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PRESS RELEASE

Podravka Group adopts three-year business plan for 2022–2024

The three-year business plan also includes the three-year investment plan

At today's session, the Supervisory Board of Podravka d.d. has given its approval to the Management Board for the Podravka Group three-year business plan. With this, the Podravka Group has for the first time in its history received an operational business plan for a three-year period that is based on the previously adopted Strategic Plan to 2025. The adopted three-year plan follows the guidelines and objectives laid down in the strategy, providing a detailed overview of all business activities planned for both divisions of the Podravka Group – Food and Pharmaceuticals – for the forthcoming period.

In addition to the adopted three-year business plan, the Supervisory Board also adopted the report on the implementation of the five-year strategic plan of the Podravka Group that was passed in June of this year, and expressed its satisfaction with the activities implemented thus far.

An integral part of the newly adopted three-year business plan is the three-year investment plan. Based on the investment plan, preparations are strongly underway to construct the new logistics distribution centre, one of the largest capital investments in the forthcoming period. The Podravka Management Board, with the consent of the Supervisory Board, has passed the decision selecting the Danica business zone in Koprivnica as the site of the new logistics distribution centre (LDC). This site is in the direct vicinity of the Podravka factories, and enables a connection with the existing export warehouse.

Furthermore, it was decided that the logistics distribution centre will be semi-automated, with different temperature zones, and with a capacity of nearly 67,000 palette spots intended for finished product, raw materials and packaging. The new LDC has been designed to have capacities that will



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accommodate the forecast growth in sales and warehouse facility demand in the next ten years.

In line with the decisions associated with the new LDC, the project to optimise logistics processes is continuing after it was launched in the middle of 2021, following detailed analyses of the supply chain and the established measures to improve these processes.

Currently, the process to prepare the technical documentation and obtain permits are underway, and planned for completion by autumn 2022 so as to pass the decision on the start of works to build the new LDC.

With the execution of this project, the multiple warehouses facilities that are currently in use at 18 different locations to store finished products, raw materials and packaging will be consolidated into one site. This will significantly improve the effectiveness of the logistics and distribution processes, improve overall efficiency of the Podravka Group, and further improve business competitiveness in the forthcoming period.

The construction and use of this new logistics distribution centre will also have a positive impact on the environment, by reducing CO₂ emissions thanks to the significantly reduced need for internal truck transport in the Koprivnica area.