



# Žito Inc. And Its Subsidiaries (Žito Group)

Financial statements for the first half of  
2025 (unaudited, consolidated)

Osijek, July 31 2025

## *Content*

Key Business Results for the first half of 2025	2
1. Žito Group business model	3
2. Significant events in the first half of 2025 and after the balance sheet date	4
3. Summary of financial statements	7
4. Financial statements for the first half of 2025 (unaudited, consolidated)	16
5. Notes to the consolidated financial statements	21
6. Statement of persons responsible for preparing financial statements	25
7. Contact	26

## Key Business Results for the first half of 2025

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- **Continued revenue growth, with the highest increase in the industrial segment:** In the first half of 2025, Žito Group generated sales revenue of EUR 137.9 million, representing an 8% increase compared to the same period in the previous year.

The industrial segment recorded the highest share of regular sales revenue, with EUR 53.941 million, increasing its contribution to total revenue from 37% (in H1 2024) to 39% in H1 2025. The industrial production segment includes the manufacturing of animal feed, oil, meat products, and electricity. Well-established proprietary brands in the oil and durable meat product categories enable direct consumer access. The increase in revenue in this segment was primarily driven by higher oil sales.

- **Stable and strong profitability:** Žito Group achieved a gross profit from continuing operations of EUR 21.349 million in the first half of 2025, an increase of 18% compared to the first half of 2024. Reported EBITDA for the same period reached EUR 32.9 million, 6% higher than in the first six months of 2024, while normalized EBITDA amounted to EUR 30.6 million, representing a 1% decrease compared to H1 2024.

## 1. Žito Group business model

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The business model of Žito Inc. and its subsidiaries (Žito Group) is based on the principles of vertical integration, which link production processes and enable comprehensive oversight from raw material to finished product. The business segments integrated within the Žito Group include crop production, livestock farming, industrial production, trade, and silo operations. Žito Group conducts its operations responsibly across all segments, adhering to both social and environmental standards.

Crop production forms the foundation of the vertically integrated model, ensuring a self-sufficient supply of raw materials for the Group's industrial production needs. With a known origin of raw materials, the production cycle continues into the livestock segment, which includes pig farming, egg production, dairy farming, and beef cattle fattening. All farms place great emphasis on animal welfare and biosafety measures.

The industrial segment encompasses the production of animal feed, meat products, oil, and electricity. Final products are marketed under proprietary brands through well-developed retail and wholesale channels, granting the Group direct access to end consumers. This approach enhances brand recognition, fosters customer loyalty, and adds value through the branding of domestically sourced products.

With a strong commitment to environmental preservation, the Group incorporates circular economy principles into its business model. By-products from livestock production are used to enrich agricultural land, meeting high ecological standards, while by-products from crop cultivation, oil production, and silo husks are utilized as raw materials for electricity production in the Group's own biogas plants. This closed-loop production system enables the Group to operate as an efficient, self-sustaining, and market-competitive entity, building its strategic advantage on the full integration of resources and control over all stages of the production process - from field to table.



## 2. Significant events in the first half of 2025 and after the balance sheet date

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### Initial public offer

Žito Inc. (the Company) announced a public invitation for participation in the public offering of its shares during June. The offering period lasted from June 27 to July 9, 2025, with a maximum of 6,651,920 shares made available. Following the completion of the offering, a total of 6,403,950 shares were allocated, comprising 4,371,535 newly issued shares, 1,280,385 shares offered for sale and 752,030 treasury shares. The total proceeds raised through this public offering amounted to 130,000,185.00 EUR resulting in an established share price of 20.30 EUR based on the number of shares allocated. The right to participate in the offering was granted to Company employees, retail investors, and qualified investors. Upon completion, 155,678 shares were allocated to employees, 2,401,873 shares to retail investors and 3,846,399 shares to qualified investors.

### Investments

Affiliated company Novi Agrar d.o.o., completed an investment in the construction of the Klisa pig fattening farm in the first half of 2025. The farm has a capacity of 9,000 fattening pigs, with an expected annual production of 25,200 pigs. The project was previously submitted to the Paying Agency for Agriculture, Fisheries and Rural Development as part of a grant funding application. Financing agreements for the project were signed with the Agency under the following measures:

- Measure 4.1.1. – Support for investment in agricultural holdings, and
- Measure 4.1.2. – Disposal, handling, and use of manure to reduce harmful environmental impact.

The project received 49% co-financing of the total eligible project costs. The Klisa farm is equipped with advanced technologies, including a modern video surveillance system, automatic feeding systems, and ventilation systems. The facilities meet high standards of animal welfare, with larger than required living space, optimal microclimatic conditions, and state of the art ventilation.

### Acquisitions

Žito Inc. has entered into an agreement to acquire a majority shareholding in Mesna industrija Ravlić d.o.o., under which it will acquire a 51% interest in the company's share capital. The completion of the transaction is subject to the fulfilment of certain conditions set out in the agreement, including obtaining the necessary regulatory approvals, but not limited to: (i) obtaining approval from the Croatian Competition Agency (AZTN) in accordance with the provisions of the Competition Act, (ii) obtaining consent from the Agency for Payments in Agriculture, Fisheries and Rural Development regarding the transfer of the shareholding, and (iii) the fulfilment of other contractual conditions set out in the share purchase agreement. This transaction represents a significant step in the implementation of the Group's growth and diversification strategy, with a focus on vertical integration of operations.

Entering the ownership structure of Mesna industrija Ravlić ensures a more secure sales channel for pigs and cattle for Žito and lays the foundation for further investments and growth in the pig farming segment.

Moreover, it ensures a stable supply of fresh pork for the Group's meat processing operations ("Dobro") from pigs raised on its own farms, thereby enabling full control over the entire production process - from farm to table.

