

Address by Martina Dalić, President of the Management Board of Podravka Inc., to the shareholders of Podravka Inc. on the occasion of the General Assembly held on July 10, 2025, in Koprivnica

Dear Shareholders of Podravka,

in 2024, Podravka achieved historic results. And not only in terms of revenue, profit, and market share, but also through the depth of our transformation, the strength of our strategic strides, and our responsibility toward all stakeholders — as we laid the foundation for continued growth and development in the coming years. It was a year in which we elevated Podravka's business to a new, even higher level — operationally, financially, organizationally, and strategically.

Among all achievements, the most important strategic move — the one that further differentiates and strengthens us in the long term — was the acquisition of agricultural companies Belje, Vupik, and PIK Vinkovci and the establishment of a new business pillar - Agriculture, or Podravka Agri. With this, we took responsibility for more than 3% of all arable land in Croatia, 50% of Croatian pig production, 18% of cattle production, 11% of milk production, and 6% of wine production. Alongside the Food segment, led by Podravka Inc., and Pharmaceuticals, represented by Belupo, Agriculture led by Podravka Agri has become the third business pillar of the Podravka Group. Following the completion of this acquisition, the Podravka Group now employs over 8,800 people, and investing in our people and their job satisfaction continues to be one of our enduring priorities. By successfully concluding this demanding process, we reaffirmed our commitment to the development of the Croatian economy and domestic agriculture. This acquisition is also an opportunity for us to collectively build a sustainable and successful future for the Podravka Group and all its members.

Credit for all that we accomplish goes to you as well. I would therefore like to thank you for the trust and support you have shown through your investment in our shares. **As of today, Podravka has 12,399 shareholders (12,283 individuals and 116 legal entities)** — each of whom we regularly inform through the Zagreb Stock Exchange, our website, and the media about our plans, activities, and results. The annual General Assembly is an opportunity to give you a comprehensive overview of everything we have done and achieved in the past year.

In 2024, the Podravka Group achieved sales revenues of EUR 766.5 million, representing a 7.4% increase compared to the previous year. At the same time, net profit amounted to EUR 73.9 million, marking a growth of 11.3%, while EBITDA reached EUR 116.8 million. This is the first time in the Group's history that EBITDA has exceeded EUR 100 million, representing a 27% increase compared to 2023. These results reflect a clear growth strategy, operational excellence, and the dedication of all our employees.

I am particularly proud that growth was achieved in both key business segments — Food, where revenues reached EUR 591.6 million and EBITDA grew by 34.5% to EUR 70.6 million,

and Pharmaceuticals, where Belupo recorded a revenue increase of 9.2%, amounting to a total of EUR 174.9 million.

Our strategy is strongly export-oriented. In the Food segment, nearly 70% of revenue comes from international markets. Export revenues grew by 7.4% in 2024, with strong contributions from Western Europe, North America, and Australia. Examples like a 57.2% sales increase in Germany and a 34.6% increase in the USA, Canada, and Australia confirm that the market and pricing adjustments made in previous years are now delivering tangible results.

In Pharmaceuticals, Belupo saw an 8% increase in foreign sales and an 11% increase in domestic sales, alongside a 17.1% rise in normalized EBITDA and a 22.2% increase in net profit. All of this was achieved in a challenging environment in which we successfully maintained stability and profitability.

Last year, we completed the largest investment cycle in Podravka's history — nearly EUR 250 million was invested in 11 new production lines and 15 packaging lines, a new pasta factory, a tomato processing facility, a solar power plant, a modern logistics and distribution center, and the digitalization of all factories and administrative processes. Today, we have facilities that are technologically on par with the best in the European Union, and these investments not only guarantee quality and competitiveness, but also lay the foundation for further growth.

In 2024, we managed to ensure that all tomato processing was done using exclusively domestic raw materials — either our own or from our partners. This year, we are raising the bar and plan to process as much as 40,000 tons of tomatoes, fully utilizing the capacity of our newly built plant in Varaždin.

Alongside physical modernization, we also implemented a digital transformation — including a successful transition to SAP S/4HANA in 23 companies within the Group. This is the most complex project in our digital transformation journey, and our work on it continues.

Furthermore, our goal is to foster a competitive, modern, and sustainable Croatian agriculture based on modern mechanization, digitalization, irrigation systems, and partnerships with farmers. We have already launched an investment cycle worth EUR 33 million for the purchase of state-of-the-art agricultural equipment, and by 2030 we plan total investments in Podravka Agri exceeding EUR 200 million. Most of these investments will go toward building four new farms, modernizing existing ones, expanding the animal feed factory, and irrigation projects.

In the Pharmaceutical sector, Belupo has also launched a new investment cycle worth EUR 36 million, including the expansion of production and logistics capacities and the establishment of a Center of Excellence for Dermatology — a strategic area where Belupo plans to further strengthen its position.

Over the past year, we continued to invest heavily in our people, and 2024 marked the first year of implementing a new salary system and entirely new compensation, motivation, and pay level structures. The new system is based on job complexity and enables performance- and competency-based rewards. As a result, the average salary at Podravka Inc. has

increased by 63% compared to the end of 2021, while the lowest wages in Podravka Agri companies have risen by up to 16%. The new work organization, digitalized processes, continuous education and investments in skills have enabled us to act faster, more efficiently and with a greater sense of responsibility.

The Podravka Group's business strategy through 2030, as in the previous four-year period, is focused on growth and strengthening our market positions. Accordingly, this year we aim to grow in all three of our business pillars — Food, Agriculture, and Pharmaceuticals.

We are focusing on stronger breakthroughs in developed markets in Europe and the USA, while maintaining our positions in the domestic and regional markets and focusing on higher-margin product categories. After completing the largest investment cycle in Podravka's history, worth EUR 250 million, we aim to fully leverage the opportunities these investments have created for increased production, portfolio expansion, and productivity in the Food segment, while also beginning new significant investments in Agriculture and Pharmaceuticals.

Our business strategy is based on sustainable growth that takes into account the environment and the community. Sustainability is integrated into every segment of our business — we promote healthy eating habits, develop products with reduced salt and sugar content, use recyclable packaging, invest in renewable energy sources, and reduce the use of mineral fertilizers. I take special pride in our investments in solar power and biogas, which contribute to the green transition of Croatian industry. Upon completion of the second phase of the solar energy project, Podravka Inc. will cover 24% of its electricity needs from its own renewable sources.

In closing, I want to sincerely thank all of you — our shareholders, for believing in our strategy, and all employees of the Podravka Group for their dedicated work, creativity, responsibility, and daily commitment to our business goals.

Together, we continue to build Podravka — a strong, internationally recognized, financially stable, and socially responsible company.

Martina Dalić, PhD

President of the Management Board of Podravka Inc.

