



MANAGEMENT BOARD

Koprivnica, 30 April 2020

## **PODRAVKA INC. BUSINESS RESULTS FOR 1-3 2020 PERIOD – UNAUDITED**



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**Content:**

- **General information**
- **Management report on the achieved business results of Podravka Inc. for the 1-3 2020 period**
- **Unaudited, unconsolidated financial reports for the 1-3 2020 period**
- **Statement from executives responsible for preparing financial statements**
- **Contact**



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## General information

Podravka prehrambena industrija Inc., Koprivnica, is incorporated in the Republic of Croatia. Today it is included in leading companies in industry operating in the area of South-Eastern, Central and Eastern Europe. The principal activity of the Company comprises production of a wide range of food products.

The Company is headquartered in Koprivnica, Croatia, Ante Starčevića 32.

The Company's shares are listed on the Prime market of the Zagreb Stock Exchange.

## Management Board members as at 31 March 2020

President	Marin Pucar
Member	Ljiljana Šapina
Member	Davor Doko
Member	Hrvoje Kolarić
Member	Marko Đerek

The unaudited, unconsolidated financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS").



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Koprivnica, 30 April 2020

## **MANAGEMENT INTERIM REPORT ON THE BUSINESS RESULTS OF PODRAVKA INC. FOR THE 1-3 2020 PERIOD**

### **Operations of Podravka Inc. in conditions of COVID-19**

In the first quarter of 2020, COVID-19 appeared in all the Podravka Inc. markets. In the current, new circumstances, the Podravka Inc. is one of the key companies responsible for ensuring the continuity of production and the regular food supply in Croatia. Workflows have been fully adapted as quickly as possible to the new extraordinary situation so that the production of food products takes place in line with the increased market needs. Although in the beginning of the crisis, the conditions of purchase and supply of raw materials and packaging for production purposes were very difficult, the Podravka Inc. took all the necessary steps in short time to ensure sufficient quantities of its food products, thus meeting the needs of its loyal customers in the numerous markets in which it is present. Given the increase in demand compared to the one planned for the month of March, the production was continually adjusting, and work in Podravka Inc. factories has been organized in three and four shifts, while home office has been organized for all employees of the services for which this is possible, for the purpose of reducing potential risk of the virus within the system.

It should be pointed out that despite numerous negative effects of COVID-19 on business (increase in prices of raw materials and packaging, increase in prices of transport services, impact of foreign exchange differences, etc.), after positive business trends from the first two months of the current year, the Podravka Inc. managed to maintain and continue with its positive business trends in March, which once again confirms the company's ability to adapt its business in such unforeseen, extraordinary situations. The impact of the COVID-19 situation on sales revenue trends in March certainly exists, but it cannot be clearly distinguished from the impact of regular product demand. In the following period, there is a possibility of a certain stagnation in demand for certain food products by consumers, which is normal in circumstances where supplies from manufacturing companies have spilled over to customers' or consumers' stocks. The impact of future trends on the overall business of the Podravka Inc. in 2020 cannot be estimated at this time, given that it is very difficult to assess the development of the situation regarding the declared pandemic.



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The guidelines and recommendations of the Croatian National Civil Protection Headquarters are obeyed and implemented in order to protect the health of employees and minimise potential risks to the company's operations in each segment of the business organisation. Increased attention is being paid to the development of the situation at all times, and appropriate measures are being taken in accordance with the recommendations of the competent authorities, with particular emphasis on the health and safety of our employees and ensuring business continuity. In addition, a special internal communication channel has been established for all inquiries related to these issues, so that all our employees receive all the necessary instructions and information in a timely manner.

### **Key business highlights of the 1-3 2020 period**

In the reporting period, Podravka Inc. recorded operating income of HRK 586.5m, which is 20.5% higher than in the comparative period. Total operating expenses are 19.9% higher due to increase in material costs following higher production and sales, and the increase in staff costs, partly as a result of a one-off award to employees in the production, logistics and distribution segments for their outstanding efforts to ensure continuity of production and regular food supply. This resulted in positive HRK 73.7m of operating profit, while in the comparative period it amounted to HRK 58.8m, which is an increase of 25.2% compared to the 1-3 2019 period.

