



Issuer: Čakovečki mlinovi, Inc., Čakovec, Mlinska ulica 1
Type of information: Other information that is not regulated information
Legal Entity Identifier (LEI): 7478000050QHZAQW134
Issuer's member State: Republic of Croatia
ISIN: HRCKMLRA0008
Ticker: CKML-R-A
Regulated market segment: Official Market of the Zagreb Stock Exchange

Zagreb Stock Exchange Inc.
Croatian Financial Services Supervisory Agency (HANFA)
Official Register of Prescribed Information (SRPI)
Croatian News Agency (HINA-OTS service)
Company Website

Based on the provision of Article 41 of the Act on the Takeover of Joint-Stock Companies (Official Gazette 109/07, 36/9, 108/12, 90/13, 148/13, hereinafter referred to as "ZPDD"), the Management Board of Čakovečki mlinovi, a joint-stock company for the production and trade of food products, Čakovec, PIN: 20262622069, Mlinska ulica 1, Čakovec (hereinafter: "Target Company" or "ČKML"), on September 6 2024, provides the following:

OPINION OF THE MANAGEMENT BOARD OF THE TARGET COMPANY ON THE TAKEOVER OFFER

1

On August 28, 2024, through their proxy, the offerors: **MLIN I PEKARE Ltd.**, Sisak, Ulica kralja Zvonimira 24, PIN: 22260862756, **PLODINEC Ltd.**, Staro Čiče, Velika Gorica, Ulica Seljine brigade 43, PIN: 93116812695, **Allianz ZB Ltd.**, a company for managing mandatory and voluntary pension funds, Zagreb, Ulica Vjekoslava Heinzela 70, PIN: 58384724129, on their own behalf, and on behalf of (i) AZ mandatory pension fund category A, PIN: 15220336427, (ii) AZ mandatory pension fund category B, PIN: 59318506371, (iii) AZ Profit voluntary pension fund, PIN: 22134623145, (iv) AZ Benefit open voluntary pension fund, PIN: 56427866267, (v) AZ Third Horizon closed voluntary pension fund, PIN: 42239479988, (vi) AZ A1 closed voluntary pension fund, PIN: 64811569641, (vii) AZ Dalekovod closed voluntary pension fund, PIN: 49118401443, (viii) AZ HKZP closed voluntary pension fund, PIN: 25137661054, (ix) AZ Zagreb closed voluntary pension fund, PIN: 01774504225, (x) Auto Hrvatska closed voluntary pension fund, PIN: 24189818978, (xi) AZ ZABA closed voluntary pension fund, PIN: 11641097984, and **PBZ CROATIA OSIGURANJE Joint Stock Company for Compulsory Pension Funds Management**, Zagreb, Radnička cesta 44, PIN: 2045535575, on their own behalf, and on behalf of (i) PBZ CROATIA OSIGURANJE mandatory pension fund - category A, PIN: 94002620905, and (ii) PBZ CROATIA OSIGURANJE mandatory pension fund - category B, PIN: 99318944138 (hereinafter: "Offerors"), published the Offer for the Takeover of the Target Company on the pages of the Zagreb Stock Exchange Inc. (hereinafter: "Takeover Offer"). The Takeover Offer was also published in the Official Gazette number 101/2024 on August 28, 2024.

After carefully considering the text of the Takeover Offer, the Management Board of the Target Company presents the following reasoned Opinion of the Management Board of the Target Company on the Takeover Offer (hereinafter: "Opinion"), which contains the following elements:

ČAKOVEČKI MLINOVI

A public limited company for the production of and trade in food products

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IBAN: HR 4924020061100031817

Zagrebačka banka Zagreb d.d., Zagreb
IBAN: HR 9223600001102561339

Share capital: EUR 13.657.177,00, paid in full, divided into 10.290.000 ordinary registered shares without nominal value.

