



*Podravka*  
*Group*  
business  
results for  
January -  
March 2022  
UNAUDITED

# Content

- 3 Key financial indicators  
in 1 – 3 2022
- 5 Significant events in 1 – 3 2022 and  
after the balance sheet date
- 14 Overview of sales revenues  
in 1 – 3 2022
- 20 Profitability  
in 1 – 3 2022
- 24 Key highlights of the  
income statement in 1 – 3 2022
- 27 Key highlights of the balance sheet  
as at 31 March 2022
- 30 Key highlights of the  
cash flow statement in 1 – 3 2022
- 32 Share in 1 – 3 2022
- 36 Additional tables for 1 – 3 2022
- 42 Consolidated financial statements  
in 1 – 3 2022
- 50 Statement of responsibility
- 51 Contact



Key financial  
indicators  
in 1 – 3 2022

## Key financial indicators in 1 – 3 2022

(in HRK millions)	1 – 3 2021	1 – 3 2022	Δ	%
Sales revenue	1,079.7	1,172.6	92.9	8.6 %
EBITDA <sup>1</sup>	184.5	170.3	(14.2)	(7.7 %)
Net profit after MI	105.2	88.8	(16.4)	(15.6 %)
Net cash flow from operating activities	190.6	317.6	127.0	66.6 %
Cash capital expenditures	18.8	63.4	44.6	237.8 %
Normalized EBITDA <sup>2</sup>	184.9	170.8	(14.1)	(7.6 %)
Normalized net profit after MI	105.5	89.2	(16.4)	(15.5 %)

(in HRK; market capitalization in HRKm)	31.12.2021	31.03.2022	Δ	%
Net debt / normalized EBITDA	0.8	0.4	(0.4)	(50.9 %)
Normalized Earnings per share	43.4	41.0	(2.4)	(5.4 %)
Last price at the end of period	632.0	624.0	(8.0)	(1.3 %)
Market capitalization	4,429.2	4,376.3	(52.9)	(1.2 %)
Return on average equity <sup>3</sup>	8.8 %	7.9 %		-86 bp
Return on average assets <sup>4</sup>	6.3 %	5.9 %		-49 bp

NOTE: Decimal differences in the document are possible due to rounding.

### Key highlights in 1 – 3 2022:

- In 1 – 3 2022, the Podravka Group recorded a revenue increase of HRK 92.9m (+8.6 %), where the Food segment revenues increased by HRK 91.6m (+10.8 %), while the Pharmaceuticals segment revenues increased by HRK 1.3m (+0.6 %),
- Operating profit before depreciation and amortization (EBITDA) declined by HRK 14.2m (-7.7 %) while net profit was lower by HRK 16.4m (-15.6 %). Significant negative effect on the Podravka Group's profitability came from price surge of raw materials and supplies in the Food segment, estimated at HRK 41,8m<sup>5</sup>, as well as from the unfavorable movements in foreign exchange differences on trade receivables and trade payables (HRK -24.1m in 1 – 3 2022; HRK +3.8m in 1 – 3 2021) in the Pharmaceutical segment which can be related to Ukrainian crisis,
- Deleveraging at the Podravka Group level continued by a decrease in total borrowings by HRK 63.1m. At the end of reporting period, net debt<sup>6</sup> amounted to HRK 222.0m., while the the leverage (net debt to normalized EBITDA ratio) for the reporting period was 0.4.

<sup>1</sup> Reported EBITDA is calculated in a way that EBIT was increased by the depreciation, amortization and value adjustments of the non-current assets.

<sup>2</sup> Normalized EBITDA is calculated in a way that normalized EBIT was increased by the depreciation and amortization.

<sup>3</sup> Normalized. Return on average equity is calculated in a way that normalized Net income is divided by average total shareholder's equity. Average total shareholder's equity is a sum of total shareholder's equity on the last day of reporting period (31.3.2022) and comparative period (31.12.2021) divided by 2. Normalized Net income include the last 12 months period.

<sup>4</sup> Normalized. Return on average assets is calculated in a way that normalized Net income is divided by average total asset. Average total asset is a sum of total asset on the last day of reporting period (31.3.2022) and comparative period (31.12.2021) divided by 2. Normalized Net income include the last 12 months period.

<sup>5</sup> Obtained as used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2022 – used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2021.

<sup>6</sup> Net debt = Financial debt - Cash and Cash equivalents.

Significant  
events  
in 1 – 3 2022  
and after the  
balance sheet  
date





**Supervisory Board of Podravka Inc. appointed new Management Board under the continued leadership of Martina Dalić**

At the session of the Podravka Inc. Supervisory Board held on 4<sup>th</sup> February 2022, the decision was made to appoint the Management Board that will lead the company in the five-year mandate, starting from 24<sup>th</sup> February 2022. The Supervisory Board appointed Martina Dalić, PhD the President of the Management Board, and previous Board members Davor Doko and Ljiljana Šapina received new mandates. The new Management Board members are Milan Tadić, previously Podravka's Head Director for the Adria Region, and Ivan Ostojić, a member of the Management Board of Wüstenrot stambena štedionica and member of the Podravka Supervisory Board, whose mandate will begin as of 1<sup>st</sup> July 2022.



As of 24<sup>th</sup> February 2022, the President of the Management Board of Belupo Inc., Hrvoje Kolarić, no longer holds the position of a member of the Management Board of Podravka Inc., which will put a greater focus of Belupo Inc. Management Board on the pharmaceutical business. The Management Board of Belupo Inc. has also been strengthened since 24<sup>th</sup> February 2022 with the former member of Podravka Inc. Management Board, Marko Đerek, whereby the number of Belupo Inc. Management Board was increased to three. Belupo Group operations will be supervised at the operational level through the functions of the President of the Management Board of Podravka Inc. and a member of the Management Board for Finance of Podravka Inc. and the Strategic Business Development sector of Podravka Inc.

### **Impact of the Ukrainian crisis on the Podravka Group**

In 2021, the Podravka Group generated less than 6.5 % of total revenues in the markets of Russia and Ukraine. The Russian market is of great importance for the Pharmaceuticals segment in terms of total sales revenues and profitability, while in the Food segment the Russian market is not so significant in terms of total sales revenues or in terms of profitability. Consequently, in the period 1 – 3 2022, the overall developments in Russia and Ukraine had a negative impact on the profitability of the Pharmaceuticals segment, while there was no significant impact on the profitability of the Food segment. Following the introduction of EU sanctions against Russia, difficult flow of goods and cash flows and high volatility of the ruble exchange rate, at the end of February the Podravka Group discontinued all deliveries to Russia. All receivables until then had been secured, there were no problems with the collection of receivables, but the conversion of the Russian ruble was disabled for some time, which coupled with the exchange rate volatility resulted in foreign exchange losses (the impact of foreign exchange differences is explained in the Profitability in 1 – 3 2022 section). The Podravka Group was not exposed in its operations to banks owned by legal entities from Russia.

### **The impact of movements of prices of raw materials, supplies and energy on the Podravka Group's operations**

After a sharp increase in the prices of raw materials, supplies and energy in the second half of 2021 due to a recovery in demand following the weakening of the pandemic and due to disruptions in supply chains, the Ukrainian crisis caused an additional rise in all prices of raw materials, supplies and energy in 1 – 3 2022. For example, compared to the beginning of 2021, the stock exchange price of natural gas is higher by 515 %, wheat by 67 %, soybean oil by 65 %, skimmed milk powder by 60 %, etc.<sup>7</sup> These trends had a significant negative impact on the Podravka Group's operations, primarily in the Food segment, where in the 1 – 3 2022 period, the estimated impact of the movement of prices of raw materials and supplies amounted to negative HRK 41.8m<sup>8</sup>. Maximum efforts were made to increase business efficiency and optimize costs in order to amortize the strong growth of input prices as much as possible with internal reserves, but internal measures could not mitigate such strong price jumps. Consequently, in order to mitigate to some extent the negative impact of strong growth in prices of raw materials, supplies and energy, the Podravka Group corrected food prices in its markets, mainly in the range of 7 % to 10 %. Also, in the reporting period, sufficient quantities of raw materials and supplies were procured, primarily in the Food segment, in order to prevent potential supply risks and ensure business continuity.

<sup>7</sup> Source Mintec global, a specialized platform for monitoring the prices of commodities. These numbers represent price trends on 31 March 2022 compared to 31 December 2020 on world exchanges (TFT Netherlands and Central European Gas Hub, Euronext Paris, CME Chicago, NZX New Zealand).

<sup>8</sup> Obtained as used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2022 – used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2021.

## **Change in Podravka Inc. and the Food segment organization**

In early March 2022, the Management Board of Podravka Inc. adopted a decision to change the organization of Podravka Inc. and the Food segment. The goal of the new organization is to enhance and improve the efficiency of the Podravka Group, enable faster reaction and adjustment to market changes, clearer separation of roles and responsibilities between organizational units, clear definition of responsibilities and management roles of corporate functions of Podravka Inc. for the entire Podravka Group and faster and more efficient communication. The reorganization also ensured the full integration of the Žito Group's activities into the management mechanisms of the Podravka Group and the Žito Group's focus on bakery. Podravka Inc. is divided by the new organization into four business areas (Sales, Business Units, Finance, Supply Chain) and eight corporate functions.

The Sales business area is divided into three main divisions – the markets of the Republic of Croatia and the Republic of Slovenia, the market of Southeast Europe and the International markets. The former Adria region has been divided into two divisions for a better focus on the two largest markets of Croatia and Slovenia. The Sales business area is managed by the member of the Management Board of Podravka Inc. for sales, Milan Tadić.

