



GROUP ČAKOVEČKI MLINOVI MANAGEMENT REPORT

for the period from 1 January 2026 to 30 September 2026



Issuer	Čakovečki mlinovi Inc.
Group	Čakovečki mlinovi Group
Registered office	Čakovec, Mlinska ulica 1
Personal Identification Number (OIB)	20262622069
Regulated market	Official Market of the Zagreb Stock Exchange Inc. ISIN HRCKMLRA0008 LEI 7478000050QHZTAWQI34
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1. General Information on the Issuer and the Group

Issuer name	Čakovečki mlinovi Inc.
Consolidated Group	Čakovečki mlinovi Group
Financial reporting period	1 January 2026 – 30 September 2026
Reporting currency	EUR
Scope	Consolidated financial statements of the Company and its subsidiaries

2. Management Report

2.1. Overview of the Group

The Čakovečki mlinovi Group operates through two key business segments: Trade and Food. The Trade segment comprises retail and wholesale of food and non-food assortments, while the Food segment includes the production of milling and bakery products and related production activities. The Group operates as a vertically integrated business system with production, distribution and retail capacities in the Republic of Croatia.

Company name	Registered office	Direct parent ownership / voting rights
Radnik Opatija Inc.	Lovran, Croatia	100%
Trgovina Krk Inc.	Malinska, Croatia	98.83%
Zagrebačke Pekarne Klara Inc.	Zagreb, Croatia	94.27%
Trgocentar Inc.	Virovitica, Croatia	49.55% / 52.03%
Narodni trgovački lanac Ltd.	Soblinec, Croatia	25%

The shares of Čakovečki mlinovi Inc. are listed on the Official Market of the Zagreb Stock Exchange under the ticker symbol CKML. As of 30 September 2026, the Company had issued 16,020,000 shares with a market capitalization of EUR 160.2 million.

Governing body	Members
Management Board	Mario Sedlaček, President of the Management Board Krešimir Kvaternik, Member of the Management Board Franjo Plodinec, Member of the Management Board
Supervisory Board	Damir Metelko, Chairman of the Supervisory Board, independent member Vesna Butorac, Deputy Chairwoman of the Supervisory Board Vanja Kutnjak, Member of the Supervisory Board, employee representative Josip Plodinec, Member of the Supervisory Board Dragica Plodinec, Member of the Supervisory Board Prof. Dr. Sc. Mislav Ante Omazić, independent member of the Supervisory Board Ema Marušić, independent member of the Supervisory Board

The purpose of this report is to provide a regulatory-compliant, yet investor-friendly, overview of the Group's financial position, operating results, cash flows, key risks and expected development for the reporting period.

2.2. Summary of Key Financial Indicators of the Group

KPI (EUR 000)	YTD 2026	YTD 2025 / 31.12.	Change	Comment
Sales revenue	313,512	299,721	4.6%	Increase in sales in the Trade segment
EBITDA	18,901	18,313	3.2%	Increase due to higher margins and sales revenue
Operating profit	5,618	7,804	-28.0%	Decrease due to depreciation
Net profit	3,770	8,177	-53.9%	Decrease due to depreciation
Total assets	245,801	227,060	8.3%	Increase due to the recognition of fair value adjustments
Equity and reserves	142,258	139,184	2.2%	Equity and reserves increased compared with the end of the previous year, despite the negative impact of the current period's results.
Net debt	18,086	24,516	-26.2%	Decrease in net debt due to an increase in available cash

2.3. Significant Events and Transactions During the Period

The following significant events occurred during the first three quarters of 2026.:

