



MANAGEMENT REPORT

for the period from 1 January 2026 to 30 September 2026



ČAKOVEČKI MLINOVI Inc.

MANAGEMENT REPORT for the period from 1 January 2026 to 30 September 2026

Issuer	Čakovečki mlinovi Inc.
Registered office	Čakovec, Mlinska ulica 1
Personal Identification Number (OIB)	20262622069
Regulated market	Official Market of the Zagreb Stock Exchange Inc. ISIN designation HRCKMLRA0008 LEI 7478000050QHZTAWQI34
Publication date	29 October 2026
Method of publication	SRPI (HANFA) / Zagreb Stock Exchange / Issuer's website
Report status	Unaudited

CONTENT

1. General Information on the Issuer.....	4
2. Management Report	4
2.1. Overview of the Company	4
2.2. Summary of Key Financial Indicators of the Company.....	5
2.3. Significant Events and Transactions During the Period	5
2.4. Summary of Operating Results	6
2.5. Graphical Presentation of Revenue and EBITDA.....	6
2.6. Human Resources	7
2.7. Commentary on the Company's Operations	7
2.8. Financial Position	7
2.9. Liquidity and Cash Flows	8
2.10. Net Debt and Capital Structure	8
2.11. Major Risks and Uncertainties	8
2.12. Expected Business Development	8
3. Condensed Stand-alone Financial Statements	9
3.1. Condensed Stand-alone Statement of Financial Position	9
3.2. Condensed Stand-alone Statement of Profit or Loss and Other Comprehensive Income	9
3.3. Condensed Stand-alone Statement of Cash Flows	10
3.4. Condensed Stand-alone Statement of Changes in Equity	10
4. Selected Notes to the Condensed Stand-alone Financial Statements	10
4.1. Basis of Preparation	10
4.2. Accounting Policies and Judgements.....	10
4.3. Seasonality of Operations	11
4.4. Related Parties	11
4.5. Events After the Reporting Date	11
4.6. Alternative Performance Measures.....	11
5. Statement of Responsible Persons	12

1. General Information on the Issuer

Issuer name	Čakovečki mlinovi Inc.
Reporting entity	Čakovečki mlinovi Inc. (stand-alone)
Financial reporting period	1 January 2026 - 30 September 2026
Reporting currency	EUR
Scope	Separate / stand-alone (unconsolidated) financial statements of Čakovečki mlinovi Inc.

2. Management Report

2.1. Overview of the Company

The Čakovečki mlinovi Inc. operates through business segment Food focused on the production of milling products. The Company operates as a vertically integrated business system with production, distribution and retail capacities in the Republic of Croatia. Owned companies:

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 Company'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 Company

KPI (EUR 000)	YTD 2026	YTD 2025 / 31 Dec 2025*	Change	Comment
Sales revenue	20,170	23,371	-13.7%	Decrease in sales due to increased competition from lower-priced imported products
EBITDA	1,976	2,182	-9.5%	Decrease due to lower sales volumes and selling prices
Operating profit	1,037	1,482	-30.0%	Decrease due to lower sales volumes and selling prices, as well as higher depreciation and amortization expense
Net profit	1,474	8,677	-83.0%	The largest difference relates to the dividend received from a related company in 2025. In April 2025, the Company received dividends of EUR 902,287 from Radnik Opatija and EUR 4,942,600 from Trgovina Krk. In May 2025, the Company received an additional dividend of EUR 1,520,800 from Trgovina Krk
Total assets	102,142	103,827*	-1.6%	The difference results from the merger of the milling business unit from NewMip in Q3 2025 and the carve-out of the bakery business unit into Zagrebačke pekarnje Klara Inc. in Q4 2025.
Equity and reserves	86,161	92,698*	-7.1%	A moderate decrease in equity and reserves, partly due to no dividends being received from Group companies during 2026.
Net debt	12,695	6,779*	87.3%	The increase in net debt is primarily due to greater reliance on short-term sources of financing.

2.3. Significant Events and Transactions During the Period

During the first three quarters of 2026, the following significant events occurred:

Event	Description	Amount (EUR 000)	Effect
Investment mainly in production equipment and transport vehicles	Modernization of production capacities in the milling and transportation segments	122	Increase in property, plant and equipment
Expansion of warehouse capacity	Transition from a smaller leased warehouse to a larger owned warehouse	n/a	Reduction in handling and rental costs
Relocation of office premises in Zagreb	Consolidation of part of the Group's operations and employees at a single location	233	Cost optimization
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 Company recorded a decrease in sales revenue compared with the corresponding period of the previous year due to lower sales volumes and selling prices, driven by increased competition from lower-priced imported raw materials and finished products from outside the EU. In 2025, the Company also included the bakery business unit, which in 2026 operates within the Group company Zagrebačke pekarne Klara Inc. Profitability was also adversely affected by the poor quality of corn from the previous year's harvest, resulting in a higher share of lower value-added products in the overall production mix.