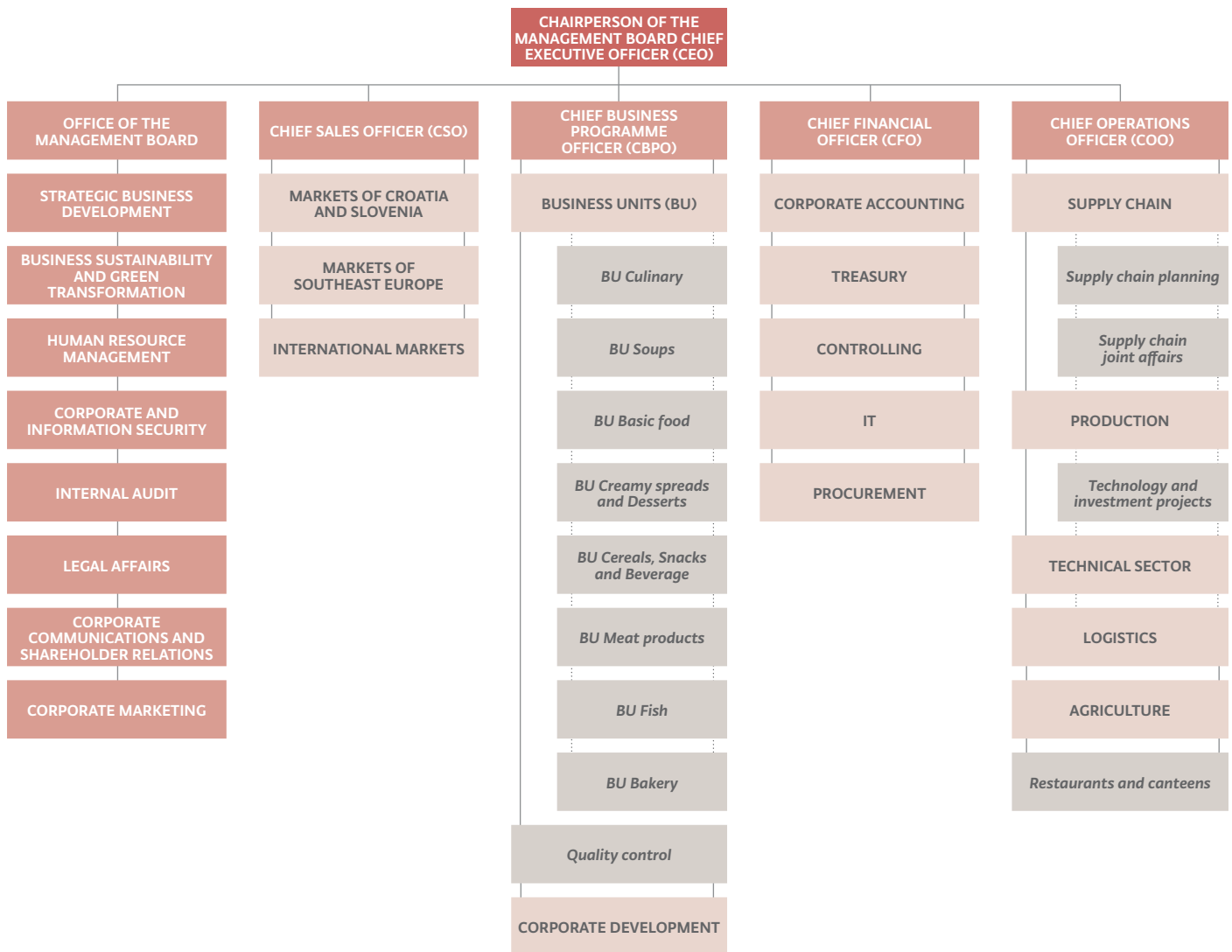
The business area Business Units is divided into eight business units (BU Culinary, BU Soups, BU Cereals, snack and beverages, BU Creamy spreads and desserts, BU Bakery, BU Basic food, BU Meat products, BU Fish) and Quality Control and Corporate Development. The portfolio of the previous business unit Žito and Lagris has been divided into other business units according to the product categories, while the bakery has been separated into a separate business unit. BU Bakery is located in Ljubljana, but in all its activities it operates within the business area Business Units. Until 1<sup>st</sup> July 2022, the business area Business Units will be managed by the President of the Management Board of Podravka Inc. Martina Dalić, and from 1<sup>st</sup> July 2022 by the member of the Management Board of Podravka Inc. for business units, Ivan Ostojčić.

The business area Finance is divided into Corporate Accounting, Treasury and Controlling, and after the reorganization it also includes Procurement and IT. The business area Finance is managed by the member of the Management Board of Podravka Inc. for finance Davor Doko.

The business area Supply Chain includes Manufacturing, Technical Sector, Logistics, Agriculture, and Supply Chain Planning, Supply Chain Joint Operations, Technology and Investment Projects, and Restaurants and Canteens. The Production Sector manages all factories in Croatia and the Czech Republic, while the Žito Group, as a production company outside Croatia, is fully functionally integrated into the Podravka Group's operations, but it retains its legal personality and position in accordance with Slovenian laws. The Supply Chain business area is managed by the member of the Management Board of Podravka Inc. for the supply chain, Ljiljana Šapina.

Corporate functions include Strategic Business Development, Business Sustainability and Green Transformation, Human Resource Management, Corporate and IT Security, Internal Audit, Legal Affairs, Corporate Communications and Stakeholder Relations, Corporate Marketing and the Office of the Management Board. Corporate functions are in charge of managing appropriate operations at the level of the Podravka Group, and they are managed by the President of the Management Board of Podravka Inc. Martina Dalić.





In line with the business trends and company's needs, and in order to place greater emphasis on strategy management and the impact of green policies, a stronger role is given to the Strategic Business Development and Business Sustainability and Green Transformation sectors. This is the result of the growing global emphasis on sustainable business and the focus of investors on the non-financial part of business. Through a proactive approach, the Podravka Group has integrated the ESG report into its Annual Report and is continuously improving the range of information in accordance with the relevant European Union regulations in order to provide investors with all relevant information necessary for valuations. The next step in the transparency of non-financial reporting is the development of a Green Strategy, which will cover the operations of all parts of the Podravka Group and which will define the goals of sustainable development of the Podravka Group, as well as procedures for achieving the defined goals.

Podravka's management and professional team has recently been strengthened by experts with knowledge and experience, who came from established companies where they had significant careers and excellent business results, and who will bring new business standards and practices to the Podravka Group. However, the new organization is equally an opportunity for advancement for Podravka's internal experts and managers who have many years of business experience and knowledge.

### ***Change of Podravka Inc. organization brought a more evident application of the ESG criteria***

In accordance with the ESG criteria and the Code of Ethical Principles<sup>9</sup>, the Podravka Group is committed to equal opportunities and equality of all employees regardless of gender and to a zero tolerance for any form of discrimination. With 40 % of women in the Management Board and 33 % in the Supervisory Board, Podravka Inc. is among leaders of gender equality in Croatia, and with the implementation of the new organization from 1st April 2022, the share of women in top management increased from 24 % to 43 %. As at 31st March 2022, 53 % of employees in the Podravka Group were women, and out of the total number of employees with higher education, women make up as much as 62 %. Although the gender pay gap is 2.2 %, it is far below the national average (11.2 %) and the EU average (13.0 %). The intention of the Podravka Group is to further reduce the pay gap between male and female employees in the coming period through various measures. More detailed quantitative indicators of the Social criteria are available within the ESG report in the Annual Report of the Podravka Group for 2021.<sup>10</sup>

### ***The Podravka Group increased employees' earnings***

On 11<sup>th</sup> February 2022, the Management Board of Podravka Inc. passed decisions increasing the salaries and earnings of Podravka Inc. employees, which is the second salary increase in less than a year, and which is effective from 1<sup>st</sup> March 2022 for payment in April. This decision was made following the efforts of the Management Board to continuously improve the position of employees in the company as well as their material rights.

The increase in earnings was carried out through the increase in the performance coefficient by 0.15 for all employees, which covered more than 3200 employees of Podravka Inc. and Mirna Inc. and the increase in coefficients for part of skilled and highly skilled workers. In addition, additional coefficients were created for employees with higher education, thus opening the possibility for the advancement of employees with higher education. Also, an additional budget was allocated for employees working in positions that require higher education in order to reward those workers who are the most productive and who had outstanding business results in the previous period.

Taking into account the increase in 2021 and 2022, in less than a year net earnings of Podravka Inc. and Mirna Inc. employees increased on average between HRK 980 and HRK 1,150, or on average between 18 % and 28 %, depending on education and working conditions. The new salary increase in 2022 represents an increase in investments in employee earnings of around HRK 35m annually, while in 2021 investments in salaries increased by HRK 21m, so that in less than a year the Podravka Group has invested more than HRK 55m in improving salaries and total employees' earnings. In 2022, staff costs will not grow above the above mentioned amounts, but it is expected that the improvement of employees' material rights will continue in the coming years in accordance with the possibilities and results of the Podravka Group.

<sup>9</sup> Available at <https://www.podravka.com/investors/corporate-governance/documents/>.

<sup>10</sup> Available at <https://www.podravka.com/investors/financial-reports/>.

### ***Podravka Group investment cycle implemented in line with the adopted strategy***

The project of building a new logistics and distribution centre in Koprivnica is carried out according to plan. The development of the conceptual design is in progress, and in the coming period it is planned to order machinery and project design with the aim of starting construction work in the autumn of 2022, while the deadline for completion of the investment will define the period for machinery delivery. With the construction of the LDC, the Podravka Group will increase its efficiency in the logistics and distribution segment of operations through the optimization of the number of warehouses, minimization of internal transport and greater cost control. This will also have a positive impact on the environment through the reduction of carbon dioxide emissions.

During the first quarter of 2022, the LEAN management implementation program was launched in Podravka with a focus on improving business processes and increasing productivity in the areas of production, maintenance and logistics. Through education and training of employees, the implementation of methodology and tools is carried out that will continuously improve the processes, facilitate work and increase employee safety, and reduce unnecessary activities in the system, thus optimizing the use of resources (time, materials and energy). Also, at two production sites, the Soups and Vegeta factory and Maribor bakery, a pilot project of production management system digitalization was launched, which digitalizes the monitoring, recording and control of work on production lines, which will enable better plant efficiency and use of production resources. After the system implementation at these two production sites, further expansion of the system to other production sites is expected during the last quarter of 2022. At the end of the third quarter of 2022, the solar power plant at the Danica site is expected to start operating, which puts additional focus on the use of renewable energy sources, in order to increase energy efficiency and the share of renewable sources in electricity production.

In the first quarter of 2022, an investment in the expansion of the Soups and Vegeta factory in Koprivnica was launched, where the machinery was ordered, and the start of construction work is expected in the autumn. This investment will ensure stability and security in the availability of industrial pasta as a strategic raw material in the production of soups, which is one of the most profitable categories of the food products portfolio. For the Soups and Vegeta factory it should be noted that the already launched investment in the bouillon cubes packaging line will be finalized by the end of the year in accordance with the investment plan. Initiated investments in new production lines in the Kalnik factory (processing lines, filling lines, relocation of lines from the Umag factory) will be realized by the end of 2022, and will result in raising the level of production efficiency and creating preconditions for production of innovative products, while the launched investment in the line for the production of extruded products in the Cocktail snacks factory is expected to be completed in the third quarter of 2022. The investment cycle also includes companies outside the Republic of Croatia, where we have an investment in the construction of a flow chamber for raising dough in the Vrhnika bakery in Slovenia with the aim of increasing equipment capacity and improving working conditions for employees, and investment in silos for legumes storage at the company Lagris in the Czech Republic aimed at reducing maintenance and logistics costs and increasing storage capacity.

Investment in agricultural machinery and irrigation in the Republic of Croatia is carried out in accordance with the plan and is expected to be completed by the end of June, i.e. before the start of the season. The goal of the investment is to reduce the procurement cost of raw

materials and services of agro-technical operations and to increase self-sufficiency and reduce dependence on imported raw materials. Investments in the modernization and maintenance of machinery have begun in accordance with the annual investment plan, most of which will be finalized by the end of the year. Also, the Podravka Group is investing in the modernization of its truck fleet, which will result in a reduction in maintenance costs and an increase in the efficiency, timeliness and reliability of transport and distribution of products.

The investment in air conditioning of production plants in Koprivnica and Varaždin is being completed in accordance with the defined deadlines, while works on the reconstruction and modernization of the office building in Koprivnica are proceeding according to plan and completion is expected by the end of July.

### ***Restructuring and modernization of Žito Group production begun***

The process of consolidation of the Žito Group bakery will be based on three locations – Maribor, Vrhnika and Ljubljana (Vič). During 2022, it is planned to close the bakeries in Novo Mesto and Ljubljana (Bežigrad). At the same time, around EUR 10m will be invested in the bakery modernization this year, of which we should mention a new line of higher capacity for bakery products at Vič, robotization and automation of lines in Maribor, and investment in infrastructure and expansion of frozen products storage facilities in Maribor.

