



ČAKOVEČKI MLINOVI INC.

QUARTERLY CONSOLIDATED FINANCIAL REPORT  
FOR Q1 2025



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**ČAKOVEČKI MLINOVI INC.**

**CONSOLIDATED INTERIM MANAGEMENT REPORT  
FOR Q1 2025**

## 1. BUSINESS RESULTS IN Q1 2025

### **ABOUT THE GROUP ČAKOVEČKI MLINOVI**

Čakovečki mlinovi Inc. (hereinafter: "Čakovečki mlinovi" or "Company"), founded in 1893 in Čakovec, is one of the oldest Croatian food and retail companies. The Company operates a vertically integrated business model that includes the production of high-quality mill, bakery and oil products on the one hand and the retail sale of mixed goods on the other. Although food production is the Company's tradition and heritage, the Company has grown into a business system through a series of successful acquisitions and integrations of retail chains, which today generates the majority of its revenue from retail activities.

Čakovečki mlinovi Inc. operates six subsidiaries: Trgovina Krk Inc. Malinska, Trgocentar Inc. Virovitica, Radnik Opatija Inc. Lovran, Zagrebačke pekarnice Klara Inc., Zagreb, Prehrana trgovina Inc., Zagreb and NewMip Ltd. (hereinafter together: "Čakovečki mlinovi Group" or "Group") and one associated company: Narodni trgovačka lanac Ltd. Soblinec. Čakovečki mlinovi Inc., in addition to the unconsolidated reports of the Company, also prepares the consolidated reports of the Group separately.

In the first quarter of 2025, the Čakovečki mlinovi Group generated EUR 73.5 million in consolidated total revenue based on consolidated total assets of EUR 193.1 million and employed an average of 4,583 employees based on working hours. According to the Accounting Act, the Čakovečki mlinovi Group belongs to a large group of entrepreneurs.

The shares of Čakovečki mlinovi Inc. are listed on the Official Market of the Zagreb Stock Exchange under the symbol CKML. As of March 31, 2025, the Company had 16,020,000 issued and 10,290,000 listed shares with a market capitalization of EUR 105 million.

On January 30, 2025, the company Čakovečki mlinovi Inc. paid a dividend of EUR 5,042,100 (EUR 0.49 per share).

### **BUSINESS SEGMENTS AND OPERATIONAL BUSINESS**

The Čakovečki mlinovi Group is organized into two strategic business segments:

- Trade, which includes retail and wholesale of food and non-food products;
- Food, which includes the production of mill and bakery products and oil.

Čakovečki mlinovi Inc. manages the segments from a strategic level and acts as the corporate center of the Group. The Trade business segment is operationally managed by Trgovina Krk Inc. The Food business segment is operationally managed by Čakovečki mlinovi Inc.

The business segments of the Group and their key operational indicators are presented below.

#### **Trade**

| KEY OPERATIONAL INDICATORS                    | 31.3.2025. | 31.3.2024. |
|---|------------|------------|
| Number of retail stores                       | 859        | 425        |
| Retail store area (in m2 net)                 | 86,933     | 54,875     |
| Average store area (in m2 net)                | 101        | 129        |
| Area of distribution warehouses (in m2 gross) | 11,343     | 11,343     |
| Average number of employees                   | 4,271      | 1,783      |

Trade is the largest segment of the Čakovečki mlinovi Group, which generated 81% of the Group's sales revenue in the first quarter of 2025.

The Trade segment is organized into two business areas:

- retail - trade in predominantly food and, to a lesser extent, non-food assortment;
- Wholesale – trade in food, non-food and construction products.

Retail accounts for 95% of the sales revenue of the Trade segment.

As of 31 March 2025, Trgovina operated 859 retail stores located in northwestern and eastern Croatia, in Kvarner and on the island of Krk. The total net sales area was 86,933 m<sup>2</sup>. The main factors of the offer of the Retail segment are the proximity of stores and local assortment, which is why the Group's retail stores are mostly located in smaller settlements or residential areas and have an average net sales area of up to 101 m<sup>2</sup>. This store format in Croatia is defined as a market or supermarket, and is better known internationally as *the proximity* format due to its characteristic proximity to customers.

Trgovina Krk Inc. holds a 25% ownership stake in the company Narodni trgova lanac Ltd. (hereinafter: "NTL"), the largest purchasing association for food products in Croatia, through which it realizes approximately 75% of the procurement of goods. In addition to providing commercial services to its members, developing the NTL brand and purchasing and distributing fruit and vegetables, NTL operates its own retail network of 346 stores and 9 wholesale logistics and distribution centers. In Q1 2025, NTL generated EUR 0.2 million in net profit (Q1 2024: EUR 0.5 million). Trgovina Krk Inc. also holds a 10% ownership stake in the company Grandal grupa Ltd., the largest purchasing association for construction materials in Croatia.

## Food

| KEY OPERATIONAL INDICATORS              | 31.3.2025. | 31.3.2024. |
|---|------------|------------|
| Cereal processing (in tons)             | 24,580     | 14,190     |
| Production of bakery products (in tons) | 8,672      | 1,844      |
| Oil production (in tons)                | 2          | 1          |
| Average number of employees             | 739        | 273        |

The Food segment covers food production and is organized into three business areas:

- milling - production of mostly flour and other mill products, and to a lesser extent porridge and cattle meal;
- bakery - production of mainly bread, pastries and cakes and to a lesser extent dough and;
- Oil production – own production of pumpkin seed oil and service production of olive oil.

As of March 31, 2025, the Food segment operated three milling plants (Čakovec, Donji Kraljevec and Sisak) with a total production capacity of 105,000 tons per year, five bakery plants (Čakovec, Oroslavje, Lovran, Malinska, Zagreb) with a total production capacity of 37,533 tons per year, and one oil mill (Punat).