Event	Description	Amount (EUR 000)	Effect
Investment in production equipment, transport vehicles and retail store equipment	Modernization of production capacities in the milling and transport segments	4,043	Increase in property, plant and equipment
Expansion of warehousing capacity	Relocation from a leased warehouse with limited capacity to a larger company-owned warehouse	n/a	Reduction in handling and lease costs
Relocation of the Zagreb office	Consolidation of selected Group functions and employees at a single location	233	Cost optimization
Continued integration of the Group's retail network	Transfer of the assets, rights and liabilities of NewMip Ltd. to Trgovina Krk Inc.	n/a	Integration of the same business activity into a single company
Acquisition of business premises in Koprivnica	Business premises acquired by Zagrebačke pekarnе Klara Inc. from Trgovina Krk Inc.	10,189	Increase in production capacity
Dividend Payment to Shareholders	A dividend of EUR 0.50 per share was paid on 15 September 2026.	8,010	Reduction in cash and cash equivalents due to the dividend payment

2.4. Summary of Operating Results

During the reporting period, the Group achieved growth in sales revenue and EBITDA, while operating profit and net profit declined compared with the corresponding period of the previous year. Equity and reserves recorded a slight increase, while the significant reduction in net debt contributed positively to the Group's financial position and leverage ratios.

Indicator	YTD 2026	YTD 2025 / 31.12.	Comment
Sales revenue	313,512	299,721	Increase in sales in the retail segment.
Normalized EBITDA	17,539	18,025	Decrease due to lower selling prices and reduced margins.
Net result	3,770	8,177	Decrease due to higher personnel costs and depreciation.
Net debt	18,086	24,516	Decrease in net debt due to an increase in available cash.
Operating cash flow	24,394	-13,394	Operating cash flow was positive and improved significantly compared with the corresponding period of the previous year, when it was negative. The positive development was primarily driven by more favourable changes in working capital.

The Management Board assesses that the reported results reflect the Group's performance in an environment of fluctuating demand, while maintaining a continued focus on operational efficiency, cost control, working capital management and liquidity preservation.

2.5. Graphical Presentation of Revenue and EBITDA

The charts present the quarterly trends in sales revenue and EBITDA for the comparative periods. The data is presented in thousands of euros and serves as a visual summary of the Group's operating performance trends.

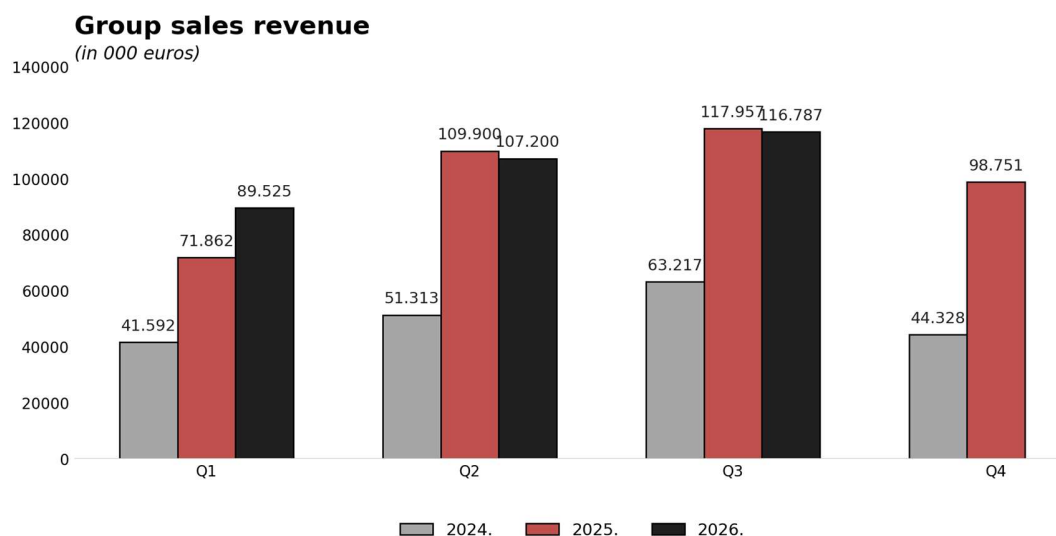


Chart 1: Sales revenue by quarter (EUR 000)