The process of terminating business cooperation with Hirschler, a German confectionery manufacturer for which the Žito Group produced a private label, has been terminated. This will have a negative impact on the sales revenue of the Žito Group, but will have positive effects on profitability. Also, the process of increasing the efficiency of the production portfolio in order to increase profitability is in progress, due to which part of the unprofitable product categories was eliminated, and part was moved to outsourced production.

### ***Podravka presented new Vegeta BIO with organically grown vegetables and spices***

In March 2022, Podravka presented its new product – Vegeta BIO – which contains 400 grams of fresh organically grown vegetables. This product was designed in response to the needs of increasingly demanding consumers in Central and Western Europe, and has found its place also on Croatian shelves, following the trends of healthy food. As the increase in consumer awareness of proven and sustainable products is at the highest levels so far, the Vegeta brand, which is an unquestionable guarantee of quality, has brought a novelty that meets all the set consumer prerequisites. Vegeta BIO contains organically grown vegetables and spices, and with a combination of sea salt, it is an ideal universal food seasoning that will perfectly complement any dish. The development of the food portfolio in the BIO segment is in line with nutritional preferences and increasing consumer awareness of the importance of a healthy diet.

### ***Proposition to pay dividend in cash***

At the session held on 4<sup>th</sup> April 2022, the Supervisory Board of Podravka Inc. adopted the proposal of the decision of the Management Board of Podravka Inc. on the use of profit for 2021, which will be submitted to the General Assembly of Podravka Inc. to vote on. The proposed dividend to the shareholders of Podravka Inc. is in the amount of HRK 13 per share. If the General Assembly approves the dividend distribution proposition, the dividend will be paid on 12<sup>th</sup> August 2022 to all shareholders registered in the register of shareholders on 14<sup>th</sup> July 2022. Taking into account the last market price of the Podravka share (HRK 630.0) on the day of the announcement of the dividend distribution proposition, the proposed dividend amount implies a dividend yield of 2.1 %. By continuity in dividend yield over the years, the Podravka Group places emphasis on communication and focus on meeting the expectations set by shareholders.

### ***Operations of the Podravka Group in conditions of COVID-19 disease***

Operations in the conditions of COVID-19 disease continued in the first quarter of 2022, and the Podravka Group continuously monitored the situation and took preventive and corrective measures in real time to manage potential health and business risks, while the organization of work was under strict control and in accordance with epidemiological measures and recommendations of the competent institutions. Measures to combat COVID-19 were applied differently in different markets in which the Podravka Group operates, so the impacts on business were different from market to market. In the reporting period, sales revenues grew in both business segments, and it is not possible to quantify or assess the impact of COVID-19 disease and epidemiological measures on sales revenue trends. However, the recovery of the Gastro channel (HoReCa customers, institutional customers, industrial customers, etc.) in the Food segment is noticeable, primarily in the markets of Croatia and Slovenia. In the reporting period, the Podravka Group received subsidies in Slovenia in the total net amount of HRK 0.3m, while there were no financial impacts or risks caused by COVID-19, or value adjustments or any other situation that could be connected with COVID-19 disease.





# Overview of sales revenues in 1 – 3 2022



## Sales revenues by segment in 1 – 3 2022

(in HRK millions)	1 – 3 2021	1 – 3 2022	Δ	%
<b>Food</b>	<b>845.3</b>	<b>936.9</b>	<b>91.6</b>	<b>10.8 %</b>
<i>Own brands</i>	797.6	873.1	75.6	9.5 %
<i>Other sales</i>	47.8	63.8	16.0	33.5 %
<b>Pharmaceuticals</b>	<b>234.3</b>	<b>235.7</b>	<b>1.3</b>	<b>0.6 %</b>
<i>Own brands</i>	183.7	180.5	(3.3)	(1.8 %)
<i>Other sales</i>	50.6	55.2	4.6	9.1 %
<b>Podravka Group</b>	<b>1,079.7</b>	<b>1,172.6</b>	<b>92.9</b>	<b>8.6 %</b>
<i>Own brands</i>	981.3	1,053.6	72.3	7.4 %
<i>Other sales</i>	98.4	119.0	20.6	21.0 %

### Movements of the Food segment revenues (1 – 3 2022 compared to 1 – 3 2021):

- OWN BRANDS recorded HRK 75.6m (+9.5 %) higher sales due to the increase in sales of almost all business units,
- OTHER SALES recorded HRK 16.0m (+33.5 %) higher sales, primarily as a result of the increase in trade goods sales in the markets of Croatia, Austria and Slovenia,
- Overall, the FOOD SEGMENT recorded HRK 91.6m (+10.8 %) higher sales,

### Movements of the Pharmaceuticals segment revenues (1 – 3 2022 compared to 1 – 3 2021):

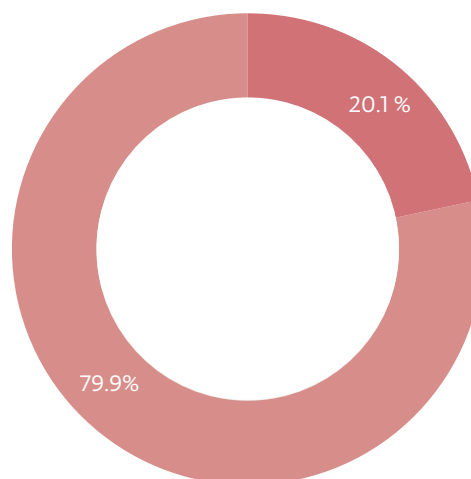
- OWN BRANDS recorded HRK 3.3m (-1.8 %) lower sales, as a result of the Ukrainian crisis and the discontinued deliveries of drugs to the market of Russia,
- OTHER SALES recorded HRK 4.6m (+9.1 %) higher revenues, due to the increase in trade goods sales in the markets of Bosnia and Herzegovina and Croatia,
- Overall, the PHARMACEUTICALS SEGMENT recorded HRK 1.3m (+0.6 %) higher sales revenues,

### Movements of the Podravka Group revenues (1 – 3 2022 compared to 1 – 3 2021):

- Podravka Group's OWN BRANDS recorded an increase in sales of HRK 72.3m (+7.4 %),
- The revenues of OTHER SALES are HRK 20.6m (+21.0 %) higher,
- Overall, the PODRAVKA GROUP sales revenues are HRK 92.9m (+8.6 %) higher.

### Sales revenues by segment in 1 – 3 2022

- Pharmaceuticals segment 20.1 %
- Food segment 79.9 %



### Sales revenues by business unit and category in 1 – 3 2022

**NOTE:** At the beginning of March 2022, the Podravka Group completed the process of internal reorganization of the Food segment with the aim of increasing business efficiency. The new internal reorganization defined eight business units instead of the previous six. An overview is presented in the „Additional tables for 1 – 3 2022“ section for better understanding of the business units.

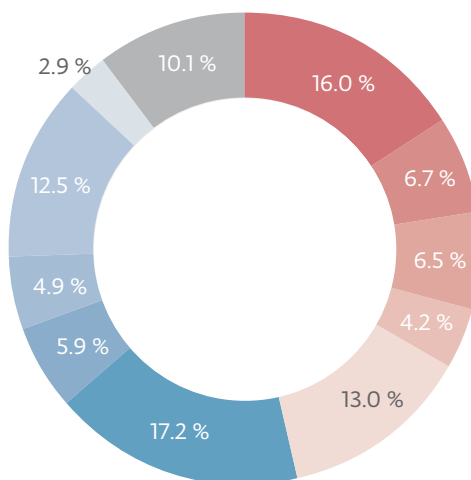
(in HRK millions)	1 – 3 2021	1 – 3 2022	Δ	%
BU Culinary	183.7	188.2	4.5	2.4 %
BU Soups	66.0	78.8	12.8	19.4 %
BU Cereals, Snack and Beverages	74.7	76.4	1.8	2.4 %
BU Creamy spreads and Desserts	51.8	49.2	(2.6)	(5.0 %)
BU Bakery	133.1	152.7	19.6	14.7 %
BU Basic food	170.7	201.8	31.2	18.3 %
BU Meat products	64.9	68.9	4.0	6.2 %
BU Fish	52.6	56.9	4.3	8.2 %
Prescription drugs	155.8	146.4	(9.4)	(6.0 %)
Non-prescription programme	27.9	34.1	6.1	21.9 %
Other sales	98.4	119.0	20.6	21.0 %
<i>Other sales Food</i>	<i>47.8</i>	<i>63.8</i>	<i>16.0</i>	<i>33.5 %</i>
<i>Other sales Pharmaceuticals</i>	<i>50.6</i>	<i>55.2</i>	<i>4.6</i>	<i>9.1 %</i>
<b>Podravka Group</b>	<b>1,079.7</b>	<b>1,172.6</b>	<b>92.9</b>	<b>8.6 %</b>

**Movements of sales revenues by region  
(1 – 3 2022 compared to 1 – 3 2021):**

- The CULINARY BUSINESS UNIT recorded HRK 4.5m (+2.4 %) higher sales, primarily due to Universal food seasonings sales increase. Revenue growth was recorded in the Southeastern Europe region and the Western Europe and Overseas region,
- The SOUPS BUSINESS UNIT recorded HRK 12.8m (+19.4 %) sales growth, primarily due to the increase in sales of the Clear soups subcategory. The business unit recorded revenue growth in all regions,
- The CEREALS, SNACK AND BEVERAGES BUSINESS UNIT recorded HRK 1.8m (+2.4 %) higher sales, due to the increase in sales of the Tea and beverages and Snack categories. The revenue growth was recorded in the Southeastern Europe region and in the Markets of Croatia and Slovenia,
- The CREAMY SPREADS AND DESSERTS BUSINESS UNIT records HRK 2.6m (-5.0 %) lower sales than in the comparative period, primarily as a result of lower sales of the Creamy spreads category in most regions,
- The BAKERY BUSINESS UNIT recorded HRK 19.6m (+14.7 %) sales growth, primarily due to higher sales of the categories Žito Flour, Rolls and salt bakery products, and Bread, primarily in the Markets of Croatia and Slovenia,
- In the observed period, the BASIC FOOD BUSINESS UNIT recorded HRK 31.2m (+18.3 %) higher sales than in the comparative period, primarily due to the increase in sales of the categories Side dishes, Vegetables and Podravka Flour. A significant growth was recorded in the Markets of Croatia and Slovenia, and the Central Europe region,
- In the reporting period, the MEAT PRODUCTS BUSINESS UNIT recorded HRK 4.0m (+6.2 %) higher sales as a result of the increase in sales of the Ready meals category, primarily in the Southeastern Europe region,
- The FISH BUSINESS UNIT in the observed period recorded HRK 4.3m (+8.2 %) higher sales than in the comparative period, due to the increase in sales of the Sardine subcategory. The business unit recorded sales growth in most regions,
- The PRESCRIPTION DRUGS CATEGORY recorded HRK 9.4m (-6.0 %) lower sales, mainly as a result of the dermatological drugs sales decrease, primarily in the market of Russia,
- The revenues of the NON-PRESCRIPTION PROGRAMME CATEGORY are HRK 6.1m (+21.9 %) higher, as a result of sales increase of the OTC drugs subcategory in the market of Croatia,
- The OTHER SALES CATEGORY recorded HRK 20.6m (+21.0 %) higher sales. In the Food segment, other sales grew by HRK 16.0m (+33.5 %) mainly due to the increase in trade goods sales in the Croatian market. In the Pharmaceuticals segment, other sales grew by HRK 4.6m (+9.1 %), primarily due to higher trade goods sales in the market of Bosnia and Herzegovina.