In July 2025, Žito Inc. signed a share purchase agreement regarding Agro-Tovarnik d.o.o. This acquisition expands the Group's existing business activities, particularly in crop and livestock production. Agro-Tovarnik's crop production is carried out on more than 3,500 hectares, and in cooperation with partner farmers, the total cultivated area reaches almost 10,000 hectares. In addition, the company has its own grain and oilseed storage facilities with a total silo capacity of 28,000 tons. In the livestock production segment, the acquisition includes a dairy farm with a capacity of 400 milking cows

### *Sale of Equity Interests*

The divestment of the shareholding in Croatian Sugar Industry Plc, was completed in March 2025. The former shareholder, Novpros d.o.o., sold its 40% stake to a private individual, Marko Pipunić, who thereby became the new owner of the mentioned stake. As a result of this transaction, Croatian Sugar Industry Plc. is no longer included in the Žito Group's consolidated financial statements.

Furthermore, Žito Inc. has entered into an agreement to sell a 23% equity stake in one of its subsidiaries, Tvornica ulja Čepin d.d., with a strategic investor from the Southern and Eastern Mediterranean region operating in the food industry. The share purchase and transfer will be completed upon obtaining all necessary corporate approvals and regulatory consents in accordance with the applicable laws of the Republic of Croatia and the European Union. This transaction holds significant strategic value for the Group. The financial proceeds from the sale of the stake further strengthen the Group's capital position and will be directed towards the continued development and investment in its core activities. At the same time, the buyer holds a substantial market share in the oil sales segment in its domestic market, and the entry of this reputable industry partner enables the planned long-term cooperation in the production and distribution of oilseeds, from which considerable benefits are expected. Through this strategic partnership, new market opportunities will open for the distribution of products from the Čepin Oil Factory, supply chain integration within the Group will be strengthened, and the transfer of specialized knowledge and technology in oil production will be facilitated.

### *Sustainability*

In 2025 Žito Group actively continued its education process on sustainability-related topics in cooperation with renowned professional advisors. The training encompasses areas related to the application of the EU Taxonomy, including the methodology for calculating taxonomy-eligible and aligned key performance indicators (KPIs), as well as alignment with regulatory requirements set out in Directive (EU) 2022/2464 of the European Parliament and of the Council of December 14 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC, and Directive 2013/34/EU as regards corporate sustainability reporting (CSRD), along with the applicable European Sustainability Reporting Standards (ESRS). As part of these activities, reporting systems will be established, including the development of internal controls, definition of data collection processes, and the preparation of the first Sustainability Report. In cooperation with external consultants, the definition of relevant sustainability objectives is planned, as well as their integration into existing business processes through the adjustment of organizational and operational procedures.

### Business Segments

In June 2025, the Republic of Croatia experienced a period of extremely dry weather, which had a certain impact on agricultural crops. In the case of cereals, particularly barley and wheat, this disturbance did not have a significant effect, as yields were good and grain quality was high. However, the potential effects on corn, soybeans, and sugar beet, as well as oilseeds such as sunflower, will become clearer in the second half of the year.

In the livestock segment, several cases of African Swine Fever (ASF) were reported in early July 2025 at certain farm locations in the Vukovar-Srijem County (Gradište municipality) and Osijek-Baranja County (Jagodnjak and Erdut municipality). On July 29, 2025, the Ministry of Agriculture issued a Decision on the establishment of a protection zone and a surveillance zone within the restricted area in Osijek-Baranja County, effective as of the same date. According to this decision, two pig farms operated by Žito Group are located within the designated surveillance zone due to its geographic location. Žito Group farms have reported no cases of African swine fever.

### 3. Summary of financial statements

In the first half of 2025, the Group generated sales revenue in the amount of EUR 137.9 million, representing an 8% increase compared to the same period of the previous year.

(000 €)	H1 2025	H1 2024	H1 2025/ H1 2024
Sales revenue	137,946	127,264	8%
EBIT	21,909	19,834	10%
EBITDA	32,903	31,162	6%
EBITDA normalized	30,642	31,013	-1%
Result from continuing operations	21,349	18,065	18%
EBIT margin	15.88%	15.58%	30 bps
EBITDA margin	23.85%	24.49%	-63 bps
Gross profit margin	15.48%	14.19%	128 bps

Table 1: Dynamics of profitability

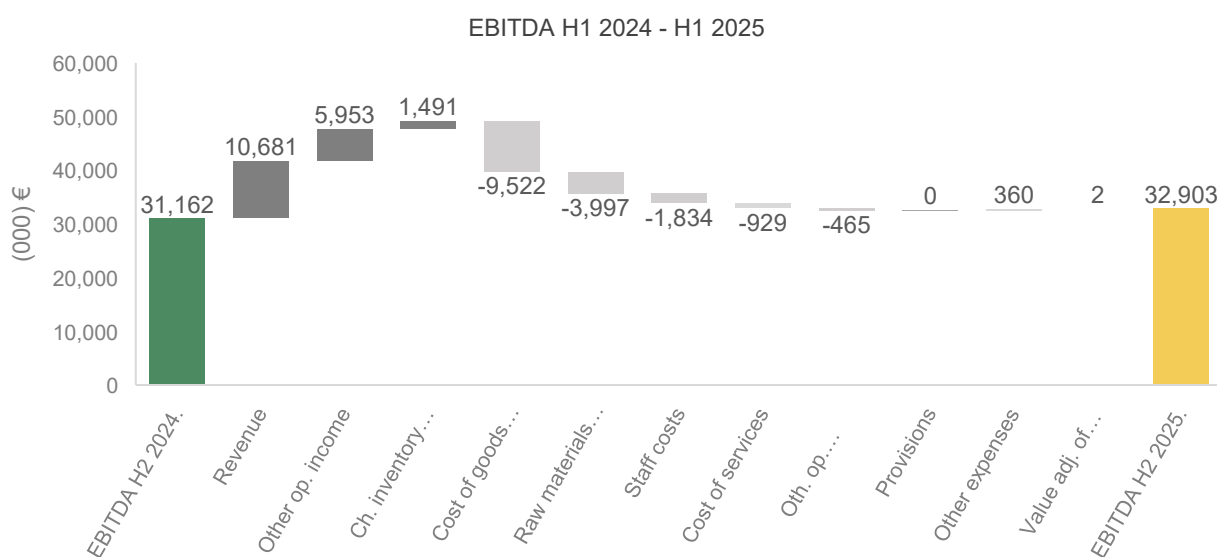


Figure 1: EBITDA H1 2024 – H1 2025

Reported EBITDA for the period from January to June 2025 amounts to EUR 32.9 million. The normalized EBITDA stands at EUR 30.6 million, representing a 1% decrease compared to the previous period (Table 2). The increase in EBITDA during the first half of 2025 is illustrated in the chart (Figure 1), showing the absolute differences in income statement items for the first half of 2025 and 2024. The EBITDA margin declined by 63 basis points, from 24.49% to 23.85% in 2025. Gross profit from continuing operations in 2025 recorded an 18% increase compared to 2024 (Figure 2).



