AGRO INVEST grupa

Annual Report 2025

This version of the Annual Report is a translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the Annual Report takes precedence over translation.

Annual Report 2025

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AGRO INVEST
grupa

REVIEW OF KEY BUSINESS INDICATORS FOR 2025

All values are expressed in EUR million | compared with previous year

87.5

Business revenue*

8.8 % ↗

12.8

EBITDA*

8.1 % ↗

4.3

EBIT*

53.4 % ↗

1.5

Profit for the year*

In 2024
loss (553) thousand

Commentary by Ivan Pandurević, President of the Management Board



The business year behind us was marked by numerous challenges, but also by significant achievements. Prices of basic agricultural products, although subject to fluctuations due to climatic conditions, imports, geopolitical developments, and changes in demand, did not record major fluctuations as they had in previous years. Demand for safe, locally produced food, as well as for products with certified quality and sustainability, is growing both in Europe and in Croatia, which may represent an opportunity for producers who are able to meet these requirements. Prices of key input materials relevant to the Group's production processes remained relatively stable throughout the year.

As in the previous several years, the past year was also specific and very challenging in terms of agrometeorological conditions. Although each production year has its own specific features and challenges, 2025 was, in terms of agrometeorological conditions, similar to 2024. In the first half of the year, a satisfactory amount and distribution of precipitation was recorded, while in the middle of the year there was a prolonged period with little or no rainfall. This resulted in an intense drought with pronounced consequences for field crop production, hazelnut production, and fish ponds, where the production of freshwater fish was hindered due to a lack of water.

Despite all the challenges, in 2025 the Group generated total consolidated operating revenue of EUR 87.5 million, representing an increase of 8.8% compared to total consolidated operating revenue generated in 2024. The Group's EBITDA amounted to EUR 12.8 million, up 8.1%. The most significant impact on the growth of operating revenue came from the fruit-growing segment (110.3%), due to the sale of hazelnuts at significantly higher average selling prices, and the animal feed segment (95.4%). These segments contributed EUR 5.3 million in absolute revenue growth compared to the previous year. Fish farming, as the second most significant segment by the size of generated operating revenue, grew by 6.8%. Most relevant costs in 2025 stagnated or declined slightly, indicating the Group's focus on cost control. The exception was personnel costs, which continued their upward trend in 2025 and increased by 14.5%.

Regardless of all the challenges, the companies within the Group continue to set ambitious business plans and implement planned investments accordingly, among which irrigation systems stand out. These have been recognized as a necessity that will be able to ensure stable and efficient agricultural production in the coming period. By constructing and commissioning irrigation systems, the prerequisites will be created for a partial change in the production structure on agricultural land, where the areas under vegetable crops, i.e. crops that generate higher revenue and better results per unit of area, will be increased, while also enabling a second so-called stubble sowing within a single growing season.

During 2025, procurement of machinery and equipment for the hazelnut processing plant was initiated, as the current capacity is becoming too small given the increased intake and processing of hazelnuts. The reason for this is the increase in land area under hazel orchards, both within the Group and on land owned by outgrowers. In addition, a series of major investments was carried out with the aim of renewing agricultural machinery and procuring equipment to increase capacity, efficiency, and the like, with plans to continue this in 2026.

Workforce issues have become one of the more relevant concerns. The shortage of personnel in the agricultural sector is noticeable at all levels, from professional staff such as field crop, fruit-growing and fish-farming technologists, and veterinarians, to operators of agricultural machinery, all the way to auxiliary agricultural workers. The Group seeks to respond appropriately to challenges related to the workforce, to adequately motivate and reward employees, and to invest in training, employee safety, and other areas. Due to the labor shortage, the Group also employs foreign workers. At present, more than 50 foreign workers are employed in Agro Invest Grupa companies, and they have so far proven to be a good and reliable workforce, have integrated well into the local community, and have shown satisfaction with working in the Group, which is something we are particularly proud of.

Ivan Pandurević
President of the Management Board
Agro Invest Grupa

ABOUT US

Agro Invest Grupa d.o.o. za poljoprivrednu proizvodnju, stočarstvo, turizam, ugostiteljstvo, trgovinu i usluge has its registered office in the city of Zagreb, Buzin, Buzinski prilaz 10. The Company has initial capital of EUR 67,493,670.00, the competent court is the Commercial Court in Zagreb, Company registration number (MBS) 010092380, the sole member of The Company is Mr. Stipo Matić. The Company was registered on 1 September 2014 under The Company/business name Poljoprivredno poduzeće Grudnjak d.o.o., and in February 2021 it changed The Company/business name and since then it has been operating under the Company/business name Agro Invest Grupa d.o.o.

In 2025, the Management Board of the Company comprised two to three members, and currently comprises the President of the Management Board, Ivan Pandurević, and the member of the Management Board, Iva Brkić. The Supervisory Board of the Company comprises five members: Chairman of the Supervisory Board, Marko Rašić, Deputy Chairman of the Supervisory Board, Željko Menalo, and members of the Supervisory Board, Pero Matić, Danijel Lastrić and Sanda Vujkov Mustedanagić.

Today, Agro Invest Grupa d.o.o. encompasses or owns several companies based in the Republic of Croatia and Bosnia and Herzegovina, whose core activity is the agricultural and food industry.

Agro Invest Grupa d.o.o. has direct majority ownership of the companies PP Orahovica d.o.o. and PPK Valpovo d.o.o., which are registered and headquartered in the Republic of Croatia, and the companies: Poljoprivrednik d.o.o. (Derventa), Poljoprivrednik d.o.o. (Odžak), Agropromet Grahovo d.o.o. (Bosansko Grahovo), MP Energija d.o.o. (Bosansko Grahovo), Poljoprivredno društvo Modriča d.o.o. (Modriča) and Poljoprivrednik Glamoč d.o.o. (Glamoč), which are registered and headquartered in Bosnia and Herzegovina. Agro Invest Grupa also includes the active companies: Eko Bosanska Posavina d.o.o. (Derventa), PPO Stočarstvo d.o.o. (Orahovica), Maslina je obrana d.o.o. (Rovinj) and Agro Company d.o.o. (Bosanski Brod). The Group currently employs a total of 676 employees.

The backbone of production in the companies in the Agro Invest Grupa (hereinafter: the Group) is crop production. It takes place on more than 14,800 hectares on which cereals oilseeds and vegetables are produced. Livestock production involves around 4,000 head of cattle in various rearing categories. Three farms for fattening cattle, owned by companies within Group, are part of this segment. Fattening calves are produced on Company-owned land within the cow-calf system, some calves are imported and feed for the livestock is produced on more than 1,400 hectares. Contract production of crops is organized on approximately 7,500 hectares of contractors' land, from which over 34 thousand tonnes of crop products are purchased annually.

Fish farming is carried out in 9 fishponds located throughout the Republic of Croatia, which PP Orahovica d.o.o. has leased long-term, covering an area of over 6,800 hectares. Carp breeding forms the basis of production, while part of the production involves the breeding of other fish species such as bighead carp, grass carp, wels catfish, pikeperch, pike and African catfish.

Hazel production takes place on about 890 hectares of hazel plantations, some of which, covering an area of 220 hectares, were established in the 1980s and are currently in full yield, while about 670 hectares of newer

plantations were planted between 2011 and 2022. While some of these newer plantations have reached full yield, others are still expected to reach the stage of full yield. Viticulture production takes place on about 161 hectares of vineyard areas, nearly half of which are newer plantations established between 2014 and 2021. During this period, there was a renewal process involving the clearing of older vineyards and the establishment of new ones with layouts adapted to modern viticultural practices and grape varieties tailored to market demands.

Companies within the Group own silo facilities with a total capacity of 124 thousand tonnes for storing goods from both their own production and that of contractors. All silos have the possibility of receiving and dispatching goods by road and access by rail, which gives the companies from the Group necessary flexibility in terms of dispatch dynamics and access to a wider base of potential domestic and international customers. The silos are located in Orahovica, with a capacity of 36 thousand tonnes, in Valpovo, with a capacity of 51 thousand, in Derventa (Bosnia and Herzegovina), with a capacity of 10 thousand tonnes, and in Modriča (Bosnia and Herzegovina), with a capacity of 27 thousand tonnes. Within the Group there is also an animal feed factory with a capacity of 25 thousand tonnes and two seed stations with a capacity of 13 t/hour. The companies from the Group own about 2,000 hectares of land, while the use of the remaining areas used in production is regulated by long-term contracts on the lease and concession of agricultural land owned by the State, and long-term contracts on the lease of ponds owned by the State.

Through their activities in the markets, the companies from the Group have gained an ever-growing trust of customers, partners and suppliers in the past decade. The Group recognizes that employee with proper qualities and who is properly motivated is one of the key factors in achieving good business results. Thus, the Group strives to retain existing and attract new employees by providing adequate working conditions and investing in staff training. Some companies from the Group also employ foreign nationals in accordance with the applicable legislation on the employment of foreigners. The Company has no branches. The Company does not carry out research and development activities.

Our business philosophy is based on six key pillars:

People – we select and develop employees who are open, innovative and continuously explore global trends. Our employees readily embrace new technological and business innovations. We are driven by the desire to constantly push boundaries.

Smart processes – we digitize all business processes and consolidate all digitally available data (weather stations, fields, machines, satellites, drones, etc.) in the reporting system. By using advanced digital technologies such as IoT, machine learning, AI and computer vision, we help people in the process of making timely and optimal decisions in production processes.

Resources – we invest in the acquisition of those that are limited and difficult to access (land, fishponds, etc.).

Market – the EU market is our domestic market.

Financial operations – we consider financial stability as an essential foundation of our business.

Investment decisions – we are guided by the following parameters in the decision-making process for long-term investment in a particular area: we invest in production areas with growth potential, we prefer productions based on limited space or resources, we consider competitiveness parameters and market position, we do not enter highly competitive and saturated areas, and we only invest in assets that create value and return.

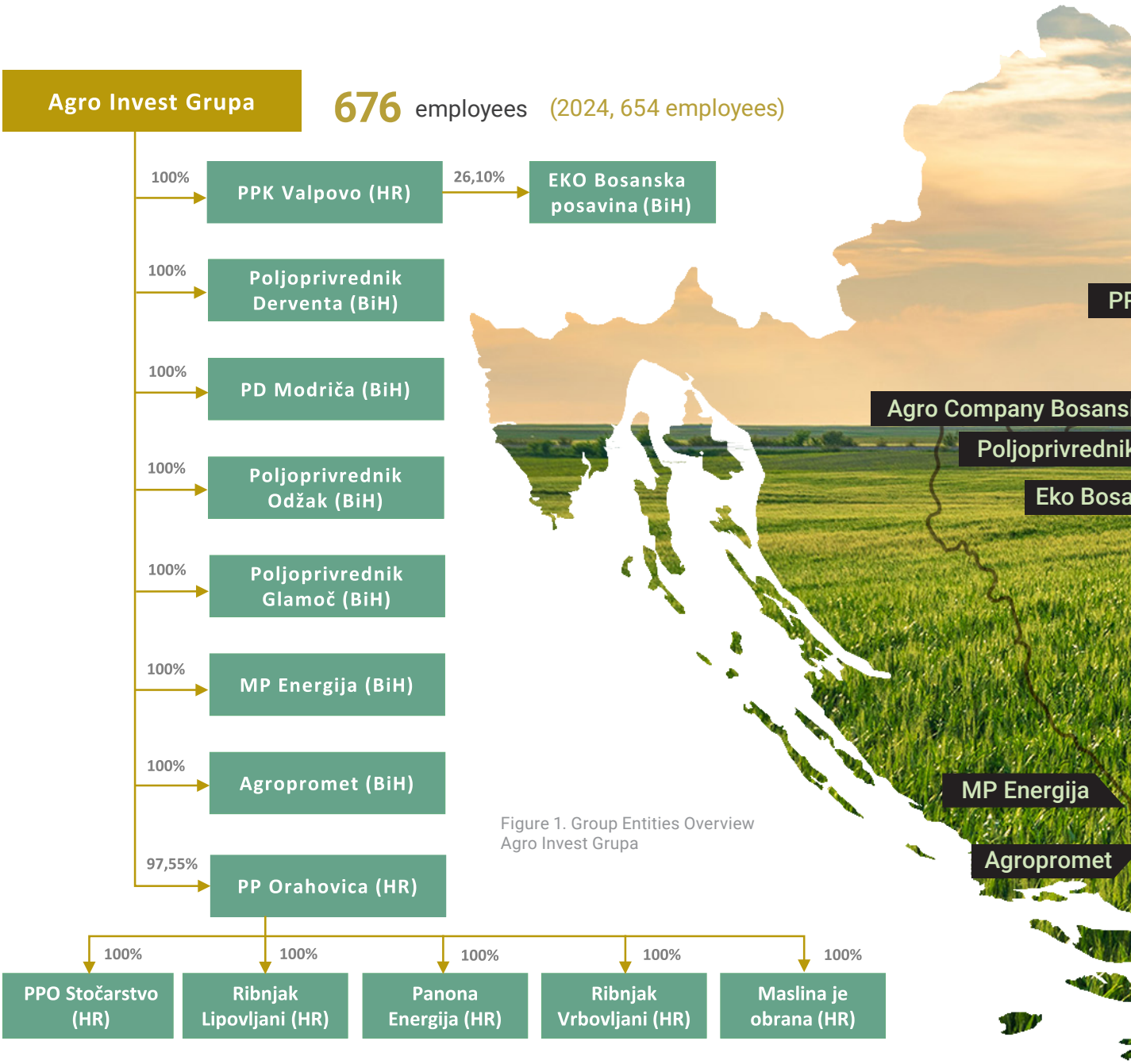


Figure 1. Group Entities Overview
Agro Invest Grupa

History

The history of organised agricultural production in the areas where the Agro Invest Grupa companies operate dates back to the first half of the 18th century. Its beginnings are associated with the construction of the first watermills in the region.



1958
PPK Valpovo is established

1964
PPK Orahovica is established

2009
Start of AIG Group agricultural production in Bosnia and Herzegovina

2010
M San Ulaganja becomes majority owner of PP Orahovica and co-owner of PPK Valpovo

2018
M San Ulaganja takes over PPK Valpovo as its sole owner

2021
The AIG Group is established as the consolidating entity for the agricultural group

2022
The First corporate bond issue in agricultural sector in the Republic of Croatia. The Company EKO Bosanska Posavina becomes a member of the Agro Invest Grupa

Today
The companies in the group have been successfully restructured

CORPORATE GOVERNANCE



The Group is not obligated to implement the Corporate Governance Code of the Croatian Financial Services Supervisory Agency (HANFA) and Zagreb Stock Exchange, Inc. (https://www.hanfa.hr/media/g5jfjynd/kodeks-engl.pdf). However, in its operations, the Group applies the highest governance and accountability standards in accordance with good corporate governance practices. The Group must also submit data about its corporate governance practices to HANFA, which is to be done using the Corporate Governance Practice Questionnaire for Issuers of Bonds (GIKU_UOP_OBV).

Internal controls and risk management in relation to the financial reporting process

Internal accounting controls and actions of competent employees ensures accuracy, validity and comprehensiveness of financial records and statements, which serve as the basis for drawing up annual financial statements. Such a control system also ensures their compliance with the International Financial Reporting Standards. The Company's accounting policies represent the rules the Company applies when preparing financial statements. A summary of the most significant accounting policies is published in the Company's financial statements.

Corporate bodies

The Company's corporate governance structure is based on a monistic system, where the Director oversees the management and supervision. The Company's General Assembly has appointed the Audit Committee, consisting of three members Branislav Vrtačnik, Karmela Jurina and Marko Rašić, whose tasks include assessing the quality of the internal control and risk management system with the aim of properly identifying the major risks to which the Company is exposed (including compliance risks). On February 22, 2024, the Management and Supervisory Boards were established by the Decision of the Company Assembly. Together with the General Assembly, and in accordance with the Statute and the Law on Companies, they represent the three basic bodies of the Company.

Companies from the Group have their own Management Boards and persons responsible for managing their affairs.

Description of the diversity policy

The Group's employment policy respects personal integrity of every individual by adhering to the principles of diversity and equal opportunities. Diversity is one of the most important qualities of our organisational culture, present ever since the Company was founded. It is reflected in our belief that differences in sex, skin colour, political or other beliefs and national or social origin can only make us richer.

The Group strictly prohibits and condemns any form of discrimination to ensure a sustainable work environment free of discrimination and abuse on grounds of sex, race, religion, ethnicity, sexual orientation or any other characteristic/status. The Group is committed to ensuring a non-discriminatory workplace.

AGRO INVEST GRUPA GOVERNANCE STRUCTURE

During 2025, in accordance with the Articles of Association, the Management Board consisted of two to three members. Starting from February 22, 2024, the General Meeting of the Company adopted a Decision to establish a Supervisory Board and make changes to the Management Board of the Issuer. Since then, the Company operates within a two-tier board structure, consisting of the Supervisory Board and the Management Board. Together with the General Meeting, in accordance with the Articles of Association and the Companies Act, they represent the three fundamental organs of the Company.

The Supervisory Board and the Management Board ensure that the established strategy, resources, risk management system, internal control system, and stakeholder relations support the long-term success and sustainable development of the entire Group. Furthermore, these elements ensure that the strategy considers the potential impact on the environment and the community, and that the policies, culture, and values of the Group promote ethical behaviour, respect for human rights, and lead to a stimulating and pleasant working environment.

The role of the Management Board in conducting business is regulated by the Companies Act, the Articles of Association, and internal regulations. The Management Board performs its function with the care of a diligent and conscientious businessperson, primarily considering the best interests of the Group. In making decisions, the Management Board must not be guided by personal interests or use business opportunities for personal purposes, and it is obliged to immediately inform the Supervisory Board of any potential conflict of interest.



Ivan Pandurević

President of the Management Board

Agro Invest Grupa

In 2023, Ivan assumed the position of CEO of Agro Invest Grupa, bringing with him experience from various industries and project management. His career began in engineering, and he spent most of his working life at Žito Group, where he held several key roles, with his most recent being Executive Director for Development, Investments, and IT. In his current role, he is responsible for coordinating and managing the business of the companies owned by AIG.



Iva Brkić

Member of the Management Board Agro Invest Grupa

Iva Brkić has been employed at PP Orahovica for 11 years. She started as the head of internal audit, where she implemented all booking schemes in the new information system, introduced internal procedures, and supervised internal controls. Since 2016, she has held the position of commercial manager responsible for procurement and sales activities. By synergizing the operations of agricultural companies, she has taken on the responsibility for procuring all strategic agricultural inputs and selling commodities, thereby securing better commercial terms and significantly expanding the customer base of the Agro Invest Grupa.



Saša Breznik

Member of the Management Board Agro Invest Grupa until February 1, 2025

Saša became Chairman of the Company's Management Board in 2017. He has been leading teams in various segments of agricultural production. He has been contributing greatly to strengthening business relations with our partners and clients. He has developed a team of professionals who have brought PP Orahovica to the very top of Croatian agricultural production, making it a competitive Company in the EU market.



Vlado Čondić Galiničić

Member of the Management Board Agro Invest Grupa until July 9, 2024

Between 2007 and 2010, Vlado was the HR manager at M SAN Grupa. In 2010, he became the Director of the Company Ured za podršku d.o.o. and he stayed at that position until 2017. Between 2012 and 2017, he was a member of the Board of Directors of PP Orahovica. After that, he was Executive Director for Agriculture at Agrokor/ Fortenova Group. In 2021, he returned to our group as a member of the Management Board of PP Orahovica. His main task and responsibility is the operation of agricultural production in Bosnia and Herzegovina.

AGRO INVEST GRUPA SUPERVISORY BOARD

On February 22, 2024, the Assembly of the Issuer adopted a decision on the constitution of the Supervisory Board. The Supervisory Board comprises:

Marko Rašić
President of the Supervisory Board

Mr. Rašić began his career at M SAN in 2003 as a trainee in the Finance Department and progressed to the position of Finance Manager by 2011. During the Group's acquisition period in the agricultural segment, he actively participated in the acquisition processes and subsequent financial restructuring of acquired agricultural companies. In addition to his duties as Finance Manager, from 2016 until 2024, he served as the Chairman of the Supervisory Board of PP ORAHOVICA d.o.o. and PPK Valpovo d.o.o. He also served as a member of the Supervisory Board of KING ICT d.o.o. from 2014 to 2023. In the Supervisory Board of M SAN, he held the position of Deputy Chairman from 2016 until 2023 when he transitioned to a member of the Supervisory Board. In 2017, he was appointed as the Director of the Company Ured za podršku d.o.o. Since February 2024, Mr. Rašić has been serving as the Chairman of the Supervisory Board of Agro Invest Grupa d.o.o.

Željko Menalo
Member of the Supervisory Board

Mr. Željko Menalo has spent most of his career in the financial industry within the Erste&Steiermarkische Group in Croatia, where he held various managerial positions. He joined the SM Group* in 2019, employed at M SAN Ulaganja d.o.o., and since 2022, he has been employed at Ured za podršku d.o.o. as an advisor. By the decision of the Company's Assembly in September 2022, Željko Menalo was appointed as a member of the Supervisory Board with a term starting from February 22, 2024.

Pero Matić
Member of the Supervisory Board

Mr. Pero Matić joined the M SAN Grupa in 1996 and served as Logistics Manager until 2008. Over time, he contributed to strengthening the logistics business unit, which was then part of M SAN Grupa d.d. In 2008, Mr. Matić became an advisor to the Management Board and significantly improved logistics processes. In parallel, he took on a role in Bosnia and Herzegovina, responsible for initiating operations in the agricultural segment. He actively participated in building agricultural processes and positioning all agricultural companies in Bosnia and Herzegovina. Currently, he serves as the director of EKO Bosanska Posavina d.o.o. and Poljoprivrednik Odžak d.o.o.

Danijel Lastrić
Member of the Supervisory Board

Danijel Lastrić, MSc in Psychology, began his professional career in human resource management while still a psychology student at Croatia Airlines. After a brief period at Selectio Group, in the spring of 2004, he joined M SAN Grupa as the Human Resources Manager. He actively and directly participated in the development and expansion of business in all segments of the SM Group* across all markets, including the acquisition and restructuring processes during the agricultural segment's acquisition period. Since its establishment in May 2007, he has been employed at the trading Company Ured za podršku d.o.o., where he currently serves as the Director of Human Resources for the entire Group. By the decision of the Assembly on February 22, 2024, he was appointed as a member of the Supervisory Board of Agro Invest Grupa d.o.o.

Sanda Vujkov Mustedanagić
Member of the Supervisory Board

Ms. Sanda Vujkov Mustedanagić has been employed at Ured za podršku d.o.o. since 2008, serving as the Company's legal counsel. During the acquisition period in the agricultural segment in 2010, she actively participated in the acquisition process of PP Orahovica and later PPK Valpovo. Ms. Vujkov Mustedanagić covers the legal segment of updating and harmonizing real estate registration with the actual status, particularly addressing issues from the period of social enterprise conversion. She actively participates in consultations related to the legal regulations on agricultural land, defining strategies in the agricultural segment together with relevant authorities in the Ministry of Agriculture, Ministry of Environmental Protection, the Agency for Payments in Agriculture, Fisheries, and Rural Development. She also engages in regulating relationships with local government units and negotiating contracts for the disposal of agricultural land.

Members of the Supervisory Board begin their term on February 22, 2024, and it lasts for four years.

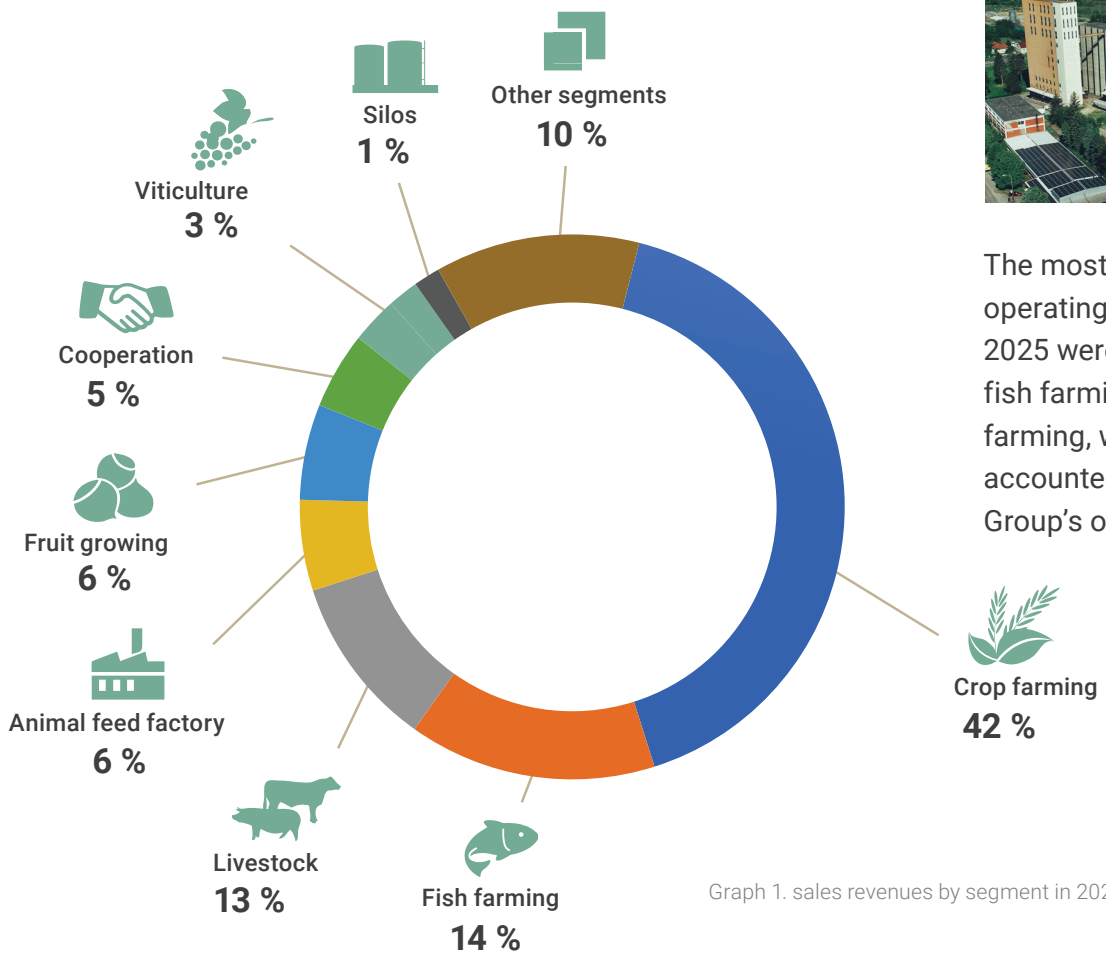
**SM Group: Group consisting of companies in which the only member of the Agro Invest Grupa directly or indirectly exercises control*

BUSINESS SEGMENTS

The Group's primary activity is agricultural production. Its activities are carried out in the Republic of Croatia and Bosnia and Herzegovina.

The Group's agricultural production takes place within the following operating segments: crop farming, fish farming, fruit growing – hazelnut processing, viticulture, livestock farming, silo operations, cooperative and animal feed factory.





The most important operating segments in 2025 were crop farming, fish farming and livestock farming, which together accounted for 68.7% of the Group's operating income.

Graph 1. sales revenues by segment in 2025



Tradition inspired by nature

A contemporary story of Slavonian agri-food tradition

Crop farming



14,880 ha
Area

EUR 36,825 thousand
Share in operating income in 2025

Crop production is characterized by the fact that it takes place in open fields, significantly influenced by weather conditions over which we have limited control, that the primary production resources, agricultural land, are limited, and that it is a capital-intensive production that is largely regulated.

The Group has 14,880 hectares of arable land, of which PP Orahovica d.o.o. manages 5,166 hectares, PPK Valpovo d.o.o. 5,427 hectares, and the companies in Bosnia and Herzegovina 4,287 hectares of agricultural land. Wheat and corn are predominantly sown on the agricultural land, followed by soybeans, rapeseed, and sunflower. Barley, oats, spelt, and similar crops are grown to a lesser extent. Irrigated areas also make it possible to carry out a second, so-called stubble sowing within a single year, while irrigation itself is a prerequisite for expanding the areas under vegetable crops.

In 2025, the crop farming segment generated operating revenue of EUR 36.8 million, representing a 42.1% share of the Group's total operating revenue. The segment's operating revenue declined by 3.0% compared to the previous year.

Also in 2025, in line with the investment plan, the renewal of agricultural machinery continued, with new equipment being procured in line with the latest technological developments in land cultivation, sowing, crop protection and fertilization, as well as harvesting. By following the principle of standardizing agricultural machinery across all Group members, efficiency in machinery maintenance should increase significantly. Owing to a higher degree of specialization among maintenance staff and simpler procurement of spare parts, the time from a machine entering the workshop to being returned to service should be significantly reduced, along with maintenance costs. Due to the expansion of areas under vegetable crops, investment was initiated in specialized equipment for planting, cultivating, and harvesting vegetable crops, and in 2025 an additional potato harvester was purchased at a value of EUR 220 thousand.





In recent years, specialized software solutions have been developed for the needs of the Group's companies to monitor processes in agricultural production. With the help of this software, field monitoring has been intensified, enabling a detailed record of each production plot throughout the entire growing season to be accessed in several steps on mobile phones. Further development of this software has also begun, with the ultimate goal of optimizing all resources used in agriculture. Investments were also made in the procurement of new drones, which have become an indispensable tool in agriculture. They are used to continuously record all crops and plots by growth stage, and the footage, together with on-site inspections, is used to analyze crop conditions. In addition to imaging, monitoring, and analysis, drones are also used for the efficient application of crop protection products and liquid fertilizers on agricultural land. The use of such equipment contributes to reduced consumption of crop protection products and eliminates the need for conventional machinery, whose passes over the soil have a negative impact on soil structure.



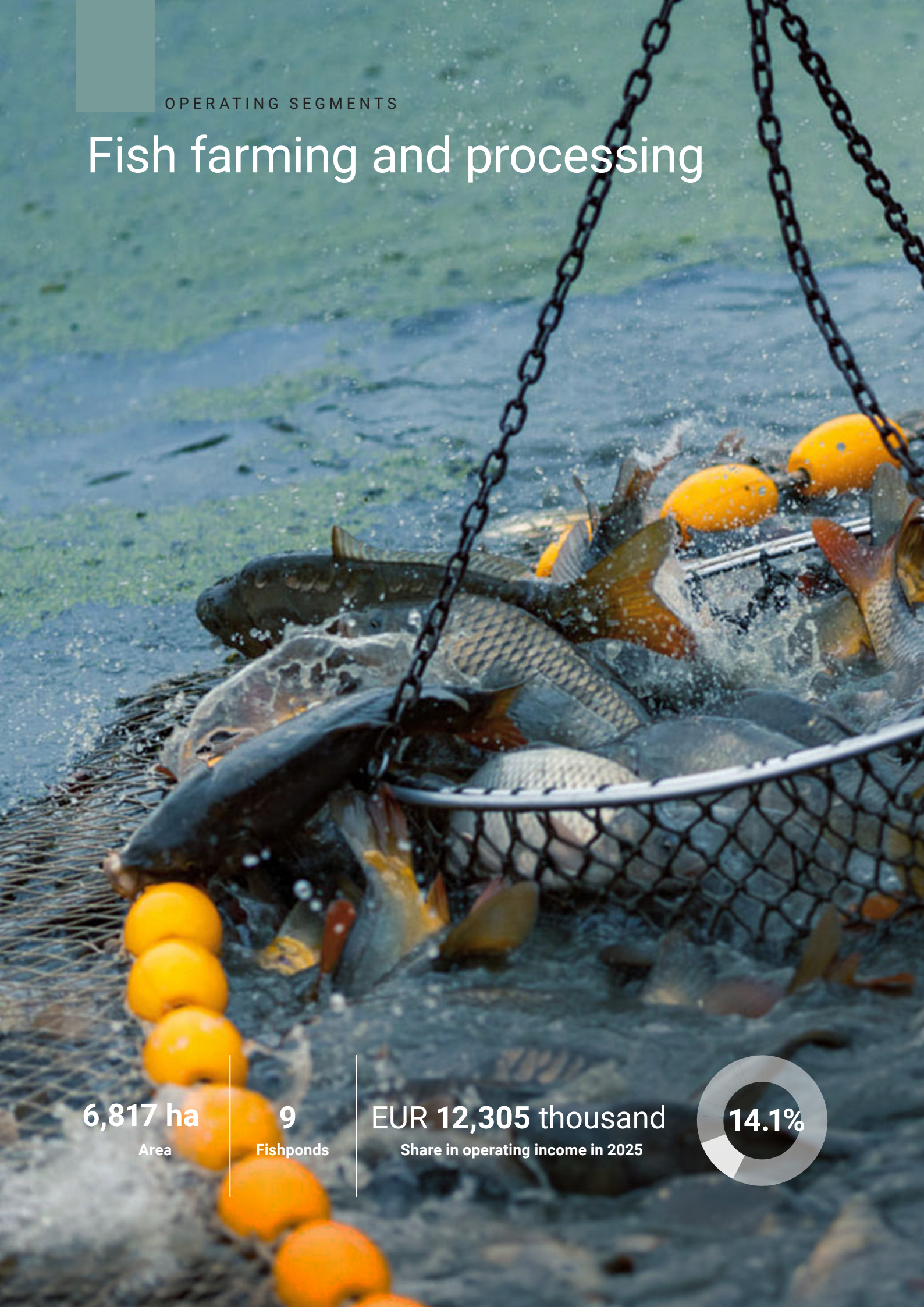






OPERATING SEGMENTS

Fish farming and processing



6,817 ha
Area

9
Fishponds

EUR **12,305** thousand
Share in operating income in 2025

Fish farming operations are carried out within PP Orahovica d.o.o. on a total area of 6,817 hectares across 9 fish pond sites in the Republic of Croatia, which the Company holds under long-term lease (8 fish ponds under 50-year leases and one fish pond under a 25-year lease).

Fish is farmed in a multitrophic system, i.e. in polyculture. The core of production consists of carp farming, accounting for between 80% and 90% of total output, alongside which silver carp, grass carp, catfish, zander, and pike are also farmed and marketed. The reasons for such a farming system are the significantly better utilization of the fish ponds' natural potential and the ability to offer a broader range of products to the market. African catfish is farmed under strictly controlled conditions in indoor tanks. The Group's comparative advantages as a producer are as follows: the Group is the largest freshwater fish producer in the region; it has specialized staff for freshwater fish production, who are virtually unavailable on the labor market and therefore have to be developed internally; and the majority of fish pond production takes place in a two-year cycle, which has significant advantages over the three-year cycle used by other producers.

Although this is a highly seasonal business, fish is offered year-round, and all necessary logistics have been developed, from harvesting to delivery of the finished product to the point of sale. The Group also operates its own retail network at 10 locations in towns across Slavonia, as well as one mobile retail outlet. The Group also includes a freshwater fish processing plant in Čačinci, with a processing capacity of 50 tonnes per day, which produces and markets products under the Panona Mare brand. The Group offers the market a wide range of products, from fresh, filleted, smoked, or frozen fish to fish burgers, fish nuggets, fish chips, and fish spread, while continuing to work persistently on the development of new products in line with market demand.

In 2025, the fish farming and processing segment generated operating revenue of EUR 12.3 million, representing a 14.1% share of the Group's total operating revenue. The segment's operating revenue was 6.8% higher than in the previous year. Export revenue in the segment accounted for 40.1% of the segment's operating revenue in 2025, compared to 41.7% in 2024. In addition to Croatia, the most important markets for the Group's products are Serbia, Bulgaria, Lithuania, Slovakia, Hungary, Romania, Poland, Italy, and Bosnia and Herzegovina. In 2025, the freshwater fish processing plant processed 1,710 tonnes of freshwater fish, and 1,294 tonnes of various products were produced in its facilities.

In 2025, in addition to the regular procurement of equipment and machinery, works were designed for the Grudnjak, Jasinje, Narta, and Pisarovina fish ponds, involving major interventions such as electrification and partial reconstruction of the fish ponds, procurement of equipment and machinery, installation of weighbridges and solar panels, subdivision of pond sections, and development of angling areas for tourism purposes. This is an investment planned at EUR 3.9 million. The project was submitted to the Fisheries Fund EFPRA AQ5 II.2 – Productive Investments in Aquaculture. Works began at the end of 2025 and will continue throughout 2026 and the first half of 2027.

OPERATING SEGMENTS

Livestock farming



4,000
Fattening calves annually

EUR **10,977** thousand
Share in operating income in 2025

Livestock farming is carried out with around 4,000 head of cattle across various production categories. The companies within the Group own three cattle finishing farms. The Group's comparative advantage lies in the fact that it produces a significant portion of the calves for fattening itself on its own land through a cow-calf system, while part of the calves for fattening is imported. The cow-calf system is used to raise calves of top-quality beef breeds such as Charolais, Limousin, and Aubrac. This system is the source of most calves for fattening, and its main advantages are reflected in lower feeding costs, as cows with calves remain on pasture from spring until winter, reduced labor requirements, and lower costs of constructing and maintaining facilities. Feed for the livestock is produced on more than 1,400 hectares of the Group's own land.

In 2025, the livestock farming segment generated operating revenue of EUR 11.0 million, representing a 12.5% share of the Group's total operating revenue. The segment's operating revenue declined by 2.3% compared to the previous year.







OPERATING SEGMENTS

Fruit growing



892 ha
Area

EUR **5,211** thousand
Share in operating income in 2025

Fruit growing, specifically hazelnut cultivation, is characterized by the specific quality and location of the agricultural land as a resource, as well as by the fact that the areas where the Group owns agricultural land are highly suitable for hazelnut cultivation. The Group's comparative advantages include the fact that it is the largest hazelnut producer in the region, the knowledge and experience of its employees, the tradition of hazelnut cultivation in the Orahovica area dating back to the 1980s, and ownership of all the necessary machinery to maximize the automation of production processes. The companies within the Group also own nurseries, one in Croatia and one in Bosnia and Herzegovina, which produce hazel seedlings both for the Group's own needs (the establishment of new plantations) and for the market. PP Orahovica d.o.o. also includes a hazelnut processing facility.

Hazelnuts are grown on 670 hectares in Croatia and 222 hectares in Bosnia and Herzegovina. The predominant varieties in the hazelnut orchards are Roman Hazelnut and Istrian Long, with some Hall's Giant as well. Italian varieties are being introduced into young plantations: Tonda di Giffoni, Tonda Gentile Romana, San Giovanni, and Nocchione, which, together with Roman Hazelnut are among the most sought-after varieties on the market and in the confectionery industry.

In 2025, the fruit growing segment generated operating revenue of EUR 5.2 million, representing a 6.0% share of the Group's total operating revenue. The segment's operating revenue increased by 110.3% compared to the previous year. The growth in operating revenue in 2025 was the result of a significant rise in hazelnut prices in the second half of the year due to a drop in production caused by spring frosts in Turkey, the world's largest hazelnut producer. A higher selling price for hazelnuts was also achieved thanks to the fact that, due to increasingly demanding protection against pests and diseases, major hazelnut producers faced enormous difficulties, resulting in a much smaller supply of first-class hazelnuts on the market. The Group, however, performed exceptionally well, offering first-class hazelnuts in more than 80% of its total harvest. In addition to higher sales volumes during the year, the Group also sold significant quantities of carryover inventories from 2024.

Due to the fact that plantations established in the period from 2015 to 2023 are reaching full yield, annual hazelnut production is expected to increase by 15–20% each year until 2033. In the Group's strategy, hazelnuts have been recognized as a crop with significant potential, and further expansion of the area under hazelnut plantations is planned. The Group also operates a hazelnut finishing facility. Hazelnut processing is certified in accordance with ISO 22000:2018 and the HACCP system. Due to increased hazelnut production, as well as projected production growth in the coming years, the existing hazelnut finishing facility no longer had sufficient capacity to meet the needs of the Group's own production and that of its outgrowers. Accordingly, in 2025 an investment was made in the expansion of, and procurement of new equipment for, the hazelnut processing plant. The investment amounted to more than EUR 700 thousand and was co-financed from the Rural Development Fund under measure 4.2.1 – investment in processing. The new hazelnut processing plant will also enable the placement on the market of higher value-added products such as roasted and chopped hazelnuts, hazelnut paste for the confectionery industry, hazelnut oil, hazelnut flour, and others. In parallel with the investment in the expansion and equipping of the hazelnut processing plant, an integrated solar power plant with a connected capacity of 40 kW was built and commissioned at the site of the hazelnut processing plant. The value of this investment was approximately EUR 40 thousand, and it was co-financed through the Rural Development Fund programme under measure 4.2.2 – investment in renewable energy sources.

OPERATING SEGMENTS

Viticulture



161 ha
Area

EUR **2,621** thousand
Share in operating income in 2025

Viticulture within the Group is carried out as part of the operations of PP Orahovica d.o.o., where the following varieties are grown on 161 hectares: Graševina, Frankovka, Green Sylvaner (for which the Orahovica wine-growing region is especially well known), as well as Chardonnay, Sauvignon, Cabernet Sauvignon, Pinot Gris, and Rhine Riesling. Since 2021, a new premium wine line under the "Martin Albus" brand has been marketed. Of the total 161 hectares of vineyards, 83 hectares relate to new plantations established in the period from 2014 to 2021.

In 2025, the viticulture segment generated operating revenue of EUR 2.6 million, representing a 3.0% share of the Group's total operating revenue. The segment's operating revenue increased by 15.4% compared to the previous year.

During 2025, the winery sold 812 thousand liters of wine. It is particularly important to highlight the fact that the share of premium wines, i.e. wines in a higher price category, has been steadily increasing in the sales structure. In addition to the reconstruction of the vineyards, wine quality has also been improved through investment in equipment, and in recent years the most advanced laboratory equipment for the chemical analysis of wine has been acquired. Equipment for tank sterilization — a steam generator — was procured, reducing the use of chemicals in maintaining cellar hygiene; the stock of wooden barrels in the "old cellar" was renewed; the most modern grape harvester with a sorting table was acquired; equipment for more efficient vineyard cultivation and protection was purchased; and fences were installed around most of the vineyards in order to protect them from game.

The quality of the Group's wines is confirmed by numerous awards and recognitions, of which the most recent include the distinctions received at the Mundus Vini Spring Tasting 2026 international wine competition, where Silvanac Zeleni Vrhunski 2025 (Vinarija Orahovica) won a gold medal, while two silver medals were awarded to wines from the Martin Albus premium line — Martin Albus Silvanac Zeleni 2025 and Martin Albus Rosé 2025. Mundus Vini is one of the most important international wine competitions, and the wines are evaluated by an international panel of experts consisting of oenologists, sommeliers, merchants, and specialized journalists. Every year, thousands of samples from all over the world are submitted to the competition, which makes medals from this event a particularly relevant indicator of quality.

The Group is especially proud of its production of fruit liqueurs under the Martin Albus name. The first product was Martin Albus hazelnut liqueur, and over time the assortment was expanded with Frankovka grape liqueur, walnut liqueur, cherry liqueur, and, more recently, blueberry liqueur. The quality of the Martin Albus liqueur line was confirmed in 2025, when at the international Concours International de Lyon competition, Martin Albus hazelnut liqueur won a gold medal and the trophy for the best Croatian spirit at the competition, while Martin Albus cherry liqueur won a silver medal at the same event. At the International Wine & Spirit Competition (IWSC) in London, in the liqueur category, Martin Albus hazelnut liqueur won a gold medal for the second year in a row — this time with 98 out of a possible 100 points (having previously won 99 out of 100 points). Martin Albus liqueurs have been recognized by both professionals and consumers as exceptionally interesting and attractive products, and sales have continued to grow steadily.

Other business segments



The companies within the Group constantly seek to expand their base of contractors by building ties with local agricultural producers. In this process, the companies act as suppliers of input materials, advisers on production technology when needed, and ultimately buyers of the goods produced. The companies are recognized in the local community as reliable partners. Contract farming is based on around 7,500 hectares of land owned by contractors, from which approximately 34 thousand tonnes of commercial agricultural commodities are purchased annually.

In 2025, the contract farming segment generated operating revenue of EUR 4.1 million, representing a 4.7% share of total operating revenue. The segment's operating revenue increased by 9.5% compared to the previous year. Revenue growth was driven by higher realized sales volumes of agricultural input materials, primarily mineral fertilizers and soybean seed, as well as higher average selling prices of input materials achieved compared to the previous year.

Closely linked to the contract farming segment is the silo business. The companies within the Group operate silo facilities with a total capacity of 124 thousand tonnes, where goods from both own production and outgrower production are stored. During 2024 and 2025, silo capacities were increased, which was necessary due to the higher volumes of goods from both own production and outgrower production. This refers to an investment within PPK Valpovo d.o.o., where new silo capacity of 10,000 m3, or 7,750 tonnes, was constructed. The value of the investment was EUR 1.8 million, and it was co-financed through the Rural Development Fund programme EAFRD 2022 – 411 Storage Capacities, with an aid intensity of 50% of eligible costs, i.e. approximately EUR 895 thousand.

Share of income in 2025 by other operating segments:



Cooperation

EUR **4,096** thousand

4.7 %



Animal feed factory

EUR **5,209** thousand

6.0 %



Silos

EUR **1,048** thousand

1.2 %

All silos are equipped to receive and dispatch goods by road and also have rail access, which gives the companies within the Agro Invest Grupa system significantly greater flexibility in terms of delivery deadlines and access to more geographically distant customers, due to the possibility of faster dispatch of larger quantities of goods at lower transport costs.

In 2025, the silo operations segment generated operating revenue of EUR 1.0 million, representing a 1.2% share of total operating revenue. The segment's operating revenue declined by 10.0% compared to the previous year. The main reason for the decline in operating revenue was the exceptionally long dry period without rainfall from mid-2025 onward, as a result of which smaller quantities of goods were received in autumn. Commercial agricultural commodities, primarily corn and soybeans, were therefore received into the silos with unusually low moisture levels, resulting in the absence of revenue from drying the received goods. In addition, the silo business faced higher carryover inventories compared to 2024, so revenue from goods leaving the silos was also absent. During the year, the segment focused on installing solar power plants, reducing costs, and making better use of silo by-products.

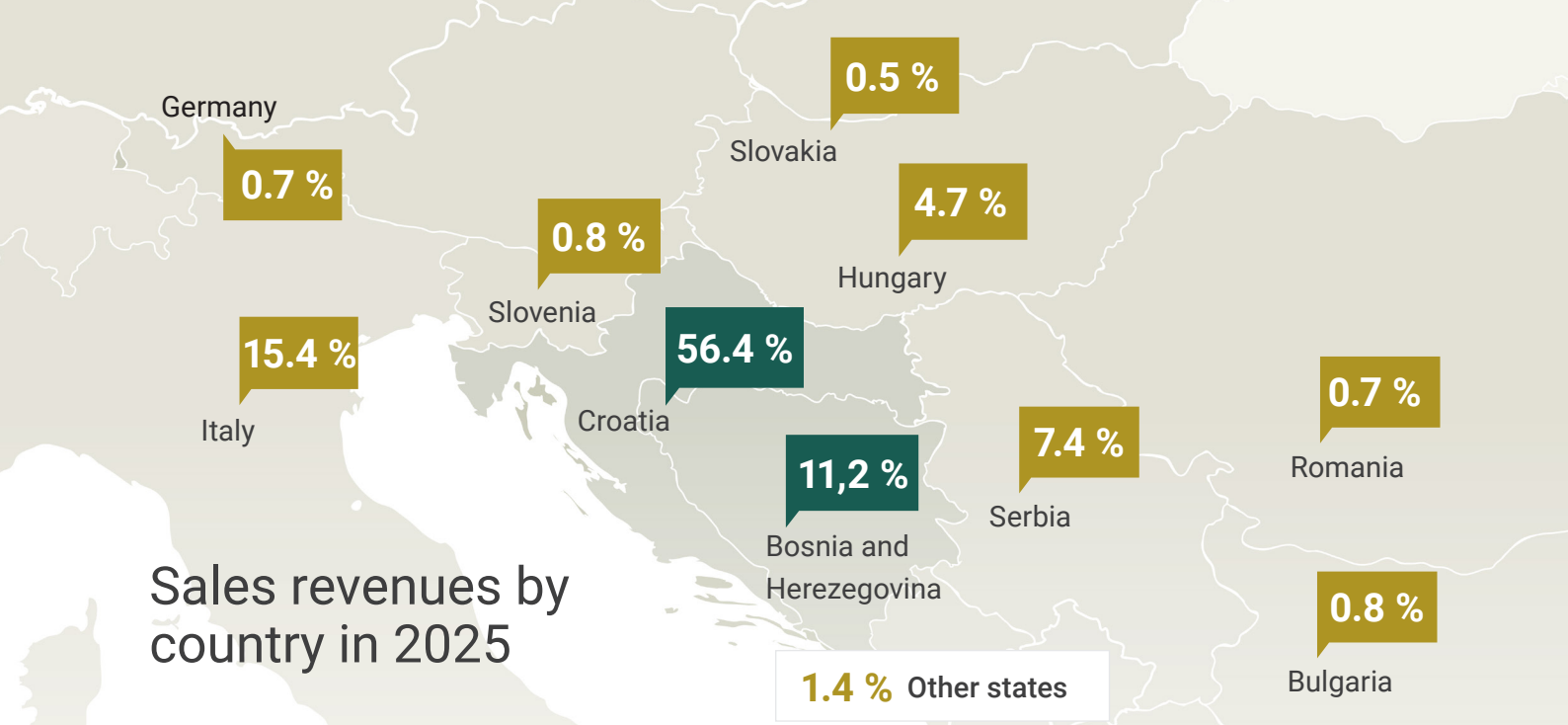
In 2025, the animal feed production segment generated operating revenue of EUR 5.2 million, representing a 6.0% share of total operating revenue. The segment's operating revenue increased by 95.4% compared to the previous year. Revenue growth was driven by an increase in animal feed sales volumes due to sales contracts concluded with new customers. Animal feed selling prices remained stable, i.e. at the level of the average realized selling prices achieved in the previous year.

