

BOSQAR INVEST

BOSQAR d.d.

Ulica grada Vukovara 23
10000 Zagreb

Security:

BSQR / ISIN: HRMRULRA0009
3MRU / ISIN: HRMRULO277E9
LEI: 74780080JD6L45P7YG07

Regulated Market Segment:

Zagreb Stock Exchange, Official Market

Home Member State:

Croatia

Publication of privileged information

Zagreb, 19 December 2024

NOTICE

on the conclusion of contractual documentation for acquiring shares in the Mlinar Group

The company BOSQAR d.d., Zagreb, (hereinafter referred to as the "Issuer", "BOSQAR") hereby announces that on December 19, 2024, it entered into contracts regulating the conditions and manner of acquiring a majority share in the company MLINAR pekarska industrija d.o.o., Zagreb ("Mlinar"). Considering the existing ownership structure of Mlinar, the transaction envisages the indirect acquisition of a majority stake in Mlinar, through the acquisition of shares in companies based in Luxembourg that participate in the ownership structure of Mlinar. Regal d.o.o., the remaining minority member of the Panvita Group, will participate in the acquisition in question, along with the Issuer.

Through the subject transaction, which is conditional on obtaining the approval of the competent regulators, including without limitation in the part related to the protection of market competition, BOSQAR acquires a majority stake in Mlinar Group, where, together with its partners, it realizes a transaction with a total value of 100 million euros in aggregate for an indirect stake of 67% in the Mlinar Group. As part of the transaction, BOSQAR immediately acquires a 50.1% stake in Mlinar. The investment will be carried out in partnership with existing shareholders in Panvita, led by Peter Polanič, and the management team of Mlinar, headed up by Mladen Veber.

As part of the transaction documentation, contracts were signed on the regulation of mutual relations with the remaining minority members who will remain in the membership structure of Mlinar (and which contracts will enter into force after the implementation of the transactions in question), in order to regulate, among other things, issues of corporate management of Mlinar and terms and conditions possible further disposition of the shares.

BOSQAR d.d. • Ulica grada Vukovara 23, Zagreb • Tel.: 01/6447-899 • Fax: 01/6447-890 • PIN: 62230095889 • Commercial banks: Erste&Steiermärkische Bank d.d., Jadranski trg 3A, Rijeka, IBAN: HR8524020061100933269; Podravska banka d.d., Opatička 3, Koprivnica, IBAN: HR7423860021119036043; Raiffeisenbank Austria d.d., Magazinska cesta 69, 10000 Zagreb, IBAN: HR4324840081135094448; Zagrebačka banka d.d., Trg bana Josipa Jelačića 10, Zagreb, IBAN: HR2323600001102936225 • Commercial Court in Zagreb; Company's (Court) registration number: 081210030 • Share capital: EUR 15,640,094.35 paid in part by investment of property and rights and in part by cash payments, and divided into 1,178,437 ordinary registered shares without nominal amount. • President of the Supervisory Board: Tamara Sardelić • Members of the Board: Darko Horvat and Tomislav Glavaš

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The Issuer will inform the public in a timely manner about the fulfillment of the relevant conditions, i.e. the conclusion and implementation of transactions in accordance with the aforementioned contracts.

The investment builds on BOSQAR's commitment to the development of its new Future Food vertical, established through the investment in the Slovenian Panvita Group, and is expected to unlock synergies and strengthen the platform, providing enhanced growth opportunities across the vertical.

Panvita, in particular, will be well-positioned to make use of the expansion to BOSQAR's Future Food vertical as it moves to materialize its regional ambitions.

"The inclusion of Mlinar in BOSQAR INVEST's Future Food vertical creates exciting opportunities for growth expanding on the existing Panvita investment. By leveraging the strengths of both Mlinar and Panvita, we are poised to unlock growth opportunities and new market opportunities across the region. In partnership with Panvita's existing shareholders and Mlinar's management, with the further expanded platform joined by MidEuropa as trusted partners with which BOSQAR has already collaborated on developing two other extremely successful business verticals, we're convinced that we've put together a winning team that will be able to establish BOSQAR's Future Food vertical as a dominant regional food solutions player," **said Darko Horvat, President of the Management Board at BOSQAR d.d., and Peter Polanič, Co-Chairman of Future Food.**

The newly expanded group will be strategically supported by MidEuropa, a European private equity investor with deep roots in Central Europe, with which BOSQAR has a longstanding partnership, reinforcing MidEuropa's commitment to further establishing Mlinar as an industry leader in Southeast Europe (SEE).

