



# ČAKOVEČKI MLINOVI

- 1893 -

ČAKOVEČKI MLINOVI INC.

CONSOLIDATED FINANCIAL REPORT  
FOR 2025  
(unaudited)



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### **Translation Disclaimer**

This version of the Quarterly Report is a translation of the original document prepared in the Croatian language. Every effort has been made to ensure that this translation accurately reflects the content of the original. However, in the event of any discrepancies in interpretation, meaning, or intent, the original Croatian version of the Quarterly Report shall prevail.

**ČAKOVEČKI MLINOVI INC.**

**CONSOLIDATED INTERIM MANAGEMENT REPORT  
FOR 2025**

## 1. BUSINESS RESULTS FOR 2025

### *BRIEFLY ABOUT THE ČAKOVEČKI MLINOVI GROUP*

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 Pekarne Klara Inc., Zagreb, and NewMip Ltd (hereinafter collectively: "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 2025, the Čakovečki mlinovi Group achieved EUR 428,7 million in consolidated total revenues based on consolidated total assets of EUR 192,6 million and averaged employed 4.108 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 31 December 2025, the Company had 16,020,000 issued shares with a market capitalization of EUR 176,2 million.

Two dividends were paid in 2025 in the amount of EUR 13,052,100. The first dividend was paid on January 30, 2025 in the amount of EUR 5,042,100 (EUR 0.49 per share) and the second dividend was paid on September 18, 2025 in the amount of EUR 8,010,000 (EUR 0.50 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 operating indicators are presented below.

### ***Trade***

<b>KEY OPERATIONAL INDICATORS</b>	<b>31.12.2025.</b>	<b>31.12.2024.</b>
Number of retail stores	815	421
Retail store area (in m2 net)	79.719	54.867
Average store area (in m2 net)	98	130
Area of distribution warehouses (in m2 gross)	11.267	11.343
Average number of employees	2.920	1.794

Trade is the largest segment of the Čakovečki mlinovi Group, which generated 83,3% of the Group's sales revenue in 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 95,6% of the Trade segment's sales revenue.

As of 31 December 2025, Trgovina operated 815 retail stores located in northwestern and eastern Croatia, in Kvarner and on the island of Krk. The total net sales area was 79.719 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 98 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 trgovački lanac Ltd (hereinafter: "NTL"), the largest purchasing association for food products in Croatia, through which it realizes approximately 75% of its purchases 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 2025, NTL generated EUR 7,5 million in net profit (2024: EUR 0,9 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**

<b>KEY OPERATIONAL INDICATORS</b>	<b>31.12.2025.</b>	<b>31.12.2024.</b>
Cereal processing (in tons)	72.835	57.847
Production of bakery products (in tons)		
Average number of employees	39.017	7.762

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

- milling - production of mainly 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;

As of December 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, seven bakery plants (Čakovec, Oroslavje, Lovran, Malinska, Zagreb, Sisak i Našice) with a total production capacity of 40,000 tons per year, and one oil mill (Punat).

## **KEY EVENTS IN 2025**

### **1. Continued business growth in a challenging environment**

The Group achieved growth in revenue, EBITDA and net profit despite challenging economic conditions:

- Sales revenue: EUR 397,9 million (+98,5% compared to 2024)
- Normalized EBITDA: EUR 22,5 million (+51,4%), with a margin decrease from 7,4% to 5,7%
- Net profit: EUR 14,3 million (+109,6%), with an increase in net margin from 3,4% to 3,7%

### **2. Occurrence of the obligation to publish a takeover bid**

On January 15, 2025, Čakovečki mlinovi Inc. announces the obligation to publish an offer to take over the shares of Zagrebačke pekarnе Klara Inc. (ZPKL), in accordance with the Act on Takeover of Joint Stock Companies.

### **3. Increase in share capital and expansion of the Group**

On January 31, 2025, the Commercial Court in Varaždin registered an increase in the share capital of Čakovečki mlinovi from EUR 13.66 million by an additional EUR 7.61 million, to a total of EUR 21.26 million, by issuing 5,730,000 new shares.

In consolidation from 1.2.2025. new companies were included:

- Zagrebačke pekarnе Klara Inc.
- Prehrana Trgovina Inc.
- NewMip Ltd

With this, the Group expanded its production and distribution capacities and strengthened its market position in the mill-bakery and trade segments.