BUSINESS PERFORMANCE IN 2025



The Group achieved business revenues amounting to EUR 87,477 thousand. The achieved result represents a 8.8% increase in business revenue compared to 2024. Operationally, the Group saw a 8.1% increase in EBITDA, amounting to EUR 12,827 thousand, while profit for the year was EUR 1,456 thousand.

In terms of revenue structure, the largest segment of the business is crop farming, which, in addition to fish farming, accounts for 56.2% of the Group's total revenue. Geographically, 67.6% of revenue comes from sales in the domestic market (Croatia and Bosnia and Herzegovina), while the remaining 32.4% of revenue comes from sales abroad.



Sales revenues by country in 2025

Table 1: Consolidated Profit and Loss Statement for the Year 2025*

(in thousand EUR)	2024	2025	% change
Business revenue	80,431	87,477	8.8%
EBITDA	11,867	12,827	8.1%
EBIT	2,800	4,294	53.4%
Profit for the current year	(553)	1,456	N/A

Table 2: Consolidated financial indicators for the Year 2025*

(in thousand EUR)	2024	2025	% change
Net debt	35,505	29,976	(15.6%)
Total assets	177,675	171,174	(3.7%)
Equity	92,122	92,696	0.6%
Current ratio	2.1	2.2	4.8%
Equity ratio	51.8%	54.2%	4.6%
Net debt/EBITDA	3.0	2.3	(23.3%)

* In the Annual Report, the Group used the financial indicators of historical financial performance, financial position or cash flows that are not defined or referred to in the applicable financial reporting framework.

Those indicators derive from (or are based on) financial statements prepared in accordance with the applicable financial reporting framework and were obtained by adding up or subtracting certain amounts from the figures reported in the financial statements, or by calculating ratios based on those figures.

Table 3: Alternative performance measures

Alternative performance measures	Formula
Business revenue	Sales revenues plus other income
EBITDA	Total operating income less total operating expenses and increased by the cost of depreciation and value adjustments
EBIT	Operating profit or total operating income less total operating expenses
Profit for the current year	Net income is the sub-total shown in the consolidated income statement
Net debt	Represents long-term and short-term liabilities to banks and other financial institutions increased by long-term and short-term liabilities for eligible assets and liabilities for long-term loans less cash and cash equivalents
Net debt/EBITDA	Net debt divided by EBITDA

Those indicators do not constitute financial performance indicators under the International Financial Reporting Standards, and they are not to be considered alternatives to other indicators of operating performance, cash flows or any other performance indicators derived in accordance with those standards.

The indicators have been provided to give useful information about the Group's financial situation and performance for the following reasons:
(i) these are indicators that the Group uses to assess its operating performance;
(ii) these are indicators that the Group's governing bodies use to make day-to-day business decisions.

OPERATING RISKS

In its business operations, Agro Invest Grupa is exposed to numerous internal and external influences that may cause the emergence of risks affecting the achievement of the Company's goals and, indirectly, its financial situation and performance.



Business Environment Risks

Political risk

Political risk pertains to all the risks that could potentially influence a country's political instability and relationships with other countries, which could in turn result in undesired trade-related effects that could negatively impact the Group.

The Group is exposed to political risk because it does business in the territories of different countries. This risk could be reflected in aggravation of political and economic relationships or cooperation between the countries in which the Group operates, which could affect its business processes and operations. Moreover, the observance of different regulations and rules in different jurisdictions could result in significant costs.

Natural disaster risk

Risk of natural disasters such as floods, extreme drought, earthquake or other arises from unforeseen, sudden events that could cause significant financial loss on property or negatively impact the Group's overall business operations.

Eliminating the consequences of such disasters could result in significant material costs and prolonged suspension of operations or only limited scope of operations in such conditions. Agro Invest Grupa reduces its exposure to the consequences of this kind of risk by way of property insurance.

Risk of contagious diseases

The Group is exposed to the risk of a pandemic of contagious diseases, which could afflict a large geographical area or the entire world. Apart from representing a hazard for the health and safety of employees, the risk of a pandemic could lead to shortages of goods, temporary shutdown of an operating segment or partial termination of the supply chain or complete suspension of operations across all markets for an unspecified period.

Industry risks

The Group is exposed to industry risks, particularly risks characteristic to crop and livestock farming. Crop farming is exposed to weather-related disasters (drought, flood, hail). Adverse weather can result in reduced yields of agricultural crops, reduced quality or both. In extreme cases, it could also result in total loss of crops. The Group attempts to minimise such weather-related risks by insuring its crops. It also protects itself from the risks caused by bad weather conditions through geographical diversification. Risk of crop diseases could have a significant negative impact on expected yields. Therefore, the Group applies disease prevention measures in its production processes as a way of maintaining the expected yield levels.

In the livestock farming segment, significant risks are the risks of livestock becoming diseased or dying. For the purpose of preventing animal diseases and deaths on farms, there are in-house or contracted external veterinary services

Environmental risk

The Group performs activities and manages certain plants that may have a negative impact on the environment and public health. For instance, livestock farming is an activity consuming large amounts of energy, polluting water sources and releasing large amounts of carbon dioxide. Besides livestock farming, fish processing creates significant amounts of animal by-products, while crop farming and fruit growing involves handling considerable amounts of oil derivatives and protection products, which, if used by non-professionals, can endanger plants, animals and watercourses.
The Group companies try to minimise these risks, so they implement animal by-product disposal measures during fish processing. When using oil derivatives and protection products, it is made sure that they are stored adequately. Employees are trained and have the required certificates for using pesticides and fertilisers as well as for transporting hazardous chemicals in accordance with legal regulations.
Furthermore, in case of projects, environmental impact assessments are made when so required by applicable regulations. Assessments of acceptability for ecological network are also made in case of fishpond projects, considering our fishponds are located within the NATURA 2000 area. The Group companies also have third-party liability insurance.

BUSINESS RISK

Risk of losing workforce

Considering the current negative demographic trends faced by the Republic of Croatia and neighbouring countries, particularly a significant outflow of the working age population, the Group is exposed to the risk of losing workforce and not having/being able to secure a sufficient number of workers. The Group tries to keep the current and attract new employees by ensuring adequate working conditions and it also employs foreign nationals in accordance with applicable regulations on employment of foreign nationals.
Despite these measures, there is a risk that the Group might not be able to secure a sufficient number of workers in the future, which could have a negative impact on the Group's business operations, financial position and performance.

Risk of breakdowns and accidents

Plant and equipment managed by the Group may experience breakdowns, accidents, unplanned downtime, limited capacities and physical damage due to natural disasters (e.g. floods, droughts or earthquakes), terrorism, interruptions in the supply of raw materials and other causes. Such events can have a negative impact on the performance of contractual obligations to business associates. This can also lead to fatalities or injuries suffered by Group employees, customers or third parties, damage to the Group's or third-party property as well as cause downtime or disrupt the Group's operations in some other way. Incidents of this kind can also cause significant environmental pollution. All of this can affect the public perception of the Group's business operations and its future profits.
To reduce its exposure to such risks, the Group carries out routine maintenance of its facilities and invests in equipment on a regular basis. The Group also concludes contracts with insurance companies on a regular basis. However, if no appropriate insurance policy has been taken out for a particular loss event or if the coverage is insufficient, such circumstances can have a negative impact on the Group's business operations, performance and financial position.

Financial Risk

Liquidity risk

Liquidity means having sufficient funds and working capital, and ensuring adequate financial resources in the form of lines of credit. Liquidity risk is the risk of the Group not being able to meet its financial liabilities in a timely manner when they become due because of a lack of own funds, a lack of funds available in the money market or inability to borrow funds from financial institutions.

Liquidity risk occurs as a result of other risk factors materialising, such as credit risk, refinancing risk and many other risks. Materialisation of the Group's liquidity risk could lead to financial losses if the Group had to sell certain assets below their market value to compensate for the lack of liquid assets.

Currency risk

The Group has exposure in the convertible mark (BAM). Based on the Law on the Central Bank of Bosnia and Herzegovina (Official Gazette of Bosnia and Herzegovina No. 17/2017), the exchange rate of the specified currency is fixed for the euro. As the Group has no assets and liabilities in other currencies, there is no currency risk for the Group.

Interest rate risk

Interest rate risk arises from the Group companies' interest payable on short-term and long-term loans that the Group has and may have in the future as well as issued bonds. Loans granted at variable rates expose the Group's financial performance to the cash flow risk. Any significant changes in interest rates could therefore have a negative impact on the Group's financial performance. The majority of the Group's borrowings have a fixed interest rate. The Group continuously monitors changes in interest rates, simulating situations that indicate a significant increase in variable interest rates, and takes refinance and alternative finance options into account. Based on these situations, the Group calculates the impact of interest rate changes on its profit and loss account.

Regulatory Risk

Risk of a change in the legal and regulatory framework in which the Group operates

Considering the importance of agriculture for human life and health and the environment, the agricultural sector is relatively strictly regulated. It is also expected that the regulatory framework governing the agricultural sector will become increasingly stricter in the future, be it in terms of water management, waste disposal or permitted agricultural production practices. Government grants and EU funding requirements in the agricultural sector are also subject to extensive regulations.

The Group has obtained all required permits and other documents as well as registrations in relevant registers and public records for all the Group's activities requiring such permits, other documents and registrations under applicable regulations. The permits and registrations are permanent in principle. However, the Group is subject to regular inspections to verify whether the conditions under which the permits have been issued are met and whether the activities to which the permits apply are carried out in accordance with applicable regulations, rules and standards.

Also, as regards the grants received, the Group complies with applicable requirements and acts in accordance with the regulations applicable to such grants.

However, any changes in regulatory requirements, government grant conditions and EU funding requirements or any other trade barriers in any of the countries where the Group operates could limit its business, complicate the distribution of products and have a negative impact on its business operations, financial position and performance.

PLANS AND EXPECTATIONS

Despite challenging times, the Group continues to have ambitious plans for the growth and development of its member companies, and accordingly, planned investments are being implemented. One notable area of focus is irrigation systems, recognized as a necessity that will ensure stable and more efficient agricultural production in the future.

Management Outlook for 2026

It is a fact that the climate is changing and that, as a result, agricultural production is becoming increasingly complex, requiring responses and reactions to newly emerging situations. The Group devotes significant attention to irrigation projects. In cooperation with designers, the most optimal irrigation solutions have been identified, and during the following year the installation of an irrigation system on 200 hectares at the Gutmanovci location is planned. The investment includes the procurement and installation of four pivot irrigation systems, initially for irrigating potatoes in the first phase, and in subsequent seasons for other field crops. The project also includes the drilling of four wells, equipping the wells with pumps, an electrical connection, installation of pipelines with fittings, and civil works. The goal is to ensure stable production in drought conditions and reduce the risk of yield and quality losses, while the planned investment amount is approximately EUR 700 thousand.

In the fish farming segment, by the end of 2025 work had already begun on designing works for the Grudnjak, Jasinje, Narta, and Pisarovina fish ponds, involving major interventions such as electrification and partial reconstruction of the fish ponds, procurement of equipment and machinery, installation of weighbridges and solar panels, subdivision of pond sections, and the development of angling areas for tourism purposes. This is an investment planned in the amount of EUR 3.9 million. The project was submitted to the Fisheries Fund EFPRA AQ5 II.2 – Productive Investments in Aquaculture. The works will be carried out during 2026 and the first half of 2027.

In 2026, in the fruit-growing segment, the installation of drip irrigation systems is planned on 60 hectares of hazelnut orchards at the Lipovac–Čačinci location and on 20 hectares of orchards at the Dolci location. The project uses existing wells and includes equipping the wells with pumps and related equipment, construction of supply pipelines, system automation, and installation of drip laterals along the rows of hazelnut orchards. The planned investment amount is EUR 315 thousand. In addition to irrigation, continued investment in machinery is also planned due to the increased need for machinery resulting from the expanded areas under hazelnut plantations that are reaching full yield.

In the viticulture segment, a project to restructure two vineyard sites, Ledine and Krčenik, with a total area of 19.4 hectares, is currently in the implementation phase. The old vineyards have been uprooted, and during 2026 new vineyards will be planted, adapted to modern vineyard cultivation methods and to the grape varieties most sought after on the market. The value of the investment is EUR 671 thousand, and the investment has been co-financed at 75% of eligible costs under the Wine Envelope / Intervention 58.1.a.01. – Restructuring and Conversion of Vineyards. At the winery, an investment is planned for the procurement of winery and wine cellar equipment, compressors, a cooling system, barrels, and a catwalk. The planned investment amounts to EUR 321 thousand.

Responsibility for Nonconsolidated and Consolidated Financial Statements

Pursuant to the Croatian Accounting Act, the Management Board is responsible for ensuring that Nonconsolidated and Consolidated financial statements are prepared for each financial year in accordance with the International Financial Reporting Standards adopted by the European Union (IFRS), so that they may give a true and fair view of the financial position as at the reporting date and performance of Agro Invest Grupa Ltd., Zagreb ("Company") and its subsidiaries ("Group") for that period. Having performed the required analyses, the Company Director has a reasonable expectation that the Company and the Group have adequate resources to continue as a going concern in the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

In preparing consolidated and separate financial statements, the Management Board is responsible for:

- selecting and consistently applying appropriate accounting policies;
- making justified and reasonable judgements and estimates;
- complying with applicable accounting standards; and
- preparing financial statements on a going concern basis.

The Management Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and the Group and their compliance with the Croatian Accounting Act. The Management Board is also responsible for safeguarding the assets of the Company and Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

For and on behalf of the Management board

Agro Invest Grupa d.o.o.
Buzinski prilaz 10, 10000 Zagreb, Republic of Croatia

Ivan Pandurević
President of the Management Board



Iva Brkić
Member of the Management Board



29 April 2026

AUDITOR'S REPORT AND FINANCIAL STATEMENTS 2025

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INDEPENDENT AUDITOR'S REPORT

To the owner of Agro Invest Grupa d.o.o. and its subsidiaries

Report on the audit of unconsolidated and consolidated annual financial statements

Opinion

We have audited the unconsolidated and consolidated annual financial statements of Agro Invest Grupa d.o.o., (the Company) and its subsidiaries (the Group), which include unconsolidated and consolidated Statement of Financial Position as at 31 December 2025, unconsolidated and consolidated Statement of Comprehensive Income, unconsolidated and consolidated Statement of Cash Flows and unconsolidated and consolidated Statement of Changes in Equity for the year then ended, as well as the accompanying Notes to the unconsolidated and consolidated annual financial statements, including information on significant accounting policies.

In our opinion, the accompanying unconsolidated and consolidated annual financial statements give a true and fair view of the consolidated financial position of the Company and the Group as of 31 December 2025, their financial performance and their cash flows for the year then ended in accordance with International Financial Reporting Standards adopted by the European Union (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under these standards are described in detail in our Independent Auditor's Report in the section on the Auditor's responsibilities for the audit of unconsolidated and consolidated annual financial statements. We are independent from the Company and the Group in accordance with International Code of Ethics for Professional Accountants (with International Independence Standards) issued by the International Ethical Standards Board for Accountants (IESBA) (IESBA Code), as applicable to audits of financial statements of public interest entities, together with ethical requirements relevant to our audit of the financial statements of public interest entities in Republic of Croatia and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of the greatest importance for our audit of the unconsolidated and consolidated annual financial statements of the current period. We dealt with these matters in the context of our audit of the unconsolidated and consolidated annual financial statements as a whole and in forming our opinion about them, and we do not give a separate opinion on these matters.

This version of the Independent Auditor's Report and Annual Report is translation from the original, which was prepared in the Croatian language. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of the report takes precedence over this translation.

Registered with the Commercial Court in Zagreb under number 080044149

OIB 76394522236

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Key audit matters (continued)

We have determined that the matter below is a key audit matter to be disclosed in our Independent Auditor's Report.

Key audit matter	How we addressed the key audit matter
Revenue recognition In the consolidated Statement of comprehensive income, the Group reported sales revenues in the amount of EUR 71,193 thousand. Operating income is generated by selling goods and providing services. Revenues are measured at the fair value of the consideration received or receivable for consideration and are reduced by the estimated amounts of customer refunds, volume and similar discounts. According to International Financial Reporting Standard 15 – *Revenue form Contracts with Customers*, revenue is recognized when control is transferred, either over time or at a specific point in time. Control over an asset is defined as the ability to manage the way it is used and obtain almost all the remaining benefits from the asset which includes the ability to prevent others from managing the way it is used and obtaining benefits from it. Considering the significance of the sales revenues presented in the consolidated Statement of Comprehensive Income and the risk of recognizing them, we concluded that the occurance, accuracy and completeness of the revenues as well as their distribution in the proper reporting period is a key audit matter. See notes 3. "Revenue recognition" and 5. "Revenue from sales" in the corresponding unconsolidated and consolidated annual financial statements.	Our audit procedures in addressing this area included, but were not limited to: - Gaining an understanding of the sales process by interviewing key personnel; - Gaining an understanding of key controls related to the recognition of sales revenue; - Examining the design and implementation of internal controls related to occurrence and accuracy of the revenue recognition; - Conducting substantive testing on a sample to verify the consistency, accuracy, completeness and timeliness of the recognition of operating income; - Comparison of obtained external confirmations of the amount of outstanding trade receivables at the reporting date and the balances presented in the Company's and Group's records on the same date; - Assessment of the compliance of the sales revenue recognition policy with International Financial Reporting Standard 15 - Revenue from Contracts with Customers; - Assessing the adequacy of disclosures related to the recognition of sales revenue in accordance with International Financial Reporting Standard 15 - Revenue from Contracts with Customers.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Key audit matters (continued)

We have determined that the matter below is a key audit matter to be disclosed in our Independent Auditor's Report.

Key audit matter	How we addressed the key audit matter
Valuation of investments in subsidiaries In the unconsolidated Statement of Financial Position as of 31 December 2025, the Company recognized investments in subsidiaries in the amount of EUR 77,314 thousand. Determining the valuation of individual investments in subsidiaries requires the Company's Management to use various assumptions, projections and forecasts related to future cash flows, applied discount rates and growth rates in order to calculate the expected future operations of subsidiaries. Impairment of investments in subsidiaries is defined as a key audit matter due to its significant book value as well as the wide range of assumptions, projections and forecasts used in the models and impairment assessment. See notes 3. "Basics of consolidation - Subsidiaries" and 22. "Investments in subsidiaries" in the corresponding unconsolidated and consolidated annual financial statements.	Our audit procedures in addressing this area included, among other: - Gaining an understanding of the Company's accounting policies and processes in relation to impairment testing of investments in subsidiaries; - Review of the collected financial information used in the consideration of the existence of investment impairment indicators and evaluation of the Company's judgment of potential impairment indicators; - Critical evaluation of the selected model used in the calculations of recoverable value and fair value of subsidiaries and affiliates where impairment indicators are recognized to assess compliance with IFRS, which have been adopted by the EU and are consistently applied; - An assessment of the reasonableness of the key assumptions used in the model for estimating the value of investments in subsidiaries and affiliates, especially projections of operating cash flows, discount rates and estimates of long-term growth rates; - Comparison of key assumptions with external information, where applicable; - Sensitivity test of the valuation model of investments in subsidiaries to changes in key assumptions; - Mathematical accuracy test of investment valuation models in subsidiaries; - Review of related notes and assessment of appropriateness of disclosures related to investments in subsidiaries to assess compliance with IFRS, which have been adopted by the EU

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Other information

Management is responsible for other information. Other information includes information included in the Annual Report, but not including the unconsolidated and consolidated annual financial statements and our Independent Auditor's Report thereon. Our opinion on the unconsolidated and consolidated annual financial statements does not include other information.

In connection with our audit of the unconsolidated and consolidated annual financial statements, it is our responsibility to read the other information and, in doing so, consider whether the other information is materially inconsistent with the unconsolidated and consolidated annual financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Regarding the Management Report and the Statement on the Application of the Corporate Governance Code, we also carried out the procedures required by the Accounting Act. These procedures include considering whether the Company's Management Report has been prepared in accordance with Articles 22 and 24 of the Accounting Act and whether the Statement on the Application of the Corporate Governance Code has been prepared in accordance with Articles 22 and 25 of the Accounting Act.

Based on the performed procedures, to the extent that we are able to assess it, we report that:
1. The information in the attached Management Report and Statement on the Application of the Corporate Governance Code is harmonized, in all significant respects, with the attached unconsolidated and consolidated annual financial statements;

2. The attached Management Report is compiled in accordance with Articles 21, 22 and 24 of the Accounting Act,

3. The attached Statement on the Application of the Corporate Governance Code includes the information defined in Articles 22 and 25 of the Accounting Act.

4. In relation to the Sustainability Report, which is included as part of the other information and forms a unconsolidated part of the Management Report, we have performed limited procedures to issue a limited assurance report, the results of which are presented as a unconsolidated limited assurance report with a unmodified conclusion.

Based on the knowledge and understanding of the operations of the Company and the Group and their environment acquired within the audit of unconsolidated and consolidated annual financial statements, we are obliged to report if we have established that there are significant misrepresentations in the attached Other information. In this sense, we have nothing to report.

Responsibilities of the Management Board and those charged with governance for the unconsolidated and consolidated annual financial statements

Management Board is responsible for the preparation of unconsolidated and consolidated annual financial statements that give a true and fair view in accordance with IFRSs, and for those internal controls that the Management Board determines are necessary to enable the preparation of unconsolidated and consolidated annual financial statements that are free from material misstatement due to fraud or error.

In preparing the unconsolidated and consolidated annual financial statements, Management Board is responsible for evaluation of the Company's and Group's ability to continue operations assuming going concern principle, disclosure, if applicable, of issues related to going concern, and using accounting based on going concern principle, unless the Management Board intends to liquidate the Company or the Group or discontinue its business or there is no realistic alternative but to do so. Those charged with governance are responsible for overseeing the financial reporting process established by the Company.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Auditor's Responsibility for the audit of unconsolidated and consolidated annual financial statements

Our goals are to obtain reasonable assurance about whether the unconsolidated and consolidated annual financial statements, as a whole, are free from material misstatement as a result of fraud or error, and to issue an Independent Auditors' Report that includes our opinion. Reasonable assurance is a higher level of assurance, but this is no guarantee that an audit performed in accordance with IAS will always detect a material misstatement when it exists. Misstatements may result from fraud or error and are considered as important, if it can reasonably be expected that, individually or in aggregate, they affect the economic decisions of users made based on these unconsolidated and consolidated annual financial statements.
As an integral part of the audit report in accordance with ISA, we make professional judgments and maintain professional scepticism throughout the audit process. In addition, we:

- Identify and assess the risks of material misstatement of the unconsolidated and consolidated annual financial statements due to fraud or error, design and perform audit procedures in response to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of non-detecting a material misstatement of fraud is greater than the risk of error, as fraud may involve collusion, forgery, intentional omission, misrepresentation or circumvention of internal controls.

- Acquire an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and Group's internal controls.

- Assess the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the accounting basis used based on the going concern principle used by the Management Board and, based on the obtained audit evidence, we conclude on whether there is significant uncertainty regarding events or circumstances that may create significant doubts about the ability to continue operating for an indefinite period of time. If we conclude that there is significant uncertainty, in our Independent Auditors' Report we are required to call our attention to related disclosures in the unconsolidated and consolidated annual financial statements or, if these are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Independent Auditors' Report. However, future events or conditions may cause the Company and Group to discontinue their operations on a going concern.
- Evaluate the overall presentation, structure and content of the unconsolidated and consolidated annual consolidated annual financial statements, including disclosures, as well as whether the unconsolidated and consolidated annual financial statements reflect the transactions and events which they are based on in a way that achieves a fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on these consolidated annual financial statements. We are responsible for directing, supervising and performing the Group's audit. We are solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Auditor's Responsibility for the audit of unconsolidated and consolidated annual financial statements (continued)

We communicate with those charged with governance, among other issues, the intended scope and timing of audit and important audit findings, including any significant deficiencies in internal controls identified during our audit.

We also make a statement to those charged with governance that we have complied with the relevant ethical requirements regarding independence and that we will communicate with them any relationship and other matters that may reasonably be considered to affect our independence as well as, where applicable, on related safeguards.

Among the issues communicated to those charged with governance, we identify those issues that are the most important in auditing the unconsolidated and consolidated annual financial statements of the current period and therefore present the key audit matters.

We describe these matters in our Independent Auditor's Report, unless the law or regulation prevents the matters from being publicly disclosed, or when we decide, in extremely rare circumstances, that the matter should not be reported in our Independent Auditors' Report because the negative consequences of the disclosure could reasonably be expected to outweigh the benefits of public interest from such communication.

Statement on other legal requirements

On 14 July 2025, we were appointed by the General Assembly of the Company to audit the unconsolidated and consolidated annual financial statements for 2025 and 2026.

As of the date of this report, we are continuously engaged in performing statutory audits of the Company from the audit of the unconsolidated annual financial statements for the year 2022 to the audit of the unconsolidated annual financial statements of the Company for the year 2025, which is a total of four year. As of the date of this report, we are continuously engaged in performing statutory audits of the Group from the audit of the consolidated annual financial statements for the year 2021 to the audit of the consolidated annual financial statements of the Group for the year 2025, which amounts to a total of five years.

In the audit of the unconsolidated annual financial statements of the Company for 2025, we determined the materiality for the unconsolidated annual financial statements as a whole in the amount of EUR 2,681 thousand, which represents approximately 3,5% of the net assets for 2025. In the audit of the consolidated annual financial statements of the Group for 2025, we determined the materiality for the consolidated annual financial statements as a whole in the amount of EUR 1,200 thousand, which represents approximately 1,7 % of sales income for 2025.

We have chosen net assets and sales income as measures of materiality because we believe that these are the most appropriate measures of the performance of the Company's and Group's operations.

Our audit opinion is consistent with the supplementary report for the Audit committee of the Company prepared in accordance with the provisions of Article 11 of Regulation (EU) no. 537/2014.

During the period between the starting date of the audited unconsolidated and consolidated annual financial for 2025 and the date of this Independent Auditor's Report, we did not provide prohibited non-audit services to the Company and its subsidiaries and did not provide services for the design and implementation of internal control procedures or risk management related to preparation and/or control of financial information or the design and implementation of technological systems for financial information, and we have maintained independence in relation to the Company and the Group.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated annual financial statements (continued)

Report based on the requirements of Delegated Regulation (EU) 2018/815 amending Directive 2004/109/EC of the European Parliament and the Council regarding regulatory technical standards for the specification of the European Single Electronic Format

Auditor's assurance report on the compliance of unconsolidated financial statements (financial statements), prepared pursuant to the provision of Article 462, paragraph 5 of the Capital Market Act (OG 126/25) by applying the Delegated Regulation (EU) 2018/815 establishing a single electronic reporting format for issuers (the ESEF Regulation).

We conducted the engagement with expressing reasonable assurance as to whether the financial statements prepared for the purposes of public disclosure pursuant to Article 462, paragraph 5 of the Capital Market Act, which are contained in the electronic file *Agro Invest Grupa FS 2025 EN,* in all material aspects prepared in accordance with the requirements of the ESEF Regulation

Responsibilities of Management and those charged with governance

The Management of the Company and the Group is responsible for the preparation and content of the financial statements in accordance with the ESEF Regulation.

In addition, the Management of the Company and the Group is responsible for maintaining a system of internal controls that reasonably assures the preparation of financial statements without material non-compliance with the reporting requirements of the ESEF Regulation, whether due to fraud or error.

The Management of the Company and the Group is also responsible for:

- public disclosure of the financial statements contained in the report in a valid XBRL format, and
- selection and use of XBRL codes in accordance with the requirements of the ESEF Regulation.

Those in charge of governance are responsible for overseeing the preparation of financial statements in the ESEF format as part of the financial reporting process.

Auditor's responsibilities

It is our responsibility to express a conclusion, based on the audit evidence gathered, as to whether the financial statements are free from material non-compliance with the requirements of the ESEF Regulation. We conducted this reasonable assurance engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 (revised) - *Assurance engagements other than audits or reviews of historical financial information*.

Procedures performed

The nature, timing and extent of the procedures selected depend on the auditor's judgment. Reasonable assurance is a high level of assurance. However, it does not assure that the scope of testing will reveal all significant (material) non-compliance with the ESEF Regulation.

As part of the selected procedures, we have performed the following activities:

- we have read the requirements of the ESEF Regulation,
- we have gained an understanding of the Bank's internal controls relevant to the application of the requirements of the ESEF Regulation,
- we have identified and assessed the risks of material non-compliance with the ESEF Regulation due to fraud or errors; and
- based on that, we have planned and designed procedures for responding to assessed risks and for obtaining reasonable assurance for the purpose of expressing our conclusion.

INDEPENDENT AUDITOR'S REPORT (continued)

Report on the audit of unconsolidated and consolidated financial statements (continued)

Report based on the requirements of Delegated Regulation (EU) 2018/815 amending Directive 2004/109 / EC of the European Parliament and the Council regarding regulatory technical standards for the specification of the European Single Electronic Format (continued)

Procedures performed (continued)

The aim of our procedures was to assess whether:

- the financial statements, which are included in the unconsolidated and consolidated report, are prepared in the valid XHTML format,
- the information contained in the unconsolidated and consolidated financial statements required by ESEF Regulation, are labelled and all labels meet the following requirements:
  - *XBRL mark-up language was used,*
  - *the elements of the basic taxonomy listed in the ESEF Regulation with the closest accounting meaning were used, unless an additional element of taxonomy has been created in accordance with Annex IV ESEF Regulations,*
  - *the labels comply with the common labelling rules under the ESEF Regulation.*

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Conclusion

In our opinion, based on the procedures performed and the evidence obtained, the financial statements presented in ESEF format, contained in the above-mentioned electronic file and based on the provision of Article 462, paragraph 5 of the Capital Market Act prepared for the purposes of public disclosure, in all material respects are in line with the requirements from articles 3, 4 and 6 of the ESEF Regulation for the year ended 31 December 2025.

In addition, as well as the opinion contained in this Independent Auditor's Report for the accompanying unconsolidated and consolidated annual financial statements and the report for the year ended 31 December 2025, we do not express any opinion on the information contained in these statements or other information contained in the file stated above.

The engaged partner involved in the audit of the Company's and Group's unconsolidated and consolidated annual financial statements for 2025 which results in this Independent Auditor's Report, is the certified auditor Vedrana Stipić.

Zagreb, 29 April 2026

BDO Croatia d.o.o.
Radnička cesta 180
10000 Zagreb

Hrvoje Stipić, President of the Management Board

BDO Croatia d.o.o.
Zagreb, Radnička cesta 180
OIB: 76394522236

Vedrana Stipić, Certified Auditor

	Note	2025	2024
OPERATING INCOME			
Sales revenue	5	71,193	64,330
Other operating income	6	16,284	16,101
Total operating income		**87,477**	**80,431**
Change in the value of work in progress and finished goods		(3,654)	4,607
OPERATING EXPENSES			
Cost of goods sold	7	(17,770)	(19,017)
Costs of raw materials and supplies	8	(24,895)	(27,185)
Other external costs	9	(9,580)	(9,828)
Employee costs	10	(13,027)	(11,380)
Depreciation and amortization	11	(8,533)	(9,067)
Impairment allowance	13	(941)	(1,388)
Other operating expenses	12	(4,783)	(4,230)
Provisions	14	-	(143)
Total operating expenses		**(79,529)**	**(82,238)**
OPERATING PROFIT		**4,294**	**2,800**
FINANCIAL INCOME AND EXPENSES			
Financial income	15	186	90
Financial expenses	16	(2,649)	(2,881)
Net financial expense		**(2,463)**	**(2,791)**
Profit before tax		**1,831**	**9**
Income tax	17	(375)	(562)
Profit/(Loss) for the year		**1,456**	**(553)**
OTHER COMPREHENSIVE INCOME			
Exchange rate differences from the translation of foreign parts of business		-	13
TOTAL COMPREHENSIVE PROFIT/(LOSS) FOR THE YEAR		**1,456**	**(540)**
Profit/(Loss) for distribution:			
To the owner of the Group		1,273	(805)
To owners of non-controlling interests		183	252
		1,456	**(553)**
Total comprehensive profit/(loss) for distribution:			
To the owner of the Group		1,273	(805)
To owners of non-controlling interests		183	265
		1,456	**(540)**

Accounting policies and notes form an integral part of these annual financial statements

ASSETS	Note	31 December 2025	31 December 2024
FIXED ASSETS			
Property, plant and equipment	20	57,543	61,340
Right-of-use asset	21	22,770	23,383
Intangible assets	18	13,424	13,298
Goodwill	19	33	33
Deposits given	26	101	22
Deferred tax assets	17	17	13
Long-term receivables		83	94
Investment in associates	22	4	5
TOTAL NON-CURRENT ASSETS		**93,975**	**98,188**
CURRENT ASSETS			
Inventories	23	49,599	51,476
Trade receivables	24	9,368	7,682
Cash and cash equivalents	28	3,391	5,894
Loans and deposits	26	1,325	1,564
Receivables for given advances	27	487	514
Other financial asset		1	1
Deferred expenses and accrues income		1,748	1,857
Other receivables	25	11,280	10,499
TOTAL CURRENT ASSETS		**77,199**	**79,487**
TOTAL ASSETS		**171,174**	**177,675**

Accounting policies and notes form an integral part of these annual financial statements

EQUITY AND LIABILITIES	Note	31 December 2025	31 December 2024
EQUITY AND LIABILITIES			
Share capital		67,494	67,494
Other reserves		(22,613)	(22,613)
Retained earnings		31,213	30,822
SHARES OF PARENT OWNER		**76,094**	**75,703**
Non-controlling interest	29	16,602	16,419
TOTAL EQUITY		**92,696**	**92,122**
LONG-TERM LIABILITIES			
Long-term bond liabilities	32	13,538	15,794
Liabilities to banks and other financial institutions	30	7,787	9,299
Lease liabilities	33	21,412	22,062
Deferred tax liability	17	154	168
Other long-term liabilities		6	-
Long-term provisions		291	243
TOTAL NON-CURRENT LIABILITIES		**43,188**	**47,566**
SHORT-TERM LIABILITIES			
Liabilities to banks and other financial institutions	31	7,815	12,172
Loans liabilities		1,971	1,878
Trade payables	34	7,609	8,472
Short-term maturity of long-term obligations on issued bonds	32	2,256	2,256
Lease liabilities	33	2,729	3,019
Liabilities to employees	35	798	775
Other current liabilities	36	10,826	8,466
Accrued expenses and deferred income		1,286	949
TOTAL SHORT - TERM LIABILITIES		**35,290**	**37,987**
TOTAL EQUITY AND LIABILITIES		**171,174**	**177,675**

Accounting policies and notes form an integral part of these annual financial statements

	Share capital	Reserves	Reserves from foreign currency translation	Retained earnings	Parent company's shares	Non-controlling interest	Total
Balance as at 1 January 2024	**67,494**	**(22,596)**	**(17)**	**30,937**	**75,818**	**16,844**	**92,662**
Other changes in capital	-	-	-	690	690	(690)	-
Loss for the year	-	-	-	(805)	(805)	252	(553)
Other comprehensive income	-	-	-	-	-	13	13
Total comprehensive loss for the year	-	-	-	*(805)*	*(805)*	*265*	*(540)*
Balance at 31 December 2024	**67,494**	**(22,596)**	**(17)**	**30,822**	**75,703**	**16,419**	**92,122**
Profit for the year	-	-	-	1,273	1,273	183	1,456
Profit distribution to the owner	-	-	-	(882)	(882)	-	(882)
Other comprehensive income	-	-	-	-	-	-	-
Total comprehensive profit for the year	-	-	-	1,273	1,273	183	1,456
Balance at 31 December 2025	**67,494**	**(22,596)**	**(17)**	**31,213**	**76,094**	**16,602**	**92,696**

Accounting policies and notes form an integral part of these annual financial statements

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		1,456	(553)
Adjustments:			
Income tax	17	375	562
Depreciation of property, plant and eqipment and amortization of intangible assets	11	8,535	9,067
Profit from sale of fixed assets	6	(256)	-
Value adjustment of trade receivables	13	598	928
Value adjustment of inventories and inventory surpluses	13, 6	(799)	460
Net interest expense	15, 16	2,479	2,724
Net movement of provisions	6	(8)	(16)
Other non-monetary transactions		12	57
		12,392	**13,229**
CHANGES IN WORKING CAPITAL			
Decrease/(Increase) in inventory		2,676	(3,148)
(Increase)/Decrease in trade receivables		(1,774)	58
Decrease in advances given		27	188
(Increase)/Decrease in other receivables		(377)	1,374
Decrease/(Increase) in prepaid costs		109	(949)
Increase in advances received		676	406
(Decrease)/Increase in trade payables		(863)	1,035
(Decrease)/Increase in other current liabilities		(346)	95
Increase in deferred income		337	113
CASH GENERATED BY OPERATIONS		**12,857**	**12,401**
Interests paid		(1,361)	(1,699)
Income taxes paid		(678)	(713)
NET CASH FLOW FROM OPERATING ACTIVITIES		**10,818**	**9,989**
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest charged		97	125
Cash outflows for loans granted		(967)	(2,210)
Payment on approved loans		1,128	2,183
Cash outflows for the purchase of property, plant and equipment and intangible assets	18	(6,438)	(7,947)
Cash receipts from fixed assets sold		1,712	572
NET CASH USED IN FROM INVESTING ACTIVITIES		**(4,468)**	**(7,277)**
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash receipts from financial institutions		55,773	52,769
Payments of profits		(398)	-
Repayment of liabilities to credit institutions		(61,972)	(50,947)
Repayment of liabilities for bonds issued		(2,256)	(2,257)
NET CASH (USED) IN FINANCING ACTIVITIES		**(8,853)**	**(435)**
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		**(2,503)**	**2,277**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	28	**5,894**	**3,617**
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	28	**3,391**	**5,894**

Accounting policies and notes form an integral part of these annual financial statements

	Note	2025	2024
OPERATING INCOME			
Sales revenue	5	1,455	1,089
Other operating income	6	17	17
Total operating income		**1,472**	**1,106**
OPERATING EXPENSES			
Other external costs	9	(334)	(318)
Employee costs	10	(922)	(638)
Costs of raw materials and supplies	8	(39)	(33)
Depreciation and amortization	11	(16)	(8)
Other operating expenses	12	(113)	(74)
Total operating expenses		**(1,424)**	**(1,071)**
OPERATING PROFIT/(LOSS)		**48**	**35**
FINANCIAL INCOME AND EXPENSES			
Financial income	15	1,048	1,157
Financial expenses	16	(660)	(745)
Net financial income		**388**	**412**
Profit before tax		**436**	**447**
Income tax	17	(11)	-
PROFIT FOR THE YEAR		**425**	**447**
OTHER COMPREHENSIVE INCOME		**-**	**-**
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**425**	**447**

Accounting policies and notes form an integral part of these annual financial statements

ASSETS	Note	31 December 2025	31 December 2024
FIXED ASSETS			
Property, plant and equipment	20	14	23
Investments in subsidiaries	22	77,314	77,314
Deposits given	26	13,538	15,794
TOTAL NON-CURRENT ASSETS		**90,866**	**93,131**
CURRENT ASSETS			
Loans and deposits	26	2,256	2,256
Cash and cash equivalents	28	6	56
Trade receivables	24	374	298
Deferred expenses and accrues income		10	-
Other receivables	25	394	834
TOTAL CURRENT ASSETS		**3,040**	**3,444**
TOTAL ASSETS		**93,906**	**96,575**
EQUITY AND LIABILITIES			
EQUITY AND LIABILITIES			
Share capital		67,494	67,494
Retained earnings		10,003	10,460
TOTAL EQUITY		**77,497**	**77,954**
LONG-TERM LIABILITIES			
Long-term bond liabilities	32	13,538	15,794
TOTAL NON-CURRENT LIABILITIES		**13,538**	**15,794**
SHORT-TERM LIABILITIES			
Short-term maturity of long-term obligations on issued bonds	32	2,256	2,256
Trade payables	34	215	156
Liabilities to employees	35	55	45
Other current liabilities	36	345	356
Accrued expenses and deferred income		-	14
TOTAL SHORT - TERM LIABILITIES		**2,871**	**2,827**
TOTAL EQUITY AND LIABILITIES		**93,906**	**96,575**

Accounting policies and notes form an integral part of these annual financial statements

	Share capital	Retained earnings	Total
Balance as at 1 January 2024	**67,494**	**10,013**	**77,507**
Profit for the year	-	447	447
Total comprehensive income	-	447	447
Balance at 31 December 2024	**67,494**	**10,460**	**77,954**
Profit for the year	-	425	425
Profit distribution to the owner	-	(882)	(882)
Total comprehensive income	-	425	425
Balance at 31 December 2025	**67,494**	**10,003**	**77,497**

Accounting policies and notes form an integral part of these annual financial statements

	Note	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit for the year		425	447
Adjusted by:			
Depreciation and amortization	11	16	8
Net interest expense	15, 16	(73)	(84)
Other non-monetary transactions		(2)	(22)
		366	**349**
CHANGES IN WORKING CAPITAL			
(Increase) in trade receivables		(76)	(144)
Decrease in given advances		-	1
(Increase)in other receivables		(417)	(878)
Increase in trade payables		59	61
Increase in other current liabilities		22	30
CASH GENERATED BY OPERATIONS		**(46)**	**(581)**
Interests paid		(612)	(652)
Income taxes paid		-	-
Net cash generated from operating activities		**(658)**	**(1,233)**
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash outflows for the purchase of property, plant and equipment and intangible assets	18	(6)	(25)
Dividends received		400	490
Cash receipts for interest		612	766
Cash inflows for given loans		2,256	2,256
Net cash used in investing activities		**3,262**	**3,487**
CASH FLOWS FROM FINANCING ACTIVITIES			
Profit payment		(398)	-
Repayment of liabilities for bonds issued		(2,256)	(2,256)
Net cash used in financing activities		**(2,654)**	**(2,256)**
Net (decrease) in cash and cash equivalents		**(50)**	**(2)**
Cash and cash equivalents at the beginning of the year	28	**56**	**58**
Cash and cash equivalents at the end of year	28	**6**	**56**

Accounting policies and notes form an integral part of these annual financial statements

1. GENERAL INFORMATION

The financial statements for the years ended 31 December 2025 include the nonconsolidated and consolidated financial statements of Agro Invest Grupa d.o.o. (the “Company”) and its subsidiaries (together the “Group”).

Agro Invest Grupa d.o.o. for agricultural production, livestock, tourism, catering, trade and services, based in Zagreb, Buzinski prilaz 10, MBS: 010092380, was registered at the Commercial Court in Zagreb in 2014 under the name PP Grudnjak d.o.o. By the decision of the only member of the company (PP Orahovica d.o.o.) in November 2020, the company was sold to Mr Stipo Matić and the name was changed to its current name "Agro Invest Grupa" d.o.o. The sole owner of the Company is Mr Stipo Matić from Zagreb.

The Assembly of the Company in February 2024 adopted a decision on the constitution of the Supervisory Board, consisting of:
Marko Rašić, President of the Supervisory Board since February 22, 2024
Željko Menalo, Member of the Supervisory Board since February 22, 2024
Pero Matić, Member of the Supervisory Board since February 22, 2024
Danijel Lastrić, Member of the Supervisory Board since February 22, 2024
Sanda Vujkov Mustedanagić, member of the Supervisory Board, since February 22, 2024

During 2024 and 2025, the Company's Management Board consisted from one to four members:
Ivan Pandurević, President of the Management Board
Vlado Čondić Galiničić, Member of the Management Board since February 22, 2024 until July 24, 2024
Saša Breznik, Member of the Management Board since February 22, 2024 until February 27, 2025
Iva Brkić, Member of the Management Board since February 22, 2024
Stipo Matić, member of the Management Board until February 22, 2024

The Company's audit committee in 2025 and 2024 consisted of:
Branislav Vrtačnik
Karmela Jurina
Marko Rašić

The main activities of the Group are agricultural production, livestock, tourism, catering, trade and services.

As at 31 December 2025, the Group had 676 employees (2024: 654 employees)

2. BASIS OF PREPARATION

(i) Statement of compliance

The nonconsolidated and consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as established by the European Commission and published in the Official Journal of the European Union ("IFRS").

(ii) Basis of measurement

The nonconsolidated and consolidated financial statements have been prepared under the historical cost convention. Historical cost is generally based on the fair value of the consideration given in exchange for the asset.

The financial statements have been prepared on a going concern basis for all Group members. Where necessary, comparative data have been reclassified to ensure consistency in presentation with the data for the current financial year and other information. Total assets, liabilities, equity, and income and expenses were not changed.

	2024 *comparative period*	**2024** *previously reported*	*change*
Consolidated statement of comprehensive income			
Other operating income	16,101	16,178	(77)
Other operating expenses	(4,230)	(4,307)	77
Consolidated statement of financial position			
Property, plant and equipment	61,340	72,870	(11,530)
Intangible assets	13,298	1.544	11,754
Inventories	51,476	51,413	63
Receivables for given advances	514	801	(287)

(iii) Functional and presentation currency

Items included in the financial statements of the Company and the Group are measured using the currency of the primary economic environment in which the Company and the Group operate (the functional currency).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following accounting policies have been applied consistently for all periods included in these unconsolidated and consolidated statements.

Basis of consolidation

The accompanying consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

• *has power over the investee;*

• *is exposed, or has rights, to variable returns from its involvement with the investee; and has the ability to use its power to affect its returns.*

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

• *the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;*

• *potential voting rights held by the Company, other vote holders or other parties;*

• *rights arising from other contractual arrangements; and*

• *any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.*

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Group’s accounting policies.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consolidation eliminates all assets and all liabilities, as well as all equity (i.e. all capital), all income, expenses, and inflows and outflows of money related to transactions between Group members.

(i) Group structure and scope of consolidation

As of 31 December 2025, the Company had the following ownership interests in the companies under its control:

Company	Percentage of ownership	Country	Activity
PPK VALPOVO	100.00%	CROATIA	AGRICULTURE
POLJOPRIVREDNIK ODŽAK	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
POLJOPRIVREDNIK GLAMOČ	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
AGROPROMET GRAHOVO	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
AGRO COMPANY	100,00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
MP ENERGIJA GRAHOVO	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
POLJOPRIVREDNIK DERVENTA	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
PP ORAHOVICA	97.55%	CROATIA	AGRICULTURE
MASLINA JE OBRANA	100.00%	CROATIA	AGRICULTURE
PPO STOČARSTVO	100.00%	CROATIA	AGRICULTURE
PD MODRIČA	100.00%	BOSNIA AND HERZEGOVINA	AGRICULTURE
PANONA ENERGIJA	100.00%	CROATIA	AGRICULTURE
RIBNJAK PISAROVINA	100.00%	CROATIA	AGRICULTURE
RIBNJAK LIPOVLJANI	100.00%	CROATIA	AGRICULTURE
RIBNJAK VRBOVLJANI	100.00%	CROATIA	AGRICULTURE
EKO BOSANSKA POSAVINA	26.10%	CROATIA	AGRICULTURE

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

(ii) Subsidiaries

Subsidiaries are companies in which the Company (parent) has control. Control is achieved if: the Company has dominance, i.e. the power to dispose of the entity, the Company is exposed or has rights to a variable return based on its participation in that entity and is able to influence its return based on its dominance, i.e. the power to dispose.

The Company reassesses whether it has control if the facts and circumstances indicate that one or more of the above three control elements have changed:

- the share of their voting rights in relation to the size and division of voting rights of other persons with the right to vote
- potential voting rights of investors, other persons with voting rights or other persons.
- rights from other contractual relationships and any additional facts and circumstances that indicate that the Company has or does not have the current ability to conduct relevant business at the time when it is necessary to make such decisions.

A subsidiary is an entity in which the Company has control, i.e. direct or indirect dominant influence. Control is exercised by acquiring more than 50% of voting shares, exercising the right to appoint a majority of members of the management or supervisory board, and the right to decide in the subsidiary in a way that the parent company controls most voting rights in the subsidiary.