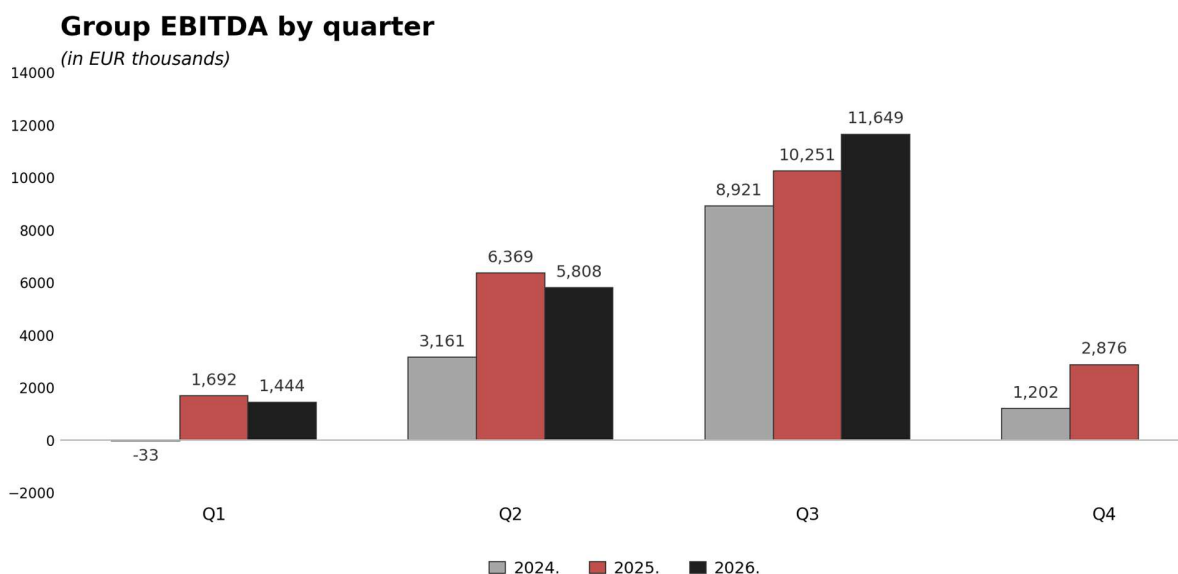


Chart 2: EBITDA by quarter (EUR 000)

2.6. Human Resources

During the reporting period, the Group continued to ensure the human resources required for uninterrupted business processes. Key employment and work engagement indicators are shown below, including the number of employees and full-time equivalent employees (FTE) based on actual hours worked.

Indicator	YTD 2026	YTD 2025	Change
Number of employees at period-end	4,715	4,561	The number of employees increased compared with the corresponding period of the previous year, primarily as a result of business expansion and the integration of activities within the Group.
Average number of employees	4,838	4,525	The average number of employees increased compared with the previous year, following the increased scope of the Group's business activities.
Number of employees (FTE based on hours worked)	4,128	4,203	The number of FTEs decreased, reflecting greater flexibility in work organization and changes in the employment structure.
Personnel expenses (EUR 000)	65,949	58,093	Employee costs increased due to a higher number of employees, as well as growth in salaries and other employee benefits.
Revenue per FTE (EUR 000)	78	75	Revenue per FTE employee increased compared with the corresponding period, indicating improved productivity and more efficient utilization of the workforce.

2.7. Commentary on the Group's Operations

In the first three quarters of 2026, the Group recorded a 4.6% increase in sales revenue compared with the corresponding period of the previous year. The increase was primarily attributable to stable demand in the bakery segment and an increase in revenue generated through the retail channel.

