



**ČAKOVEČKI
MLINOVI**

-1893-

ČAKOVEČKI MLINOVI INC.

**HALF YEAR REPORT
FOR 2025**



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ČAKOVEČKI MLINOVI INC.

**INTERIM MANAGEMENT REPORT
FOR H1 2025**

1. BUSINESS RESULTS IN H1 2025

ABOUT THE COMPANY

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 tradition and heritage of the Company, the Company has developed into a business system through a series of successful acquisitions and integrations of retail chains, which today generates most of its revenue from retail activities.

Čakovečki mlinovi Inc. operates six subsidiaries: Trgovina Krk Inc., Malinska, Trgočentar 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 half of the year of 2025, Čakovečki mlinovi Inc. generated EUR 22.0 million in total revenue based on total assets of EUR 104,9 million and employed an average of 200 employees based on working hours. According to the Accounting Act, Čakovečki mlinovi Inc. is a medium-sized enterprise.

The shares of Čakovečki mlinovi Inc. are listed on the Official Market of the Zagreb Stock Exchange under the symbol CKML. As of June 30, 2025, the Company had 16,020,000 issued and 10,290,000 listed shares with a market capitalization of EUR 176 million.

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

BUSINESS SEGMENT

The company Čakovečki mlinovi Inc. operates in one business segment at the company level (food production) and reports accordingly in unconsolidated financial statements. The company is part of the segment reporting of the Čakovečki mlinovi Group (Food segment) whose operations are presented within the consolidated financial statements. Users of this report should read it together with the consolidated report of the Group for the period January - June 2025, to obtain complete information on the financial position and results of operations of the Company and the Group.

KEY FINANCIAL INDICATORS OF THE COMPANY

PROFIT AND LOSS ACCOUNT (in millions of euros)	1.-6. 2025.	1.-6. 2024.	1.-6. 2025. / 1.-6. 2024.
Sales revenue	14,4	13,7	4,8%
Operating expenses, net ¹	13,1	12,5	5,1%
EBITDA ²	1,3	1,2	1,8%
Normalized EBITDA ³	1,3	1,3	1,4%
Amortization	0,4	0,5	-26,9%
EBIT ⁴	0,9	0,7	23,0%
Net financial result ⁵	7,5	0,1	-
Net profit (loss)	8,2	0,7	-

Profit margins ⁶			
EBITDA margin	8,7%	9,0%	-0,3 pb
Normalized EBITDA margin	9,3%	9,6%	-0,3 pb
EBIT margin	6,1%	5,2%	0,9 pb
Net profit margin	56,9%	4,9%	-

BALANCE SHEET (in millions of euros)	30.6.2025.	31.12.2024.	30.6.2025. / 31.12.2024.
Net debt (cash) ⁷	-5,6	-14,0	-60,0%
Capital and reserves	101,8	36,1	181,7%
Net working capital ⁸	8,3	6,5	26,3%

CASH FLOWS (in millions of euros)	1.-6. 2025.	1.-6. 2024.	1.-6. 2025. / 1.-6. 2024.
Net cash flows from operating activities.	-1,3	1,6	-182,2%
Capital expenditure (CapEx) ⁹	0,1	0,1	20,8%
Cash expenditures for dividend payments	5,0	0,0	0,0%

1 Operating expenses, net include business expenses less depreciation, other business income and income based on the use of own products, goods and services.

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

3 Normalization implies adjustment for material one-off items. In the H1 of 2025, the Company recorded EUR 0.1 million in one-off costs (H1 2024: EUR 0.1 million).

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

5 Net financial result is calculated as financial income – financial expenses.

6 Profit margins are calculated based on 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 regardless of maturity because they are available on call.

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

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

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

2. EXPECTED BUSINESS DEVELOPMENT IN 2025

The 2025 forecast is based on mild economic growth due to positive developments in the labor market and further inflow of EU funds, with an expected decrease in disposable household income and investment. Due to Croatia's relatively low exposure to the US market, no significant negative effects of the tariff increase are expected. 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 the 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 concerning basis.