## KEY FINANCIAL INDICATORS OF THE GROUP

| <b>PROFIT AND LOSS ACCOUNT</b><br>(in millions of euros) | <b>1-3. 2025.</b> | <b>1-3. 2024.</b> | <b>1.-3. 2025./<br/>1.-3. 2024.</b> |
|--|-------------------|-------------------|-------------------------------------|
| Sales revenue  | 71.9              | 41.6              | 72.8%                               |
| Operating expenses, net <sup>1</sup>                     | 70.2              | 41.6              | 68.6%                               |
| EBITDA <sup>2</sup>                                      | 1.7               | 0.0               | -                                   |
| Normalized EBITDA <sup>3</sup>                           | 1.7               | 0.1               | -                                   |
| Amortization   | 3.0               | 1.8               | 68.5%                               |
| EBIT <sup>4</sup>  | (1.3)             | (1.8)             | (28.0%)                             |
| Net financial result <sup>5</sup>                        | 0.3               | 0.3               | 4.6%                                |
| Net profit (loss)  | (1.3)             | (1.5)             | (18.4%)                             |

| <b>Profit margins <sup>6</sup></b> |       |       |        |
|------------------------------------|-------|-------|--------|
| EBITDA margin                      | 2.4%  | -0.1% | 2.4 bp |
| Normalized EBITDA margin           | 2.3%  | 0.1%  | 2.2 bp |
| EBIT margin                        | -1.8% | -4.4% | 2.5 bp |
| Net profit margin                  | -1.7% | -3.7% | 2.0 bp |

| <b>BALANCE SHEET</b><br>(in millions of euros) | <b>31.3.2025.</b> | <b>31.12.2024.</b> | <b>31.3.2025./<br/>31.12.2024.</b> |
|--|-------------------|--------------------|------------------------------------|
| Net debt (cash) <sup>7</sup>                   | (7.7)             | (20.6)             | (62.5%)                            |
| Capital and reserves                           | 119.5             | 87.6               | 36.4%                              |
| Net working capital <sup>8</sup>               | 29.8              | 23.7               | 25.5%                              |

| <b>CASH FLOWS</b><br>(in millions of euros) | <b>1-3. 2025.</b> | <b>1-3. 2024.</b> | <b>1.-3. 2025./<br/>1.-3. 2024.</b> |
|---|-------------------|-------------------|-------------------------------------|
| Net cash flows from operating activities.   | 8.6               | 3.9               | 122.8%                              |
| Capital expenditure (CapEx) <sup>9</sup>    | 3.0               | 2.0               | 50.9%                               |
| Cash expenditures for dividend payments     | 5.0               | 0.0               | -                                   |

1 Operating costs, net include business expenses less depreciation, other business income and income based on the use of own products, goods and services; a detailed calculation is presented under Operating costs in this part of the report.

2 EBITDA (eng. earnings before interest, taxes, depreciation and amortization) represents operating profit before amortization; calculated as business income - business expenses + depreciation.

3 Normalization implies adjustment for one-off items; detailed calculation is presented under EBITDA Normalization in this section of the report.

4 EBIT (eng. earnings before interest and taxes) represents operating profit; calculated as business income - business expenses.

5 Net financial result is calculated as financial income + share in the profit of the associated company (NTL) – financial expenses.

6 Profit margins are calculated on the basis of sales revenue.

7 Net debt (money) includes long-term and short-term financial liabilities minus cash and cash equivalents and deposits with banks. Deposits with banks are included in net debt regardless of the maturity date because they are available on call.

8 Net working capital includes inventories plus short-term trade receivables and less short-term trade payables and advances.

9 CapEx (capital expenditures) represents financial expenditures for the purchase of long-term tangible and intangible assets.

Note: Amounts in this section, as well as in the rest of the report, are rounded to one decimal place.

## ***SUMMARY OF GROUP RESULTS***

In the first quarter of 2025, the Čakovečki mlinovi Group generated EUR 71.9 million in sales revenue, EUR 1.7 million in normalized EBITDA and EUR (1.3) million in loss.

The Group's operations were marked by a growth in sales revenue of 72.8% or EUR 30.3 million compared to the same period of the previous year. Sales revenue of Retail, the Group's largest business area, grew by 73.1% or EUR 23.2 million, or by 74.6% or EUR 23.2 million on a comparable (hereinafter: "LFL") basis. The aforementioned revenue growth is primarily a result of the Group's growth in the results of the new members Zagrebačka Pekarna Klara Inc., Prehrana Trgovina Inc. and NewMIP Ltd.

The Trade business segment, as the largest segment of the Group, achieved EUR 58.3 million or 81.1% of the Group's sales revenue and EUR 0.2 million of normalized EBITDA.

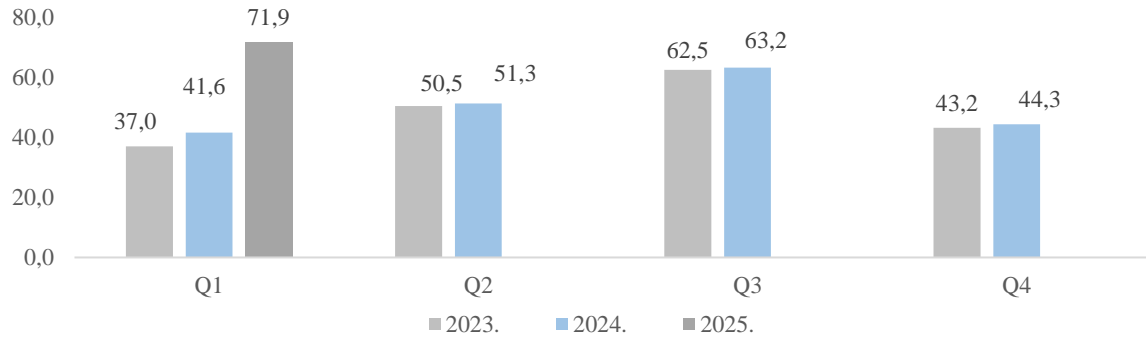
The Group's net operating expenses increased by 68.6% or EUR 28.5 million, mostly as a result of the inclusion of new affiliated companies.

In the first quarter of 2025, the Group's normalized EBITDA increased by EUR 1.6 million, and the net loss amounted to EUR 1.3 million, which was reduced by EUR 0.2 million compared to 1Q 2024. The Group achieved an increase in the normalized EBITDA margin to 2.3% (Q1 2024: 0.1%), the net profit margin was (1.7%) (Q1 2024: (3.7%)).