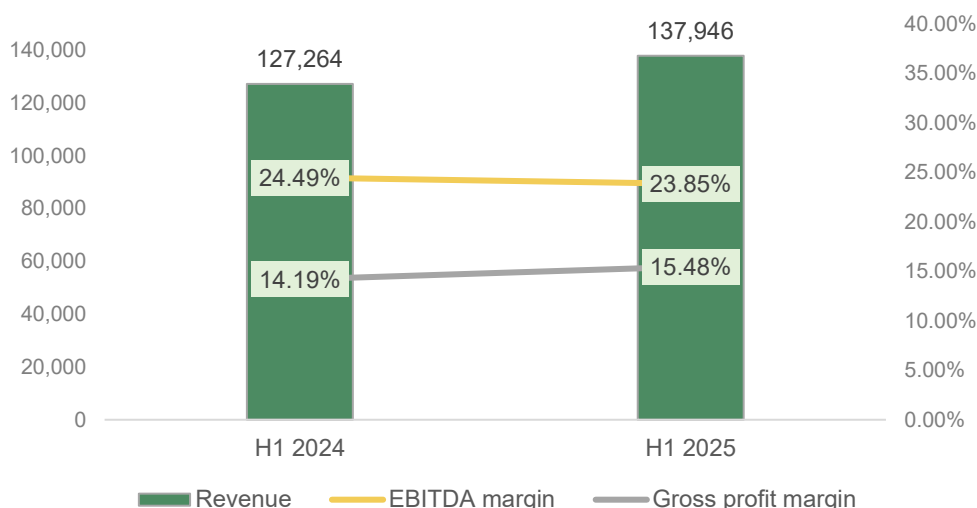


Figure2: Operating income and margins

To provide additional insight into performance and comparability, EBITDA is presented excluding the impact of one-time items. These one-time items for the first half of 2025 and 2024 include: income from written off receivables, income from accrued EU grants received for construction and equipment, sales of fixed assets, profit from the sale of an associate company, value adjustment of current assets, penalties and fines, donations, write off of receivables and one-off advisory fees related to the IPO process. The normalized EBITDA for the first six months of 2025 amounts to EUR 30.6 million, representing a 1% decrease compared to the normalized EBITDA for the same period in 2024 (Table 2).

(000 €)	H1 2025	H1 2024	H1 2025/ H1 2024
<b>Reported EBITDA</b>	<b>32,903</b>	<b>31,162</b>	<b>6%</b>
Income from written-off receivables	-11	-62	
Differed income from EU grants for construction and equipment	-900	-944	
Sales of fixed assets	0	279	
Profit from the sale of an associate company	-1,491	0	
Values adjustmesnts of receivables	1	3	
Penalties and damages	7	237	
Donations	90	226	
Write-off of receivables	0	113	
Advisory fees	43	0	
<b>Normalized EBITDA</b>	<b>30,642</b>	<b>31,013</b>	<b>-1%</b>
<b>Normalized EBITDA margin</b>	<b>22.21%</b>	<b>24.37%</b>	<b>-216 bps</b>

Table 2: Normalized EBITDA

(000 €)	H1 2025	H1 2024	H1 2025/ H1 2024
<b>Reported EBIT</b>	<b>21.909</b>	<b>19.834</b>	<b>10%</b>
Income from written-off receivables	-11	-62	
Differed income from EU grants for construction and equipment	-900	-944	
Sales of fixed assets	0	279	
Profit from the sale of an associate company	-1.491	0	
Values adjustments of receivables	1	3	
Penalties and damages	7	237	
Donations	90	226	
Write-off of receivables	0	113	
Advisory fees	43	0	
<b>Normalized EBIT</b>	<b>19.648</b>	<b>19.686</b>	<b>0%</b>
<b>Normalized EBIT margin</b>	<b>14,24%</b>	<b>15,47%</b>	<b>-122 bps</b>

Table 3: Normalized EBIT

#### Sales revenues by segment

Sales revenue for the first six months of 2025 increased by EUR 10.7 million compared to the same period of the previous year, reaching a total of EUR 137.9 million (Table 4). The industrial segment accounted for the largest share of regular sales revenue, contributing 39% in 2025 (Figure 3).

(000 €)	H1 2025	% H1 2025	H1 2024	% H1 2024	H1 2025/ H1 2024
Industry	53,941	39%	46,809	37%	15%
Animal husbandry	39,009	28%	39,044	31%	0%
Trade and silos	37,544	27%	33,939	27%	11%
Crops production	5,055	4%	6,377	5%	-21%
Other	2,397	2%	1,094	1%	119%
<b>Total</b>	<b>137,946</b>	<b>100%</b>	<b>127,264</b>	<b>100%</b>	<b>8%</b>

Table 2: Sales revenue by segments

**Industry.** The Group's industrial production segment encompasses the manufacturing of animal feed, oils, meat products, and electricity. Established proprietary brands of oils and processed meat products enable direct access to consumers.

Animal feed production involves the formulation of feed mixtures for pigs, cattle, poultry, and other animals. The primary focus of production is to supply the farms within the Žito Group with the necessary quantities of animal feed, while the remaining production is sold on the market.

Oil production includes crude and refined oils derived from sunflower and rapeseed seeds within TUČ d.d. The raw material base for oil production consists of oilseeds cultivated on the Group's and its cooperators' agricultural land, with any additional quantities procured from the market. A by-product of oil processing, sunflower and rapeseed meal is one of the main raw materials used for animal feed production within the Group.