2.8. Segment Analysis

Segment (EUR 000)	Revenue YTD 2026	Revenue YTD 2025	Change	EBITDA YTD 2026	EBITDA YTD 2025	Change	Comment
Food	68,527	55,119	24.3%	6,108	4,635	31.8%	The Food segment recorded strong growth in operating revenue, accompanied by an even more pronounced increase in EBITDA, indicating improved profitability and operating efficiency within the segment
Trade	292,930	275,390	6.4%	13,413	14,349	-6.5%	The Retail segment recorded growth in operating revenue, while EBITDA declined. The increase in revenue did not translate into higher operating profit, indicating pressure on the EBITDA margin and an increase in operating costs.
Eliminations	(38,209)	(17,332)	120.5%	(619)	(671)	-7.8%	The greater negative impact of eliminations on operating revenue resulted from an increased volume of transactions between the Group's segments. The negative impact of eliminations on EBITDA was slightly lower than in the corresponding period of the previous year.
Total Group	323,249	313,178	3.2%	18,901	18,313	3.2%	At Group level, both operating revenue and EBITDA increased. The positive contribution from the Food segment offset the decline in EBITDA in the Retail segment, allowing the Group to maintain a stable EBITDA margin.

2.9. Financial Position

As at 30 September 2026, the Group's total assets amounted to EUR 245.8 million, representing an increase of 8.25% compared with 31 December 2025. The increase in assets was primarily driven by the growth in current assets, particularly cash and cash equivalents, as well as investments in non-current assets. Equity and reserves amounted to EUR 142.3 million and continued to represent the Group's main source of financing, while maintaining a stable capital structure.

2.10. Liquidity and Cash Flows

Operating cash flow was positive and improved significantly compared with the corresponding period of the previous year, when it was negative. The positive development was primarily driven by favourable changes in working capital. Cash flow from investing activities remained positive but was lower than in the corresponding period of the previous year, reflecting lower net cash inflows from investing activities. Cash flow from financing activities primarily related to repayments of borrowings and lease liabilities. During the reporting period, the Group maintained a satisfactory liquidity position and duly settled its liabilities as they fell due.

2.11. Net Debt and Capital Structure

The Group's net debt represents an important indicator of financial flexibility and includes financial liabilities reduced by cash and cash equivalents and, according to the selected methodology, deposits or other short-term financial assets available on demand.

As at 30 September 2026, the Group's net debt amounted to EUR 18.1 million, representing a decrease of 26.2% compared with 31 December 2025. The decrease in net debt was primarily driven by a significant increase in cash and cash equivalents. This effect was partially offset by an increase in long-term and short-term financial liabilities and lease liabilities. The reduction in net debt had a positive impact on the Group's financial position and leverage ratios.

Net debt component (EUR 000)	30.09.2026	31.12.2025
Long-term financial liabilities	15,199	5,774
Short-term financial liabilities	14,964	18,732
Lease liabilities	17,283	16,667
Cash and cash equivalents	-25,275	-8,756
Deposits / current financial assets	-4,085	-7,901
Net debt	18,086	24,516

2.12. Major Risks and Uncertainties

Risk	Description	Assessment	Possible effect	Management measure
Raw material price risk	High volatility of grain and energy prices	Medium	Impact on gross margin	Market monitoring, purchase contracting, inventory optimization
Credit risk	Risk of collection of receivables from customers	Low/Medium	Impact on working capital and cash flow	Customer limits, monitoring of maturity, collection security
Interest rate risk	Change in reference interest rates	Medium	Impact on financing costs	Monitoring of debt structure and refinancing options
Operational risk	Disruptions in production or logistics	Low/Medium	Impact on deliveries and revenue	Capacity planning, maintenance, safety stocks
Regulatory risk	Changes in regulations in the food industry and capital market	Medium	Compliance costs and reporting requirements	Monitoring of regulations and alignment of internal processes
Market and Competitive Risk	Intense competition in food retail, growth of discount retail chains, increasing imports of bakery and food products, as well as expansion of competitors' production capacities.	Medium/High	Pressure on selling prices, market share, margins, and overall profitability.	Development of private label products, assortment optimization, efficiency improvement initiatives, and investments in product quality.
Seasonality Risk	A portion of the retail segment's revenues depends on seasonal consumption patterns and tourism-related demand.	Medium	Fluctuations in revenue, profitability, and cash flows throughout the year.	Inventory planning, assortment adjustments, and continuous monitoring of sales trends.