In 1-3 2020, finance income of HRK 2.6m was recorded, with HRK 7.3m of finance costs, significantly impacted by foreign exchange differences, while the effective tax rate stood at 18.3%. Profit for the period in 1-3 2020 amounted to HRK 56.4m.

As at 31 March 2020, total assets of Podravka Inc. amounted to HRK 3,220.9m, which is 5.9% higher than at the end of 2019. The significant increase on the assets side was recorded by current assets (HRK +174.5m), mainly affected by HRK 80.4m of increase in receivables due to the increase in receivables from undertakings within the group, increase in trade receivables and increase in cash at bank and in hand of HRK 89.8m. On the equity and liabilities side, the most significant increase was recorded in line items profit for the year and current liabilities, while the most significant decrease was recorded by provisions.

Cash flow from operating activities in 1-3 2020 amounted to positive HRK 44.9m, due to operations and movements in the working capital. Cash flow from investing activities at the same time amounted to negative HRK 28.9m, primarily due to cash used for the purchase of non-current tangible and intangible assets. In the same period, cash flow from financing activities amounted to positive HRK 73.8m compared to 1-3 2019, due to borrowings received. In the 1-3 2020 period, cash at bank and in hand increased by HRK 89.8m and consequently the amount of cash and cash equivalents as at 31 March 2020 was HRK 92.0m.



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**UNAUDITED, UNCONSOLIDATED FINANCIAL REPORTS  
FOR THE 1-3 2020 PERIOD**







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STATEMENT OF PROFIT OR LOSS  
for the period 01.01.2020. to 31.03.2020.

in HRK

Submitter: PODRAVKA prehrambena industrija d.d., KOPRIVNICA

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	486.557.578	486.557.578	586.507.122	586.507.122
1 Income from sales with undertakings within the group	126	204.498.820	204.498.820	238.557.536	238.557.536
2 Income from sales (outside group)	127	279.505.667	279.505.667	345.323.301	345.323.301
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	2.000	2.000	0	0
5 Other operating income (outside the group)	130	2.551.091	2.551.091	2.626.285	2.626.285
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	427.736.502	427.736.502	512.836.483	512.836.483
1 Changes in inventories of work in progress and finished goods	132	-5.835.938	-5.835.938	36.450.489	36.450.489
2 Material costs (ADP 134 to 136)	133	306.593.562	306.593.562	338.239.613	338.239.613
a) Costs of raw materials and consumables	134	196.723.234	196.723.234	222.555.690	222.555.690
b) Costs of goods sold	135	80.527.769	80.527.769	84.080.294	84.080.294
c) Other external costs	136	29.342.559	29.342.559	31.603.629	31.603.629
3 Staff costs (ADP 138 to 140)	137	91.063.170	91.063.170	95.596.721	95.596.721
a) Net salaries and wages	138	60.884.416	60.884.416	64.756.097	64.756.097
b) Tax and contributions from salary costs	139	18.882.040	18.882.040	19.369.829	19.369.829
c) Contributions on salaries	140	11.296.714	11.296.714	11.470.795	11.470.795
4 Depreciation	141	23.716.234	23.716.234	24.627.413	24.627.413
5 Other costs	142	10.188.837	10.188.837	8.541.642	8.541.642
6 Value adjustments (ADP 144+145)	143	356.302	356.302	1.290.201	1.290.201
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	356.302	356.302	1.290.201	1.290.201
7 Provisions (ADP 147 to 152)	146	308.154	308.154	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	308.154	308.154	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	1.346.181	1.346.181	8.090.404	8.090.404
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	1.348.951	1.348.951	2.647.498	2.647.498
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	1.143.251	1.143.251	553.508	553.508
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	32.995	32.995	20.863	20.863
8 Exchange rate differences and other financial income	162	0	0	0	0
9 Unrealised gains (income) from financial assets	163	172.705	172.705	2.073.127	2.073.127
10 Other financial income	164	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	3.624.785	3.624.785	7.328.774	7.328.774
1 Interest expenses and similar expenses with undertakings within the group	166	1.241.147	1.241.147	852.324	852.324
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	1.483.378	1.483.378	996.378	996.378
4 Exchange rate differences and other expenses	169	289.268	289.268	5.480.072	5.480.072
5 Unrealised losses (expenses) from financial assets	170	610.992	610.992	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	0	0	0	0
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	0	0	0	0
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	0	0	0	0
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	0	0	0	0
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	487.906.529	487.906.529	589.154.620	589.154.620
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	431.361.287	431.361.287	520.165.257	520.165.257
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	56.545.242	56.545.242	68.989.363	68.989.363
1 Pre-tax profit (ADP 177-178)	180	56.545.242	56.545.242	68.989.363	68.989.363
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
<b>XII INCOME TAX</b>	<b>182</b>	10.295.553	10.295.553	12.615.748	12.615.748
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	46.249.689	46.249.689	56.373.615	56.373.615
1 Profit for the period (ADP 179-182)	184	46.249.689	46.249.689	56.373.615	56.373.615
2 Loss for the period (ADP 182-179)	185	0	0	0	0