Processed meat products are manufactured in four high-tech production facilities dedicated to production, packaging, and slicing. The raw material base for meat product production consists of pork from the Group's own pig farming operations. The main product categories include prosciuttos, cured salamis, and other processed meat products such as budola, pancetta, bacon, and others, available both sliced and in whole pieces. All products are made without soy, gluten, flavor enhancers, or artificial colorings. Consistent product quality is the result of a modern production process and a high degree of automation. Most of the meat products are marketed under the "DOBRO" brand domestically, while products for foreign markets are sold under the "Adria D'Oro" brand. A significant portion of meat products is also produced for other brands or private labels of retail chains.

The 15% increase in sales revenue in the first half of 2025 is largely driven by higher sales revenue from oil products.

**Animal husbandry.** The animal husbandry segment includes pig farming, cattle production, as well as egg and milk production. Livestock production is directly linked to crop farming and industrial production. Feed for the livestock farms is produced at nearby crop farming units and in the animal feed factory "Vitalka," while the incorporation of manure on agricultural land completes the production cycle.

The Group's pig farming operations are carried out across ten highly specialized pig farms, including a nucleus farm for breeding gilts, reproductive farms for producing piglets, and fattening farms for producing market-ready pigs. These farms are equipped with modern automatic liquid feeding systems that allow maximum control and safety in feeding at all production stages. High environmental standards for farm waste management are achieved by incorporating pig manure into crop fields. Approximately 175,000 fattening pigs are raised annually on the Group's farms. These pigs are sold on the market, while part of the production is repurchased after slaughter as raw material for the Group's processed meat products.

The Group produces around 5,000 head of cattle annually. Part of the necessary animal feed is prepared from raw materials sourced from nearby crop farms, supplemented by additional and complete feed mixtures produced at the Vitalka feed factory. The Group's beef fattening farms bear the label "Meso hrvatskih farmi."

Žito Group is the largest producer of fresh eggs in the Republic of Croatia, with an annual production capacity of 130 million eggs. Production takes place on two poultry farms with a total capacity of approximately 480,000 laying hens, housed in enriched cage and floor rearing systems. Eggs are sorted and packed according to customer requirements at the packaging center. The hens are fed high-quality feed from the Group's own production, ensuring full traceability, and the fresh eggs carry the "Jaja hrvatskih farmi" label awarded by HAPIH, as well as the "Dokazana kvaliteta" label granted by the Ministry of Agriculture. Eggs are marketed under the Group's established brand "Žito svježa jaja" and as private labels for leading retail chains.

Milk production occurs on three farms with a total capacity of about 2,100 milking cows (Holstein Friesian breed) in a closed production cycle—from own heifers, calves, and well-developed heifers to milking cows. Milk production demonstrates above-average performance indicators, and milk from the Group's farms carries the "Mlijeko hrvatskih farmi" label awarded by HAPIH.

This segment recorded revenues of EUR 39 million during the observed periods.

**Trade and silos.** Within the trading segment, activities include contracting the production of arable crops with partner farmers, as well as the wholesale and retail of grains, oilseeds, seeds, crop protection products, and fertilizers. The primary objective of this segment is to ensure sufficient quantities of raw materials for the

production of animal feed and oil, while surpluses of purchased agricultural products are sold on the open market. The increase in revenue is primarily the result of higher trading volumes, particularly in wheat, which in previous years was largely used internally for flour production.

**Crops production.** The arable farming segment includes the production of cereals (wheat, corn, alfalfa, barley, and other crops), oilseeds (sunflower, soy, and rapeseed), and industrial crops (sugar beet) across 17,800 hectares of agricultural land under management. Arable production is based on balanced application of agronomic practices with minimal use of agrochemicals and the implementation of next-generation machinery, significantly enhancing efficiency while reducing environmental impact. The Group's modern agricultural machinery and production technology are the result of substantial investments made in previous years, enabling precision agriculture through the use of drones, soil analysis, variable fertilization, and seeding techniques. These advancements increase operational efficiency, reduce costs, and allow for above-average crop yields.

Considering the harvest period, the majority of arable farming revenue is generated in the second half of the year.

**Other Activities.** At the beginning of 2024, the Group expanded into the tourism sector with the opening of the "Materra" hotel in Čepin near Osijek. The Materra hotel offers a unique tourism experience in the Slavonia region, featuring 61 accommodation units that combine tranquility, luxury, and exceptional comfort. Besides the hotel, the Other Activities segment includes various services and operations that individually do not generate significant revenues.

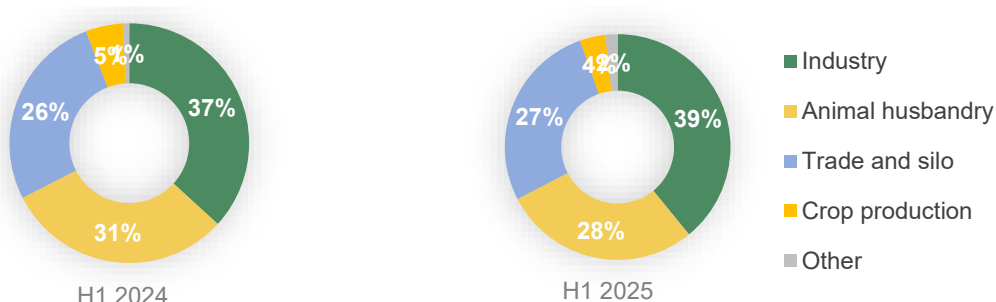


Figure 3: Structure of sales revenues by segment and years

#### Revenues from sales by market

In 2025, Žito Group achieved export sales revenues of EUR 38.2 million, representing 28% of total regular sales revenue. Historically, the majority of exports occur in the second half of the year, following the completion of the harvest and the subsequent increase in the export of arable crops, which raises the annual export share. The highest sales volumes are recorded with neighboring and regional countries: Hungary, Italy, Kosovo, Slovenia, and Bosnia and Herzegovina (Table 5). The main export products to Hungary are pigs and meat products, while the market in Bosnia and Herzegovina is dominated by oil, and arable crops are primarily exported to Italy (Figure 4).

