



With poultry farmers about the future plans for Perutnina Ptuj

Ptuj, Slovenia, November 12th – Following MHP Group's announcement of intention for a strategic entry into the ownership of Perutnina Ptuj Group, the management of the potential new owner – together with the management of Perutnina Ptuj – held a meeting with farmers of the Ptuj poultry company. Perutnina Ptuj has presented its expectations to the potential new owner. The management of MHP presented the vision and plans for further development of Perutnina Ptuj in the light of the enlargement and investments in the farmers' base within the existing business model. After the meeting, they visited one of the farmers, who is engaged in the certified (so-called) chicken-friendly breeding.

»For further development and competitiveness on the demanding global market, Perutnina Ptuj needs a strong strategic partner in the industry, who is ready to strengthen the existing business model, invest in development and technology, and further develop the strong brands of the company,« stated Tibor Simonka, Chairman of the board of Perutnina Ptuj.

Dr. John Rich, non-executive director of MHP, pointed out among the key plans that MHP wants to invest about 200 million EUR in the next four to five years, mainly in Perutnina Ptuj's production base. Investments will allow upgrading equipment and technology to the industry's leading level: the renewal, modernization and expansion of live production with breeders and the strengthening of development in accordance with the guidelines for sustainable operation and support to local communities. They will also invest in the development of recognizable brands of Perutnina Ptuj.

Dr. John Rich responded directly to the questions raised by farmers: *»We will maintain the already established model of vertical integration, from poultry farming by domestic farmers, to production plants and the sales networks. Our business model is also based on the complete vertical integration of the steps from farm to fork, where nothing is left to chance.«*

MHP intends to strengthen relations with all stakeholders that have helped to build a company, and strong and extremely popular brands of Perutnina Ptuj, including current management, employees, farmers and other business partners in the region.

Among other things, Dr. Rich also pointed out that the meat and products of MHP follow the highest internationally recognized quality standards and that their purpose is not to import meat produced in Ukraine to Slovene and other markets of South-Western Europe. With the announced investments, they intend to strengthen and develop breeding and production in Slovenia and in countries where Perutnina Ptuj has established vertically organized production. They are convinced that with the investment in Slovenia, they will be able to increase the sales of Perutnina Ptuj's products in existing markets, such as Slovenia, Serbia, Croatia and Bosnia and Herzegovina, while at the same time they will look for new potential opportunities on other, especially Western European markets.

The plans for the development of poultry in Ptuj were welcomed by the farmers after the meeting: *"We are pleased that after the presentation of a potential new owner by the management of Perutnina Ptuj, we also met with the management of MHP, which presented*



their vision of the development of Perutnina Ptuj and investment in the breeding base. We are pleased to hear that further development and expansion of poultry breeding in Slovenia is guaranteed," stated Andrej Tkalec, director of the Ptuj Poultry Cooperative.

MHP has already acquired the approval of regulators in Austria, Macedonia, Serbia and Romania. Only the confirmation of the Slovenian Competition Protection Agency is being awaited.