

9m2022 unaudited consolidated results

28 November 2022



Executive summary

Operational performance for 9m 2022¹



- **Total consolidated² revenues** from continuing operations: **HRK 30,377m** (+38% vs 9m 2021)
- **Without the impact of Mercator's integration** total underlying revenues from continuing operations increased **+15%** vs 9m 2021 on a like-for-like basis

Financial performance



- **Adjusted consolidated EBITDA** according to the Subscription Agreement: **HRK 2,075m** (+22% vs 9m 2021 on a like-for-like basis)
- **Net profit for the period from continuing operations:** **HRK 534m** (HRK 918m improvement vs 9m 2021).
- **HRK 1,969m of cash and cash equivalents** at the end of September 2022 compared to HRK 2,453m at the end of September 2021
- **Leverage as of 30 September 2022: 3.58x** per lender definition

Other important business events



- Extraordinary Administration process over Agrokor d.d. closed in October 2022 and Agrokor d.d. erased from the Court Registry
- 109 out of 196 Fortenova's companies were merged / sold or liquidated
- Refinancing activities related to the Loan note maturing in September 2023 in progress
- EURO project is well on track are we will be ready for 1 January 2023 when this will become the formal currency in Croatia
- Additional profit tax for 2022 - public consultation of the draft legislation is in progress

External impacts

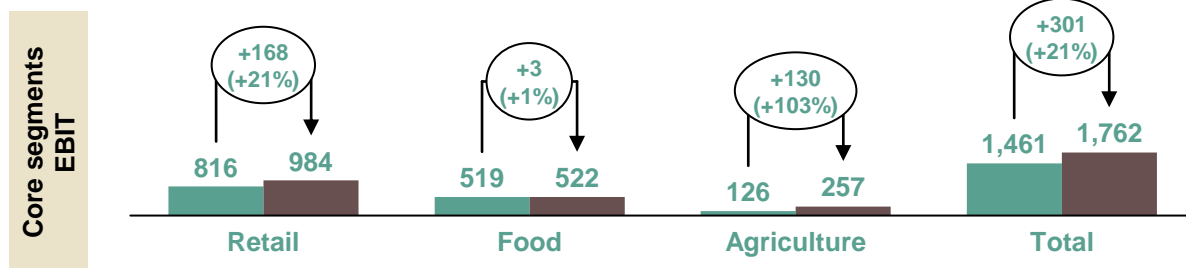
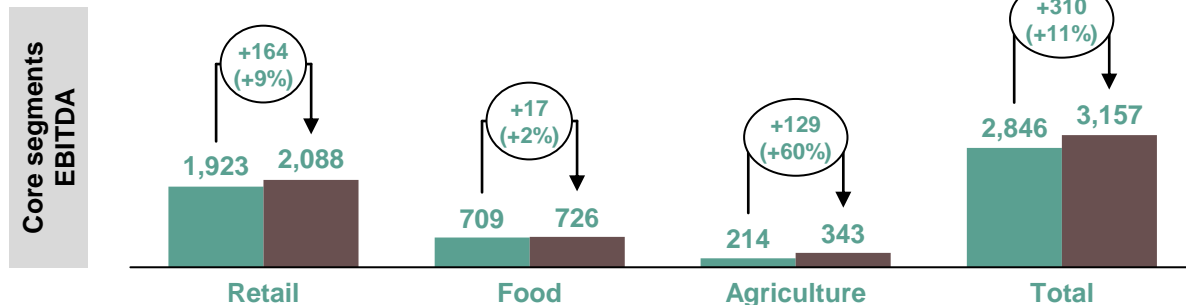
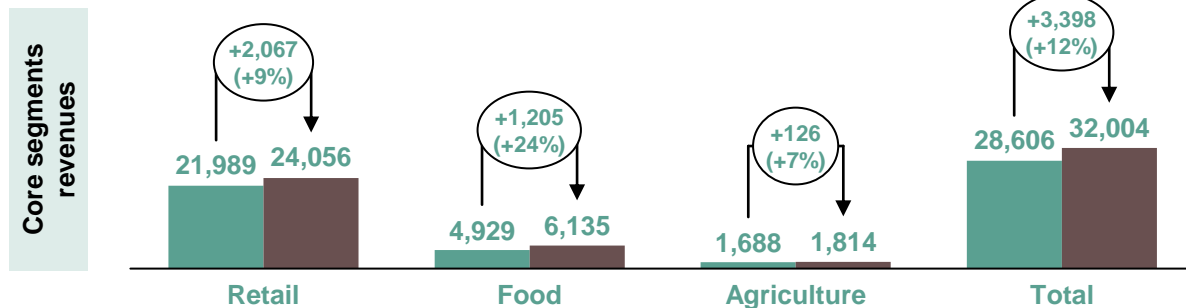