## Sales revenues by business unit and category in 1 – 3 2022

- BU Culinary 16.0 %
- BU Soups 6.7 %
- BU Cereals, Snacks and Beverages 6.5 %
- BU Cream spreads and Desserts 4.2 %
- BU Bakery 13.0 %
- BU Basic food 17.2 %
- BU Meat products 5.9 %
- BU Fish 4.9 %
- Prescription drugs 12.5 %
- Non-prescription programme 2.9 %
- Other sales 10.1 %



## Sales revenues by region in 1 – 3 2022

**NAPOMENA:** At the beginning of March 2022, Podravka completed the process of internal reorganization of the Food segment with the aim of increasing business efficiency and a new division of regions was made. An overview is presented in the „Additional tables for 1 – 3 2022“ section for better understanding of the regions.

(in HRK millions)	1 – 3 2021	1 – 3 2022	Δ	%
<b>Markets of Croatia and Slovenia</b>	<b>511.1</b>	<b>575.4</b>	<b>64.3</b>	<b>12.6 %</b>
Food	409.6	464.0	54.4	13.3 %
Pharmaceuticals	101.5	111.4	9.9	9.8 %
<b>Southeastern Europe</b>	<b>227.0</b>	<b>265.5</b>	<b>38.5</b>	<b>16.9 %</b>
Food	152.9	180.2	27.3	17.8 %
Pharmaceuticals	74.1	85.3	11.2	15.1 %
<b>WE and Overseas</b>	<b>138.9</b>	<b>139.1</b>	<b>0.2</b>	<b>0.1 %</b>
Food	138.5	138.3	(0.3)	(0.2 %)
Pharmaceuticals	0.4	0.8	0.5	122.1 %
<b>Central Europe</b>	<b>139.4</b>	<b>148.6</b>	<b>9.1</b>	<b>6.6 %</b>
Food	121.4	132.5	11.1	9.2 %
Pharmaceuticals	18.1	16.1	(2.0)	(11.1 %)
<b>Eastern Europe</b>	<b>63.2</b>	<b>44.0</b>	<b>(19.2)</b>	<b>(30.4 %)</b>
Food	22.9	21.9	(0.9)	(4.1 %)
Pharmaceuticals	40.4	22.1	(18.3)	(45.3 %)
<b>Podravka Group</b>	<b>1,079.7</b>	<b>1,172.6</b>	<b>92.9</b>	<b>8.6 %</b>

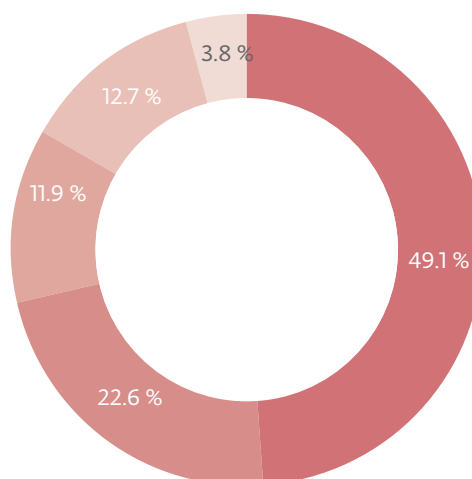


### Movements of sales revenues by region (1 – 3 2022 compared to 1 – 3 2021):

- The **MARKETS OF CROATIA AND SLOVENIA** recorded a sales increase of HRK 64.3m (+12.6 %) relative to the comparative period. Food segment revenues increased by HRK 54.4m (+13.3 %), primarily due to sales increase of the business units Bakery and Core food and trade goods sales increase. Pharmaceuticals segment revenues are HRK 9.9m higher (+9.8 %), due to higher demand and sales of the Non-prescription programme compared to the same period of the previous year,
- Revenues of the **SOUTHEASTERN EUROPE REGION** grew by HRK 38.5m (+16.9 %) in the reporting period. The Food segment recorded revenue growth of HRK 27.3m (+17.8 %), due to sales increase of all business units, with the largest absolute growth generated by the business units Soups and Culinary. Pharmaceuticals segment revenues are HRK 11.2m higher (+15.1 %) due to Prescription drugs sales increase,
- The **WESTERN EUROPE AND OVERSEAS REGION** recorded HRK 0.2m (+0.1 %) higher sales. The Food segment recorded HRK 0.3m (-0.2 %) lower sales, where the increase in sales of business units Culinary, Fish and Meat products and trade goods sales increase largely cancelled out the sales decrease by other business units. Pharmaceuticals segment revenues are HRK 0.5m (+122.1 %) higher, primarily due to an increase in other sales revenues and the Prescription drugs sales increase,
- Revenues of the **CENTRAL EUROPE REGION** are HRK 9.1m (+6.6 %) higher in the reporting period. The Food segment recorded revenue growth of HRK 11.1m (+9.2 %), primarily as a result of a significant sales increase of the Core food business unit. The Pharmaceuticals segment revenues are HRK 2.0m lower (-11.1 %) due to lower sales of both drugs categories and lower sales of trade goods,
- The **EASTERN EUROPE REGION** recorded a decrease in revenues of HRK 19.2m (-30.4 %) as a result of lower sales of the Food segment of HRK 0.9m (-4.1 %), primarily due to lower levels of sales of the Culinary business unit and a decrease in sales of the Pharmaceuticals segment of HRK 18.3m (-45.3 %) relative to the comparative period following the lower sales of Prescription drugs and Non-prescription programme due to the discontinued deliveries of drugs to the market of Russia.

### Sales revenues by region in 1 – 3 2022

- Markets of Croatia and Slovenia 49.1 %
- Southeastern Europe 22.6 %
- Western Europe and Overseas 11.9 %
- Central Europe 12.7 %
- Eastern Europe 3.8 %





Profitability  
in 1 – 3 2022

## Profitability in 1 – 3 2022

**NOTE:** The overview and explanation of value adjustments to non-current assets used in the EBITDA calculation, the overview and explanation of items treated as one-off by management and the overview of methodology of calculation of the normalized result are provided in the "Additional tables for 1 – 3 2022" section.

### Profitability of the Food segment in 1 – 3 2022

(in HRK millions)	Profitability of the Food segment				Normalized			
	1 – 3 21	1 – 3 22	Δ	%	1 – 3 21	1 – 3 22	Δ	%
Sales revenue	845.3	936.9	91.6	10.8 %	845.3	936.9	91.6	10.8 %
Gross profit	303.0	324.8	21.8	7.2 %	303.0	324.8	21.8	7.2 %
EBITDA*	135.1	141.8	6.7	5.0 %	135.4	142.2	6.8	5.0 %
EBIT	97.8	103.0	5.2	5.4 %	98.1	103.4	5.3	5.5 %
Net profit after MI	81.0	83.3	2.3	2.8 %	81.3	83.6	2.3	2.9 %
Gross margin	35.8 %	34.7 %		-117 bp	35.8 %	34.7 %		-117 bp
EBITDA margin	16.0 %	15.1 %		-85 bp	16.0 %	15.2 %		-84 bp
EBIT margin	11.6 %	11.0 %		-57 bp	11.6 %	11.0 %		-56 bp
Net margin after MI	9.6 %	8.9 %		-70 bp	9.6 %	8.9 %		-69 bp

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

### Profitability of the Food segment (1 – 3 2022 compared to 1 – 3 2021):

- In the 1 – 3 2022 period, the Food segment recorded an increase in GROSS PROFIT of HRK 21.8m (+7.2 %), while the gross margin realised was 34.7 %. In the reporting period, negative trends in prices of raw materials and supplies were recorded if compared to 1 – 3 2021. The estimated effect of movements in prices of raw materials and supplies in 1 – 3 2022 amounted to negative HRK 41.8m<sup>11</sup> relative to the comparative period, primarily related to cereals and mill products, fats and oils, and vegetables and metal packaging,
- Reported OPERATING PROFIT (EBIT) is HRK 5.2m (+5.4 %) higher than in the comparative period, while normalized operating profit is HRK 5.3m (+5.5 %) higher. In addition to the impact above the gross profit level, EBIT was affected by the increase in some operating expenses, primarily marketing expenses and expenses related to sales growth, as well as unfavorable movement in foreign exchange differences on trade receivables and trade payables (HRK +0.1m in 1 – 3 2022; HRK +1.9m in 1 – 3 2021),
- Reported NET PROFIT AFTER MINORITY INTERESTS is HRK 2.3m higher (+2.8 %), while normalized net profit after minority interests is HRK 2.3m higher (+2.9 %) compared to 1 – 3 2021. In addition to the impact above the EBIT level, net profit was positively impacted by foreign exchange differences on borrowings (HRK -0.5m in 1 – 3 2022; HRK +0.1m in 1 – 3 2021) and lower finance costs. Consequently, the tax expense is HRK 2.9m higher compared to 1 – 3 2021.

<sup>11</sup> Obtained as used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2022 – used volumes of raw materials and supplies in 1 – 3 2021\*prices in 1 – 3 2021.

## Profitability of the Pharmaceuticals segment in 1 – 3 2022

(in HRK millions)	Profitability of the Pharmaceutical segment				Normalized			
	1 – 3 21	1 – 3 22	Δ	%	1 – 3 21	1 – 3 22	Δ	%
Sales revenue	234.3	235.7	1.3	0.6 %	234.3	235.7	1.3	0.6 %
Gross profit	108.8	110.7	1.9	1.7 %	108.8	110.7	1.9	1.7 %
EBITDA*	49.4	28.6	(20.9)	(42.3 %)	49.4	28.6	(20.9)	(42.3 %)
EBIT	33.3	12.2	(21.2)	(63.5 %)	33.3	12.2	(21.2)	(63.5 %)
Net profit after MI	24.2	5.6	(18.6)	(77.0 %)	24.2	5.6	(18.6)	(77.0 %)
Gross margin	46.4 %	47.0 %		+54 bp	46.4 %	47.0 %		+54 bp
EBITDA margin	21.1 %	12.1 %		-898 bp	21.1 %	12.1 %		-898 bp
EBIT margin	14.2 %	5.2 %		-907 bp	14.2 %	5.2 %		-907 bp
Net margin after MI	10.3 %	2.4 %		-796 bp	10.3 %	2.4 %		-796 bp

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

### Profitability of the Pharmaceuticals segment (1 – 3 2022 compared to 1 – 3 2021):

- The Pharmaceuticals segment recorded HRK 1.9m (+1.7 %) higher gross profit, while the gross margin was 47.0 %,
- OPERATING PROFIT (EBIT) decreased by HRK 21.2m (-63.5 %). In addition to the impact above the gross profit level, EBIT was significantly affected by unfavorable movements in foreign exchange differences on trade receivables and trade payables (HRK -24.1m in 1 – 3 2022; HRK +3.8m in 1 – 3 2021), while a positive impact came from lower marketing expenses and lower general and administrative expenses,
- NET PROFIT AFTER MINORITY INTERESTS is HRK 18.6m (-77.0 %) lower. In addition to the impact above the EBIT level, net profit after minority interests was positively impacted by lower finance costs, while movements in foreign exchange differences on borrowings are at the level of the comparative period (HRK -0.4m in 1 – 3 2022; HRK -0.4m in 1 – 3 2021). The lower level of pre-tax profit resulted in the decrease in tax expense of HRK 2.8m.

