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PRESS RELEASE

Podravka increases salaries, for the second time in less than a year

The new increase brings net salary increase between HRK 350 and HRK 800, meaning Podravka is investing more than HRK 35 million in salary increase.

In less than a year, net salaries of workers rose between HRK 980 and HRK 1150, or between 18 % and 28 %.

Today, the Management Board of Podravka d.d. passed decisions to again increase the salaries and remuneration of more than 3,200 employees of the Podravka Group. This is the second salary increase in less than a year and it applies from March 1, 2022 for the payment in April.

Today's decisions mean that the salaries of Podravka and Mirna workers will increase between HRK 350 and HRK 800 net on average from March 1. Taking into account the first wave of salary increases from April 2021, the net salaries of Podravka and Mirna workers in less than a year increased between HRK 980 and 1,150 on average, or between 18% and 28% on average, depending on their qualifications and working conditions.

The new salary increase raises the investment in employee salaries by around HRK 35 million annually. The first wave of salary increases raised the investment in salaries by HRK 21 million, so Podravka invested a total of more than HRK 55 million in workers' salaries in less than a year.

"I am very happy that we have significantly increased the salaries and remuneration of workers for the second time in less than a year. For me, the salary increase was one of the most important goals I set for myself when I came to Podravka. Today's decisions show that this goal, although ambitious, is achievable and realistic. I would like to thank all the unions at Podravka for their contribution towards shaping these decisions. I believe that in this way we have further improved the attractiveness of Podravka as a desirable employer for professional and ambitious workers. Decisions on salary increases are based on the business results we have achieved in the past year, with which we can be very satisfied. I firmly believe that workers need to participate in the success and results of the company and this salary increase proves it." - said Martina Dalić, President of the Management Board of Podravka.

Today's increase in salaries decided by the Management Board of Podravka results from the increase in the performance coefficient for all employees and the increase in specific job complexity coefficients. It should be emphasized that part



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of the increase in the coefficients of complexity refers to the opening of opportunities for the advancement of the most productive and efficient employees with higher education. The increase in the coefficient of performance from 1.15 to 1.30 for all workers and the increase of part of the coefficients for skilled and highly skilled workers will apply from March 1st, while the increase of part of the coefficients for higher education employees, based on their individual work results, will apply from May 1.

The salaries of more than 1,000 of the employees of Belupo, as a member of the Podravka Group, will increase by HRK 250 net per month with the payment of non-taxable monthly allowance, on which the Belupo Management Board will issue appropriate decisions, and their implementation is also expected as of March 1, 2022.

The Management Board of Podravka thanked the representatives of all trade unions operating within the Podravka Group - PPDIV, the Independent Trade Union of Podravka and the SINPOD Trade Union of the Podravka Concern, for the constructive and productive dialogue and their support in increasing the coefficient of work complexity through the amendments to the Collective Agreement of the Podravka Group and the Collective Agreement of the Mirna signed in Koprivnica today.

In addition to decisions on salary increase, the Management Board has in the past period made a number of decisions related to improving working conditions in almost all production and business units. In this, the decision to invest in air conditioning for production facilities worth about HRK 12 million (factories: Kalnik, Danica, Kokteli, Dječja hrana and Mlin) stands out, and the completion of the installation of air conditioning equipment is expected in May 2022.