- **War in Ukraine** due to which Sberbank and VTB cannot exercise their voting rights as DR holders
- Sale of Sberbank's shares to Hungarian fund Indotek and Croatian pension funds has not occurred
- **Cost inflation** (energy, fuel, gas, labor costs etc.)
- **Supply chain disruptions**
- Very few COVID-19 restrictive measures in most SEE countries
- Lower availability of workforce

Non-consolidated, unaudited Core segments performance in 9m 2022 on a like-for-like basis

Excludes Frozen segment and includes Mercator companies in both years

■ 9m 2021 ■ 9m 2022 (in HRK million)



- Core segments¹ realized **higher net sales revenues (NSR) by 12%**, **higher EBITDA by 11%** and **higher EBIT by 21%** compared to last year.
- **Retail & Wholesale segment achieved higher NSR by 9%** driven by revenue initiatives (price optimization, network expansion, acquisition of Miracolo) and higher inflation. Focus on store optimization initiatives, synergies and energy saving measures resulted in **9% higher EBITDA and 21% higher EBIT vs last year**.
- **Food segment achieved higher NSR by 24%**, **higher EBITDA by 2%** and **higher EBIT by 1%** due to higher prices offset by higher raw material prices, input costs inflation and increased salaries.
- **Agriculture companies achieved higher NSR by 7%** with pig farming, cattle farming and dairy production contributing the most, which offset the negative effect on net revenues from exiting trading business. **EBITDA increased by 60% and EBIT by 103%** following the rise in market-driven sales prices, improved natural performance indicators and strong operational cost management.

¹Core segments include 18 companies (Konzum, Konzum Sarajevo, Tisak, Jamnica, Sarajevski kiseljak, Roto dinamic, Zvijezda, Dijamant, PIK Vrbovec, Agrolaguna, Belje, PIK Vinkovci, Vupik, Mercator Slovenia, Mercator Serbia, Mercator BH, Mercator Montenegro, Mercator Croatia). The results are aggregated and include intercompany trading.

Note: From 1 January 2022 Agrolaguna is classified as a Food company, not Agriculture company as it used to be classified in previous DR holders' presentations.

Consolidated Financial Statements – Basis of Preparation



The presented consolidated financial statements comprise the financial statements of Fortenova grupa d.d. and its 57 subsidiaries, including Mercator entities.



The accounting policies adopted in the preparation of the presented consolidated financial statements are consistent with all the International Financial Reporting Standards effective and used in the audited consolidated financial statements for the year ended 31 December 2021.



Discontinued operations presented in these consolidated financial statements, in accordance with the IFRS 5 requirements, represent operations of Kompas group, Frozen group and other smaller entities.



Mercator group is consolidated from 1 May 2021;
Frozen group sale was completed on 30 September 2021