## Profitability of the Podravka Group in 1 – 3 2022

(in HRK millions)	Profitability of the Podravka Group				Normalized			
	1 – 3 21	1 – 3 22	Δ	%	1 – 3 21	1 – 3 22	Δ	%
Sales revenue	1,079.7	1,172.6	92.9	8.6 %	1,079.7	1,172.6	92.9	8.6 %
Gross profit	411.8	435.6	23.7	5.8 %	411.8	435.6	23.7	5.8 %
EBITDA*	184.5	170.3	(14.2)	(7.7 %)	184.9	170.8	(14.1)	(7.6 %)
EBIT	131.1	115.2	(15.9)	(12.2 %)	131.4	115.6	(15.8)	(12.1 %)
Net profit after MI	105.2	88.8	(16.4)	(15.6 %)	105.5	89.2	(16.4)	(15.5 %)
Gross margin	38.1 %	37.1 %		-100 bp	38.1 %	37.1 %		-100 bp
EBITDA margin	17.1 %	14.5 %		-257 bp	17.1 %	14.6 %		-256 bp
EBIT margin	12.1 %	9.8 %		-232 bp	12.2 %	9.9 %		-232 bp
Net margin after MI	9.7 %	7.6 %		-217 bp	9.8 %	7.6 %		-217 bp

\* EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments of non-current assets; normalized EBITDA is calculated in a way that normalized EBIT was increased by depreciation and amortization.

### Profitability of the Podravka Group (1 – 3 2022 compared to 1 – 3 2021):

- In the observed period, the Podravka Group recorded HRK 23.7m (+5.8 %) higher gross profit, with the gross margin of 37.1 %. Cost of goods sold increased by 10.4 %,
- Reported OPERATING PROFIT (EBIT) is HRK 15.9m (-12.2 %) lower, while normalized is HRK 15.8m (-12.1 %) lower. In addition to the impact above the gross profit level, the decrease in operating profit was impacted by unfavorable movements in foreign exchange differences on trade receivables and trade payables (HRK -24.0m in 1 – 3 2022; HRK +5.7m in 1 – 3 2021) dominantly from the Pharmaceutical segment and higher level of expenses related to sales growth,
- Reported NET PROFIT AFTER MINORITY INTERESTS is HRK 16.4m lower (-15.6 %), while normalized is HRK 16.4m lower (-15.5 %). In addition to the impact above the EBIT level, net profit after minority interests was impacted by movements in foreign exchange differences on borrowings (HRK -0.9m in 1 – 3 2022; HRK -0.3m in 1 – 3 2021) relative to the comparative period. The tax expense amounted to HRK 21.2m, which at the level of the comparative period.



# Key highlights of the income statement in 1 – 3 2022



## Key highlights of the income statement in 1 – 3 2022

Podravka group (in HRK millions)	Reported				Normalized			
	1 – 3 21	1 – 3 22	Δ	%	1 – 3 21	1 – 3 22	Δ	%
Cost of goods sold	667.9	737.0	69.2	10.4 %	667.9	737.0	69.2	10.4 %
General and administrative expenses	76.0	77.1	1.1	1.4 %	75.7	76.7	1.0	1.3 %
Selling and distribution costs	140.9	149.7	8.9	6.3 %	140.9	149.7	8.9	6.3 %
Marketing expenses	73.9	74.4	0.4	0.6 %	73.9	74.4	0.4	0.6 %
Other expenses (income), net	(10.1)	19.2	29.3	(290.3 %)	(10.1)	19.2	29.3	(290.3 %)
<b>Total operating expenses</b>	<b>948.5</b>	<b>1,057.4</b>	<b>108.8</b>	<b>11.5 %</b>	<b>948.2</b>	<b>1,057.0</b>	<b>108.7</b>	<b>11.5 %</b>

### Cost of goods sold

Cost of goods sold increased by 10.4 % relative to the comparative period due to a higher level of sales realized, the structure of sales and movements in prices of raw materials and supplies (estimated negative impact in the Food segment of HRK 41.8m<sup>12</sup>, primarily due to the increase in prices of grains and mill products, fats and oils, and vegetables and metal packaging).

### General and administrative expenses

In relation to the comparative period, general and administrative expenses are HRK 1.1m higher (+1.4 %), primarily due to the increase in costs of services relative to the comparative period. On the normalized level, general and administrative expenses increased by HRK 1.0m (+1.3 %).

### Selling and distribution costs

In the observed period, selling and distribution costs are HRK 8.9m (+6.3 %) higher than in the comparative period, primarily as a result of higher costs of transportation services and other expenses.

### Marketing expenses

In the reporting period, marketing expenses (which include marketing investments expenses and marketing department expenses) are HRK 0.4m higher (+0.6 %) than in the comparative period. In the Food segment, marketing expenses increased by HRK 2.5m (+6.6 %), while in the Pharmaceuticals segment they decreased by HRK 2.1m (-5.7 %).

<sup>12</sup> Obtained as used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2022 – used volumes of raw materials and supplies in 1 – 3 2022\*prices in 1 – 3 2021.

**Other expenses (income), net**

In the reporting period, other expenses and income, net amounted to HRK 19.2m (negative impact), while in the comparative period they amounted to HRK -10.1m (positive impact), mainly due to unfavourable movements in foreign exchange differences on trade receivables and trade payables, which amounted to HRK -24.0m in the 1 – 3 2022 period, while in the comparative period they amounted to HRK +5.7m.

**Net finance costs**

In the observed period, net finance costs amounted to HRK -2.4m, which is at the level of the comparative period. This is mainly a result of movements in foreign exchange differences on borrowings (HRK -0.9m in 1 – 3 2022; HRK -0.3m in 1 – 3 2021). At the same time, interest expense on borrowings is HRK 0.5m (-7.4 %) lower due to regular repayment of borrowings, with a continuous decrease in the total borrowings.

**Income tax**

In the 1 – 3 2022 period, the income tax of the Podravka Group amounted to HRK 21.2m (HRK +0.1m or +0.3 %), which is at the level of the comparative period.



Key  
highlights of  
the balance  
sheet as at  
31 March  
2022



## **Key highlights of the balance sheet as at 31 March 2022**

### **Property, plant and equipment**

Property, plant and equipment of the Podravka Group are HRK 17.2m or +0.8 % higher compared to 31 December 2021, due to the realized capital investments in the reporting period.

### **Inventories**

Inventories of the Podravka Group are HRK 86.4m (+9.3 %) higher than as at 31 December 2021, and HRK 7.9m (+0.8 %) higher than as at 31 March 2021, as a result of the increase in inventories of the Food segment with the aim of procuring sufficient amount of raw materials to ensure business continuity and control of future expenses of raw materials and packaging.

### **Trade and other receivables**

Trade and other receivables of the Podravka Group are HRK 10.5m (+1.0 %) higher than as at 31 December 2021, and HRK 6.3m (+0.6 %) higher than as at 31 March 2021, in line with regular operations of both segments in the reporting period.

### **Cash and cash equivalents**

Cash and cash equivalents of the Podravka Group at the end of the observed period are HRK 181.5m higher (+545.0 %) compared to 31 December 2021. This is explained in the “Key characteristics of the cash flow statement in 1 – 3 2022” section.

### **Long-term and short-term borrowings**

As at 31 March 2022, long-term and short-term borrowings of the Podravka Group are HRK 63.1m lower than as at 31 December 2021. In the observed period, long-term debt is lower by HRK 39.2m, while short-term debt is lower by HRK 23.9m, as a result of regular repayment of borrowings.

### **Trade and other payables**

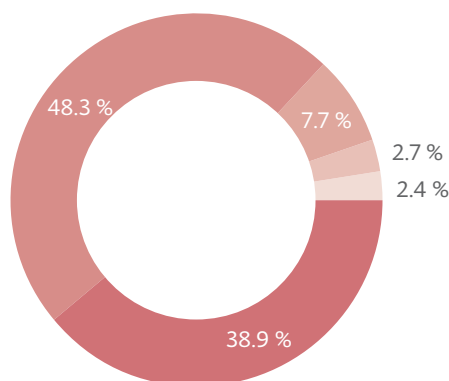
Trade and other payables of the Podravka Group are HRK 251.9m or +47.4 % higher compared to 31 December 2021, and HRK 127.6m (+19.5 %) higher compared to 31 March 2021. The movement is a result of regular operations, but also of movements in prices of raw materials and supplies in the reporting period.

## Indebtedness

As at 31 March 2022, the total debt of the Podravka Group related to borrowings and other interest-bearing financial liabilities amounted to HRK 435.8m, of which HRK 100.5m relates to long-term borrowings, HRK 235.0m to short-term borrowings, HRK 100.2m to liabilities for right-of-use assets, while financial liabilities at fair value through profit or loss amounted to HRK 0.1m. The AVERAGE WEIGHTED COST OF DEBT on all the stated liabilities as at 31 March 2022 was 1.4 %, while if right-of-use assets are excluded it was 1.0 %.

## Currency structure of debt as at 31 March 2022

- HRK 38.9 %
- EUR 48.3 %
- CZK 7.7 %
- BAM 2.7 %
- Other 2.4 %



Analysing the debt currency structure, the highest exposure, of 48.3 %, was toward the Euro (EUR), while the exposure to the domestic currency (HRK) was 38.9 %. The debt share in the Czech koruna (CZK) amounted to 7.7 %, in the Bosnia and Herzegovina mark (BAM) to 2.7 %, while the remainder of 2.4 % relates to other currencies.

(in HRK millions)*	2021	1 – 3 2022	Δ	%
Financial debt <sup>13</sup>	493.8	435.8	(58.0)	(11.8 %)
Cash and cash equivalents	33.3	214.8	181.5	545.0 %
Net debt <sup>14</sup>	460.5	221.0	(239.6)	(52.0 %)
Interest expense	6.8	6.3	(0.5)	(7.4 %)
Net debt / normalized EBITDA	0.8	0.4	(0.4)	(50.9 %)
Normalized EBIT / Interest expense	56.9	58.9	2.0	3.5 %
Equity to assets ratio <sup>15</sup>	75.3 %	72.8 %		-246 bp

\* NOTE: All indicators are calculated in a way that income statement items are calculated at the level of the last 12 months, while balance sheet items are taken at the period end.

Net debt decrease as at 31 March 2022 relative to the comparative period is a result of the repayment of a portion of borrowings compared to 31 December 2021. A significant net debt decrease led to a lower net debt to normalized EBITDA ratio. Decrease in interest expense has driven the rise in the interest coverage ratio (Normalized EBIT / Interest expense).

<sup>13</sup> Financial debt: long-term and short-term borrowings + liabilities for right-of-use assets + financial liabilities at fair value through profit or loss. The data is provided in the "Consolidated statements of financial position as at 31 March 2022" section.

<sup>14</sup> Net debt: Financial debt – Cash and cash equivalents.

<sup>15</sup> Equity to assets ratio: total shareholder's equity / total assets. The data is provided in the "Consolidated statements of financial position as at 31 March 2022" section.