General economic environment

According to CNB data, core inflation in Croatia is expected to slow from 4.0% to 3.6% in 2025.

The further reduction in inflation, for the third year in a row, stems from the slowdown in wage growth and personal consumption, subdued growth in foreign demand for tourism-related services, as well as a reduction in cost pressures due to the strengthening of the euro and the spillover of the recent drop in energy prices. 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 3.9%, and the CNB expects further growth but at a slightly lower level of 3.3% 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 3.3% (in 2024 3.9%).

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. Also, the parent company Čakovečki mlinovi Inc. does not have any

shareholders from Russia or Belarus nor does it directly or indirectly hold 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

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 INC.

FINANCIAL STATEMENTS FOR H1 2025

STATEMENT OF PERSONS RESPONSIBLE FOR PREPARING THE FINANCIAL STATEMENTS OF THE ISSUER ČAKOVEČKI MLINOVI INC. FOR THE H1 2025.

Pursuant to the provisions of Article 465 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:

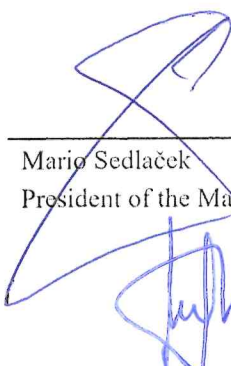
To the best of our knowledge:

- The financial statements for the first half of the year 2025, prepared in accordance with appropriate financial reporting standards, provide a true and fair view of the assets and liabilities, financial position, and profit or loss of the issuer.
- The interim management report for the first half of the year 2025 contains an objective overview of the development and results of the issuer's business and position, along with a description of the most significant risks and uncertainties to which it is exposed.

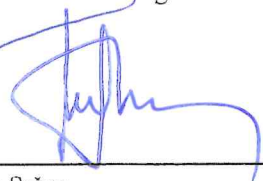
The financial statements for the first half of the year 2025 are not audited.

In Čakovec, 30 July, 2025.

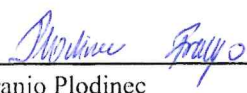
For Čakovečki mlinovi Inc.:



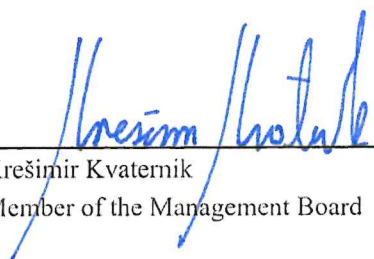
Mario Sedlaček
President of the Management Board



Marijan Sršen
Member of the Management Board



Franjo Plodinec
Member of the Management Board



Krešimir Kvaternik
Member of the Management Board

	1.-6. 2025.	1.-6. 2024.	4.-6. 2025.	4.-6. 2024.
	u '000	u '000	u '000	u '000
	EUR	EUR	EUR	EUR
Sales revenue	14.392	13.735	7.572	6.964
Others business revenues	114	86	102	26
Business revenues	14.507	13.821	7.674	6.990
Change values stock production in progress and finished goods products	730	(49)	449	(116)
Costs raw material and materials	(9.116)	(8.400)	(4.971)	(4.040)
Costs goods sold	(374)	(322)	(196)	(148)
Others external costs	(1.150)	(995)	(685)	(540)
Costs staff	(2.670)	(2.373)	(1.394)	(1.180)
Amortization	(382)	(522)	(189)	(259)
Other costs	(651)	(430)	(361)	(180)
Compliance value	(1)	-	(1)	-
Others business expenses	(21)	(20)	7	(12)
Business expenses	(13.635)	(13.112)	(7.340)	(6.474)
Operational profit	872	709	334	516
Financial revenues	7.493	118	7.427	62
Financial expenses	(4)	(1)	(3)	(0)
Net financial result	7.489	117	7.424	62
Profits ago taxation	8.361	826	7.758	578
Tax on profit	(179)	(149)	(71)	(104)
Net profit	8.182	677	7.687	474
Others comprehensive profit	-	-	-	-
Total comprehensive profit for the year	8.182	677	7.687	474
Earnings per share for profit attributable to equity holders of the Company during the year (in euros)				
- basic	0,51	0,04	0,48	0,03
- diluted	0,51	0,04	0,48	0,03