Subsidiaries are fully consolidated from the date on which control is transferred to the Company and are excluded from consolidation from the date that control ceases. Investments in business entities over which the Company has control and significant influence are shown in these financial statements at investment cost, less value adjustments, if necessary. At the end of each reporting period, the Company determines whether there are indicators of a possible decrease in investments in subsidiaries. If such indicators exist, the Company estimates the recoverable amount of investments in subsidiaries.

(iii) Business combinations

The Group uses the accounting method of purchase for the accounting treatment of business combinations (excluding business combinations under joint control). The consideration transferred for the acquisition of a subsidiary is the fair value of the assets transferred, liabilities incurred and equity interests issued by the Group. The consideration transferred includes the fair value of each asset or liability that results from the contingent consideration agreement. Acquisition-related costs are recognized in the statement of comprehensive income as incurred. Acquired identifiable assets, liabilities and contingent liabilities in a business combination are initially measured at fair value at the acquisition date. The Group recognizes minority interests in the acquired subsidiary either at fair value or at the proportionate share of the minority interest in the net assets of the acquired subsidiary. The excess of the consideration transferred the amount of any non-controlling interest in the acquired subsidiary and the fair value at the date of acquisition of any previous ownership interest in the acquired company above the fair value of the Group's share of the identifiable net assets is recognized as goodwill. If this is less than the fair value of the net assets of the acquired subsidiary in the case of a purchase at a price lower than the sale price, the difference is recognized directly in the statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of consolidation (continued)

(iv) Non-controlling interests

Non-controlling interests are initially measured at their proportionate share of the recognized net assets of the acquiree at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with owners.

(v) Loss of control of subsidiaries

When the Group loses control of a subsidiary, the assets and liabilities of the subsidiary and all related non-controlling interests and other items of equity are derecognised. Gains or losses are recognized in the income statement. Retained interest in a former subsidiary is measured at fair value when control is lost.

(vi) Transactions eliminated in consolidation

Balances and transactions between members of the Group and all unrealized gains on transactions between members of the Group have been eliminated in consolidating the financial statements. Unrealized gains on transactions with associates and joint ventures where the Group shares control with other owners are eliminated to the extent of the Group's interest in such entities. Unrealized gains on transactions with companies in which there are interests are eliminated by reducing the investment in that company. Unrealized losses are eliminated in the same way as unrealized gains, but only up to an amount that does not represent a permanent impairment of assets.

Goodwill

Goodwill arising from a business combination is carried at a cost determined on the acquisition date, i.e. the acquisition of the entity, less any impairment losses. For the purpose of impairment testing, goodwill is allocated to each cash-generating unit (or group of such units) that is expected to benefit from the synergies arising from the merger.

The cash-generating unit to which the goodwill is allocated is subject to an impairment test once a year or more frequently if there is an indication of possible impairment. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first by reducing the carrying amount of goodwill allocated to the unit and then to the other asset's other assets based on the carrying amount of each asset in each generating unit. Any gain or loss on fair value is recognized directly in profit or loss. Once recognized, an impairment loss for goodwill is not reversed in subsequent periods. When a cash-generating unit is disposed of, the related amount of goodwill is included in the determination of the gain or loss on disposal.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interests in associates and joint ventures

The results and assets and liabilities of associates or joint ventures are included in these financial statements using the equity method, except when the investment is classified as held for sale, in which case it is accounted for in accordance with IFRS 5.

Under the equity method, an investment in an associate or joint venture is initially recognized in the consolidated statement of financial position at cost and subsequently adjusted to recognize the Group's share of the profit or loss and other comprehensive income of the associate or joint venture.

When the Group's share of the losses of an associate or joint venture exceeds the Group's share of that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group ceases to recognize its share of further losses. Additional losses are recognized only to the extent that the Group has assumed legal or constructive obligations or made payments on behalf of an associate or joint venture.

An investment in an associate or joint venture is accounted for using the equity method from the date the investor becomes an associate or joint venture. After acquiring an investment in an associated or joint venture, any excess of investment costs over the Group's share of the net fair value of identifiable assets and liabilities of the invested company is recognized as goodwill, which is included in the book value of the investment amount. Any excess of the Group's share of the net fair value of identifiable assets and liabilities over the cost of the investment, after revaluation, is immediately recognized in profit or loss in the period in which the investment is acquired.

A joint venture is a joint business in which the parties who have joint control over the business have rights to the net assets of the business in question. Joint control is an agreed division of control over some business, which exists only when decisions on relevant business require the unanimous consent of the parties sharing control.

Any goodwill resulting from the acquisition of the Group's share in a jointly controlled company is calculated in accordance with the Group's accounting policy for calculating goodwill arising from a business merger.

Unrealized gains and losses from transactions between the Group and companies over which it has joint control are eliminated in proportion to the Group's share in the joint venture. Profits and losses from transactions between the Group and a jointly controlled company are recognized in the unconsolidated and consolidated financial statements of the Group only up to the amount of shares in jointly controlled companies that do not relate to the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition

Operating income is generated by selling goods and providing services. Revenue is measured at the fair value of the consideration received or receivable and is reduced by the estimated amounts of refunds from customers, quantity and other discounts.

In accordance with IFRS 15 – Revenues from Contracts with Customers, the basic principle of revenue recognition is developed through a five-step model:

- Identify the contract with a customer
- Identify the performance obligations in the contract
- Determine the transaction price
- Allocate the transaction price
- Recognize revenue when or as the entity satisfies a performance obligation

Revenue is recognized by transferring control, either over time or at a specified time. Control over assets is defined as the ability to manage the use and acquisition of almost all remaining benefits from assets, which includes the ability to prevent others from managing the use of and obtaining benefits from assets.

i) Revenues from the provision of services

Revenues from the provision of services are calculated in the Statement of comprehensive income:
Especially:

- if the performance obligation is met at a particular point in time (“at the time”), the related revenue is recognized in the income statement when the service is provided;
- if the performance obligation is met over time, the related income is recognized in the income statement to reflect progress in meeting that obligation.

If the timetable for liquidation is not in accordance with the manner in which the performance obligation has been met, the Group calculates the contractual asset or contractual obligation for the part of the revenue generated in that period or for the deferral in subsequent periods.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue recognition (continued)

ii) Revenues from sales of goods

Revenue from the sale of goods is recognized when all of the following conditions are met:

- The Group has transferred to customers all significant risks and rewards associated with the ownership of the goods
- The Group does not retain a continuing involvement in the management to the extent normally associated with ownership or actual control of the goods sold
- The amount of revenue can be measured reliably
- The inflow of economic benefits to the entity associated with the transaction is probable
- The costs incurred or to be incurred as a result of the transaction can be measured reliably.

iii) Income from subsidies

Based on its registered activity, livestock breeding and fish farming, the Group is entitled to subsidies. The purpose of the subsidy is to ensure the long-term sustainability of active farmers engaged in agricultural activity. They are allocated for the production, cultivation or planting of agricultural products, as well as for maintaining the agricultural area in a condition suitable for grazing or cultivation. The Group submits a request to the Agency for Payments in Agriculture, Fisheries and Rural Development for each production year within the set deadline, according to the sowing plan and the number of livestock. Based on the request, the Group recognizes revenue up to the amount of the submitted request.

iv) Income from the growth of the livestock unit is explained within the accounting policy Livestock unit

v) Interest income

Interest income is recognized when it is probable that the economic benefits associated with the item will flow to the Group and the revenue can be measured reliably. Interest income is calculated on an accrual basis and at the applicable effective interest rate, which is the rate at which estimated future cash receipts are discounted over the expected life of the financial asset to its net carrying amount determined on initial recognition.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

Leases are recognized as a right-of-use asset and a lease liability whenever substantially all the risks and rewards incidental to ownership of the asset are transferred to the lessee over the term of the lease, except:

- low-value leases
- leases whose lease term ends within a period of 12 months from the date of the first application or less.

Lease income is recognized on a straight-line basis over the term of the lease.

When concluding a contract, the Group assesses whether the contract is or contains lease characteristics. That is, it assesses whether the contract transfers the right to control the use of the property in question over time in exchange for compensation.

The Group as a lessee

For all leases, except short-term leases and leases of low-value assets, the Group applies a single approach to recognition and measurement. The Group recognizes lease payment liabilities and the right-of-use asset, which is the right to use the asset in question.

Right-of-use assets

The Group recognizes a right-of-use asset at the time the lease is entered into (i.e. when the asset in question is available for use). Right-of-use assets are measured at cost less accumulated depreciation and impairment losses and are adjusted for remeasurement of lease liabilities. The cost of the right-of-use assets includes the amount of recognized lease liabilities, initial direct costs and lease payments made on or before the date of the contract, less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the term of the lease.

Lease liabilities

When entering into a lease, the Group recognizes lease liabilities, measured at the present value of future lease payments over the term of the lease. Lease payments include fixed payments (less all incentive claims), variable payments that depend on an index or rate, and amounts expected to be paid from residual value guarantees. Lease payments may include the value of a purchase option that is expected to be realized with reasonable certainty and the payment of a penalty for terminating the lease if the terms of the contract provide for a termination option. Variable lease payments that do not depend on an index or rate are recognized as an expense in the period in which the event or condition that conditions the payment occurs.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies

The separate financial statements of each entity within the Group are presented in the currency of the primary economic environment in which the entity operates, i.e. in its functional currency. In the consolidated financial statements, the results and financial position of each entity within the Group are expressed in euro (EUR) because the euro is the functional currency of the parent company and the presentation currency of the consolidated financial statements.

When preparing the financial statements of individual entities, transactions in currencies other than the entity's functional currency, i.e. in foreign currencies, are recorded using the exchange rates prevailing at the dates of the transactions. Monetary items denominated in foreign currencies at the end of each reporting period are retranslated at the exchange rate ruling at the end of the reporting period. Non-monetary items reported at fair values that are denominated in foreign currencies are retranslated at the exchange rate ruling at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are carried at historical cost are not retranslated.

The exchange rates applied as at 31 December 2025 and 2024 and the average exchange rates used to translate the items of income and expenditure were as follows:

Currency	31 December 2025	Average exchange rate in 2025	31 December 2024	Average exchange rate in 2024
KM	1.95583	1.95583	1.95583	1.95583

Foreign exchange differences are recognized in profit or loss in the period in which they arise, except:

- exchange differences on received loans and credits in foreign currency related to assets under construction intended for future production, which are included in the cost of assets if viewed as an adjustment of interest costs on liabilities for these loans and credits;
- exchange differences on monetary receivables or liabilities from foreign operations, the settlement of which is neither planned nor probable and which therefore form part of the net investment in foreign operations, which are first recognized in other comprehensive income and transferred when selling all or part of the net investment from principal to profit or loss.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Foreign currencies (continued)

In these nonconsolidated and consolidated financial statements, the assets and liabilities of the Group's foreign operations are denominated in Croatian kuna using the exchange rates prevailing at the end of the reporting period. Income and expenses are translated using the average exchange rate for the reporting period, except for significant fluctuations in exchange rates, in which case the exchange rates prevailing at the date of the transaction are used. Any foreign exchange differences are recognized in other comprehensive income and accumulated in equity (and attributed to non-controlling interests, if any).

When selling a foreign operation, i.e. selling the entire Group's interest in a foreign operation in which the Group loses control of a foreign subsidiary or partially selling a joint venture or an associate whose foreign operations include a retained interest in that foreign operation becomes financial assets, all exchange differences accumulated in equity from foreign operations attributable to owners of the Group are transferred to profit or loss.

Furthermore, in the case of a partial sale of a foreign subsidiary in which the Group does not lose control of the subsidiary, part of the cumulative exchange rate differences is again attributed to non-controlling interests in proportion to the part sold and not included in profit or loss. In all other partial sales, i.e. partial sales of associates or joint ventures in which the Group does not lose significant influence or joint control in the entity, part of the cumulative exchange differences is transferred to profit or loss in proportion to the part sold.

The reconciliation of goodwill and fair value of identifiable assets and identifiable liabilities assumed through the acquisition of foreign operations is accounted for as assets and liabilities of foreign operations and translated at the closing rate at the end of each reporting period. The resulting exchange differences are recognized in other comprehensive income.

State aid

Unconditional subsidies related to biological assets measured at fair value less estimated costs to sell should be recognized as income when, and only when, the subsidy is due. If State aid related to biological assets measured at fair value less estimated costs to sell is conditional, including the possibility that State aid requires the entity not to engage in a particular agricultural activity, the entity should recognize the aid as income if and only if the conditions related to the aid are met.

Asset-related aid is state aid whose first condition is that the eligible entity should purchase, build or otherwise acquire long-term assets. Additional conditions are possible that limit the type or location of the property or the periods in which it must be acquired or held.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

State aid (continued)

State aid should be recognized in profit or loss on a systematic basis over the period in which the entity recognizes as an expense the related costs for which the aid is intended to be covered.

Aid related to depreciable tangible assets reduces the cost of the asset, and depreciation is still calculated at impaired value. Aid related to non-depreciable assets may also require the fulfilment of certain obligations and should therefore be recognized in profit or loss over the periods in which the costs of meeting those obligations are borne.

Segmental reporting

A segment is a recognizable component or part of the Group that is engaged in the sale of related products and services (operating segment) or engaged in the sale of products and services within a particular economic environment (geographical segment) and is subject to risks and rewards that differ from those applicable to other segments.

At the consolidated level, the Group internally monitors and reports the following segments: arable farming, fruit growing, livestock, fish farming, viticulture, silos, feed mills (TSH), cooperation and other segments.

Taxation

Corporate income tax expense is the sum of current tax liabilities and deferred taxes.

i) Current taxes

Current tax liability is based on taxable profit for the current year. Taxable profit differs from net income shown in the consolidated comprehensive income statement because it does not include items of income and expense that are taxable or deductible in other years, nor items that are never taxable or deductible. The Group's current tax liability is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

ii) Deferred taxes

Deferred taxes are recognized on the basis of the difference between the carrying amounts of assets and liabilities shown in the financial statements and the related tax bases used to calculate taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences up to the amount of taxable profit that is likely to be available and allow deductible temporary differences to be used. Deferred tax liabilities and deferred tax assets are not recognized if the temporary difference arises from goodwill or the initial recognition of other assets and other liabilities (except in the case of a business combination) in a transaction that affects neither taxable nor accounting profit.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Taxation (continued)

ii) Deferred taxes (continued)

Deferred tax liabilities are also recognized based on taxable temporary differences related to investments in subsidiaries and associates and interests in joint ventures, except when the Group is able to influence the reversal of the temporary difference and it is probable that the temporary difference will not be reversed in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that taxable profit will be available against which the temporary differences can be utilized. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced by the amount that is no longer likely to be available as sufficient taxable profit to allow all or part of the taxable asset to be recovered.

Deferred tax assets and deferred tax liabilities are calculated at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The determination of deferred tax liabilities and deferred tax assets reflects the tax consequences that would follow from the manner in which the Group expects to recover the carrying amount of its assets at the end of the reporting period, i.e. to settle the carrying amount of its liabilities.

iii) Current and deferred taxes for the current year

Current and deferred taxes are recognized in profit or loss, except for taxes that are included in other comprehensive income or directly in equity, in which case the tax is also recognized in other comprehensive income or directly in equity. For current and deferred taxes arising from the first posting of a business combination, the tax effect is included in the calculation of the business combination.

Property, plant and equipment

Property, plant and equipment used in the production or supply of goods or services or for administrative purposes, other than the livestock unit, are presented in the consolidated statement of financial position at historical cost, less accumulated depreciation and impairment losses. Acquisition cost includes the cost that is directly attributable to the acquisition of the asset.

Subsequent expenditure is included in the carrying amount of the asset or recognized as a separate asset, as appropriate, only if the Group will obtain future economic benefits from the asset and the cost of the asset can be measured reliably. The carrying amount of the replaced part is derecognised. All other maintenance costs are charged to the consolidated statement of comprehensive income in the financial period in which they are incurred.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property, plant and equipment (continued)

Land and assets under construction are not depreciated. Depreciation of other property, plant and equipment is calculated using the straight-line method to allocate cost or to the residual value of the asset and asset over its estimated useful life, as follows:

Buildings	10 - 40 years
Plant and equipment	2 - 25 years
Vehicles	10 - 16 years
Investment in third party assets	50 years

The asset's residual value and useful life are reviewed, and adjusted if appropriate, at each reporting date. If the carrying amount of an asset is greater than its estimated recoverable amount, the difference is written off to the recoverable amount. Gains and losses on disposals are determined as the difference between the disposal proceeds and the carrying amount of the asset sold and are recognized in profit or loss within other income/expenses.

Livestock unit

The livestock unit is recorded by groups of cattle. The livestock unit consists of: calves, breeding heifers, breeding cows and breeder bulls. The livestock unit does not consist of yearling store cattle intended for further sale. The acquisition of the livestock unit is recorded at cost because it represents the fair value at that time. The change in fair value less estimated costs to the point of sale of the biological asset is included in the income statement in the period in which it arises. At the reporting date, the Group reduces the value of the livestock unit (breeding heifers and calves) to fair value taking into account the best available market indicators.

For breeding cows and bulls, it is not possible to determine fair value either on the market (absence of an active market), or by other alternative methods (last market price, market prices for similar assets, best comparable measurement sector), or by DFC method (unrealistic DFC) so to the best possible approximation of the fair value of the cost of acquisition is allocated over the lifetime (for cows 10 years, for bulls 6 years).

The livestock unit consists of cattle that are initially recorded at cost for external procurement, and for the livestock unit from own production for further breeding at fair value. When the livestock unit is no longer in function, it is given for forced slaughter, i.e. it is sold at fair value. The increase in the livestock unit is calculated and recorded on a monthly basis and calculated as the difference in the value of livestock at the end and beginning of the accounting period, based on changes in pieces and kilograms of livestock during the period. The increase in the livestock unit is recorded as an increase in the value of the livestock unit, and in favour of the income from the increase in the Statement of comprehensive income.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Perennial plantations

Perennial crops are fruit-bearing plants used in production and which are expected to bear fruit for more than one accounting period and which are unlikely to be sold as an agricultural product. The initial cost of such assets is stated in the same way as assets that the Group only builds on property, plant and equipment and before being restored into the condition and position necessary for the work intended for that asset. After initial recognition, perennial crops are measured at cost and depreciation is recorded as an expense of the period and is calculated on a straight-line basis over the expected useful life of the asset over a period of 25 to 35 years. Harvesting fruits are valued at fair value less estimated selling expenses at the time of harvest.

Intangible assets

Non-current intangible assets include software, licenses, technical documentation expenses and intangible assets in preparation, and are stated at cost less accumulated amortization. Intangible assets are initially recognized at cost. Intangible assets are recognized in the event that future economic benefits attributable to the asset will enter the Group and the cost of the asset can be measured reliably. Subsequent to initial recognition, intangible assets are stated at cost less accumulated amortization and any accumulated impairment losses. There are no intangible assets for which an indefinite useful life is estimated. Intangible assets are amortized on a straight-line basis over their estimated useful lives of 4 to 10 years.

Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (excluding inventories and deferred taxes) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated so that any impairment loss can be determined. If the recoverable amount of an asset cannot be estimated, the Group estimates the recoverable amount of the “cash-generating unit” (“CGU”) to which the asset belongs. If it is possible to determine a realistic and consistent basis for allocation, the assets of companies are also allocated to individual cash-generating units or, if this is not possible, to the smallest group of cash-generating units for which a realistic and consistent allocation basis can be determined.

The recoverable amount is the higher of an asset’s fair value less sales costs and its value in use. For the purposes of assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of non-financial assets (continued)

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of that asset (CGU) is reduced to its recoverable amount. Impairment losses are recognized immediately as an expense. Upon subsequent reversal of an impairment loss, the carrying amount of the asset (CGU) is increased to the revised estimated recoverable amount of the asset so that the increased carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized in previous years. A reversal of an impairment loss is recognized immediately in profit or loss.

Inventories

Inventories are stated at the lower of cost and net realizable value. Based on the provisions of the relevant inventory valuation standard, the following are included:

- the cost of purchasing inventories of merchandise includes the purchase price, import duties and other costs directly attributable to the purchase. Inventories of merchandise are intended for sale and are stated at cost. The value of inventories is measured using the weighted average price method.
- for inventories of finished goods and work in progress, the cost includes direct material and, if applicable, direct labour costs and all overhead/indirect costs associated with bringing the inventories to their current location and condition. Cost is determined using the weighted average cost method.
- inventory stocks include tools, plant and office inventory and similar assets that are expected to be used within one year and assets that are not considered fixed assets.
- consumption or putting into use of stocks of small inventory and car tires as well as spare parts is included in costs by the method of the one-time write-off.
- the Group assesses the value of non-current inventories as well as old inventories. The value of non-current and old inventories is reduced and adjusted to fair value.

Fish, yearling store cattle, oilseeds and cereals that are the subject of cultivation are classified as current biological assets. At initial recognition and at the end of each reporting period, biological assets should be measured at fair value less sale costs, unless fair value cannot be measured reliably. The fair value determined is compared with the cost of production and the difference represents the gain or loss from estimating the fair value of the biological asset.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and cash equivalents

Cash and cash equivalents presented in the statement of cash flows include cash and balances with banks.

Financial assets

Recognition and initial measurement

Trade receivables are initially recognized when incurred. All other financial assets are initially recognized when the Group becomes a party to the contractual provisions of the financial instrument. Financial assets (unless they are trade receivables without a significant financial component) are initially measured at fair value plus, if not an instrument stated at FVTPL, transaction costs that are directly attributable to the acquisition or issue of the instrument in question. Trade receivables without a significant financing component are initially measured at the transaction price.

Classification and subsequent measurement of assets

After initial recognition, financial assets are classified as assets at amortized cost, assets at fair value through other comprehensive income (FVOCI) and assets at fair value through profit or loss (FVTPL), depending on the business model and characteristics of the contracted cash flows of financial assets. Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case the financial assets are reclassified from the first day of the first reporting period following the change in the business model.

Financial assets at amortized cost

Financial assets are measured at amortized cost if they meet both of the following conditions and if they are not measured at fair value through profit or loss (FVTPL):

- the purpose of the business model is to hold assets to collect contractual cash flows; and
- the contractual terms of a financial asset presuppose cash flows that are solely the repayment of principal and interest (SPPI) on certain dates.

Financial assets at fair value through other comprehensive income

A debt instrument is measured at fair value through other comprehensive income if it meets both of the following conditions and if it is not measured at fair value through profit or loss (FVTPL):

- the purpose of the business model is to hold assets in order to collect contractual cash flows and sell financial assets; and
- the contractual terms of a financial asset presuppose cash flows that are solely the repayment of principal and interest (SPPI) on certain dates.

Upon initial recognition of an investment in an equity instrument that is not held for trading, the Group may irrevocably choose to disclose subsequent changes in fair value through other comprehensive income. This choice is made on the basis of individual investment.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

Financial assets at fair value through profit or loss

All other financial assets are classified as financial assets at fair value through profit or loss. In addition, upon initial recognition, the Group may irrevocably measure financial assets at fair value through profit or loss, although it meets the requirements for measurement at amortized cost or at fair value through other comprehensive income, if this eliminates or significantly reduces accounting inconsistencies.

Impairment of financial assets

The Group recognizes provisions for expected credit losses for loans and deposits measured at amortized cost and for trade receivables. The amount of expected credit losses is calculated at each reporting date to reflect changes in credit risk since the initial recognition of an individual financial instrument. The Group always recognizes lifelong expected credit losses (ECL) for trade receivables based on the simplified approach. Expected credit losses on these financial assets are estimated based on the arrears matrix created based on the Group's historical experience with credit losses, consistent with debtors' specific factors.

However, if the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss for that financial instrument at an amount equal to the 12-month ECL. The lifelong ECL represents the expected credit losses that will result from all possible defaults during the expected life of the financial instrument.

In contrast, the 12-month ECL is part of the lifelong ECL due to the likelihood of default in the next 12 months after the reporting date.

(i) Significant increase in credit risk

In assessing whether credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of default at the reporting date with the risk of default at the date of initial recognition. In making this assessment, the Group also considers quantitative and qualitative information that is reasonable and available, including historical experience and that is available without undue expense or commitment. In particular, the Group relies on default days when assessing significant credit risk deterioration.

Notwithstanding the above, it is assumed that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is found to have low credit risk at the reporting date.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

A financial instrument is found to have low credit risk if:

- The financial instrument has a low risk of default,
- The debtor has a strong ability to meet its contractual obligations in a short period of time, and
- Adverse changes in economic and business conditions, in the long run, may, but do not necessarily, reduce the borrower's ability to meet its contractual cash flow obligations.

However, the Group does not currently use low credit risk simplification when assessing significant increases in credit risk. The Group regularly monitors the effectiveness of the criteria used to determine whether there has been a significant increase in credit risk and reviews them to ensure that the criteria can identify a significant increase in credit risk before delays in payments.

(ii) Definition of default status

The following facts that constitute default for internal credit risk management purposes, and are considered by the Group to be historical experience showing that financial assets that meet any of the following criteria are generally not recoverable:

- when the debtor has breached financial clauses; or
- internally developed data or data obtained from external sources indicate that the borrower is unlikely to repay its creditors, including the Group, in full (excluding any collateral held by the Group).

Notwithstanding the above analysis, the Group considers that there was a default when the financial assets matured for more than 30 days and no liabilities were paid; unless the Group has reasonable and substantiated information to demonstrate a more appropriate delay criterion.

(iii) Impaired Financial Assets

Financial assets are impaired when one or more events have occurred that have an adverse effect on the estimated future cash flows of that financial asset. Evidence that the financial asset is impaired includes available information on the following events:

- significant financial difficulties of the issuer or debtor;
- breach of contract, such as failure to fulfil an obligation (defined above);
- when the issuer, due to the debtor's financial difficulties, grants to the debtor the same concession that he would not otherwise have taken into account;
- it becomes probable that the debtor will go bankrupt or undertake other financial reorganization
- the disappearance of an active market for certain financial assets due to financial difficulties

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

(iv) Write-off Policy

The Group writes off financial assets when there are indications that the debtor is in serious financial difficulties and there is no realistic prospect of recovery, e.g. when the debtor is liquidated or in bankruptcy proceedings or in the case of receivables from customers, when the amounts are due over three years, whichever comes first. Derecognised financial assets may still be subject to the Group's collection activities, taking into account legal advice where appropriate. Income from the collection of previously written off financial assets is recognized in the statement of profit or loss.

(v) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default (PD), loss given default (LGD), i.e. the amount of loss if a default occurs and exposure at the moment of occurrence of the status of default (Exposure at Default, EAD). The assessment of the probability of default and loss given default is based on historical data and the information provided in the previous paragraphs. As for the exposure at default, for financial assets, it represents the gross carrying amount of the asset at the reporting date.

To assess PD and LGD parameters, the Group relies on publications of external investment rating agencies. For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows maturing under the contract and all expected cash flows, discounted at the original effective interest rate. If the Group measured the provision for expected credit losses for a financial instrument in the amount of the lifelong ECL in the previous reporting period, but at the current reporting date determines that the conditions for the lifelong ECL are no longer met, the Group measures the loss in the amount of 12 months – at the current reporting date, except for assets for which simplified access has been used (trade receivables).

The Group always presents provisions for losses on trade receivables in the amount equal to lifelong expected credit losses (ECL). Expected credit losses are estimates of the weighted probabilities of credit losses. Credit losses are measured as the present value of all cash losses (the difference between the cash flows to which the Group is entitled under the contract and the cash flows that the Group expects to actually receive). Expected credit losses are discounted at the effective interest rate of the financial assets in question. Expected credit losses on trade receivables are estimated based on the arrears matrix, taking into account the historical experience of the default of the debtor, and the analysis of the current financial position of the debtor.

There were no changes in valuation techniques or significant assumptions during the current reporting period.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets (continued)

The Group writes off trade receivables when there are indications that the debtor is in serious financial difficulties and there is no realistic prospect of recovery, e.g. when the debtor has been liquidated or entered into bankruptcy proceedings, or when trade receivables are overdue for more than a year, whichever comes first. None of the written-off receivables is subject to enforcement activities. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, provisions for losses based on maturity status do not differ further between the Group's different customer groups.

The Group recognizes a gain or loss in the statement of comprehensive income for all financial instruments with an appropriate adjustment to the carrying amount through the provision for expected credit losses.

Derecognition of financial assets

The Group derecognises a financial asset only when its contractual rights to the cash flows from the financial asset expire or transfers all the risks and rewards incidental to ownership of the financial asset to another person.

If the Group does not transfer and retain substantially all the risks and rewards of ownership and continues to control the transferred assets, the Group recognizes its retained interest in the assets and the related liability for the amounts it may have to pay. If the Group retains all material risks and rewards of ownership of the transferred financial assets, the Group continues to recognize the financial assets and also recognizes the collateral received.

In the event of derecognition of a financial asset measured at amortized cost, the difference between the carrying amount and the amount of the consideration received and receivable is recognized in the statement of profit or loss. Furthermore, upon derecognition of an investment in a debt instrument measured under the FVOCI, the cumulative gain or loss previously accumulated in the investment revaluation reserve is reclassified to profit or loss, except for equity instruments for which the FVOCI option is selected.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments

All financial liabilities are subsequently measured at amortized cost using the effective interest method or at fair value through profit or loss.

The Group measures all financial liabilities at amortized cost.

However, financial liabilities that arise when the transfer of financial assets does not qualify for derecognition or when the continuing participation approach is applied, and for financial guarantee contracts issued by the Group, are subsequently measured in accordance with the specific accounting policies set out below.

Financial liabilities subsequently measured at amortized cost.

Financial liabilities that are not (i) contingent consideration for the acquirer in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss, are subsequently measured at amortized cost using the effective interest rate method.

The effective interest rate method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Effective interest rate is the rate that exactly discounts estimated future cash payments (including any fees and points paid or received that form part of the effective interest rate, transaction costs and other premiums or discounts) over the expected life of the financial liability or (if applicable) a shorter period, at the amortized cost of the financial liability.

Classification as a financial liability or equity

Debt or equity instruments are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangement.

Equity instruments

An equity instrument is a contract that provides evidence of the residual interest in an entity's assets after deducting all of its liabilities. Equity instruments issued by the Group are recorded in the amount of realized income, less direct issuance costs.

Financial liabilities

Other financial liabilities, including borrowings and loans, are initially measured at fair value less transaction costs. Other financial liabilities are subsequently measured at amortized cost using the effective interest method, with interest expense recognized on an effective yield basis. The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. Effective interest rate is the rate at which estimated future cash outflows are discounted over the expected life of the financial liability or a shorter period, if applicable.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial liabilities and equity instruments (continued)

Derecognition of financial liabilities

The Group derecognises a financial liability when, and only when, the Group's liabilities are discharged, cancelled or expire.

Employee benefits

Liabilities for pensions and other liabilities after retirement

In the course of regular operations, the Company makes regular payments of contributions on behalf of its employees who are members of mandatory pension funds in accordance with the law. Mandatory pension contributions to funds are reported as part of the cost of salaries when they are calculated. The Company has no obligation to provide any other employee benefits after their retirement.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) that arises from past events, it is probable that an outflow of economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably. Provisions are reviewed at each statement of financial position date and are adjusted for an estimate based on current knowledge.

Where the effect of the time value of money is material, the amount of a provision is the present value of the expenditures expected to be required to settle the obligation. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Provisions for termination benefits are recognised when the Group is demonstrably committed to terminating the employment of current employees. This is the case when the Group has a detailed formal plan for the termination and there is no realistic possibility of withdrawal.

Contingent liabilities

Contingent liabilities are not recognized in the financial statements. They are published only if the possibility of outflow of resources that constitute economic benefits is not far off. Contingent assets are not recognized in the financial statements but are disclosed when the inflow of economic benefits is probable.

Events after the reporting date

Events after the reporting date that provide additional information about the Group's position at the reporting date (events that have the effect of reconciliation) are reflected in the financial statements. Those events that do not result in reconciliation are disclosed in the notes to the financial statements if they are material.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Initial application of new amendments to the existing standards and interpretations effective for the current financial period

The following amendments to existing standards issued by the International Accounting Standards Board ("IASB") and adopted by the European Union are effective for the period beginning on or after 1 January 2025:

- The Effects of Changes in Foreign Exchange Rates: Non-Conversion (Amendment to IAS 21 "The Effects of Changes in Foreign Exchange Rates")

The adoption of the above amendment to the existing standard did not result in any significant changes to the financial statements of the Company/Group.

The following illustrative examples were issued during 2025 without an effective date:

- Illustrative Examples on Reporting Uncertainties in Financial Statements

On 28 November 2025, the International Accounting Standards Board (IASB) issued the Disclosures on Uncertainties in Financial Statements – Illustrative Examples, which amended several IFRS accounting standards to include illustrative examples that demonstrate how entities can apply IFRS accounting standards when reporting the effects of uncertainty in their financial statements. The illustrative examples are supporting materials to IFRS accounting standards and do not have an effective date. The IASB issued a near-final version of the illustrative examples in July 2025.

The Company and the Group have taken these illustrative examples into account in preparing their nonconsolidated and consolidated financial statements and no additional disclosures or changes in presentation were required.

Standards, amendments to existing standards and interpretations issued by the IASB and adopted in the European Union, but not yet effective

The following amendments are effective for annual reporting periods beginning on or after 1 January 2026:

- Amendments to Classification and Measurement of Financial Instruments (Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures"))
- Contracts relating to electricity dependent on nature (Amendments to IFRS 9 "Financial Instruments" and IFRS 7 "Financial Instruments: Disclosures").

The Company and the Group are currently assessing the impact of these new amendments to accounting standards.

New standards and amendments to existing standards issued by the IASB not yet adopted in the European Union

The IFRS currently adopted in the European Union do not differ significantly from the regulations issued by the International Accounting Standards Board (IASB), with the exception of the following new standards and amendments to existing standards, the adoption of which by the European Union has not yet been decided (the effective dates set out below refer to IFRSs issued by the IASB):

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

APPLICATION OF NEW STANDARDS, INTERPRETATIONS AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs) (CONTINUED)

The following standards are effective for the annual reporting period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures.

The Company and Group is currently assessing the effect of these new accounting standards and amendments.

IFRS 18 Presentation and Disclosure in Financial Statements, which was issued by the IASB in April 2024 supersedes IAS 1 and will result in major consequential amendments to IFRS Accounting Standards including IAS 8 Basis of Preparation of Financial Statements (renamed from Accounting Policies, Changes in Accounting Estimates and Errors). Even though IFRS 18 will not have any effect on the recognition and measurement of items in the nonconsolidated and consolidated financial statements, it is expected to have a significant effect on the presentation and disclosure of certain items. These changes include categorisation and sub-totals in the statement of profit or loss, aggregation/disaggregation and labelling of information, and disclosure of management-defined performance measures.

The Company and the Group does not expect to be eligible to apply IFRS 19.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting judgments and estimates

In applying the Group's accounting policies described above, the Management Board should make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not apparent from other sources. Estimates and associated assumptions are based on historical experience and other relevant factors. Actual results may differ from estimates. The estimates and assumptions on which the estimates are based are reviewed on an ongoing basis. Changes in accounting estimates are recognized in the revision period of the estimate if the change affects only that period or in the revision period of the estimate and in future periods if the change affects both current and future periods. The following is a description of the key judgments of the Management Board, in the process of applying the Group's accounting policies, which most significantly affected the amounts recognized in the financial statements.

(a) The useful life of property, plant and equipment and intangible assets

As described in the accounting policies, the Group reviews the estimated useful lives of property, plant and equipment and intangible assets at each reporting date. Property, plant and equipment and intangible assets are stated at cost less accumulated depreciation and impairment losses.

(b) Recoverability of trade and other receivables

For credit exposures for which there has been no significant increase in credit risk since initial recognition, expected credit losses are recognized for credit losses arising from the probability of default in the next 12 months. For those credit exposures where there has been a significant increase in credit risk since initial recognition, an adjustment is required for expected credit losses over a lifetime, regardless of the time of borrowing. For trade receivables, the Group applies a simplified approach to the calculation of expected credit losses and therefore does not monitor changes in credit risk but recognizes impairment based on lifelong expected credit loss at the end of each reporting period.

Expected credit losses on trade receivables are estimated based on the arrears matrix, taking into account the historical experience of the default of the debtor and the analysis of the current financial position of the debtor.

In assessing expected credit losses, the Group considers reasonable and corroborating information that is relevant and available. This includes quantitative and qualitative information and analysis, based on the Group's historical experience and informed creditworthiness assessment, including information relating to the future. Impairment of receivables at risk in terms of collection certainty is charged to the income statement for the current year.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting judgments and estimates (continued)

(c) Taxes

The Company calculates its tax liability in accordance with Croatian laws and regulations. The tax expense calculated on the result for the year consists of current tax and deferred tax. Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

The amount of deferred tax is calculated using the balance sheet liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, deferred tax is not recognized if it arises from the initial recognition of assets or liabilities in a transaction other than a business combination that does not affect accounting profit or taxable profit (tax loss) at the time of the transaction.

(d) Consequences of certain litigation

Management uses estimates of the probable outcome of legal proceedings and recognizes, on a consistent basis, provisions for the Group's liabilities arising from those proceedings.

4. SEGMENT INFORMATION

The Group's business model consists of the following operating segments: arable farming, fruit growing, animal husbandry, fish farming, viticulture, silos, feed mills (FM), cooperation and other segments.

The following is an analysis of revenue by operating segment. The revenues shown consist of sales revenues and state subsidies.

Business overview by operating segments in 2024 and 2025

	2025		2024	
Operating segment	*Amount*	*%*	*Amount*	*%*
Crop farming	36,825	42.1%	37,952	47.2%
Fish farming	12,305	14.1%	11,521	14.3%
Livestock farming	10,977	12.5%	11,231	14.0%
Fruit growing	5,211	6.0%	2,478	3.1%
Animal feed factory	5,209	6.0%	2,666	3.3%
Cooperation	4,096	4.7%	3,741	4.7%
Viticulture	2,621	3.0%	2,272	2.8%
Silo	1,048	1.2%	1,165	1.4%
Other segments	9,185	10.4%	7,405	9.2%
Total	**87,477**	**100.0%**	**80,431**	**100.0%**

Geographical overview of operating income in 2024 and 2025

	2025		2024	
Country	*Amount*	*%*	*Amount*	*%*
Croatia	49,348	56.4%	48,917	60.8%
Italy	13,550	15.4%	9,620	12.0%
Bosnia and Herzegovina	9,779	11.2%	6,490	8.1%
Serbia	6,498	7.4%	4,486	5.5%
Hungary	4,098	4.7%	4,798	6.0%
Slovenia	717	0.8%	321	0.4%
Bulgaria	691	0.8%	707	0.9%
Romania	583	0.7%	851	1.0%
Germany	580	0.7%	713	0.9%
Slovakia	425	0.5%	1,147	1.4%
Other countries	1,208	1.4%	2,381	3.0%
Total	**87,477**	**100.0%**	**80,431**	**100.0%**

5. SALES INCOME

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Revenues from sales of finished products	43,354	38,959	-	-
Revenues from wholesale of goods	24,653	19,058	-	-
Revenues from sales of services	2,955	2,186	1,455	1,089
Revenues from sales of raw materials	48	3,011	-	-
Other	183	1,116	-	-
Total	**71,193**	**64,330**	**1,455**	**1,089**

Revenues from sales of finished products and wholesale of goods mainly relate to revenues from sales of wine, fish, hazelnuts, cereals, oilseeds and animal feed. In the current year, the company generated income from intermediation.

6. OTHER OPERATING INCOME

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Income from incentives and subsidies	12,036	12,950	-	-
Income from insurance claims collection	983	603	-	6
Livestock unit growth	507	588	-	-
Inventory surpluses of raw materials and supplies	454	121	-	-
Inventory surpluses of finished goods	421	97	-	-
Profit from sale of fixed assets	256	429	-	-
Revenues from pre-invoiced costs	82	151	1	-
Income from release of provisions	8	-	-	-
Other	1,537	1,162	16	11
Total	**16,284**	**16,101**	**17**	**17**

Companies within the Group receive grants related to agricultural production for which they must meet the requirements in accordance with the Law on Agriculture.

7. COST OF GOODS SOLD

	GROUP		COMPANY	
	2025	2024	2025	2024
The purchase value of the goods sold	17,624	18,965	-	-
Abatement, dispersal, breakdown and malfunction of merchandise	146	52	-	-
Total	**17,770**	**19,017**	**-**	**-**

8. COST OF RAW MATERIALS

	GROUP		COMPANY	
	2025	2024	2025	2024
Costs of raw materials and supplies	18,548	18,636	-	-
Basic, auxiliary material and office supplies	3,594	5,339	4	4
Energy and fuel costs for trucks and cars	2,684	3,155	35	29
Losses due to shrinkage, spoilage, damage and breakage of raw materials, supplies and finished goods	57	55	-	-
Inventory shortages of finished goods	12	-	-	-
Total	**24,895**	**27,185**	**39**	**33**

9. OTHER EXTERNAL EXPENSES

	GROUP		COMPANY	
	2025	2024	2025	2024
Costs of services related to agricultural production	2,175	2,551	-	-
Transportation costs and postal services	1,788	2,044	10	7
Costs of the Backoffice and bookkeeping services	1,305	970	-	-
Work contracts	1,118	1,211	47	43
Routine maintenance services	579	585	21	63
Advertising services, sponsorships and fair costs	459	194	13	2
Lease of business premises, equipment, vehicles, etc.	445	475	114	87
Intellectual services	414	469	86	63
Utility fees and economic management	326	352	-	-
Representation	279	258	37	18
IT solutions and business process development services	251	118	-	-
Other	441	601	6	35
Total	**9,580**	**9,828**	**334**	**318**

Services related to agricultural production refer to the costs of services such as ploughing, spraying, sowing, veterinary services, and similar activities. Rental services for business premises, equipment, and vehicles relate to lease agreements that are renewed on an annual basis.

10. EMPLOYEE EXPENSES

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Net salaries	8,379	7,404	543	380
Taxes, surtaxes and contributions from salaries	2,752	2,382	257	179
Contributions to salaries	1,896	1,594	122	79
Total	**13,027**	**11,380**	**922**	**638**

As of December 31, 2025, the Group had 676 employees (December 31, 2024: 654 employees), and the Company had 17 employees (December 31, 2024: 18). During 2025, the Group had an average of 645 employees (2024: 623 employees), while the Company had an average of 19 employees (2024: 16 employees).

11. DEPRECIATION AND AMORTIZATON

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Depreciation of property, plant and equipment	4,854	5,538	16	8
Depreciation of right-of-use assets	2,587	2,489	-	-
Amortization of intangible assets	1,092	1,040	-	-
Total	**8,533**	**9,067**	**16**	**8**

12. OTHER EXPENSES

	GROUP		COMPANY	
	2025	**2024**	**2025**	**2024**
Insurance premiums for equipment, means of transport and inventories	1,192	1,109	11	9
Christmas bonus, gifts for children, special prizes	1,089	897	55	33
Other employee costs	511	31	-	-
Transportation costs to and from work	389	473	10	7
Direct write-offs of receivables from customers	108	315	-	-
Contribution for forests and other contributions and membership fees	92	64	2	-
Payment and banking costs	89	92	12	12
Per diems and other expenses on business trips	78	80	16	6
License fees	77	46	-	-
Costs of professional development of workers and costs of professional literature	48	67	4	7
Administrative fees and court costs	34	47	-	-
Donations	33	29	-	-
Membership fees, allowances and similar benefits	26	29	1	-
Fines	15	277	-	-
Non tax-deductible expenses	3	7	-	-
Other expenses	999	667	2	-
Total	**4,783**	**4,230**	**113**	**74**

13. VALUE ADJUSTMENT

	GROUP		COMPANY	
	2025	2024	2025	2024
Value adjustment of receivables from the state	766	774	-	-
Value adjustment for credit losses	93	75	-	-
Value adjustment of inventories	76	460	-	-
Value adjustment of trade receivables	6	79	-	-
Total	**941**	**1,388**	**-**	**-**

14. PROVISIONS

	GROUP		COMPANY	
	2025	2024	2025	2024
Provisions for severence payments and jubilee awards	-	39	-	-
Provisions for unused annual leave	-	104	-	-
Total	**-**	**143**	**-**	**-**

15. FINANCIAL INCOME

	GROUP		COMPANY	
	2025	2024	2025	2024
Interest income	112	89	648	737
Positive exchange rate differences	1	1	-	-
Dividends/profit share	-	-	400	420
Other financial income	73	-	-	-
Total	**186**	**90**	**1,048**	**1,157**

16. FINANCIAL EXPENSES

	GROUP		COMPANY	
	2025	2024	2025	2024
Interest expense	2,590	1,850	575	654
Negative exchange rate differences	1	1	-	-
Interest expense - IFRS 16	-	963	-	-
Other financial expenses	58	67	85	91
Total	**2,649**	**2,881**	**660**	**745**

17. INCOME TAX

Income tax in the country is calculated at the rate of 18% in 2025 (2024: 18%), which is applied to the estimated taxable profit of the current year. Income tax on foreign affiliates is calculated at the rates in force in the country in which it is domiciled, Bosnia and Herzegovina 10% (2024: 10%). The basis is the profit less the tax loss carried forward and increased and decreased by the amount of certain items. Tax expense includes:

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Current tax	393	533	11	-
Deferred tax assets	(4)	3	-	-
Deferred tax liability	(14)	26	-	-
Income tax	**375**	**562**	**11**	**-**

The following table shows the reconciliation of the tax expense presented in the statement of comprehensive income with the statutory tax rate:

Current tax

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Accounting profit before tax	1,831	9	436	477
Increase in profit / Decrease in loss	979	1,631	23	10
Decrease in loss / Increase in profit	(975)	794	(403)	(424)
Tax-loss for which deferred tax assets are not recognized	-	-	-	-
Tax base	**1,835**	**2,434**	**56**	**63**
Corporate income tax rate	10-18%	10-18%	18%	18%
Calculated current tax	393	533	11	-
Effective corporate income tax rate	21.42%	21.90%	19.64%	0.00%

17. INCOME TAX (CONTINUED)

Unused tax losses

As at 31 December 2025, the Group's tax losses amount to EUR 429 thousand and are available for the reduction of future taxable profits. The Group's tax losses are shown in the following table and stand out as follows:

Year in which tax losses expire:	Group	Company
2025	-	-
2026	-	-
2027	-	-
2028	170	-
2029	259	-
Total	**429**	**-**

Tax losses cannot be transferred and used within group members. The Group did not recognize deferred tax assets on the basis of tax losses carried forward.

Deferred tax assets and liabilities:

The Group has recognized deferred tax assets on temporary differences relating to unrecognized provisions for jubilee awards and severance payments. The movement of deferred tax assets is shown as follows:

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Balance at 1 January	**13**	**16**	**-**	**-**
In favour of profit or loss	4	(3)	-	-
Balance at 31 December	**17**	**13**	**-**	**-**

The Group has recognized a deferred tax liability related to temporary differences arising from the increase in the fair value of property, plant and equipment when acquiring a subsidiary. The movement of deferred tax liability is shown as follows:

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Balance at 1 January	**168**	**142**	**-**	**-**
In favour of profit or loss	(14)	26	-	-
Balance at 31 December	**154**	**168**	**-**	**-**

18. INTANGIBLE ASSETS

GROUP	Software	Development expenditures	Other intangible assets	Intangible assets under construction	Investment in third party assets	Total
PURCHASE VALUE						
As at 1 January 2024	**1,896**	**294**	**6**	**620**	**15,963**	**18,779**
Increases	-	-	-	310	149	459
Reduction of purchase value grants	-	-	-	-	(87)	(87)
Transfers from investment in progress	462	-	-	(610)	208	60
At 31 December 2024	**2,358**	**294**	**6**	**320**	**16,233**	**19,211**
Increases	-	-	-	1,228	-	1,228
Transfer of fixed asset for sale	316	-	-	(460)	137	(7)
Reclasification	-	-	-	-	-	-
Exclusion of a company from consolidation	(4)	-	-	-	-	(4)
Correction	-	(1)	-	-	(25)	(26)
At 31 December 2025	**2,670**	**293**	**6**	**1,088**	**16,345**	**20,402**
VALUE ADJUSTMET						
As at 1 January 2024	**748**	**188**	**4**	**-**	**3,933**	**4,873**
Amortization for the year	493	1	-	-	546	1,040
At 31 December 2024	**1,241**	**189**	**4**	**-**	**4,479**	**5,913**
Amortization for the year	545	1	-	-	546	1,092
Correction	(26)	(1)	-	-	-	(27)
At 31 December 2025	**1,760**	**189**	**4**	**-**	**5,025**	**6,978**
NET CARRYING VALUE						
At 31 December 2025	**910**	**104**	**2**	**1,088**	**11,320**	**13,424**
At 31 December 2024	**1,117**	**105**	**2**	**320**	**11,754**	**13,298**

19. GOODWILL

The movement of goodwill position in 2025 and 2024 is shown below:

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Purchase value				
Balance at the beginning of the year	33	33	-	-
Balance at the end of the year	**33**	**33**	**-**	**-**

The Group estimates the existence of impairment of goodwill at least annually, in accordance with accounting policies. This process requires an assessment of the use value of cash-generating units to which goodwill is allocated. Assessment of value in use requires the Group to make estimates of the future cash flows of cash-generating units and to select an appropriate discount rate to calculate the present value of those cash flows.