## QUARTERLY PERFORMANCE OVERVIEW OF THE GROUP

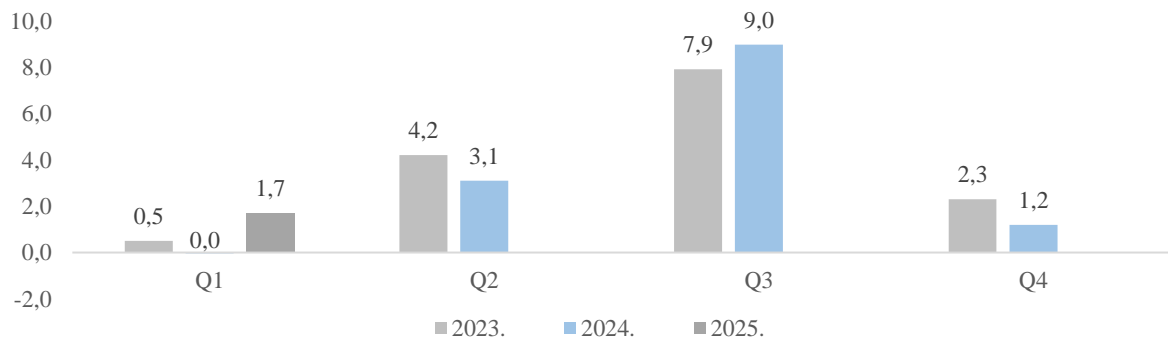
### Group sales revenue

(in million euros)



### Group EBITDA

(in million euros)



Note: Data for the fourth quarter were calculated based on audited (if available) annual financial statements and unaudited quarterly financial statements for the first, second and third quarters.

Given the impact of the tourist season on the Group's operations in the Trade segment, the first quarter is typically financially weaker than the remaining quarters of the year.



## SALES REVENUE

| SALES REVENUE BY SEGMENT          |               |                       |               |                       |                             |
|-----------------------------------|---------------|-----------------------|---------------|-----------------------|-----------------------------|
| (in millions of euros)            | 1-3.<br>2025. | % of sales<br>revenue | 1-3.<br>2024. | % of sales<br>revenue | 1.-3. 2025./<br>1.-3. 2024. |
| Trade                             | 58.3          | 81.1%                 | 35.7          | 85.8%                 | 63.4%                       |
| Food                              | 13.6          | 18.9%                 | 5.9           | 14.2%                 | 129.2%                      |
| <b>Consolidated sales revenue</b> | <b>71.9</b>   | <b>100.0%</b>         | <b>41.6</b>   | <b>100.0%</b>         | <b>72.8%</b>                |

Note: Data are presented on a consolidated basis.

| LFL <sup>1</sup> RETAIL GROWTH                        |             |             |                             |
|---|-------------|-------------|-----------------------------|
| (in millions of euros)                                | 1-3. 2025.  | 1-3. 2024.  | 1.-3. 2025./<br>1.-3. 2024. |
| Revenue from the sale of goods – Trade                | 57.6        | 35.5        | 62.1%                       |
| Revenue from sales of goods - Retail                  | 54.9        | 31.7        | 73.1%                       |
| <b>Revenues from the sale of goods - Retail - LFL</b> | <b>29.7</b> | <b>31.1</b> | <b>(4.4%)</b>               |

<sup>1</sup> Revenues on a comparative basis (eng. like-for-like, LFL) refer to stores that operated throughout both comparative periods.

Note: Data are presented on a consolidated basis.

In the first quarter of 2025, the Group generated sales revenue of EUR 71.9 million, which is 72.8% or EUR 30.3 million more than in the same period of the previous year as a result of revenue growth from new members of the Group, while sales revenue from the Food segment increased by 129.2% also as a result of the merger of new members.

Sales revenue in the Trade segment amounted to EUR 57.6 million or 81.1% of the Group's sales revenue and increased by 63.4% or EUR 22.6 million compared to the same period last year. This growth is a result of the positive effects of the merger of new members. Sales revenue in Retail increased by 73.1% or EUR 23.2 million, or decreased by 4.4% or EUR 1.4 million on an LFL basis.

Sales revenue of the Food segment amounted to EUR 13.6 million or 18.9% of sales revenue and is 129.2% or EUR 7.7 million higher than in the same period last year.

## OPERATING COSTS

| (in millions of euros)                               | 1-3. 2025.  | % of sales revenue | 1-3. 2024.  | % of sales revenue | 1.-3. 2025./ 1-3. 2024. |
|--|-------------|--------------------|-------------|--------------------|-------------------------|
| Raw and material costs and change in inventory value | 2.7         | 3.8%               | 5.8         | 13.9%              | (53.3%)                 |
| Cost of goods sold, net <sup>1</sup>                 | 45.3        | 63.1%              | 24.7        | 59.5%              | 83.3%                   |
| Other external costs                                 | 3.7         | 5.1%               | 1.6         | 3.8%               | 128.5%                  |
| Staff costs <sup>2</sup>                             | 17.6        | 24.5%              | 8.8         | 21.2%              | 100.1%                  |
| Other costs  | 0.9         | 1.2%               | 0.5         | 1.3%               | 69.3%                   |
| Other operating expenses (income) <sup>3</sup>       | 0.4         | 0.49%              | 0.2         | 0.4%               | 118.6%                  |
| <b>Operating expenses, net</b>                       | <b>70.6</b> | <b>97.6%</b>       | <b>41.6</b> | <b>100.1%</b>      | <b>68.6%</b>            |

1 Cost of goods sold less income from subsequently approved rebates and marketing services.

2 Personnel costs include net salaries, taxes and contributions from salaries, contributions to salaries and paid non-taxable benefits to employees.

3 Other business expenses less: paid non-taxable receipts of employees, other business income without income from subsequently approved rebates and marketing services and for income based on the use of own products, goods and services.

In the first quarter of 2025, the Group recorded an increase in net operating expenses by 68.6% or EUR 29.0 million compared to the same period of the previous year. The increase in expenses is a result of the merger of new members into the Group.

Cost of goods sold increased by 83.3% or EUR 20.6 million as a result of the merger. Personnel costs together with non-taxable benefits paid amounted to EUR 17.6 million and increased by 100.1% or EUR 8.8 million. Personnel costs increased under the influence of the increase in the minimum wage and the spillover of this impact to the remaining salaries. As of 31 March 2025, the Group employed 4,933 employees (Q1 2024: 2,282), or in the first quarter of 2025 on average 4,583 employees based on hours worked (Q1 2024: 2,056).