2.13. Expected Business Development

In the remainder of the financial year, the Group will continue to monitor developments in the macroeconomic environment, including household consumption, inflationary pressures, raw material and energy prices, as well as labour availability. The Group's operations remain focused on supply stability, cost optimisation, inventory management and maintaining liquidity.

The Management Board expects that the key priorities for the remainder of the year will include further strengthening of the market position, integration of business processes, modernisation of production and sales capacities, and disciplined management of capital investments. The above assessments represent the Management Board's expectations as at the date of approval of the report and are subject to change depending on market conditions.

3. Condensed Consolidated Financial Statements

3.1. Condensed Consolidated Statement of Financial Position

Position (EUR 000)	30.09.2026	31.12.2025	Change	Change %
Intangible non-current assets	24,251	19,102	5,149	27.0%
Property, plant and equipment	109,040	101,280	7,760	7.7%
Inventories	47,379	57,488	-10,108	-17.6%
Trade receivables	20,464	17,495	2,969	17.0%
Other current assets	4,124	7,939	-3,815	-48.1%
Cash and cash equivalents	25,275	8,756	16,519	188.6%
Total assets	245,801	227,060	18,741	8.3%

Equity and reserves	142,258	139,184	3,074	2.2%
Long-term liabilities	37,697	24,895	12,801	51.4%
Short-term liabilities	61,769	57,249	4,520	7.9%
Total equity and liabilities	245,801	227,060	18,741	8.3%

3.2. Condensed Consolidated Statement of Profit or Loss and Other Comprehensive Income

Position (EUR 000)	Q3 2026	Q3 2025	Change %	YTD 2026	YTD 2025	Change %
Sales revenue	116,787	117,958	-0.99%	313,512	299,721	4.60%
Other operating income	4,731	10,321	-54.16%	9,683	13,397	-27.72%
Total operating income	121,534	128,301	-5.27%	323,249	313,178	3.22%
Costs of raw materials, materials and goods	-87,233	-90,407	-3.51%	-227,441	-223,689	1.68%
Personnel expenses	-22,500	-21,497	4.66%	-65,949	-58,093	13.52%
Depreciation and amortization	-4,403	-3,884	13.37%	-13,284	-10,509	26.41%
Other operating expenses	-290	-5,877	-95.07%	-11,699	-13,624	-14.13%
Total operating expenses	-114,287	-121,934	-6.27%	-317,631	-305,373	4.01%
Operating profit	7,247	6,368	13.81%	5,618	7,804	-28.02%
Finance income	211	305	-30.88%	445	1,117	-60.21%
Finance expenses	-329	-228	43.99%	-957	-466	105.53%
Profit before tax	7,129	7,172	-0.60%	5,332	9,698	-45.02%
Income tax	-1,440	-744	93.66%	-1,562	-1,521	2.67%
Net profit for the period	5,689	6,428	-11.51%	3,770	8,177	-53.89%
Other comprehensive income	0	0	-	0	0	-
Total comprehensive income	5,689	6,428	-11.51%	3,770	8,177	-53.89%

3.3. Condensed Consolidated Statement of Cash Flows

Position (EUR 000)	YTD 2026	YTD 2025	Change	Comment
Cash flow from operating activities	24,394	-13,394	37,788	Operating cash flow was positive and improved significantly compared with the corresponding period of the previous year, when it was negative. The improvement was primarily driven by favorable changes in working capital.
Cash flow from investing activities	1,106	7,823	-6,717	Cash flow from investing activities remained positive but was lower than in the corresponding period of the previous year, reflecting lower net cash inflows from investing activities.
Cash flow from financing activities	-8,981	-9,082	101	Cash flow from financing activities was negative, although the net cash outflow was slightly lower than in the corresponding period of the previous year.
Net increase / decrease in cash	16,519	-14,653	31,171	During the reporting period, cash increased significantly, primarily as a result of positive operating cash flow, with an additional positive contribution from investing activities, partially offset by negative cash flow from financing activities.
Cash at the beginning of the period	8,756	28,833	-20,077	The opening cash position was lower than in the corresponding period of the previous year.
Cash at the end of the period	25,275	14,180	11,094	Cash at the end of the reporting period was higher than in the corresponding period of the previous year, resulting in an improved liquidity position of the Group.