MidEuropa and BOSQAR INVEST entered into a partnership in 2019, with a joint investment in Mplus, BOSQAR's BPTO segment. Since then, Mplus has grown to become a regional leader in CX solutions, boasting over EUR 220 million in revenue and 11,600 employees. MidEuropa also supported the expansion of BOSQAR's second vertical, Workplace Group, into a leading provider of People and Culture services in SEE, with EUR 100 million in revenue and a workforce of 2,200 employees.

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Now, building on this impressive track record, BOSQAR and MidEuropa are expanding their collaboration to the food industry.

"This partnership marks a significant step forward for Mlinar Group, as it combines MidEuropa's deep-rooted industry expertise in the region and BOSQAR's strategic vision and resources. We have already invested alongside BOSQAR in two of their other successful business verticals, so we also enjoy a shared understanding, trust, and experience that has developed over the years. Together, we will work to position Mlinar and expand its influence in the region and across international markets, reinforcing its status as a leader in the industry," **said Robert Knorr, Managing Partner at MidEuropa.**

"Mlinar is a leader in the bakery industry thanks to its focus on quality, innovation, and development of new products. We're extremely pleased with what we have achieved with MidEuropa's backing and would like to thank them for their continued support. Empowered by this investment from BOSQAR INVEST and its partners, Mlinar will be in an ideal position to realize its ambitions when it comes to regional and international markets, expanding its footprint and its services to become a leading regional fresh food producer, distributor, and convenience retail chain," **said Mladen Veber, President of the Management Board of Mlinar Group.**

The Mlinar Group reported revenues of EUR 163 million and 2500 employees in 2023. This investment will enable it to further expand its export footprint and grow its regional presence.

Subject to the prior regulatory approval by the competent authorities, after finalizing the investment in the Mlinar Group, BOSQAR INVEST will have a workforce of over 16,000 employees and realize around EUR 700 million in annual revenue in pro forma consolidated terms in 2025.

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About Mlinar Group:

The Mlinar Group stands as the largest bakery group in the Adria region, serving a market of 16 million people. The Group operates over 300 sales points across Croatia, Slovenia, and Serbia, leveraging the

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combined strengths of Mlinar Croatia, Mlinar Slovenia, and Hleb i Kifle, which caters to the Serbian market.

Under MidEuropa's ownership, Mlinar was transformed from a founder-led organisation to a modern consumer-focused company. MidEuropa introduced a professional management team, led by Mladen Veber, a seasoned CEO with decades of experience in the FMCG industry, and supported by other industry veterans. During MidEuropa's holding period, Mlinar nearly doubled its revenues by growing its store network from 218 in 2019 to over 300 in 2024, refurbishing existing ones, and focusing on operating efficiency improvements and increased exports. Mlinar also expanded its presence in Croatia, Slovenia, and Bosnia and Herzegovina through franchise partnerships, and entered the Serbian market with the acquisition of local bakery chain Hleb & Kifle in 2020.

With five production facilities and a dedicated workforce of more than 2,500 employees, Mlinar Group generated total revenue exceeding 163 million euros in the same year, driven by its expansive retail network, wholesale operations, and exports to more than 20 international markets, including Romania, the Netherlands, Sweden, Switzerland, and South Korea, making international sales a vital component of its business strategy. Some 96% of its raw materials and services were sourced from domestic suppliers, underscoring Mlinar's commitment to supporting local economies.

About MidEuropa:

MidEuropa is a leading European private equity investor with deep roots in Central Europe and a track record spanning 25 years.

Headquartered in London, with a presence in Warsaw, Bucharest, Prague, and Zagreb, MidEuropa identifies winning investments across the healthcare, technology, services, and consumer sectors and supports them in their growth and international expansion.

To date, MidEuropa has raised and managed funds of circa EUR 6.5 billion and completed 46 investments and over 270 add-on acquisitions across 20 countries.