### **4. HANFA approval and announcement of takeover bid**

On 27 February 2025, the Croatian Financial Services Supervisory Agency (HANFA) approved the publication of the offer of Čakovečki mlinovi to take over the company ZPKL. The offer was published in accordance with Article 27 of the Takeover of Joint Stock Companies Act.

### **5. Report on the takeover of Zagrebačka pekarnа Klara Inc.**

On April 11, 2025, after the completed offer, Čakovečki mlinovi published a report on the takeover of ZPKL shares, which was submitted to HANFA, the Zagreb Stock Exchange and HINA.

### **6. Purchase and sale of shares and increase in ownership stake in ZPKL**

On 15–16 May 2025, Čakovečki mlinovi entered into an agreement with Dragica Plodinec to purchase 69,304 ordinary shares of ZPKL, representing 24.42% of the share capital. After the transaction, the company's stake in ZPKL increased to 89.53%.

### **7. Restructuring and intra-group agreements**

On May 22, 2025, a series of agreements between related companies were announced, including the division and takeover of business units between NewMip Ltd., Čakovečki mlinovi Inc., Zagrebačke pekarnе Klara Inc., as well as the merger of Prehrana Trgovina Inc. with Trgovina Krk Inc., all with the aim of integrating milling, baking and trading activities within the group.

## **8. Dividend Payment**

In 2025, the company Čakovečki mlinovi Inc. paid two dividends, totaling 13,052,100.00 euros:

The first dividend was paid in accordance with the decision of the General Assembly of the Company held on 15 January 2025, based on which the payment of a dividend in the amount of 0.49 euros per share was approved. The dividend was paid to the shareholders of the Company from retained earnings generated in 2018, 2019 and 2020. The Company paid a total amount of 5,042,100.00 euros for the dividend in question.

The dividend was paid on 30 January 2025.

The second dividend was paid in accordance with the decision of the General Assembly of the Company held on 18 August 2025, based on which the payment of a dividend in the amount of 0.50 euros per share was approved. The Company's shareholders were paid a dividend from a portion of the net profit generated in 2024. The Company paid a total of EUR 8,010,000.00 as dividends.

The dividend was paid on September 18, 2025.

During 2025, the Company NewMip ltd. paid a dividend from the profit for 2024 in the amount of EUR 2,459,000 MLIN I PEKARAMA ltd.

## **9. Amendments to the Company Statute**

On January 15, 2025, the General Assembly of the Company adopted a decision to amend the majority of the statutory provisions of the Company's founding act. Key changes: the share capital was increased to 21,262,193.93 euros and the number of shares was set at 16,020,000 ordinary registered shares, without nominal value, with confirmation of dematerialized form; the scope of business was revised and modernized, the possibility of appointing a larger number of Management Board members was ensured (3-5), the rules of operation and representation of the Management Board were specified, and the set of tasks for which the Management Board requires the prior consent of the Supervisory Board was significantly expanded. Two members of the Supervisory Board were granted a special right of appointment for certain shareholders; shareholders are provided with the possibility of electronic participation/voting at the General Assembly, and a qualified majority of 85% of the represented capital was prescribed for key corporate decisions; A new profit policy has been introduced: at least 50% of available net consolidated profit to shareholders (2023–2030 at a minimum of EUR 0.50 per share, supplemented from retained earnings as needed) and the possibility of paying an advance dividend of up to half of last year's profit.

These events marked 2025 as a period of intensive expansion, consolidation and strengthening of the corporate structure of the Čakovečki mlinovi Group, with significant growth in business results and strengthening of its position among the leading food retail systems in Croatia.

### KEY FINANCIAL INDICATORS OF THE GROUP

<b>PROFIT AND LOSS ACCOUNT (in millions of euros)</b>	<b>2025.</b>	<b>2024.</b>	<b>2025./2024.</b>
Sales revenue	397,9	200,4	98,5%
Operating expenses, net <sup>1</sup>	366,9	187,2	96,0%
EBITDA <sup>2</sup>	31,1	13,3	134,5%
Normalized EBITDA <sup>3</sup>	22,5	14,9	51,4%
Amortization	15,7	7,3	116,7%
EBIT <sup>4</sup>	15,3	6,0	155,9%
Net financial result <sup>5</sup>	1,9	2,2	-13,0%
Net profit (loss)	14,3	6,8	109,6%