Sales revenue (000 €)	H1 2025	% H1 2025	H1 2024	% H1 2024	H1 2025/ H1 2024
Croatia	99,743	72%	87,456	69%	14%
Hungary	12,759	9%	17,492	14%	-27%
Bosnia and Herzegovina	8,104	6%	1,239	1%	554%
Italy	8,025	6%	7,724	6%	4%
Slovenia	2,137	2%	1,265	1%	69%
Kosovo	2,059	1%	2,909	2%	-29%
Other markets	5,120	4%	9,180	7%	-44%
<b>Total</b>	<b>137,946</b>	<b>100%</b>	<b>127,264</b>	<b>100%</b>	<b>8%</b>

Table 5: Sales revenue by market

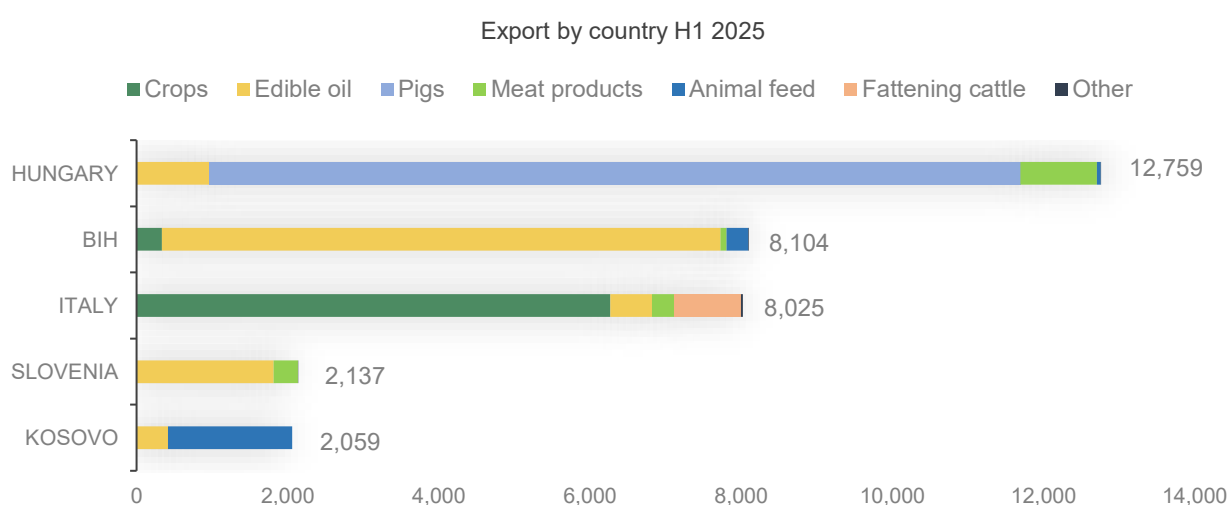


Figure 4: Export of products by country

In the first half of 2025, exports declined by 4%, primarily due to a decrease in the export of pigs and meat products. A significant increase was recorded in oil exports, which rose by 46% compared to the previous period (Table 6).

Export (000 €)	H1 2025	% H1 2025	H1 2024	% H1 2024	H1 2025/ H1 2024
Oil	14,183	37%	9,702	24%	46%
Pigs	10,731	28%	14,242	36%	-25%
Crops	7,577	20%	8,439	21%	-10%
Meat products	2,133	6%	4,799	12%	-56%
Animal feed	2,074	5%	1,774	4%	17%
Fattening cattle	1,192	3%	552	1%	116%
Other products	314	1%	302	1%	4%
<b>Total</b>	<b>38,203</b>	<b>100%</b>	<b>39,808</b>	<b>100%</b>	<b>-4%</b>

Table 6: Exports by segments

The main export products are oil, arable crops, and pigs, which together account for 85% of export sales revenue (Figure 5).



Figure 5: Export by segments

#### EBITDA by business segments

EBITDA in the first half of 2025 amounted to EUR 32.9 million, representing a 6% increase compared to the previous year (Table 7).

(000 €)	H1 2025	% H1 2025	H1 2024	% H1 2024	H1 2025/ H1 2024
Industry	7,496	23%	9,676	31%	-23%
Animal husbandry	15,968	49%	15,666	50%	2%
Trade and silos	2,085	6%	1,994	6%	5%
Crops production	6,608	20%	5,461	18%	21%
Other	746	2%	-1,635	-5%	146%
<b>Total</b>	<b>32,903</b>	<b>100%</b>	<b>31,162</b>	<b>100%</b>	<b>6%</b>

Table 7: EBITDA by segments

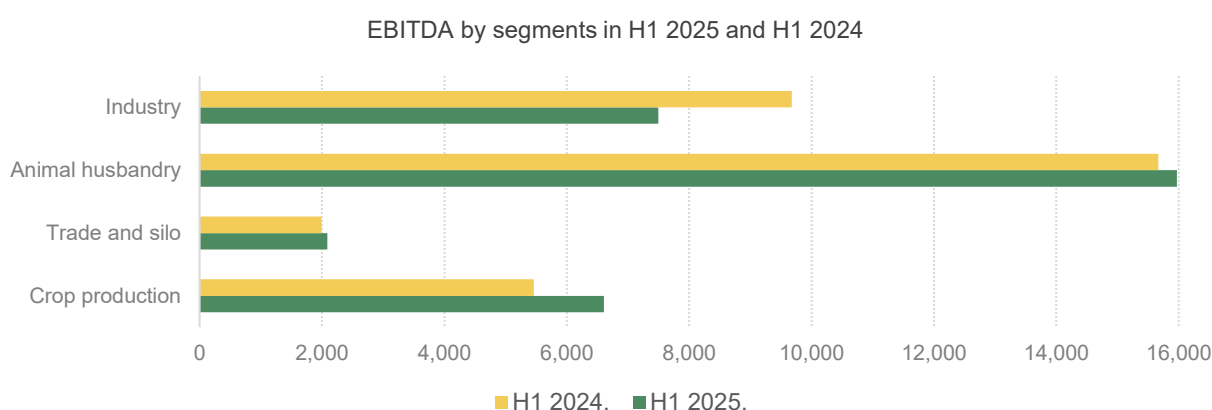


Figure 6: EBITDA by segments and years

#### Operating costs structure

Operating expenses for the period from January to June 2025 increased by EUR 14.6 million, or 11%, compared to the same period in 2024 (Table 8). The largest components of operating expenses in 2025 are the cost of goods sold and the cost of raw materials and supplies, which together account for 83% of total operating



expenses and, under the influence of inflation, have increased by 13%. A noticeable increase is also recorded in service costs, which rose by 18% compared to 2024.