Indicator	YTD 2026	YTD 2025 / 31 Dec 2025*	Comment
Sales revenue	20,170	23,371	Decrease in sales due to increased competition from lower-priced imported products.
Normalized EBITDA	1,901	2,348	Normalized for one-off consulting services, valuations, severance payments and disposals of non-current assets.
Net result	1,474	8,677	Dividend received from Trgovina Krk Inc. in 2025.
Net debt	12,695	6,779*	Net debt increased significantly, primarily due to greater use of short-term sources of financing.
Operating cash flow	1,421	-15,365	A significant improvement in operating cash flow was recorded compared with the corresponding period.

Management assesses that the presented results reflect the Company's operations in conditions of changing demand, with continued focus on operational efficiency, cost control, working capital management and preservation of liquidity.

2.5. Graphical Presentation of Revenue and EBITDA

The charts show trends in sales revenue and EBITDA by quarter for the comparative periods. Data are presented in EUR thousand and provide a visual summary of the Company's operating trends.

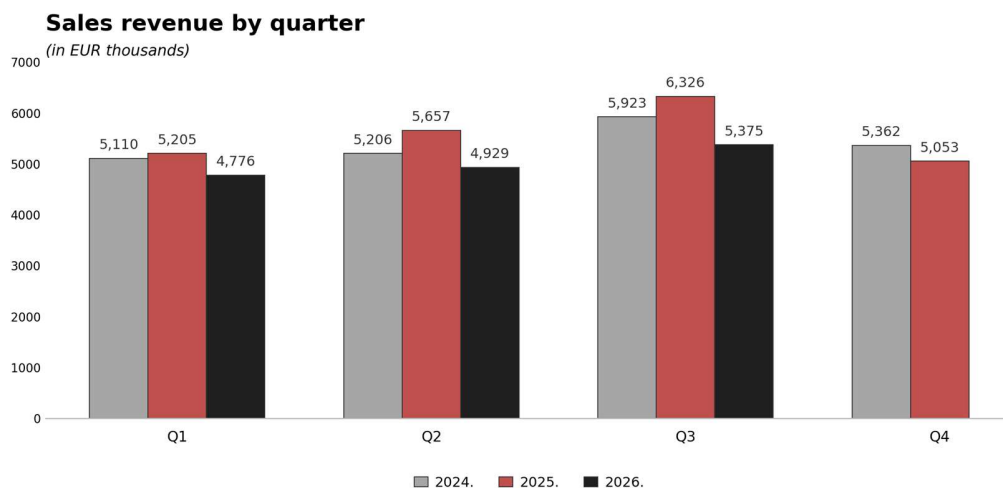


Chart 1: Sales revenue by quarter (EUR 000)

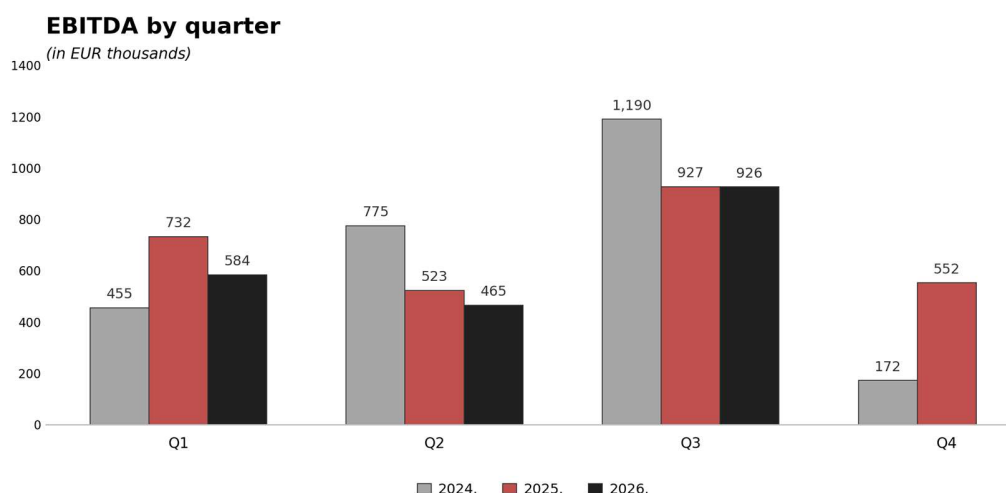


Chart 2: EBITDA by quarter (EUR 000)

2.6. Human Resources

During the reporting period, the Company 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
Number of employees at period-end	120	232
Average number of employees	124	219
Number of employees (FTE based on hours worked)	92	184
Personnel expenses (EUR 000)	2,841	4,175
Revenue per FTE (EUR 000)	236	168

The difference primarily results from the transfer of the milling business from NewMip in Q3 2025 and the transfer of the bakery business into Zagrebačke pekarnje Klara d.d. in Q4 2025.