<b>Profit margins<sup>6</sup></b>			
EBITDA margin	7,8%	6,6%	1,2 bp
Normalized EBITDA margin	5,7%	7,4%	-1,8 bp
EBIT margin	3,9%	3,0%	0,9 bp
Net profit margin	3,6%	3,4%	0,2 bp

<b>BALANCE SHEET (in millions of euros)</b>	<b>31.12.2025.</b>	<b>31.12.2024.</b>	<b>31.12.2025./31.12.2024.</b>
Net debt (cash) <sup>7</sup>	25,7	-20,6	-225,1%
Capital and reserves	140,8	87,6	60,8%
Net working capital <sup>8</sup>	39,7	23,7	67,7%

<b>CASH FLOWS (in millions of euros)</b>	<b>2025.</b>	<b>2024.</b>	<b>2025./2024.</b>
Net cash flows from operating activities.	37,7	12,8	193,9%
Capital expenditure (CapEx) <sup>9</sup>	27,0	5,4	399,5%
Cash expenditures for dividend payments	13,1	2,3	467,9%

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 2025, the Čakovečki mlinovi Group achieved:

- EUR 397.9 million in sales revenue,
- EUR 22.5 million normalized EBITDA,
- EUR 14.3 million in net profit.

Total sales revenue increased by 98.5%, or EUR 197.5 million, compared to the last year.

The largest contribution to growth was made by the Retail segment, whose revenues increased by 98,2% or EUR 156,3 million.

The Trade segment, as the Group's largest business segment, achieved EUR 331.6 million in revenue, or 83.3% of the Group's total revenue, with EUR 15.7 million in normalized EBITDA.

Net operating expenses increased by 96.0% or EUR 179.7 million, which is largely a result of the consolidation of new companies into the Group.

At the Group level, normalized EBITDA increased by EUR 7.6 million, while net profit increased by EUR 7.5 million compared to 2024. Increase in the EBITDA margin from 6.6% to 7.8% was recorded and increase in the net profit margin from 3,4% to 3,6%.

## QUARTERLY PERFORMANCE OVERVIEW OF THE GROUP

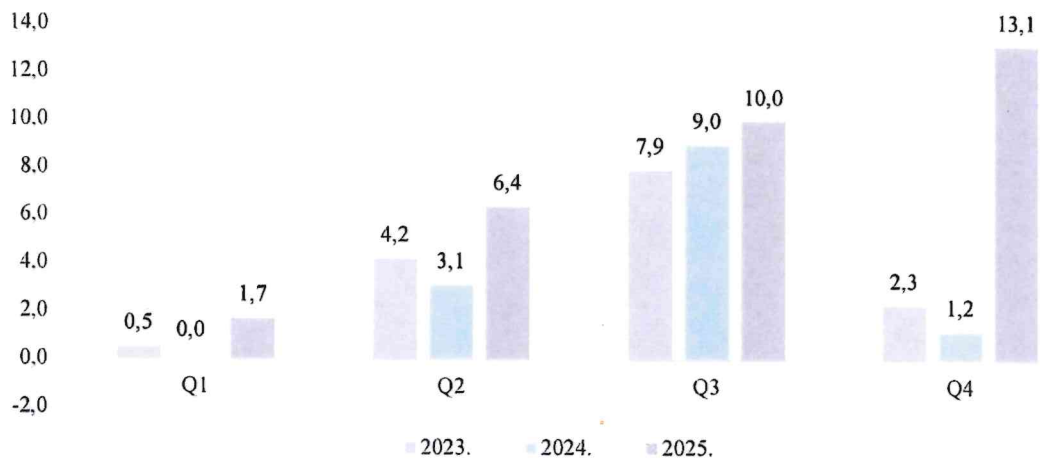
### Group sales revenue

(u mil. eura)



### EBITDA Group

(u mil. eura)



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.

The Čakovečki mlinovi Group has a characteristic seasonality of operations depending on the situation in Croatian tourism and given the new members of the Group that have influenced the improvement of the revenue base.

**SALES INCOME**

<b>SALES REVENUE BY SEGMENT</b>					
(in millions of euros)	1-12. 2025.	% of sales revenue	1-12. 2024.	% of sales revenue	1- 12.2025./ 1-12.2024.
Trade	331,6	83,3%	175,3	87,4%	89,2%
Food	66,4	16,7%	25,2	12,6%	163,3%
<b>Consolidated sales revenue</b>	<b>397,9</b>	<b>100,0%</b>	<b>200,4</b>	<b>100,0%</b>	<b>98,5%</b>

Note: Data are presented on a consolidated basis.