(000 €)	H1 2025	% operating costs H1 2025	H1 2024	% operating costs H1 2024	H1 2025/ H1 2024
Change in inventory value	-11,677	-8%	-10,186	-8%	15%
Material costs	51,410	36%	47,413	37%	8%
Costs of goods sold	68,170	47%	58,648	45%	16%
Service costs	5,962	4%	5,033	4%	18%
Employee costs	15,110	9%	13,276	10%	14%
Depreciation	10,993	8%	11,328	9%	-3%
Other operating expenses	2,667	3%	2,202	2%	21%
Value adjustments	1	0%	3	0%	-56%
Other operating expenses	1,104	1%	1,464	1%	-25%
<b>Total operating expenses</b>	<b>143,739</b>	<b>100%</b>	<b>129,180</b>	<b>100%</b>	<b>11%</b>

Table 8: Structure of operating expenses

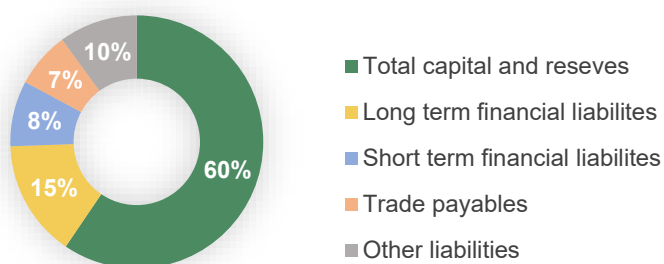
#### Financial indicators

Net financial debt increased by 32% compared to 2024, primarily due to a decrease in cash as of June 30, 2025. When including IFRS 16 liabilities related to long-term concession agreements, as well as liabilities arising from the decision made in December 2024 to distribute a portion of retained earnings to shareholders during 2025, net debt increased by 12%. For the calculation of the net debt to EBITDA ratio, EBITDA i.e., normalized EBITDA was measured over the period from July 1, 2024, to June 30, 2025. As of June 30, 2025, the net financial debt to normalized EBITDA ratio stands at 1.31 (Table 9).

(000 €)	H1 2025	31.12.2024	H1 2025/ 31.12.2024
Total liabilities	165,416	174,804	-5%
Net financial debt	70,278	53,196	32%
Net financial debt + concessions	85,035	69,615	22%
Net financial debt + concessions + liabilities for profit distribution	86,217	77,269	12%
Total assets	408,341	420,788	-3%
Total capital and reserves	242,926	245,985	-1%
Net working capital	94,980	89,477	6%
Current ratio	2.07	2.01	3%
Net debt/EBITDA	0.99	0.77	29%
Net debt + concessions/ EBITDA	1.20	1.01	19%
Net debt + concessions + liabilities for profit distribution/ EBITDA	1.22	1.12	9%
Net financial debt/ normalized EBITDA	1.07	0.80	33%
Net financial debt + concessions/ normalized EBITDA	1.29	1.05	23%
Net financial debt + concessions + liabilities for profit distribution/ normalized EBITDA	1.31	1.17	12%
Debt ratio	0.41	0.42	-2%

Table 9: Financial indicators

Financial liabilities account for 23% of total liabilities as of June 30, 2025 (Figure 7).



*Figure 7: Structure of liabilities as of June 30, 2025*

#### 4. Financial statements for the first half of 2025 (unaudited, consolidated)

##### Profit and loss account

(000 €)	H1 2025	H1 2024	Q2 2025	Q2 2024
Sales revenue	137,946	127,264	63,310	66,180
Other operating income	27,702	21,750	20,644	14,192
<b>Total income from continuing operations</b>	<b>165,648</b>	<b>149,014</b>	<b>83,954</b>	<b>80,372</b>
Change in the value of finished goods and work-in-progress inventories	-11,677	-10,186	-7,238	-4,201
Costs of raw materials, supplies and goods sold	51,410	47,413	24,791	27,783
Cost of goods sold	68,170	58,648	29,594	23,434
Cost of services	5,962	5,033	4,334	4,059
Employee costs	15,110	13,276	7,965	6,793
Depreciation	10,993	11,328	5,508	5,718
Other costs	2,667	2,202	1,492	1,103
Value adjustments	1	3	1	2
Provisions	0	0	0	0
Other operating expenses	1,104	1,464	855	903
<b>Total expenses from continuing operations</b>	<b>143,739</b>	<b>129,180</b>	<b>67,302</b>	<b>65,595</b>
<b>Profit from continuing operations</b>	<b>21,909</b>	<b>19,834</b>	<b>16,652</b>	<b>14,777</b>
Net loss from financing activities	-560	-1,769	-205	-313
<b>Profit from continuing operations before tax</b>	<b>21,349</b>	<b>18,065</b>	<b>16,447</b>	<b>14,464</b>
Profit tax (income/expense)	-3,408	-2,473	-2,545	-2,039
<b>Net profit from continuing operations</b>	<b>17,941</b>	<b>15,592</b>	<b>13,902</b>	<b>12,425</b>
Result of disposal group		656		546
<b>Total profit for the period</b>	<b>17,941</b>	<b>16,248</b>	<b>13,902</b>	<b>12,971</b>

Balance sheet

(000 €)	H1 2025	31.12.2024
<b>ASSETS</b>		
<b>Fixed assets</b>		
Goodwill	4,444	4,444
Intangible assets	12,398	486
Right-of-use assets	742	12,362
Property, plant, equipment	189,763	188,818
Investment property	1,344	1,344
Prepayments for property, plant and equipment	528	516
Biological assets	7,527	7,065
Investment in associates and joint ventures	0	19,509
Financial assets at amortized cost	3,281	3,110
Deferred tax assets	4,062	4,886
<b>Total fixed assets</b>	<b>224,089</b>	<b>242,540</b>
<b>Current assets</b>		
Inventories	80,173	86,933
Trade receivables	36,444	29,674
Receivables from the state	11,373	7,741
Other receivables	18,983	2,446
Current financial assets at amortized cost	11,967	5,114
Cash and cash equivalents	25,019	46,046
<b>Total current assets</b>	<b>183,959</b>	<b>177,954</b>
Assets held for sale	294	294
<b>TOTAL ASSETS</b>	<b>408,342</b>	<b>420,788</b>