The recoverable amount of cash-generating units is determined based on a use value calculation. These calculations use cash flow projections based on financial plans approved by the Group Director and cover a period of five years.

Goodwill has been assigned to the following cash-generating units for impairment testing as follows:

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
MP Energija	20	20	-	-
Agropromet Grahovo	13	13	-	-
Total	**33**	**33**	**-**	**-**

20. PROPERTY, PLANT AND EQUIPMENT

GROUP	Land and buildings	Biological assets and livestock unit	Plant and equipment	Vehicles, office equipment	Assets under construction	Advances given for tangible assets	Total
PURCHASE VALUE							
As at 1 January 2024	**71,839**	**8,474**	**45,666**	**1,305**	**4,124**	**214**	**131,622**
Increases	295	-	(9)	-	7,202	308	7,796
Transfers from construction in progress	1,803	630	4,662	73	(7,393)	-	(225)
Reclassification	-	-	(1,408)	-	-	-	(1,408)
Livestock unit growth	-	588	-	-	-	-	588
Reduction of purchase value grants	(11)	-	(469)	-	-	-	(480)
Transfer of biological assets	-	(10)	-	-	-	-	(10)
Alienation/Reduction	(2,127)	(780)	(943)	(22)	-	(298)	(4,170)
Mortality	-	(60)	-	-	-	-	(60)
At 31 December 2024	**71,799**	**8,842**	**47,499**	**1,356**	**3,933**	**224**	**133,653**
Increases	2	280	-	-	5,923	848	7,053
Transfers from construction in progress	2,364	80	3,196	36	(6,820)	-	(1,144)
Reclassification	-	-	(169)	-	-	-	(169)
Livestock unit growth	-	507	-	-	-	-	507
Reduction of purchase value grants	(29)	-	(1,735)	(79)	-	-	(1,843)
Transfer of fixed asset for sale	-	(282)	-	-	-	-	(282)
Transfer of biological assets	-	(5)	-	-	-	-	(5)
Exclusion of a company from consolidation	(10)	-	-	-	(324)	-	(334)
Alienation/Reduction	(884)	(851)	(2,049)	(70)	-	(857)	(4,711)
Mortality	-	(40)	-	-	-	-	(40)
At 31 December 2025	**73,242**	**8,531**	**46,742**	**1,243**	**2,712**	**215**	**132,685**

20. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

GROUP	Land and buildings	Biological assets and livestock unit	Plant and equipment	Vehicles, office equipment	Assets under construction	Advances given for tangible assets	Total
VALUE ADJUSTMET							
As at 1 January 2024	**39,691**	2,763	27,483	650	-	-	70,587
Amortization for the year	1,495	350	3,570	123	-	-	5,538
Disposals	(1,953)	(104)	(897)	(22)	-	-	(2,976)
Reclassification	-	-	(820)	-	-	-	(820)
Mortality	-	(16)	-	-	-	-	(16)
At 31 December 2024	**39,233**	**2,993**	**29,336**	**751**	**-**	**-**	**72,313**
Amortization for the year	1,116	363	3,261	116	-	-	4,856
Disposals	(47)	(105)	(1,822)	(53)	-	-	(2,027)
At 31 December 2025	**40,302**	**3,251**	**30,775**	**814**	**-**	**-**	**75,142**
NET CARRYING VALUE							
At 31 December 2025	**32,940**	**5,280**	**15,967**	**429**	**2,712**	**215**	**57,543**
At 31 December 2024	**32,566**	**5,849**	**18,163**	**605**	**3,933**	**224**	**61,340**

As of 31 December 2025, the current value of real estate on which the bank's mortgage was registered as loan insurance is EUR 9,300 thousand (31.12.2024 EUR 10,158 thousand). The mortgage on the said property amounts to EUR 30,063 thousand (31.12.2024: EUR 35,554 thousand) , while the amount owed on the said mortgages amounts to EUR 12,612 thousand (EUR 15,713 thousand).

21. RIGHT-OF-USE ASSETS

GROUP	Right-of-use asset
Purchase value	
Balance as at 1 January 2024	**27,384**
Increase	2,852
Transfers from investment in progress	165
Reclassification	1,408
Alienations	(795)
Balance at 31 December 2024	**31,014**
Increase	786
Transfers from investment in progress	1,151
Reclassification	169
Alienations	(366)
Balance at 31 December 2025	**32,754**
Value adjustment	
Balance as at 1 January 2024	**4,945**
Amortization for the year	2,489
Reclassification	820
Alienations	(623)
Balance at 31 December 2024	**7,631**
Amortization for the year	2,587
Reclassification	-
Alienations	(234)
Balance at 31 December 2025	**9,984**
NET CARRYING VALUE	
At 31 December 2024	**23,383**
At 31 December 2025	**22,770**

22. INVESTMENT IN SUBSIDIARIES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Investment in associates	4	5	1	1
Investments in subsidiaries	-	-	77,313	77,313
	4	**5**	**77,314**	**77,314**

The table below lists the subsidiaries and the shares the company has in them:

Name of the subsidiary company	Main activity	Place of establishment and business	Share in ownership and voting rights		COMPANY	
			31 December 2025	31 December 2024	31 December 2025	31 December 2024
PP Orahovica	Agriculture	Orahovica	98%	98%	44,393	44,393
PPK Valpovo	Agriculture	Valpovo	100%	100%	23,099	23,099
PD Modriča	Agriculture	Modriča	100%	100%	3,946	3,946
Poljoprivrednik Derventa	Agriculture	Derventa	100%	100%	3,051	3,051
Poljoprivrednik Odžak	Agriculture	Odžak	100%	100%	988	988
MP Energija B. Grahovo	Agriculture	Grahovo	100%	100%	706	706
Poljoprivrednik Glamoč	Agriculture	Glamoc	100%	100%	583	583
Agropromet B. Grahovo	Agriculture	Grahovo	100%	100%	547	547
					77,313	**77,313**

23. INVENTORIES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Work in progress inventories	14,247	16,425	-	-
Biological assets stock	12,327	14,407	-	-
Finished goods inventories	12,184	11,332	-	-
Inventories of raw materials and supplies	7,541	6,549	-	-
Inventories of merchandise	2,904	2,086	-	-
Advances given for goods	103	63	-	-
Other	293	614	-	-
Total	**49,599**	**51,476**	**-**	**-**

As of 31.12.2025, impairment of inventory is EUR 76 thousand (31.12.2024 EUR 460 thousand).

24. TRADE RECEIVABLES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Trade receivables in the country	6,854	5,260	370	297
Trade receivables from abroad	3,089	3,059	4	1
Impairment of trade receivables and expected credit losses	(575)	(637)	-	-
Total	**9,368**	**7,682**	**374**	**298**

Change in impairment and expected credit losses

	GROUP		COMPANY	
	2025	2024	2025	2024
Balance at 1 January	(637)	(723)	-	-
Increase	(207)	(154)	-	-
Cancellation	269	240	-	-
Balance at 31 December	**(575)**	**(637)**	**-**	**-**

24. TRADE RECEIVABLES (CONTINUED)

Age analysis of trade receivables for which no impairment has been determined:

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Not due	4,038	4,471	-	181
up to 60 days	2,080	1,265	-	90
61 - 90 days	447	1,491	-	25
91 - 120 days	280	35	-	-
121 - 365 days	1,759	365	-	-
366 days onwards	764	55	-	2
Total	**9,368**	**7,682**	**-**	**298**

The average number of collection days in the Group in 2025 was 48 days (2024: 44 days)

25. OTHER RECEIVABLES

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Receivables for premiums, bonuses, incentives	9,838	8,549	-	-
Receivables for prepaid income tax advances	727	1,229	2	2
VAT receivables	579	533	-	-
Interest receivables	76	43	391	355
Employees receivables	2	2	-	-
Receivables from share in result	-	477	-	477
Impairment of state receivables	(766)	(995)	-	-
Other receivables	824	661	1	-
Total	**11,280**	**10,499**	**394**	**834**

26. LOANS AND DEPOSITS GIVEN

Long-term loans and deposits

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Deposits given	68	-	-	-
Commodity loans granted to unrelated companies	33	20	-	-
Long-term loans granted to individuals	-	2	-	-
Long-term loans granted to related companies	-	-	13,538	15,794
Total	**101**	**22**	**13,538**	**15,794**

Short-term loans and deposits

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Short-term loans granted to unrelated companies	1,102	922	-	-
Short-term loans granted to individuals	213	72	-	-
Short-term deposits granted to unrelated companies	10	10	-	-
Short-term loans granted to related companies	-	560	2,256	2,256
Total	**1,325**	**1,564**	**2,256**	**2,256**

	Original currency	Loan amount	Maturity	31 December 2025	31 December 2024
Long-term loans					
Lender: Agroinvest Group - Company					
Borrowers:					
PP Orahovica d.o.o.	EUR	13,272	12.7.2029	9,291	10,618
PPK Valpovo d.o.o.	EUR	9,291	12.7.2029	6,503	7,432
Total				**15,794**	**18,050**
Current portion of long-term liabilities:				**2,256**	**2,256**
Total long term				**13,538**	**15,794**

27. RECEIVABLES FOR ADVANCE PAYMENTS

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Receivables for advance payments for services	487	514	-	-
Total	**487**	**514**	**-**	**-**

28. CASH AND CASH EQUIVALENTS

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Bank account	3,377	5,878	6	56
Cash on hand	11	13	-	-
Foreign currency account	3	3	-	-
Total	**3,391**	**5,894**	**6**	**56**

29. NON-CONTROLLING INTEREST

	PP Orahovica	EKO Bosanska Posavina	Total
Balance as at 1 January 2024	**1,223**	**15,621**	**16,844**
Profit for the year	20	232	252
Other equity movements	-	(690)	(690)
Other comprehensive loss	-	13	13
Total comprehensive income	20	(445)	(425)
Balance at 31 December 2024	**1,243**	**15,176**	**16,419**
Balance at 1 January 2025	**1,243**	**15,176**	**16,419**
Profit for the year	1	182	183
Other equity movements	-	-	-
Other comprehensive loss	-	-	-
Total comprehensive income	1	182	183
Balance at 31 December 2025	**1,244**	**15,358**	**16,602**

30. LONG-TERM LIABILITIES TO BANKS AND FINANCIAL INSTITUTIONS

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Total liabilities on loans from financial institutions	10,775	13,777	-	-
Less: current portion of loan liabilities from financial institutions	(2,988)	(4,478)	-	-
Total long-term liabilities on loans from financial institutions	**7,787**	**9,299**	**-**	**-**

Long-term liabilities to banks and financial institutions

Financial institution	**Original currency**	**Loan amount**	**Maturity**	**31 December 2025**	**31 December 2024**
Unicredit banka d.d.	BAM	550	2.10.2028	245	440
NLB Razvojna banka	BAM	2,600	19.6.2030	927	-
BBI Banka	BAM	1,977	30.6.2029	218	303
Addiko banka	EUR	6,697	30.9.2026	432	1,228
Kentbank d.d.	EUR	491	31.12.2025	-	920
Podravska Banka d.d.	EUR	1,909	1.1.2028	570	879
IntesaSaoPaolo d.d.	BAM	500	14.2.2027	151	-
HBOR	HRK	34,000	30.6.2030	1,250	1,545
ProCredit Bank d.d.	BAM	2,557	5.8.2028	985	1,382
Zagrebačka banka d.d.	EUR	14,200	31.12.2028	3,896	5,313
Hrvatska poštanska banka d.d.	EUR	1,957	31.12.2030	2,101	1,459
Total				**10,775**	**13,470**

Long-term loan:

	Original currency	**Loan amount**	**Maturity**	**31 December 2025**	**31 December 2024**
M SAN Nekretnine d.o.o.	EUR	358	30.9.2025	-	307
Total				**-**	**307**
Grand total				**10,775**	**13,777**
Less: the current portion of long-term loans				(2,988)	(4,478)
Long-term portion of long-term loans				**7,787**	**9,299**

31. LIABILITIES TO BANKS AND OTHER FINANCIAL INSTITUTIONS

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Liabilities for framework loans from banks	2,505	5,385	-	-
Liabilities for short-term bank loans	2,015	2,309	-	-
Other short-term loans	307	-	-	-
Total loan liabilities	**4,827**	**7,694**	**-**	**-**
Current portion of long-term loan liabilities	2,988	4,478	-	-
Total	**7,815**	**12,172**	**-**	**-**

Overview of short-term bank loans:

Financial institution	Original currency	Loan amount	Maturity	31 December 2025	31 December 2024
Unicredit banka d.d.	BAM	650	24.5.2026	331	309
HPB d.d.	EUR	1,991	15.7.2026	195	-
NLB Razvojna banka	BAM	4,150	18.3.2026	1,489	-
Slatinska banka	EUR	2,000	24.5.2025	-	2,000
Total				**2,015**	**2,309**

Overview of framework loans:

Financial institution	Original currency	Loan amount	Maturity	31 December 2025	31 December 2024
NLB Razvojna banka	BAM	4,150	18.3.2026	562	3,189
BBI Banka	BAM	1,900	1.7.2026	971	971
Intesa Sanpaolo Banka d.d.	BAM	500	15.11.2025	-	255
HPB d.d.	EUR	1,991	15.7.2026	-	766
ProCredit Bank d.d.	BAM	1,885	2.4.2026	205	204
Unicredit banka d.d.	BAM	1,500	24.5.2026	767	-
Total				**2,505**	**5,385**

Short-term loan:

	Original currency	Loan amount	Maturity	31 December 2025	31 December 2024
M SAN Nekretnine d.o.o.	EUR	358	30.9.2025	307	-
Total				**307**	**-**
Total short-term loans				**4,827**	**7,694**
More: the current part of liabilities for loans from financial institutions				2,988	4,478
Total short-term part of long-term loans and short-term loans				**7,815**	**12,172**

32. OBLIGATIONS ON ISSUED BONDS

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Long-term liabilities for issued bonds	13,538	15,794	13,538	15,794
The current part of the long-term liability for issued bonds	2,256	2,256	2,256	2,256
Total liabilities on issued bonds	**15,794**	**18,050**	**15,794**	**18,050**

33. LEASE LIABILITIES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Long-term portion of the lease liability	21,412	22,062	-	-
Current portion of the lease liability	2,729	3,019	-	-
Total lease liabilities	**24,141**	**25,081**	**-**	**-**

34. TRADE PAYABLES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Liabilities to suppliers of goods	5,503	7,258	-	-
Liabilities to domestic suppliers	1,149	584	215	156
Liabilities to suppliers of property and tangible fixed assets	675	349	-	-
Liabilities to suppliers abroad	252	257	-	-
Liabilities to service providers	30	24	-	-
Total	**7,609**	**8,472**	**215**	**156**

35. LIABILITIES TO EMPLOYEES

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Liabilities for net salaries	704	654	50	39
Other liabilities to employees	94	121	5	6
Total	**798**	**775**	**55**	**45**

36. OTHER CURRENT LIABILITIES

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Liabilities for received advances	5,879	5,203	-	-
VAT liabilities	852	423	26	25
Liabilities under assumed cessions and assignments	694	-	-	-
Factoring liabilities	613	-	-	-
Interest liabilities on loans	402	231	-	-
Corporate income tax liabilities	369	579	9	-
Concessions liabilities	354	264	-	-
Payroll taxes and social security contributions payable	349	311	37	30
Membership fee liabilities	332	368	2	2
Short-term provisions for unused annual leave	276	332	-	-
Current lease interest liabilities	272	287	-	-
Interest liabilities on issued bonds	260	297	260	297
Liabilities under service contracts	83	90	3	2
Other	91	81	8	-
Total	**10,826**	**8,466**	**345**	**356**

37. RELATED PARTY TRANSACTIONS

The table below shows the receivables and liabilities that the Company had with subsidiaries in sales transactions as of December 31 2025 and December 31 2024:

	Receivables		Liabilities	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
PP Orahovica d.o.o.	325	190	73	-
PPK Valpovo d.o.o.	39	94	13	-
Total	**364**	**284**	**86**	**-**

The table below shows the receivables and liabilities that the Company had with associates and companies with a common ultimate owner in sales transactions on December 31 2025 and 2024:

	Receivables		Liabilities	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Pametna energija d.o.o.	5	13	-	-
M San Nekretnine d.o.o.	1	-	11	35
King ICT d.o.o.	-	-	21	20
M San Grupa d.o.o.	-	-	7	6
Ekupi d.o.o.	-	-	6	4
Abysalto d.o.o.	-	-	15	-
K2-18b d.o.o.	-	-	14	-
Ured za podršku d.o.o.	-	-	21	37
Total	**6**	**13**	**95**	**102**

The table below shows the income and expenses that the Company had with subsidiaries in purchase transactions as of December 31 2025 and December 31 2024:

	Income		Expenses	
	2025	2024	2025	2024
PP Orahovica d.o.o.	1,002	711	62	76
PPK Valpovo d.o.o.	446	364	42	42
Total	**1,448**	**1,075**	**104**	**118**

37. RELATED PARTY TRANSACTIONS (CONTINUED)

The table below shows the income and expenses that the Company had with associates and companies with a common ultimate owner in sales transactions on December 31 2025 and 2024:

	Income		Expenses	
	2025	**2024**	**2025**	**2024**
Pametna energija d.o.o.	8	14	-	-
M San Nekretnine d.o.o.	3	-	37	34
M San Grupa d.o.o.	-	-	7	10
King ICT d.o.o.	-	-	-	26
Abysalto d.o.o.	-	-	12	-
K2-18b d.o.o.	-	-	-	14
Ekupi d.o.o.	-	-	6	3
Ured za podršku d.o.o.	-	-	72	38
Total	**11**	**14**	**134**	**111**

The table below shows the receivables and income that the Company had with subsidiaries from credit transactions as of December 31 2025 and 2024:

	Receivables		Income	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
PP Orahovica d.o.o.	9,573	10,879	381	434
PPK Valpovo d.o.o.	6,611	7,432	267	304
Total	**16,184**	**18,311**	**648**	**738**

The table below shows other receivables and other income that the Company had with subsidiaries as of December 31 2025 and 2024:

	Receivables		Income	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
PPK Valpovo d.o.o.	-	-	400	420
Total	**-**	**-**	**400**	**420**

The table below presents transactions with the ultimate owner as of 31 December 2025 and 2024:

	Receivables		Income	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Stipo Matić.	-	477	-	-
Total	**-**	**477**	**-**	**-**

	Liabilities		Dividends paid	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Stipo Matić.	7	-	397	-
Total	**7**	**-**	**397**	**-**

38. FINANCIAL INSTRUMENTS

Capital risk management

The group manages its capital in order to ensure that entities within the group are able to continue their business indefinitely, while at the same time realizing the highest possible return for stakeholders through optimizing the balance between debt and equity capital.

The Group's capital consists of the debt part, which includes received loans and credits minus money in cash and bank account balances (net debt) and equity, which includes share capital, reserves and retained earnings.

Financing ratio

Financing ratio at the end of the reporting period:

	GROUP		COMPANY	
	31 December 2025	**31 December 2024**	**31 December 2025**	**31 December 2024**
Debt	33,367	41,399	15,794	18,050
Cash on hand and balances in bank accounts	3,391	5,894	6	56
NET DEBT (DEBT - CASH)	**29,976**	**35,505**	**15,788**	**17,994**
Equity	92,696	92,123	77,497	77,954
Net debt to equity ratio	**32.34%**	**38.54%**	**20.37%**	**23.08%**

38. FINANCIAL INSTRUMENTS (CONTINUED)

Capital risk management

The Group is exposed to the following risks related to financial instruments
Categories of financial instruments:

	GROUP		COMPANY	
	31 December 2025	31 December 2024	31 December 2025	31 December 2024
Financial assets				
Cash and cash equivalents	3,391	5,894	6	56
Loans and receivables	11,501	10,600	16,560	19,181
Total financial assets	**14,892**	**16,494**	**16,566**	**19,237**
Financial liabilities				
Bank loans and received loans	17,573	23,349	-	-
Corporate bonds	15,794	18,050	15,794	18,050
Lease liabilities	24,141	25,081	-	-
Trade payables and other financial liabilities	17,337	15,781	541	500
Total financial liabilities	**74,845**	**82,261**	**16,335**	**18,550**

As at 31 December 2025, the reported amounts of cash and cash equivalents, short-term borrowings and receivables, short-term loan and other liabilities and other financial instruments correspond to their market value, due to the short-term nature of these assets and liabilities.

Credit risk management

Credit risk refers to the risk that the other party will fail to meet its contractual obligations, which would result in a financial loss to the Group and Company. The Group and Compmany has adopted a policy of dealing exclusively with creditworthy parties and acquiring sufficient collateral to mitigate the risk of financial loss due to non-payment.

Trade receivables are monitored on an ongoing basis to determine their risk and to carry out appropriate procedures. The credit assessment of the Group's and the Company's customers is constantly monitored and the credit exposure is reviewed at least once a year.

38. FINANCIAL INSTRUMENTS (CONTINUED)

Interest rate risk management

Due to the fact that the Company and the Group use loans with fixed and variable interest rates, the Company and the Group are exposed to interest rate risk. Most loans of the Company and the Group are contracted with a fixed interest rate.

Interest rate risk sensitivity analysis
The sensitivity analyses presented below are determined based on the exposure to interest rates at the end of the reporting period by non-derivatives. The sensitivity analysis for floating-rate liabilities was prepared assuming that the outstanding amount of the liability at the end of the reporting period was outstanding throughout the year. Internal interest rate risk reports submitted to key executives use an increase or decrease of 50 basis points and represent management's assessment of realistically possible changes in interest rates. If those interest rates were 50 basis points higher or lower and all other variables were unchanged, there would be changes in the Group's interest expenses as at 31 December 2025 by EUR 56 thousand (31.12.2024: EUR 64 thousand)

The Group's total liabilities under loans at the statement of financial position date amount to EUR 15,602 thousand (31.12.2024: EUR 21,471 thousand).

Liquidity risk management

The ultimate responsibility for credit risk management rests with the Director, who has set a quality framework for liquidity risk management for short, medium and long positions of the group and defined requirements related to liquidity management.

Tabular analysis of liquidity risk and interest rate risk
The following tables analyse the remaining period to the contractual maturity of the Group's outstanding financial liabilities and expected maturity of Group’s financial assets. The tables have been prepared on the at the earliest date on which payment can be requested from the Group.

Disclosure of non-derivative financial assets is necessary to understand how the Group manages liquidity risk, as liquidity is managed based on the net amount of financial assets and financial liabilities**.**

38. FINANCIAL INSTRUMENTS (CONTINUED)

Tabular analysis of liquidity risk and interest rate risk (continued)

GROUP	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
31 December 2025						
Assets						
Interest-free	13,383	-	-	83	-	13,466
Fixed interest rate instruments	-	-	1,325	101	-	1,426
Total	**13,383**	**-**	**1,325**	**184**	**-**	**14,892**
Liabilities						
Interest-free	17,331	-	-	6	-	17,337
Lease liabilities	227	455	2,047	11,780	9,632	24,141
Interest rate instruments	1,944	1,631	8,468	20,726	598	33,367
Total	**19,502**	**2,086**	**10,515**	**32,512**	**10,230**	**74,845**

GROUP	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
31 December 2024						
Assets						
Interest-free	14,907	-	-	94	-	15,001
Fixed interest rate instruments	-	-	1,564	22	-	1,586
Total	**14,907**	**-**	**1,564**	**116**	**-**	**16,587**
Liabilities						
Interest-free	15,781	-	-	-	-	15,781
Lease liabilities	252	503	2,264	18,320	3,742	25,081
Interest rate instruments	2,298	2,342	11,666	24,606	487	41,399
Total	**18,331**	**2,845**	**13,930**	**42,926**	**4,229**	**82,261**

38. FINANCIAL INSTRUMENTS (CONTINUED)

Tabular analysis of liquidity risk and interest rate risk (continued)

COMPANY	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
31 December 2025						
Assets						
Interest-free	772	-	-	-	-	772
Fixed interest rate instruments	1,128	-	1,128	13,538	-	15,794
Total	**1,900**	**-**	**1,128**	**13,538**	**-**	**16,566**
Liabilities						
Interest-free	541	-	-	-	-	541
Interest rate instruments	1,128	-	1,128	13,538	-	15,794
	1,669	**-**	**1,128**	**13,538**	**-**	**16,335**

COMPANY	Up to 1 month	From 1 to 3 months	From 3 months to 1 year	From 1 to 5 years	Over 5 years	Total
31 December 2024						
Assets						
Interest-free	1,188	-	-	-	-	1,188
Fixed interest rate instruments	1,128	-	1,128	15,794	-	18,050
Total	**2,316**	**-**	**1,128**	**15,794**	**-**	**19,238**
Liabilities						
Interest-free	500	-	-	-	-	500
Interest rate instruments	1,128	-	1,128	15,794	-	18,050
	1,628	**-**	**1,128**	**15,794**	**-**	**18,550**

38. FINANCIAL INSTRUMENTS (CONTINUED)

Fair value of financial instruments

Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The Director's view is that the fair value of cash and cash equivalents, bank placements and other receivables does not differ significantly from their carrying amount due to the short-term nature of these financial instruments.

Most interest-bearing loans have a variable interest rate, which is also a market rate, so there is no significant difference between their carrying amount and fair value.

The Company measures fair value using a division that reflects the importance of the inputs used to make the measurement:
Level 1: quoted prices in active markets for assets and liabilities;
Level 2: application of valuation techniques, comparison of the fair value of another instrument that is substantially the same, discounted cash flow techniques or other valuation techniques;
Level 3: application of valuation techniques in which data affecting the determined fair value of financial instruments are not based on visible market data.

Market risk

Market risk is the risk that changes in market prices, exchange rates and interest rates will affect the Company's income, value of investments or financial instruments. The goal of market risk management is to control the exposure to market risk within acceptable values while optimizing results.

39. REMUNERATION TO KEY MEMBERS OF MANAGEMENT

Remuneration to directors and other key members of management throughout the year was as follows:

	GROUP		COMPANY	
	2025	2024	2025	2024
Short-term income - gross	573	443	421	-
Total	**573**	**443**	**421**	**-**

40. LEGAL DISPUTES AND CONTINGENT LIABILITIES

Companies within the Group are included in several court cases as plaintiffs and defendants. Provisions were made in accordance with the assessment of the negative outcome of court disputes by the legal representatives of the companies within the Group. Management estimates that the outcomes of the remaining court cases will not significantly affect the Group's business results, that is, it expects a positive outcome of the court case.

Off-balance sheet records:

As of December 31, 2025 and December 31, 2024 the Group disclosed the following off-balance sheet items considered to be contingent liabilities:.

	GROUP	
	2025	**2024**
Third party goods in our warehouse	3,090	2,668
Field roads	299	299
Total	**3,389**	**2,967**

As of December 31, 2025 the Company didn't have any off-balance sheet items considered to be contingent liabilities.

41. EVENTS AFTER THE REPORTING DATE

There were no other significant events after the balance sheet date that would require reconciliation or disclosure in the consolidated and separate annual financial statements.

42. APPROVAL OF ANNUAL FINANCIAL STATEMENTS

Annual consolidated and separate financial statements were approved by the Management Board on 29 April 2026.

Signed on behalf of the Company and the Group on 29 April 2026:

Ivan Pandurević
President of the Management Board



Iva Brkić
Member of the Management Board



Sustainability Report

2025

Statement of Management Responsibility

In accordance with the Accounting Act (OG 85/2024, 145/2024, 151/2025), Articles 32 and 36, the Management Board is responsible for the preparation of the consolidated Sustainability Report in accordance with the European Sustainability Reporting Standards (ESRS), and for:

- preparing the disclosures in the section "Disclosures in accordance with Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)" of the consolidated Sustainability Report in accordance with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation),
- designing, implementing and maintaining the internal control system that the Management Board determines is necessary to enable the preparation of the consolidated Sustainability Report, free from material misstatement due to fraud or error and selecting and applying appropriate sustainability reporting methods, and
- making appropriate estimates and judgments about individual sustainability disclosures that are reasonable in the circumstances.

The Management Board is also responsible for the design and implementation of the process for identifying information disclosed in the consolidated Sustainability Report in accordance with ESRS and for disclosing this process in the section "ESRS 2 IRO-1 – Description of the process for identifying and assessing significant impacts, risks and opportunities" in the consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and understanding the affected stakeholders
- identifying actual and potential impacts (negative and positive) related to sustainability issues, as well as risks and opportunities that affect or could reasonably be expected to affect the Group's financial position, financial results/financial performance, cash flows, access to financing or cost of capital in the short, medium or long term,
- assessing the materiality of the identified impacts, risks and opportunities related to sustainability issues by selecting and applying appropriate materiality thresholds and
- making assumptions that are reasonable in the circumstances.

The Management Board of Agro Invest Grupa approved the consolidated sustainability report for issue on 29 April 2026.

Ivan Pandurević
President of the Management Board



Iva Brkić
Member of the Management Board



ESRS 2 – GENERAL DISCLOSURES

Index

TOPIC	DESCRIPTION	CHAPTER	PAGE
ESRS 2 – General disclosures			
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IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	General disclosures - Double materiality	141,152, 170, 176,187, 213
IRO-2	Disclosure requirements in ESRS covered by the undertaking's sustainability statement	General disclosures - Double materiality	145, 147, 222

Basis of preparation

ESRS 2, BP-1, BP-2

Agro Invest Grupa publishes its second consecutive Sustainability Report under the Accounting Act (Official Gazette of the Republic of Croatia, Nos. 85/2024, 145/2024, 151/2025) and Capital Markets Act (Official Gazette of the Republic of Croatia, Nos. 65/2018, 17/2020, 83/2021, 151/2022, 85/2024, 126/2025). The Sustainability Report is part of the Management Report and has been prepared in accordance with the Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (European sustainability reporting standards (ESRS)). The Sustainability Report incorporates information pursuant to Article 8 of the Regulation (EU) 2020/852 on establishing a framework to facilitate sustainable investment (the Taxonomy Regulation).

The Sustainability Report has been made on consolidated basis in line with the financial statements of Agro Invest Grupa and includes the reporting period from 1 January to 31 December 2025. The Report includes significant events. The disclosures relate to Agro Invest Grupa d.o.o. za poljoprivrednu proizvodnju, stočarstvo, turizam, ugostiteljstvo, trgovinu i usluge, which owns several companies in the Republic of Croatia and Bosnia and Herzegovina. The companies PP Orahovica d.o.o. and PPK Valpovo d.o.o. are in direct majority ownership of Agro Invest Grupa d.o.o., and these companies are incorporated and have their registered office in the Republic of Croatia. Agro Invest Grupa d.o.o. is also the direct majority owner of the companies Poljoprivrednik d.o.o. Derventa, Poljoprivrednik d.o.o. Odžak, Agropromet Grahovo d.o.o. Bosansko Grahovo, MP Energija d.o.o. Bosansko Grahovo, Poljoprivredno društvo Modriča d.o.o., Poljoprivrednik Glamoč d.o.o. Glamoč and Brod. These companies are incorporated and have a registered office in Bosnia and Herzegovina. Agro Invest Grupa also comprises the companies Eko Bosanska Posavina d.o.o., PPO Stočarstvo d.o.o., Maslina je obrana d.o.o. and Agro Company d.o.o.

Agro Invest Grupa is a relatively young grouping developing and growing fast over the last three years. The Group's focus on business operations, finance, investment and business expansion resulted in some challenges concerning sustainability reporting. These challenges primarily relate to different maturity and governance approaches among its affiliated companies and their specific features and differences of their respective business activities. The initial Sustainability Report for 2024 reflected the Group's developmental phase. Impact assessments focused on the most significant topics arising from business processes, while data collection and consolidation were not yet fully established due to limited capacities and business priorities at that time.

In 2025, Agro Invest Grupa began a systematic upgrade of this approach. A due diligence of the value chains for five key agricultural activities was conducted and the dual materiality assessment was supplemented and methodologically deepened, thus establishing a solid basis for reporting in accordance with ESRS requirements.

Agro Invest Grupa continues to develop its system for the collection, recording and monitoring of sustainability data, particularly in relation to value chains, greenhouse gas emissions and working conditions. The pronounced fragmentation of information sources across different business activities and markets – including the differing regulatory environments in the Republic of Croatia (as a full Member State of the European Union) and Bosnia and Herzegovina (whose legislation is gradually being aligned with the EU acquis) – further complicates data collection and the verification of its reliability.

In 2026, Agro Invest Grupa intends to further operationalise these results through the more detailed development and implementation of the Sustainability Strategy, the boosting of the data collection and monitoring systems (in particular in relation to value chains, GHG emissions and working conditions), the extension of due diligence procedures to particularities of individual markets and sites and the integration of environmental, social and governance factors into business processes and decision-making. The aim is to enable a further development of the business model in line with regulatory framework and stakeholder expectations.

Agro Invest Grupa has not used the possibility to omit information on intellectual property, know-how, experience or innovation results and on disclosing upcoming events. This Sustainability Report includes own operations and production activities and the upstream and downstream value chain activities, wherever possible and to the extent possible. Although financial statements use definitions prescribed by the International Financial Reporting Standards (IFRS), for the purposes of sustainability reporting, the Group uses the definitions for short-, medium- and long-term periods as defined by ESRS.

Changes in reporting and errors from previous reporting periods

ESRS 2, BP-2

Agro Invest Grupa reports in line with the European Sustainability Reporting Standards (ESRS) for the second year in a row. The 2025 Report includes certain enhancements compared to the previous reporting period, in areas where it was possible to expand quantitative information and to provide additional material details relating to qualitative information. The most significant enhancement relates to an in-depth double materiality assessment and the value chain due diligence across all five key activities in 2025, whose results have directly influenced the scope and content of the topical sections of this Report.

Sources of estimation and outcome uncertainty

ESRS 2, BP-2

In the 2025 reporting period, the Group significantly enhanced its data collection methodologies and processes, particularly in relation to greenhouse gas emissions and information resulting from in-depth value chain assessments. As a consequence of these improvements, some of the information disclosed for 2025 was not collected in 2024 in a comparable manner (with the same scope, level of detail and reporting boundaries). In accordance with ESRS 1, paragraph 85, for certain metrics it was not practicable to retrospectively reconstruct comparative information for 2024 in a way that would ensure comparability with 2025 without relying on extensive estimates and assumptions that could undermine the reliability of the disclosures. Therefore, comparative information for those metrics is not presented, and the related tables clearly indicate where data is not available or not complete. The Group will continue, in future reporting periods, to strengthen its data collection and consolidation processes in order to ensure greater availability and comparability of information over time.

In some disclosures of this Report, complete data was not available or could not be collected for all markets. In parts where complete or reliable data is not available, assumptions, approximations or estimates have not been used. Instead, it is clearly stated that data is not available or has not been collected. The problem in collecting and reporting data arises from the large dispersion of information sources, as well as the Group's previous focus on different strategic priorities. Approximations and assumptions were used exclusively in the in-depth recording of value chains, and not in the data presentations.

Indicators and monetary ammounts whose measurement is highly uncertain	Information on the source of measurement uncertainty	Assumptions, approximations and judgements applied in the measurement
ESRS E2-4 – Air, water and soil pollution	Given that not all data related to air, water and soil pollution values are known, the data are presented for the part of the Group in the Republic of Croatia.	No assumptions, approximations and judgements were used, but only known data are stated.
ESRS E3-3 – Water and marine resources Maximum quantities of water abstraction	Given that not all data on water abstraction are known, the data are presented for the part of the Group in the Republic of Croatia.	No assumptions, approximations and judgements were used, but only known data are stated.
ESRS E3-3 – Water and marine resources Water consumption	Given that not all data on water consumption are known, the data are presented for the part of the Group in the Republic of Croatia.	No assumptions, approximations and judgements were used, but only known data are stated.
ESRS E3-3 – Water and marine resources Abstracted and discharged water	Since not all data on abstracted and discharged water are known, the data are presented for the part of the Group in the Republic of Croatia.	No assumptions, approximate values and judgments were used, but only known data are presented.
ESRS E5-4 – Inflow of resources Total mass of products and technical material	Since not all data on the inflow of resources are known, the data are presented for PP Orahovica and PPK Valpovo in the Republic of Croatia.	Due to the difficulty of converting from quantity (pieces) to mass of individual materials used, some of the data is presented in other units of measurement. No assumptions, approximate values and judgments were used, but only known data are presented.
ESRS E5-4 – Waste	Since not all data on waste are known, the data is presented for PP Orahovica and PPK Valpovo in the Republic of Croatia and for Poljoprivrednik Derventa.	No assumptions, approximate values and judgments were used, but only known data are presented.

Changes in compilation and presentation

ESRS 2, BP-2

Indicator	Previously determined values	Redetermined values
ESRS E1-5 Energy consumption by source Fuel consumption from natural gas (MWh)	2023 (reference year) 3,348.95 MWh	2023 (reference year) 3,356.06 MWh
ESRS E1-5 Energy consumption by source Total energy consumption from fossil fuels (sum of rows 1-5) (MWh)	2023 (reference year) 31,208.16 MWh	2023 (reference year) 31,215.27 MWh
ESRS E1-5 Energy consumption by source Energy consumption from renewable sources from own production other than fuel (MWh)	2023 (reference year) 586.08 MWh	2023 (reference year) 617.28 MWh
ESRS E1-5 Energy consumption by source Total energy consumption from renewable sources (sum of rows 8 -10) (MWh)	2023 (reference year) 31,825.44 MWh	2023 (reference year) 31,832.55 MWh
ESRS E1-6 Gross emissions Scope 1, 2 and 3 and total GHG emissions Gross GHG emissions Scope 1 (t CO_2 eq.) Total Scope 1+2 (location-based) gross GHG emissions (t CO_2 eq.) Total Scope 1+2 (market-based) gross GHG emissions (t CO_2 eq.)	2023 (reference year) 28,579.93 t CO_2 eq 29,746.24 t CO_2 eq 31,791.66 t CO_2 eq	2023 (reference year) 28,581.58 t CO_2 eq 29,747.89 t CO_2 eq 31,793.31 t CO_2 eq
ESRS E2-4 Pollutants Soil pollution Strahl dryer (CO_2 t/year)	2024 28.8333 CO_2 t/year	2024 0.0288 CO_2 t/year
Soil pollution Boiler room (CO_2 t/year)	2024 67.2507 CO_2 t/year	2024 0.0672 CO_2 t/year

Use of phase-in provision in accordance with Appendix C of ESRS 1

ESRS 2, BP-2

In accordance with Commission Delegated Regulation (EU) 2025/1416 of 11 July 2025 amending Commission Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards (ESRS) (OJ L, 2025/1416, 10.11.2025), the Group applies the transitional provisions set out in Appendix C to ESRS 1. Consequently, certain information required by ESRS E4, ESRS S2, ESRS S3 and ESRS S4 that has been assessed as material has been omitted. Information relating to ESRS E3 and ESRS S1 is included in the Sustainability Statement, making use of the possibility to defer certain disclosures in accordance with Appendix C to ESRS 1.

Incorporation by reference

ESRS 2, BP-2

Disclosure requirements (datapoints)	Reference, chapter
G1 ESRS 2 GOV-1 § 5a Detailed information on the composition and activities of the Management and Supervisory Board	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
ESRS 2 GOV-1 § 21c/G1 ESRS 2 GOV-1 § 5b Curricula vitae of members of the Management and Supervisory Board	ESRS 2 GOV-1 – The role of the administrative, management and supervisory bodies
ESRS 2 SBM-1 § 40f Significant products and/or services and significant markets and customer groups	ESRS 2 SBM-1 Strategy, business model and value chain
ESRS 2 SBM-1 § 42c Significant products and/or services and significant markets and customer groups	ESRS 2 SBM-1 Strategy, business model and value chain

Managing sustainability matters

The role of the administrative, management and supervisory bodies

ESRS 1, ESRS 2 GOV-1

Agro Invest Grupa operates with a two-tier board structure, i.e. the Supervisory Board and Management Board. In accordance with the Articles of Association and the Companies Act, these two boards, together with the General Assembly, represent three essential Company bodies.

The Management Board is the highest decision-making body regarding the policies and management of environmental, social and governance sustainability matters.

The Supervisory Board has a key role in ensuring the implementation of the ethical conduct policy, alignment with legal norms and responsible decision-making. Its prerogative is to oversee the risk management procedures, with an emphasis on corruption prevention and incorporating sustainability in business processes. The Supervisory Board actively monitors the alignment of the business practices with new regulatory requirements and recommendations on sustainable business. The Supervisory Board appoints and dismisses members of the Management Board.

As the highest corporate body, the General Assembly decides on key business matters, including appointing and dismissing members of the Supervisory Board, approving contracts and financial plans, overseeing business activities and sustainable business development aspects.

Since the beginning of 2025, the Management Board of Agro Invest Grupa has consisted of two members: Ivan Pandurević, President of the Management Board, and Iva Brkić, Member of the Management Board. The representation of women on the Management Board amounts to 50%.

As at 31 December 2025, the Supervisory Board had five members:

Marko Rašić – Chairman of the Supervisory Board of Agro Invest Grupa as of 22 February 2024
Key expertise: Finance

Željko Menalo – Deputy Chairman of the Supervisory Board of Agro Invest Grupa as of 22 February 2024
Key expertise: Business Strategy

Pero Matić – Member of the Supervisory Board of Agro Invest Grupa as of 22 February 2024 Key expertise: Technology and Production

Danijel Lastrić – Member of the Supervisory Board of Agro Invest Grupa as of 22 February 2024
Key expertise: Human Resources

Sanda Vujkov Mustedanagić – Member of the Supervisory Board of Agro Invest Grupa as of 22 February 2024
Key expertise: Legal Affairs

The Supervisory Board's Audit Committee has one independent member. The representation of women on the Supervisory Board is 20%.

Short curricula vitae of the Management Board and Supervisory Board members are stated from page 14 of the Management Report.

Expertise of members of the Management Board of Agro Invest Grupa in business conduct matters

Ivan Pandurević, President of the Management Board

Strategy, Investments, IT and Business Development

Responsible for coordinating and managing the operations of the companies owned by Agro Invest Grupa

Experienced in developing and rolling out investments and integrating technology solutions

In his previous role as Executive Director of Development, Investments and IT in Žito grupa, he gained extensive experience in the digitalisation of business processes and business modernisation.

Iva Brkić, member of the Management Board as of 22 April 2024

Strategic Development and Planning, Financial Analysis, Negotiating and Managing Client Relationships, Team Leadership

Manages the procurement and sales activities and teams of the companies owned by Agro Invest Grupa and the industrial production in the animal feed production segment.

Actively participates in market analysis, aligns business strategies and optimises sales, procurement and production processes, contributing to business stability and financial efficiency.

Provides support in establishing, building and keeping long-term relationships with partners (buyers and suppliers).

During 2025, the Management Board initiated and participated in sustainability topics as an active part of the working group for the development of sustainability strategy and plans. The Management Board participated in several stages of the value chain due diligence process, the assessment of material impacts, risks and opportunities (impact materiality and financial materiality), and the development of the outline of objectives for the purpose of preparing the Sustainability Strategy, which is to be finalised in 2026. The Management Board is responsible and accountable for risk assessment and management. It initiated surveys to examine employee engagement and the working environment, emphasising the social dimension of sustainability. A Working Group was established to compile the strategy and Sustainability Report. External consultants were engaged to calculate Scope 1 and 2 GHG emissions for 2025, and the intention was to expand the calculations to include Scope 3 and draft a transition plan until 2030. External consultants were also engaged to lead the value chain due diligence process, the determination of double materiality and the development of the Sustainability Strategy.

Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies

ESRS 2, GOV-2

The Management Board of Agro Invest Grupa is fully included in assessing, planning and managing sustainability matters in all segments – environmental, social and governance. In addition to regularly receiving information on sustainability topics, Management Board members also initiate and actively participate in meetings, workshops and educational activities related to sustainability.

During 2025, the Management Board placed particular focus on value chain due diligence and the assessment of material impacts, risks and opportunities. They participated in training sessions that enabled them to gain a deeper understanding of report preparation, the setting of long-term objectives and the application of the principle of double materiality in business operations. In 2025, nine different workshops on sustainability topics were held, with the participation of members of the Management Board, key managers and heads of functions, as well as members of the Sustainability Working Group.

Before publishing the Sustainability Report of Agro Invest Grupa, the Report was delivered to the workers' representative who submitted a written opinion to the Supervisory Board, in accordance with Article 34 of the Accounting Act. Being part of the Management Report, the Sustainability Report is adopted by both the Management Board and Supervisory Board.

Integration of sustainability-related performance in incentive schemes

ESRS 2, GOV-3

Supervisory Board members do not receive remuneration for their work. Remuneration to Management Board members is set out by their managerial contracts. The salary of Management Board members is comprised of a fixed and a variable performance-based part. The remunerations and salaries of Management Board members do not include key performance indicators relating to sustainability topics.

Statement on due diligence

ESRS 2, GOV-4

Due diligence, as a process for identifying, preventing, mitigating or accounting for how actual or potential negative impacts on people and the environment are addressed, is integrated into the Management Board's considerations in the process of validating the outcomes of value chain due diligence and the double materiality assessment. In these processes, publicly available documents of relevant international organisations were used (the UN Guiding Principles on Business and Human Rights, the OECD Guidelines for Multinational Enterprises and the FAO guidance on responsible governance in agriculture), as well as those of rating agencies and industry-specific material topics in accordance with the SASB reporting standard for the food and agriculture sector.

During 2025, Agro Invest Grupa carried out the following due diligence steps:

1. Value chain due diligence – value chain due diligence was conducted for five key activities of Agro Invest Grupa (arable farming, livestock production, fish farming, viticulture and fruit growing). The analysis covered identifying key stakeholders, activities and hotspots such as input procurement (seeds, fertilisers, plant protection products, animal feed and machinery), primary production and processing, the management of by-products and waste and distribution and retail sale across the markets of Croatia and Bosnia and Herzegovina.

2. Identification and assessment of negative impacts – within the double materiality assessment process, a total of 69 monitored impacts, 45 risks and 11 opportunities were evaluated across all relevant ESRS areas (E1–E5, S1–S4, G1). A methodology was applied that assesses actual negative impacts based on scale, scope and irremediability, while potential negative impacts were additionally assessed based on their likelihood. The outcome was the identification of 30 identified material impacts (both positive and negative), 6 material risks and 1 material opportunity requiring active management. The remaining impacts, risks and opportunities did not exceed materiality thresholds but are actively monitored for future reassessment.
3. Prioritisation of negative impacts – using defined materiality thresholds, priority negative impacts were identified across all topical areas, with particular emphasis on impacts in environmentally sensitive segments of value chains and on impacts relating to the working conditions of the Group's own workforce and workers in the value chain.
4. Stakeholder engagement – online questionnaires were conducted for employees of Agro Invest Grupa (topics ESRS S1 and G1), as well as for retailers, distributors and suppliers (topics ESRS S2 and S4), together with individual interviews with representatives of the financial sector (with a focus on risks) and sustainability experts (with a focus on impacts and governance processes).
5. Taking action to alleviate negative impacts – for the identified material negative impacts, Agro Invest Grupa has initiated actions described in the topical sections of this Report. These actions include the development of governance policies and procedures, training programmes, improvements in soil and water management practices, strengthening occupational health and safety standards and the establishment of ESG-based supplier assessment criteria.
6. Monitoring the effectiveness of actions – the definition of performance indicators linked to material topics is underway to monitor progress in achieving objectives. Monitoring includes reviews by the Sustainability Working Group and regular reporting to the Management Board on the status and progress of planned actions.
7. Grievance mechanisms and access to remedy – Agro Invest Grupa has established internal channels for reporting irregularities available to employees, as well as communication channels for external stakeholders (suppliers, cooperants, family farms and local communities). The Group plans to formalise and expand these mechanisms in 2026 to ensure their accessibility to all affected stakeholders across the value chain, including seasonal and foreign workers.

To fully achieve alignment with ESRS requirements and other international instruments, Agro Invest Grupa will continue to expand its due diligence process in 2026, including:

- Deepening value chain due diligence at the level of individual markets, with particular consideration of regulatory differences between the markets in the Republic of Croatia and Bosnia and Herzegovina;
- Extending the mapping of impacts and risk assessments to a broader range of suppliers and cooperants;
- Developing specific policies and procedures for managing identified priority negative impacts;
- Further developing grievance mechanisms and access to remedy covering all internal and external stakeholders.

In implementing this process, publicly available disclosures, such as national documents concerning agricultural production, documentation of the relevant international organisations, international rating agencies and specific topics important for agricultural production according to the SASB standard reporting were used. To fully comply with ESRS requirements and other international instruments relating to the precision of objectives and data integrity, in 2026 Agro Invest Grupa will conduct an in-depth due diligence process to review its double materiality assessment process.