<b>LFL1 RETAIL GROWTH</b>			
(in millions of euros)	1-12. 2025.	1-12. 2024.	1.-12.. 2025./ 1.-12.. 2024.
Revenue from the sale of goods – Trade	328,8	174,8	88,1%
Revenue from sales of goods - Retail	314,1	160,7	95,4%
<b>Revenues from the sale of goods - Retail - LFL</b>	<b>163,5</b>	<b>154,7</b>	<b>5,7%</b>

1 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.

Overall, significant revenue growth in 2025 confirms the success of strategic acquisitions and integrations within the Čakovečki mlinovi Group and the strengthening of its market position in the food and retail sector.

## OPERATING COSTS

(in millions of euros)	1-12. 2025.	% of sales revenue	1-12. 2024.	% of sales revenue	1.-12. 2025./ 1.-12. 2024.
Costs of raw materials, materials, energy and changes in inventory values	40,7	10,2%	23,0	11,5%	77,0%
Cost of goods sold, net <sup>1</sup>	216,1	54,3%	113,9	56,8%	89,7%
Other external costs	17,4	4,4%	8,0	4,0%	117,8%
Personnel costs <sup>2</sup>	92,3	23,2%	38,3	19,1%	141,0%
Other costs	5,6	1,4%	2,7	1,3%	108,9%
Other operating expenses (income) <sup>3</sup>	-7,0	1,77%	1,1	0,6%	-726,0%
<b>Operating expenses, net</b>	<b>366,9</b>	<b>92,2%</b>	<b>187,2</b>	<b>93,4%</b>	<b>96,0%</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 income 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.

As of 31 December 2025, the Group employed 4.855 employees (2024: 2.292), while the average number of employees based on working hours was 4.108 employees (2024: 2.072).

This growth in employment and expenses reflects the significant expansion of the Group and the successful integration of new business entities, while at the same time adapting to the rising labor costs in the market.

## EBITDA

EBITDA BY SEGMENTS (in millions of euros)	1.-12. 2025.			1.-12. 2024.		
	GRUPA	TRGOVINA	TRGOVIN A	GROUP	TRADE	FOOD
Cons. sales revenue	397,9	175,3	175,3	200,4	175,3	25,2
EBITDA	31,1	10,4	10,4	13,3	10,49	2,9
EBITDA margin	7,8%	5,9%	5,9%	6,6%	5,9%	11,3%
Normalized EBITDA <sup>1</sup>	22,5	11,6	11,6	14,9	11,6	3,3
Normalized EBITDA margin	5,7%	6,6%	6,6%	7,4%	6,6%	12,9%

<sup>1</sup> 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.

The normalized EBITDA margin of the Trade segment is 4,7% (2024: 6,6%), indicating a slight decrease in profitability due to the growth of operating costs and cost integration of new members, despite a significant increase in business volume.

The achieved results confirm the Group's stable operational growth, while maintaining positive profitability during a period of intensive expansion and restructuring.

### EBITDA normalization

EBITDA NORMALIZATION (in millions of euros)	1.-12. 2025.			1.-12. 2024.		
	GROUP	TRADE	FOOD	GROUP	TRADE	FOOD
EBITDA	31,1	16,2	14,9	13,3	10,4	2,9
Intellectual services costs	0,2	0,0	0,2	0,5	0,3	0,2
Bonuses according to contractual relationships	0,0	0,0	0,0	0,6	0,4	0,2
Other one-time expenses (income), net	-8,8	-0,5	-8,3	0,5	0,5	0,0
Normalized EBITDA	22,5	15,7	6,9	14,9	11,6	3,3

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 2025 result. In 2025, the Group recorded EUR 8,56 million in one-off costs (2024: EUR 1,61 million).

### **NET PROFIT**

In 2025, the Čakovečki mlinovi Group achieved a net profit of EUR 14,3 million, which represents an increase of EUR 7,5 million compared to the same period in 2024.

The achieved growth in net profit is the result of the positive effects of the consolidation of new members of the Group, growth in sales revenue and effective management of operating costs, despite pressure on margins and rising labor costs in 2025.