Balance sheet (continued)

(000 €)	H1 2025	31.12.2024
<b>EQUITY AND LIABILITIES</b>		
<b>Capital and reserves</b>		
Share capital	21,236	21,236
Other acquisition reserves	7,817	7,817
Retained earnings	210,744	213,830
<b>Parent's equity</b>	<b>239,797</b>	<b>242,883</b>
Non-controlling interests	3,128	3,101
<b>Total capital and reserves</b>	<b>242,926</b>	<b>245,984</b>
<b>Non-current liabilities</b>		
Liabilities for non-current loans and borrowings	61,073	70,987
Provisions	607	586
Lease liabilities (towards municipalities)	14,757	14,754
<b>Total non-current liabilities</b>	<b>76,438</b>	<b>86,327</b>
<b>Current liabilities</b>		
Trade payables	29,154	24,222
Liabilities to the State	5,537	6,407
Current loan liabilities	34,224	28,255
Provisions		1,338
Deferred income and other liabilities	20,064	28,255
<b>Total current liabilities</b>	<b>88,978</b>	<b>88,477</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>408,342</b>	<b>420,788</b>

Statement of changes in equity

	Share capital	Reserves for treasury shares	Own shares and stakes (deduction item)	Other acquisition reserves	Retained earnings	Profit for the business year	Parent's equity	Non-controlling interest	Total capital and reserves
<b>Balance as of January 1 2024</b>	<b>21,236</b>			<b>7,817</b>	<b>207,431</b>		<b>236,484</b>	<b>6,450</b>	<b>242,934</b>
Profit/Loss for the year						34,659	<b>34,659</b>	-200	<b>34,459</b>
Other non-owner changes in equity					0		<b>0</b>		<b>0</b>
Repurchase of treasury shares					3,145		<b>3,145</b>	-3,149	<b>-4</b>
Payment of profit/dividend share					-31,404		<b>-31,404</b>		<b>-31,404</b>
<b>Balance as of December 31 2024</b>	<b>21,236</b>			<b>7,817</b>	<b>179,171</b>	<b>34,659</b>	<b>242,883</b>	<b>3,101</b>	<b>245,985</b>
<b>Balance as of January 1 2025</b>	<b>21,236</b>			<b>7,817</b>	<b>213,830</b>	<b>0</b>	<b>242,883</b>	<b>3,101</b>	<b>245,985</b>
Profit/loss for the period						17,914	<b>17,914</b>	27	<b>17,941</b>
Other non-owner changes in equity	0								<b>0</b>
Share buyback		21,000	21,000		-21,000		<b>-21,000</b>		<b>-21,000</b>
Transfer according to the annual schedule					0	0	<b>0</b>		<b>0</b>
<b>Balance as of June 30 2025</b>	<b>21,236</b>	<b>21,000</b>	<b>21,000</b>	<b>7,817</b>	<b>192,830</b>	<b>17,914</b>	<b>239,797</b>	<b>3,128</b>	<b>242,926</b>



## Cash flow statement

(000 €)	H1 2025	H1 2024
Profit before tax	18,765	18,065
<i>Adjustment for:</i>		
Depreciation	10,993	11,328
Profit and Losses on sale and impairment of property, plant and equipment and intangible fixed assets	942	206
Interest and dividend income	-516	-645
Interest expense	1,057	1,613
Other adjustments for non-cash transactions and unrealized profits and losses	-4,104	-9,886
<b>Cash from operations before changes in working capital</b>	<b>27,138</b>	<b>20,681</b>
<b>Changes in working capital:</b>		
Increase/(decrease) in current liabilities	12,027	1,240
Increase/(decrease) in current receivables	-26,379	-22,597
Increase/(decrease) in inventories	10,795	-1,113
Other increases or decreases in working capital	-9,552	-8,449
<b>Cash (used)/generated from operating activities</b>	<b>14,030</b>	<b>-10,238</b>
Interest paid	-940	-906
Profit tax paid	-2,954	-1,111
<b>Net cash (used)/generated in operating activities</b>	<b>10,136</b>	<b>-12,255</b>
<b>Investing activities</b>		
Cash receipts from sale of tangible and intangible fixed assets	268	56
Cash outflow for purchase of tangible and intangible fixed assets	-9,444	-3,643
Cash outflow for the acquisition of financial instruments	0	0
Cash receipts from interest	169	33
Cash receipts from repayment of loans granted and savings	15,910	6,711
Cash outflows from loans and savings deposits for the period	-30,041	-16,785
Other cash outflows from investment activities	0	0
<b>Net cash used in investing activities</b>	<b>-23,138</b>	<b>-13,629</b>
<b>Financing activities</b>		
Cash receipts from the principal of loans, borrowings and other	27,331	75,694
Cash outflows for repayment of principal of loans, borrowings and other borrowings and debt financial instruments	-35,357	-74,724
Cash outflows for dividend payment	0	-2,250
Cash outflows for financial loan	0	0
Other cash receipts from financial activities	0	0
<b>Net cash generated/(used) in financing activities</b>	<b>-8,025</b>	<b>-1,280</b>
<b>Net increase(decrease) in cash and cash equivalents</b>	<b>-21,027</b>	<b>-27,163</b>
Cash and cash equivalents at the beginning of the period	46,046	27,876
Cash and cash equivalents at the end of the period	25,019	713

## 5. Notes to the consolidated financial statements

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Notes to the financial statements for quarterly periods include:

- a) *Explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the reporting semi-annual period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated (items 15 to 15C IAS 34 - Interim financial reporting)*

Žito Group financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) adopted by the European Union. The financial statements are presented in euros, applying the fundamental accounting assumption of the occurrence of business events, whereby the effects of transactions are recognized when they occur and are reported in the financial statements for the period to which they relate, as well as the fundamental accounting assumption of the going concern basis. Preparation of financial statements in accordance with IFRS requires the use of certain key accounting estimates, which are reasonably made under appropriate circumstances based on management's judgment.