2.7. Commentary on the Company's Operations

During 2026, the Company recorded a decline in sales revenue compared with the corresponding period of the previous year. Imports of lower-priced milling products and raw materials from markets outside the EU had a significant impact, resulting in lower sales volumes and selling prices. Consequently, operating profitability also declined.

2.8. Financial Position

As of 30 September 2026, inventories of raw materials and supplies decreased, while inventories of finished goods increased. Trade receivables and cash balances also decreased. Non-current assets declined slightly, while long-term liabilities decreased. Short-term liabilities increased in Q3 due to financing the purchase of grain. Operating cash flow improved significantly compared with the corresponding period and moved from negative to positive. The improvement was primarily attributable to significantly lower payments to suppliers, despite lower receipts from customers. Total cash flow also improved significantly compared with the corresponding period, mainly due to positive operating cash flow, while negative cash flows from investing and financing activities partially offset this positive effect.

2.9. Liquidity and Cash Flows

Operating cash flow improved significantly compared with the corresponding period and moved from negative to positive, primarily due to significantly lower payments to suppliers. The positive effect of operating activities was partially offset by negative cash flows from investing and financing activities. Despite the positive operating cash flow, the cash balance at the end of the period was lower than at the beginning of the year. During the period, the Company settled its due obligations on time, while the total net change in cash was considerably more favorable than in the corresponding period.

2.10. Net Debt and Capital Structure

Net debt increased significantly compared with the end of the previous year, primarily due to the increase in short-term financial liabilities and the reduction in available cash. The financing structure shifted towards short-term sources, increasing exposure to short-term liquidity and refinancing requirements.

Net debt component (EUR 000)	30.09.2026	31.12.2025
Long-term financial liabilities	1,371	1,600
Short-term financial liabilities	9,492	2,800
Lease liabilities	2,055	3,091
Cash and cash equivalents	-217	-709
Deposits / current financial assets, if included	-6	-3
Net debt	12,695	6,779

2.11. 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

2.12. Expected Business Development

In the remainder of the business year, the Company will continue to monitor developments in the macroeconomic environment, raw material and energy prices, demand for food products, financing conditions and the availability of labor. The Company's focus remains on supply stability, preservation of profitability, cost optimization and disciplined working capital management.

Management expects that the key priorities in the remaining part of the year will be further strengthening of market position, integration of business processes, modernization of production and sales capacities, and disciplined management of capital expenditures. These estimates represent Management's expectations as of the report approval date and are subject to change depending on market circumstances.

3. Condensed Stand-alone Financial Statements

3.1. Condensed Stand-alone Statement of Financial Position

Position (EUR 000)	30.09.2026	31.12.2025	Change	Change %
Intangible non-current assets	1,231	1,171	60	5.1%
Property, plant and equipment	8,533	9,992	-1,459	-14.6%
Inventories	8,058	8,230	-172	-2.1%
Trade receivables	3,174	3,193	-19	-0.6%
Other current assets	48	42	6	14.2%
Cash and cash equivalents	217	709	-492	-69.3%
Total assets	102,142	103,827	-1,685	-1.6%
Equity and reserves	86,161	92,698	-6,536	-7.1%
Long-term liabilities	1,875	1,957	-82	-4.2%
Short-term liabilities	13,920	8,986	4,934	54.9%
Total equity and liabilities	102,142	103,827	-1,685	-1.6%

3.2. Condensed Stand-alone Statement of Profit or Loss and Other Comprehensive Income

Position (EUR 000)	Q3 2026	Q3 2025	Change %	YTD 2026	YTD 2025	Change %
Sales revenue	5,375	6,326	-15.04%	15,079	17,189	-12.27%
Other operating income	326	12	2,611.03%	628	120	425.64%
Total operating income	7,479	8,992	-16.83%	20,801	23,497	-11.47%
Costs of raw materials, materials and goods	-5,317	-6,031	-11.84%	-15,226	-16,671	-8.67%
Personnel expenses	-861	-1,505	-42.76%	-2,841	-4,175	-31.95%
Depreciation and amortization	-314	-319	-1.60%	-939	-700	34.02%
Other operating expenses	-539	-253	112.92%	-1,010	-924	9.23%
Total operating expenses	-6,866	-8,383	-18.09%	-19,764	-22,015	-10.22%
Operating profit	613	610	0.52%	1,037	1,482	-30.03%
Finance income	865	16	5,188.54%	880	7,509	-88.28%
Finance expenses	-41	-23	81.56%	-120	-27	351.09%
Profit before tax	1,437	603	138.15%	1,797	8,965	-79.95%
Income tax	-259	-109	138.15%	-323	-288	12.39%
Net profit for the period	1,178	495	138.15%	1,474	8,677	-83.02%
Other comprehensive income	0	1,410	-100%	0	1,410	-100%
Total comprehensive income	1,178	1,905	-38.15%	1,474	10,087	-85.39%