Deputy President of the Management Board: Krešimir Kvaternik • Member of the Management Board: Marijan Sršen • Deputy President of the Supervisory Board: Damir Metelko

Introductory Provisions:

The Management Board of the Target Company considers that the Takeover Offer, in terms of its content and conditions, has been prepared in accordance with the ZPDD. This position is also based on the fact that the Takeover Offer was approved by the decision of the Croatian Financial Services Supervisory Agency (hereinafter: "HANFA") on August 26, 2024, under reference number KLASA: UP/I 996-02/24-02/03, URBROJ: 326-01-60-62-24-6. The offer contains a clear and unequivocal statement from the Offeror that the Takeover Offer is addressed to all shareholders of the Target Company for the acquisition of all shares not held by the Offerors, which are the subject of the Takeover Offer, under the prescribed and published conditions. The subject of the Takeover Offer includes all remaining ordinary shares of the Target Company that are not held by the Offerors, which are registered, with voting rights, and are recorded as dematerialized securities in the Depository's computer system under the issuer code ČKML. These shares are listed on the Official Market of the Zagreb Stock Exchange, including those shares that are not subject to any encumbrance (hereinafter: "Subject of the Offer").

1) Opinion on the Type and Amount of the Offered Compensation

The Offerors have committed in their Takeover Offer to pay shareholders a price of EUR 10.91 (ten euros and ninety-one cents) for each share of the Target Company (hereinafter referred to as the "Offered Price").

The Offerors currently hold 6,640,428 shares of ČKML, which constitutes 64.53% of ČKML's share capital, thereby exceeding the 25% threshold of shares with voting rights in the Target Company (control threshold) prescribed by Article 9, paragraph 1 of the ZPDD. The obligation to publish the Takeover Offer for the Target Company arose from the Agreement on Regulating Mutual Relations concluded on September 25, 2023, and the establishment of joint action through mutual cooperation. In the year prior to the obligation to publish the Takeover Offer, MLIN I PEKARE Ltd., Sisak, Ulica kralja Zvonimira 24, PIN: 22260862756 (hereinafter referred to as "MIP"), acquired shares of the Target Company under the Share Transfer Agreement of Čakovečki mlinovi Inc. dated September 25, 2023, concluded between Stjepan Varga and Ružica Varga as shareholders and sellers, and MIP as the buyer, for 2,550,000 shares of ČKML. Under these Share Transfer Agreements of Čakovečki mlinovi Inc., MIP acquired 2,550,000 shares of ČKML at a price of EUR 10.91 (ten euros and ninety-one cents) per share.

According to available data from the Zagreb Stock Exchange Inc., which is also mentioned in the Takeover Offer, and according to the confirmation of the Zagreb Stock Exchange Inc. on the average share price of the Target Company dated November 9, 2023, during the period from June 24 to September 24, 2023 (the last three months before the obligation to publish the Takeover Offer), the regular shares of the Target Company were traded on 82.81% of trading days (53 trading days out of a possible 64), and the average weighted share price of the Target Company, calculated as the weighted average of all prices achieved on the regulated market of the Zagreb Stock Exchange Inc. in the last three months before the obligation to publish the Takeover Offer, amounted to EUR 10.25 (ten euros and twenty-five cents), or HRK 77.25 (seventy-seven kunas and twenty-five lipas). The price the Offerors commit to paying for the shares covered by the Takeover Offer is EUR 0.66 (sixty-six euro cents) higher per share than the aforementioned average price, and it is equal to the price at which the Offerors have acquired shares with voting rights in the Target Company in the year before the obligation to publish the takeover offer arose.

Regarding the above, the Offerors have set the price in the Takeover Offer in accordance with the provisions of Article 16, paragraph 2 of the ZPDD, which stipulates that the price in the takeover offer cannot be lower than the highest price at which the Offerors and persons acting in concert with them acquired shares with voting rights in the year before the date on which the obligation to publish the takeover offer arose, including the acquisition that resulted in the obligation for the Offeror and/or persons acting in concert with them to publish the takeover offer.