### **NET DEBT**

<b>NET DEBT (in millions of euros)</b>	<b>31.12.2025.</b>	<b>31.12.2024.</b>	<b>31.12.2025./ 31.12.2024.</b>
Long-term liabilities for loans received	2,0	0,0	-
Long-term lease liabilities	14,3	2,7	431,6%
Short-term liabilities from loans received	6,2	4,2	47,5%
Short-term lease liabilities	6,0	1,4	315,6%
Loans, deposits, etc. Given	-6,4	0,0	14983,9%
Money in the bank and cash register	-14,2	-28,8	-50,8%
<b>Net debt (cash)</b>	<b>8,0</b>	<b>-20,6</b>	<b>-138,7%</b>

The decline in the net cash position is a consequence of increased investment activities, the inclusion of new members in the consolidation, and the growth of lease and loan liabilities due to the expansion of the Group's operations.

## CASH FLOWS

In 2025, the Čakovečki mlinovi Group generated EUR 37,7 million in net cash flows from operating activities, which is higher than the EBITDA generated.

<b>CASH FLOWS</b> (in millions of euros)	<b>1.-12. 2025.</b>	<b>1.-12. 2024.</b>	<b>1.-12. 2025./1.-12. 2024.</b>
Net cash flows from business activities.	37,7	12,8	193,9%
Capital Investments (CapEx)	27,0	5,4	399,5%
Monetary expenses for the payment of dividends	15,5	2,3	574,9%
Profit tax	3,0	1,4	113,6%

The Group's capital expenditure in 2025 amounted to EUR 27.0 million, which is higher than in 2024 (EUR 5.4 million).

These indicators confirm that the Group continues to invest intensively in the development and expansion of its business, with healthy cash liquidity and positive cash flows from its core activities, which provides a stable basis for further growth.

## NET WORKING CAPITAL

<b>NET WORKING CAPITAL</b> (in millions of euros)	<b>31.9.2025.</b>	<b>31.12.2024.</b>	<b>31.12.2025./31.12.2024.</b>
Supplies	46,1	25,8	78,9%
Short-term receivables from customers	19,5	8,1	141,2%
Short-term liabilities to suppliers	-26,0	-10,2	155,3%
<b>Net working capital</b>	<b>39,7</b>	<b>23,7</b>	<b>67,4%</b>

The increase in net working capital is a consequence of the inclusion of new members in the consolidation

## VALUATION OF THE ČAKOVEČKI MLINOVI GROUP

<b>KEY VALUATION INDICATORS OF CKML SHARES</b> (in millions of euros)	<b>31.12.2025.</b>	<b>31.12.2024.</b>	<b>31.12.2025./31.12.2024.</b>
Price per share (PPS, in euros) <sup>1</sup>	11,0	10,6	3,8%
Market capitalization <sup>2</sup>	176,2	109,1	61,6%
EV <sup>3</sup>	202,2	84,7	138,8%

<sup>1</sup> 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.

<sup>2</sup> Market capitalization represents the market value of share capital on the stock exchange; calculated as the product of the number of shares (16,020,000) and the price per share.

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

## 2. EXPECTED BUSINESS DEVELOPMENT IN 2026

The forecasts for 2026 are based on the expected gradual slowdown in economic expansion in Croatia and the euro area, with geopolitical risks still prominent and domestic demand growing moderately. According to the updated projections, the Croatian economy is expected to grow between 2.8% and 2.9% in 2026, which represents a slight slowdown compared to 2025, but still indicates a relatively solid growth pace.

During 2026, the Management Board of the parent company of the Group will continue to implement strategic activities aimed at consolidating operations within the MIP Group and the Čakovečki mlinovi Group and increasing operational efficiency and competitiveness. Further strengthening of the market position is expected through cost optimization, modernization of business processes and expansion of the client base on the domestic and international markets, with an emphasis on strengthening export orientation.

The Group's operations in 2026 will remain influenced by international developments, especially in the context of trade tensions, energy price developments and inflation dynamics. The Group will therefore continue to actively manage risks and monitor changes in the economic environment.

At the date of issuance of this report, the Group has sufficient liquidity to meet all due obligations, and the financial statements are prepared on a going concern basis

### *General economic environment*

According to the latest projections by the Croatian National Bank and the European Commission, inflation in Croatia in 2026 is expected to slow to around 3.1%, or 2.8% according to the European Commission methodology, indicating a gradual weakening of inflationary pressures after the induced price increases in previous years.