	30.6.2025. u '000 EUR	31.12.2024. u '000 EUR
Assets		
Non - current assets		
Intangible assets	8	5
Material assets	2.982	3.159
Real estate investments	2.731	2.804
Investments in shares (stocks) related to participating with interest	82.601	10.537
Financial assets	1	1
Postponed tax assets	119	119
	<hr/> 88.442	<hr/> 16.625
Short-term assets		
Inventories	5.497	4.582
Receivables	5.186	3.878
Financial assets	58	56
Money in the bank and cash register	5.700	14.065
	<hr/> 16.441	<hr/> 22.581
TOTAL ASSETS	<hr/> 104.883	<hr/> 39.206
Capital and reserves		
Fundamental capital	21.262	13.657
Capital reserves	54.909	-
Reserves from get	3.132	3.132
Held profit	22.490	19.350
Total capital	<hr/> 101.793	<hr/> 36.139
Liabilities		
Long-term liabilities		
Provisions	412	412
Liabilities for loans, deposits and similar	75	34
	487	446
Current liabilities		
Liabilities to group enterprises	58	121
Liabilities for loans, deposits and similar	32	18
Liabilities for advances	5	0
Trade payables	1.513	1.720
Employee benefits payables	314	292
Taxes, contributions and other duties payable	469	397
Liabilities from equity share in profit	28	29
Other short-term liabilities	161	21
Provisions	23	23
	<hr/> 2.603	<hr/> 2.621
TOTAL EQUITY AND LIABILITIES	<hr/> 104.883	<hr/> 39.206

	Share capital	Capital reserves	Legal reserves	Other reserves	Retained earnings	Total
	in '000 EUR	in '000 EUR	in '000 EUR	in '000 EUR	in '000 EUR	in '000 EUR
Status as of 1.1.2024.	13.657	-	683	2.449	11.762	28.551
Profit for the year	-	-	-	-	8.617	8.617
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income/loss	-	-	-	-	8.617	8.617
Dividend	-	-	-	-	(1.029)	(1.029)
Balance as of 31.12.2024.	13.657	-	683	2.449	19.350	36.139
Status as of 1.1.2025.	13.657	-	683	2.449	19.350	36.139
Profit/(loss) for the year	-	-	-	-	8.182	8.182
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive income/loss	-	-	-	-	8.182	8.182
Payments from members/shareholders	7.605	54.909	-	-	-	62.514
Dividend	-	-	-	-	(5.042)	(5.042)
Status as of 30.6.2025.	21.262	54.909	683	2.449	22.490	101.793