## EBITDA

| EBITDA BY SEGMENTS             | 1-3. 2025. |       |       | 1-3. 2024. |       |      |
|--------------------------------|------------|-------|-------|------------|-------|------|
| (in millions of euros)         | GROUP      | TRADE | FOOD  | GROUP      | TRADE | FOOD |
| Cons. sales revenue            | 71.9       | 58.3  | 13.6  | 41.6       | 35.7  | 5.9  |
| EBITDA                         | 1.7        | 0.2   | 1.5   | -0.1       | -0.5  | 0.4  |
| EBITDA margin                  | 2.4%       | 0.4%  | 10.7% | -0.1%      | -1.3% | 7.1% |
| Normalized EBITDA <sup>1</sup> | 1.7        | 0.2   | 1.5   | 0.1        | -0.4  | 0.5  |
| Normalized EBITDA margin       | 2.3%       | 0.3%  | 10.8% | 0.1%       | -1.2% | 8.4% |

1 Normalization implies adjustment for material one-off items; detailed calculation is presented under EBITDA Normalization in this section of the report.

Note: Data are presented on a consolidated basis.

In the first quarter of 2025, the Group achieved normalized EBITDA of EUR 1.7 million, which is EUR 1.6 million more than in the same period of the previous year. Reported EBITDA amounted to EUR 1.7 million (Q1 2024: EUR 0.1 million).

Normalized EBITDA of the Trade segment amounted to EUR 0.2 million, an increase of EUR 0.6 million compared to the same period of the previous year. Normalized EBITDA margin of the Trade segment amounted to 0.3% (Q1 2024: -1,2%).

#### **EBITDA normalization**

| <b>EBITDA NORMALIZATION</b>           | <b>1-3. 2025.</b> |              |             | <b>1-3. 2024.</b> |              |             |
|---------------------------------------|-------------------|--------------|-------------|-------------------|--------------|-------------|
| <b>(in millions of euros)</b>         | <b>GROUP</b>      | <b>TRADE</b> | <b>FOOD</b> | <b>GROUP</b>      | <b>TRADE</b> | <b>FOOD</b> |
| <b>EBITDA</b>                         | <b>1.7</b>        | <b>0.2</b>   | <b>1.5</b>  | <b>-0.1</b>       | <b>-0.5</b>  | <b>0.4</b>  |
| Intellectual services costs           | 0.0               | 0.0          | 0.0         | 0.1               | 0.1          | 0.0         |
| Other one-time expenses (income), net | 0.0               | 0.0          | 0.0         | 0.1               | 0.1          | 0.1         |
| <b>Normalized EBITDA</b>              | <b>1.7</b>        | <b>0.2</b>   | <b>1.5</b>  | <b>0.1</b>        | <b>-0.4</b>  | <b>0.5</b>  |

Note: The term 'net' implies that an individual item of income is netted by a comparable item of expenditure.

In addition to reporting on alternative (non-IFRS) business performance measures such as EBITDA, the Group discloses the impact of non-recurring items in order to achieve a higher level of transparency of its normal business activities. Non-recurring items are those items that do not appear regularly and have a significant impact on the result. In the first quarter of 2025, there were no one-time normalization items in the Group.

#### **NET PROFIT**

In the first quarter of 2025, the Group recorded a net loss of EUR 1.3 million, which is the same as in 1Q 2024.

#### **NET DEBT**

| <b>(in millions of euros)</b>              | <b>31.3.2025.</b> | <b>31.12.2024.</b> | <b>31.3.2025./<br/>31.12.2024.</b> |
|--|-------------------|--------------------|------------------------------------|
| Long-term liabilities for loans received   | 2.6               | 0.0                | -                                  |
| Long-term lease liabilities                | 13.1              | 2.7                | -                                  |
| Short-term liabilities from loans received | 5.7               | 4.2                | 37.0%                              |
| Short-term lease liabilities               | 2.8               | 1.4                | 96.9%                              |
| Loans, deposits, etc. given                | -6.2              | 0.0                | -                                  |
| Money in the bank and cash register        | -25.8             | -28.8              | -10.7%                             |
| <b>Net debt (cash)</b>                     | <b>-7.8</b>       | <b>-20.5</b>       | <b>-62.5%</b>                      |

As of 31 March 2025, the Group recorded a net cash item of EUR 7.8 million (31.12.2024: EUR 20.5 million), of which EUR 8.3 million (31.12.2024: EUR 4.2 million) relates to loan and credit liabilities, EUR 13.1 million (31.12.2024: EUR 2.7 million) to lease liabilities, and EUR 25.8 million (31.12.2024: EUR 28.8 million) to cash and cash equivalents and deposits.

## CASH FLOWS

In the first quarter of 2025, the Čakovečki mlinovi Group generated EUR 8.6 million in net cash flows from operating activities, which is higher than the EBITDA achieved, primarily as a result of an increase in net working capital by EUR 6.1 million.

| NET WORKING CAPITAL                   |             |             |                            |
|---------------------------------------|-------------|-------------|----------------------------|
| (in millions of euros)                | 31.3.2025.  | 31.12.2024. | 31.3.2025./<br>31.12.2024. |
| Inventories                           | 46.4        | 25.8        | 80.1%                      |
| Short-term receivables from customers | 15.6        | 8.1         | 93.5%                      |
| Short-term liabilities to suppliers   | (32.3)      | (10.2)      | 218.0%                     |
| <b>Net working capital</b>            | <b>29.7</b> | <b>23.7</b> | <b>25.5%</b>               |

The Group's net working capital increased by 25.5% or EUR 6.0 million, with inventories increasing by 80.1% or EUR 20.6 million. Trade receivables increased by 93.5% or EUR 7.5 million due to revenue growth, while short-term trade payables increased by 218.0% or EUR 22.1 million.

The Group's capital expenditures in the first quarter of 2025 amounted to EUR 3.0 million and are higher than in the same period of the previous year (Q1 2024: EUR 2.0 million).

## VALUATION OF THE ČAKOVEČKI MLINOVI GROUP

| KEY VALUATION INDICATORS OF CKML SHARES      |            |             |                            |
|--|------------|-------------|----------------------------|
| (in millions of euros)                       | 31.3.2025. | 31.12.2024. | 31.3.2025./<br>31.12.2024. |
| Price per share (PPS, in euros) <sup>1</sup> | 10.2       | 10.6        | (3.8%)                     |
| Market capitalization <sup>2</sup>           | 105.0      | 109.1       | (3.8%)                     |
| EV <sup>3</sup>                              | 101.7      | 84.7        | 20.1%                      |

1 Price per share (PPS) is represented by the reference price on the Zagreb Stock Exchange, i.e. the average price weighted by the volume of traded shares as a better representative of the price given the low liquidity of the CKML share.