The slowdown in inflation is a consequence of the weakening of fundamental inflationary factors, including slower food price growth and stabilization of energy costs. At the same time, continued wage growth and low unemployment (around 4.5%) will continue to support household consumption.

Investment activity in 2026 will remain driven by the continued use of EU funds, albeit at a slower growth rate compared to the period of strong investment expansion in 2022–2024.

Exports of goods are also expected to continue to grow, while exports of services will remain moderate due to the continued deterioration in the price competitiveness of tourism.

The contribution of net exports to GDP is likely to remain negative due to the growth of household consumption abroad and strong imports of services.

### *Impact of the war in Ukraine and the Middle East*

The prolonged conflicts in Ukraine and the Middle East continue to pose significant negative risks to global and European economic developments. These risks include potential disruptions in supply chains, instability in energy prices and increased defense spending, which could impact investments and operating costs.

Croatia remains relatively unexposed to the direct trade effects of the conflict, while indirect effects through energy and raw material price movements remain present.

The Company has no business exposure to companies from Russia, Belarus or Ukraine this year, nor any ownership links to these markets. Risks related to geopolitical developments are continuously monitored and assessed, with the assessment that there are no threats to the stability of the Company's operations

### *State price control measures*

During 2026, certain government interventions are expected to continue in the segment of prices of basic food products, energy products and services, especially in the context of stabilizing inflation. Given similar

mechanisms applied in 2025, it is possible that the measures will affect margins and pricing strategies in the retail and processing sectors.

The limitation of prices of certain food items could further limit the Group's flexibility in pricing, especially in the segment of flour, bakery products and other basic food items. The Management will continue to compensate for the negative effects through business optimization, cost rationalization and price adjustment in the non-regulated assortment.

**ČAKOVEČKI MLINOVI INC.**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR 2025**

**STATEMENT OF PERSONS RESPONSIBLE FOR COMPILING FINANCIAL STATEMENTS  
OF THE ISSUER 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, Krešimir Kvaternik and Franjo Plodinec, make the following statement:

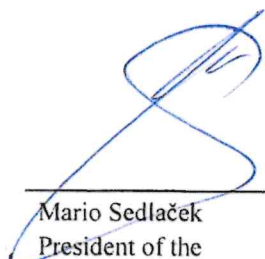
To the best of our knowledge:

- The consolidated financial statements for 2025, or for 2025, were prepared using appropriate financial reporting standards and 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 management report for 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 2025 have not been audited.


In Čakovec, February 27th 2026.

For Čakovečke mlinove Inc.:



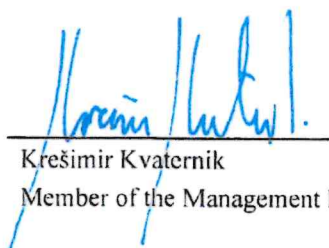
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Mario Sedlaček  
President of the  
Management Board



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Franjo Plodinec  
Member of the Management Board



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Krešimir Kvaternik  
Member of the Management Board

CONSOLIDATED STATEMENT OF COMPREHENSIVE PROFIT FOR 2025

	1.-12. 2025. u '000 EUR	1.-12. 2024. u '000 EUR	10.-12. 2025. u '000 EUR	10.-12. 2024. u '000 EUR
Sales revenue	397.942	200.450	98.222	44.327
Other operating income	29.332	6.673	15.875	2.373
<b>Business income</b>	<b>427.275</b>	<b>207.123</b>	<b>114.097</b>	<b>46.700</b>
Change in the value of work in progress and finished goods inventories	328	163	(212)	200
Raw material costs	(41.004)	(23.149)	(10.165)	(5.693)
Cost of goods sold	(234.839)	(120.026)	(56.530)	(25.599)
Other external costs	(17.362)	(7.970)	(2.821)	(2.446)
Personnel costs	(79.069)	(33.345)	(20.976)	(8.336)
Amortization	(15.721)	(7.254)	(5.212)	(1.776)
Other costs	(18.769)	(7.600)	(7.364)	(2.487)
Value adjustments	(64)	(154)	(35)	(154)
Reservations	(1.895)	(119)	(1.891)	(119)
Other business expenses	(3.534)	(1.672)	(1.349)	(864)
<b>Business expenses</b>	<b>(411.928)</b>	<b>(201.126)</b>	<b>(106.555)</b>	<b>(47.274)</b>
<b>Operating profit</b>	<b>15.347</b>	<b>5.997</b>	<b>7.542</b>	<b>(574)</b>
Financial income	1.193	1.066	75	233
Financial expenses	(865)	(137)	(399)	(51)
<b>Net financial result</b>	<b>327</b>	<b>929</b>	<b>(324)</b>	<b>181</b>
<b>Share in the profit of an associated company</b>	<b>1.600</b>	<b>1.287</b>	<b>358</b>	<b>185</b>
Profit before tax	17.274	8.213	7.576	(207)
Income tax	(3.007)	(1.407)	(1.739)	(139)
<b>Net profit</b>	<b>14.268</b>	<b>6.806</b>	<b>5.837</b>	<b>(346)</b>
<b>Attributable to:</b>				
To the shareholders of the Company	14.096	6.763	6.047	(382)
To owners of non-controlling interests	172	42	43	35

