



ČAKOVEČKI MLINOVI INC.  
QUARTERLY FINANCIAL REPORT  
FOR Q1 2025



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**ČAKOVEČKI MLINOVI INC.**

**INTERIM MANAGEMENT REPORT  
FOR Q1 2025**

## **1. BUSINESS RESULTS IN Q1 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 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 pekare 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, Čakovečki mlinovi Inc. generated EUR 6.9 million in total revenue based on total assets of EUR 97.2 million and employed an average of 193 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 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 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 as a whole 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-March 2025, in order to obtain complete information on the financial position and results of operations of the Company and the Group.

### KEY FINANCIAL INDICATORS OF THE COMPANY

<b>PROFIT AND LOSS ACCOUNT</b> (in millions of euros)	<b>1-3. 2025.</b>	<b>1-3. 2024.</b>	<b>1.-3. 2025. / 1.- 3. 2024.</b>
Sales revenue	<b>6.8</b>	<b>6.8</b>	<b>0.7%</b>
Operating expenses, net <sup>1</sup>	6.1	6.3	(3.6%)
<b>EBITDA</b> <sup>2</sup>	<b>0.7</b>	<b>0.5</b>	<b>60.3%</b>
<b>Normalized EBITDA</b> <sup>3</sup>	<b>0.8</b>	<b>0.8</b>	<b>(7.4%)</b>
Amortization	0.2	0.3	(26.7%)
EBIT <sup>4</sup>	0.5	0.2	179.0%
Net financial result <sup>5</sup>	0.1	0.1	17.6%
<b>Net profit (loss)</b>	<b>0.5</b>	<b>0.2</b>	<b>143.2%</b>

<b>Profit margins</b> <sup>6</sup>			
EBITDA margin	10.7%	6.7%	4.0 bp
<b>Normalized EBITDA margin</b>	<b>11.0%</b>	<b>12.0%</b>	<b>(1.0 pp)</b>
EBIT margin	7.9%	2.9%	5.0 bp
<b>Net profit margin</b>	<b>7.3%</b>	<b>3.0%</b>	<b>4.2 bp</b>

<b>BALANCE SHEET</b> (in millions of euros)	<b>31.3.2025.</b>	<b>31.12.2024.</b>	<b>31.3.2025. / 31.12.2024.</b>
Net debt (cash) <sup>7</sup>	(7.5)	(14.0)	(46.8%)
Capital and reserves	94.1	36.1	160.4%
Net working capital <sup>8</sup>	8.8	6.5	34.2%

<b>CASH FLOWS</b> (in millions of euros)	<b>1-3. 2025.</b>	<b>1-3. 2024.</b>	<b>1.-3. 2025. / 1.- 3. 2024.</b>
Net cash flows from operating activities.	(1.6)	0.5	-
Capital expenditure ( CapEx ) <sup>9</sup>	0.0	0.0	-
Cash expenditures for dividend payments	5.0	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 first quarter of 2025, the Company recorded EUR 0.1 million in one-off costs (Q1 2024: EUR 0.3 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 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 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 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 MiInc.le East***

The extended duration of the wars in Ukraine and the MiInc.le 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 Q1 2025**



**STATEMENT OF PERSONS RESPONSIBLE FOR PREPARING THE FINANCIAL  
STATEMENTS OF THE ISSUER ČAKOVEČKI MLINOVI INC. FOR THE FIRST QUARTER  
OF 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 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, and profit or loss of the issuer.
- The interim management report for the first quarter of 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.

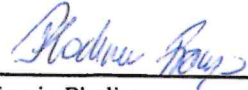
The financial statements for the first quarter of 2025 are not audited.

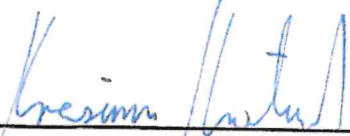
In Čakovec, April 29, 2025.

For Čakovečke 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

	<b>1-3. 2025.</b>	<b>1-3. 2024.</b>
	<b>in '000</b>	<b>in '000</b>
	<b>EUR</b>	<b>EUR</b>
Sales revenue	6,821	6,771
Others business revenues	12	60
<b>Business revenues</b>	<b>6,833</b>	<b>6,831</b>
Change values stock production in progress and finished goods products	282	66
Costs raw material and materials	(4,146)	(4,360)
Costs goods sold	(177)	(174)
Others external costs	(465)	(456)
Costs staff	(1,275)	(1,193)
Amortization	(193)	(263)
Others costs	(291)	(250)
Others business expenses	(29)	(8)
<b>Business expenses</b>	<b>(6,294)</b>	<b>(6,638)</b>
<b>Operational profit</b>	<b>539</b>	<b>193</b>
Financial revenues	66	55
Financial expenses	( 1)	(0)
<b>Net financial result</b>	<b>65</b>	<b>55</b>
Profit ago taxation	603	248
Tax on profit	(10 8)	(45)
<b>Net profit</b>	<b>495</b>	<b>203</b>
<b>Others comprehensive profit</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive profit for the year</b>	<b>495</b>	<b>203</b>
 <b>Earnings per share for profit attributable to equity holders of the Company during the year (in euros)</b>		
- basic	0,05	0,02
- diluted	0,05	0,02