ESRS 2, GOV-4

Core elements of due diligence processes	Chapters in the sustainability statement
Embedding due diligence in governance, strategy and business model	Managing sustainability maters Strategy and business model Policies related to material topics within topical standards (E1, E2, E3, E5, S1, G1)
Engagement with affected stakeholders in all key steps of the due diligence process	Managing sustainability maters Double materiality Policies related to material topics within topical standards (E1, E2, E3, E5, S1, G1)
Identifying and assessing negative impacts	Managing sustainability maters Double materiality Policies related to material topics within topical standards (E1, E2, E3, E5, S1, G1)
Taking action to address these negative impacts	Actions and activities related to material topics within topical standards (E1, E2, E3, E5, S1, G1)
Tracking the effectiveness of these efforts and communication	Objectives and indicators related to material topics within topical standards (E1, E2, E3, E5, S1, G1)

Risk management and internal controls over sustainability reporting

ESRS 2, GOV-5

Agro Invest Grupa manages business risks according to the type and nature of an individual risk. Various internal services or Group members monitor and manage specific risks. They have the required insights and resources to assess and manage such risks. The costs of resources needed for risk management are included in the annual business plan of Agro Invest Grupa to ensure their availability and optimal utilisation. Concerning financial risks, an assessment of potential financial consequences is conducted to ensure timely planning and decision-making. If necessary and in line with the circumstances during the business year, internal services regularly report to the Management Board of Agro Invest Grupa on potential risks. Actual and newly identified risks, their possible consequences and ways to prevent or mitigate them are discussed at Management Board meetings. If needed, the Management Board adopts resolutions to implement concrete operational, investment or financial actions aimed at risk control and damage prevention for the Group members. This ensures a timely and efficient answer to estimated risks and the protection of interests of Agro Invest Grupa and its Group members. Specific risks and how the Group addresses them are referred to in respective topical chapters.

Strategy and business model

ESRS 2, SBM-1

The Sustainability Report of Agro Invest Grupa comprises the business activities of the undertaking in the Republic of Croatia and of Bosnia and Herzegovina. The primary activities of Agro Invest Grupa are crop farming, fish farming and processing, livestock farming, fruit growing, viticulture and other operating segments, which are described in more detail in the Management Report, commencing on page 20.

The business strategy of Agro Invest Grupa is focused on agricultural production, emphasising modernisation and the use of advanced technologies, including digitalisation in agriculture. The Group develops its fish farming, fruit growing and viticulture brands to increase its competitiveness and presence in the European Union market and in the regional markets. Further expansion, financial stability and long-term investment plans are key components of its business strategy.

The Group's main aspirations are increasing competitiveness, growth in the EU market, adopting innovations, technologies and know-how and value-added products. Agro Invest Grupa implements its strategy as follows:

1. A competitive and stable production
2. The development of own brands in fish farming, fruit growing and viticulture
3. Being number 1 in efficiency and effectiveness in agriculture production in the region
4. Implementing smart agriculture with the use of artificial intelligence.

The business strategy heavily relies on the modernisation of production and operations. This includes sustainability elements such as selecting efficient and long-lasting machinery and equipment, which impacts lower resource intensity. Generating energy from renewable sources decreases GHG emissions. By implementing ecological production in segments where this is commercially justified, product quality is enhanced and stakeholder expectations are met.

Operating income per business activities are shown on page 18 of the Management Report.

Value chains of Agro Invest Grupa

ESRS 2, SBM-1

Agro Invest Grupa operates as an integrated agricultural group with five core and mutually distinct business activities: arable farming, livestock farming, fish farming, viticulture and fruit growing, with operations conducted across the markets of the Republic of Croatia and Bosnia and Herzegovina. The diversity of its business activities implies that Agro Invest Grupa does not have a single unified value chain, but rather five distinct value chains that differ in structure, length, geographical reach and hotspots. However, these value chains are also partially interlinked – for example, arable farming provides cereals for the Group's own Feed Mill (TSH), which supplies livestock farming, while fish ponds are irrigated from the same wells used in arable farming – creating systemic interdependencies and shared points of origin of environmental and social impacts.

Given this complexity and the obligation to report in accordance with the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), Agro Invest Grupa conducted value chain due diligence for all five key business activities in the period from July 2025 to February 2026. In line with the requirements of ESRS 2 (SBM-1), the Group is required to describe all parts of its value chains, including upstream and downstream activities as well as its own operations, in order to provide a comprehensive overview of the sources of sustainability-related impacts, risks and opportunities. The analysis was carried out in cooperation with the Sustainability Working Group, representatives of individual agricultural sectors and members of the Management Board, and in line with the EFRAG Implementation Guidance (IG 2) for value chain mapping and double materiality assessment. In those parts of the value chains where data were not fully available, approximations and publicly available sectoral data were used, with a clear indication of the level of reliability of individual information. Given that the due diligence was undertaken for the first time in accordance with the applied methodology and that certain data gaps remain, the value chains for specific activities will need to be further refined and updated during 2026.

Through the value chain due diligence, Agro Invest Grupa identified critical points (hotspots) – locations within the value chains where the most significant environmental, social and governance risks and impacts materialise or may materialise. This analysis constituted a key prerequisite for the systematic assessment of double materiality. In addition, the mapping identified key stakeholders across all parts of the value chains and provided a basis for structured engagement with suppliers, logistics partners and customers, with the aim of jointly advancing sustainable practices.

Following the analysis conducted, strategic areas have been identified in which Agro Invest Grupa must focus its sustainability management, adjust its sustainability objectives and enhance systems for data collection, recording and monitoring – particularly in those parts of the value chains where deficiencies in data availability or process capacities have been identified.

The value chains of Agro Invest Grupa are of medium to long length, taking into account the specific characteristics of agricultural activities. The upstream part of the value chains extends across several tiers – from producers of fertilisers, seeds, crop protection products and animal feed, suppliers of machinery and equipment, to providers of energy and logistics services – with a significant share of input materials originating from EU countries as well as from third countries (e.g. GMO soybean meal from Brazil, protein yeast from Russia, crop protection products from Serbia). The downstream part of the value chains extends to grain buyers, slaughterhouses and the meat industry, fish and wine wholesale channels, retail chains and the HoReCa segment, through to end-of-life management of products and waste handling.

Agro Invest Grupa's own operations encompass all core agricultural production activities: arable production in Croatia and Bosnia and Herzegovina (on concession and leased land), cattle breeding and fattening on own farms and through a network of seven cooperants, fish farming across nine fish ponds, viticulture and hazelnut cultivation in Croatia and Bosnia and Herzegovina. In addition to its primary production activities, Agro Invest Grupa's own operations also include a Feed Mill (TSH), proprietary fish retail outlets and the Panona Mare brand within fish farming, a winery with the brands Vino Orahovica and Martin Albus, as well as centralised services for procurement, logistics, human resources management, occupational health and safety and waste management.

Across all value chains, upstream activities share common elements, including the procurement of energy sources (euro diesel, blue diesel, natural gas and electricity), mineral fertilisers, crop protection products, seeds and planting material, machinery and spare parts, packaging and waste management services. In the downstream part of all value chains, common requirements include traceability, food safety, logistics management and compliance with regulatory obligations towards customers in Croatia, the EU and third countries.

The value chains of Agro Invest Grupa encompass activities across two key geographical levels. In the Republic of Croatia, arable farming is present in the areas of the towns of Orahovica, Valpovo, Našice and Belišće, as well as in several municipalities in Osijek-Baranja, Brod-Posavina and Sisak-Moslavina counties. Livestock farming is carried out at farms in Valpovo, Zdenci, Bizovac, Crnac, Bebrina and Voćin; fish farming is conducted across nine fish ponds located throughout Slavonia, Posavina and Moslavina; while viticulture and fruit growing take place in Orahovica and Čačinci. In Bosnia and Herzegovina, arable farming is present in Derventa, Odžak, Glamoč and Bosansko Grahovo; livestock farming in Derventa; and fruit growing (hazelnut cultivation) across multiple locations in the Federation of Bosnia and Herzegovina and Republika Srpska.

Operations across two countries with different regulatory frameworks – the Republic of Croatia as an EU Member State and Bosnia and Herzegovina as an accession country – create additional complexity in the management of value chains, particularly with regard to compliance with environmental regulations, water legislation, phytosanitary and veterinary standards and labour law.

Value chain due diligence identified hotspots that are common to all or the majority of Agro Invest Grupa's value chains:

- Dependence on fossil fuels and mineral fertilisers – machinery across all agricultural activities is predominantly powered by euro diesel, blue diesel and gas, while arable farming and livestock farming structurally depend on mineral fertilisers without systematic integration of organic alternatives, generating significant greenhouse gas emissions (CO_2 from fuel, N_2O from fertilisers, CH_4 from livestock) and exposure to climate transition risks;
- Exposure to physical climate risks – drought, high temperatures, hail, frost and extreme weather events affect all activities, particularly arable farming, fruit growing and viticulture with perennial crops, as well as fish farming through impacts on water quality and availability;
- Dependence on water resources – arable farming, livestock farming and aquaculture are highly dependent on water sourced from own wells and watercourses, subject to water permits in both countries, while climate change and tightening water policies represent an increasing risk;
- Waste and packaging management – all activities generate packaging waste (plastic, cardboard, glass, metals), bio-waste (plant residues, manure, animal by-products) and hazardous waste (contaminated chemicals, veterinary medicines), the management of which requires cooperation with authorised waste operators and further development of systems for monitoring quantities;

- Working conditions of permanent, seasonal and foreign workers – all activities share risks related to physically demanding and seasonal work, handling heavy machinery, chemicals and live animals, as well as the presence of foreign workers whose accommodation, working and training conditions require particular attention.

Arable farming (51.7% of total Group revenue) is the most significant and complex activity in terms of geographical spread and upstream dependencies. Key specificities include the intensive use of mineral fertilisers and crop protection products (including sourcing from non-EU countries), a high dependence on seed material from a limited number of global suppliers, reliance on concentration limits and pre-harvest intervals of active substances under differing regulatory standards, and a cooperative production model (approximately 30% of volume in Croatia) requiring the management of responsibility chains towards cooperants.

Livestock farming and the Feed Mill (TSH) (22.7% of total revenue) are characterised by an integrated model with the Group's own feed production plant, whereby the Feed Mill uses imported raw materials, including GMO soybean meal from Brazil (32.2% of total inputs) and protein yeast from Russia (14.5%), resulting in extended upstream value chains with exposure to geopolitical and ESG risks. The export component of live cattle requires particular attention to animal welfare standards in transport and to regulatory requirements in destination markets.

Fish farming (17.3% of total revenue) is the only activity conducted exclusively in the Republic of Croatia and features its own vertically integrated value chain, from fry production to retail under the Panona Mare brand. This value chain is characterised by a high dependence on extruded fish feed (predominantly sourced from Serbia and Austria), water from wells (approximately 90% of total requirements), biological risks (diseases and fish mortality) and compliance with certification standards (IFS Food, HACCP).

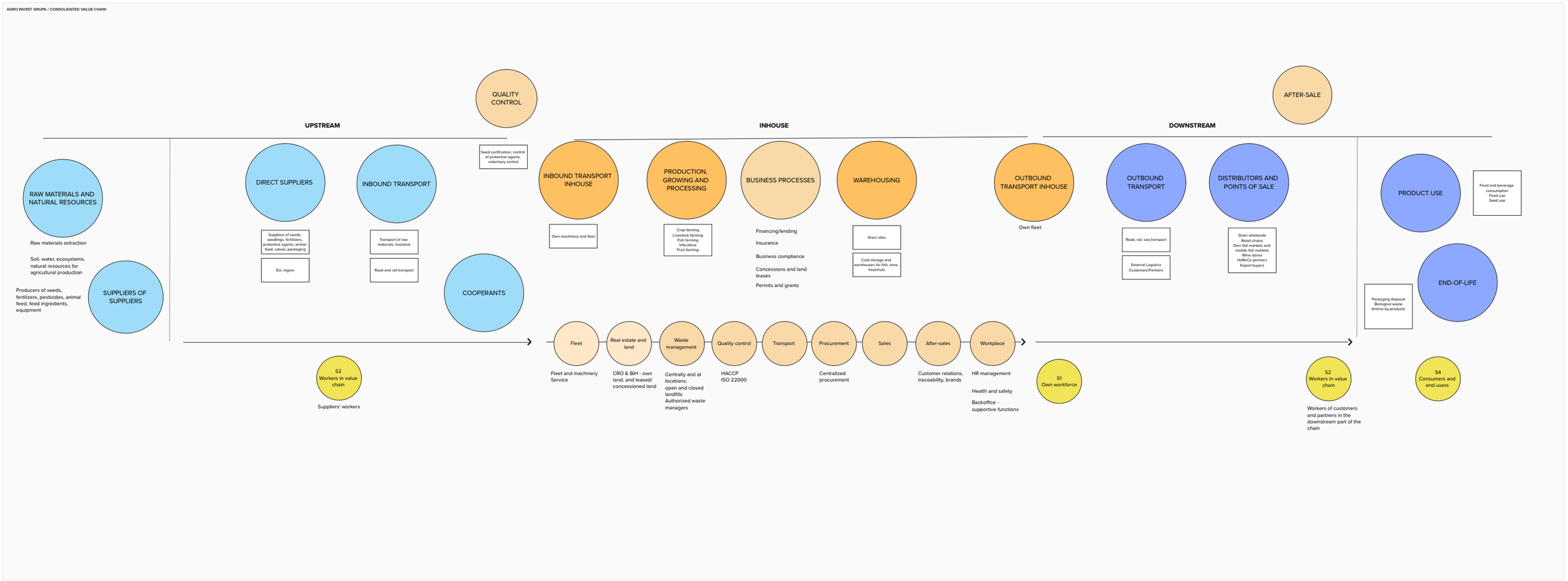
Viticulture (3.7% of total Group revenue) and fruit growing, i.e. hazelnut cultivation and processing (7.3% of total revenue) are activities based on perennial crops that are particularly vulnerable to climate risks and require long-term planning, while fruit growing has a strong export orientation towards EU and broader international markets.

The value chain due diligence conducted has multiple strategic implications for the sustainability management of Agro Invest Grupa. Value chain mapping enabled the localisation of impacts, risks and opportunities through the systematic identification of where – geographically and in terms of activities – actual or potential negative impacts on people and the environment arise, and where financial risks materialise that may affect the Group's financial position. Based on this review, the double materiality assessment was further refined, resulting in a clearer identification of material impacts, risks and opportunities across environmental, social and governance matters, as well as in a more precise delineation between topics requiring active management and those subject to monitoring and more targeted proposals for aligning sustainability-related goals.

Value chain mapping is an instrument that enables the double materiality assessment to be systematic, documented and transparent, which constitutes a prerequisite for compliance with ESRS requirements. Agro Invest Grupa has identified the need for periodic supplementary analyses, alignment with new business processes and the development of dedicated tools for monitoring material topics within its value chains. The value chain due diligence process will continue in 2026, with a focus on supplementing data for those value chain segments where information was not fully available at this stage, extending the scope of the analysis to business relationships in Bosnia and Herzegovina, and strengthening process management in the identified hotspots.

The following diagram presents the value chain of Agro Invest Grupa.

Consolidated value chain of Agro Invest Grupa



Identified stakeholders and their interests and views

ESRS 2, SBM-2

Stakeholders	Interests and views	Way of communication and engagement
Employees (managers and heads / workers / seasonal and temporary workers / foreign workers	Secure employment and adequate wages Labour rights protection Occupational health and safety Professional development Respecting diversity	Meetings Direct and written communication Individual communication Yearly engagement surveys Onboarding talks Informal and formal events
Consumers and end-users: consumers and business partners / end-users	Product safety and compliance Product availability and production stability Proper product labelling and transparency Fair pricing	Meetings Direct and written communication Events, fairs Product feedback
Suppliers and business partners: large enterprises / SMEs / family farms / crafts	Fair business relationships and procurement processes Timely payments to suppliers Long-term collaboration Measures to combat corruption and bribery	Meetings Direct and written communication Events, fairs Tenders
State organisations: ministries / agencies / administrations bodies / other bodies	Lawfulness of business operations Product compliance Responsible financial and business management Responsible investments Settling financial obligations timely	Meetings Direct and written communication Events Reports Implementing oversights
Financial stakeholders: banks / credit institutions / insurance companies / leasing companies / investors	Lawfulness of business operations Responsible financial and business management Successful business operations Risk management Settling financial obligations timely	Meetings Direct and written communication Events Reports and announcements
Social partners: unions	Social dialogue Protecting and enhancing workers' rights Inclusion in decision-making processes	Meetings Direct and written communication Events Negotiations processes
Local communities	Revenues and charges Local employment Collaboration with local initiatives Environmental protection and pollution prevention Avoiding or mitigating impact (noise / smells) Impact on the local traffic Sponsorships and donations	Meetings Direct and written communication Events
Civil society associations, NGOs	Sponsorships and donations	Direct and written communication Events, fairs, sports events
Education and science: faculties / secondary schools / scientific institutes	Traineeships and employment Collaboration in scientific projects Knowledge transfer Sponsorships and donations	Meetings Direct and written communication Events and presentations Career day

Double materiality assessment process

ESRS 2, IRO-1

Agro Invest Grupa conducted a comprehensive, enhanced double materiality assessment during 2025 in accordance with the provisions of the Corporate Sustainability Reporting Directive (CSRD) and the European Sustainability Reporting Standards (ESRS), in particular in line with the requirements of ESRS 1 and ESRS 2 IRO-1 and IRO-2. The process represented a qualitative enhancement of the initial assessment conducted during the preparation of the Group's first Sustainability Report for 2024, with the objective of more precisely identifying and assessing material impacts, risks and opportunities associated with the Group's operations. Also, the goal was to ensure that the selection of topics for reporting genuinely reflects the specific business model, sectoral context and value chain structure of Agro Invest Grupa.

The results of the double materiality assessment are described in detail in the internal Double Materiality Report of Agro Invest Grupa, while this section provides a summary of the key elements of the process, methodology and outcomes of the assessment.

The starting point for the updated double materiality assessment was the value chain due diligence conducted in 2025 for the five key agricultural activities of Agro Invest Grupa – arable farming, livestock farming, fish farming, viticulture and fruit growing. The in-depth analysis of the value chains enabled the understanding of where material impacts, risks and opportunities arise within the Group's operations, as well as the identification of hotspots with the highest potential for risk and negative impacts. Based on the newly acquired understanding of activities in the upstream and downstream segments of the value chain, the assessment covered not only the topics that have already been previously identified in the earlier materiality assessment, but also an expanded list of potentially material topics across all relevant ESRS areas, in order to ensure that no material topic remained unidentified.

The process and methodology for determining double materiality were developed in full compliance with the provisions of the ESRS and the application guidance on double materiality issued by EFRAG. In the contextual analysis, regulatory frameworks of the European Union and the Republic of Croatia were applied, including the EU Common Agricultural Policy (CAP), the Farm to Fork Strategy, the Nitrates Directive and animal welfare legislation, as well as relevant regulations of Bosnia and Herzegovina and its entities. In addition to the regulatory framework, instruments and guidance of international organisations (FAO, UNEP, OECD, ILO, TNFD), together with sector-specific standards (SASB for Agricultural Products and Meat, Poultry & Dairy, GRI 13 for agriculture, food and beverage), publicly available and internal documents of Agro Invest Grupa, value chain due diligence for all five activities, and the views and assessments of members of the Sustainability Working Group and key Group functions, including members of the Management Board, were also taken into account.

In the first phase of the assessment, a sectoral materiality benchmark was mapped. Relevant peer groups were identified for benchmarking purposes – international companies operating in primary agricultural production, including arable farming, livestock farming, aquaculture fish farming, viticulture and fruit growing, with vertically integrated value chains and regularly publishing sustainability reports in accordance with ESRS or the closest equivalent international standards. The benchmarking exercise was not used for selection of topics, but rather as a contextual validation to ensure the comprehensiveness of the approach in reviewing and assessing material topics.

The impact assessment was conducted in several interrelated phases. In the first phase, a list of broad impacts was compiled based on the contextual analysis, value chain due diligence, prior stakeholder interactions and industry benchmark analyses. In the second phase, the identified potential impacts were reviewed and described in cooperation with the relevant sectors and activities of Agro Invest Grupa, while the third phase involved a quantitative analysis based on a developed methodology of categories and scales for each impact, including validation and harmonisation of borderline material topics.

Impacts were classified as positive and negative, as well as actual and potential, and were assessed against the categories of scale, scope, irremediability and likelihood. For each impact, normalised values were calculated by combining the above categories using specifically developed formulas and defined materiality thresholds – for example, negative actual impacts were assessed as the average of scale and scope multiplied by irremediability, while negative potential impacts also incorporated a likelihood component. In addition to the assessments, each impact was described and substantiated, with an indication of where in the value chain it occurs – upstream, within own operations or downstream – and with an assessment of the time horizon for potential impacts (short-, medium- or long-term).

The assessment of risks and opportunities was also conducted in accordance with the same ESRS disclosure requirements as applied to impacts. The term 'risks and opportunities' refers to sustainability-related financial risks and opportunities for the undertaking. This includes risks and opportunities arising from the undertaking's dependencies on natural, human and social resources. A sustainability matter is considered material from the financial perspective if it gives rise to, or could reasonably be expected to give rise to, material financial effects for the undertaking. This is the case where a sustainability matter creates risks or opportunities that materially impact, or could reasonably be expected to materially impact, the undertaking's development, financial position, financial performance, cash flows, access to finance or cost of capital over the short, medium- and long term. For the assessment of financial materiality, Agro Invest Grupa established criteria and thresholds based on financial indicators for 2024, which it intends to apply in future business risk assessments in order to ensure the harmonisation of ESG risks with other risk categories. The assessment of financial materiality was carried out in cooperation with internal experts responsible for the Finance function. Thresholds were applied in relation to revenue or EBITDA.

Four thresholds of financial materiality for risks or opportunities were defined based on the product of impact and likelihood: insignificant (1-4); low (5); moderate (6-8) and material (9-25).

The double materiality determination process was based on a combination of internal expert insights and structured stakeholder engagement, ensuring that the results reflect both the Group's perspective and the perspective of those affected by its operations or capable of affecting its operations. From an internal perspective, impact assessments as well as the assessment of risks and opportunities were carried out through separate working phases with members of the Sustainability Team and representatives of key functions, aligned with relevant activities and ESRS disclosures, thereby ensuring that the specific characteristics of individual activities and entities within the Group were taken into account for each topic.

Stakeholder engagement included the following:

- An online survey for employees of Agro Invest Grupa, aimed at validating impacts and the relevance of topics under ESRS S1 (Own workforce) and ESRS G1 (Business conduct)
- An online survey for traders, distributors and suppliers (in the context of ESRS S2 and S4)
- Individual interviews with representatives of the financial industry, with a focus on risks and the financial perspective of the topics,
- Interviews with sustainability experts, focusing on impacts, governance processes and alignment with best practices.

In addition to stakeholder perceptions, the process also took into account sector-specific frameworks, regulatory requirements arising from the Corporate Sustainability Reporting Directive (CSRD), the EU Taxonomy Regulation and related legislation, as well as the broader business context in which Agro Invest Grupa operates – geopolitical environment, volatility of input prices, climate risks and investor expectations.

The double materiality assessment was conducted taking into account the sector-specific characteristics of each of the five key activities (arable farming, livestock farming, fish farming, viticulture and fruit growing), while topics overlapping across activities were consolidated at Group level. The assessment relates to the entire Agro Invest Grupa and covers all affiliated entities under direct ownership – both in the Republic of Croatia and in Bosnia and Herzegovina.

The process considered the regulatory and business specificities of the markets in the Republic of Croatia (as a full EU Member State) and Bosnia and Herzegovina (whose legislation is gradually aligning with the EU acquis), which was a particularly important element given differences in the application of regulations and levels of institutional development across these markets. As this is the first year in which an in-depth double materiality assessment has been undertaken, the assessment was performed at Group level, without separate, localised assessments for each market. More detailed double materiality assessments at the level of specific markets, with particular focus on regulatory differences between EU and non-EU markets, may be further developed in future reporting periods.

A total of 69 impacts, 45 risks and 11 opportunities were evaluated across all three areas – environmental, social and governance – structured in accordance with all ten ESRS topical standards (E1–E5, S1–S4, G1). Based on the analysis, all ESRS topical areas are considered relevant for Agro Invest Grupa, reflecting the specific nature of an integrated agricultural business that is directly dependent on natural resources and simultaneously generates impacts on soil, water, ecosystems and the rural communities in which the Group operates.

The outcome of the assessment comprises a total of 30 material impacts, 6 material risks and 1 material opportunity, which form the basis for reporting and active management. Material topics require active management, meaning that Agro Invest Grupa has established or plans to establish policies, processes, objectives and key performance indicators, and implements actions to mitigate negative impacts or enhance positive ones. For certain topics, policies, processes, objectives and indicators have not been fully developed yet; however, activities have been initiated to address these gaps within the time horizon to 2030. Agro Invest Grupa makes use of the option to postpone reporting on certain ESRS topics in accordance with the transitional provisions of ESRS 1 but will in the future include the remaining topics on which it has not yet reported. Topics that were not assessed as material but are actively monitored did not, at the time of the assessment, exceed the defined materiality thresholds (severity of impacts, financial effect, likelihood), but require regular monitoring and periodic reassessment – in order to timely identify whether changes in the business environment, value chain or regulatory requirements may increase their materiality and require a transition to active management.

Double materiality serves as the foundation for sustainability reporting and determines the specific ESRS areas and disclosures under which Agro Invest Grupa reports. The findings of the assessment have been embedded into the adjustment of the Sustainability Strategy and target values in key topics, as well as into the expansion of the scope of greenhouse gas emissions assessment, including relevant Scope 3 categories. In combination with value chain due diligence and future climate risk assessment, double materiality may also support the substantiation of the sustainability of future capital investments aimed at climate change mitigation or adaptation.

By its nature, the double materiality assessment is a dynamic and iterative process. Agro Invest Grupa intends to continue developing and refining the assessment in future reporting periods – through extending validations to specific markets, strengthening data collection and monitoring systems, deepening value chain analysis and further enhancing stakeholder engagement – in order to ensure increasing accuracy and reliability of the identified material topics as a foundation for sustainability management and reporting.

Uncertainty of assessment and process updates

Given the complexity of the value chains and the multiplicity of input data in the double materiality assessment process, certain topics remain classified as borderline, i.e. they have not been assessed as material in terms of impacts or through the calculation of financial materiality but require ongoing monitoring. In the next period, Agro Invest Grupa intends to further validate these impacts, risks and opportunities and determine their materiality with greater precision.

Interaction of impacts, risks and opportunities with strategy and business model

SBM-3

The material impacts, risks and opportunities identified for Agro Invest Grupa served as the basis for updating its sustainability objectives, i.e. the Sustainability Strategy of Agro Invest Grupa. The objectives, measures and key performance indicators related to the implementation of these objectives are described in the chapter addressing each material topic. Agro Invest Grupa has, through the double materiality assessment process, identified key impacts, risks and opportunities that directly shape its strategic objectives and business model. This particularly relates to physical climate risks affecting all five activities, as well as to the management of soil, water resources and biodiversity and to employee working conditions and safety.

Physical climate risks, including droughts, floods, spring frosts, heatwaves and extreme weather events, have been identified as the most significant drivers of strategic focus across all activities, particularly in arable farming, fruit growing and fish farming. These risks directly affect yield security, sowing and harvesting planning, and animal and fish health. This is why investments in climate adaptation are crucial, especially in irrigation infrastructure, hail protection systems, and thermal regulation of fish ponds. At the same time, transition risks related to rising energy costs and regulatory changes under the European Green Deal and the EU Common Agricultural Policy are driving the business model towards greater energy efficiency and an increased share of renewable energy sources in operations.

Impacts, risks and opportunities related to soil management, water resources and biodiversity are embedded in the strategy through targets aimed at reducing the use of mineral fertilisers and crop protection products, optimising irrigation and protecting fish pond ecosystems. Given that Agro Invest Grupa manages approximately 14,000 hectares of arable land, around 6,817 hectares of fish ponds, and perennial hazelnut orchards and vineyards, these impacts and risks have direct implications for the long-term productivity and asset value of the Group. Managing these topics is therefore not only a regulatory requirement but also a prerequisite for sustainable operational performance.

Impacts, risks and opportunities related to the workforce, occupational health and safety and working conditions (ESRS S1) support strategic initiatives aimed at reducing workplace injuries, managing seasonal and foreign labour, as well as attracting and retaining qualified personnel in the rural areas in which the Group operates. The topic of workers in the value chain (ESRS S2), which relates to a large number of cooperants and family farms over whose working conditions the Group does not have direct operational control, drives the strategic initiative to develop supplier due diligence and monitoring systems in line with ESG criteria.

Impacts and opportunities under ESRS E5 (Resource use and circular economy) shape the strategy through targets focused on the utilisation of by-products – for example, using livestock manure and fish pond sludge as inputs for biogas or organic fertilisers – as well as reducing food losses in production, processing and storage. The topic of business conduct (ESRS G1) supports the strategic objective of establishing ethical standards and transparent business relationships with cooperants, family farms and suppliers, which is particularly important given differences in institutional and regulatory development between the markets of the Republic of Croatia and Bosnia and Herzegovina.

The outcomes of the double materiality assessment are also used as a basis for defining the scope of greenhouse gas emissions reporting, including future assessments of relevant Scope 3 categories covering upstream emissions related to the procurement of fertilisers, seeds, energy sources and animal feed, as well as downstream emissions arising from distribution and sales. Double materiality thus becomes not only the foundation for the selection of ESRS topics and disclosures, but also a tool for prioritising capital investments and developing long-term sustainability targets in line with the regulatory framework and the expectations of financial stakeholders.

Material impacts, risks and opportunities for Agro Invest Grupa

ESRS 2, IRO-2

			Value chain			Period		
Topic - Environment	Sustainability sub-topics	Impact/risk	Upstream	Within the organisation	Downstream	Short-term	Medium-term	Long-term
E1 Climate change	**Climate change mitigation**							
	GHG emissions	Negative impact, actual	•	•	•	•	•	•
	Climate change adaptation							
	Physical risk: Risk of climate-related stress on yields	Risk	•	•			•	•
	Physical risk: Risk of extreme weather events and reduced fruit quality	Risk	•	•			•	•
	Climate change transition risk: Limited level of climate exposure assessment	Risk		•			•	•
	Energy							
	Consumption of electricity and energy sources	Negative impact, actual	•	•			•	•
	Transition risk: Increase in energy costs	Risk	•	•		•	•	•
E2 Pollution	**Soil pollution**							
	Soil pollution resulting from the use of fertilisers and plant protection products	Negative impact, actual	•	•		•	•	•
	Water pollution							
	Water pollution resulting from the use of fertilisers and plant protection products	Negative impact, actual	•	•		•	•	•
	Water and soil pollution resulting from fish mortality in fish ponds	Negative impact, actual		•		•	•	•
	Microplastics							
	Release of microplastics into soil	Negative impact, actual		•		•	•	•
E3 Water and marine resources	**Water**							
	Water abstraction and consumption	Negative impact, potential		•			•	•
	Insufficient water availability for irrigation, cultivation and processing	Risk	•	•			•	•
	Water and soil pollution resulting from fish mortality in fish ponds	Negative impact, actual		•		•	•	•
E4 Biodiversity and ecosystems	**Impacts on species populations**							
	Reduced fishing pressure on wild species	Positive impact, actual		•			•	•
	Impacts on the extent and condition of ecosystems							
	Fish ponds as natural habitats	Positive impact, actual		•			•	•
	Increase in bird populations as a result of increased production	Negative impact, actual		•		•	•	•

continued			Value chain			Period		
Topic - Environment	Sustainability sub-topics	Impact/risk	Upstream	Within the organisation	Downstream	Short-term	Medium-term	Long-term
E5 Resource use and circular economy	**Resource inflows, including resource use**							
	Land use as a resource	Negative impact, actual	•	•		•	•	•
	High resource consumption in livestock production	Negative impact, actual	•	•		•	•	•
	Use of plastics in fish farming and processing	Negative impact, actual		•		•	•	•
	Increase in the prices of key inputs	Risk	•	•				•
	Transition to regenerative agricultural practices	Opportunity	•	•				•
	Waste							
	Generation of organic waste	Negative impact, actual		•	•	•	•	•
	Generation of non-hazardous waste in production and processing	Negative impact, actual		•		•	•	•
	Hazardous waste resulting from the use of fertilisers and plant protection products	Negative impact, actual		•		•	•	•

			Value chain			Period		
Topic – Society	Sustainability sub-topics	Impact/risk opportunity	Upstream	Within the organisation	Downstream	Short-term	Medium-term	Long-term
S1 Own work-force	**Working conditions**							
	Secure employment	Positive impact, actual		•				•
	Exposure to occupational injuries	Negative impact, actual		•		•	•	•
	Overtime work	Negative impact, actual		•		•	•	•
	Equal treatment and opportunities for all							
	Organisational openness to diversity / a non-discriminatory working environment	Positive impact, actual		•				•
S2 Work-force in the value chain	**Working conditions**							
	Health and safety of workers in the value chain	Negative impact, actual	•					•
S3 Affected commu-nities	**Economic, social and cultural rights of communities**							
	Economic sustainability of local communities	Positive impact, actual	•			•	•	•
S4 Consumers and end-users	**Personal safety of consumers and/or end-users**							
	Systematic testing and quality control	Positive impact, actual			•	•	•	•
	Antimicrobial resistance (AMR) – impact on human health	Negative impact, actual		•	•			•
	Impacts connected to information for customers and end-users							
	Transparent product information	Positive impact, actual			•	•	•	•

			Value chain			Period		
Topic – Governance	Sustainability sub-topics	Impact/risk opportunity	Upstream	Within the organisation	Downstream	Short-term	Medium-term	Long-term
G1 Business conduct	**Corporate culture**							
	An open and inclusive corporate culture	Positive impact, actual			•	•		
	Management of relationships with suppliers, including payment							
	Fair market relationships with suppliers, including transparent negotiations, fair contracting and timely payments	Positive impact, actual	•				•	
	Animal welfare							
	Animal health and welfare in relation to climate extremes	Negative impact, actual	•	•			•	

Disclosure requirements in ESRS covered by the undertaking's Sustainability Report

ESRS 2, IRO-2

Material topics, sub-topics and the impacts, risks and opportunities are described in the chapters corresponding to the relevant topical standards. The disclosures assessed as material were referred to in the topical chapters, or the option to postpone disclosure was used:

DISCLOSURE	Page/remark
General information	
ESRS 2 – General disclosures	124
Environmental information	
ESRS E1 - Climate change	149
Disclosures under Article 8 of the Regulation (EU) 2020/852 (the Taxonomy Regulation)	159
ESRS E2 - Pollution	168
ESRS E3 - Water and marine resources	174
ESRS E4 - Biodiversity and Ecosystems	Use of phase-in option
ESRS E5 - Resource use and circular economy	184
Social information	
ESRS S1 - Own workforce	194
ESRS S2 - Workforce in the value chain	Use of phase-in option
ESRS S3 - Affected communities	Use of phase-in option
ESRS S4 - Consumers and end-users	Use of phase-in option
Governance information	
ESRS G1 - Business conduct	212

Disclosures stemming from other legislation or generally accepted sustainability reporting pronouncements

ESRS 2, BP-2

This is presented in Annex 2 at the end of the Sustainability Report.

ESRS E1: Climate change

Disclosure requirement		Information
ESRS 2 SBM-3 E1	Material impacts, risks and opportunities and their interaction with strategy and business model	150
ESRS 2 IRO-1 E1	Description of the processes to identify and assess material climate change-related impacts, risks and opportunities	152
ESRS 2 GOV-3 E1	Integration of sustainability-related performance in incentive schemes	132
E1-1	Transition plan for climate change mitigation	153
E1-2	Policies related to climate change mitigation and adaptation	153
E1-3	Actions and resources in relation to climate change policies	153
E1-4	Targets related to climate change mitigation and adaptation	154
E1-5	Energy consumption and mix	154
E1-6	Gross Scopes 1, 2, 3 and Total GHG emissions	155
E1-9	Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	Use of phase-in option

The agricultural sector has a significant impact on climate change, while at the same time being one of the most exposed to its effects. Key emission sources include methane from livestock production, nitrous oxide from the application of mineral and organic fertilisers, and carbon dioxide associated with soil cultivation and energy use in various production processes. Exposure to climate hazards is reflected in rising temperatures, more frequent and more intense droughts, heatwaves, changes in precipitation patterns, as well as the increasing occurrence of extreme weather events such as floods, hail and storms. These factors may affect yields, product quality, water availability and, more broadly, the long-term sustainability of agricultural systems.

Material impacts, risks and opportunities

ESRS 2 SBM-3

E1

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE ACTUAL GHG emissions	Emissions arise across all activities of Agro Invest Grupa, within own operations as well as upstream and downstream in the value chain. Emissions are associated with the use of fossil fuels and electricity in agricultural machinery, transport vehicles, work equipment, dryers, boilers and production facilities, as well as with biological processes in livestock production.	Own operations Upstream Downstream	Short-term to long-term	•	•	•	•	•
NEGATIVE ACTUAL Consumption of electricity and energy sources	In agricultural production, energy and energy sources are significantly consumed, both in own production processes and in other parts of the value chain.	Own operations	Short-term to long-term	•	•	•	•	•

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
PHYSICAL RISK **Risk of climate-related stress on yields**	Arable farming in South-East Europe is increasingly exposed to extreme climatic conditions. Projections indicate an increase in the frequency and intensity of droughts and floods, which directly threatens the stability and level of yields of key arable crops. Extreme temperatures may adversely affect the stages of germination, flowering and fertilisation, while changes in seasonal patterns further complicate the planning of sowing and harvesting. Prolonged droughts necessitate additional irrigation, although the related infrastructure is often limited. Overall, climate-related stress reduces yields, product quality and the economic security of producers.	Own operations Upstream	Medium- to long-term	•				
PHYSICAL RISK **Risk of extreme weather events and reduced product quality**	Hazelnut cultivation in South-East Europe is increasingly exposed to extreme weather conditions, including spring frosts, summer droughts and the growing frequency of severe storm events. Such conditions may significantly reduce yields, damage flowers and fruits, and lead to uneven ripening. High temperatures and drought further affect fruit size and increase the risk of aflatoxin development, thereby compromising product quality and food safety. In the absence of adequate irrigation infrastructure and hail protection measures, producers are exposed to significant losses and variability in annual results. In aquaculture, heatwaves, changes in precipitation patterns and sudden temperature fluctuations may lead to increased water evaporation in fish ponds, disruptions to feeding and breeding regimes, an increased risk of fish mortality due to reduced levels of dissolved oxygen, and the spread of diseases. (Related to S – Own workforce; S4 – Consumers and end-users)	Own operations Upstream	Medium- to long-term			•	•	
TRANSITION RISK **Increase of energy prices**	Rising prices of fossil fuels and electricity directly increase operating costs, reduce profitability and may affect decisions regarding production volumes and infrastructure investments. In the long term, high energy costs drive the need to transition to more energy-efficient technologies and sustainable energy sources; in the short term, they increase financial risk and reduce the resilience of agricultural operations to market and climate-related challenges.	Own operations Upstream	Medium- to long-term	•	•	•	•	•
TRANSITION RISK **Limited level of climate exposure assessment**	The assessment of climate-related risks has been carried out at a general level, while a detailed analysis of the exposure of individual business processes, assets and locations to climate change has not yet been fully conducted. This represents a risk for planning, target setting and defining actions for climate change adaptation, which may have financial impacts.	Own operations Upstream	Medium- to long-term	•	•	•	•	•

Agro Invest Grupa recognises its impact on climate change and energy consumption within its own operations, as well as upstream and downstream in the value chain. Information on Scope 1 and Scope 2 emissions and energy consumption is available in sections E1-5 and E1-6.

Among the material climate-related risks, physical climate risks have been identified, relating to the potential impacts of climate change on assets, production and business operations, arising both from long-term changes in climatic conditions and from the increasing frequency and intensity of extreme weather events. Such risks may affect the availability of natural resources, in particular water, the stability and yields of agricultural production, business continuity, the health and safety of employees, as well as the condition of assets, equipment and infrastructure.

Given the nature of the Group's activities, which are highly dependent on weather conditions, water availability, temperature and ecosystem stability, physical climate risks represent one of the key risk factors for the Group's operations. Changes in temperature and precipitation levels, as well as the increased frequency of extreme weather events such as droughts, floods, hail, storms and heatwaves, may have a significant impact on yields, product quality, the availability of raw materials and the overall stability of operations.

For the Group, the most significant physical risks identified include climate-related stress affecting yields in arable farming, extreme weather events and reduced fruit quality in fruit growing and viticulture, as well as the impact of high temperatures and changes in precipitation regimes on increased fish mortality in aquaculture. Accordingly, the Group recognises physical climate risks as one of the key environmental and strategic risks and is progressively integrating them into risk management processes, investment planning and business development, with the aim of increasing the resilience of its operations to climate change.

Arable farming in South-East Europe is increasingly exposed to extreme climatic conditions. Projections indicate an increase in the frequency and intensity of droughts and floods, which directly threatens the stability and level of yields of key arable crops. Given that the share of arable farming in the Group's revenues and financial performance is the most significant compared to other business segments, any impact that materially reduces yields in quantitative terms or the quality of arable products may have a highly significant effect on the Group's financial results; such impacts may, in particular, arise from climate-related stress caused by prolonged drought periods. Experience from previous production years, as well as observed trends, indicates that weather events such as droughts or lower-intensity floods occur on an annual basis, while more extreme events tend to occur at intervals of several years.

Revenue and financial performance from fruit growing account for a smaller share of the Group's total revenue and results; however, a significant disruption in fruit growing revenue, caused by reduced yields due to extreme weather events and/or diminished quality, may have a moderate impact on the Group's financial performance. As extreme weather events are becoming increasingly frequent in the region, it is expected that more severe conditions will occur every few years; however, the Group seeks to develop appropriate responses to such extremes.

Among transition risks, the increase in energy costs has been identified as significant, as it may have a direct impact on the Group's operating costs. Given the energy intensity of certain activities, increases in the prices of electricity, fuels and other energy sources may affect the profitability and competitiveness of operations. These changes will also lead to higher costs of inbound and outbound transport. This risk is further linked to the transition towards a low-carbon economy, which includes regulatory changes, the potential introduction or increase in the pricing of greenhouse gas emissions, as well as changes in energy markets. In the long term, these trends may require additional investments in energy efficiency, equipment modernisation and the transition to more sustainable energy sources. The Group therefore recognises the need to monitor developments in energy markets and to progressively adapt its operations in order to mitigate the impact of rising energy costs and improve energy efficiency.

As the Group has not conducted a detailed analysis of the exposure of individual business processes, assets and locations to climate change, there is a risk that certain climate-related risks and vulnerabilities have not been fully identified or quantified, which may hinder the planning of climate change adaptation measures, the setting of goals and investment priorities, as well as long-term business planning. This may have potential financial impacts, particularly in the event of unforeseen effects of climate change on production, assets or operating costs.

Description of the processes to identify and assess material climate change-related impacts, risks and opportunities

ESRS 2 IRO-1, ESRS 2 SBM-3
E1

In 2025, Agro Invest Grupa carried out a more detailed double materiality assessment compared to the previous reporting period. In addition to detailed value chain mapping and the identification of data gaps, the priority at this stage was the identification of the most significant physical and transition climate-related risks for the Group's key activities. In 2024, an initial internal assessment of exposure to climate hazards was conducted, while in 2025 further analysis was carried out to assess how the identified climate hazards may affect individual activities and business processes of the Group.

The assessment process involved all key managers and experts within the organisation, who participated in the identification and assessment of the main climate-related risks and opportunities within their respective areas of responsibility. The assessment was based on internal knowledge of business processes, historical experience with extreme weather events (droughts, floods, hail, etc.), as well as available sectoral analyses and studies for the agriculture and aquaculture sectors in the Republic of Croatia.

At this stage of the assessment, climate scenarios were not explicitly used; instead, the assessment was based on available analyses of climate trends and the expected impacts of climate change on relevant sectors. Through value chain mapping and the analysis of business processes, the understanding of the main climate-related impacts, risks and opportunities associated with the Group's operations was further enhanced, and areas requiring more detailed analysis to ensure more precise future assessments were identified.

The Group plans to further enhance its methodology for assessing climate-related risks and opportunities in the coming periods, including a more detailed assessment of exposure and vulnerability at the location level, the use of climate scenarios, and the quantification of the potential financial impacts of climate change on its operations. This will enable a better understanding of the exposure of the business model to climate change, as well as the planning of appropriate adaptation measures and the strengthening of the resilience of operations to climate change.

E1-1 Transition plan for climate change mitigation

ESRS 2
E1-2

In 2025, systems for understanding and managing climate-related aspects were improved in order to establish the basis for the potential development of a transition plan. To date, the Group has calculated greenhouse gas emissions for Scope 1 and Scope 2, while the calculation of Scope 3 emissions has not yet been completed. At this moment, Agro Invest Grupa has not yet adopted a formal climate change mitigation transition plan.
Since, on the basis of the amendments introduced by Directive (EU) 2024/1760 on corporate sustainability due diligence, Agro Invest Grupa is not expected to be subject to an obligation to adopt a climate change mitigation transition plan, a decision on the development of a voluntary transition plan will be taken in future reporting periods.

E1-2 Policies related to climate change mitigation and adaptation

ESRS 2 MDR-P
E1-2

Agro Invest Grupa has not adopted policies related to climate change mitigation and adaptation. In line with business priorities, resilience analysis and regulatory requirements, the Group will review the development of respective policies in the future.

E1-3 Actions and resources in relation to climate change policies

ESRS 2 MDR-A
E1-3

Agro Invest Grupa does not have formally defined specific actions or resources to manage climate change. However, it implements energy efficiency measures in its operations. Currently, climate aspects are being considered in the broader context of operational efficiency and sustainability, however, they are not formally specified as a separate initiative. Taking into account business priorities, the Group plans to gradually develop strategies and measures in accordance with regulatory requirements and industry practices.
PP Orahovica has the following solar power plants installed: Silo Čačinci (power 215 kW), Fish pond Donji Miholjac (90 kW), Fish processing Čačinci (133 kW), Fish pond Kaniška Iva (165 kW), Fish pond Grudnjak (99 kW), Hazelnut Processing (40 kW) and Winery Orahovica (99 kW). Total production from solar power plants in PP Orahovica in 2025 amounted to 853.33 MWh; while consumption amounted to 583.08 MWh, which met about 14% of electricity needs.

PPK Valpovo has the following solar power plants installed: Silo and farmyard Valpovo (1 MW) and Brođanci (160 kW). Total production from solar power plants in PPK Valpovo in 2025 amounted to 1,250.61 MWh; while consumption amounted to 609.58 MWh, which met about 44% of electricity needs.

E1-4 Targets related to climate change mitigation and adaptation

ESRS 2 MDR-T
E1-4

Agro Invest Grupa has not set targets related to climate change. In the next period, we plan to develop key targets in line with the regulatory framework, detailed resilience analysis and strategic priorities.

E1-5 Energy consumption and energy mix

E1-5

Activities of Agro Invest Grupa in high climate impact sectors

A - AGRICULTURE, FORESTRY AND FISHING
01.1 Growing of non-perennial crops
01.11 Growing of cereals (except rice), leguminous crops and oil seeds
01.13 Growing of vegetables and melons, roots and tubers
01.19 Growing of other non-perennial crops
01.2 Growing of perennial crops
01.21 Growing of grapes
01.25 Growing of other tree and bush fruits and nuts
01.26 Growing of oleaginous fruits
01.4 Animal production
01.42 Raising of other cattle and buffaloes
01.46 Raising of swine/pigs
03.22 Freshwater aquaculture
01.63 Post-harvest crop activities
C - MANUFACTURING
10.20 Processing and preserving of fish, crustaceans and molluscs
10.39 Other processing and preserving of fruit and vegetables
10.41 Manufacture of oils and fats
10.91 Manufacture of prepared feeds for farm animals
11.02 Manufacture of wine from grape

At Agro Invest Grupa, energy is used for the following purposes: heating and cooling of offices, warehouses and other enclosed spaces, dryers, electrical energy for lighting of rooms, outdoor areas, computers, machines, air conditioning, etc. and fuels for vehicles and working machinery.
Within the Group, photovoltaic (PV) panels have been installed and integrated at the sites of PPK Valpovo, PP Orahovica and Agro Invest Grupa d.o.o. (Buzin), with on-site generation as a renewable energy source for own consumption and for supply to the grid.