2 Market capitalization represents the market value of share capital on the stock exchange; calculated as the product of the number of shares (10,290,000) and the price per share.

3 EV (enterprise value) represents the value of business; calculated as market capitalization + net debt (money) + minority interest.

## **2. EXPECTED BUSINESS DEVELOPMENT IN 2025**

The forecast for 2025 is based on mild economic growth due to growth in consumption and investment, with slowing inflation and a challenging combination of opportunities and risks for entrepreneurs in an environment of deteriorating global economic expectations due to growing protectionism and geopolitical instability. The management of the parent company of the Group will continue to actively work on further business development. In this part, during 2025, the Management Board of the parent company of the Group will carry out all the necessary activities with the aim of consolidating the operations of the MIP Group and the Čakovečki mlinovi Group with the aim of increasing competitiveness and expanding operations on the relevant market, optimizing costs and increasing the client base with the planned modernization of operations.

The Group's operations in 2025 are subject to macroeconomic and economic trends in the world and Europe, and the Group will continue with a focused approach to finding opportunities in a dynamic environment.

At the date of issuance of this report, the Group has sufficient cash position to meet its liabilities as they fall due and therefore prepares its financial statements on a going concern basis.

### ***General economic environment***

According to CNB data, core inflation in Croatia is expected to slow from 4.0% to 3.7% in 2025. The slowdown in inflation in the first 8 months of 2024 is reflected in the weakening of current inflationary pressures, primarily core inflation and food price inflation. The risks of higher inflation are mainly related to geopolitical tensions that could result in higher allocations for defense and thus higher prices of energy and other raw materials, then trade barriers and stronger than expected wage growth

Real GDP in Croatia for 2024 was 3.8%, and the CNB expects further growth but at a slightly lower level of 3.2% in 2025.

For 2025, global and regional GDP is expected to continue to grow, although perhaps at a slower pace than during the post-pandemic recovery. Depending on the region, economies could experience stabilization, while markets in developed countries should record moderate growth. In Croatia and Europe, the return to economic growth will also depend on favorable circumstances in the international market, interest rate policy and stability of political and trade relations. Thus, in Croatia we have a slowdown in growth to 3.2% (in 2024 3.8%).

Further GDP growth is expected through a greater contribution from the export of goods and services, assuming a recovery in external demand, but also through a continued decline in interest rates and more favorable financing costs. The slowdown in growth results from the slower growth of investments and the weakening of consumer confidence, i.e. the weakening of personal consumption in the first two months.

### ***The impact of the war in Ukraine and Middle East***

The extended duration of the wars in Ukraine and the Middle East represent negative risks for global trends and the economic growth of the Eurozone, which ultimately affects the Croatian economy.

As of the date of this report, the Group has no relationship with, nor exposure to, companies from Russia, Belarus or Ukraine. The Group maintains all business operations in Croatia, to a lesser extent the Group's foreign revenues relate to EU countries. Therefore, the parent company Čakovečki mlinovi Inc. does not have any shareholders from Russia or Belarus nor does it directly or indirectly hold any ownership interests in entities in these countries.

There is no direct exposure to the mentioned countries. The management continuously considers all risks associated with external geopolitical movements and assesses that these risks do not threaten the stability of the Group's operations.

***State price control measures***

In the retail segment, during 2025, new government measures aimed at controlling the prices of certain products will potentially have a negative impact on the volume and profitability of the Group's business. As of January 2025, limited prices have been defined for 70 products in retail. Management is influencing the negative effects through the pricing policy of the rest of the assortment and through the adjustment of business operations to Sundays.

State price control measures have limited the prices of flour type T-550 smooth and T-400 sharp, wheat bread, instant polenta, Kaiser rolls, and barley porridge from January 31, 2025, which prevents them from having an active pricing policy and indexing costs that affect the price of the final product.

**ČAKOVEČKI MLINOVI D.D.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR Q1 2025**

**STATEMENT OF PERSONS RESPONSIBLE FOR PREPARING THE FINANCIAL  
STATEMENTS OF THE PUBLISHER ČAKOVEČKI MLINOVI INC. FOR 2025**

Pursuant to the provisions of Article 468 of the Capital Market Act, the President of the Management Board of the Company, Mario Sedlaček, and the members of the Management Board of the Company, Marijan Sršen, Krešimir Kvaternik and Franjo Plodinec make the following statement:

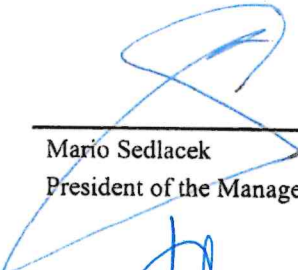
To the best of our knowledge:

- The consolidated financial statements for the first quarter of 2025, prepared in accordance with appropriate financial reporting standards, provide a true and fair view of the assets and liabilities, financial position, profit or loss of the issuer and the companies included in the consolidation as a whole.
- The consolidated interim management report for the first quarter of 2025 contains an objective presentation of the development and results of operations and the position of the issuers and companies included in the consolidation as a whole, along with a description of the most significant risks and uncertainties to which they are exposed.

The consolidated financial statements for the first quarter of 2025 are not audited.


In Čakovec, April 29, 2025.

For Čakovečke mlinove Inc.:



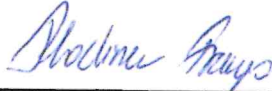
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Mario Sedlacek  
President of the Management Board



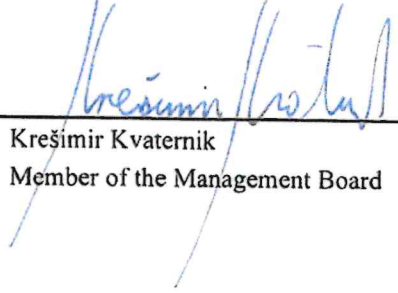
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Marijan Srsen  
Member of the Management Board



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Franjo Plodinec  
Member of the Management Board