# Key highlights of the cash flow statement in 1 – 3 2022



### **Key highlights of the cash flow statement in 1 – 3 2022**

<b>(in HRK millions)</b>	<b>1 – 3 2021</b>	<b>1 – 3 2022</b>	<b>Δ</b>
Net cash flow from operating activities	190.6	317.6	127.0
Net cash flow from investing activities	(13.5)	(61.9)	(48.4)
Net cash flow from financing activities	(50.9)	(74.2)	(23.3)
<b>Net increase / (decrease) of cash and cash equivalents</b>	<b>126.2</b>	<b>181.5</b>	<b>55.3</b>

#### **Net cash flow from operating activities**

In the observed period, net cash flow from operating activities amounted to positive HRK 317.6m as a result of operating business and dynamics of movements in the working capital.

#### **Net cash flow from investing activities**

Net cash flow from investing activities in the reporting period amounted to negative HRK 61.9m, primarily as a result of cash capital expenditures amounting to HRK 63.4m. The most significant CAPITAL EXPENDITURES in 1 – 3 2022 were related to:

- investment in IT and energy renovation of the Office building with the aim of increasing energy efficiency and improving working conditions,
- investment in modernization of the truck fleet with the aim of increasing the timeliness, quality, reliability and efficiency of transport and distribution of products,
- investment in a new packaging machine with the aim of increasing product quality and reducing production costs,
- investment in the construction of a system for fumigation of raw materials, which ensures continuity and safety of production,
- investing in a fat cubes (bouillons) packaging line with the aim of increasing the revenue of existing products and launching new products.

The above capital expenditures are expected to positively impact the operating profitability increase.

In 2022, EXPECTED CAPITAL EXPENDITURES amount to HRK 500.0m, in 2023 expected capital expenditures are also at a level of approximately HRK 500.0m, while in the 2024 – 2025 period expected capital expenditures amount to HRK 250.0m.

#### **Net cash flow from financing activities**

In the 1 – 3 2022 period, net cash flow from financing activities amounted to negative HRK 74.2m, mainly as a result of repayment of borrowings. The difference in relation to the repayment of borrowings in the balance sheet primarily relates to foreign exchange differences.

# Share in 1 – 3 2022



### List of major shareholders as at 31 March 2022

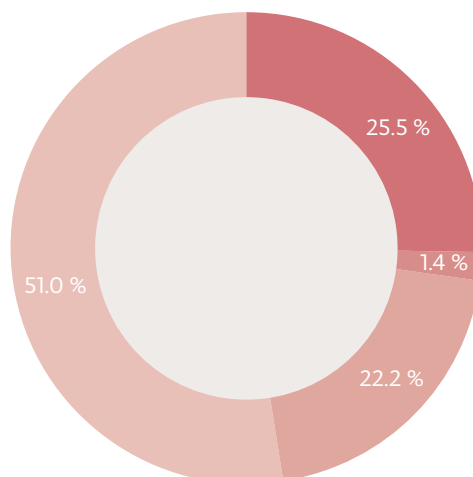
No.	Shareholder	Number of shares	% of ownership
1.	PBZ Croatia Osiguranje mandatory pension fund, category B	1,097,644	15.4 %
2.	AZ mandatory pension fund, category B	921,563	12.9 %
3.	RSC* - Croatian Pension Insurance Institute	727,703	10.2 %
4.	Erste Plavi mandatory pension fund, category B	638,248	9.0 %
5.	Raiffeisen mandatory pension fund, category B	625,298	8.8 %
6.	RSC* - Republic of Croatia	452,792	6.4 %
7.	Capital Fund	406,842	5.7 %
8.	Pivac Brothers Meat Industry	226,659	3.2 %
9.	Republic of Croatia	167,281	2.3 %
10.	Podravka Inc. - treasury account	98,616	1.4 %
	Other shareholders	1,757,357	24.7 %
	<b>Total</b>	<b>7,120,003</b>	<b>100.0 %</b>

\* The Restructuring and Sale Centre holds 1,241,504 shares through four accounts, Capital Fund holds 406,842 shares, the Republic of Croatia additionally holds 167,281 shares on a separate account.

Podravka Inc. has a stable ownership structure where the most significant stake is held by the Republic of Croatia and domestic pension funds. A total of 7,120,003 shares have been issued at nominal price of HRK 220.0 per share. As at 31 March 2022, the Republic of Croatia holds 25.5 % stake, and domestic pension funds (mandatory and voluntary) hold a total of 51.0 % stake, and Podravka Inc. has 1.4 % of treasury shares. Podravka Inc.'s shares have been listed on the Prime Market of the Zagreb Stock Exchange and in eight Zagreb Stock Exchange indices (CROBEX, CROBEX10, CROBEXtr, CROBEX10tr, CROBEXprime, CROBEXplus, CROBEXnutris and ADRIAprime).

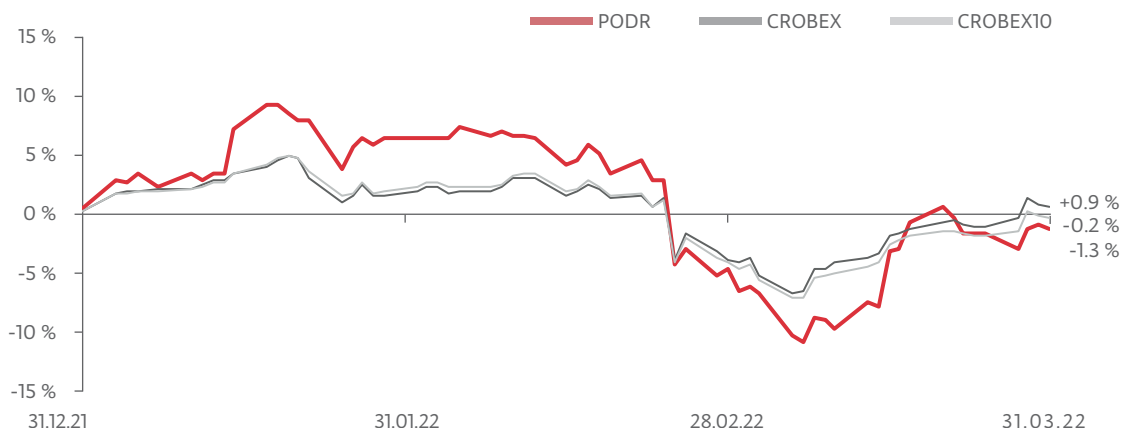
### Ownership structure as at 31 March 2022

- Republic of Croatia 25.5 %
- Treasury shares 1.4 %
- Others 22.2 %
- Croatian pension funds\*\* 51.0 %



\*\* Includes all mandatory and voluntary pension funds managed by the pension companies: AZ, ROMF, PBZCO and ERSTE.

### Share price movement in 1 – 3 2022



<i>(closing price in HRK; closing points)</i>	<b>31 December 2021</b>	<b>31 March 2022</b>	<b>%</b>
PODR	632.0	624.0	(1.3 %)
CROBEX	2,079.4	2,098.5	0.9 %
CROBEX10	1,262.3	1,259.8	(0.2 %)

In the reporting period, the price of Podravka's share dropped by 1.3 % compared to 1 – 3 2021, while the CROBEX stock index increased by 0.9 % and CROBEX10 decreased by 0.2 %.

### Result on the Croatian capital market in 1 – 3 2022

<i>(in HRK; in units)<sup>16</sup></i>	<b>1 – 3 2021</b>	<b>1 – 3 2022</b>	<b>%</b>
Weighted average daily price	506.7	637.1	25.7 %
Average daily number of transactions	12	26	116.4 %
Average daily volume	1,286	1,484	15.4 %
Average daily turnover	651,487.1	903,622.9	38.7 %

In the 1 – 3 2022 period, the weighted average daily price of Podravka's share recorded an increase of 25.7 % relative to the comparative period. Compared to 1 – 3 2021, the average daily volume increased by 15.4 %, the average daily turnover increased by 38.7 %, while the average daily number of transactions is 116.4 % higher.

<sup>16</sup> The weighted average daily price in the reporting period is calculated as the sum of the weighted average daily prices in the reporting period, multiplied by the daily volume weight. The daily volume weight is calculated as a ratio of daily volume and total volume in the reporting period. The formula, Weighted average daily price in the reporting period =  $\sum$  average daily price\*(daily volume/total volume in the reporting period).

Other indicators are calculated as the average of average daily transactions/volume/turnover in the reporting period. Block trades are excluded from the calculation.



## Valuation

(in HRK millions; last price and earnings per share in HRK)<sup>20</sup>

	2021	1 – 3 2022	%
Last price	632.0	624.0	(1.3 %)
Weighted average number of shares <sup>17</sup>	7,008,269	7,013,380	0.1 %
Market capitalization <sup>18</sup>	4,429.2	4,376.3	(1.2 %)
EV <sup>19</sup>	4,953.0	4,663.8	(5.8 %)
Normalized earnings per share <sup>20</sup>	43.4	41.0	(5.4 %)
EV / sales revenue	1.1	1.0	(7.7 %)
EV / normalized EBITDA	8.2	7.9	(3.6 %)
EV / normalized EBIT	12.7	12.5	(1.8 %)
Last price / normalized earnings per share ratio (P / E)	14.6	15.2	4.4 %

\*NOTE: All indicators are calculated in a way that income statement items are calculated at the level of the last 12 months, while balance sheet items are taken at the period end.


<sup>17</sup> The weighted average number of shares is calculated on the basis of previous 12 months period by dividing the sum of the weighted number of shares of each individual month by the total number of calendar days in the previous 12 months. The weighted number of shares on a monthly basis is calculated by reducing the total number of issued shares by the amount of treasury shares and multiplying the difference by the number of days of that month.

<sup>18</sup> Market Capitalization: Last price \* Weighted average number of shares.

<sup>19</sup> Enterprise value: Market Capitalization + Net debt + Minority interests.

<sup>20</sup> Normalized earnings per share is calculated in a way that normalized Net income after minority interests is divided with weighted average number of shares. Normalized Net income after minority interests include the last 12 months period.



An illustration featuring a man with a white beard and sunglasses in the upper right, looking down. In the lower right, a hand is shown watering a small plant with a blue teardrop. The plant has green leaves and a blue stem. The background is white.

Additional  
tables  
for 1 – 3 2022

### Calculation of reported and normalized EBITDA

EBITDA is calculated in a way that EBIT was increased by depreciation and amortization and value adjustments to non-current assets. There were no value adjustments to non-current assets in the reporting and the comparative periods.

<b>Reported EBITDA calculation</b>	<b>1 – 3 2022</b>			<b>1 – 3 2022</b>		
	<b>Group</b>	<b>Food</b>	<b>Pharma</b>	<b>Group</b>	<b>Food</b>	<b>Pharma</b>
<b>(in HRK millions)</b>						
Reported EBIT	131.1	97.8	33.3	115.2	103.0	12.2
+depreciation and amortization	53.4	37.3	16.1	55.2	38.8	16.4
+value adjustment	-	-	-	-	-	-
<b>Reported EBITDA</b>	<b>184.5</b>	<b>135.1</b>	<b>49.4</b>	<b>170.3</b>	<b>141.8</b>	<b>28.6</b>

<b>Normalized EBITDA calculation</b>	<b>1 – 3 2021</b>			<b>1 – 3 2022</b>		
	<b>Group</b>	<b>Food</b>	<b>Pharma</b>	<b>Group</b>	<b>Food</b>	<b>Pharma</b>
<b>(in HRK millions)</b>						
Normalized EBIT	131.4	98.1	33.3	115.6	103.4	12.2
+depreciation and amortization	53.4	37.3	16.1	55.2	38.8	16.4
+value adjustment	-	-	-	-	-	-
<b>Normalized EBITDA</b>	<b>184.9</b>	<b>135.4</b>	<b>49.4</b>	<b>170.8</b>	<b>142.2</b>	<b>28.6</b>

### **One-off items in 1 – 3 2022 and 1 – 3 2021**

In the 1 – 3 2022 period, the Food segment incurred HRK 0.4m costs of severance payments for employees (long-term sick leaves and restructuring on the Russian market) treated as one-off item.