	1.-6. 2025.	1.-6. 2024.
	in '000 EUR	in '000 EUR
CASH FLOW FROM BUSINESS ACTIVITIES		
Profits ago taxation	8.361	826
Adjustments:		
Amortization	382	522
Gains and losses from the sales and value adjustments of long-term tangible and intangible assets	(64)	(28)
Value adjustment of trade receivables	1	-
Interest and dividend income	(7.493)	(118)
Reservations	4	-
Other adjustments for non-cash transactions and unrealized gains and losses	-	26
Increase or decrease in cash flows before changes in working capital	1.191	1.228
Changes in working capital	(2.351)	447
Increase or decrease in short-term liabilities	(45)	445
Increase or decrease in current receivables	(1.392)	(447)
Increase or decrease in inventory	(916)	449
Other increases or decreases in working capital	2	-
Money from business	(1.160)	1.675
Cash expenses for interest	-	(1)
Paid income tax	(180)	(45)
NET CASH FLOWS FROM BUSINESS ACTIVITIES	(1.340)	1.630
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash receipts from the sale of fixed assets and intangible assets	67	30
Cash receipts from interest	124	115
Cash receipts from dividends	7.369	3
Cash receipts based on the return of loans and savings deposits	80	-
Cash expenditures for the purchase of long-term tangible and intangible assets	(70)	(58)
Other cash expenditures from investment activities	(9.549)	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(1.979)	90
CASH FLOWS FROM FINANCIAL ACTIVITIES		
Cash expenses for financial lease	(4)	(8)
Cash expenditures for dividend payments	(5.042)	-
NET CASH FLOWS FROM FINANCIAL ACTIVITIES	(5.046)	(8)
TOTAL NET CASH FLOWS	(8.365)	1.712
Cash and cash equivalents at the beginning of the period	14.065	5.384
Cash and cash equivalents at the end of the period	5.700	7.096

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 .

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

- HR26 2340 0091 1160 0590 7 u Privrednoj banci Inc. Zagreb
- HR49 2402 0061 1000 3181 7 u Erste&Steiermarkische bank Inc. Rijeka
- HR92 2360 0001 1025 6133 9 u Zagrebačkoj banci Inc. Zagreb
- HR59 2407 0001 1007 4868 6 u OTP banci Inc. Split

GROUP ACTIVITIES

The company generates most of its revenue from the production and trade of food products (flour, bread, pastries, biscuits, waffles, pasta, porridge, edible oils).

NOTE 1 – GENERAL INFORMATION (CONTINUED)

COMPANY BODIES

The composition of the Company's bodies as of June 30, 2025, is as follows.

Management Board

- Mario Sedlaček, President of the Management Board
- Krešimir Kvaternik, member of the Management Board
- Marijan Sršen, member of the Management Board
- Franjo Plodinec, member of the Management Board

Supervisory Board

- Damir Metelko, President of the Supervisory Board, Independent Member
- Vesna Butorac, Deputy Chairman of the Supervisory Board
- Vanja Kutnjak, member of the Supervisory Board, employee representative
- Josip Plodinec, member of the Supervisory Board
- Dragica Plodinec, member of the Supervisory Board
- prof. dr. sc. Mislav Ante Omazić, independent member of the Supervisory Board
- Ema Marušić, independent member of the Supervisory Board

Audit Committee

- Vesna Butorac, Chairwoman of the Audit Committee
- prof. dr. sc. Mislav Ante Omazić, 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
- Ema Marušić, independent member of the Audit Committee
- Dragica Plodinec, member of the Audit Committee

Nomination Committee

- Ema Marušić, Chairwoman of the Nomination Committee, independent member
- Damir Metelko, Deputy of Chairwoman of the Nomination Committee, independent member
- prof. dr. sc. Mislav Ante Omazić, independent member of the Nomination Committee
- Vesna Butorac, member of the Nomination Committee
- Vanja Kutnjak, member of the Nomination Committee

Remuneration Committee

- prof. dr. sc. Mislav Ante Omazić, Chairman of the Remuneration Committee, independent member
- Vanja Kutnjak, Deputy Chairman of the Remuneration Committee
- Vesna Butorac, Member of the Remuneration Committee
- Ema Marušić, independent member of the Remuneration Committee
- Damir Metelko, independent member of the Remuneration Committee

NOTE 1 – GENERAL INFORMATION (CONTINUED)

SUBSIDIARIES AND ASSOCIATED COMPANIES

Name	Headquarters	Principal activity	Accounting method	Direct ownership /voting rights	Direct ownership /voting rights
				30.6.2025.	31.12.2025.
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	89.53%	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 annual financial statements for 2024 have not been changed and have been applied in the preparation of these financial statements. The stated accounting policies can be found in the audited annual financial statements for 2024, published on the website of the Zagreb Stock Exchange (www.zse.hr).



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