Energy consumption per source

Energy consumption per source		Reference year, 2023 (N-2)	2025 (N)
1.	Fuel consumption from coal and coal products (MWh)	0	0
2.	Fuel consumption from crude oil and petroleum products (MWh)	23,451.14	23,324.47
3.	Fuel consumption from natural gas (MWh)	3,356.06	3,451.96
4.	Fuel consumption from other fossil sources (MWh)	0	0
5.	Consumption of purchased or acquired electricity, heating energy, steam and cooling energy from fossil sources (MWh)	4,408.08	5,324.44
6.	**Total fossil energy consumption (MWh) (calculated as the sum of lines 1 to 5)**	**31,215.27**	**32,100.87**
	Share of fossil sources in total energy consumption (%)	98.06	96.40
7.	Consumption from nuclear sources (MWh)	0	0
	Share of nuclear sources in total energy consumption (%)	0	0
8.	Fuel consumption from renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
9.	Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources (MWh)	0	0
10.	Consumption of self-generated non-fuel renewable energy (MWh)	617.28	1,198.08
11.	**Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)**	**617.28**	**1,198.08**
12.	Share of renewable sources in total energy consumption (%)	1.94	3.60
13.	**Total energy consumption (calculated as the sum of lines 6, and 11) (MWh)**	**31,832.55**	**33,298.95**

Energy intensity based on net revenue of the Group for 2025

Indicator	Reference year, 2023 (N-2)	2025 (N)
Energy intensity per net revenue (MWh/EUR 1,000)	0.406	0.379
Total energy consumption from activities in high climate impact sectors (MWh)	31,832.55	33,298.95
Net revenue from activities in high climate impact sectors used to calculate energy intensity (EUR 1,000)	78,339.00	87,853.00
Net revenues (other)	0.00	0.00

As net revenue in 2025 increased by 12.14% compared to 2023, while total energy consumption increased by 5.2% compared to 2023, energy intensity per net revenue decreased by 6.72%.

E1-6 Gross Scopes 1, 2, 3 and Total GHG emissions

E1-6

In 2024, data collection for Scope 1 and 2 GHG emissions for 2023 began, which is from that point onwards considered the baseline year. This report discloses greenhouse gas emissions data for Scope 1 and Scope 2 for 2025. Greenhouse gas emissions were not calculated for 2024.

The data that follow in Table 5 pertain to the gross emissions of seven greenhouse gases: carbon dioxide (CO_2), methane (CH_4), nitrous oxide (N_2O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF_6) and nitrogen trifluoride (NF_3), but are not limited to these gases. Below are the input data collected to calculate emissions in all Group companies:

- Fuel consumption by type: fossil fuels (natural gas, LPG, petroleum derivatives – gasoline and diesel)
- Electricity consumption
- The quantity of HFC gases in stationary and mobile air conditioning units
- The quantity of mineral and organic fertilisers, urea and lime on agricultural lands
- Agricultural land areas
- Number and type of livestock

1) Total energy consumption from activities in climate-relevant sectors per net revenue from activities in climate-relevant sectors.

GHG emissions, consolidated, Agro Invest Grupa

	Reference year 2023	2025
GHG emissions Scope 1		
Gross Scope 1 GHG **emissions** (t CO_2 eq.)	28,581.58	33,112.28
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0	0
GHG emissions Scope 2		
Location-based gross Scope 2 GHG **emissions** (t CO_2 eq.)	1,166.32	1,312.62
Market-based gross Scope 2 GHG **emissions** (t CO_2 eq.)	3,211.74	3,145.81
Significant gross Scope 3 GHG emissions		
Total gross indirect Scope 3 GHG **emissions** (t CO_2 eq.)	Not available	Not available
Total GHG emissions		
Total Scope 1 + 2 (location-based) gross GHG emissions (t CO_2 eq.)	29,747.89	34,424.91
Total Scope 1 + 2 (market-based) gross GHG emissions (t CO_2 eq.)	31,793.31	36,258.09

Total gross location-based greenhouse gas emissions in 2025 increased by 15.7%, primarily due to a significant increase in livestock numbers (number of dairy cows) and higher application of nitrogen fertilisers, which led to a 22.46% increase in direct fugitive emissions in agriculture compared to 2023. The largest share of emissions within the Group originates from direct fugitive emissions (72%) resulting from agricultural activities, namely the application of nitrogen fertilisers in arable farming, as well as enteric fermentation and manure management in livestock production. Direct emissions from mobile sources (20%) relate to the operation of passenger and freight vehicles, and to a large extent to agricultural vehicles and machinery (tractors, combines and vessels) powered by diesel and petrol engines. The largest share of direct emissions, which mostly relate to the aforementioned agricultural activities, is generated by companies operating in Croatia – PP Orahovica and PPK Valpovo (approximately 82%). Indirect emissions from purchased electricity under Scope 2, calculated on a location-based basis, account for only 4% of total emissions. The largest share of emissions is attributable to PP Orahovica, primarily due to its significant electricity consumption.

It is important to note that the CO_2 emission factor for electricity generation in Bosnia and Herzegovina is significantly higher than in Croatia. In other words, indirect emissions from electricity consumption in Bosnia and Herzegovina are more intensive, as emissions per MWh generated are up to 10 times higher than in Croatia, primarily due to the high share of coal-fired power plants in electricity generation. Figure 16 shows the distribution of Scope 2 emissions by Company. Given the regional nature of the Group, the largest share of total emissions is attributable to companies in Croatia (81%), while approximately one fifth relates to Bosnia and Herzegovina.

GHG Intensity based on net revenue

GHG emissions intensity was calculated as the ratio of total gross GHG emissions to the Group's net revenue in 2025, using both the location-based and market-based methods, and the table below presents a comparison with the reference year 2023.

	Reference year 2023	2025
GHG intensity per net revenue		
Total net revenue of Agro Invest Grupa (EUR 1,000)	78,339.00	87,853
LOCATION-based GHG intensity per net revenue (t CO_2 eq./EUR 1,000)	0.3797	0.392
MARKET-based GHG intensity per net revenue (t CO_2 eq./EUR 1,000)	0.405	0.413

Information in accordance with Article 8 of Regulation (EU) 2020/852

Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment (Taxonomy Regulation) establishes a system for classifying economic activities, which the European Union established to enable a significant contribution to sustainability, while complying with the standards concerning human rights, battle against corruption, fair market competition and tax transparency. Article 8 of the Taxonomy Regulation provides for reporting obligation for undertakings covered by Non-Financial Reporting Directive (NFRD) (EU) 2014/95, which was replaced by Corporate Sustainability Reporting Directive (CSRD) (EU) 2022/2464, whose provisions were transposed to the Accounting Act of the Republic of Croatia (Official Gazette of the Republic of Croatia, Nos 85/2024, 145/2024 and 151/2025) and which are binding for Agro Invest Grupa.

Article 9 of the Taxonomy Regulation defines the following environmental objectives:

1) climate change mitigation,
2) climate change adaptation,
3) the sustainable use and protection of water and marine resources,
4) the transition to a circular economy,
5) pollution prevention and control,
6) the protection and restoration of biodiversity and ecosystems.

The reporting process in line with the requirements of the Taxonomy Regulation can be divided into the three principal steps:

- Assessment of potentially Taxonomy-eligible economic activities,
- Detailed assessment of compliance of identified Taxonomy-eligible economic activities with the criteria for environmentally sustainable economic activities set out in Article 3 of the Taxonomy Regulation. Technical criteria are defined by delegated acts of the Taxonomy Regulation, and include criteria of significant contribution to one or more environmental objectives, of not doing significant harm to other environmental objectives (DNSH) and compliance with minimum social safeguards,
- Calculation of key performance indicators (KPIs) for determining the degree of environmental sustainability of investments required to be reported under Article 3 of the Taxonomy Regulation, which relate to the ratio of Taxonomy-eligible and Taxonomy-aligned activities in turnover, capital expenditure (CapEx) and operational expenditure (OpEx).

In compiling disclosures related to Regulation (EU) 2020/852 on the establishment of a framework to facilitate sustainable investment, we have also reviewed provisions of the following delegated acts of the Taxonomy Regulation:

- Commission Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information concerning environmentally sustainable economic activities of undertakings,
- Commission Delegated Regulation (EU) 2021/2139 supplementing Regulations (EU) 2020/852 of the European Parliament and Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and whether this economic activity causes significant harm to another environmental objective,
- Commission Delegated Regulation (EU) 2022/1214 amending Delegated Regulation (EU) 2021/2139 as regards economic activities in certain energy sectors and Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities,

- Commission Delegated Regulation (EU) 2023/2485 amending Delegated Regulation (EU) 2021/2139 establishing additional technical screening criteria for determining the conditions under which certain economic activities qualify as contributing substantially to climate change mitigation or climate change adaptation and for determining whether those activities cause significant harm to any of the other environmental objectives,
- Commission Delegated Regulation (EU) 2023/2486 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to the sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems and for determining whether that economic activity causes significant harm to any of the other environmental objectives and amending Commission Delegated Regulation (EU) 2021/2178 as regards specific public disclosures for those economic activities,
- Commission Delegated Regulation (EU) 2024/3215 on correcting certain language versions of Delegated Regulation (EU) 2021/2139 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by establishing the technical screening criteria for determining the conditions under which an economic activity qualifies as contributing substantially to climate change mitigation or climate change adaptation and for determining whether that economic activity causes significant harm to any of the other environmental objectives.

Taxonomy-eligibility assessment

Article 1 of Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and Council by specifying the content and presentation of information on environmentally sustainable economic activities to be disclosed by undertakings as economic activity has been described in the delegated acts. Accordingly, a Taxonomy-non-eligible economic activity means any activity that is not described in the delegated acts. An analysis of potential Taxonomy-aligned economic activities of Agro Invest Grupa has been conducted considering all delegated acts related to the Taxonomy Regulation.
The analysis has shown that Agro Invest Grupa generates turnover from the following Taxonomy-eligible economic activities:

- 7.7 Acquisition and ownership of buildings (CCM).

Along with the activities whereby Agro Invest Grupa generates turnover, this Sustainability Report and disclosures under the Taxonomy Regulation comprise the following activities, which have been recognised in the capital expenditure (CapEx) and/or operational expenditure (OpEx) of Agro Invest Grupa in 2025:

- 6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM),
- 6.6 Freight transport services by road (CCM),
- 7.2 Renovation of existing buildings (CCM),
- 7.7 Acquisition and ownership of buildings (CCM).

Agro Invest Grupa does not engage in, finance or is exposed to activities related to nuclear energy and gas.

Overview and description of Agro Invest Grupa's Taxonomy-eligible activities in 2025 concerning turnover, capital expenditure (CapEx) and operational expenditure (OpEx)

6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM),	Use of vehicles category M1 and N1 based on lease agreements. Agreements that meet the IFRS 16 criteria for lease recognition are shown in the CapEx category, and agreements that do not meet these criteria are shown in the OpEx category.
6.6 Freight transport services by road (CCM)	Use of vehicles category N1, N2 and N3 based on lease agreements. These agreements meet the criteria for lease recognition under IFRS 16 and are shown in the CapEx category.
7.2 Renovation of existing buildings (CCM)	Renovation and upgrade of non-residential buildings owned by the Group.
7.7 Acquisition and ownership of buildings (CCM)	The Group generates turnover based on lease agreements for non-residential buildings in its ownership. Simultaneously, the Group uses business premises based on lease agreements that meet the criteria for lease recognition under IFRS 16.

Assessment of alignment with Regulation (EU) 2020/852

A Taxonomy-aligned economic activity is such an activity that meets the criteria referred to in Article 3 of the Taxonomy Regulation, which relate to meeting all criteria for environmentally sustainable economic activities. These criteria include the criteria of significant contribution to one environmental objective, not harming any other environmental objective (DNSH) and compliance with minimum social safeguards.
Taxonomy-eligible economic activities identified in the turnover of Agro Invest Grupa are not aligned with the criteria for environmentally sustainable activities

7.7 Acquisition and ownership of buildings (CCM)

The Group generates turnover based on lease agreements for non-residential buildings. However, the managing of these buildings has not been aligned with the screening criteria referred to in the Taxonomy Regulation.

Taxonomy-eligible and Taxonomy-aligned activities of Agro Invest Grupa identified in capital expenditure (CapEx) and/or operational expenditure (OpEx) are not aligned with criteria for environmentally sustainable activities:

6.5 Transport by motorbikes, passenger cars and light commercial vehicles (CCM),

The Group uses personal and light commercial vehicles based on lease agreements; however, the record of these vehicles and their characteristics have not been aligned with the technical screening criteria referred to in the Taxonomy Regulation,

6.6 Freight transport services by road (CCM)

The Group uses commercial vehicles based on lease agreements; however, the record of these vehicles and their characteristics have not been aligned with the technical screening criteria referred to in the Taxonomy Regulation

7.2 Renovation of existing buildings (CCM),

Renovation and upgrade of non-residential buildings owned by the Group; however, renovation has not been done in accordance with the technical screening criteria referred to in the Taxonomy Regulation,

7.7 Acquisition and ownership of buildings (CCM),

The Group uses office and warehouse space based on lease agreements; however, their management has not been aligned with the technical screening criteria referred to in the Taxonomy Regulation.

Key performance indicators (KPIs) relating to turnover in 2025

For the purposes of disclosures related to the Taxonomy Regulation, to calculate the turnover KPI, the turnover from sales has been used as the denominator pursuant to the definition of the turnover from sales referred to in the consolidated financial statements (Note 5 in the attached audited consolidated financial statements).

The numerator includes turnover from sales generated from Taxonomy-eligible and Taxonomy-aligned economic activities.

When calculating turnover KPIs, care was taken not to do a double count by showing a significant contribution of the same item for several environmental objectives for various Agro Invest Grupa's companies, both relating to capital expenditure (CapEx) and/or operational expenditure (OpEx).

Turnover	**Turnover share / Absolute turnover**			
	Taxonomy-aligned activities per objective (%)		Taxonomy-eligible activities per objective (%)	
	2024	2025	2024	2025
Climate change mitigation (CCM)	0%	0%	0.29 %	0.29 %
Climate change adaptation (CCA)	0%	0%	0 %	0 %
The sustainable use and protection of water and marine resources (WTR)	0%	0%	0 %	0 %
The transition to a circular economy (CE)	0%	0%	0 %	0 %
Pollution prevention and control (PPC)	0%	0%	0 %	0 %
The protection and restoration of biodiversity and ecosystems (BIO)	0%	0%	0 %	0 %

Turnover 2025

Economic activities (1)	Code (2)	Proportion of Taxonomy-eligible Turnover (3)	Taxonomy-aligned Turnover (4)	Proportion of Taxonomy-aligned Turnover (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	(EUR)	%	%	%	%	%	%	%	O	P	%
Acquisition and ownership of buildings	CCM 7.7.	0.29%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			0%
Total Turnover		0.29%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

Key performance indicators relating to capital expenditures (CapEx KPI) in 2025

For the calculation of the key performance indicator related to capital expenditure (CapEx KPI), the denominator for the purposes of disclosures pursuant to the Taxonomy Regulation includes increases in tangible and intangible assets during the financial year, before depreciation and re-measurements. The denominator also includes increases in tangible and intangible assets resulting from business combinations, as presented in the consolidated financial statements (Notes 18, 20 and 21 of the attached audited consolidated financial statements).

The numerator is equal to the portion of capital expenditure included in the denominator that relates to capital expenditure associated with Taxonomy-eligible and Taxonomy-aligned economic activities.

When calculating capital expenditure KPIs, care was taken not to do a double count by showing a significant contribution of the same item for several environmental objectives for various Agro Invest Grupa's companies, both relating to turnover and/or operational expenditure (OpEx).

Capital expenditure	Capital expenditure share / Absolute capital expenditure			
	Taxonomy-aligned activities per objective (%)		Taxonomy-eligible objectives per objective (%)	
	2024	2025	2024	2025
Climate change mitigation (CCM)	0 %	0 %	18.86 %	8.83 %
Climate change adaptation (CCA)	0 %	0 %	0 %	0 %
The sustainable use and protection of water and marine resources (WTR)	0 %	0 %	0 %	0 %
The transition to a circular economy (CE)	0 %	0 %	0 %	0 %
Pollution prevention and control (PPC)	0 %	0 %	0 %	0 %
The protection and restoration of biodiversity and ecosystems (BIO)	0 %	0 %	0 %	0 %

CapEx 2025

Economic activities (1)	Code (2)	Proportion of Taxonomy-eligible CapEx (3)	Taxonomy-aligned CapEx (4)	Proportion of Taxonomy-aligned CapEx (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	(EUR)	%	%	%	%	%	%	%	O	P	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	0.53%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Freight transport services by road	CCM 6.6.	0.51%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Renovation of existing buildings	CCM 7.2.	7.63%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Acquisition and ownership of buildings	CCM 7.7.	0.16%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			0%
Total CapEx		8.83%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

The capital expenditure (CapEx) plan as required by Commission Delegated Regulation (EU) 2021/2178

Agro Invest Grupa has not adopted a capital expenditure (CapEx) plan aligned with the requirements of Delegated Regulation (EU) 2021/2178 supplementing Regulation (EU) 2020/852 of the European Parliament and of the Council by specifying the content and presentation of information concerning environmentally sustainable economic activities to be disclosed by undertakings.

Key performance indicators relating to operational expenditures (OpEx KPI) in 2025

For the calculation of the key performance indicator related to operating expenditure (OpEx KPI), the denominator includes direct non-capitalised costs relating to research and development, buildings renovation measures, short-term leases, maintenance and repair, as well as all other direct expenditures relating to the day-to-day servicing of property, plant and equipment carried out either by the undertaking itself or by a third party to whom these activities are outsourced, and which are necessary to ensure the continued and effective functioning of such assets (Notes 8 and 9 of the attached audited consolidated financial statements).
The numerator is equal to the portion of capital expenditure included in the denominator that relates to capital expenditure associated with Taxonomy-eligible and Taxonomy-aligned economic activities.
When calculating operational expenditure (OpEx) KPIs, care was taken not to do a double count by showing a significant contribution of the same item for several environmental objectives for various Agro Invest Grupa's companies, both relating to turnover and/or operational expenditure (OpEx).

Operational expenditure	**Operational expenditure share / Absolute operational expenditure**			
	Taxonomy-aligned activities per objective (%)		Taxonomy-eligible objectives per objective (%)	
	2024	2025	2024	2025
Climate change mitigation (CCM)	0 %	0 %	0.26 %	0.41 %
Climate change adaptation (CCA)	0 %	0 %	0 %	0 %
The sustainable use and protection of water and marine resources (WTR)	0 %	0 %	0 %	0 %
The transition to a circular economy (CE)	0 %	0 %	0 %	0 %
Pollution prevention and control (PPC)	0 %	0 %	0 %	0 %
The protection and restoration of biodiversity and ecosystems (BIO)	0 %	0 %	0 %	0 %

OpEx 2025

Economic activities (1)	Code (2)	Proportion of Taxonomy-eligible OpEx (3)	Taxonomy-aligned OpEx (4)	Proportion of Taxonomy-aligned OpEx (5)	Climate change mitigation (6)	Climate change adaptation (7)	Water (8)	Circular Economy (9)	Pollution (10)	Biodiversity (11)	Enabling activity (12)	Transitional activity (13)	Proportion of Taxonomy aligned in Taxonomy eligible (14)
		%	(EUR)	%	%	%	%	%	%	%	O	P	%
Transport by motorbikes, passenger cars and light commercial vehicles	CCM 6.5.	0.41%	0.00	0%	0%	0%	0%	0%	0%	0%	/	/	0%
Sum of alignment per objective					0%	0%	0%	0%	0%	0%			0%
Total OpEx		0.41%	0.00	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%

ESRS E2: Pollution

Disclosure requirement		Information
ESRS 2 SMB-3 E3	Material impacts, risks and opportunities and their interaction with strategy and business model	168
ESRS 2 IRO-1 E2	Description of the processes to identify and assess material pollution-related impacts, risks and opportunities	170
ESRS E2-1	Policies related to pollution	170
ESRS E2-2	Actions and resources related to pollution	171
ESRS E2-3	Targets related to pollution	172
ESRS E2-4	Pollution of air, water and soil	172
ESRS E2-6	Anticipated financial effects from pollution-related impacts, risks and opportunities	Use of phase-in option

Agro Invest Grupa manages various business activities in the agricultural sector and is aware of the potential and actual impacts of its operations on pollution, particularly soil and water pollution from its own production and air pollution from transportation activities. In this context, Agro Invest Grupa continuously invests in modernisation and the transition to environmentally acceptable technologies and processes, while monitoring legislative changes and regulatory obligations and systematically promoting employee training about safe and responsible practices.

At the same time, the challenges are significant, as the impacts of climate change and increasingly frequent weather-related disruptions favour the spread of pests and diseases that may significantly affect agricultural production. Although the use of pesticides and fertilisers is necessary in agriculture to maintain yields and quality, their improper or excessive application may lead to soil pollution, as well as pollution of surface and groundwater, and to the degradation of ecosystems.

To mitigate these negative impacts, Agro Invest Grupa invests in the modernisation of its production, with a focus on smart solutions that enable optimised dosing and minimise the use of plant protection products. Additionally, to the extent that they are commercially viable, arable lands are being developed and expanded for their use as ecological focus areas. This contributes to the preservation of biodiversity and the improvement of the soil and landscape conditions.

Material impacts, risks and opportunities

ESRS 2 SBM-3
E2

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE ACTUAL **Soil pollution resulting from the use of fertilisers and plant protection products**	The application of mineral fertilisers and chemical plant protection products causes soil pollution and disrupts its biological balance. Excess nutrients, in particular nitrogen and phosphorus, alter the chemical composition of the soil, thereby reducing its fertility and water retention capacity. Residues of pesticides and herbicides may persist in the soil over the long term, affecting microbiological activity and reducing the biodiversity of beneficial organisms. In arable farming, fruit growing and viticulture, the frequent application of plant protection products and fertilisers increases the risk of the accumulation of heavy metals and other toxic compounds, which may also reach groundwater. In livestock farming, soil pollution resulting from the excessive application of manure and pesticide residues degrades soil fertility, alters microbial communities and increases the risk of heavy metal accumulation in the soil.	Own operations Upstream	Short-term to long-term	•	•		•	•
NEGATIVE ACTUAL **Water pollution resulting from the use of fertilisers and plant protection products**	The application of mineral fertilisers and chemical plant protection products often leads to the leaching of nitrogen, phosphorus and pesticide residues into surface and groundwater. In arable farming, intensive fertilisation combined with precipitation may result in the runoff of nitrates and phosphates into rivers and lakes, promoting eutrophication and the formation of algal blooms. In fruit growing and viticulture, the use of pesticides and fungicides may also contaminate nearby watercourses, posing a risk to aquatic organisms and ecosystem biodiversity. Slurry and fertilisers used in livestock production and on agricultural land (such as feed crops) often contain high concentrations of nitrogen and phosphorus. The leaching of nutrients, such as nitrogen and phosphorus, from fertilisers and slurry into nearby water bodies may threaten aquatic ecosystems. The widespread use of fertilisers, the discharge of untreated manure and nutrient runoff from livestock farms and pastures are major contributors to the pollution of rivers, lakes and groundwater. In the long term, the accumulation of these substances in water reduces its quality, renders it unsuitable for human consumption and irrigation, and increases water treatment costs.	Own operations Upstream	Short-term to long-term	•	•		•	•
NEGATIVE ACTUAL **Water and soil pollution resulting from fish mortality in fish ponds**	Fish mortality in fish ponds may lead to water and soil pollution due to the decomposition of organic matter and the release of nitrogen, phosphorus and other compounds that deteriorate water quality and may trigger eutrophication and anoxic conditions. These processes may result in further organism mortality and the spread of pathogens.	Own operations	Short-term to long-term			•		
NEGATIVE ACTUAL **Release of microplastics into soil**	Microplastics enter the soil through a variety of sources, including the use of fertilizers, plastic wrap, irrigation systems, product packaging, and composted organic materials that contain plastic particles. Over time, plastic materials break down into very small particles that remain in the soil and can change its structure. Microplastics can also adsorb chemicals from fertilizers and pesticides, potentially increasing soil toxicity and affecting the microbial community.	Own operations Upstream	Short-term to long-term	•	•		•	•

The risks considered in this segment include restrictions on the use of active substances and fish mortality in fishponds resulting from water and soil pollution caused by pesticides. These risks were not assessed as material; however, they will continue to be assessed in future reporting periods. The risk of remediation costs in the event of more significant pollution incidents, as well as the impact of conventional farming practices in the surrounding area, were also considered but were not assessed as financially material. No business opportunities or positive impacts were identified in this segment.

Impact, risk and opportunity management

ESRS 2 IRO-1
E2

Pollution-related matters in business activities were considered when assessing the positive and negative environmental and potential financial impacts, in a process where the Management Board, management, and experts reviewed materiality. In 2025, a detailed mapping of the value chain was carried out for the core activities of Agro Invest Grupa – arable farming, fruit growing, viticulture, aquaculture and livestock farming – and impacts, risks and opportunities were re-identified and reassessed for each value chain. The methodologies and assumptions applied in the review of activities are presented in section ESRS 2 SBM-1.

Furthermore, at the end of 2025, stakeholder engagement was conducted via an online survey to assess stakeholder trust in Agro Invest Grupa's practices and actions for managing the use of fertilisers and plant protection products, as well as the associated potential for soil and water pollution. Given the limited sample size for the stakeholder engagement, the research will be expanded in the next reporting period to obtain more robust insights.

Production activities and all production sites are continuously monitored to prevent air, water and soil pollution. In addition, Agro Invest Grupa ensures that measuring equipment and instruments are accurate and that experts

E2-1 Policies related to pollution

ESRS 2 MDR-P
E2-1

In its daily operations, Agro Invest Grupa adheres to all legislation and regulatory frameworks governing environmental pollution and to the permit requirements necessary for responsible business operations. At all sites where waste is generated, the Regulations on the Disposal of All Types of Waste from Technological Processes and the Operational Plan for Emergency Measures in the Case of Sudden and Accidental Water Pollution are applied.
In preventing pollution, Agro Invest Grupa adheres to environmental protection principles prescribed by the legislation governing environmental protection and the acquis of the European Union, principles of international environmental law and scientific knowledge, best global practices and professional rules regarding precaution, environmental and economic sustainability, technological feasibility and the protection of resources and human health. However, given the requirement that this area be governed by dedicated policies, the Group will adopt the respective Policy in 2026, following value chain due diligence across all production lines.

E2-2 Actions and resources related to pollution

ESRS 2 MDR-A
E2-2

Organic farming measures aim to reduce the negative impact of conventional agriculture on the environment by preserving the quality of water, soil and air. Although specific policies in this area of management do not exist, the actions that the Group is implementing for pollution prevention and control are focused on reducing the use of plant protection products and fertilisers, decreasing air emissions and on a more rational drying of agricultural crops.

Soil pollution prevention measures include an optimal use of pesticides and fertilisers and the use of organic and ecological agents. Using organic fertilisers in the fertilisation of perennial plantations reduces the negative impacts of agriculture on the environment, increases biodiversity and contributes to producing high-quality and safe products. Additionally, purchasing organic raw materials (fertilisers and plant protection products) and using machines for mechanical weed removal reduces the use of herbicides in permanent crops. Using pheromone, visual and feeding traps in pest monitoring significantly reduces the number of insecticide treatments and increases the effectiveness of the insecticides used. The occurrence of pests is related to the climatic conditions at a particular site and often aligns with the host plant's phenophases (developmental stages). The most significant advantage of using this operation is the reduction of environmental pollution from insecticides, which directly increases biodiversity in permanent plantations.

Fertilisation on livestock farming areas is carried out in minimal quantities. On arable land where perennial crops (clover–grass mixtures and alfalfa) are cultivated over a five-year period, fertilisation is performed using manure from own production once every five years, i.e., upon re-establishment of the crop. On pastures used for grazing, only natural fertilisation occurs within a limited time, as rotational grazing is practised. No fertilisation is carried out on meadows.

In addition to the precise dosing of plant protection products and fertilisers, measures to prevent water pollution from arable farming also include the sampling of water from wells and a nearby canal. This procedure has been carried out for approximately the past 10 years, and the tested parameters remain within the prescribed limits.

Operational Plans for Emergency Measures in the Case of Sudden and Accidental Water Pollution describe actions to be implemented in the event of sudden pollution. They refer to the interruption of the water supply, fencing off the contaminated site, and flushing out the pollution with a large amount of water. At each site, impermeable bags are filled with sand or soil; constructing embankments prevents the spread of pollution.

Fish mortality may occur because of infection, pollution, high temperatures, water evaporation or oxygen depletion. In the event of a fish kill, Agro Invest Grupa will engage special services and refrigerator wagons for removal from the site, identifying the causes of the infection or other pollutants and eliminating them.

In the assessment of impacts, risks and opportunities, the potential for microplastic pollution from plastic materials used in cultivation and from synthetic fertilisers was taken into account. This topic had not previously been considered; therefore, no actions have been implemented to prevent microplastic pollution. Measures for even better management of plastic materials in agriculture, including separate storage, proper disposal, and participation in recycling programs to reduce the risk of plastic entering the soil, are among the options that will be considered in future periods.

E2-3 Targets related to pollution

ESRS 2 MDR-T
E2-3

Agro Invest Grupa continuously improves the management framework for pollution prevention and control, including the further development of clearly defined target values. In its day-to-day operations, Agro Invest Grupa complies with all legal provisions, regulatory frameworks and special permit requirements it obtains.

E2-4 Pollution of air, water and soil

E2-4

All wastewater and air emissions testing is conducted in accordance with laws and regulations and the requirements of water management permits. All tested parameters have so far been within permissible values. Wastewater analyses are performed by an accredited laboratory using established methods for each specific substance they test. When sampling wastewater, either grab or composite samples are analysed, depending on the requirements of the water management permit.
Analyses of emissions to air are conducted by the Emissions Measurement and Air Quality Testing Laboratory (LME) according to the approved methods and requirements of the Regulation on Emission Limit Values of Air Pollutants from Stationary Sources (Official Gazette of the Republic of Croatia, No 42/21). This Laboratory analyses the emissions of the undertaking and its boiler rooms and dryers. The data is obtained from testing reports, and each year it is analysed to determine whether the maximum permitted levels are exceeded. After that, the data is reported to the Environmental Pollution Register. All values listed in the pollution table are within legally permitted limits, and it was not considered necessary to take specific actions to prevent or reduce them. No records are kept on microplastics.

Plant protection is subject to weather conditions, so annual data can fluctuate significantly. In addition, Agro Invest Grupa is improving its agrotechnical measures, and as a result of these changes, diseases and weeds in crops are reduced.

The data in the table below represent values for the undertakings in the Republic of Croatia, while the data for the undertakings in Bosnia and Herzegovina were unavailable by the time this Report was finalised.

Category	Pollutant	Source type	Site	Quantity t/year (2024)	Quantity t/year (2025)
Air pollution	CO	Strahl dryer	PP Orahovica	0.0124	0.06
	NO_2			0.0377	0.06
	CO_2			0.0283	0.08
	PM 10 particulate matter			0.0002	0.07
	CO	Cevovod dryer		0.0014	0.01
	NO_2			0.0019	0.06
	CO_2			2.5970	1.32
	CO	Boiler rooms		0.0289	0.10
	NO_2			0.0880	0.05
	CO_2			0.0672	0.08
	PM 10 particulate matter			0.0005	0.0006
	CO	Steam boiler	PPK Valpovo	0.0004	0.0004
	NO_x				0.0576
	PM 10 particulate matter	Emission from feed mills (TSH)		0.0010	0.0010
	CO	Dryer		0.0439	0.0439
	NO_2			0.0858	0.0858

Category	Pollutant	Source type	Site	Quantity t/year (2024)	Quantity t/year (2025)
Water pollution	Sulphate	Wastewater	PP Orahovica	13.4	25.87
	BOD			15.0	13.04
	COD			60.0	49.12
	Sulphites			0.2	0.05
	Sulphides			0.02	0.01
	Total hydrocarbons			2.38	2.9
	Nitrates			1.86	1.28
	Nitrites			0.04	0.035
	Total suspended solids			16.17	13.85
	Total nitrogen			3.24	2.89
	Total phosphorus			0.29	0.17
	Chlorides			26.1	30.95
	Total oils and fats			3.4	3.63
	BOD			1.3	3.4
	COD			8	6
	Total nitrogen			1.8	2.89
	Total phosphorus			0.05	0.52

Category	Pollutant	Source type	Site	Quantity t/year (2024)	Quantity t/year (2025)
Soil pollution	Pesticides			125.94	85.07

ESRS E3: Water and marine resources

Disclosure requirement		Information
ESRS 2 SMB-3 E3	Material impacts, risks and opportunities and their interaction with strategy and business model	174
ESRS 2 IRO-1 E3	Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities	176
ESRS E3-1	Policies related to water and marine resources	177
ESRS E3-2	Actions and resources related to water and marine resources	178
ESRS E3-3	Targets related to water and marine resources	180
ESRS E3-4	Water consumption	182
ESRS E3-5	Anticipated financial effects from water and marine resources-related impacts, risks and opportunities	Use of phase-in option

Agro Invest Grupa recognises the importance of responsible water resource management within its activities, which include arable farming and fruit growing, the production of wine and alcoholic beverages, freshwater fish farming and processing and livestock production. Given the geographical location and the nature of its operations, the identified impacts, risks and opportunities, as well as the related policies and actions, primarily relate to inland water resources.

Although the Group operates in an area relatively rich in water resources, the long-term availability of water is increasingly linked to climate change, particularly through changes in precipitation patterns, the frequency of droughts, and groundwater levels; therefore, water availability is recognised as an important environmental and business factor.

Agricultural activities require careful and efficient water management to ensure sustainable yields and the continuity of production. The Group invests in technologies and solutions that contribute to more efficient water use, including advanced and digital irrigation systems and equipment that reduces water consumption in production and processing facilities. Through its activities, modernisation and digitalisation of systems, the Group aims to reduce water losses and optimise its use across all of its divisions.

Part of the Agro Invest Grupa's operations is located within the Natura 2000 network of ecologically protected areas and special attention is paid on protecting water ecosystems and natural habitats.

Material impacts, risks and opportunities

ESRS 2 SBM-3
E3

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE POTENTIAL **Water abstraction and consumption**	Agricultural activities require significant volumes of water for irrigation in order to achieve high yields and product quality. Intensive abstraction of water from surface water bodies or groundwater sources may lead to declining groundwater levels, the drying up of smaller watercourses and the degradation of local ecosystems. Prolonged and unsustainable water consumption may reduce availability for other users and sectors and increase the vulnerability of the agricultural system to the impacts of droughts and climate change. The impact occurs in own operations and in cooperation arrangements. (Related to E4 – Biodiversity and ecosystems; S3 – Affected communities)	Own operations Upstream	Mid-term to long-term	•	•	•	•	•

MATERIAL RISKS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
Insufficient water availability for irrigation, cultivation and processing	Climate change is increasingly undermining the reliability of precipitation in South-East Europe, leading to prolonged drought periods and reduced availability of surface and groundwater for irrigation. Given that the majority of cultivated land traditionally depends on rainfall and that irrigation infrastructure is insufficiently developed, the growing need for irrigation poses a risk of excessive abstraction from rivers and aquifers, particularly during dry summer months. Low water can impact the stability and the quantity of water abstracted for fish ponds. The use of water from the public water supply due to drought and water scarcity, or due to the contamination of well water caused by heavy rainfall and flooding, increases costs in fish processing. (Related to E1 – Climate change)	Own operations Upstream	Short-term to long-term	•		•	•	•

Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities

ESRS 2 IRO-1
E3

Agro Invest Grupa uses water in all cultivation, production and processing activities. The largest volumes of water are abstracted in fish farming processes; however, water is also used in livestock farming for watering cattle, as well as in agricultural production, including arable farming, fruit growing and viticulture, primarily for irrigation purposes. Water is also used in processing activities, particularly in fish processing, wine production and animal feed production, where it is used in the form of steam in the pellet production process. In addition, water is used for the cleaning and disinfection of premises, equipment and production lines, as well as for washing agricultural machinery and processing facilities at all sites where the Group operates. In the above processes, with the exception of fish farming, water is predominantly abstracted from own wells, i.e. from groundwater, while a smaller portion is sourced from the public water supply network.

For the purpose of assessing impacts, risks and opportunities related to water resources, the Group conducted an initial assessment of the exposure of its operating sites to water-related risks, using publicly available analyses from the Ministry of Agriculture, Forestry and Fisheries of the Republic of Croatia as well as internationally available public tools: Aqueduct Water Risk Atlas of the World Resources Institute (WRI) and WWF Water Risk Filter.

The assessment was carried out at the level of the Group's operating sites in the Republic of Croatia, taking into account water availability, the variability of water resources and risks associated with extreme hydrological events that may affect the quality of well water. The analysis showed that the areas in which the Group operates are generally located in regions of low water stress, meaning that the ratio of total water demand to available renewable water resources is relatively low and that there is no significant competition among water users. These operating areas are also characterised by low levels of water resource depletion, indicating that current water consumption does not have a significant impact on water availability for other users and downstream areas.

On the other hand, the analysis identified moderate interannual variability in water availability as well as moderate seasonal variability, meaning that differences in water availability may occur between individual years and within a given year, particularly during drier periods. This aspect is particularly relevant for agricultural production and aquaculture, which depend on the stable availability of water.

The analysis also identified elevated physical risks associated with extreme weather events, in particular the risk of river flooding and drought, which may affect agricultural production, as well as fish farming and processing.

Although it is currently not possible to predict with a high level of certainty how climate change will affect the aquaculture sector in the Republic of Croatia in the long term, climate change represents a significant source of physical risks and may affect the sensitivity and stability of production in this sector. Changes in air and water temperature, variations in the amount and distribution of precipitation, an increased frequency of droughts and floods, and changes in hydrological regimes may affect water availability and quality, which are key factors for fish farming.

In light of the above, climate change represents a long-term strategic risk for aquaculture; therefore, continuous monitoring of climate indicators, water availability and quality, as well as potential impacts on production processes, is required.

2) Draft Aquaculture Development Strategy
National Aquaculture Development Plan

It is necessary to continuously monitor the development of climate-related risks and to progressively integrate climate scenarios and physical risk assessments into risk management processes, investment planning and water resource management, with the aim of increasing the resilience of aquaculture production to climate change.

Based on the analysis conducted, the Group identified that the key risks related to water resources are primarily physical risks associated with climate change, in particular drought risk, variability in water availability and flood risk, which may affect the quality of well water, while risks related to water scarcity should be continuously monitored. The results of this analysis were used as a basis for assessing the materiality of impacts, risks and opportunities related to water resources, as well as for identifying data gaps and planning water management measures and climate change adaptation.

Concerning any water use activities, potential and actual impacts on operations are regularly reviewed, and relevant experts are consulted to ensure compliance with the regulations. Consultations with the community are conducted within the environmental screening procedure or environmental impact assessment when it comes to reconstructing ponds. In December 2024, Agro Invest Grupa submitted studies for public consultations on the works to partition plots in the Grudnjak and Vrbovljani ponds to the Ministry of Environmental Protection and Green Transition. In 2025, the construction permit for Grudnjak was obtained, while the project for Vrbovljani was withdrawn from the previous permitting procedure, and a new conceptual design with a revised scope of the planned development was prepared. Additionally, consultations with the community took place when the River Basin Management Plan until 2027 was adopted. These consultations were conducted by Hrvatske vode.

E3-1 Policies related to water and marine resources

ESRS 2 MDR-P
E3-1

Although Agro Invest Grupa has not formally adopted a Water Policy, it recognises the strategic importance of systematic water resource management as a key element of its business. The goal of Agro Invest Grupa is to comprehensively assess the situation at all production sites using water by the end of 2026 to identify opportunities for optimising the consumption and improving the water resource management processes. Based on the results of the scanning and guidelines for improvement, a comprehensive Group Water Policy will be developed by the end of 2027.

The food safety policy adopted in line with the ISO 22000 standard, which has been implemented in the production processes of wine and hazelnut processing, and the IFS standard in fish processing, prioritise an economical use of safe water and the disposal of wastewater in a manner that does not endanger the environment.

E3-2 Actions and resources related to water and marine resources

E3-2

Measures for pond water management

In using water from leased ponds and watercourses and wells in its ownership, Agro Invest Grupa complies with all legal obligations (Agricultural Land Act, Official Gazette of the Republic of Croatia, No 57/22; Water Act, Official Gazette of the Republic of Croatia, No 47/23; Water Management Financing Act, Official Gazette of the Republic of Croatia, No 36/24). The Croatian water management authority, Hrvatske vode, has set out special conditions for water use within the Fish Pond Lease Agreement. Among other water pond management obligations, these conditions regulate how ponds are to be filled, the quantity of water that may be abstracted, reporting obligations and water analyses that need to be conducted. Also, they regulate the preservation of water quality and water discharge, with the aim is to preserve the ecosystem of the watercourses supplying these ponds as well as other obligations in fish pond management. Concerning wells for water abstraction for production processes or irrigation, the Group has obtained respective permits for water abstraction, and the water quality is tested once or twice a year. The quantity of water which may be abstracted without endangering the water-bearing part of soil is prescribed for each well. This also serves to protect the wells used in the local community.

An insufficient quantity of water relative to the prescribed quantity available for abstraction into fish ponds poses a potential operational risk. The growing impact of climate change is evident in droughts, the lack of water in watercourses and the occurrence of a periodic water regime. Considering that each of the nine pond sites is specific, in the first year of filling, the available water quantities are monitored, including the filling level of the ponds and the availability of the water for replenishment. Water retention is also tracked, and daily losses are measured in case of significant losses (due to evaporation or the porosity of embankments and soil). Breeding processes are adapted by using the existing water quantities (by transferring the water from one plot to another, reducing the quantity of water discharged, i.e., increasing the utilisation of the already abstracted water). Wells at ponds from which water is abstracted are used to refill plots during critical periods. Water abstraction in ponds is done in several ways: from watercourses by the natural inflow or a pumping station, and by a combination of abstraction from the watercourses and accumulation through natural inflow, or natural inflow and the use of a pumping station.

After water abstraction, water management within the ponds is specific to each site. It is determined by the existing inlet and outlet structures and the available quantity of water from the watercourses and/or accumulations.

Besides abstracting water from the watercourse, the Lipovljani pond uses water from the accumulation. A tripartite Agreement was signed between Hrvatske vode, Petrokemija d.d. and PP Orahovica defining the management and maintenance of the Pakra accumulation, its water use priorities, needs and availability of water, as well as the scope of the work of the Committee for Accumulation Management.

After the completion of farming, the water from the ponds is released into the watercourse or transferred to the adjacent plot for re-use, thereby directly reducing the pressure on water abstraction from the watercourses. The water transfer from plot to plot depends on the breeding technology, which is adjusted yearly according to hydrological conditions and cannot be standardised.

Actions implemented:

- To improve water conditions, aerators are used to increase the oxygen concentration in the water, hydrated lime is used for pH regulation, and other methods are also implemented;
- In fish processing, a chlorinator is used to obtain water that meets the parameters for human consumption;

- In September 2024, EUR 20,000 was invested in installing 5 wash systems in fish processing, resulting in better control of water consumption and of the use of cleaning agents in the facility. Water and cleaning agents consumption has been reduced by 20%;
- It is planned to recycle the water used for fish storage pools in fish processing, ensuring that more than 60% of the water is reused to maintain the necessary flow in the pools.

Actions in cooperation with Hrvatske vode:

- On a joint initiative by breeders and the Ministry of Agriculture – Fisheries Directorate to increase the availability of the needed water quantities for fish ponds, Hrvatske vode has launched projects to arrange supply channels to ponds. These projects have been submitted for co-financing from the European Maritime, Fisheries and Aquaculture Fund, under measure II.7 'Increase the potential of aquaculture sites', whose implementation is ongoing from 2024 to 2026;
- Activities to reduce the risk of high water levels in the surrounding watercourses, which, among other things, has a direct impact on reducing the risk of insufficient pond water quantities. Namely, some ponds are used to accumulate the excess water from the canal network as a flood defence measure. Through minimal interventions (raising embankments), it is possible to collect additional quantities of water from the watercourses during large water waves, thereby preventing the flooding of villages and agricultural areas and the resulting damage. At the same time, this would provide the ponds with a water reserve for the dry period. The project to raise embankments on the ponds is currently in the negotiation process with Hrvatske vode.

Actions and activities necessary for management compliance with the requirements of the Natura 2000 areas, as well as environmental impact assessments and studies:

- Water abstraction according to the quantity of water in watercourses (PP Orahovica, fish farming): measures are applied during periods of drought or flooding. During low water levels in dry periods, water is transferred from plot to plot, thereby reducing water abstraction for the fish breeding process; in case of flooding, the plots are filled to retain water for further breeding;
- Respecting the ornithological value of the ponds (PP Orahovica, fish farming): the measure is applied continuously and concerns the filling of plots in periods aligned with the requirements of Natura 2000. This ensures fish breeding in at least 80% of the total pond area and care for the vegetation on the ponds according to the requirements of Natura 2000.

The data related to the financial resources allocated for mitigating impacts on water are aggregated within higher-level data, and it was not possible to isolate the quantities that relate to water only.

Actions implemented at fish ponds can be classified under the mitigation measure of reclaiming and reusing water. Namely, after breeding, the water from the ponds is released into the watercourse or transferred to the adjacent plot for reuse, thereby directly reducing the pressure on water abstraction from watercourses.

Data on financial resources for implementing actions is not available at this time.

Implementation of precision irrigation

Precision irrigation systems enable the supply of the required amounts of water to crops at the time when there is an actual need, i.e. when crops are unable to meet their water requirements from the existing soil moisture. In this way, unnecessary water consumption is reduced, irrigation efficiency is improved, and the risk of reduced yields during dry periods is simultaneously mitigated. The Group began implementing these systems several years ago, and precision irrigation systems have already been introduced on a portion of agricultural land. In 2026, the introduction of additional irrigation systems on new areas is planned, along with further expansion of these systems in the coming years. Despite these investments, the share of total agricultural land currently covered by precision irrigation systems remains relatively low; therefore, this project is considered a long-term development and investment process.

The further deployment of precision irrigation systems is expected to have a significant positive long-term impact on the resilience of agricultural production to climate change, yield stability, water use efficiency, and the reduction of operational risks associated with droughts and precipitation variability. At the same time, these investments will also have a significant long-term financial impact, through the reduction of yield losses, optimisation of water and energy costs, and an increase in the overall productivity of agricultural production.

E3-3 Targets related to water and marine resources

ESRS 2 MDR-T
E3-3

As previously stated, the intention is to comprehensively assess the situation at all production sites using water by the end of 2026 in order to identify opportunities for optimising consumption and improving the water resource management processes. Based on the obtained results, recommendations will be prepared to optimise water consumption at the Group level, which will enable target setting.

Maximum quantities of water that can be abstracted and used are prescribed based on the condition of water bodies, ensuring no negative impact on the environment. These quantities are set out in the Water Management Conditions, Special Conditions for the Use of Water for Fish Ponds, and Water Management Permits for Wells and Irrigation. The quantities are stated in the table below.

Maximum quantities of abstracted water

	m³/year (2024)	m³/year (2025)
Maximum quantities of abstracted water according to concessions, PP Orahovica (PPO)		
Fish processing	25,000	25,000
Vereš Majur farm	50,000	50,000
Maximum quantities of abstracted water according to water management terms and conditions, PPO		
Grudnjak pond	20,000,000	20,000,000
Donji Miholjac pond	22,000,000	22,000,000
Lipovljani pond	15,350,000	15,350,000
Pisarovina pond	4,500,000	4,500,000
Baranja pond	16,000,000	16,000,000
Okučani pond	10,500,000	10,500,000
Kaniška Iva pond	7,843,750	7,843,750
Jasinje pond	14,350,000	14,350,000
Narta pond	15,000,000	15,000,000
Maximum quantities of abstracted water according to water permits, PPO		
Well 1 Grudnjak pond	10,000	10,000
Well 2 Grudnjak pond	10,000	10,000
Well 3 Grudnjak pond	10,000	10,000
Well 4 Grudnjak pond	10,000	10,000
Central service	10,000	10,000
Slanac accumulation	1,000	1,000
Maximum quantities of abstracted water for irrigation – fruit growing and viticulture, PPO		
Dragodinac accumulation	25,920	25,920
Seginac accumulation	72,000	72,000
Maximum quantities of abstracted water according to water permits, PPK Valpovo (PPKV)		
Brođanci	10,000	10,000
Habjanovci	10,000	10,000
Silo – administrative building area	10,000	10,000
Maximum quantities of abstracted water for irrigation, PPVK		
Brođanci	88,000	88,000

Also, in accordance with the Regulations on Conservation Objectives and Conservation Measures for Targeted Bird Species in the Ecological Network Area (Official Gazette of the Republic of Croatia, Nos 25/20, 38/20), the general targets for carp ponds include:

- Maintaining a favourable hydrological regime in the areas of large reedbeds and rushbeds, and a favourable ratio of reedbeds, rushbeds and open water surfaces;
- At least one-third of the total production area is completely filled with water throughout the year (except in the event of a natural disaster such as drought);
- At least one plot with a minimum area of 20 ha is primarily non-productive, and at least 85% of its area is filled with water (except in the event of a natural disaster such as drought).

E3-4 Water consumption

E3-4

Water in the production processes is abstracted from the wells owned by the Group. These wells are equipped with water meters which are read at least once a month. In various production processes water is also abstracted from the municipal water supply. For example, all water in the wine production process originates from the municipal water supply. In contrast, the fish processing process gets a part of its water from the municipal water supply. All sites use tap water as sanitary water.