3.3. Condensed Stand-alone Statement of Cash Flows

Position (EUR 000)	YTD 2026	YTD 2025	Change	Comment
Cash flow from operating activities	1,421	-15,365	16,787	Significant improvement, with operating cash flow moving from negative to positive, primarily due to lower payments to suppliers.
Cash flow from investing activities	-176	6,099	-6,276	Deterioration compared with the corresponding period, primarily due to the absence of dividend receipts recorded in the previous year.
Cash flow from financing activities	-1,737	-3,657	1,921	Improvement in cash flow from financing activities due to a lower net cash outflow.
Net increase / decrease in cash	-492	-12,923	12,431	A significantly lower net cash outflow compared with the corresponding period, primarily due to improved operating cash flow.
Cash at the beginning of the period	709	14,065	-13,357	Lower opening cash balance.
Cash at the end of the period	217	1,142	-925	Cash and cash equivalents were lower than in the corresponding period of the previous year.

3.4. Condensed Stand-alone Statement of Changes in Equity

Position (EUR 000)	Share capital	Reserves	Retained earnings	Result for the period	Total
Balance as of 01.01.2026	21,262	56,586	6,258	8,591	92,698
Profit for the period	-	-	-	1,474	1,474
Other comprehensive income	-	-	-	-	-
Dividends	-	-	-8,010	-	-8,010
Other changes	-	-	8,591	-8,591	-
Balance as of 30.09.2026	21,262	56,586	6,839	1,474	86,161

4. Selected Notes to the Condensed Stand-alone Financial Statements

4.1. Basis of Preparation

The condensed financial statements have been prepared for the period ended 30 September 2026 in accordance with IAS 34 - Interim Financial Reporting. These statements do not include all information and disclosures contained in annual financial statements and should be read in conjunction with the Company's latest published annual separate financial statements.

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

4.2. Accounting Policies and Judgements

The accounting policies applied in preparing these condensed separate 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 Company applies straight-line depreciation rates, whereas in 2025 accelerated depreciation rates were applied.

4.3. Seasonality of Operations

The Company's operations may be affected by seasonal fluctuations in demand, particularly in the production and sale of milling products. Management believes that the results presented for Q3 do not necessarily reflect, on a linear basis, the results expected for the full financial year.

4.4. Related Parties

Transactions with related parties during the reporting period were conducted in the ordinary course of business and under market terms.

Type of transaction	Transaction amount (EUR 000)	Balance at reporting date (EUR 000)	Note
Sales to related companies	5,090	1,400	Sale of milling products to the retail and bakery segments
Loan liabilities	0	2,153	Loan received from Trgovina Krk Inc.

4.5. Events After the Reporting Date

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

4.6. Alternative Performance Measures

In investor communications, the Company may use measures that are not directly defined by IFRS, including EBITDA, EBIT, net debt and the net debt to EBITDA ratio. These measures represent supplementary information and should not be viewed as substitutes for measures defined by IFRS.

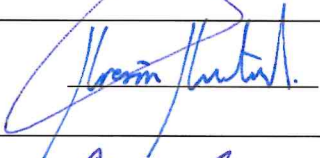
EBITDA reconciliation (EUR 000)	YTD 2026
Profit before tax	1,797
+ Finance expenses	120
- Finance income	880
+ Depreciation and amortization	939
EBITDA	1,976

Indicator (EUR 000)	Value
Financial liabilities	12,913
- Cash and cash equivalents	-217
Net debt	12,695
Net debt / EBITDA	6.43

5. Statement of Responsible Persons

The Management Board of the Company declares that, to the best of its knowledge, the condensed stand-alone financial statements prepared for the period ended 30 September 2026 give a true and fair view of the assets, liabilities, financial position, operating results, cash flows and changes in equity of Čakovečki mlinovi d.d. 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 Company and a description of the major risks and uncertainties for the remaining part of the business year.

	Signature	
Place and date	Čakovec, 29 October 2026	
President of the Management Board	MARIO SEDLAČEK	
Member of the Management Board	KREŠIMIR KVATERNIK	
Member of the Management Board	FRANJO PLODINEC	