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Krešimir Kvaternik  
Member of the Management Board



|   | 1-3. 2025.<br>in '000 EUR | 1-3. 2024.<br>in '000 EUR |
|---|---------------------------|---------------------------|
| Sales revenue   | 71,862                    | 41,592                    |
| Other operating income  | 1,226                     | 1,010                     |
| <b>Business income</b>  | <b>73,088</b>             | <b>42,602</b>             |
| Change in the value of work in progress and finished goods inventories                                      | 5,988                     | 66                        |
| Raw material costs  | (8,690)                   | (5,857)                   |
| Cost of goods sold  | (46,362)                  | (25,668)                  |
| Other external costs  | (3,655)                   | (1,600)                   |
| Personnel costs   | (15,901)                  | (7,824)                   |
| Amortization  | (2,996)                   | (1,778)                   |
| Other costs   | (2,619)                   | (1,512)                   |
| Value adjustments   | (0)                       | -                         |
| Provisinos  | 395                       | -                         |
| Other business expenses   | (552)                     | (240)                     |
| <b>Business expenses</b>  | <b>(74,391)</b>           | <b>(44,414)</b>           |
| <b>Operating profit</b>   | <b>(1,304)</b>            | <b>(1,811)</b>            |
| Financial income  | 419                       | 211                       |
| Financial expenses  | (113)                     | (22)                      |
| <b>Net financial result</b>   | <b>306</b>                | <b>189</b>                |
| <b>Share in the profit of an associated company</b>   | <b>38</b>                 | <b>140</b>                |
| Profit before tax   | (960)                     | (1,482)                   |
| Income tax  | (295)                     | (56)                      |
| <b>Net profit</b>   | <b>(1,255)</b>            | <b>(1,538)</b>            |
| <b>Attributable to:</b>   |                           |                           |
| To the shareholders of the Company  | (1,444)                   | (1,534)                   |
| To owners of non-controlling interests  | 189                       | (4)                       |
| <b>Earnings per share for profit attributable to shareholders of the Company during the year (in euros)</b> |                           |                           |
| - basic   | (0.14)                    | (0.15)                    |
| - diluted   | (0.14)                    | (0.15)                    |

|  | 1-3. 2025.<br>in '000 EUR | 1-3. 2024.<br>in '000 EUR |
|--|---------------------------|---------------------------|
| <b>NET PROFIT FOR 2024</b>   | <b>(1,255)</b>            | <b>(1,538)</b>            |
| <b>Other comprehensive gains:</b>                                  |                           |                           |
| <b>Items that will not be reclassified to the income statement</b> |                           |                           |
| Fair valuation of shares in associated companies                   |                           |                           |
| Fair valuation of shares   |                           |                           |
| <b>Total comprehensive income for the year, net of tax</b>         | <b>-</b>                  | <b>-</b>                  |
| <b>Total comprehensive income/(loss) for the year</b>              | <b>(1,255)</b>            | <b>(1,538)</b>            |
| Attributable to:   |                           |                           |
| To the shareholders of the Company                                 | (1,444)                   | (1,534)                   |
| To owners of non-controlling interests                             | 189                       | (4)                       |

|   | 31.3.2025.<br>in '000 EUR | 31.12.2024.<br>in '000 EUR |
|---|---------------------------|----------------------------|
| <b>Assets</b>   |                           |                            |
| <b>Non - current assets</b>                           |                           |                            |
| Intangible assets                                     | 2,875                     | 72                         |
| Tangible assets                                       | 78,632                    | 37,786                     |
| Real estate investments                               | 769                       | 481                        |
| Investments in associates                             | 9,116                     | 9,078                      |
| Financial assets                                      | 1,852                     | 1,799                      |
| Deferred tax assets                                   | 321                       | 321                        |
|   | <u>93,565</u>             | <u>49,537</u>              |
| <b>Current assets</b>                                 |                           |                            |
| Inventories   | 46,434                    | 25,786                     |
| Receivables   | 21,081                    | 8,994                      |
| Financial assets                                      | 6,224                     | 81                         |
| Money in the bank and cash register                   | 25,753                    | 28,833                     |
|   | <u>99,492</u>             | <u>63,694</u>              |
| <b>TOTAL ASSETS</b>                                   | <b>193,057</b>            | <b>113,231</b>             |
| <b>Capital and reserves</b>                           |                           |                            |
| Share capital   | 21,262                    | 13,657                     |
| Capital reserves                                      | 54,909                    | -                          |
| Reserves from profit                                  | 3,132                     | 3,132                      |
| Fair value reserves                                   | 2,990                     | 2,990                      |
| Retained earnings                                     | 32,714                    | 71,615                     |
|   | <u>115,007</u>            | <u>91,394</u>              |
| To owners of non-controlling interests                | 4,481                     | (3,823)                    |
| Total capital   | <u>119,488</u>            | <u>87,571</u>              |
| <b>Liabilities</b>                                    |                           |                            |
| <b>Non - current liabilities</b>                      |                           |                            |
| Provisions  | 2,385                     | 1,421                      |
| Liabilities for loans, deposits, leases, etc.         | 13,062                    | 2,699                      |
| Liabilities to banks and other financial institutions | 2,620                     | -                          |
| Deferred tax liability                                | 656                       | 656                        |
|   | <u>18,723</u>             | <u>4,776</u>               |
| <b>Current liabilities</b>                            |                           |                            |
| Liabilities to group enterprises                      | 6,998                     | 5,610                      |
| Liabilities for loans, deposits and similar           | 1,546                     | -                          |
| Liabilities for advances                              | 38                        | 64                         |
| Trade payables  | 32,321                    | 10,164                     |
| Employee benefits payables                            | 5,123                     | 2,078                      |
| Taxes, contributions and other duties payable         | 5,232                     | 2,409                      |
| Liabilities from equity share in profit               | 2,487                     | 29                         |
| Other short-term liabilities                          | 956                       | 530                        |
| Provisions  | 145                       | -                          |
|   | <u>54,846</u>             | <u>20,884</u>              |
| <b>TOTAL EQUITY AND LIABILITIES</b>                   | <b>193,057</b>            | <b>113,231</b>             |