MANAGEMENT BOARD

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
I PROFIT OR LOSS FOR THE PERIOD	202	46.249.689	46.249.689	56.373.615	56.373.615
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	46.249.689	46.249.689	56.373.615	56.373.615
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0



MANAGEMENT BOARD

**BALANCE SHEET**  
balance as at 31.03.2020.

in HRK

Submitter: **PODRAVKA prehrambena industrija d.d., KOPRIVNICA**

Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	2 092 574.121	2 096 552 803
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	84 738.126	88 878 508
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	77 936.646	74 493.088
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	6 801.480	14 385.420
6 Other intangible assets	009	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	948 017 022	946 265 429
1 Land	011	57 909.131	57 827.722
2 Buildings	012	422 475.282	417 835.470
3 Plant and equipment	013	269 997.957	263 282 223
4 Tools, working inventory and transportation assets	014	41 112.287	37 302.359
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	3 765.153	5 399.751
7 Tangible assets in preparation	017	42 757.212	54 984.734
8 Other tangible assets	018	0	0
9 Investment property	019	110 000.000	109 633.170
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	1 015 430 473	1 017 632 635
1 Investments in holdings (shares) of undertakings within the group	021	978 278.607	978 911 924
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	1 566 209
4 Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	532.554	541.781
8 Loans, deposits, etc. given	028	221.769	215.178
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	36 397.543	36 397.543
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	44 388.500	43 776 231
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	947 046 055	1 121 497 904
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	438 975 867	442 475 360
1 Raw materials and consumables	039	146 148.219	180 878 014
2 Work in progress	040	26 275.145	28 606 837
3 Finished goods	041	177 289.102	139 345 654
4 Merchandise	042	88 188.330	92 569 784
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	1 075.071	1 075.071
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	480 552.184	560 971.164
1 Receivables from undertakings within the group	047	290 484.997	331 411.922
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	184 596.116	227 880.162
4 Receivables from employees and members of the undertaking	050	920.073	602 260
5 Receivables from government and other institutions	051	4 357.997	995.113
6 Other receivables	052	193.001	81.707
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	25 337 630	26 033 921
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	25 330.884	24 127 995
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	6.746	1 905.926
8 Loans, deposits, etc. given	061	0	0
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	2 180.374	92 017 459
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	3 046.938	2 810 508
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	3 042 667 114	3 220 861 215
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	964 208.349	933 825 129



