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Podravka adopts new Business Strategy through 2030

The Strategy includes a strong expansion into foreign markets, new investments in Agriculture and Pharmaceuticals, and further development of the food portfolio and global brands such as Vegeta

The Podravka Group has adopted a new Business Strategy through 2030, covering all three business segments – Food, Agriculture, and Pharmaceuticals – with the aim of continuing profitable growth, strengthening market positions, and creating added value for all stakeholders, including consumers, employees, shareholders, and the community. The Strategy focuses on growth driven by productivity, innovation, sustainability, and investment in modern technologies, with a strong emphasis on international expansion and competitiveness.

The Strategy is based on a comprehensive approach to development – from expanding the strength, presence, and recognition of our brands, further investments in production capacity, especially in agriculture, digitalization, and the use of artificial intelligence, to strengthening the domestic raw material base and cooperation with contract farmers. The Podravka Group will continue to be a responsible and desirable employer, investing continuously in employee development, working conditions, and compensation, while also contributing to the community through various socially responsible projects.

Food – Internationalization, Vegeta as a Global Brand and Domestic Raw Materials

In the Food segment, as one of the leading food companies in southeast Europe, Podravka plans to further strengthen the presence and expansion of its brands – Vegeta, Lino, Lino Lada, Podravka, O'Plant and Zik Zak – in developed markets such as Germany, Austria, Switzerland, the USA, and Australia, while maintaining its strong position in Croatia and the region. The strategic focus in the coming period will be on high-potential and high-profitability categories – universal food seasonings, soups, cereals (Čokolino), and creamy spreads. At the same time, strong development is planned for categories and brands whose potential has been enhanced through the recently completed investment cycle, especially tomato-based products, ready meals, bakery snacks, fish salads, and frozen foods.

A key strategic priority over the next five years is to position Vegeta as a global brand through further internationalization and the expansion of the product range marketed internationally under the Vegeta brand.

In all business segments, Podravka will continue to focus on business sustainability, environmental responsibility, and the promotion of healthy eating habits. This includes increasing the production and use of domestic agricultural raw materials with the aim

of achieving self-sufficiency in all raw materials that can be grown under local climate and agricultural conditions. Accordingly, the network of contract farmers for fruit and vegetable production will continue to expand, optimally leveraging synergies with Podravka's agricultural segment – Podravka Agri.

The Strategy also includes strengthening digitalization and automation, including the application of artificial intelligence in production processes, as well as developing the portfolio in line with food trends – healthier food, local and seasonal ingredients, and health-conscious products adapted to a fast-paced lifestyle. Since the €250 million investment cycle in the technological, logistical, and IT modernization of the Food segment was completed at the beginning of 2025, future investments over the next five-year period will remain at typical levels to ensure efficient technology usage and adaptation to consumer needs.

Agriculture – €200 Million Investment and Green Transformation

Podravka Agri – the newly integrated business segment – is at the center of ambitious modernization and sustainability plans. By 2030, investments of nearly €200 million are planned for technological development, energy efficiency, new farms and the expansion of irrigation systems. The goal is to increase the share of irrigated land from 8% to 21% and to maximize crop yields in arable and vegetable farming.

In livestock farming, the largest part of the Agri business, the plan includes building four new pig farms and increasing the production of fattened pigs by 20% annually. In cattle farming, the production of beef cattle is expected to grow by 25%. Farm modernization will include robotics and biosafety measures.

Podravka Agri plans to significantly increase the use of renewable energy sources and its own organic matter, as well as develop carbon-neutral agricultural models based on a circular bioeconomy. The focus will also be on cooperation with contract farmers, strengthening brands like Baranjka and ABC and expanding distribution in Croatia and abroad.

Pharmaceuticals – Belupo as a European Leader in Dermatology

By 2030, Belupo aims to become the leading European expert in dermatology and a strong regional player in the OTC (over-the-counter) market, as well as in cardiology, psychiatry and neurology. Key growth markets include central and southeast Europe, with an expansion into Western markets through dermatology and partnerships.

The Strategy includes €36 million in investments to increase production and logistics capacities and improve business efficiency. An essential part of the planned investments is the establishment of a Center of Excellence in Dermatology.

Belupo will also continue to invest in sustainability, including the use of renewable energy sources and recyclable packaging, as well as strengthening ties with the local community. Focus areas also include employee career development, the development

of innovative products and improved communication with patients and healthcare professionals.

With the 2030 Business Strategy, the Podravka Group clearly defines its ambition to become an even stronger international player, relying on its own excellence, high added value and responsible business practices. In a time of global challenges, Podravka positions itself as an agile company that not only follows, but also leads production and business trends.