Consolidated Profit and Loss statement

9m 2022

All amounts in HRK thousand, IFRS	1 Jan – 30 Sep 2022	1 Jan – 30 Sep 2021
Revenue	30,112,828	21,786,108
Other income	264,075	248,439
Total income	30,376,903	22,034,547
Changes in inventories of finished goods and work in progress	305,878	178,867
Cost of materials and goods sold	(21,571,436)	(15,185,211)
Cost of services	(1,976,795)	(1,542,230)
Staff costs	(3,460,615)	(2,615,814)
Depreciation, amortisation and impairment	(845,812)	(708,133)
Depreciation of right of use assets	(566,217)	(496,180)
Other costs	(729,366)	(796,717)
Gains on sale of properties	12,157	7,008
Total expenses	(28,832,206)	(21,158,410)
PROFIT BEFORE INTEREST AND TAX	1,544,697	876,137
Finance income	38,385	190,277
Finance expenses	(974,337)	(1,383,571)
Net financial result	(935,952)	(1,193,294)
Share of profit of associates	-	-
PROFIT / (LOSS) BEFORE TAX FROM CONTINUING OPERATIONS	608,745	(317,157)
Income tax	(74,907)	(67,137)
PROFIT / (LOSS) FOR THE PERIOD FROM CONTINUING OPERATIONS	533,838	(384,294)
PROFIT FOR THE PERIOD FROM DISCONTINUED OPERATIONS	-	1,205,431
PROFIT FOR THE PERIOD	533,838	821,137
Fx differences	(20,743)	120,247
PROFIT FOR THE PERIOD w/o Fx differences	554,581	700,890

Comparison without discontinued operations, HRKm			
Revenues	9m 2022	9m 2021	(%)
Total revenues	30,377	23,777	27.8%
Total revenues from discontinued operations	-	1,742	-
Total revenues from continuing operations	30,377	22,035	37.9%
Total revenues from continuing operations w/o Mercator	17,372	15,120	14.9%

Net financial result breakdown, HRKm		
	9m 2022	9m 2021
Interest expense on loans	(572)	(742)
Interest income	5	11
Interest expense on lease liabilities	(300)	(259)
Net Fx result	(21)	120
Other, net	(48)	(323)
Total	(936)	(1,193)

Consolidated Balance Sheet

30 September 2022 vs 31 December 2021

All amounts in HRK thousand, IFRS	30 September 2022	31 December 2021	All amounts in HRK thousand, IFRS	30 September 2022	31 December 2021
NON-CURRENT ASSETS					
Property, plant and equipment	11,497,016	11,710,086	Share capital	200	200
Right of use assets	4,716,572	4,865,758	Reserves	875,188	289,214
Investment property	1,223,153	1,232,471	Loss for the period	533,837	609,477
Intangible assets	5,958,548	6,055,589		1,409,225	898,892
Biological assets	131,919	119,156	NON-CONTROLLING INTERESTS	32,295	213,640
Investments in associates	-	-	TOTAL EQUITY	1,441,520	1,112,532
Loans, deposits and other non-current financial assets	220,930	241,248	NON-CURRENT LIABILITIES		
Deferred tax assets	313,121	542,134	Profit participating loan	8,941,105	8,929,144
Other non-current assets	79,405	96,000	Borrowings	1,753,832	1,869,534
TOTAL NON-CURRENT ASSETS	24,140,664	24,862,442	Lease liabilities	4,360,508	4,519,738
CURRENT ASSETS			Provisions	509,149	516,509
Inventories	4,897,805	4,036,275	Deferred tax liabilities	350,465	579,107
Biological assets	374,655	256,064	Other non-current liabilities	1,757	1,798
Assets classified as held for sale	317,770	340,944	TOTAL NON-CURRENT LIABILITIES	15,916,816	16,415,830
Loans and deposits	96,491	86,000	CURRENT LIABILITIES		
Trade receivables	1,967,475	1,909,001	Trade payables	6,570,310	5,933,065
Other current assets	1,100,188	768,511	Income tax payable	26,738	55,950
Cash and cash equivalents	1,968,503	1,872,026	Borrowings	8,584,647	8,364,683
TOTAL CURRENT ASSETS	10,722,887	9,268,821	Lease liabilities	844,756	849,830
TOTAL ASSETS	34,863,551	34,131,263	Other current liabilities	1,478,764	1,399,373
			TOTAL CURRENT LIABILITIES	17,505,215	16,602,901
			TOTAL LIABILITIES	33,422,031	33,018,731
			TOTAL EQUITY AND LIABILITIES	34,863,551	34,131,263

Going forward we will focus on mentioned shareholding and debt aspects while further growing the underlying business

Operational performance for 9m 2022¹



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THANK YOU



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GRUPA