



ČAKOVEČKI MLINOVI INC.  
ANNUAL FINANCIAL REPORT  
FOR 2025  
(unaudited)



## CONTENT

<b>INTERIM MANAGEMENT REPORT FOR 2025</b> .....	3
<b>1. BUSINESS RESULTS IN 2025</b> .....	4
<i>BRIEFLY ABOUT THE COMPANY</i> .....	4
<i>BUSINESS SEGMENT</i> .....	4
<i>KEY FINANCIAL INDICATORS OF THE COMPANY</i> .....	5
<b>2. EXPECTED BUSINESS DEVELOPMENT IN 2026</b> .....	6
<b>FINANCIAL STATEMENTS FOR 2025</b> .....	8

### **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.**

**MANAGEMENT REPORT  
FOR 2025**

## **1. BUSINESS RESULTS FOR 2025**

### ***BRIEFLY 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, Trgočentar Inc. Virovitica, Radnik Opatija Inc. Lovran, Zagrebačke pekarnе 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 the first nine months of 2025, Čakovečki mlinovi Inc. generated EUR 38.1 million in total revenue based on total assets in the amount of 103.6 million euros and are on average employed 174 employees based on working hours. According to the Accounting Act, the company Čakovečki mlinovi Inc. is classified as 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 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 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 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 (in millions of euros)</b>	<b>1.-12. 2025.</b>	<b>1.-12. 2024.</b>	<b>2025./ 2024.</b>
Sales revenue	30,3	28,4	6,6%
Operating expenses, net <sup>1</sup>	27,6	25,8	6,7%
<b>EBITDA<sup>2</sup></b>	<b>2,7</b>	<b>2,6</b>	<b>5,4%</b>
<b>Normalized EBITDA<sup>3</sup></b>	<b>3,0</b>	<b>3,3</b>	<b>-6,9%</b>
Amortization	1,1	0,9	22,1%
EBIT <sup>4</sup>	1,6	1,7	-3,8%
Net financial result <sup>5</sup>	7,4	7,3	1,5%
<b>Net profit (loss)</b>	<b>8,5</b>	<b>8,6</b>	<b>-1,9%</b>

<b>Profit margins<sup>6</sup></b>			
EBITDA margin	9,0%	9,1%	-0,1 pb
<b>Normalized EBITDA margin</b>	<b>10,0%</b>	<b>11,7%</b>	<b>-1,7 pb</b>
EBIT margin	5,3%	5,9%	-0,6 pb
<b>Net profit margin</b>	<b>27,9%</b>	<b>30,3%</b>	<b>-2,4 pb</b>

<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>	6,8	-14,0	-148,3%
Capital and reserves	92,8	36,1	156,8%
Net working capital <sup>8</sup>	11,3	6,5	72,3%

<b>CASH FLOWS (in millions of euros)</b>	<b>1.-12. 2025.</b>	<b>1.-12. 2024.</b>	<b>2025./ 2024.</b>
Net cash flows from operating activities.	5,6	2,5	126,2%
Capital expenditure (CapEx) <sup>9</sup>	3,6	0,2	1782,0%
Cash expenditures for dividend payments	13,1	1,0	1168,4%

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 (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 material one-off items. In 2025, the Company recorded EUR 0.3 million in one-off costs (2024: EUR 0.3 million).

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 – 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 (capital expenditures) represents financial 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 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.**

**FINANCIAL STATEMENTS  
FOR 2025**

**STATEMENT OF PERSONS RESPONSIBLE FOR PREPARING THE 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:

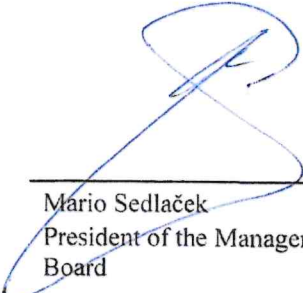
To the best of our knowledge:

- The financial statements for the 2025, were prepared using appropriate financial reporting standards and provide a true and fair view of the issuer's assets and liabilities, financial position, profit or loss.
- The management report for the 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 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