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE PERIOD 1-3 2025

| 5                                      | Share<br>capital<br>in '000<br>EUR | Capital<br>reserves<br>in '000<br>EUR | Legal<br>reserves<br>in '000<br>EUR | Other<br>reserves<br>in '000<br>EUR | Fair value<br>reserves<br>in '000<br>EUR | Retained<br>earnings<br>in '000<br>EUR | Total<br>in '000<br>EUR | Non-controlling<br>interests<br>in '000 EUR | Total<br>in '000<br>EUR |
|--|------------------------------------|---------------------------------------|-------------------------------------|-------------------------------------|--|--|-------------------------|---|-------------------------|
| <b>Status as of 1.1.2024.</b>          | <b>13,657</b>                      | <b>0</b>                              | <b>683</b>                          | <b>2,563</b>                        | <b>2,869</b>                             | <b>65,766</b>                          | <b>85,538</b>           | <b>-3.865</b>                               | <b>81,673</b>           |
| Transfer to retained earnings          |                                    |                                       |                                     | (114)                               |  | 114                                    |                         |   |                         |
| Profit/(loss) for the year             | -                                  | -                                     | -                                   | -                                   | -  | 6,764                                  | 6,764                   | 42  | 6,806                   |
| Other comprehensive income             | -                                  | -                                     | -                                   | -                                   | 121                                      | -                                      | 121                     | -   | 121                     |
| Total comprehensive income/(loss)      | -                                  | -                                     | -                                   | (114)                               | 121                                      | 6,878                                  | 6,885                   | 42  | 6,927                   |
| Other non-ownership changes in capital | -                                  | -                                     | -                                   | -                                   | -  | -                                      | -                       | -   | -                       |
| Dividend                               | -                                  | -                                     | -                                   | -                                   | -  | (1,029)                                | (1,029)                 | -   | (1,029)                 |
| <b>Balance as of 31.12.2024.</b>       | <b>13,657</b>                      | <b>0</b>                              | <b>683</b>                          | <b>2,449</b>                        | <b>2,990</b>                             | <b>71,615</b>                          | <b>91,394</b>           | <b>-3.823</b>                               | <b>87,571</b>           |
| <b>Status as of 1.1.2025.</b>          | <b>13,657</b>                      | <b>0</b>                              | <b>683</b>                          | <b>2,449</b>                        | <b>2,990</b>                             | <b>71,615</b>                          | <b>91,394</b>           | <b>-3.823</b>                               | <b>87,571</b>           |
| Profit/(loss) for the year             | -                                  | -                                     | -                                   | -                                   | -  | (1,443)                                | (1,443)                 | 189   | (1,255)                 |
| Other comprehensive income             | -                                  | -                                     | -                                   | -                                   | -  | -                                      | -                       | -   | -                       |
| Total comprehensive income/(loss)      | -                                  | -                                     | -                                   | -                                   | -  | (1,443)                                | (1,443)                 | 189   | (1,255)                 |
| Payments from members/shareholders     | 7,605                              | 54,909                                | -                                   | -                                   | -  | -                                      | 62,514                  | -   | 62,514                  |
| Other non-ownership changes in capital | -                                  | -                                     | -                                   | -                                   | -  | 140                                    | 140                     | 8.115                                       | 8,255                   |
| Other distributions                    | -                                  | -                                     | -                                   | -                                   | -  | (32,441)                               | (32,441)                | -   | (32,441)                |
| Dividend                               | -                                  | -                                     | -                                   | -                                   | -  | (5,042)                                | (5,042)                 | -   | (5,042)                 |
| <b>Status as of 31.03.2025.</b>        | <b>21,262</b>                      | <b>54,909</b>                         | <b>683</b>                          | <b>2,449</b>                        | <b>2,990</b>                             | <b>32,829</b>                          | <b>115,122</b>          | <b>4,481</b>                                | <b>119,602</b>          |

|  | 1-3. 2025.<br>in '000 EUR | 1-3. 2024.<br>in '000 EUR |
|--|---------------------------|---------------------------|
| <b>CASH FLOW FROM BUSINESS ACTIVITIES</b>  |                           |                           |
| Profit before tax  | (960)                     | (1,482)                   |
| Adjustments:   |                           |                           |
| Amortization   | 2,996                     | 1,778                     |
| Gains and losses from the sale and value adjustments of long-term tangible and intangible assets | (11)                      | 871                       |
| Share in the profit of an associated company   | -                         | (140)                     |
| Interest and dividend income   | (180)                     | (477)                     |
| Interest expenses  | 113                       | 53                        |
| Reservations   | 1,000                     | -                         |
| Exchange differences (unrealized)  | -                         | -                         |
| Other adjustments for non-cash transactions and unrealized gains and losses                      | (76)                      | 4                         |
| Increase or decrease in cash flows before changes in working capital                             | <b>2,882</b>              | <b>606</b>                |
| Changes in working capital   | <b>6,134</b>              | <b>3,538</b>              |
| Increase or decrease in short-term liabilities   | 47,281                    | 5,590                     |
| Increase or decrease in current receivables  | (20,499)                  | (2,482)                   |
| Increase or decrease in inventory  | (20,648)                  | 430                       |
| Cash from business   | <b>9,016</b>              | <b>4,145</b>              |
| Cash expenses for interest   | (113)                     | (53)                      |
| Paid income tax  | (295)                     | (226)                     |
| Cash receipts from the collection of previously corrected receivables                            | 1                         | -                         |
| <b>NET CASH FLOWS FROM BUSINESS ACTIVITIES</b>   | <b>8,609</b>              | <b>3,865</b>              |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                           |                           |
| Cash receipts from the sale of fixed assets and intangible assets                                | 1                         | -                         |
| Cash receipts from the sale of financial instruments   | -                         | -                         |
| Cash receipts from interest  | 180                       | 357                       |
| Cash receipts from dividends   | -                         | 120                       |
| Cash receipts based on the return of loans and savings deposits                                  | 3,179                     | -                         |
| Other cash receipts from investing activities  | -                         | 7                         |
| Cash expenditures for the purchase of long-term tangible and intangible assets                   | (3,009)                   | (1,994)                   |
| Cash expenditures based on loans and savings deposits for the period                             | (347)                     | (2)                       |
| Acquisition of a subsidiary, net of cash acquired  | (5,225)                   | -                         |
| Other cash expenditures from investment activities   | -                         | (15)                      |
| <b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>  | <b>(5,222)</b>            | <b>(1,527)</b>            |
| <b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>  |                           |                           |
| Cash expenses for financial lease  | (1,425)                   | (186)                     |
| Cash expenditures for dividend payments  | (5,042)                   | -                         |
| <b>NET CASH FLOWS FROM FINANCIAL ACTIVITIES</b>  | <b>(6,467)</b>            | <b>(186)</b>              |
| <b>TOTAL NET CASH FLOW</b>   | <b>(3,080)</b>            | <b>2,152</b>              |
| Cash and cash equivalents at the beginning of the period   | 28,833                    | 23,754                    |
| <b>Cash and cash equivalents at the end of the period</b>  | <b>25,753</b>             | <b>25,906</b>             |

**NOTE 1 – GENERAL INFORMATION**

The company Čakovečki mlinovi Inc. Čakovec, Mlinska ulica 1 (hereinafter referred to as: the Company) has harmonized its general acts with the Companies Act and, on the basis thereof, the Commercial Court in Varaždin, by Decision Tt-95/482-2 on 4 December 1995, entered the Company into the court register. Country of incorporation of the company: Croatia, Company registration number: 03108414 Company OIB: 20262622069.