	<b>31.3.2025.</b>	<b>31.12.2024.</b>
	<b>in '000 EUR</b>	<b>in '000 EUR</b>
<b>Assets</b>		
<b>Non - current assets</b>		
Intangible assets	6	5
Material assets	3,074	3,159
Real estate investments	2,767	2,804
Investments in shares ( stocks ) related to participating with interest	73,052	10,537
Financial assets	1	1
Receivables	0	0
Postponed tax assets	119	119
	<hr/>	<hr/>
	79,020	16,625
<b>Short-term assets</b>		
Inventories	6,048	4,582
Receivables	4,589	3,878
Financial assets	63	56
Money in the bank and cash register	7,524	14,065
	<hr/>	<hr/>
	18,224	22,581
<hr/>		
<b>TOTAL ASSETS</b>	<b>97,244</b>	<b>39,206</b>
<hr/>		
<b>Capital and reserves</b>		
Fundamental capital	21,262	13,657
Capital reserves	54,909	-
Reserves from get	3,132	3,132
Held profit	14,803	19,350
Total capital	<hr/>	<hr/>
	94,106	36,139
<b>Liabilities</b>		
<b>Long-term liabilities</b>		
Provisions	412	412
Liabilities for loans , deposits and similar	65	34
	477	446
<b>Current liabilities</b>		
Liabilities to group enterprises	171	121
Liabilities for loans, deposits and similar	26	18
Liabilities for advances	6	0
Trade payables	1,346	1,720
Employee benefits payables	295	292
Taxes, contributions and other duties payable	700	397
Liabilities from equity share in profit	28	29
Other short-term liabilities	66	21
Provisions	23	23
	<hr/>	<hr/>
	2,661	2,621
<hr/>		
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>97,244</b>	<b>39,206</b>

	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
<b>Status as of 1.1.2024.</b>	<b>13,657</b>	<b>-</b>	<b>683</b>	<b>2,449</b>	<b>11,762</b>	<b>28,551</b>
Profit for the year	-	-	-	-	8,617	8,617
Other comprehensive income	-	-	-	-	-	0
Total comprehensive income/loss	-	-	-	-	8,617	8,617
Dividend	-	-	-	-	(1,029)	(1,029)
<b>Balance as of 31.12.2024.</b>	<b>13,657</b>	<b>-</b>	<b>683</b>	<b>2,449</b>	<b>19,350</b>	<b>36,139</b>
<b>Status as of 1.1.2025.</b>	<b>13,657</b>	<b>-</b>	<b>683</b>	<b>2,449</b>	<b>19,350</b>	<b>36,139</b>
Profit/(loss) for the year	-	-	-	-	495	495
Other comprehensive loss	-	-	-	-	-	-
Total comprehensive income/loss	-	-	-	-	495	495
Payments from members/shareholders	7,605	54,909	-	-	-	62,514
Dividend	-	-	-	-	(5,042)	(5,042)
<b>Status as of 31.3.2025.</b>	<b>21,262</b>	<b>54,909</b>	<b>683</b>	<b>2,449</b>	<b>14,803</b>	<b>94,106</b>

	<b>1-3. 2025.</b>	<b>1-3. 2024.</b>
	<b>in '000 EUR</b>	<b>in '000 EUR</b>
<b>CASH FLOW FROM BUSINESS ACTIVITIES</b>		
Profit ago taxation	603	248
Adjustments :		
Amortization	193	263
Profits and losses on sales and valuable adjustments long-term material and intangible property	-	(24)
Profits and losses on sales and unrealized profits and losses and valuable reconciliation of financial assets	-	20
Interest income and dividends	-	(18)
Interest expenses	1	17
Increase or reduction monetary flows ago change in work capital	797	506
Changes in work capital	<u>(2,27 1)</u>	<u>42</u>
Increase or reduction short-term obligation	27	432
Increase or reduction short-term claims	(83 2)	(273)
Increase or reduction stock	(1,467)	(11 8)
Other increases or reduction working capital	1	-
Money from business	<u>(1,474)</u>	<u>547</u>
Cash expenses for interest	-	(17)
Paid tax on profit	(109)	(8)
<b>NET CASH FLOWS FROM BUSINESS ACTIVITIES</b>	<b>(1,583)</b>	<b>522</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash proceeds from the sale of non-current assets	1	11
Cash proceeds from interest	66	17
Cash proceeds from dividends	-	1
Cash proceeds from loans and deposits	49	-
Other cash proceeds from investment activities	-	7
Payments for non-current and current assets	(30)	(37)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>86</b>	<b>(1)</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
Repayment of lease liability principal amounts	(2)	-
Payment of dividends	(5,042)	-
Other payments from financial activities	-	-
<b>NET CASH FLOWS FROM FINANCIAL ACTIVITIES</b>	<b>(5,044)</b>	<b>-</b>
<b>TOTAL NET CASH FLOW</b>	<b>(6,541)</b>	<b>521</b>
Cash and cash equivalents at the beginning of the period	14,065	5,384
<b>Cash and cash equivalents at the end of the period</b>	<b>7,524</b>	<b>5,905</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).

## 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. Dr. Sc. Mislav Ante Omazić , independent member of the Audit Committee

**Nominations Committee**

- Igor Komorski, chairman of the Appointments Committee, independent member
- Damir Metelko , Deputy Chairman of the Nomination Committee, independent member
- Vanja Kutnjak, member of the Nomination Committee
- Josip Plodinec, member of the Nomination Committee

**Remuneration Committee**

- Igor Komorski, Chairman of the Remuneration Committee, independent member
- Damir Metelko , Deputy Chairman of the Remuneration Committee, independent member
- Vanja Kutnjak, member of the Remuneration Committee
- Francis Plodinec, member of the Remuneration Committee

**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 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](http://www.zse.hr) ).





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