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS OF 31.DECEMBER.2025

	31.12.2025. u '000 EUR	31.12.2024. u '000 EUR
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	13.449	72
Tangible assets	103.009	37.786
Real estate investments	1.360	481
Investments in associates	11.256	9.078
Financial assets	14.116	1.799
Receivables	-	0
Deferred tax assets	322	320
	143.514	49.537
<b>Current assets</b>		
Supplies	46.140	25.786
Receivables	23.663	8.995
Financial assets	7.505	81
Money in the bank and cash register	8.756	28.833
	86.065	63.694
<b>TOTAL ASSETS</b>	229.578	113.231
<b>Capital and reserves</b>		
Share capital	21.262	13.657
Capital reserves	54.909	-
Reserves from profit	1.650	3.132
Revaluation reserves	-	-
Fair value reserves	3.283	2.990
Retained earnings	59.482	71.615
	140.587	91.394
To owners of non-controlling interests	256	(3.823)
Total capital	140.844	87.571
<b>Obligations</b>		
<b>Long-term liabilities</b>		
Reservations	4.210	1.421
Liabilities for loans, deposits, leases, etc.	14.891	2.699
Liabilities to banks and other financial institutions	4.095	-
Other long-term liabilities	542	-
Deferred tax liability	3.074	656
	26.813	4.776
<b>Short-term liabilities</b>		
Liabilities for loans, deposits, leases, etc.	11.909,5	5.610
Liabilities to banks and other financial institutions	11.062,1	-
Liabilities for advances	36	64
Accounts payable	25.951,2	10.164
Obligations towards employees	5.170,6	2.078
Obligations for taxes, contributions and similar benefits	5.463,5	2.409
Liabilities based on share in results	28	29
Other short-term liabilities	2.301,0	530
Reservations - short term	0	-
	61.922	20.884
<b>TOTAL LIABILITIES</b>	229.578	113.231

ČAKOVECKI MLINOVI INC.

CONSOLIDATED STATEMENT OF CHANGES FOR 2025

	Share capital in '000 EUR	Capital reserves in '000 EUR	Legal reserves in '000 EUR	Other reserves in '000 EUR	Revaluati on in '000 EUR	Fair value reserves in '000 EUR	Retained earnings in '000 EUR	Total in '000 EUR	Non-controlling interests in '000 EUR	Total in '000 EUR
<b>Status as of 1.1.2024.</b>	13.657	0	683	2.563		2.869	65.766	85.538	-3.865	81.673
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	-	-	-	-114	-	121	6.878	6.885	42	6.927
Other non-ownership changes	-	-	-	-	-	-	-	-	-	-
Dividend	-	-	-	-	-	-	-1.029	-1.029	-	-1.029
<b>Balance as of 31.12.2024.</b>	13.657	0	683	2.449		2.990	71.615	91.394	-3.823	87.571
<b>Status as of 1.1.2025.</b>	13.657	0	683	2.449		2.990	71.615	91.394	-3.823	87.571
Profit/(loss) for the year	-	-	-	-	-	-	0	0	-1	-1
Other comprehensive income	-	-	-	-	-	-	-	-	-	-
Total comprehensive	-	-	-	-	-	-	-	-	-	-
Payments for stockholders	7.605	54.909	-	-	-	-	-	62.514	-	62.514
Other non-ownership changes	-	-	-	-	-	-	140	140	2.832	2.972
Changes in revaluation reserves of fixed tangible and intangible assets	-	-	-	-	-	-	-	-	-	-
Other non-ownership changes	-	-	-	-	-	-	-33.095	-33.095	-	-33.095
Dividend	-	-	-	-	-	-	-15.511	-15.511	-	-15.511
<b>Status 31.12.2025.</b>	21.262	54.909	683	2.449	0	2.990	23.149	105.443	-992	104.450