The quantities of water abstracted at fish ponds are estimated based on the fish farming plots' surface area and their water depth. For irrigation, water from wells is used in accordance with water management permits, and the quantity of water abstracted depends on weather conditions (e.g., drought). It is reported per area irrigated.

The allowed quantities of discharged wastewater are specified in the water management permits for wastewater discharge, which are based on the production processes. In none of the processes is wastewater discharge measured directly; instead, the quantity is calculated based on the production process in which the water is used. The quantities of abstracted water and discharged wastewater are reported to Hrvatske vode.

The water used in processes that must meet drinking water standards is tested according to sampling plans, depending on the needs of the process itself. Wastewater is tested at a frequency set out in the respective water management permit. In the previous period, analyses showed that all substances were within the permitted limits.

The data below relating to water consumption, abstraction and discharge, refer to the undertakings operating in the Republic of Croatia. Concerning the undertakings operating in Bosnia and Herzegovina, collecting agricultural data poses a challenge due to a labour shortage and the fact that many employees are engaged in the fieldwork. Furthermore, business and data collection systems are not as developed as those in Croatia. In the coming years, the introduction of sustainability training systems and improved data collection and processing systems is planned to ensure more accurate and reliable agricultural statistics.

Water consumption

	Fish farming	Fish processing	Wine production	Livestock farming	Machinery washing
Water consumption 2024					
Total water consumption (m^3)	41,150,185	9,347	6,031	20,744	3,339
Total water consumption in areas at water risk (m^3)	0	0	0	0	0
Total water recycled and reused (m^3)	0	0	0	0	0
Total water stored and changes in storage (m^3)	0	0	0	0	0

Water consumption 2025					
Total water consumption (m^3)	40,118,661	6,031	8,833	11,678	2,029
Total water consumption in areas at water risk (m^3)	0	0	0	0	0
Total water recycled and reused (m^3)	0	0	0	0	0
Total water stored and changes in storage (m^3)	0	0	0	0	0

Water consumption in fish farming relates to the water in the production process. Upon the completion of this process, at a certain point in time the majority of the water is discharged. In livestock farming, water is used for watering livestock.

Given that water consumption data is available only for the Republic of Croatia, water consumption in m3 per EUR millions of total revenue (generated by the undertakings in the Republic of Croatia) amounts to cca 530,000 m^3

Abstracted and discharged water

Additional data on water (2024)					
Activity	Fish farming	Fish processing	Wine production	Livestock farming	Machinery washing
Total water abstracted (m³)	90,913,315	9,347	6,031	21,024	3,339
Total water discharged (m³)	49,763,130	9,347	6,031	280	3,339
Additional data on water (2025)					
Activity	Fish farming	Fish processing	Wine production	Livestock farming	Machinery washing
Total water abstracted (m³)	93,438,661	7,665	8,833	11,678	2,029
Total water discharged (m³)	53,320,000	7,665	8,833	205	2,029

Depending on the activity, the water from production is discharged into the watercourses (fish ponds), treatment plants and grease and oil separators (fish processing), grease and oil separators (machinery washing) and the sewage system (viticulture). None of the production processes treat water or reuse it. The capacity of all production processes that use water is increasing, so a reduction in the quantity of water abstracted and discharged is not expected in the upcoming periods.

ESRS E5: Resource use and circular economy

Disclosure requirement		Information
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ESRS E5-5	Resource outflows	191
ESRS E5-6	Anticipated financial effects from resource use and circular economy-related impacts, risks and opportunities	Use of phase-in option

Agro Invest Grupa understands the need to align with the requirements of a circular economy, including resource inflows and outflows and responsible waste management and reduction.

Croatia, like much of Europe, is undergoing an accelerated transition towards a circular economy. The circular material use rate in the European Union reached a record 12.2% in 2024, yet it remains well below the 22.4% target set for 2030 under the 8th Environment Action Programme. In this context, Croatia continues to face significant challenges. In 2023, the circular material use rate stood at only 6.2%, which is significantly below the EU average. The Government of the Republic of Croatia initiated, at the beginning of 2025, the preparation of the National Circular Economy Development Plan for the period 2026–2032, which will guide the transition towards a more resource-efficient and circular economy.

At EU level, particular attention is given to the management of bio-waste in agriculture: since 1 January 2024, a separate collection obligation for bio-waste has been in force in all Member States; however, it is estimated that currently only around 18% of bio-waste generated in the EU is effectively collected and treated. The circularity rate for the biomass category, which also includes agricultural residues, amounted to 9.9% in the EU in 2024. The European Parliament adopted binding food waste reduction targets in September 2025 for 2030: a 10% reduction in processing and manufacturing, and a 30% reduction in retail, hospitality and households compared to the 2021–2023 reference period. In agriculture, the management of residues and by-products is particularly important, as materials that would otherwise become waste can be transformed into valuable resources such as organic fertilisers, compost and feedstock for biogas recovery.

Agro Invest Grupa complies with all laws and regulations related to waste management; however, given other business priorities in the recent years, a specific waste management strategy has not been developed in recent years. In future periods, the Group will place greater emphasis on waste management through initiatives focused on reuse, recycling and material recovery, with a view to reducing waste and promoting a more circular material flow.

3) National Circular Economy Development Plan of the Republic of Croatia for the period 2026–2032
Circular material use rate in Europe
4) Circular Economy, Europa EU
European Parliament, Food Waste in Europe

Agro Invest Grupa is committed to the systematic enhancement of its approach to the circular economy within its own operations and across the value chain. To this end, the Group intends to progressively develop an internal assessment of resource use and to identify opportunities for closing material loops – in particular by strengthening synergies between individual business activities, such as the use of organic by-products from livestock production in arable farming, the application of plant residues from fruit growing and viticulture, and the reduction of packaging waste in fish processing. Through cooperation with key suppliers, distributors and customers, the Group will seek to optimise resource efficiency, reduce waste generation and progressively increase the share of materials returned to an extended life cycle. In this way, Agro Invest Grupa aims to identify opportunities, mitigate risks related to resource dependency, and respond to increasing regulatory and market expectations regarding the circular economy.

Material impacts, risks and opportunities

ESRS 2 SBM-3
E5

MATERIAL IMPACTS – RESOURCE INFLOWS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE ACTUAL **Land use as a resource**	Land is a fundamental and non-renewable resource in agriculture, the use of which directly affects productivity, biodiversity and ecosystem stability. (Connected with E4 – Biodiversity and ecosystems; S3 – Affected communities)	Own operations Upstream	Short-term to long-term	•	•		•	•
NEGATIVE ACTUAL **High resource consumption in livestock production**	Beef production requires significantly more land and water per kilogram of food produced compared to poultry farming or crop production. Large quantities of cereals and water are used in livestock farming, which is considered an inefficient mode of food production in the context of a growing global population.	Own operations Upstream	Short-term to long-term		•			
NEGATIVE ACTUAL **Use of plastics in fish farming and processing**	Plastic equipment (nets, containers, films) as well as single-use packaging for transport and product packing are used in fish farming and processing. After use, this plastic becomes waste that is difficult to recycle, and part of it may end up in the environment.	Own operations	Short-term to long-term			•		

MATERIAL IMPACTS – WASTE		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE ACTUAL **Generation of organic waste in agricultural production**	A certain amount of organic waste is generated in agricultural production, such as plant residues after harvesting, peels, pulp, pomace, grass and manure. If not properly managed, this waste can cause negative environmental impacts, such as methane emissions during decomposition, soil and water pollution, and the occurrence of unpleasant odours.	Own operations Upstream	Short-term to long-term	•	•		•	•
NEGATIVE ACTUAL **Generation of non-hazardous waste in production**	Agricultural production generates various types of non-hazardous waste, including paper and cardboard packaging, plastic films, and residual plastic packaging from animal feed or fertilisers that are not chemically contaminated. Although it does not pose a direct risk to human health or the environment, resources are required for its collection and treatment.	Own operations Upstream	Short-term to long-term	•	•	•	•	•
NEGATIVE ACTUAL **Manure and slurry in livestock production**	The generation of waste in the form of manure and slurry is an inherent part of livestock farming. Although they are natural and potentially valuable resources for soil fertility, large quantities and inadequate management can turn them into a significant environmental issue.	Own operations Upstream	Short-term to long-term		•			
NEGATIVE ACTUAL **Dead animals**	The generation of waste in the form of dead animals is an inherent aspect of livestock farming and represents a significant waste management challenge due to potential health and environmental risks. Animal carcasses are classified as animal by-products and are strictly regulated under legislation at both European Union and Republic of Croatia level. Inadequate or untimely disposal may lead to soil and water contamination and the spread of infectious diseases that can affect both animals and humans.	Own operations Upstream	Short-term to long-term		•	•		
NEGATIVE ACTUAL **Management of plastic film on farms**	Improper management of plastic film on farms, particularly through burning, has a highly detrimental impact on the environment and on human and animal health. Agricultural film, commonly used for silage or soil covering, is made of polyethylene and other polymers and releases hazardous substances when burned.	Own operations Upstream	Short-term to long-term	•				
NEGATIVE ACTUAL **Generation of organic waste from fish farming and processing**	Fish farming and processing generate organic waste, including by-products and feed residues.	Own operations Downstream	Short-term to long-term			•		

MATERIAL RISKS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
Rising prices of key raw materials	The costs of seeds, planting material, fertilizers, pesticides, packaging and energy directly affect the total production costs. Price increases can be caused by global market movements, climate change, disruptions in supply chains or increasing energy costs. Higher raw material costs reduce profitability, make production planning more difficult and may encourage producers to reduce investments in quality, innovation or sustainable practices.	Own operations	Short-term to long-term	•	•		•	•

MATERIAL OPPORTUNITIES		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
Transition to regenerative agricultural practices	The application of regenerative and organic practices, such as cover crops, crop rotation, reduced tillage and hedgerow planting, improves soil health, enhances biodiversity and increases crop resilience to stress. These measures reduce erosion, the need for chemical inputs and greenhouse gas emissions, while simultaneously strengthening soil fertility and water retention. Organic approaches further reduce the risk of pollution and enable access to higher value-added markets.	Own operations	Medium-term	•				

In this segment, the use of biological plant protection products was also considered as a business opportunity; however, it was not assessed as financially material. No positive impacts were identified.

Impact, risk and opportunity management

ESRS 2 IRO-1

In 2025, a detailed mapping of the value chain was carried out for the core activities of Agro Invest Grupa – arable farming, fruit growing, viticulture, fish farming and livestock farming – as a precondition to updating the assessment of business impacts, risks and opportunities for each of the value chains. The methodologies and assumptions applied in the review of activities are presented in section ESRS 2 SBM-1 42c.

In addition, at the end of 2025, stakeholder engagement was conducted through an online survey, which showed that stakeholders largely agree that Agro Invest Grupa's practices support proper waste management or waste reduction.

The actions and procedures through which Agro Invest Grupa manages impacts, risks and opportunities related to resource use and the circular economy include the segregation and storage of waste from production processes and its handover to authorised collectors, alongside maintaining records of incoming and outgoing waste quantities and reporting data to the Environmental Pollution Register. Responsible persons for waste management have been appointed at all sites, and they coordinate waste-related obligations at the level of the undertaking.
Furthermore, Agro Invest Grupa recognises opportunities for waste reduction, for example through the use of animal by-products in further processing. The Group also continuously works on improving packaging in order to reduce resource consumption, including replacing plastic trays with thinner alternatives.

E5-1 Policies related to resource use and circular economy

ESRS 2 MDR-P
E5-1

Agro Invest Grupa manages a total of more than 14,000 hectares of arable land in Croatia (locations: Orahovica, Valpovo, Našice, Belišće and several municipalities in Slavonia) and Bosnia and Herzegovina (Derventa, Odžak, Glamoč, Bosansko Grahovo), as well as 6,817 hectares used in aquaculture, approximately 880 hectares of hazelnut plantations (660 hectares in the Republic of Croatia, 220 hectares in Bosnia and Herzegovina), 161 hectares of vineyards and around 1,400 hectares of pasture in a cow–calf system. Almost all arable land in Croatia is held under state concession until 2036, while, in Bosnia and Herzegovina, long-term lease models are applied: in Republika Srpska for periods of 15–30 years, and in the Federation of Bosnia and Herzegovina for 10 years, creating different levels of land access security and regulatory risks among entities. In fruit production, all land in Bosnia and Herzegovina is owned by Agro Invest Grupa, whereas in Croatia approximately 5% is owned and the remaining 95% is held under long-term leases (15–40 years). Vineyards are almost entirely located on leased state-owned land.

Agro Invest Grupa manages resources and waste efficiently in accordance with applicable legislation and high internal business standards. Although a formal resource and waste management policy has not been adopted, management in this area has been consistently implemented in all previous reporting periods through strict compliance with legal requirements and undertaken obligations.

At all sites where waste is generated, internal Regulations on the Disposal of All Types of Waste from Technological Processes are applied, ensuring a systematic, controlled and responsible approach to waste handling. In addition, waste management practices are integrated into the policies and procedures of certified quality and food safety systems, including ISO 22000 and IFS standards, which the Group consistently applies across all segments of production.

In arable farming, biomass (straw and other plant residues) is shredded and returned to the soil or used in livestock production, while in Bosnia and Herzegovina approximately 95% of bio-waste is returned to land. In fruit production, pruning waste is shredded and left in orchards, thereby increasing soil organic matter content, while pomace and wine lees from viticulture are disposed of on the Group's own land.

With regard to soil protection from chemical loading, arable farming relies exclusively on mineral fertilisers without an organised and systematic use of manure, which has been identified as a key critical point with risks of soil and water pollution and negative impacts on biodiversity (these impacts are described in more detail in ESRS E2 Pollution and E3 Water and marine resources). Manure from livestock production is applied to the Group's own arable land (in-house closing of material loops), which has been recognised in recommendations as a synergy between individual value chains for enhancing the circular economy.

E5-2 Actions and resources related to resource use and circular economy

ESRS 2 MDR-A
E5-2

The waste generated in production processes is specific to each of the processes. In agriculture and arable farming, as well as fruit growing and viticulture, the packaging of seeds and planting material, fertilisers, pesticides and herbicides is collected and handed over to authorised collectors.

In arable farming, fruit growing and viticulture, organic waste is often composted and returned to the soil as organic fertiliser, thereby improving soil fertility, increasing organic matter content and promoting microbiological activity. In livestock farming, manure from breeding is stored in depots and spread over fields. Waste from drugs and veterinary products is handed over to an authorised collector and so is the packaging of livestock and fish feed, which is purchased in bulk. In livestock and fish farming, any animal waste is handed over to a Company authorised to manage that type of waste and records are kept about it. A relative reduction in animal by-products is possible by modernising production processes and developing new products, for example, in fish processing.

Machinery maintenance generates both hazardous and non-hazardous waste. Hazardous waste includes used oil, packaging of plant protection products, oily filters, batteries, electronic waste and toners. Non-hazardous waste includes scrap iron, worn-out tires, paper and cardboard packaging, plastic packaging and glass packaging. Waste is stored by type at specially adapted sites, and all generated waste quantities are handed over to authorised collectors. PP Orahovica is registered with the Registry of Entities that Store Their Own Waste. For PPK Valpovo, there is no need to register with the Registry, which means that the facility is adequate for waste separation and allows for waste processing, whereby its own production waste may be stored for up to one year from its generation. Waste from silos, specifically chaff that results from the purification of crops, is sold and used in a biogas plant.

Regarding waste generated in production, persons responsible for waste management are appointed at all sites whose production processes generate waste. These individuals communicate all obligations and procedures related to waste in consultation with the responsible person at the undertaking's level. For all types of waste, records of incoming and outgoing waste quantities are kept, and acCompanying waste transfer notes are issued. These notes include data for the undertaking, and the data concerning the transporter and recipient are checked to ensure that the authorisations are up to date. At the end of each year, the undertaking enters data about waste quantities into the Environmental Pollution Register. Employees are informed about the obligations of proper waste management, and those who handle chemicals in their work processes are also trained for safe handling, appropriate use and safe management.

E5-3 Targets related to resource use and circular economy

ESRS 2 MDR-T
E5-3

The general objective of Agro Invest Grupa is to generate the lowest possible quantity of waste, especially when it comes to hazardous waste. In its waste management, the Group is guided by laws and regulations and complies with legal obligations regarding waste management. Given that the Group conducted a detailed assessment of its value chains across its activities in 2025, but detailed data on resource use and waste are not yet available, the definition of measurable targets and performance indicators will be addressed over the next two years.

E5-4 Resource inflows

E5-4

Agro Invest Grupa integrates various branches of agricultural and processing activities in its operations, such as producing food products and beverages. In line with the diversification of the Group's activities, the Group's product portfolio is broad and includes: cereals (barley, wheat, maise), oilseeds (rapeseed, sunflower and soybean), vegetables (peas, beets, peppers, eggplants, onions and tomatoes), potatoes, hazelnuts, planting material, wine, calves/cattle and freshwater fish – live and processed (carp, grass carp, bighead carp, catfish – European and African, perch) and animal and fish feed. In addition to the aforementioned products from its own production, various merchandise necessary for agricultural production (seeds, plant protection agents, fertilisers) is marketed, as well as agriculture-related services (consultancy in fruit growing, land cultivation and receiving and storing cereals and oilseeds).

The wide range of products offered by Agro Invest Grupa in the market entails the need to procure various resources, the most important of which are agricultural inputs (seeds/planting material, plant protection agents, fertilisers), primary agricultural products (cereals, oilseeds, hazelnuts in shell, grapes), animal and fish feed, raw materials and packaging for industrial production, energy products and spare parts.

In 2025, the following categories of goods were procured:

- seed goods, including wheat, corn, rapeseed, soybean, barley, oat, sunflower, beetroot, pea, eggplant, potato and other crop seeds
- mineral fertilisers, including nitrogen fertilisers, complete and incomplete mineral fertilisers, foliar fertilisers and organic fertilisers
- plant protection products, including herbicides, fungicides, insecticides, rodenticides, wetting agents, acaricides, growth regulators and inoculants
- feed for livestock, fish and supplements, including general-purpose animal feed, cattle feed and fish farming feed
- drugs and medical equipment, including veterinary drugs and medical supplies for animals
- hazelnut seedlings
- production inputs, including wine, distillates, oenological agents and additives, spices, technical gases, water protection agents and others
- packaging, including packaging for wine, hazelnuts, fish processing, feed factories and other packaging
- spare parts, including universal spare parts and tires, spare parts for agricultural machinery, spare parts for the wine cellar, spare parts for silo and mill, spare parts for passenger cars, other spare parts, car tires and inner tubes and spare parts for trucks
- energy products, oils and lubricants, including blue diesel, diesel fuel for cars, gasoline, oils, greases, fluids, additives and gas
- consumables, including binding materials, construction materials, explosives and wine production filters
- hygiene maintenance products
- protective and fire safety equipment, including occupational safety equipment and fire protection equipment
- office and promotional materials, including promotional items, office supplies and toners
- commercial goods, including arable crops, other commercial goods, purchase of hazelnuts, grapes, fish and hazelnut seedlings
- small inventory, including tools, appliances, furniture, kitchen equipment, office supplies, electrical equipment, apartment equipment, laboratory equipment, weighing and measuring equipment, thermometers, fish farming equipment, hoses, lawn mowers, sprayers, pumps, livestock equipment and other items
- animal feed raw materials
- maintenance services

Resource inflows

The following table contains data on resource inflows related to PP Orahovica and PPK Valpovo.

Resource	2024		2025	
	kg	pcs	kg	pcs
Seed goods RP	1,113,295	574,951	2,378,113	19,111
Mineral fertilisers	30,858,498	196	32,222,529	450
Plant protection products	148,931	13,736	169,234	96,626
Feed for livestock, fish and supplements	19,653,373	258	15,502,376	852
Drugs and medical equipment	0	3,950	0	3,991
Seedlings	0	9,436	0	24,900
Production inputs	1,035,475	0	637,329	2,360
Packaging	12,233	5,409,602	11,408	7,098,772
Spare parts	10,528	129,870	6,384	155,259
Energy products, oils and lubricants	2,126,536	400	1,515,434	2,266
Consumables	2,419,012	304,230	3,437,625	201,743
Protective and fire safety equipment	0	30,103	0	49,903
Office and promotional materials	0	30,848	0	23,586
Commercial goods	71,014,304	54,849	476,068	16,502
Small inventory	0	5,123	0	2,601

Agro Invest Grupa does not keep records on the percentage of biological materials originating from renewable sources. In the production processes, semi-finished products appear in fish processing, specifically minced fish meat and residues from the trimming of smoked fish, which are processed into final products. In 2025, a total of 2,909 kilograms of these semi-finished products were produced, of which 2,186 kilograms were used in further processing.

E5-5 Resource outflows

E5-5

In procuring resources and developing final products, Agro Invest Grupa is guided by the principles of quality and efficiency to offer a high-quality, competitive and resource-efficient product. Although there are no systematic actions to reduce resources in product design, the Group continuously reviews improvements to the packaging of its food products. For example, since 2023, the plastic trays used for fish packaging have been replaced with thinner plastic trays, reducing the amount of plastic required for packaging.

Given that the Group markets agricultural and food products, their shelf life is determined in accordance with regulatory market standards and legal obligations. The Group does not monitor the rates of recycled content in product packaging.
Production generates waste from agriculture, fisheries, food preparation and processing, packaging waste, waste lubricating oils for engines and gears, waste electrical and electronic equipment, lead batteries and accumulators, iron and steel, and paper and cardboard.

All waste data is obtained by monitoring the collection and handover of waste to collectors, based on which waste acCompanying notes are issued, indicating the quantities of waste that is handed over. Additionally, all sites that store waste prior to waste handover, are of a relatively small capacity, which allows for an easy monitoring of the waste collection process and the waste handover needs.
The below presentation of waste quantities refers to PP Orahovica, PPK Valpovo and Poljoprivrednik Derventa operations. The data for other affiliated undertakings in Bosnia and Herzegovina is unavailable because it was not collected during the reporting period, and approximations are impossible to make. Significant changes compared to the 2024 data are observed in the total amount of generated non-hazardous waste managed, as waste chaff has been classified as a by-product in silo processes rather than as waste.

WASTE	QUANTITY / t (2024)	QUANTITY / t (2025)
Total amount of generated waste	617	236
Hazardous waste diverted from disposal	0	0
Hazardous waste diverted from disposal - preparation for reuse	0	0
Hazardous waste diverted from disposal - recycling	0	0
Hazardous waste diverted from disposal - other recovery operations*	0	0
Non-hazardous waste diverted from disposal	0	0
Non-hazardous waste diverted from disposal - preparation for reuse	0	0
Non-hazardous waste diverted from disposal - recycling	0	126
Non-hazardous waste diverted from disposal - other recovery operations		0
Hazardous waste that is disposed	36	39
Hazardous waste that is disposed of - incineration	0	0
Hazardous waste that is disposed of - landfill	0	4
Hazardous waste that is disposed of - other disposal operations	36	35
Non-hazardous waste that is disposed*	580	197
Non-hazardous waste that is disposed of - incineration	0	0
Non-hazardous waste that is disposed of - landfill	0	0
Non-hazardous waste that is disposed of - other disposal operations	580	71
Non-recycled waste	0	0
Proportion of non-recycled waste	0	0
Total amount of hazardous waste	36	39
Total amount of radioactive waste	0	0

ESRS S1: Own workforce

TOPIC	DESCRIPTION	PAGE	COMMENT
S1 – Own workforce			
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In large agricultural groups such as Agro Invest Grupa, the workforce plays a key role in the success and long-term sustainability of the business model. Our employees ensure food security, production stability and the continuous improvement of technological and organisational practices in agriculture. At the same time, agricultural undertakings operate in an environment characterised by pronounced seasonality, physically demanding work and increasing competition in the labour market.

According to data from Eurostat , in March 2025 approximately 83 thousand people were employed in the agriculture, forestry and fishing sector in the Republic of Croatia, continuing the trend of a decline in the agricultural workforce compared to the period prior to 2021. At the same time, at the level of the European Union, a decrease of around 1% in agricultural labour volume was recorded in 2025, alongside an increase in agricultural productivity of 9.2% compared to 2024, indicating that a smaller workforce is cultivating larger areas and producing greater quantities of food. These trends further increase pressure on the existing workforce and highlight the need for responsible management of working conditions, wages, health and safety protection, and career development opportunities in agricultural occupations.

Climate change is further altering working conditions in agriculture. Approximately 33% of workers in the European Union are exposed to at least one climate-related risk at their workplace, with 35% of workers in agriculture, horticulture, forestry and fishing reporting work under conditions of extreme heat . Heat stress, increasingly frequent droughts and extreme weather events increase risks to the health and safety of outdoor workers, require adjustments to working schedules and additional protective measures, and contribute to rising labour costs. Agro Invest Grupa recognises the impact of climate change on its workforce and integrates the management of climate-related risks into its occupational health and safety policies, workforce planning and investments in protective equipment and training.

Aware of these challenges, Agro Invest Grupa has, over the past two years, developed a more structured approach to managing its own workforce. The focus is on stable employment in key activities, effective planning of seasonal work, respect for labour and human rights across the value chain, and the enhancement of safety culture through employee training and systematic monitoring of occupational injuries. Through these measures, the Group seeks to mitigate the negative impacts of demographic and climate trends, while strengthening the resilience, motivation and satisfaction of its workforce.

5) Eurostat: EU agricultural labor productivity
6) Croatia: Employment Agriculture, forestry and fishing
7) European Agency for Health and Safety at Work

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
NEGATIVE ACTUAL **Exposure to occupational injuries**	Exposure to occupational injuries in agriculture leads to physical harm that may permanently reduce workers' capacity to work and result in disability. Such injuries cause prolonged sick leave, loss of income and job insecurity, as well as psychological consequences such as fear, stress and reduced motivation to work.	Own operations	Short-term to long-term	•	•	•	•	•
NEGATIVE ACTUAL **Overtime work**	Seasonality of work results in employee overtime. Employee overtime may have negative effects on employees' physical and mental well-being, including fatigue, stress, reduced productivity and an impaired work–life balance.	Own operations	Short-term to long-term	•	•	•	•	•
POSITIVE ACTUAL **Secure employment**	Permanent employment contracts provide long-term job stability, secure steady income and suitable living conditions for workers. This positive impact comprises all permanently employed workers, including foreign workforce. The rights guaranteed by the Collective Bargaining Agreement in Croatia ensure stable conditions for employees.	Own operations	Short-term to long-term	•	•	•	•	•
POSITIVE ACTUAL **Discrimi-nation-free working environment**	Maintaining a safe, inclusive and respectful working environment has both social and organisational significance. The impact fosters a sense of belonging, trust and security, reduces stress and directly contributes to mental well-being, employee satisfaction and retention. Inclusion of employees is promoted on all grounds (gender, nationality, foreign workers and others).	Own operations	Short-term to long-term	•	•	•	•	•

Impact, risk and opportunity management

ESRS 2, SBM-3
S1

In 2025, Agro Invest Grupa conducted value chain due diligence as a key foundation for the further management of sustainability-related impacts, risks and opportunities. The process covered all significant activities of the Group and the entire value chain, including its own operations. As part of the exercise, business models, work processes and working conditions across all key locations in Croatia and Bosnia and Herzegovina were analysed in detail, enabling identifying critical points where the most material workplace-related impacts, risks and opportunities materialise.

Within its own operations, a systematic analysis was carried out of working conditions, occupational health and safety, workforce turnover and availability, a non-discriminatory working environment and the integration of foreign workers. The main positive impacts were identified and quantified, including secure employment through permanent contracts, an inclusive and non-discriminatory working environment, and programmes for the integration of foreign workers, as well as negative impacts related to overtime work and health and safety incidents.

During 2025, a more comprehensive double materiality assessment was also conducted, replacing the previous results from 2024. In the new cycle, improved financial materiality thresholds were introduced (e.g. impact levels expressed as a percentage of revenue or EBITDA), together with a more clearly defined range of risk likelihood, enabling a more consistent assessment of financial materiality, as described in detail in the ESRS 2 General Disclosures section on page 141 of this Report.

The application of the new thresholds resulted in certain risks previously identified in the 2024 report – such as risks to employee health and safety, the absence of a unified human resources management system, or the general risks associated with employing seasonal and foreign workers – no longer meeting the criteria for financial materiality, as the expected financial impact is assessed as low (up to 1–2% of EBITDA) and the likelihood of occurrence as low to medium, alongside significantly strengthened internal controls and management processes.

Differences in the materiality assessment compared to 2024 are also a result of actual changes in management practices, and not solely of methodological adjustments. In 2024 and 2025, integrated HR processes were developed and implemented (job classification, formalised recruitment procedures, a performance management system, onboarding and mentoring programmes, training plans and development plans for managers), thereby largely mitigating or eliminating previously identified negative impacts such as the lack of a unified human resources management system and limited opportunities for professional development.

Also, in 2025, the importance of climate-related risks for workers (heatwaves, outdoor work) was further emphasised, and the impact of extreme heat on the workforce was therefore kept as a material negative impact, with a clear link to climate change as described in the relevant ESRS E1 section (on page 149 of this Report) and with planned measures including adjustments to working schedules, the provision of protective equipment and the introduction of breaks for cooling.

Compared to the 2024 assessment, the new table of material impacts, risks and opportunities for the own workforce now includes two key positive actual impacts (secure employment through permanent contracts and a non-discriminatory working environment) and two negative impacts (employee overtime and the impact of extreme heat on the workforce) that meet the materiality criteria based on the scale and scope of the impact, rather than solely on financial thresholds. This ensures that the focus is placed on those impacts that are most significant for employees of Agro Invest Grupa and their rights, while at the same time certain specific risks (e.g. exposure to chemicals affecting a small number of employees, occupational diseases affecting a limited group of workers) are identified and managed in a timely manner. However, as they do not exceed materiality thresholds, they are reported in aggregate or within broader occupational health and safety management.

The value chain due diligence and the new double materiality assessment have enabled Agro Invest Grupa to align its map of impacts, risks and opportunities with the level of actual exposure and management capacity in the domain of working conditions across different activities. Arable farming, for example, has been identified as the activity with the largest share of revenues and a pronounced exposure to climate-related risks and labour-intensive processes, while fish farming and livestock production carry specific biosafety and occupational risks. Fruit growing and viticulture face additional challenges related to seasonal labour and specialised skills. Based on these insights, priorities for managing impacts, risks and opportunities have been updated – ranging from strengthening corporate and safety culture and enhancing workforce resilience to climate change, through the integration of sustainability into HR policies and processes, to further development of opportunities related to attracting and retaining workers in rural areas and integrating foreign workers into local communities.

Worker health and safety, i.e. exposure to occupational injuries, has been identified as a negative impact, given the intensity of work and the nature of tasks in agriculture, rather than as a risk. Risks such as workplace injuries and occupational health and safety incidents remain identified within the system; however, under the new financial assessment they fall below the materiality threshold at the Group level. The number of incidents is relatively low compared to the total workforce, and the Group implements stringent occupational health and safety measures, such that the potential financial impact of more severe incidents is generally assessed as “low” (1 to 5% of EBITDA), with a low to medium likelihood of occurrence.

Overtime work within Agro Invest Grupa arises from the seasonality of agricultural activities, whereby during peak periods of planting, harvesting and picking, the number of hours worked exceeds standard working hours. Such working patterns may have negative impacts on employees' physical and mental well-being, including fatigue, stress, reduced productivity and an impaired work–life balance. Prolonged or frequent overtime increases the risk of errors and occupational injuries and may contribute to employee turnover, particularly in activities that are already physically demanding. At the same time, broader organisational pressure is created, along with a perception of the "normalisation" of overtime, which may, in the long term, undermine employee motivation and engagement. Agro Invest Grupa addresses overtime through developing HR processes, including workforce planning and allocation, training on stress management, wellbeing workshops, engaging psychologists and strengthening managerial competences, with a view to reducing the need for overtime and mitigating its effects.

Secure employment and jobs generate positive actual impacts. Permanent employment contracts provide long-term job stability, secure steady income and suitable living conditions for workers. Agro Invest Grupa ensures equal pay for equal work. Introducing a variable pay component based on individual performance and productivity will reinforce positive impact. This positive impact includes all permanently employed workers, regardless of their position and has the potential to positively impact temporary workers as well.

An open and inclusive organisational culture at Agro Invest Grupa creates a safe working environment based on non-discrimination, non-violence and non-harassment, thereby directly contributing to employees' mental well-being and job satisfaction. Equal treatment of foreign and domestic workers, including equal pay grades and standardised accommodation and living conditions for foreign workers, strengthens the sense of fairness and belonging and facilitates workforce retention. The development of a human resources management strategy, onboarding and mentoring programmes, as well as cooperation with universities, further foster employee engagement and strengthen their loyalty to the organisation. Such a culture reduces turnover risks, facilitates the attraction of new workers in rural areas, and supports the long-term stability and resilience of the Group's business model.

S1-1 Policies related to own workforce

ESRS 2 MDR-P
S1

Working conditions, including collective bargaining

Agro Invest Grupa operates in two separate markets – the Republic of Croatia and Bosnia and Herzegovina – each governed by its own set of labour regulations. Agro Invest Grupa respects workers' rights to association and social dialogue in both markets. For 2025, the Collective Agreement concluded in 2024 remained in force, while a new Collective Agreement was concluded on 14 November 2025 for the period from 1 January to 31 December 2026. It was concluded between the Group companies PP Orahovica d.o.o., PPK Valpovo and PPO Stočarstvo d.o.o., and the Trade Union of Employees in Agriculture, Food and Tobacco Industry and Water Management of Croatia. The Collective Bargaining Agreement stipulates various material and non-material rights and employee benefits. Non-material and material rights and benefits include additional annual leave days based on length of service and social conditions, paid leave for exceptional life circumstances and needs, entitlements to financial support in extraordinary situations, long-service allowances, retirement severance payments, long-service awards and other benefits.

The Collective Agreement also sets out the conditions for overtime and night work, entitlements to compensation for damages, as well as the operating conditions of the trade union and the Works Council. Rules of conduct have also been adopted for various situations within the organisation (e.g. responding to emails, communication between departments).

Affiliated companies also have labour regulations that prescribe the rights and obligations in the working environment. In addition, in 2025, Regulations on Flexible Employee Benefits were adopted.
According to the Labour Act in Bosnia and Herzegovina, a union must have at least 10% members from the total number of employees to be registered in accordance with the law. Therefore, the General Collective Bargaining Agreement for the Federation of Bosnia and Herzegovina is relied upon in the practice. A collective bargaining agreement in Republika Srpska has not been voted, but a respective Resolution is in effect.

Human rights

The Code of Ethics adopted in 2024 sets forth respect for integrity and dignity and a zero-tolerance policy towards any form of discrimination, mobbing and harassment. It also comprises respect for human rights and a zero-tolerance policy on forced and child labour. Additionally, the Code of Ethics contains provisions on expertise, responsibility and professionalism in business, trust and collegiality, teamwork and professional communication.
Agro Invest Grupa is committed to protecting human rights in accordance with national and international laws and regulations. The Group ensures fair and safe employee working conditions, complies with labour legislation and ensures fair wages and benefits. Agro Invest Grupa has included in its relevant internal documents, such as the Labour Regulations, a prohibition of all forms of discrimination in accordance with the Labour Act, the Gender Equality Act, the Anti-Discrimination Act and the Collective Bargaining Agreement. This includes prohibition of discrimination based on race and ethnic background, race, gender, sexual orientation, gender identity, disability, age, religion, political views and social background. Particular attention is paid to the rights of seasonal workers and foreign workers.
The protection of employees' dignity and rights is also regulated by the Collective Agreement.
Within Agro Invest Grupa, the Regulations on the Procedure for Internal Reporting of Irregularities are in force, establishing a secure and confidential channel through which employees can report suspicions of illegal acts, irregularities or unethical conduct without fear of retaliation. This strengthens the system of internal controls, enables the timely identification and mitigation of risks and supports compliance with regulations on the protection of whistleblowers.
The Regulations on Prevention of Discrimination complements this framework by defining clear rules, prohibitions and procedures in cases of discriminatory conduct, with an emphasis on equal treatment of all employees regardless of gender, age, nationality or other personal attributes. Together, these rulebooks support a culture of integrity, trust and inclusion, while reducing legal and reputational risks for Agro Invest Grupa.

When hiring and promoting employees, Agro Invest Grupa considers only their competencies, skills and work experience. Recruitment is carried out exclusively through the internal KPM platform, and recruitment processes are governed by the Regulations on Recruitment, Selection and Employment. In cases where a candidate lacks the necessary skills, additional education is provided through internal and external training. All job tasks are defined based on the required competencies, without discrimination on any basis. During the assessment of job requirements, the HR Department and Heads of Divisions ensure that the working conditions do not put certain groups at a disadvantage.

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The highest responsibility for equal treatment lies with the Management Board, the Human Resources Department and Heads of Divisions, who oversee employment practices and employee development. The Group currently does not provide adaptations of the physical environment for people with disabilities.

In the category of self-employed individuals, Agro Invest Grupa collaborates with four individuals based on the signed cooperation agreements. These individuals possess specific expertise crucial for developing Agro Invest Grupa's business. At PP Orahovica, in 2024, 21 foreign workers had been engaged through an employment agency. By January 2025, their number was reduced to eight workers, who continued to provide support in the operations.

All mentioned categories of employees and workers are subject to material business impacts, especially in the context of working conditions, payroll systems and opportunities for professional development. Foreign workers, employed on a fixed-term basis and through agencies, require special support for integration into the working and social environment, which is being systematically developed.

Agro Invest Grupa has no forced labour, and seasonal work is organised in compliance with all laws and regulations. The Group operates in the agricultural industry, which is characterised by the seasonal nature of the work and the need for intensive labour engagement during specific periods of the year. In Divisions such as Arable Farming, Hazelnut Cultivation and Processing, Viticulture, Fish Farming, etc., the work processes are time-sensitive and dependent on natural cycles, meaning specific tasks must be completed within a limited time frame. Because of this, there is a need for the redistribution of working hours, and the introduction of such a system is being considered.

In addition to permanently employed workers, the Group also engages seasonal workers, who assist in performing tasks during peak agricultural activities. Although seasonal workers come voluntarily, the risk associated with this form of employment relates to potential challenges such as ensuring adequate working conditions and accommodation and managing working hours in accordance with laws and regulations. The Group is implementing measures to improve working conditions through transparent regulation of working hours redistribution, providing adequate support to seasonal workers, and continuously monitoring compliance with labour laws and regulations. This ensures that mandatory work during seasonal periods does not evolve into unacceptable forms of labour and that all employees are protected and adequately cared for during intensive work periods.

In employing foreign workers, special attention is paid to ethical employment and securing foreign workers' rights, thereby avoiding the risk of human trafficking.

Agro Invest Grupa does not implement or support child labour, which has been clearly outlined in internal documents. The Group operates in accordance with national and international laws, and all Divisions are organised for adult employees and seasonal workers only.

The Group regularly conducts internal controls to ensure that child labour is not present in its own operations or in business relationships with third parties. The Group has not had any reported incidents or risks of child labour.

Agro Invest Grupa is aware of the importance of reducing negative environmental impacts. In 2024, actions were implemented to optimise farming operations and organise shared transportation. These changes have a series of positive effects on the workforce. However, the transition to greener business operations can also bring specific challenges. Adapting to new working methods requires employee training and upskilling, while some may resist change. To minimise these obstacles, the Group will invest in employee awareness and education and ensure a gradual adaptation to new practices. In the long term, these changes represent an opportunity to improve work processes, increase environmental awareness and create a more sustainable working environment.

Interests and views of employees

ESRS 2, SBM-2
S1

The interests and views of employees are taken into account in matters of work optimisation, communication improvement, leadership and employee organisation, workplace challenges and the identification of required competencies and development measures. The primary tool for gathering employee views is the annual WTW survey, which was conducted at the beginning of 2024 and end of 2025. In addition, employees' views are gathered in group meetings and individual talks. In 2025, as part of the double materiality assessment process, an employee survey was also conducted on sustainability topics relating to ESRS S1 Own workforce and ESRS G1 Business conduct. The results of the survey were taken into account in the materiality assessment and incorporated into the planning of objectives relevant to the working environment. A total of 67 employees participated in the survey.

Through engagement and communication with employees at all organisational levels, the Group gains better insight into employee needs. It can thus influence their motivation, engagement and productivity and identify and develop their competencies, particularly in career advancement and development. Additionally, this enables a better understanding of the reasons behind employee fluctuation and allows for an effective management of fluctuation-related risks. Business operations are improved by implementing employee ideas related to task automation and optimisation. Decision-making is enhanced through a timely and effective identification, resolution and prevention of potential issues. Based on the collected facts and employee views, better interpersonal relations are fostered, reducing the risk of occurrence of stressful situations.

The Group's Management Board is regularly informed about employees' views and interests, verbally and in writing. Timely communication with governance bodies enables the adoption of effective decisions to address ongoing issues and prevent negative impacts on business operations.

S1-2 Processes for engaging with own workers and workers' representatives about impacts

S1-2

Agro Invest Grupa regularly involves employees in decision-making, particularly in business optimisation, improving working conditions and strategic changes. Employees are a key source of information about processes within their respective Divisions and often provide concrete suggestions for improvements, innovations and business optimisation. These suggestions are taken into account when making operational and strategic decisions. In the undertakings in the Republic of Croatia and Bosnia and Herzegovina, daily work meetings are organised to exchange information about the daily and weekly organisation of work, as well to exchange views and discuss current issues related to specific work tasks or processes. Collaboration with employees occurs in both ways – directly through meetings, surveys and individual talks, and indirectly through employee and union representatives who regularly communicate with the management. In the undertakings in Bosnia and Herzegovina, collaboration also takes place through meetings and surveys (WTW and individual talks), however, a union is not active and there are no union representatives.

Engagement occurs via:

- Regular meetings with all management levels;
- Weekly HR meetings (HR Weekly), at which tasks and challenges are discussed;
- WTW yearly engagement surveys;
- Seasonal consultations, for example, at the beginning of the year while analysing the previous year's results, goal setting and KPIs, and discussions on new technologies and innovations.

Feedback is collected through annual surveys (WTW), verbal conversations with superiors and line managers and e-mail suggestions. The Management Board reviews the received suggestions at strategic meetings and assesses their financial and operational feasibility. Employees are informed about the adopted decisions via email, and communication channels will be further developed in the future. In the affiliated undertakings in Bosnia and Herzegovina, the same procedures are implemented, but communication is primarily verbal since few employees have an email address. Engagement is carried out at the level of the entire Group. Strategic decisions are made centrally, while operational aspects are adapted to the specificities of individual sectors. Information is currently delivered to employees via email and at meetings. However, by the end of 2026, internal communication channels will be improved to enhance accessibility and more efficient information exchange.

The following organisational levels are responsible for ensuring employee engagement and its impact on decision-making: The Human Resources Department, responsible for implementing strategies and collecting employee data, the Management Board, which makes key strategic decisions, and Division managers, who implement operational changes.

Training for individuals with managerial responsibilities began in 2024, starting with all management levels. During 2025, it was expanded to all employees through a digital platform for monitoring employee development (LMS = Learning Management System).

Currently, no formal measurable instruments are in place to assess the effectiveness of engagement with own workforce, but their implementation is planned in future surveys and interview data evaluations. The Group engages with trade unions, and there are some union representatives among employees; however, no global framework agreement is in place.

Agro Invest Grupa provides support to older employees, foreign workers and women through various integration initiatives.

S1-3 Processes to remediate negative impacts and channels for own workers to raise concerns

S1-3

Employee complaints are primarily addressed through individual talks with the Human Resources Department (HR), managers or union representatives, depending on the employee's preferences. Employee feedback on this approach is positive, as they can thoroughly present the issue and participate in its resolution. Currently, employees can express concerns via email (to HR or management), verbal communication, meetings with the Human Resources Department, managers or union representatives. In addition, Regulations on the Procedure for Internal Reporting of Irregularities and Regulations on Discrimination Prevention are also in place.

Regular communication with employees is maintained through quarterly meetings, communication with the union and internal surveys to ensure that their needs and rights are appropriately addressed. Employees are provided with working conditions where they are not subjected to harassment, sexual harassment or any form of discrimination. In 2024 and 2025, there were no reported incidents of discrimination at Agro Invest Grupa.

In the event of a reported dignity violation, the HR Department and the competent managers conduct an investigation and undertake appropriate actions. The Group has not yet developed a Diversity, Inclusion and Equal Opportunities Policy; however, this is being considered, as measures and activities to promote inclusiveness for all employees, regardless of their characteristics, are already being implemented across the Group. The HR Department and managers regularly conduct training on preventing discrimination and fostering inclusion. The Management Board is responsible for implementing the Code of Ethics.

In the undertakings in Bosnia and Herzegovina, concerns are expressed only at meetings with HR and managers. The undertaking does not have a separate protocol for handling complaints, but employees can contact the HR team anytime by phone, email or in person. The Human Resources Department responds through individual talks, counselling and negotiations, ensuring the protection of the person who has made the complaint.

So far, there have been no situations requiring the involvement of unions or external institutions, but the Group is open to their role in resolving disputes if such need arises. As complaints are being addressed through ongoing operational activities, a formal system for recording and evaluation has not been implemented yet.

Although Agro Invest Grupa does not have explicitly defined and prescribed mechanisms for the protection against retaliation, it implements a zero-tolerance policy for discrimination and retaliation. To date, there have been no reported incidents requiring a special protection procedure.

S1-4 Taking action on material impacts on own workforce and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

ESRS 2 MDR-A
S1

Actions for preventing, mitigating and remedying negative impacts on the workforce

In 2024, Agro Invest Grupa started, and in 2025, it continued with a series of strategic actions to improve working conditions and increase workforce engagement and satisfaction. Key initiatives include:

- Introducing a new systematisation of job positions and clearer hierarchical structures in all undertakings within the Group in Croatia and Bosnia and Herzegovina. This relates to new systematisation of job positions, clearly defining the duties and responsibilities within the organisation. This reduces misunderstandings, improves internal communication and increases the efficiency of business processes. Assessment and monitoring of the effectiveness of actions: Monitoring the number and quality of internal decision-making processes, analysing employee feedback through quarterly/ yearly evaluations and tracking the impact on business results. In 2025, a new systematisation of job positions will continue to align hierarchical structures and responsibilities.
- Financial benefits – salary increases implemented through new employment contracts in 2025. The list of benefits for employees and the payment of holiday bonus, Christmas bonus and Easter bonus will continue.
- Designing a new salary model, which includes a fixed and variable component based on individual performance and KPIs, is planned in 2025 and 2026.
- Improved organisation and digitalisation of business processes through the KPM platform, enabling more efficient employee management, training planning, feedback recording and the tracking of individual progress.
- In the area of occupational health and safety, a Handbook for Managers has been developed to support them in managing this area

Actions for achieving positive impacts on the workforce

- Investment in employees' professional and personal development, talent development and career advancement through a series of training programmes launched in 2024 and continued in 2025, supported by an LMS platform. The professional development and benefits programme aimed at increasing engagement and retaining employees applies to all companies within the Group in Croatia and Bosnia and Herzegovina.
- WTW annual surveys and pulse check evaluations – using the WTW annual survey for employee engagement, with additional quarterly checks.
- Individual and group evaluations – conducting yearly and quarterly discussions with employees to obtain feedback on satisfaction and improvements. Individual talks were conducted throughout 2025. Introducing a verbal and written feedback system and monitoring employee competencies to identify and develop talents and planning targeted education.
- Regular weekly meetings between the Management Board and the Human Resources (HR) Department to discuss challenges and room for improvement.
- An onboarding programme has been introduced for all positions within the organisation, comprising both general and specialist components. In addition, a mentoring programme was introduced in 2025.

- All foreign workers are employed under permanent contracts or contracts exceeding one year, are included in the same pay grades, integrated into development plans, and provided with training. Accommodation in accordance with legal requirements is ensured, transport to and from work is organised, and actions are taken to support their adaptation to the new environment.
- The development of handbooks for managers, employees and mentors has been initiated and will continue in 2026.
- Participation in the development of corporate culture and the preparation of proposals for visual maps promoting the established values of Agro Invest Grupa have also been undertaken.

In 2025, Agro Invest Grupa continued implementing actions to enable the transition to more sustainable business practices, with special attention given to protecting jobs and training employees.

- Optimisation of work operations – in agriculture, the number of soil tillage operations has been reduced, and the reduced tillage has been introduced to decrease carbon emissions and improve the sustainability of production.
- The Group is gradually reducing the use of chemical agents, thereby decreasing its ecological footprint and enhancing employee safety and working conditions.
- The Group encourages and organises collective employee travel to reduce mileage and CO2 emissions.
- Employee education on sustainable agriculture – initiated in 2024; the training on resource optimisation and new technologies, continued in 2025.
- Introduction of the LMS platform – employees are enabled to acquire knowledge about sustainable practices more effectively, and a mentoring model is planned, where more experienced colleagues will pass on their knowledge to younger colleagues.
- Agro Invest Grupa continuously adapts its business practices to ensure that they do not cause or have a material negative impact on its workforce.