The Company's share capital on the date of this report amounts to EUR 21,262,193.93, fully paid up and divided into 16,020,000 ordinary dematerialized registered shares, without nominal value. 10,290,000 shares of Čakovečki mlinovi Inc. are listed on the Official Market of the Zagreb Stock Exchange under the symbol CKML-RA, and 5,730,000 shares with the symbol CKML-RB, which were issued in accordance with the decision of the General Assembly of the Company dated 15 January 2025 on increasing the share capital by rights issues by issuing ordinary shares with partial exclusion of pre-emptive rights of existing shareholders, will also, in accordance with the decision of the General Assembly of the Company dated 15 January 2025, be listed on the Official Market of the Zagreb Stock Exchange in the future.

From the point of view of the provisions of Article 475, paragraph 3 of the Companies Act, the company MLIN I PEKARE Ltd., Sisak, is the direct controlling company in relation to Čakovečke mlinove Inc., and indirectly in relation to the companies of the Čakovečki mlinove Group, i.e. its subsidiaries, namely the companies TRGOVINA KRK Inc., Malinska, RADNIK OPATIJA Inc., Lovran, TRGOCENTAR Inc., Virovitica, ZAGREBAČKE PEKARNE KLARA Inc., Zagreb, PREHRANA TRGOVINA Inc., Zagreb and NewMip Ltd., Sisak (hereinafter together: the "Čakovečki mlinove Group" or the "Group") and one associated company: Narodni trgovačka lanac Ltd. Soblinec. Čakovečki mlinove Inc. prepares the consolidated reports of the Group separately, in addition to the unconsolidated reports of the Company. The annual consolidated financial statements of the Čakovečki mlinovi Group are available on the Company's website : [www.cak-mlinovi.hr](http://www.cak-mlinovi.hr).

The Company's business accounts are opened with the following banks:

- Privredna banka Zagreb Inc. IBAN: HR2623400091116005907,
- Erste&Steiermärkische Bank Inc. IBAN: HR4924020061100031817,
- Zagrebačka banka Inc. IBAN: HR9223600001102561339.

**GROUP ACTIVITIES**

The Group generates the majority of its revenue from retail trade, wholesale trade, and the production and sale of food products (flour, bread, pastries, biscuits, waffles, pasta, porridge, edible oils).

The Company's business accounts are opened with the following banks:

- Privredna banka Zagreb Inc. IBAN: HR2623400091116005907,
- Erste&Steiermärkische Bank Inc. IBAN: HR4924020061100031817,
- Zagrebačka banka Inc. IBAN: HR9223600001102561339.

## **NOTE 1 – GENERAL INFORMATION (CONTINUED)**

### **COMPANY BODIES**

The composition of the Company's bodies as of March 31, 2025 is as follows.

#### **Administration**

- Mario Sedlacek, President of the Management Board
- Krešimir Kvaternik, member of the Management Board
- Marijan Sršen, member of the Management Board

#### **Supervisory Board**

- Damir Metelko, President of the Supervisory Board, independent member
- Igor Komorski, independent member of the Supervisory Board
- Vanja Kutnjak, member of the Supervisory Board, employee representative
- Josip Plodinec, member of the Supervisory Board
- Franjo Plodinec, Deputy Chairman of the Supervisory Board
- Prof. Dr. Sc. Mislav Ante Omazić, independent member of the Supervisory Board

#### **Audit Committee**

- Franjo Plodinec, Chairman of the Audit Committee
- Igor Komorski, Deputy Chairman of the Audit Committee (independent member)
- Damir Metelko, , independent member
- Vanja Kutnjak, member of the Audit Committee
- Josip Plodinec, member of the Audit Committee
- Prof. Mislav Ante Omazić, independent member of the Audit Committee

**NOTE 1 – GENERAL INFORMATION (CONTINUED)*****SUBSIDIARIES AND ASSOCIATED COMPANIES***

| Name                          | Headquarters        | Principal activity                     | Accounting method | Direct ownership /voting rights | Direct ownership /voting rights |
|-------------------------------|---------------------|--|-------------------|---------------------------------|---------------------------------|
|                               |                     |  |                   | 31.3.2025.                      | 31.12.2024.                     |
| Radnik Opatija Inc.           | Lovran, Croatia     | Retail trade; Bakery                   | Consolidated      | 100%                            | 100%                            |
| Krk Trade Inc.                | Malinska, Croatia   | Retail                                 | Consolidated      | 100%                            | 100%                            |
| NewMip Ltd.                   | Sisak, Croatia      | Production, Wholesale and retail trade | Consolidated      | 100%                            | 0%                              |
| Prehrana Trgovina Inc.        | Zagreb, Croatia     | Retail                                 | Consolidated      | 92.90%                          | 0%                              |
| Zagrebačke Pekarne Klara Inc. | Zagreb, Croatia     | Retail trade; Bakery                   | Consolidated      | 65.12%                          | 0%                              |
| Trgocentar Inc.               | Virovitica, Croatia | Real estate rental                     | Consolidated      | 49.55% / 52.03 %                | 49.55% / 52.03 %                |
| Narodni trgovački lanac Ltd.  | Soblinec, Croatia   | Wholesale and retail trade             | Equity method     | 25%                             | 25%                             |



## **NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies applied in the preparation of these financial statements are International Financial Reporting Standards and Accounting Policies of Čakovečki mlinovi Inc., and have been consistently applied to all periods presented, unless otherwise stated.

The accounting policies that were applied in the preparation of the audited consolidated annual financial statements for 2024 have not been changed and have been applied in the preparation of these consolidated financial statements. The stated accounting policies can be found in the audited consolidated annual financial statements for 2024, published on the website of the Zagreb Stock Exchange ( [www.zse.hr](http://www.zse.hr) ).



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