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<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>2.277.609.287</b>	<b>2.331.866.966</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	1.566.400.660	1.566.400.660
II CAPITAL RESERVES	069	178.030.772	175.914.836
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	383.120.276	383.120.276
1 Legal reserves	071	36.604.533	36.604.533
2 Reserves for treasury shares	072	147.604.502	147.604.502
3 Treasury shares and holdings (deductible item)	073	-47.568.237	-47.568.237
4 Statutory reserves	074	0	0
5 Other reserves	075	246.479.478	246.479.478
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	4.868.475	150.057.579
1 Retained profit	082	4.868.475	150.057.579
2 Loss brought forward	083	0	0
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	145.189.104	56.373.615
1 Profit for the business year	085	145.189.104	56.373.615
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>34.787.460</b>	<b>32.805.121</b>
1 Provisions for pensions, termination benefits and similar obligations	089	21.975.417	21.975.417
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	12.812.043	10.829.704
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>179.850.124</b>	<b>198.563.471</b>
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	179.850.124	198.563.471
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>487.929.614</b>	<b>584.357.224</b>
1 Liabilities to undertakings within the group	108	28.090.456	16.163.785
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	9.461.512	9.673.371
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	345.367	697.019
6 Liabilities to banks and other financial institutions	113	167.707.337	227.848.209
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	224.702.395	255.255.126
9 Liabilities for securities	116	292.116	0
10 Liabilities to employees	117	35.868.211	32.919.976
11 Taxes, contributions and similar liabilities	118	15.305.439	38.352.088
12 Liabilities arising from the share in the result	119	2.201.947	2.193.595
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	3.954.834	1.254.055
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>62.490.629</b>	<b>73.268.433</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>3.042.667.114</b>	<b>3.220.861.215</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>964.208.349</b>	<b>933.825.129</b>





MANAGEMENT BOARD

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2020. to 31.03.2020.

in HRK

Submitter: PODRAVKA prehrambena industrija d.d., KOPRIVNICA			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	56.545.242	68.989.363
2 Adjustments (ADP 003 to 010):	002	27.977.547	30.106.989
a) Depreciation	003	23.716.234	24.627.413
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-25.220	-194.217
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	2.030.507	821.001
d) Interest and dividend income	006	-1.176.246	-574.370
e) Interest expenses	007	2.724.526	1.848.700
f) Provisions	008	529.283	-2.088.995
g) Exchange rate differences (unrealised)	009	178.463	5.667.457
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	0
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>84.522.789</b>	<b>99.096.352</b>
3 Changes in the working capital (ADP 013 to 016)	012	-67.143.854	-48.880.502
a) Increase or decrease in short-term liabilities	013	-32.733.986	35.927.259
b) Increase or decrease in short-term receivables	014	-29.502.552	-81.308.269
c) Increase or decrease in inventories	015	-4.907.316	-3.499.492
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>17.378.935</b>	<b>50.215.850</b>
4 Interest paid	018	-2.848.428	-1.834.935
5 Income tax paid	019	-870.991	-3.490.660
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>13.659.516</b>	<b>44.890.255</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	25.220	151.624
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	79.419	308.923
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	4.686	4.678
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>109.325</b>	<b>465.225</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-12.251.870	-27.810.752
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	-1.540.523
4 Acquisition of a subsidiary, net of cash acquired	031	-12.672	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-12.264.542</b>	<b>-29.351.275</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-12.155.217</b>	<b>-28.886.050</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	35.309.873	130.321.402
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>35.309.873</b>	<b>130.321.402</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-83.711.969	-53.187.662
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-2.761.276	-3.300.860
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-86.473.245</b>	<b>-56.488.522</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>-51.163.372</b>	<b>73.832.880</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-49.659.073</b>	<b>89.837.085</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>68.166.505</b>	<b>2.180.374</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (ADP 048+049)</b>	<b>050</b>	<b>18.507.432</b>	<b>92.017.459</b>



