	-	5
Actuarial losses (net of deferred tax)	-	-	-	86	-	86	-	86
Other comprehensive income	-	-	-	91	-	91	-	91
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>91</b>	<b>66,362</b>	<b>66,453</b>	<b>1,218</b>	<b>67,671</b>
<i>Transactions with owners recognized directly in equity</i>	-	-	-	-	-	-	-	-
Allocation from retained earnings	-	-	-	8,155	(8,155)	-	-	-
Additional acquisition of minority interests	-	-	-	-	-	-	-	-
Exercise of options	-	(2,430)	3,955	-	187	1,712	-	1,712
Fair value of share-based payment transactions	-	832	-	-	-	832	-	832
Purchase of treasury shares	-	-	(5,250)	-	-	(5,250)	-	(5,250)
Dividends paid	-	-	-	-	(18,579)	(18,579)	-	(18,579)
Adjustment of Issued Capital and Shares - EUR	5,703	(5,703)	-	-	-	-	-	-
<b>Total transactions with owners recognized directly in equity</b>	<b>5,703</b>	<b>(7,301)</b>	<b>(1,295)</b>	<b>8,155</b>	<b>(26,547)</b>	<b>(21,285)</b>	<b>-</b>	<b>(21,285)</b>
<b>As at 31 December 2023</b>	<b>213,600</b>	<b>17,479</b>	<b>(6,929)</b>	<b>172,144</b>	<b>168,056</b>	<b>564,350</b>	<b>10,642</b>	<b>574,992</b>
<i>Comprehensive income</i>	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	40,239	40,239	908	41,147
Foreign exchange differences	-	-	-	(34)	-	(34)	-	(34)
Actuarial losses (net of deferred tax)	-	-	-	-	-	-	-	-
Other comprehensive income	-	-	-	(34)	-	(34)	-	(34)
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(34)</b>	<b>40,239</b>	<b>40,205</b>	<b>908</b>	<b>41,113</b>
<i>Transactions with owners recognized directly in equity</i>	-	-	-	-	-	-	-	-
Allocation from retained earnings	-	-	-	25,631	(25,631)	-	-	-
Exercise of options	-	(572)	130	-	(90)	(532)	-	(532)
Fair value of share-based payment transactions	-	227	-	-	-	227	-	227
Purchase of treasury shares	-	-	(1,757)	-	-	(1,757)	-	(1,757)
Dividends paid	-	-	-	-	(22,784)	(22,784)	-	(22,784)
<b>Total transactions with owners recognized directly in equity</b>	<b>-</b>	<b>(345)</b>	<b>(1,627)</b>	<b>25,631</b>	<b>(48,505)</b>	<b>(24,846)</b>	<b>(895)</b>	<b>(25,741)</b>
<b>As at 30 June 2024</b>	<b>213,600</b>	<b>17,134</b>	<b>(8,556)</b>	<b>197,741</b>	<b>159,790</b>	<b>579,709</b>	<b>10,655</b>	<b>590,364</b>

## NOTES TO THE FINANCIAL STATEMENTS

*In 1 - 6 2024 period there were no changes in accounting policies.*

*The audited Annual report of the Podravka Group for 2023 are available at:*

*<https://www.podravka.com/investors/financial-reports/>*

## IMPLICATIONS OF THE RUSSIAN-UKRAINIAN CRISIS ON THE PODRAVKA GROUP'S OPERATIONS

The Russian market is important for the Pharmaceuticals segment in terms of total sales revenues but also profitability, while in the Food segment the Russian market is not so significant in terms of total sales revenues or in terms of profitability. Management of Podravka Inc. continuously considers all risks associated with the Russian-Ukrainian conflict and assesses that these risks do not threaten Podravka Group's operations stability.





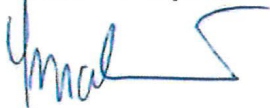
Koprivnica, July 15<sup>th</sup> 2024

STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARATION OF  
FINANCIAL STATEMENTS

According to our best knowledge unaudited consolidated financial statements of Podravka Group for the period 1 - 6 2024 have been prepared in compliance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards as adopted by the European Union (EU IFRS) and provide an overall and true presentation of assets, liabilities, profit and loss, financial position and business operations of Podravka Group and all subsidiaries involved in the consolidation.

Corporate Accounting Director:

Dalibor Smoljanović



Board Member:

Davor Doko



**Podravka**  
PREHRAMBENA INDUSTRIJA D.D.  
KOPRIVNICA 286



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