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2025

	1.-12. 2025. u '000 EUR	1.-12. 2024. u '000 EUR
<b>CASH FLOW FROM BUSINESS ACTIVITIES</b>		
Profit before tax	17.274	8.274
Adjustments:		
Amortization	15.721	7.254
Gains and losses from the sale and value adjustments of long-term tangible and intangible assets	-	(47)
Share in the profit of an associated company	-	(1.341)
Interest and dividend income	(2.793)	(627)
Interest expenses	865	136
Reservations	2.790	129
Other adjustments for non-cash transactions and unrealized gains and losses	(1.075)	92
<b>Increase or decrease in cash flows before changes in working capital</b>	<b>32.782</b>	<b>13.870</b>
<b>Changes in working capital</b>	<b>8.123</b>	<b>678</b>
Increase or decrease in short-term liabilities	43.113	157
Increase or decrease in current receivables	(14.635)	(17)
Increase or decrease in inventory	(20.355)	537
Cash from business	<b>40.905</b>	<b>14.547</b>
Cash expenses for interest	(865)	(136)
Paid income tax	(2.367)	(1.595)
Cash receipts from collection of previously corrected receivables		
<b>NET CASH FLOWS FROM BUSINESS ACTIVITIES</b>	<b>37.673</b>	<b>12.816</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash receipts from the sale of fixed assets and intangible assets	102	66
Cash receipts from the sale of financial instruments	-	-
Cash receipts from interest	645	940
Cash receipts from dividends	-	124
Cash receipts based on the return of loans and savings deposits	-	15
Other cash receipts from investing activities	547	
Cash expenditures for the purchase of long-term tangible and intangible assets	(27.027)	(5.410)
Cash expenditures based on loans and savings deposits for the period	(7.424)	(145)
Acquisition of a subsidiary, net of cash acquired	-	-
Other cash expenditures from investment activities	(26.253)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(59.410)</b>	<b>(4.411)</b>

CONSOLIDATED STATEMENT OF CASH FLOWS FOR 2025

**CASH FLOWS FROM FINANCIAL ACTIVITIES**

Cash receipts from principal of loans, borrowings and other borrowings and debt financial instruments	19.247	-
Other cash receipts from financing activities	-	-
Cash expenses for repayment of principal of loans, borrowings and other borrowings and debt financial instruments	(2.075)	(1.029)
Cash expenses for finance leases	-	(2.298)
Cash expenses for payment of dividends	(15.511)	-
Other cash expenses from financing activities	-	-
<b>NET CASH FLOWS FROM FINANCIAL ACTIVITIES</b>	<b>1.661</b>	<b>(3.327)</b>
<b>TOTAL NET CASH FLOW</b>	<b>(20.077)</b>	<b>5.079</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>8.756</b>	<b>28.833</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. 16,020,000 shares of Čakovečki mlinovi Inc. are listed on the Official Market of the Zagreb Stock Exchange under the symbol CKML-RA.

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, 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:

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

## 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).

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

**COMPANY BODIES**

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

**Management Board**

- Mario Sedlaček, President of the Management Board
- Krešimir Kvaternik, 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 President 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

**Auditboard**

- Vesna Butorac, President 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

**Nominations Committee**

- Ema Maršić, Chair of the Nomination Committee, independent member
- Damir Metelko, Deputy Chair 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 Chair 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
				31.12.2025.	31.12.2024.
Radnik Opatija Inc.	Lovran, Croatia	Retail trade; Bakery	Consolidated	100%	100%
Trgovina Krk Inc.	Malinska, Croatia	Retail	Consolidated	87.61%	100%
NewMip Ltd.	Sisak, Croatia	Production, Wholesale and retail trade	Consolidated	100%	0%
Zagrebačke Pekarne Klara Inc.	Zagreb, Croatia	Retail trade; Bakery	Consolidated	95.20%	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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