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In view of all the above, the Management Board of the Target Company considers that the Offered Price of EUR 10.91 (ten euros and ninety-one cents) per share of the Target Company complies with the provisions of Article 16 of the ZPDD, as confirmed by HANFA's Decision of August 26, 2024, approving the Takeover Offer and represents an appropriate value for shareholders, as well as a method of payment.

The Management Board's stance on the appropriateness of the price is additionally based on comprehensive annual and quarterly consolidated and unconsolidated reports of the Target Company, which are regularly published on the Target Company's website (<https://cak-mlinovi.hr>) and the Zagreb Stock Exchange website (<https://zse.hr>), where the Management Board of the Target Company transparently reports to the entire public on the financial position and business results of the Target Company, key financial indicators, business environment and factors by business segments, significant events, corporate governance, strategic directions, risks, and risk management in business. Based on this, the Management Board of the Target Company, according to current business conditions and all data on the financial and business position of the Target Company, considers that the Offered Price is appropriate.

The Management Board of the Target Company finally emphasizes that this Opinion cannot, in any case, be considered as investment and/or other advice to shareholders of the Target Company in terms of accepting or rejecting the Takeover Offer, nor is it drafted for that purpose. Shareholders are directed to their judgment or, if they deem it necessary, to obtain appropriate advice from an investment advisor, auditor, lawyer, or other authorized advisors, or to take all actions at their discretion to protect their personal investment interests and make the right business decision regarding the Takeover Offer.

2) Opinion on the Offeror's Intentions Regarding the Future Business of the Target Company

Evaluating the intentions of the Offeror regarding the future business activity of the Target Company stated in the Takeover Offer, the Management Board of the Target Company supports the Offeror's intentions outlined in the Takeover Offer, which are focused on consolidating the businesses of the MIP Group and the ČKML Group to increase competitiveness, expand market presence, optimize costs, and modernize operations. The Management Board of the Target Company supports such position and intention of the Offeror.

The Offeror's plans include establishing new management policies that will modernize decision-making processes, risk management, and impact assessment, all of which will help identify strengths and weaknesses and enable further development of the Target Company.

The Management Board of the Target Company supports plans based on strengthening the ČKML Group and views the Offerors as positively oriented shareholders towards the interests of ČKML, as well as strong partners who are willing to bring fresh energy and impetus to the further development and strengthening of the ČKML Group. The fact that the pension funds are among the Offerors increases the potential for further development and progress, particularly in terms of corporate governance to the highest possible standard. Therefore, the Management Board of the Target Company believes that the Offerors, as stated in the Takeover Offer, will undertake all necessary actions to ensure the further advancement and development of the ČKML Group. The Management Board of the Target Company believes and hopes that the Offerors will maintain a transparent and consistent dividend policy towards shareholders and, as indicated in the Takeover Offer, ensure that at the same time ČKML has sufficient financial resources for the further development of the ČKML Group. This will involve balancing and implementing a policy that ensures an appropriate balance between a certain dividend yield on the one hand and providing sufficient financial resources for the further development of the ČKML Group on the other.

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3) Opinion on the Offeror's Strategic Plans in Relation to the Target Company and Possible Impacts on Employment Policies and Labor Status of Employees of the Target Company, as well as Possible Changes Related to the Locations Where the Target Company Conducts its Activities

Regarding the strategic plans of the Offerors outlined in the Takeover Offer, the Management Board of the Target Company believes that these plans could positively impact the Target Company.

Particularly, the Offerors state in the Takeover Offer that their intention regarding future operations is to integrate the operations of ČKML (the Target Company) and MIP, including their affiliated companies, in markets where both groups actively operate. Through such business synergy, the aim is to increase their competitiveness, expand their market presence, optimize costs, and increase their client base, with a planned modernization of operations, particularly in the retail sector—by creating a national retail leader in small store formats.

Furthermore, after reviewing the Takeover Offer, it is not expected that the implementation of these plans will have significant consequences on the employment policy or the labor law status of the employees of the Target Company, nor are there plans to change the locations where the Target Company's business activities are conducted.