In 2025, Agro Invest Grupa organised 36 different training modules and workshops attended by approximately 150 employees. The training covered a wide range of topics related to sustainability and responsibility in the working environment, as well as organisational culture and management, with a focus on the following areas:

- People development and organisational culture: training in emotional intelligence, communication and feedback, individual coaching, workshops on stress management, teamwork, team organisation and project management;
- Health, food safety and environment: HACCP workshops and training on consumer information on food, conferences and seminars on aquaculture and the green transition, workshops on the Deforestation Regulation, and professional events on the management of natural areas;
- Business management, finance and compliance: training in controlling and finance, procurement, customs operations and import–export, obtaining authorised exporter status, change management, business intelligence tools and project management;
- Market, customers and reputation: training in digital marketing and branding, retail market positioning, and the use of business networks that support transparent communication, customer relations and the development of market opportunities.

Agro Invest Grupa uses a multi-phase approach to identify and determine the actions necessary to respond to the actual or potential negative impacts on the workforce. This process includes:

1. Analysis of employee feedback – we collect employee opinions on existing challenges and potential improvements via WTW annual surveys, individual interviews, quarterly/annual evaluations introduced as of 2025 and meetings with management.

2. Monitoring key performance indicators (KPIs) – includes turnover rates, employee engagement, productivity and the number of reported issues related to working conditions and organisational culture.
3. Meetings between the Management Board and the Human Resources (HR) Department – HR, the Management Board and Heads of Divisions analyse the collected data and define specific measures to mitigate negative impacts.
4. Benchmarking and alignment with market practices – by monitoring market trends in the sector and benchmarking against other companies, we ensure that the actions undertaken are in line with best practices.
5. Piloting and testing new measures – prior to a full implementation of new initiatives (e.g. the LMS platform, variable pay component), they are to be tested on selected teams to assess their effectiveness.
6. Performance monitoring and iterative improvement – following implementation, actions are to be evaluated through internal analyses, employee feedback and financial indicators to ensure their effectiveness and timely adjustment.

By combining these steps, the Group ensures that actions are based on concrete data and actual employee needs, thereby reducing negative impacts and increasing workforce satisfaction.

For 2024, 2025 and 2026, Agro Invest Grupa allocated significant resources to manage material impacts, particularly relating to employee retention, talent development, improvement of working conditions and adaptation to the new systematisation of job positions. The allocated resources include a budget for salary increases, additional benefits (warm meals, holiday bonuses, Christmas and Easter bonuses, extra days off for parents of first-grade pupils, Passport cards); investments in employee education and development – a talent development management platform (LMS) planned for 2025/2026, investments in employee training and upskilling and the development of a mentoring programme. These resources also cover investments in improving the recruitment processes and internal operations by introduction of the KPM platform to automate and optimise recruitment, feedback and evaluation processes; and investments in measures aimed at long-term sustainability, including the redefinition of job systematisation, early retirement planning and improvement of working conditions.

In 2025, the effectiveness of the measures was monitored through the systematic collection of feedback via surveys, structured interviews with employees, data tracking through the KPM platform, monitoring of employee development and the introduction of a performance appraisal system, as well as by comparing results with previous periods in order to measure effectiveness.

S1-5 Targets related to managing material negative impacts, advancing positive impacts, as well as managing material risks and opportunities

ESRS 2 MDR-T
S 1

Agro Invest Grupa established targets based on monitoring HR records, HR reports, results of the WTW survey, individual discussions with employees and meetings between HR and the management. Given that the Group formally established Human Resources Department before only in 2023, targets were qualitatively and quantitatively defined in 2025 for the first time, with an implementation period that may extend until 2026. The achievement of objectives is monitored through all previously described employee feedback mechanisms, the use of platforms and trend analysis. The main objectives relating to the identified material impacts, risks and opportunities are presented below.

Objective: To achieve secure employment. The goal from 2024 to 2026 is to increase the percentage of employees with permanent contracts, thereby contributing to job stability and income security. The objective for the entire Group is to ensure that, by the end of 2026, 90% of its workforce has a permanent employment contract versus the baseline value of 89% in 2023. The achievement of this objective will be monitored through HR records, by analysing the percentage of employees on permanent contracts and through quarterly analytical tracking. The key stakeholders for achieving this objective are the HR team, the Management Board and Heads of Divisions.

Secure adequate wages. The objective for the period from 2024 to 2026 is to ensure that all employees of Agro Invest Grupa have the opportunity for salary increases within their pay grade and through a performance-based variable pay component. This means that all employees will be included in a dynamic pay system by 2026. The baseline year for verification is 2024, when the system began to be introduced in the Republic of Croatia (and in 2025, it will start to be introduced in Bosnia and Herzegovina). The implementation will be ensured via HR software and records of paid bonuses, and progress will be monitored yearly via HR reports and payout analysis. The key stakeholders for achieving this objective are the HR team, Finance and the Management Board.

Improve training and skills development. In the period from 2024 to 2026, the goal is to provide continuous employee training for professional development and competences enhancement across the entire Agro Invest Grupa. The measurable objective is for at least 20% of employees to participate in the planned training programmes yearly. The baseline year for verification is 2024, in which 10% of employees participated in the training programmes. The implementation will be monitored through the LMS system and HR reports, with quarterly reporting on the number of completed training sessions. The key stakeholders for achieving this objective are the HR team and Heads of Divisions.

In line with its strategic human resource development objectives, in 2024, the Group took the first steps towards comprehensive changes and reforms. However, most of the actions will be implemented in the period from 2026 to 2027.

Financial effects and resilience of the strategy

The most significant financial effect in 2025 related to material risks in the work environment was the increased expenditure resulting from a comprehensive investment in salary increases and the implementation of the new job systematisation. The payment of salaries under the new model has been applied since January 2025. However, this investment has been planned as a strategic step towards a long-term business improvement and strengthening competitiveness in the labour market.

The expected future financial effects relate to:

• Short-term perspective (2026): Financial pressure from the salary increase investment and the implementation of the new job systematisation. Effective resource management is crucial at this stage to ensure business stability despite increased costs;

• Medium-term (2027–2028): Investment in training and the variable pay system should boost employee engagement. In the long term, this will reduce recruitment and onboarding costs and is expected to contribute to higher productivity and better business results;

• Long-term perspective (2028 and beyond): The objective is to achieve productivity and workforce stability through a successful human resource management strategy, which will contribute to financial sustainability and enable the Group's long-term growth.

Agro Invest Grupa continuously adapts its business model and strategy to respond to risks and seize opportunities effectively. As the Group is geographically dispersed, digitalisation enables better engagement, professional development and employee efficiency, regardless of their work site. The Group's strategy has proven resilient to numerous challenges, particularly in market changes and digitalisation. However, specific challenges, such as climate change, directly impact agricultural production and require further adjustments.

S1-6 Characteristics of the undertaking's employees

S1-6

Agro Invest Grupa comprises 13 active undertakings, of which five operate in the Republic of Croatia and eight in Bosnia and Herzegovina.

Table 1

Gender	Headcount – Agro Invest Grupa (2024)	Headcount – Agro Invest Grupa (2025)
Men	537	535
Women	117	141
Other		
Not reported		
Total headcount (ESRS 2 SBM 1, para 40a iii)	654	676

Table 2

Country	Headcount (2024)	Headcount (2025)
Republic of Croatia	543	568
Bosnia and Herzegovina	111	108

The headcount numbers shown in Table 1 and Table 2 correspond to the official headcount numbers used in the financial statements of Agro Invest Grupa for 2025. These data are based on employee records and payroll calculations. All numbers include employees in the Republic of Croatia and Bosnia and Herzegovina.

Employees per contract type, broken down per gender, for the entire Agro Invest Grupa

Table 3

Reporting period – year 2024				
WOMEN	MEN	OTHER	NOT REPORTED	TOTAL
Headcount (number/FTE)				
117	537			654
Permanent employees (number/FTE)				
109	480			589
Temporary employees (number/FTE)				
8	57			65
Number of non-guaranteed hours employees (headcount/FTE)				
				11*
Number of full-time employees (headcount/FTE)				
112	519			631
Number of part-time employees (headcount/FTE)				
5	18			23

**Out of the workers that can be formally tracked, seasonal workers and workers engaged through a voucher system are not officially tracked.*

Table 3

Reporting period – year 2025				
WOMEN	MEN	OTHER	NOT REPORTED	TOTAL
Headcount (number/FTE)				
141	535			676
Permanent employees (number/FTE)				
136	480			616
Temporary employees (number/FTE)				
5	55			60
Number of non-guaranteed hours employees (headcount/FTE)				
--	--			--
Number of full-time employees (headcount/FTE)				
135	525			660
Number of part-time employees (headcount/FTE)				
7	9			16

Table 4

Reporting period - year 2024		
Republic of Croatia	Bosnia and Herzegovina	TOTAL
Headcount (number/FTE)		
543	111	654
Permanent employees (number/FTE)		
503	86	589
Temporary employees (number/FTE)		
40	25	65
Number of non-guaranteed hours employees (headcount/FTE)		
--	--	--
Number of full-time employees (headcount/FTE)		
523	108	631
Number of part-time employees (headcount/FTE)		
20	3	23

Table 4

Reporting period - year 2025		
Republic of Croatia	Bosnia and Herzegovina	TOTAL
Headcount (number/FTE)		
568	108	676
Permanent employees (number/FTE)		
534	82	616
Temporary employees (number/FTE)		
34	26	60
Number of non-guaranteed hours employees (headcount/FTE)		
--	--	--
Number of full-time employees (headcount/FTE)		
554	106	660
Number of part-time employees (headcount/FTE)		
14	2	16

A large share of temporary employees in the undertakings in Croatia and Bosnia and Herzegovina is primarily due to seasonal demands in the agricultural sector. Due to the nature of production cycles, the workforce numbers increase during intense agricultural work such as planting, harvesting or crop processing. Additionally, it is a common practice to offer fixed-term contracts to new employees as an initial phase before potentially transitioning to a permanent contract. This approach is particularly pronounced in Bosnia and Herzegovina due to the flexibility of the labour market and legal framework. The Group also uses contracts with a non-guaranteed number of working hours to provide additional opportunities for employees in seasonal jobs.

The data were directly sourced from the HRIS system (HR+) and reflect the employee status as of 31 December 2025.

S1-8 Collective bargaining coverage and social dialogue

S1-8

In the Republic of Croatia, 516 out of 568 employees are covered by the Collective Bargaining Agreement, which accounts for 91% of all employees. In Bosnia and Herzegovina, the practice is to apply the General Collective Bargaining Agreement for the Federation, which is mandatory for all regions of Bosnia and Herzegovina. For all companies in Republika Srpska, the 2016 Resolution applies. In the Republic of Croatia, all employees are covered by a representation system through worker representatives and trade unions, with most employees having the opportunity to engage in the dialogue with the employer via these structures. The share of employees covered by worker representatives is 100%, as rights and working conditions are regulated by the Collective Bargaining Agreement and/or the Labour Regulations.

There is no agreement with employees for representation within the European Works Council (EWC), the employee council of a Societas Europaea (SE), or the employee council of a Societas Cooperativa Europaea (SCE).

2024 and 2025	Collective bargaining coverage		Social dialogue
Coverage rate	**Employees – EEA** (for countries with >50 empl. representing >10% total empl.)	Employees – outside EEA (estim. for regions with > 50 empl. representing >10% of total emp.)*	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0 –19 %		Bosnia and Herzegovina	
20 –39 %			
40 –59 %			
60 –79 %			Republic of Croatia
80 –100 %	Republic of Croatia		

S1-9 Diversity metrics

S1-9

The highest governance body is considered to be the Management Board of Agro Invest Grupa, comprising two members, one male and one female. Accordingly, the proportion of men and women on the highest governance body is 50% each. In certain parts of the Group, the Management Board is composed exclusively of women (fish farming).

In determining top management, the following definitions were applied: the President of the Management Board represents the highest level of management, responsible for the strategic direction of the entire organisation, making key decisions and setting the business vision. A member of the Management Board supports the President of the Management Board in strategic decision-making, with a focus on managing the organisation at a macro level.

This is the breakdown of employees per age, according to headcount and percentage:

Reporting period – year 2025				
Age group	2024		2025	
younger than 30 years of age	148	23%	134	20%
30 – 50 years of age	315	48%	336	50%
older than 50 years of age	191	29%	206	30%

S1-10 Adequate wages

S1-10

Agro Invest Grupa pays employees' salaries and remuneration per applicable laws. In undertakings in the Republic of Croatia, all employees receive a salary at or above the minimum gross wage in the Republic of Croatia. In addition to the contracted gross salary, all employees receive a monthly reimbursement for travel expenses, meal allowance and salary increments if they have performed more complex and demanding work. The market in Bosnia and Herzegovina is specific, and making a relevant market assessment of appropriate salaries is difficult. All employees in undertakings in Bosnia and Herzegovina have wages above the minimum and in line with the jobs they perform.

8) In Croatia, social dialogue is ongoing through the works council and collective bargaining agreements, but there is still no formal system for reporting irregularities.

S1-16 Remuneration metrics (pay gap and total remuneration)

S1-16

Agro Invest Grupa has unified pay grades for all employees, and there are no differences in remuneration among employees in the same positions. Salaries are not linked to gender but to the specific job position. However, no analysis has been conducted so far on the pay gap between male and female employees according to the prescribed methodology, and the Group currently does not have data about the gap. The Group will, in line with the Pay Transparency Directive, adapt its processes and carry out the necessary calculations to ensure visibility in this area and enable transparency. Concerning the current reward system, employees can receive bonuses and rewards for their work, impacting their total yearly remuneration. Salary differences exist between the undertakings in Croatia and Bosnia and Herzegovina, as salaries are aligned with market conditions and competitive standards in each country.

The ratio of the total annual remuneration of the highest-paid individual to the median total yearly remuneration for all employees (excluding the highest-paid individual) in 2025 is 5.5792:1 (5.024:1 in 2024). This calculation includes all accrued costs related to employee compensation during all 12 months of 2025 across all companies within the Agro Invest Grupa.

S1-17 Incidents, complaints and severe human rights impacts

S1-17

During the reporting period, no reported incidents of discrimination based on gender, race or ethnic origin, nationality, religion or belief, disability, age, sexual orientation or any other relevant grounds were recorded. Additionally, there were no fines, sanctions or compensation for damages related to incidents of discrimination. Currently, there is no formalised mechanism for receiving complaints; instead, complaints are addressed through individual discussions between employees and the HR Department or line managers. In 2025, no formal complaints of discrimination were submitted through the available channels.

In 2025, no grave human rights violations were recorded, nor were any fines, sanctions, or compensation for damages related to serious human rights violations imposed.

ESRS G1: Business conduct

Disclosure requirement		Information
ESRS 2 GOV-1	The role of the administrative, management and supervisory bodies	130
ESRS 2 IRO-1	Description of the processes to identify and assess material impacts, risks and opportunities	213
ESRS G1-1	Business conduct policies and corporate culture	214
ESRS G-2	Management of relationships with suppliers	215
ESRS G1-6	Payment practices	217
ESRS G – sector specific	Animal welfare	217

Agriculture in the European Union is recognised as one of the key pressures on ecosystems, particularly through land use, the application of fertilisers and pesticides, and water consumption. In its 2025 report, the European Environment Agency states that the condition of European biodiversity is deteriorating and that agriculture significantly contributes to habitat loss, soil degradation, and the reduced capacity of ecosystems to regulate water, store carbon and preserve biodiversity, thereby confirming the need to accelerate the transition towards more sustainable production models.

In the Croatian context, the importance of sustainable agriculture is confirmed by key strategic documents. The Strategy of Agriculture of the Republic of Croatia until 2030 sets out a vision of increasing the production of high-quality food while ensuring the sustainable management of natural resources, enhancing resilience to climate change and improving the quality of life and employment in rural areas. The Strategic Plan of the Common Agricultural Policy of the Republic of Croatia 2023–2027 further operationalises these objectives through interventions targeting climate, the environment and nature, including support for practices that reduce greenhouse gas emissions and reliance on chemicals, as well as the requirement that at least 25% of direct payments be allocated to eco-schemes and at least 35% of rural development funding to environmental interventions.

In this context, effective management becomes crucial for addressing challenges, ensuring food security and promoting sustainable growth. Large agricultural undertakings are expected to act as frontrunners in sustainable and responsible business conduct, which includes a high level of integrity, transparency and responsible resource management, while balancing economic objectives with environmental and social responsibilities.

9) Europe's Environment 2025
10) Strategy of Agriculture of the Republic of Croatia until 2030
11) Strategic Plan of Common Agricultural Policy of the Republic of Croatia 2023–2027

MATERIAL IMPACTS		VALUE CHAIN	TIME HORIZON	ACTIVITY				
				Arable farming	Livestock farming	Fish farming	Fruit growing	Viticulture
POSITIVE ACTUAL **An open and inclusive corporate culture**	Employees have straightforward access to top management, are encouraged to engage in open communication and have transparent insight into business processes, which contributes to trust, collaboration and employee engagement. An open and inclusive culture enhances employee trust, reduces stress and fosters innovation and a sense of belonging.	Own operations	Short-term to long-term	•	•	•	•	•
POSITIVE ACTUAL **Fair market relationships with suppliers, including transparent negotiations, fair contracting and timely payments**	The stability and sustainability of the supply chain, particularly for smaller suppliers that are more sensitive to payment delays or changes in cooperation terms. Timely and fair payments, together with transparent relationships with suppliers, strengthen trust, ensure the liquidity of smaller business partners and enhance their financial stability.	Own operations Upstream	Short-term to long-term	•	•	•	•	•
NEGATIVE ACTUAL **Animal health and welfare in relation to climate extremes**	Rising temperatures and increasingly frequent and intense heatwaves may adversely affect animal health and welfare. Heat stress can affect livestock health by causing metabolic disorders, oxidative stress and a weakening of the immune system, which may lead to infections and mortality.	Own operations	Short-term to long-term		•			

Impact, risk and opportunity management

ESRS 2 IRO-1
G1

During 2025, Agro Invest Grupa further strengthened the foundations of good governance by conducting due diligence of its value chains for key activities, performing a double materiality assessment and ensuring structured stakeholder engagement in these processes. The mapping of value chains enabled a more detailed insight into the points at which material impacts, risks and opportunities arise across the upstream and downstream value chain, while the double materiality assessment supported the prioritisation of governance topics based on their relevance to the business and its stakeholders. Stakeholder engagement – ranging from suppliers and subcontractors, customers and financial institutions to sustainability experts and employees – contributed to a better understanding of expectations, potential challenges and partnership opportunities in the area of governance.

Supplier due diligence and fair business practices in supplier relationships remain a key pillar of sustainability for large agricultural undertakings in Croatia. Based on the analyses conducted in 2025, Agro Invest Grupa further enhanced its understanding of supply chain risks, particularly those related to environmental and social matters, and initiated the gradual strengthening of supplier assessment and monitoring processes.

Fair business practices – including timely payments, fair pricing and long-term partnerships that create mutual value – remain fundamental principles for building relationships with suppliers, while the results of stakeholder engagement have highlighted the extent to which this approach contributes to value chain stability and the Group's long-term competitiveness.

In addition, Agro Invest Grupa has undertaken sustainability assessments by participating in the Croatian Sustainability Index (HRIO) and in the ESG rating of the Croatian Chamber of Commerce.

In this way, during 2025, Agro Invest Grupa enhanced its good governance framework by moving from an initial level to a more systematic understanding and management of material impacts, risks and opportunities.

The value chain due diligence processes across Agro Invest Grupa's key activities – arable farming, livestock production, aquaculture, viticulture and fruit growing – as well as the double materiality assessment process, are described in detail in ESRS 2 General Disclosures on pages 136 and 141 of this Report.

In addition to the identified impacts, risks and opportunities, a number of assessed impacts and risks were classified as borderline, meaning that they were not identified as material under the financial materiality assessment and have been designated as impacts, risks and opportunities requiring further monitoring and data collection and will therefore be reassessed during 2026.

G1-1 Business conduct policies and corporate culture

ESRS 2 MDR-P

G1-1

Agro Invest Grupa is actively building a culture of sustainability, for which the Management Board and the Sustainability Committee are responsible. The management of sustainability matters is described in more detail in ESRS 2 General Disclosures on page 130 of this Report. The Sustainability Committee and key experts, together with members of the Management Board, actively participated in the value chain due diligence process, the double materiality assessment and sustainability-focused training workshops.

As part of building a corporate culture of sustainability, from 2026 Agro Invest Grupa plans to introduce 'open table' sessions, to be held once a week for a duration of two hours, during which members of the Management Board and directors engage with employees who present ideas, comments, observations and other proposals, as well as report irregularities.

In its operations, Agro Invest Grupa adheres to its Anti-Corruption Policy and Code of Ethics.

The Group's Management Board maintains a zero-tolerance policy towards illegal, unethical or any other actions or practices that violate the business policy, whether committed by its employees or business partners. It directs obligated parties to report any suspicions of such actions to their line manager (for employees) or to the Legal Department, ensuring anonymity in this process. The Group is committed to not tolerating any inappropriate behaviour towards anyone who, in good faith, files a report or cooperates in an investigation, even if the allegations prove unfounded. All stakeholders, whether internal or external, may report any case of corruption, unethical conduct or any other legally or socially unacceptable behaviour to the confidential person, the Management Board, the Supervisory Board, the Shareholders' Meeting, or the competent state authorities through any communication channel (email, by post, verbal communication, anonymous letter, etc.), and the Group plans to establish its official channels for reporting irregularities. The Regulations on the Procedure for Internal Reporting of Irregularities and the Appointment of a Confidential Person define the procedure for submitting and handling reports.

In addition to internal processes outlined in the Anti-Corruption Policy, whistleblowers are protected under the Whistleblower Protection Act (Official Gazette of the Republic of Croatia, No 46/22). The monitoring of whistleblower reports is also addressed by the Regulations on the Procedure for Internal Reporting of Irregularities and the Appointment of a Confidential Person. The Group does not have a written procedure for tracking whistleblower reports and has not recorded any incidents related to business conduct, including corruption and bribery.

Employees responsible for receiving reports are familiar with the laws and regulations governing the reporting of irregularities, as well as with Agro Invest Grupa's internal acts. The Code of Ethics sets out the Group's rules and expectations related to business conduct.

Given its involvement in livestock farming, Agro Invest Grupa plans to consider adopting an animal welfare policy. Despite the absence of a formal policy, the Group implements numerous actions in its operations to ensure animal welfare. For example, through its participation in Measure 14 (Animal Welfare) of the Rural Development Programme of the Republic of Croatia for 2014–2020, Agro Invest Grupa has ensured the implementation of high welfare standards that go above and beyond current laws and regulations. These standards relate to providing water, food and animal care, as well as appropriate housing and practices that avoid the mutilation and/or castration of animals. Where such procedures are absolutely necessary, aesthetics, analgesics, anti-inflammatory drugs or immuno-castration are required.

A formal policy for preventing late payments has not been established. However, the due dates for the obligations towards suppliers are tracked daily. Based on available funds in the companies' accounts and the agreed terms and conditions with the banks, payment priorities are assessed, and obligations are paid in chronological order by their due date.

G1-2 Management of relationships with suppliers

G1-2

Establishing and maintaining cooperation with suppliers is based on clearly defined expectations derived from Agro Invest Grupa's internal practices, its Code of Ethics and its values. These expectations cover key areas such as ethics and integrity, respect for labour and human rights, health and safety, responsible management of environmental sustainability, and security and privacy. In the double materiality assessment, fair market practices towards suppliers (transparent negotiations, fair contracting and regular payments) were identified as a positive actual impact, as they contribute to the stability and sustainability of the supply chain, particularly for family farms and small and medium-sized enterprises that are more sensitive to payment delays.

In the procurement of goods and services, enquiries are, where possible, initially directed to local suppliers that meet the specified criteria, thereby supporting the local community and reducing the environmental footprint associated with transport. Uncertainties and risks related to unstable supply chains are addressed by securing alternatives and continuously expanding the base of reliable suppliers, taking into account the nature of the products and the length of supply chains. The value chain due diligence conducted in 2025 further highlighted the importance of the upstream value chain (suppliers of seeds, fertilisers, animal feed, packaging and energy) for overall impacts, risks and opportunities, and confirmed the need for more structured cooperation with suppliers and outgrowers.

As a rule, Agro Invest Grupa cooperates with established suppliers with strong references, while certain parts of its operations are integrated into certified management systems. The fish processing plant holds an IFS certificate, the winery is certified according to the HACCP and ISO 22000 systems, and in the primary arable production, the production of soybeans, sunflowers and rapeseed is ISCC-certified. These systems imply that the procurement of raw materials and packaging complies with specific quality and environmental requirements, including those related to food safety, traceability and, indirectly, certain aspects of climate and environmental criteria.

In business segments where the IFS and ISO 22000 systems have been implemented, suppliers must provide necessary analyses and certificates, declarations of conformity and confirmations of health safety, and a supplier risk assessment is conducted. The HACCP team, appointed in accordance with the IFS standard, assesses the regulatory framework in the country of production, technical documentation, certificates, the completeness of the submitted documentation and commercial relationships (delivery timelines, pricing, business history, economic stability and the legal status of the supplier).

A similar methodology is applied in the assessment of raw material risks; however, the double materiality assessment identified that there is currently no systematic integration of additional environmental and social criteria (e.g. working conditions, respect for human rights, broader environmental impacts) into the formal supplier risk assessment, which has been identified as a potential negative impact and an area for improvement.

Regarding packaging, suppliers must provide declarations of conformity and health safety for products intended for materials that come into contact with food. At the Fish Processing Plant, targeted efforts are also undertaken to identify packaging solutions with a lower plastic content (e.g. replacing black trays with white ones), while IFS certification requires that key suppliers hold appropriate quality certificates and, where relevant, environmental certifications (ISO 14001, ISO 9001, ISO 50001, FSC Chain of Custody, ISO 22000, Halal, Kosher). These practices contribute to reducing environmental risks associated with packaging and enhance compliance with regulatory requirements for food contact materials.

With regard to social compliance and human rights, the Code of Ethics of Agro Invest Grupa prescribes respect for human rights and a zero-tolerance approach to forced and child labour, both within its own operations and across the value chain. Particular attention is given to fair treatment in employment and business relationships, as well as to the implementation of practices that safeguard labour and human rights, which has been identified in the materiality assessment as an integral part of the business conduct topic. New suppliers undergo an initial screening through desktop research (corporate websites, financial stability, length of business operations and references), while suppliers for whom there is information from media sources or internal communications indicating breaches of law or human rights are excluded from cooperation. However, the double materiality assessment identified a risk that, due to the absence of systematic supplier screening based on clear environmental, labour and human rights criteria, negative impacts in the value chain may not be identified in a timely manner, representing potential reputational, environmental and social risks for the Group, and has therefore been identified as an area for further development of supplier due diligence policies and procedures. This risk has not been assessed as material but will be monitored in future periods.

The Group recognises family farms it collaborates with as its vulnerable suppliers. By providing production financing to its outgrowers, Agro Invest Grupa supports the launching of production for local family farms. Small agricultural producers are thus supported in establishing their agrarian production by enabling them to settle their obligations with their crops at harvest time, which provides an incentive for production. A large system like Agro Invest Grupa also enables them to place their goods on the market.

G1-6 Payment practices

G1-6

Agro Invest Grupa has not analysed the average invoice payment time from the date when the calculation of the contractual or legal payment deadline begins. When making payments, the Group adheres to the contractual and legal payment terms.

For most goods and services procured by the Group, there are no standard payment terms by category. On a case-by-case basis, advance payment or payment within the maximum allowed legal term can be contracted for similar goods or with the same supplier. The payment type to be contracted depends on the offer received, the cost of financing and other terms and conditions.

Some suppliers have standard payment terms such as some state institutions (agencies, government bodies), local and regional self-government bodies and utility service providers (telecommunications services, electricity, municipal services, water suppliers, etc.), which have prescribed payment deadlines by their documents, and the Group adheres to these payment deadlines.

G - Sector specific: Animal welfare

G

Given that livestock and fish farming constitute a significant part of Agro Invest Group's business portfolio, animal welfare has been identified in the dual materiality assessment as a sector-specific material issue. As a negative real impact at a higher level in its own operations, animal health and welfare related to climate extremes have been identified, primarily rising temperatures and increasingly frequent and intense heat waves. Heat stress can lead to metabolic disorders, oxidative stress and a weakening of the animal's immune system, which increases the risk of infections and deaths, reduces productivity and directly affects the food supply and economic status of producers. This issue is therefore closely linked to the climate change issue (ESRS E1) and is monitored within the framework of the Group's broader climate risk management process.

Agro Invest Group currently does not have a formally adopted animal welfare policy, but given its presence in livestock production, it is considering adopting one in the coming period. Despite the absence of a formal document, a number of concrete measures are applied in daily operations to ensure a high level of animal care. Through its participation in Measure 14 (Animal Welfare) of the Rural Development Programme of the Republic of Croatia 2014-2020, the Group has introduced standards that go beyond the legally prescribed requirements. These standards relate to ensuring adequate water and food, animal care, appropriate housing conditions and avoiding mutilation and/or castration procedures; in cases where such procedures are necessary, the use of anesthetics, analgesics and anti-inflammatory drugs or the use of immunocastration is mandatory. In the coming period, Agro Invest Group plans to strengthen the animal welfare management framework through the formalization of internal policies, strengthening the monitoring of relevant indicators in livestock and fish farming operations and the integration of measures to adapt to climate extremes (e.g. cooling systems, adaptation of housing capacities, adaptation of feeding regimes) into operational procedures. The development of this area will be monitored as part of the revision of the dual significance assessment in 2026, and the results and progress will be reported in the next sustainability reporting cycles.

Appendix 1: Index of ESRS disclosures

Disclosure requirements in ESRS included in the Sustainability Report

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Appendix 2: List of data points in cross-cutting and topical standards that derive from other EU legislation

The table below includes all data points arising from other EU regulations as outlined in ESRS 2 Appendix B, with references to the chapters in this Sustainability Report where these data can be found. The data is not listed if it is related to a topic that is “Not material” or “Not applicable” to the business activities of Agro Invest Grupa.

ESRS 2 IRO-2

ESRS disclosure requirements included in the Sustainability Report

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS 2 GOV-1	21d	Management Board's gender diversity	x		x			130
ESRS 2 GOV-1	21e	Percentage of Management Board members who are independent			x			130
ESRS 2 GOV-4	30	Statement on due diligence	x					132
ESRS 2 SBM-1	40d-i	Involvement in activities related to fossil fuels and energy	x	x	x		Not applicable	
ESRS 2 SBM-1	40d-ii	Involvement in activities related to chemical production	x		x		Not applicable	
ESRS 2 SBM-1	40d-iii	Involvement in activities related to controversial weapons	x		x		Not applicable	
ESRS 2 SBM-1	40d-iv	Involvement in activities related to the cultivation and production of tobacco			x		Not applicable	
ESRS E1-1	14	Transition plan to reach climate neutrality by 2050				x	Not applicable	
ESRS E1-1	16g	Undertakings excluded from Paris-aligned benchmarks		x	x			153
ESRS E1-4	34	GHG emissions reduction goals	x	x	x			154
ESRS E1-5	38	Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors)	x					155

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS E1-5	37	Energy consumption and mix	x					155
ESRS E1-5	40- 43	Energy intensity associated with activities in high climate impact sectors	x					155
ESRS E1-6	44	Gross Scopes 1, 2, 3 and Total GHG emissions	x	x	x			156
ESRS E1-6	53- 55	Gross GHG emissions intensity	x	x	x			158
ESRS E1-7	56	GHG removals and carbon credits				x	Not material	
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks			x		Use of phase-in option	
ESRS E1-9	66a	Disaggregation of monetary amounts by acute and chronic physical risk		x			Use of phase-in option	
ESRS E1-9	66c	Location of significant assets at material physical risk		x			Use of phase-in option	
ESRS E1-9	67c	Breakdown of the carrying value of its real estate assets by energy-efficiency classes			x		Use of phase-in option	
ESRS E1-9	69	Degree of exposure of the portfolio to climate-related opportunities	x				Use of phase-in option	

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS E2-4	28	Amount of each pollutant listed in Annex II of the EPRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil	x					173
ESRS E3-1	9	Water and marine resources	x					177
ESRS E3-1	13	Dedicated policy	x					177
ESRS E3-1	14	Sustainable oceans and seas	x				Not material	
ESRS E3-4	28c	Total water recycled and reused	x					182
ESRS E3-4	29	Total water consumption in m3 per net revenue on own operations	x					182
ESRS 2 SBM-3 E4	16a-i	Biodiversity-sensitive areas	x				Use of phase-in option	
ESRS 2 SBM-3 E4	16b	Land impact	x				Use of phase-in option	
ESRS 2 SBM-3 E4	16c	Endangered species	x				Use of phase-in option	
ESRS E4-2	24b	Sustainable land/agriculture practices or policies	x				Use of phase-in option	
ESRS E4-2	24c	Sustainable oceans/seas practices or policies	x				Not material	
ESRS E4-2	24d	Policies to address deforestation	x				Use of phase-in option	
ESRS E5-5	37d	Non-recycled waste	x					191

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS E5-5	39	Hazardous waste and radioactive waste	x					191
ESRS 2 SBM-3 – S1	14f	Risk of incidents of forced labour	x				Not material	
ESRS 2 SBM-3 – S1	14g	Risk of incidents of child labour	x				Not material	
ESRS S1-1	20	Human rights policy commitments			x			197
ESRS S1-1	21	Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8	x					197
ESRS S1-1	22	Processes and measures for preventing trafficking in human beings	x				Not material	
ESRS S1-1	23	Workplace accident prevention policy or management system	x				Use of phase-in option	
ESRS S1-3	32c	Grievance/complaints handling mechanisms	x		x			202
ESRS S1-14	88b, 88c	Number of fatalities and number and rate of work-related accidents	x				Use of phase-in option	
ESRS S1-14	88e	Number of days lost to injuries, accidents, fatalities or illness	x		x		Use of phase-in option	
ESRS S1-16	97a	Unadjusted gender pay gap	x					211
ESRS S1-16	97b	Excessive CEO pay ratio	x					211
ESRS S1-17	103a	Incidents of discrimination	x		x			211

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS S1-17	104a	Non-respect of UNGPs on Business and Human Rights and OECD	x					211
ESRS 2 SBM3 S2	11b	Significant risk of child labour or forced labour in the value chain	x				Use of phase-in option	
ESRS S2-1	17	Human rights policy commitments	x				Use of phase-in option	
ESRS S2-1	18	Policies related to value chain workers	x		x		Use of phase-in option	
ESRS S2-1	19	Non-respect of UNGPs on Business and Human Rights and OECD	x				Use of phase-in option	
ESRS S2-1	19	Due diligence policies on issues addressed by the fundamental International Labour Organisation Conventions 1 to 8	x				Use of phase-in option	
ESRS S2-4	36	Human rights issues and incidents connected to its upstream and downstream value chain	x				Use of phase-in option	
ESRS S3-1	16	Human rights policy commitments	x		x		Use of phase-in option	
ESRS S3-1	17	Non-respect of UNGPs on Business and Human Rights and OECD	x				Use of phase-in option	
ESRS S3-4	36	Human rights issues and incidents	x				Use of phase-in option	
ESRS S4-1	16	Policies related to consumers and end users	x		x		Use of phase-in option	

Requirement	Data point	Designation	SFDR reference	Pillar 3 reference	Benchmark regulation reference	EU Climate Law reference	Section / chapter	Chapter / page
ESRS S4-1	17	Non-compliance with the UN Guiding Principles on Business and Human Rights and OECD Guidelines	x				Use of phase-in option	
ESRS S4-4	35	Human rights issues and incidents	x				Use of phase-in option	
ESRS G1-1	10b	United Nations Convention against Corruption	x				Not material	
ESRS G1-1	10d	Protection of whistle-blowers	x		x		Not material	
ESRS G1-4	24a	Fines for violation of anti-corruption and anti-bribery laws	x				Not material	
ESRS G1-4	24b	Standards for preventing corruption or bribery	x				Not material	

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INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT FOR 2025

To the owner of Agro Invest Grupa d.o.o. and its subsidiaries, Zagreb

Subject of Examination

We have been engaged by Agro Invest Grupa d.o.o. to conduct an engagement with limited assurance, in accordance with the International Standard on Assurance Engagements (ISAE) 3000, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (revised) ("Engagement"), on the consolidated Sustainability Report ("Subject of Examination") of Agro Invest Grupa d.o.o. ("Company") and its subsidiaries (together "Group"), contained in the "Sustainability Report" in the Management Report (consolidated Sustainability Report) as of 31 December 2025, and for the year then ended.

Criteria Applied by the Group

In preparing the consolidated Sustainability Report, the Group applied the provisions of Articles 32 and 36 of the Accounting Act (Official Gazette, No. 85/24, 145/24 and 151/25), including:

- Compliance with the provisions of the European Sustainability Reporting Standards (ESRS), including the implementation of the process for identifying information disclosed in the consolidated Sustainability Report ("Process") as described in the section The process of assessing double materiality; and
- Compliance of disclosures in the consolidated Sustainability Report with the reporting requirements of Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation").

Inherent Limitations in Preparing the Consolidated Sustainability Report

Inherent limitations exist in all assurance engagements.

The criteria and characteristics of the Sustainability Report and the lack of long-established authoritative guidelines, standard applications, and reporting practices allow for the adoption of different, but acceptable, measurement methodologies, which may result in differences among entities. The adopted measurement methodologies can also affect the comparability of sustainability data reported by different organizations and the consistency within the same organization from year to year as methodologies evolve.

In reporting information about future events in accordance with ESRS, the Group's Management is required to prepare information about future events based on published assumptions about events that may occur in the future and possible future activities of the Group. The actual outcome is likely to be different, as future events often do not follow expectations.

In determining disclosures in the consolidated Sustainability Report, the Group's Management interprets undefined legal and other terms. Undefined legal and other terms can be interpreted in different ways, including the legal compliance of their interpretation, and are therefore subject to uncertainties.

Management's and Those Charged with Governance Responsibility for Sustainability Reporting

Management is responsible for the design and implementation of the process for identifying information disclosed in the consolidated Sustainability Report in accordance with ESRS, and for disclosing this Process in the section The process of assessing double materiality in the consolidated Sustainability Report. This responsibility includes:

- Understanding the context in which the Group's activities and business relationships take place and understanding the affected stakeholders;
- Identifying actual and potential impacts (both negative and positive) related to sustainability issues, as well as risks and opportunities that affect or could reasonably be expected to affect the Group's financial position, financial performance, cash flows, access to financing, or cost of capital in the short, medium, or long term;
- Assessing the significance of identified impacts, risks, and opportunities related to sustainability issues by selecting and applying appropriate materiality thresholds; and
- Making assumptions that are reasonable in the given circumstances.

Furthermore, Management is responsible for preparing the consolidated Sustainability Report in accordance with the provisions of Articles 32 and 36 of the Accounting Act, including:

- Compliance with ESRS;
- Preparing disclosures in the section Information in accordance with Article 8 of Regulation (EU) 2020/852 in accordance with the reporting requirements of Article 8 of Regulation (EU) 2020/852 (EU Taxonomy Regulation);
- Designing, implementing, and maintaining internal control systems that Management determines are necessary to enable the preparation of the consolidated Sustainability Report without material misstatements due to fraud or error; and
- Selecting and applying appropriate sustainability reporting methods and forming appropriate estimates and judgments about individual sustainability disclosures that are reasonable in the given circumstances.

Those charged with governance are responsible for overseeing the Group's sustainability reporting process established by the Company.

Auditor's Responsibility

We conducted an engagement with limited assurance in accordance with the International Standard on Assurance Engagements, Assurance Engagements Other than Audits or Reviews of Historical Financial Information (ISAE) 3000 (revised), as prescribed by the provision of Article 37 of the Accounting Act and the provisions of the contract for this engagement concluded with Agro Invest Grupa d.o.o. on 29 July 2025. These standards require planning and performing the engagement to express a conclusion on whether we are aware of any significant changes that need to be made to the Subject of Examination to be in accordance with the Criteria, and to issue a report. The nature, timing, and extent of selected procedures depend on our professional judgment, including the assessment of the risk of material misstatement, whether due to fraud or error.

Auditor's Responsibility (continued)

Our responsibility is to express a conclusion on the presentation of the Subject of Examination based on the evidence we have obtained. Our responsibilities regarding the Subject of Examination, in relation to the Process, include:

- Gaining an understanding of the Process but not for the purpose of expressing a conclusion on the effectiveness of the Process, including the outcome of the Process;
- Considering whether the identified information meets the applicable ESRS disclosure requirements; and
- Designing and performing procedures to assess the compliance of the Process with the description of the Group's Process, as disclosed in the section The process of assessing double materiality.

Our other responsibilities regarding the Subject of Examination include:

- Identifying disclosures where significant misstatements are likely to occur, whether due to fraud or error;
- Designing and performing procedures aimed at disclosures in the consolidated Sustainability Report where significant misstatements are likely to occur. The risk of not detecting a significant misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.

We believe that the evidence obtained is sufficient and appropriate to provide a basis for our conclusion with limited assurance.

Our Independence and Quality Management

We comply with the independence and other ethical requirements established by the International Code of Ethics for Professional Accountants, issued by the International Ethics Standards Board for Accountants (IESBA), which sets out fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior. We possess the necessary knowledge and experience to conduct this assurance engagement.

We also apply the International Standard on Quality Management 1, Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements, and accordingly, maintain a comprehensive quality control system, including documented policies and procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Description of Procedures Performed

Procedures performed in a limited assurance engagement differ in nature and timing from, and are less extensive than, those performed in a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is significantly lower than that which would have been obtained had a reasonable assurance engagement been performed. Our procedures are designed to obtain a limited level of assurance on which we can base our conclusion and do not provide all the evidence that would be required to provide a reasonable level of assurance.

Although we considered the effectiveness of internal controls established by Management in determining the nature and extent of our procedures, our assurance engagement was not designed to provide a conclusion on internal controls. Our procedures did not include testing controls or performing procedures relating to checking the aggregation or calculation of data within IT systems.

A limited assurance engagement consists of making inquiries, primarily to persons responsible for preparing the consolidated Sustainability Report and related information, and applying analytical and other appropriate procedures.

A limited assurance engagement includes performing procedures to obtain evidence about the consolidated Sustainability Report.

The nature, timing, and extent of selected procedures depend on professional judgment, including identifying disclosures where significant misstatements are likely to occur, whether due to fraud or error, in the consolidated Sustainability Report.

In conducting our limited assurance engagement, we performed the following procedures regarding the Process:

- Gaining an understanding of the Process:
  - Making inquiries to understand the sources of information used by Management (e.g., stakeholder engagement, business plans, and strategic documents);
  - Reviewing the Group's internal documentation on the Process; and
  - Assessing the compliance of evidence obtained from our procedures on the Process conducted by the Group with the description of the Process stated in the section The process of assessing double materiality.

In conducting our limited assurance engagement on the consolidated Sustainability Report, we performed the following procedures:

- Gaining an understanding of the Group's reporting process relevant to the preparation of the consolidated Sustainability Report, including the consolidation process by gaining an understanding of the Group's control environment, processes, and information systems relevant to the preparation of the consolidated Sustainability Report, but not assessing the design of specific control activities, obtaining evidence of their implementation, or testing their operational effectiveness;
- Assessing whether significant information identified by the Process for identifying information for disclosure in the consolidated Sustainability Report is included in the consolidated Sustainability Report;
- Assessing the compliance of the structure and presentation of the consolidated Sustainability Report in accordance with ESRS;
- Making inquiries of relevant employees and performing analytical procedures on selected information from the consolidated Sustainability Report;
- Assessment of methods, assumptions, and data for developing significant estimates and future information, and how these methods were applied.

Description of Procedures Performed (continued)

- Understanding the process for identifying eligible and aligned economic activities under the EU taxonomy regulation for transport, CAPEX, and OPEX, as well as the corresponding disclosures in the consolidated Sustainability Report;
- assessment of compliance processes, methods and data for covered activities, assessing compliance with minimum safeguards by conducting staff inquiries and evidentiary and analytical procedures in relation to disclosures compliant with the EU taxonomy
- Evaluation of the presentation and use of EU Taxonomy templates in accordance with the relevant requirements; and
- Alignment and verification of consistency, to the extent applicable, between the listed economic activities under the EU Taxonomy and the items stated in the consolidated financial statements, including the disclosures mentioned in the related notes.

Limited assurance conclusion

Based on the we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the consolidated Sustainability Report of the Group is not prepared, in all material respects, in accordance with the provisions of Articles 32 and 36 of the Accounting Act, including:

- Compliance with the European Sustainability Reporting Standards (ESRS), including the compliance of the process conducted by the Group for identifying information disclosed in the consolidated Sustainability Report ("Process") with the description provided in the section The process of assessing double materiality; and
- Compliance of disclosures in the section Information in accordance with Article 8 of Regulation (EU) 2020/852 in the consolidated Sustainability Report with the reporting requirements of Article 8 of Regulation (EU) 2020/85 (EU Taxonomy Regulation).

Zagreb, 29 April 2026

BDO Croatia d.o.o.
Radnička cesta 180
10000 Zagreb

Hrvoje Stipić, President of the Management Board

Vedrana Stipić, Certified Auditor

BDO Croatia d.o.o.
Zagreb, Radnička cesta 180
OIB: 76394522236

Zagreb, 29 April 2026

Pursuant to the provisions of Articles 300a and 300b of the Companies Act, the Management Board of the Company adopted next

D E C I S I O N

I. The Annual Report of the Company for 2025 is determined according to the text attached to this Decision.

II. The nonconsolidated and consolidated Annual Financial Report for 2025 are determined, which consists of:
- statement of financial position (balance sheet),
- profit and loss account,
- report on other comprehensive income,
- cash flow statement,
- report on changes in equity,
- notes to the financial statements,

according to the text attached to this Decision and are an integral part of the report referred to in item I of this Decision.

III. The Audit Report for 2025 is an integral part of the report referred to in item I of this Decision.

IV. Management Report is determined, together with the Statement on the Application of the Code of Corporate Governance and Sustainability Report together with independent Auditor's Report which forms an integral part of the report referred to in item I of this Decision.

V. Annual report of the Company for 2025, ie. reports from item II. to IV. these decisions are submitted to the Supervisory Board for examination.

VI. This Decision shall enter into force on the day of its adoption.

Ivan Pandurević
President of Management Board



Iva Brkić
Member of Management Board



Zagreb, 29 April 2026

Pursuant to the provisions of Article 300.d, and in accordance with the provisions of Article 300.c of the Companies Act, after the examination of the submitted relevant reports of the Management Board, the Supervisory Board of the Company at its meeting held on April 29, 2026 adopted the following

D E C I S I O N

I. Consent is given to the Annual Report of the Company for 2025 according to the text attached to this Decision.

II. Consent is given to:
- nonconsolidated and consolidated Annual Financial Report for 2025, consisting of:
- statement of financial position (balance sheet), income statement, statement of other comprehensive income, cash flow statement, statement of changes in capital and notes to the financial statements,
- Audit Report for 2025,
- Management Report, together with a statement on the application of the corporate governance code and Sustainability Report together with independent Auditor's Report, according to the text attached to this Decision, which reports are an integral part of the report referred to in point I. of this Decision.

III. Pursuant to the provisions of Article 300d of the Companies Act by giving consent from point II. Of this Decision, nonconsolidated and consolidated Annual Financial Statements of the Company for 2025 was determined by the Management Board and the Supervisory Board of the Company.

IV. This Decision shall enter into force on the day of its adoption.

Marko Rašić
President of Supervisory Board



Zagreb, 29 April 2026

Pursuant to the provisions of Articles 275 and 300.b of the Companies Act, the Management Board of the Company passed next

D E C I S I O N

I. The proposal of the Decision on use, which is sent to the General Assembly for adoption, is determined, which reads:

I. It is determined that the total realized profit after tax for 2025 amounts to EUR 425,712.53

II. It is established that, pursuant to the Decision dated July 30, 2025, an advance payment of profit for the year 2025 was paid to the Company member during 2025 in the amount of EUR 397,727.27. The remaining portion of the profit, in the amount of EUR 27,985.26, is allocated to the Company's retained earnings.

II. This Decision shall enter into force upon obtaining the consent of the Supervisory Board.

Ivan Pandurević
President of Management Board



Iva Brkić
Member of Management Board



Zagreb, 29 April 2026

Pursuant to the provisions of Article 300.c of the Companies Act, after an examination submitted the proposal of the Decision in the use of profit, the Supervisory Board of the Company at its meeting on April 29, 2026, adopted the following

D E C I S I O N

I. Consent is given to the proposal of the Decision on use which is sent to the General Assembly on adoption, which reads:

I. It is determined that the total realized profit after tax for 2025 amounts to EUR 425,712.53.

II. It is established that, pursuant to the Decision dated July 30, 2025, an advance payment of profit for the year 2025 was paid to the Company member during 2025 in the amount of EUR 397,727.27. The remaining portion of the profit, in the amount of EUR 27,985.26, is allocated to the Company's retained earnings.

II. This Decision shall enter into force on the day of its adoption.

Marko Rašić
President of Supervisory Board



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