	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	30.315	28.433	6.943	7.038
Other operating income	262	132	137	45
<b>Business income</b>	<b>30.577</b>	<b>28.565</b>	<b>7.080</b>	<b>7.082</b>
Change in the value of work in progress and finished goods inventories	(403)	(163)	53	(199)
Raw material and material costs	18.944	16.901	4.646	4.152
Cost of goods sold	554	689	75	193
Other external costs	2.512	2.472	617	1.034
Personnel costs	5.063	4.920	888	1.366
Amortization	1.127	923	427	191
Other costs	1.157	1.140	262	377
Value adjustments	1	11	0	11
Reservations	(27)	(29)	(27)	(29)
Other business expenses	43	30	14	5
<b>Business expenses</b>	<b>28.970</b>	<b>26.895</b>	<b>6.955</b>	<b>7.102</b>
<b>Operating profit</b>	<b>1.606</b>	<b>1.670</b>	<b>125</b>	<b>(19)</b>
Financial income	7.515	7.317	6	104
Financial expenses	89	4	62	1
<b>Net financial result</b>	<b>7.426</b>	<b>7.314</b>	<b>(56)</b>	<b>103</b>
Profit before tax	9.033	8.984	68	84
Income tax	(578)	(367)	(290)	(25)
<b>Net profit</b>	<b>8.455</b>	<b>8.617</b>	<b>(222)</b>	<b>59</b>
<b>Total comprehensive income for the year</b>	<b>8.455</b>	<b>8.617</b>	<b>(222)</b>	<b>59</b>
<b>Earnings per share for profit attributable to shareholders of the Company during the year (in euros)</b>				
- basic	0,53	0,54	(0,01)	0,00
- diluted	0,53	0,54	(0,01)	0,00

	31.12.2025. u '000 EUR	31.12.2024. u '000 EUR
<b>Assets</b>		
<b>Fixed assets</b>		
Intangible assets	1.512	5
Tangible assets	7.098	3.159
Real estate investments	2.660	2.804
Investments in shares (stocks) linked by participating interest	78.859	10.537
Financial assets		
Deferred tax assets	77	119
	90.206	16.624
<b>Current assets</b>		
Supplies	8.239	4.582
Receivables	4.405	3.878
Financial assets	42	56
Money in the bank and cash register	709	14.065
	13.395	22.581
<b>TOTAL ASSETS</b>	<b>103.601</b>	<b>39.206</b>
<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		
Retained earnings	14.999	19.350
	92.821	36.139
Minority interests	-	-
Total capital	92.821	36.139
<b>Obligations</b>		
<b>Long-term liabilities</b>		
Reservations	185	435
Obligations for loans, deposits and the like	1.658	34
Deferred tax liability		-
	1.844	469
<b>Short-term liabilities</b>		
Obligations towards entrepreneurs within the group	3.077	121
Obligations for loans, deposits and the like	2.833	18
Liabilities for advances	17	0
Accounts payable	1.050	1.720
Obligations towards employees	208	292
Obligations for taxes, contributions and similar benefits	624	397
Liabilities based on share in results	28	29
Other short-term liabilities	1.099	21
Reservations		
	8.937	2.597
<b>TOTAL LIABILITIES</b>	<b>103.601</b>	<b>39.206</b>

	1-12. 2025. in '000 EUR	1-12. 2024. in '000 EUR
<b>CASH FLOW FROM BUSINESS ACTIVITIES</b>		
Profit before tax	9.033	8.984
Adjustments:		
Amortization	1.127	923
Gains and losses from the sale and value adjustments of long-term tangible and intangible assets	(61)	(48)
Interest and dividend income	(7.515)	(7.000)
Interest expenses	89	4
Reservations	(250)	(29)
Other adjustments for non-cash transactions and unrealized gains and losses	-	11
Increase or decrease in cash flows before changes in working capital	2.422	2.844
Changes in working capital	3.713	(51)
Increase or decrease in short-term liabilities	7.937	926
Increase or decrease in current receivables	(567)	(301)
Increase or decrease in inventory	(3.657)	(687)
Other increases or decreases in working capital	-	11
Cash from business	6.135	2.793
Cash expenses for interest	-	-
Paid income tax	(578)	(337)
<b>NET CASH FLOWS FROM BUSINESS ACTIVITIES</b>	<b>5.557</b>	<b>2.456</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Cash receipts from the sale of fixed assets and intangible assets	68	53
Cash receipts from interest	146	314
Cash receipts from dividends	7.369	7.003
Cash receipts based on the return of loans and savings deposits	96	78
Cash expenditures for the purchase of long-term tangible and intangible assets	(3.586)	(191)
Acquisition of a subsidiary, net of cash acquired	-	-
Other cash expenditures from investment activities	(9.945)	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(5.853)</b>	<b>7.258</b>
<b>CASH FLOWS FROM FINANCIAL ACTIVITIES</b>		
Cash expenses for financial lease	(9)	(4)
Cash expenditures for dividend payments	(13.052)	(1.029)
<b>NET CASH FLOWS FROM FINANCIAL ACTIVITIES</b>	<b>(13.061)</b>	<b>(1.033)</b>
<b>TOTAL NET CASH FLOW</b>	<b>(13.357)</b>	<b>8.681</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>709</b>	<b>14.065</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, , 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

## COMPANY ACTIVITIES

The company generates the majority of its revenue from the production and trade of flour, oil and mash.

**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 Marušić, 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 annual financial statements for 2025 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)).



**ČAKOVEČKI  
MLINOVI**

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