In light of the above, the Management Board of the Target Company supports the stance and intention of the Offerors described above. The Management Board believes that the Offerors recognize the rich tradition of experience and knowledge of the existing employees of the Target Company and that the planned development will have a positive impact on optimizing the quality of work and production processes, thereby improving the working conditions for the employees of the Target Company.

4) Statements by Management Board Members on Their Intent to Accept or Reject the Takeover Offer

Members of the Management Board of the Target Company do not hold shares in the Target Company and are, therefore, unable to express any intent regarding acceptance or rejection of the Takeover Offer.

5) Statements by Management Board Members on the Existence of Agreements with the Offeror in Connection with the Takeover Offer and the Content of Such Agreements, if Any Exist

The Management Board members declare that no agreements exist between the Offeror and the Management Board members of the Target Company regarding the Takeover Offer.

Conclusion

Before publishing this Opinion, the Management Board of the Target Company presented it to the representative of the Target Company's employees within the prescribed deadlines in accordance with Article 41, paragraph 2 of the ZPDD.

The Management Board also received the opinion of the employee's representative on the Takeover Bid, as required by Article 41, paragraph 3 of the ZPDD.

This Opinion on the Takeover Offer (together with the Opinion of the Employee's Representative on the Takeover Offer) will be submitted to the Croatian Financial Services Supervisory Agency (HANFA) and the market operator where the shares of the Target Company are listed, the Zagreb Stock Exchange, in accordance with Article 41,

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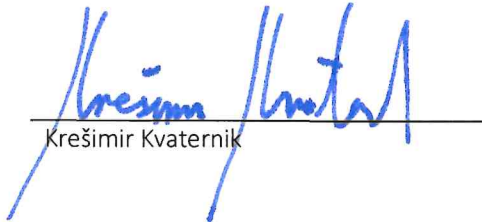

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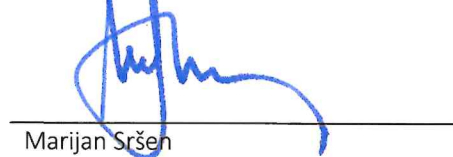
paragraph 1 of the ZPDD. It will also be published in the Official Gazette, Narodne novine, as stipulated by Article 41, paragraph 5 of the ZPDD.

In Čakovec, on September 6, 2024

DEPUTY CHAIRMAN OF THE MANAGEMENT BOARD:


Krešimir Kvaternik

MANAGEMENT BOARD MEMBER:


Marijan Sršen

Source reference:

Čakovečki mlinovi Inc., Mlinska ulica 1, 40000 Čakovec

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5

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NEZAVISNI SINDIKAT RADNIKA ČAKOVEČKI MLINOVI, Čakovec, Mlinska ulica 1, OIB: 66524810435

Čakovečki mlinovi d.d.
Čakovec, Mlinska ulica 1
MANAGEMENT OF THE COMPANY

Pursuant to the provisions of Article 41 of the Act on the Takeover of Joint-Stock Companies (Official Gazette 109/07, 36/9, 108/12, 90/13, 148/13, hereinafter: "ZPPD"), the Independent Trade Union of Workers of Čakovečki mlinovi, Čakovec, PIN: 66524810435, Mlinska ulica 1, Čakovec (hereinafter: "NSR ČKML"), taking on the role of the workers' council, on September 4, 2024, provides the following:

OPINION ON THE TAKEOVER OFFER

On August 28, 2024, through their proxy, the Offerors: MLIN I PEKARE Ltd., Sisak, Ulica kralja Zvonimira 24, PIN: 22260862756, PLODINEC Ltd., Staro Čiče, Velika Gorica, Ulica Seljine brigade 43, PIN: 93116812695, Allianz ZB Ltd. for managing mandatory and voluntary pension funds, Zagreb, Ulica Vjekoslava Heinzela 70, PIN: 58384724129, in its own name and on behalf of (i) AZ Mandatory Pension Fund Category A, PIN: 15220336427, (ii) AZ Mandatory Pension Fund Category B, PIN: 59318506371, (iii) AZ Profit Voluntary Pension Fund, PIN: 22134623145, (iv) AZ Benefit Open Voluntary Pension Fund, PIN: 56427866267, (v) AZ Third Horizon Closed Voluntary Pension Fund, PIN: 42239479988, (vi) AZ A1 Closed Voluntary Pension Fund, PIN: 64811569641, (vii) AZ Dalekovod Closed Voluntary Pension Fund, PIN: 49118401443, (viii) AZ HKZP Closed Voluntary Pension Fund, PIN: 25137661054, (ix) AZ Zagreb Closed Voluntary Pension Fund, PIN: 01774504225, (x) Auto Hrvatska Closed Voluntary Pension Fund, PIN: 24189818978, (xi) AZ ZABA Closed Voluntary Pension Fund, PIN: 11641097984, and PBZ CROATIA OSIGURANJE Joint Stock Company for Compulsory Pension Funds Management, Zagreb, Radnička cesta 44, PIN: 2045535575, in its own name and on behalf of (i) PBZ CROATIA OSIGURANJE Mandatory Pension Fund - Category A, PIN: 94002620905, and (ii) PBZ CROATIA OSIGURANJE Mandatory Pension Fund - Category B, PIN: 99318944138 (hereinafter: "Offerors"), published a Takeover Offer for the Target Company on the website of the Zagreb Stock Exchange Inc. (hereinafter: "Takeover Offer"). The Takeover Offer was also published in the Official Gazette No. 101/2024 on August 28, 2024.

After carefully reviewing the text of the Takeover Offer, NSR ČKML provides the following reasoned Opinion on the Takeover Offer (hereinafter: "Opinion") concerning the elements important for the employees of the Target Company:

1) Opinion on the Offeror's intention regarding the future business of the Target Company

Regarding the Offeror's intention to consolidate the operations of the MIP Group and the ČKML Group to increase competitiveness and expand operations in the relevant market, optimize costs, and increase the client base with a planned modernization of operations, NSR ČKML supports this stance and intention of the Offerors.



NEZAVISNI SINDIKAT RADNIKA ČAKOVEČKI MLINOVI, Čakovec, Mlinska ulica 1, OIB: 66524810435

NSR ČKML believes that the Offerors will take all necessary actions for the further advancement and development of the ČKML Group. They believe and hope that the Offerors will ensure that ČKML has sufficient financial resources for the further development of the ČKML Group, improved working conditions, and employee satisfaction.

- 2) Opinion on the strategic plans of the Offerors regarding the Target Company and the possible consequences of implementing these plans on the employment policy and labor status of the employees of the Target Company, as well as possible changes related to the locations where the Target Company operates its activities

Regarding the strategic plans of the Offerors stated in the Takeover Offer, NSR ČKML believes that these plans could have a positive impact on the Target Company.

The Offerors in the Takeover Offer state that their intention regarding future operations is to connect the operations of ČKML (the Target Company) and MIP, including their affiliated companies, in the markets where both groups are actively operating. Through such business synergy, they aim to increase their competitiveness, expand their market presence, optimize costs, and increase their client base with planned business modernization, especially in the retail market—creating a national trading leader in the format of small shops.

The Offerors in the Takeover Offer also state that the implementation of these plans will not have significant consequences on the employment policy and labor status of the employees of the Target Company, and there is no plan to change the locations where the Target Company operates its business activities.

NSR ČKML supports this stance and intention of the Offerors and believes that the rich knowledge and experience of the existing employees of the Target Company will be valued and that the planned development will positively impact the optimization of work quality and production processes, thereby improving working conditions for the employees of the Target Company.

Furthermore, NSR ČKML believes and hopes that the Offerors will support the current efforts and negotiations on changing the systematization and payroll calculation methods to optimize and fairly value job positions, work, commitment, and employee knowledge, thereby increasing the possibility of employing new quality workers and reducing turnover and the departure of trained and skilled workers.

In Čakovec, on September 4, 2024

For the Independent Trade Union of Workers of Čakovečki mlinovi,
Lidija Posavec, Union Representative