3.4. Condensed Consolidated Statement of Changes in Equity

Position (EUR 000)	Share capital	Reserves	Fair value of financial assets through other comprehensive income	Retained earnings	Profit / (loss) for the year	Non-controlling interests	Total
Balance as of 01.01.2026	21,262	46,662	3,283	58,563	5,441	3,972	139,184
Profit for the period	-	-	-	-	3,676	94	3,770
Other non-owner changes in equity	-	7,314	-	-	-	-	7,314
Dividends	-	-	-	-8,010	-	-	-8,010
Other distributions	-	-	-	5,441	5,441	-	-
Balance as of 30.09.2026	21,262	53,976	3,283	55,995	3,676	4,066	142,258

4. Selected Notes to the Condensed Consolidated Financial Statements

4.1. Basis of Preparation

The condensed consolidated financial statements have been prepared for the period ended 30.09.2026 in accordance with IAS 34 - Interim Financial Reporting. The statements do not include all information and disclosures contained in annual financial statements and should be read together with the most recently published annual consolidated financial statements of the Group.

The financial statements have been prepared on a going concern basis and under the historical cost principle, except for items for which IFRS require a different measurement basis, and in EUR.

4.2. Accounting Policies and Judgements

The accounting policies applied in preparing these condensed consolidated financial statements are consistent with those used in the Company's latest annual financial statements, except with respect to the estimation of the useful lives of property, plant and equipment and intangible assets. Starting from 2026, the group members Trgovina Krk Inc. and Čakovečki mlinovi Inc. applying straight-line depreciation rates, whereas in 2025 accelerated depreciation rates were applied.

4.3. Seasonality of Operations

The Group's operations may be affected by seasonal fluctuations in demand, particularly in the production and sale of food products. Management considers that the results reported for Q3 may not necessarily be indicative of the results expected for the full financial year. In addition, the performance of the retail segment is significantly dependent on the success of the tourist season and seasonal consumer spending. A weaker-than-expected tourist season could adversely affect the revenue, profitability and cash flows of the retail segment and, consequently, the Group's overall results.

4.4. Events After the Reporting Date

After the reporting date and up to the date of approval of these condensed consolidated financial statements for issue, no events have been identified that would require adjustment or additional disclosure in the financial statements.

4.5. Alternative Performance Measures

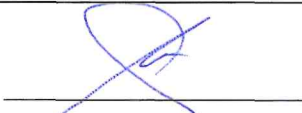
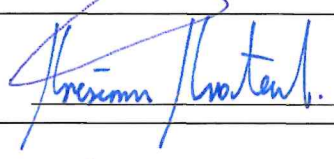
EBITDA reconciliation (EUR 000)	YTD 2026
Profit before tax	5,332
+ Finance expenses	957
- Finance income	445
+ Depreciation and amortization	13,284
Share of profit, participating interests	-227
EBITDA	18,901

Indicator (EUR 000)	Value
Financial liabilities	43,361
- Cash and cash equivalents	-25,275
Net debt	18,086
Net debt / EBITDA	0.96

5. Statement of Responsible Persons

The Management Board of the Company declares that, to the best of its knowledge, the condensed consolidated financial statements prepared for the period ended 30.09.2026 give a true and fair view of the assets, liabilities, financial position, operating results, cash flows and changes in equity of the Čakovečki mlinovi Group. The statements have been prepared on the basis of IAS 34 and other applicable IFRS requirements, to the extent relevant to interim financial reporting.

The Management Board also confirms that the management report contains a fair review of the development and performance of the business, the position of the Group and a description of the major risks and uncertainties for the remaining part of the business year.

Signature	
Place and date	Čakovec, 29.10.2026.
President of the Management Board	MARIO SEDLAČEK 
Member of the Management Board	KREŠIMIR KVATERNIK 
Member of the Management Board	FRANJO PLODINEC 