In the Pharmaceuticals segment there were no one-off items.

The estimated impact of this one-off item on tax of Food is HRK 0.1m (decreases it).

In the 1 – 3 2021 period, the Food segment incurred HRK 0.3m costs of severance payments for employees on long-term sick leaves treated as one-off item.

In the Pharmaceuticals segment there were no one-off items.

The estimated impact of this one-off item on tax of Food is HRK 0.1m (decreases it).

### **Normalization of the Profit and Loss Statement by segments**

<i>Reported and normalized profitability</i>	1 – 3 2021			1 – 3 2022		
	<i>Group</i>	<i>Food</i>	<i>Pharma</i>	<i>Group</i>	<i>Food</i>	<i>Pharma</i>
<b>Reported EBIT</b>	131.1	97.8	33.3	115.2	103.0	12.2
+severance payments	0.3	0.3	-	0.4	0.4	-
<b>Normalized EBIT</b>	131.4	98.1	33.3	115.6	103.4	12.2
<b>Reported Net profit after MI</b>	105.2	81.0	24.2	88.8	83.3	5.6
+normalizations above EBIT level	0.3	0.3	-	0.4	0.4	-
+estimated impact of normalization on taxes	(0.1)	(0.1)	-	(0.1)	(0.1)	-
<b>Normalized Net profit after MI</b>	105.5	81.3	24.2	89.2	83.6	5.6

### ***New business units and regions***

At the beginning of March 2022, the Podravka Group completed the process of internal reorganization of the Food segment with the aim of increasing business efficiency. The new internal reorganization defined eight business units instead of the previous six and a new division of regions was made.

#### **BUSINESS UNITS:**

- BU CULINARY: Food Seasonings,
- BU SOUPS: Soups, Instant meals,
- BU CEREALS, SNACK AND BEVERAGES: Cereals, Baby food, Snack, Tea and Beverages,
- BU CREAMY SPREADS AND DESSERTS: Creamy spreads, Desserts,
- BU BAKERY: Bread, Rolls and salt bakery products, Sweet bakery products, Žito flour, Confectionery,
- BU BASIC FOOD: Condiments, Tomato products, Processed fruit, Vegetables, Podravka flour, Side dishes, Wellness food,
- BU MEAT PRODUCTS: Ready meals, Pates, Dried Meat and Sausage Products, Chilled ready meals, Other products,
- BU FISH: Fish products, Fish salads, Fish others.

#### **REGIONS:**

- MARKETS OF CROATIA AND SLOVENIA: Croatia, Slovenia,
- SOUTHEASTERN EUROPE: Bosnia and Herzegovina, North Macedonia, Serbia, Montenegro, Kosovo, Bulgaria, Albania, Greece,
- WESTERN EUROPE AND OVERSEAS: Germany, Austria, Switzerland, France, Great Britain, Italy, Scandinavia, Benelux, Ireland, Spain, Portugal, Malta, the USA, Canada, Australia, New Zealand, MENA, Africa, Asia, South America,
- CENTRAL EUROPE: Poland, the Czech Republic, Slovakia, Hungary, Romania,
- EASTERN EUROPE: the Russian Federation, Ukraine, the Baltics, Uzbekistan, Moldova, Belarus, Georgia.

## Historical overview of sales revenues by business units and categories in period 1 – 3

<i>Sales revenues by business units and categories</i>				
<i>(in HRK millions)</i>	<b>1 – 3 2019</b>	<b>1 – 3 2020</b>	<b>1 – 3 2021</b>	<b>1 – 3 2022</b>
BU Culinary	159.5	186.1	183.7	188.2
BU Soups	58.6	77.9	66.0	78.8
BU Cereals, Snack and Beverages	67.1	82.1	74.7	76.4
BU Creamy spreads and Desserts	46.3	52.3	51.8	49.2
BU Bakery	154.1	158.7	133.1	152.7
BU Basic food	164.8	210.9	170.7	201.8
BU Meat products	55.4	79.9	64.9	68.9
BU Fish	51.2	67.4	52.6	56.9
Prescription drugs	133.7	158.7	155.8	146.4
Non-prescription programme	28.3	44.2	27.9	34.1
Other sales	98.2	110.6	98.4	119.0
<i>Other sales Food</i>	58.4	55.6	47.8	63.8
<i>Other sales Pharmaceuticals</i>	39.8	54.9	50.6	55.2
<b>Podravka Group</b>	<b>1,017.4</b>	<b>1,228.7</b>	<b>1,079.7</b>	<b>1,172.6</b>

## Historical overview of sales revenues by regions in period 1 – 3

(in HRK millions)	Sales revenues by region			
	1 – 3 2019	1 – 3 2020	1 – 3 2021	1 – 3 2022
<b>Markets of Croatia and Slovenia</b>	<b>508.4</b>	<b>619.7</b>	<b>511.1</b>	<b>575.4</b>
<i>Food</i>	415.9	499.3	409.6	464.0
<i>Pharmaceuticals</i>	92.5	120.4	101.5	111.4
<b>Southeastern Europe</b>	<b>195.1</b>	<b>257.5</b>	<b>227.0</b>	<b>265.5</b>
<i>Food</i>	137.9	177.0	152.9	180.2
<i>Pharmaceuticals</i>	57.2	80.6	74.1	85.3
<b>WE and Overseas</b>	<b>123.1</b>	<b>130.8</b>	<b>138.9</b>	<b>139.1</b>
<i>Food</i>	122.9	130.2	138.5	138.3
<i>Pharmaceuticals</i>	0.2	0.7	0.4	0.8
<b>Central Europe</b>	<b>125.4</b>	<b>155.8</b>	<b>139.4</b>	<b>148.6</b>
<i>Food</i>	108.5	136.7	121.4	132.5
<i>Pharmaceuticals</i>	16.9	19.1	18.1	16.1
<b>Eastern Europe</b>	<b>65.4</b>	<b>64.9</b>	<b>63.2</b>	<b>44.0</b>
<i>Food</i>	30.3	27.7	22.9	21.9
<i>Pharmaceuticals</i>	35.1	37.1	40.4	22.1
<b>Podravka Group</b>	<b>1,017.4</b>	<b>1,228.7</b>	<b>1,079.7</b>	<b>1,172.6</b>



# Consolidated financial statements in 1 – 3 2022



## Consolidated financial statements in 1 – 3 2022

<i>(in HRK thousands)</i>	1 – 3 2021	% of sales revenues	1 – 3 2022	% of sales revenues	% change
Sales revenue	1,079,680	100.0 %	1,172,578	100.0 %	8.6 %
Cost of goods sold	(667,858)	(61.9 %)	(737,024)	(62.9 %)	10.4 %
<b>Gross profit</b>	<b>411,822</b>	<b>38.1 %</b>	<b>435,554</b>	<b>37.1 %</b>	<b>5.8 %</b>
General and administrative expenses	(75,997)	(7.0 %)	(77,081)	(6.6 %)	1.4 %
Selling and distribution costs	(140,857)	(13.0 %)	(149,729)	(12.8 %)	6.3 %
Marketing expenses	(73,919)	(6.8 %)	(74,365)	(6.3 %)	0.6 %
Other (expenses) / income, net	10,084	0.9 %	(19,194)	(1.6 %)	(290.3 %)
<b>Operating profit</b>	<b>131,133</b>	<b>12.1 %</b>	<b>115,185</b>	<b>9.8 %</b>	<b>(12.2 %)</b>
Financial income	307	0.0 %	75	0.0 %	(75.6 %)
Other financial expenses	(424)	(0.0 %)	(42)	(0.0 %)	(90.1 %)
Interest expenses	(2,040)	(0.2 %)	(1,536)	(0.1 %)	(24.7 %)
Net foreign exchange differences on borrowings	(274)	(0.0 %)	(928)	(0.1 %)	238.8 %
<b>Net finance costs</b>	<b>(2,431)</b>	<b>(0.2 %)</b>	<b>(2,432)</b>	<b>(0.2 %)</b>	<b>0.0 %</b>
<b>Profit before tax</b>	<b>128,702</b>	<b>11.9 %</b>	<b>112,753</b>	<b>9.6 %</b>	<b>(12.4 %)</b>
Current income tax	(17,091)	(1.6 %)	(22,089)	(1.9 %)	29.2 %
Deferred tax	(3,992)	(0.4 %)	936	0.1 %	(123.5 %)
<b>Income tax</b>	<b>(21,083)</b>	<b>(2.0 %)</b>	<b>(21,153)</b>	<b>(1.8 %)</b>	<b>0.3 %</b>
<b>Net profit for the year</b>	<b>107,619</b>	<b>10.0 %</b>	<b>91,601</b>	<b>7.8 %</b>	<b>(14.9 %)</b>
Net profit / (loss) attributable to:					
<b>Equity holders of the parent</b>	<b>105,202</b>	<b>9.7 %</b>	<b>88,823</b>	<b>7.6 %</b>	<b>(15.6 %)</b>
Non-controlling interests	(2,417)	(0.2 %)	(2,777)	(0.2 %)	14.9 %

## Consolidated Balance Sheet as at 31 March 2022

<i>(in HRK thousands)</i>	<b>31 Dec 2021</b>	<b>% share</b>	<b>31 Mar 2022</b>	<b>% share</b>	<b>% change</b>
<b>ASSETS</b>					
<b>Non-current assets</b>					
Goodwill	28,103	0.6 %	28,103	0.5 %	0.0 %
Intangible assets	249,235	5.1 %	254,405	4.9 %	2.1 %
Property, plant and equipment	2,206,453	44.9 %	2,223,684	42.6 %	0.8 %
Right-of-use assets	93,234	1.9 %	98,726	1.9 %	5.9 %
Investment property	115,406	2.4 %	115,489	2.2 %	0.1 %
Non-current financial assets	43,209	0.9 %	43,272	0.8 %	0.1 %
Deferred tax assets	150,101	3.1 %	150,866	2.9 %	0.5 %
<b>Total non-current assets</b>	<b>2,885,741</b>	<b>58.8 %</b>	<b>2,914,545</b>	<b>55.9 %</b>	<b>1.0 %</b>
<b>Current assets</b>					
Inventories	933,710	19.0 %	1,020,152	19.6 %	9.3 %
Trade and other receivables	1,026,086	20.9 %	1,036,574	19.9 %	1.0 %
Financial assets at fair value through profit and loss	0	0.0 %	25	0.0 %	n/a
Income tax receivable	6,426	0.1 %	5,195	0.1 %	(19.2 %)
Cash and cash equivalents	33,306	0.7 %	214,840	4.1 %	545.0 %
Non-current assets held for sale	23,683	0.5 %	23,688	0.5 %	0.0 %
<b>Total current assets</b>	<b>2,023,211</b>	<b>41.2 %</b>	<b>2,300,474</b>	<b>44.1 %</b>	<b>13.7 %</b>
<b>Total assets</b>	<b>4,908,952</b>	<b>100.0 %</b>	<b>5,215,019</b>	<b>100.0 %</b>	<b>6.2 %</b>

