

PODRAVKA Inc.  
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Ticker: PODR-R-A  
ISIN: HRPODRRA0004  
LEI: 549300TMC6BYESPQ7W85  
Home Member State: Croatia  
Regulated market segment: Prime Market of the Zagreb Stock Exchange

Koprivnica, July 26<sup>th</sup> 2024

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## Podravka and Fortenova group sign sales agreement for acquisition of Belje, PIK Vinkovci and Vupik

Following successful conclusion of negotiations, Podravka and Fortenova group signed a sale and purchase agreement on Friday for the purchase of Fortenova group's agricultural segment, which includes Belje, PIK Vinkovci, Vupik, Energija Gradec, Belje, Agro-Vet and Felix.

The transaction is valued at 333 million euros and Podravka will finance this acquisition through loans from commercial banks, with the European Bank for Reconstruction and Development (EBRD) expected to be a partner in the transaction.

Agricultural production, along with Food and Pharmaceuticals, is becoming a new pillar of Podravka Group's business. To this end, Podravka has established a new company - Podravka Agri, which will manage Belje, Vupik, PIK Vinkovci and other entities. The acquired companies will continue to operate as independent trading companies within the structure of the Podravka Group, managed by the newly established company Podravka Agri. In this way, the acquired agricultural companies will retain their unique identity while benefiting from being part of a strong and successful group.

The newly established Podravka Agri is expected to have a minority share owned by EBRD, with Podravka itself holding more than 80 percent. This anticipated partnership with EBRD will facilitate the transfer of additional knowledge and the best global practices in managing agricultural companies. It will also support the introduction of good corporate governance practices and efficient management procedures within these agricultural companies.

The successful realization of this acquisition will strengthen Podravka Group's position as one of the most significant and largest domestic companies, with the majority of its revenue generated from international markets. Moreover, this acquisition represents a further advancement and strengthening of the collaboration between Podravka Group and Fortenova group. It involves the continuation of business relationships that Belje, Vupik and PIK Vinkovci have with other companies within the Fortenova group, particularly PIK Vrbovec, Zvijezda and Jamnica.

"By acquiring Belje, Vupik and PIK Vinkovci, the Podravka Group welcomes good companies with a clear vision for further development. This acquisition signifies modernization and increased efficiency in crop and vegetable

production, adherence to the highest European standards in livestock farming, improved relationships and expanded network of cooperatives, and a strengthened market presence of the Belje and Baranjka brands. These goals cannot be achieved overnight, but Podravka's current success and strength assure that our plans for these companies are both realistic and attainable. Honoring the long-standing traditions of agricultural production - centuries-long in the case of Belje - we will continue to develop these companies as leaders in Croatian agriculture and models of best practices in crop and livestock production and viticulture. We will manage them with the same ambition that drives the Podravka Group today and I believe that their employees will recognize our shared values. One of the most important values of the Podravka Group is its people, which means that workers and the improvement of their material status will remain our priority", **said Martina Dalić, President of the Management Board of Podravka.**

To complete this transaction, approvals from the Competition Agency and regulatory agencies in Southeast European markets are required.

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