MANAGEMENT BOARD

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 1.1.2020 to 31.3.2020

in HRK

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge effective portion	Hedge of a net investment in a foreign operation effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
<b>Previous period</b>																	
1 Balance on the first day of the previous business year	01	1.566.400.660	177.874.586	30.947.466	147.604.502	54.209.453	0	203.714.761	0	0	0	0	116.837.326	0	2.189.189.838	0	2.189.189.838
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	1.566.400.660	177.874.586	30.947.466	147.604.502	54.209.453	0	203.714.761	0	0	0	0	116.837.326	0	2.189.189.838	0	2.189.189.838
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	145.189.104	145.189.104	0	145.189.104
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	-779.896	0	0	0	0	0	0	-779.896	0	-779.896
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	140.381	0	0	0	0	0	0	140.381	0	140.381
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	156.186	0	0	0	0	0	0	0	0	0	0	0	156.186	0	156.186
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	-5.641.226	0	0	0	0	0	0	-62.907.552	0	-56.266.326	0	-56.266.326
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	5.657.067	0	0	0	43.404.232	0	0	0	0	-49.051.299	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	1.566.400.660	-178.830.772	36.604.533	147.604.502	47.568.237	0	246.479.478	0	0	0	0	4.868.475	145.189.104	2.277.609.287	0	2.277.609.287
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 05 to 14)	24	0	0	0	0	0	0	-639.515	0	0	0	0	0	0	-639.515	0	-639.515
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-639.515	0	0	0	0	0	145.189.104	144.549.589	0	144.549.589
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	156.186	5.657.067	0	-6.641.226	0	-43.404.232	0	0	0	0	-111.968.851	0	-56.110.140	0	-56.110.140

PODRAVKA Inc., Koprivnica, Ante Starčevića 32, The Commercial Court in Bjelovar, CRN: 010006549, PIN: 18928523252,  
Privredna banka Zagreb P.L.C., Zagreb, Radnička cesta 50, IBAN: HR94 2340 0091 1000 9852 6, share capital: HRK 1,566,400,660.00,  
paid in full, total number of shares issued: 7,120,003, nominal share value: HRK 220.00, President of the Supervisory Board: Ž. Vukina,  
President of the Management Board: M. Pucar, members of the Management Board: D. Doko, H. Kolarić, Lj. Šapina, M. Đerek



MANAGEMENT BOARD

Item	ADP code	Attributable to owners of the parent														Minority (non-controlling) interest	Total capital and reserves	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 + 8 to 15)	17	18 (16+17)	
<b>Current period</b>																		
<b>1 Balance on the first day of the current business year</b>	<b>27</b>	1.566.400.660	178.030.772	36.604.533	147.604.502	47.568.237	0	246.479.478	0	0	0	0	0	150.057.579	0	2.277.609.287	0	2.277.609.287
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>4 Balance on the first day of the current business year (restated) (ADP 27 to 29)</b>	<b>30</b>	1.566.400.660	178.030.772	36.604.533	147.604.502	47.568.237	0	246.479.478	0	0	0	0	0	150.057.579	0	2.277.609.287	0	2.277.609.287
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	0	56.373.615	56.373.615	0	56.373.615
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	-2.115.936	0	0	0	0	0	0	0	0	0	0	0	0	-2.115.936	0	-2.115.936
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>23 Balance on the last day of the current business year reporting period (ADP 30 to 48)</b>	<b>49</b>	1.566.400.660	175.914.836	36.604.533	147.604.502	47.568.237	0	246.479.478	0	0	0	0	0	150.057.579	56.373.615	2.331.866.966	0	2.331.866.966
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
<b>I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)</b>	<b>50</b>	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
<b>II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)</b>	<b>51</b>	0	0	0	0	0	0	0	0	0	0	0	0	56.373.615	56.373.615	0	56.373.615	
<b>III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)</b>	<b>52</b>	0	-2.115.936	0	0	0	0	0	0	0	0	0	0	0	-2.115.936	0	-2.115.936	

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President of the Management Board: M. Pucar, members of the Management Board: D. Doko, H. Kolarić, Lj. Šapina, M. Đerek



MANAGEMENT BOARD

**Notes to the financial statements:**

In 1-3 2020 period there were no changes in accounting policies.





MANAGEMENT BOARD

## STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Koprivnica, 30 April 2020

### STATEMENT FROM EXECUTIVES RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

Unaudited financial statements of Podravka Inc. for the period 1 - 3 2020 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.

Unaudited financial statements of Podravka Inc. for the period 1 - 3 2020 were approved by the Management Board of PODRAVKA d.d. on 30 April 2020.

Corporate Accounting Director:  
Julijana Artner Kuček



Board Member:

Davor Đeko



MANAGEMENT BOARD

## Contact

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