## Consolidated Balance Sheet as at 31 March 2022

(in HRK thousands)	31 Dec 2021	% share	31 Mar 2022	% share	% change
<b>EQUITY AND LIABILITIES</b>					
<b>Shareholders' equity</b>					
Subscribed capital	1,566,401	31.9%	1,566,401	30.0%	0.0%
Capital gains	191,489	3.9%	190,667	3.7%	(0.4%)
Treasury shares	(39,387)	(0.8%)	(37,150)	(0.7%)	(5.7%)
Reserves	1,090,288	22.2%	1,099,098	21.1%	0.8%
Retained earnings / (accumulated losses)	822,186	16.7%	911,002	17.5%	10.8%
<b>Attributable to equity holders of the parent</b>	<b>3,630,977</b>	<b>74.0%</b>	<b>3,730,018</b>	<b>71.5%</b>	<b>2.7%</b>
Non-controlling interests	63,289	1.3%	66,531	1.3%	5.1%
<b>Total shareholders' equity</b>	<b>3,694,266</b>	<b>75.3%</b>	<b>3,796,549</b>	<b>72.8%</b>	<b>2.8%</b>
<b>Non-current liabilities</b>					
Borrowings	139,740	2.8%	100,516	1.9%	(28.1%)
Lease liabilities	62,769	1.3%	64,296	1.2%	2.4%
Non-current provisions for employee benefits	52,825	1.1%	52,344	1.0%	(0.9%)
Other non-current provisions	34,265	0.7%	34,572	0.7%	0.9%
Other non-current liabilities	18,445	0.4%	18,124	0.3%	(1.7%)
Deferred tax liability	37,984	0.8%	38,215	0.7%	0.6%
<b>Total non-current liabilities</b>	<b>346,028</b>	<b>7.0%</b>	<b>308,067</b>	<b>5.9%</b>	<b>(11.0%)</b>
<b>Current liabilities</b>					
Trade and other payables	531,316	10.8%	783,202	15.0%	47.4%
Income tax payable	2,419	0.0%	12,311	0.2%	409.0%
Financial liabilities at fair value through profit and loss	35	0.0%	77	0.0%	120.0%
Borrowings	258,884	5.3%	235,005	4.5%	(9.2%)
Lease liabilities	32,403	0.7%	35,900	0.7%	10.8%
Current provisions for employee benefits	42,221	0.9%	42,518	0.8%	0.7%
Other current provisions	1,380	0.0%	1,390	0.0%	0.7%
<b>Total current liabilities</b>	<b>868,658</b>	<b>17.7%</b>	<b>1,110,403</b>	<b>21.3%</b>	<b>27.8%</b>
<b>Total liabilities</b>	<b>1,214,686</b>	<b>24.7%</b>	<b>1,418,470</b>	<b>27.2%</b>	<b>16.8%</b>
<b>Total equity and liabilities</b>	<b>4,908,952</b>	<b>100.0%</b>	<b>5,215,019</b>	<b>100.0%</b>	<b>6.2%</b>

## Consolidated Cash Flow Statement in 1 – 3 2022

<i>(in HRK thousands)</i>	<b>1 – 3 2021</b>	<b>1 – 3 2022</b>	<b>% change</b>
<b>Profit before tax</b>	<b>128,702</b>	<b>112,753</b>	<b>(12.4 %)</b>
Depreciation and amortization	53,408	55,153	3.3 %
Adjustment for impairment losses of trade and other receivables	(668)	218	132.6 %
Remeasurement of financial instruments at fair value	172	16	(90.7 %)
Share based payment transactions	2,824	319	(88.7 %)
Gain on sale and disposal of non-current assets	(421)	(1,321)	(213.8 %)
(Profit) / Loss on disposal of assets held for sale	(789)	(1)	99.9 %
Increase in provisions	1,371	133	(90.3 %)
Interest income	(307)	(47)	84.7 %
Interest expenses	2,290	1,536	(32.9 %)
Effect of changes in foreign exchange rates	2,784	6,656	139.1 %
<b>Total adjustments</b>	<b>60,664</b>	<b>62,662</b>	<b>3.3 %</b>
<b>Changes in working capital:</b>			
(Increase) / Decrease in inventories	(31,802)	(86,442)	(171.8 %)
(Increase) / Decrease in trade receivables	(54,823)	(9,342)	83.0 %
(Decrease) / Increase in trade payables	98,998	250,658	153.2 %
<b>Cash generated from operations</b>	<b>201,739</b>	<b>330,289</b>	<b>63.7 %</b>
Income tax paid	(8,894)	(10,995)	(23.6 %)
Interest paid	(2,215)	(1,694)	23.5 %
<b>Net cash from operating activities</b>	<b>190,630</b>	<b>317,600</b>	<b>66.6 %</b>

## Consolidated Cash Flow Statement in 1 – 3 2022

<b>(in HRK thousands)</b>	<b>1 – 3 2021</b>	<b>1 – 3 2022</b>	<b>% change</b>
<b>Cash flow from investing activities</b>			
Purchase of property, plant, equipment and intangibles	(18,765)	(63,384)	(237.8 %)
Proceeds from sale of property, plant, equipment and intangibles	839	1,473	75.6 %
Proceeds from sale of assets held for sale	4,129	1	(100.0 %)
Loans given	0	(14)	(100.0 %)
Repayment of loans given	23	14	(39.1 %)
Interest received	307	47	(84.7 %)
<b>Net cash from investing activities</b>	<b>(13,467)</b>	<b>(61,863)</b>	<b>(359.4 %)</b>
<b>Cash flow from financing activities</b>			
Dividend pay-out	(47)	(11)	76.6 %
Acquisition of additional non-controlling interests	(74)	0	100.0 %
Sale of treasury shares	0	(477)	(100.0 %)
Prodaja vlastitih dionica	2,035	1,337	(34.3 %)
Proceeds from borrowings	64,372	43,268	(32.8 %)
Repayment of borrowings	(107,734)	(108,652)	(0.9 %)
Repayment of lease	(9,489)	(9,668)	(1.9 %)
<b>Net cash from financing activities</b>	<b>(50,937)</b>	<b>(74,203)</b>	<b>(45.7 %)</b>
<b>Net (decrease) / increase of cash and cash equivalents</b>	<b>126,226</b>	<b>181,534</b>	<b>43.8 %</b>
Cash and cash equivalents at beginning of the year	51,856	33,306	(35.8 %)
<b>Cash and cash equivalents at the end of year</b>	<b>178,082</b>	<b>214,840</b>	<b>20.6 %</b>



## Consolidated Statement of Changes in Equity in 1 – 3 2022

(in HRK thousands)	Subscribed capital	Capital gains	Treasury shares	Provision for treasury shares	Legal reserves	Reinvested profit reserve	Statutory reserves	Other reserves	Retained earnings/ accumulated loss	Total	Non-controlling interests	Total
As at 1 January 2021	1,566,401	187,215	(47,568)	147,604	76,596	189,738	67,551	469,685	714,828	3,372,050	54,932	3,426,982
<i>Comprehensive income</i>	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	309,221	309,221	8,601	317,822
Foreign exchange differences	-	-	-	-	-	-	-	502	-	502	(137)	365
Actuarial losses (net of deferred tax)	-	-	-	-	-	-	-	(969)	-	(969)	-	(969)
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	<b>(467)</b>	-	<b>(467)</b>	<b>(137)</b>	<b>(604)</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	<b>(467)</b>	<b>309,221</b>	<b>308,754</b>	<b>8,464</b>	<b>317,218</b>
<i>Transactions with owners recognized directly in equity</i>	-	-	-	-	-	-	-	-	-	-	-	-
Allocation from retained earnings	-	-	-	-	9,712	-	2,621	127,215	(139,548)	-	-	-
Subsidiary liquidation	-	-	-	-	-	-	-	33	-	33	(107)	(74)
Exercise of options	-	(1,986)	8,181	-	-	-	-	-	812	7,007	-	7,007
Fair value of share-based payment transactions	-	6,260	-	-	-	-	-	-	-	6,260	-	6,260
Dividends paid	-	-	-	-	-	-	-	-	(63,127)	(63,127)	-	(63,127)
<b>Total transactions with owners recognized directly in equity</b>	-	<b>4,274</b>	<b>8,181</b>	-	<b>9,712</b>	-	<b>2,621</b>	<b>127,248</b>	<b>(201,863)</b>	<b>(49,827)</b>	<b>(107)</b>	<b>(49,934)</b>
As at 31 December 2021	1,566,401	191,489	(39,387)	147,604	86,308	189,738	70,172	596,466	822,186	3,630,977	63,289	3,694,266
<i>Comprehensive income</i>	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	88,823	88,823	2,777	91,601
Foreign exchange differences	-	-	-	-	-	-	-	8,810	-	8,810	465	9,275
<b>Other comprehensive income</b>	-	-	-	-	-	-	-	<b>8,810</b>	-	<b>8,810</b>	<b>465</b>	<b>9,275</b>
<b>Total comprehensive income</b>	-	-	-	-	-	-	-	<b>8,810</b>	<b>88,823</b>	<b>97,633</b>	<b>3,242</b>	<b>100,876</b>
<i>Transactions with owners recognized directly in equity</i>	-	-	-	-	-	-	-	-	-	-	-	-
Exercise of options	-	(1,141)	2,714	-	-	-	-	-	(8)	1,565	-	1,565
Fair value of share-based payment transactions	-	319	-	-	-	-	-	-	-	319	-	319
Treasury shares purchase	-	-	(477)	-	-	-	-	-	-	(477)	-	(477)
<b>Total transactions with owners recognized directly in equity</b>	-	<b>(822)</b>	<b>2,237</b>	-	-	-	-	-	<b>(8)</b>	<b>1,407</b>	-	<b>1,407</b>
As at 31 March 2022	1,566,401	190,667	(37,150)	147,604	86,308	189,738	70,172	605,276	911,002	3,730,018	66,531	3,796,549

# Notes to the financial statements

In 1 – 3 2022 period there were no changes in accounting policies.

The audited Annual report of the Podravka Group for 2021 are available at:

*<https://www.podravka.com/investors/financial-reports/>*



MANAGEMENT BOARD

Koprivnica, 29 April 2022

## STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Consolidated unaudited financial statements of Podravka Group for the period 1 - 3 2022 have been prepared in compliance with the Accounting Act of the Republic of Croatia and International Financial Reporting Standards (IFRS) and provide an overall and true presentation of assets, liabilities, profit and loss, financial position and business operations of Podravka Group and all subsidiary companies involved in the consolidation.

Consolidated unaudited financial statements of Podravka Group for the period 1 - 3 2022 were approved by the Management Board of PODRAVKA Inc. on 29 April 2022.

Corporate Accounting Director:  
Julijana Artner Kukec

A handwritten signature in blue ink, appearing to read "Artner".



Board Member:  
Davor Doko

A handwritten signature in blue ink, appearing to read "Doko".

# Contact

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