Significant business events and transactions during the reporting period that are relevant for understanding changes in the Statement of Financial Position and operating results are explained in the document – Management Report for the period from 01 January 2025 to 31 March 2025.

- b) *Information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the semi-annual reporting period*

The annual financial statements audited for the year 2024 are available on the Žito Group's website: [www.zito.hr](http://www.zito.hr).

- c) *A statement explaining that the same accounting policies are applied while drawing up financial statements for the semi-annual period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes (item 16.A (a) IAS 34 - Interim financial reporting)*

The same accounting policies have been applied in the preparation of the financial statements for the interim reporting period as in the most recent annual financial statements for the year ended December 31, 2024, There have been no changes in accounting policies during the interim period.

- d) *A description of the financial performance in the case of the issuer whose business is seasonal (items 37 and 38 IAS 34 - Interim financial reporting)*

Žito Group does not carry out activities of a seasonal nature.

- e) *Other comments perscribed by IAS 34 – Interim Financial Reporting*

Intangible fixed assets amount to EUR 17,583,702. Tangible fixed assets amount to EUR 199,161,976, representing an increase of EUR 1,419,117 compared to the beginning of the year. This increase is primarily attributable to the acquisition of new equipment and the extension of lease agreements for commercial properties. Right-of-use assets are included within tangible fixed assets according to the type of asset, while lease liabilities are presented under other long-term and short-term liabilities.

€	31.12.2024	H1 2025
Inventories	87,227,383	80,467,050
Receivables	39,860,685	66,227,462
Short-term financial assets	5,114,258	11,967,236
Cash and cash equivalents	4,045,623	25,018,808
<b>Current assets</b>	<b>178,247,949</b>	<b>183,680,556</b>

€	31.12.2024	H1 2025
Loan and borrowings liabilities	28,254,677	34,223,695
Trade payables	24,221,619	29,154,061
Liabilities to employees	1,533,144	2,340,177
Other current liabilities	18,441,008	17,552,919
<b>Current liabilities</b>	<b>72,450,448</b>	<b>83,270,852</b>

f) *In the notes to the financial statements for quarterly periods, in addition to the information stated above, the following information is also disclosed::*

1. *Undertaking's name, registered office (address), legal form, country of establishment, entity's registration number and, if applicable, the indication whether the undertaking is undergoing liquidation, bankruptcy proceedings, shortened termination proceedings or extraordinary administration*

- Issuer: Žito Inc.
- Address: Đakovština 3, 31000 Osijek
- MBS: 030033416
- OIB: 03834418154
- Home member state: Hrvatska
- Market: Free market Zagreb stock exchange
- LEI: 315700CNPNRCHRG06332
- ISIN: HRZTOSRB0002
- Ticker symbol: ZITO

2. *Adopted accounting policies (only an indication of whether there has been a change from the previous period)*

During the reporting period, accounting policies remained unchanged compared to the previous year.

3. *The total amount of any financial commitments, guarantees or contingencies that are not included in the balance sheet, and an indication of the nature and form of any valuable security which has been provided; any commitments concerning pensions of the undertaking within the group or company linked by virtue of participating interest shall be disclosed separately*

Total guarantees issued in the form of bank guarantees as of the reporting date amount to EUR 14.7 million. These relate to performance guarantees and guarantees for the proper settlement of contractual obligations.

4. *The amount and nature of individual items of income or expenditure which are of exceptional size or incidence*

€	H1 2024	H1 2025
Operating income	149,014,180	165,648,338
Operating expenses	129,180,238	143,739,073
<b>Operating profit</b>	<b>19,833,942</b>	<b>21,909,265</b>
Financial income	675,805	635,524
Financial expenses	2,444,893	1,195,860
<b>Loss from financial activities</b>	<b>-1,769,088</b>	<b>-560,336</b>
<b>Profit before tax</b>	<b>18,064,854</b>	<b>21,348,829</b>

5. *Amounts owed by the undertaking and falling due after more than five years, as well as the total debts of the undertaking covered by valuable security furnished by the undertaking, specifying the type and form of security.*

A portion of liabilities maturing in a period longer than 5 years amounts to EUR 6,481,686 and relates to long-term liabilities to banks, while an additional amount of EUR 9,376,456 relates to lease liabilities recognized in accordance with the provisions of IFRS 16.

6. *Average number of employees during the financial year*

The average number of employees during the current period from January 1 to June 30, 2025, was 1,156 (during the period from January 1 to June 30, 2024, the average number of employees was 1,172).

7. *Where, in accordance with the regulations, the undertaking capitalised on the cost of salaries in part or in full, information on the amount of the total cost of employees during the year broken down into the amount directly debiting the costs of the period and the amount capitalised on the value of the assets during the period, showing separately the total amount of net salaries and the amount of taxes, contributions from salaries and contributions on salaries.*

During the reporting period, there was no capitalization of salary expenses.

8. *Where a provision for deferred tax is recognised in the balance sheet, the deferred tax balances at the end of the financial year, and the movement in those balances during the financial year.*

Deferred tax assets as of June 30, 2025, amount to EUR 4,061,932 (as of December 31, 2024, EUR 4,886,089)

9. *The name and registered office of each of the undertakings in which the undertaking, either itself or through a person acting in their own name but on the undertaking's behalf, holds a participating interest, showing the proportion of the capital held, the amount of capital and reserves, and the profit or loss for the latest financial year of the undertaking concerned for which financial statements have been adopted; the information concerning capital and reserves and the profit or loss may be omitted where the undertaking concerned does not publish its balance sheet and is not controlled by another undertaking*

At the end of the reporting period, Žito Inc. holds 100% ownership in the companies Novi Agrar d.o.o., Argumentum Vitae d.o.o., Svinjogojska farma Lipovača-Prkos d.o.o., Piko d.o.o., and West d.o.o., as well as a majority stake of 93.08% in Termes Grupa d.d. and 98.69% in Tvornica ulja Čepin d.d.

*10. The number and the nominal value or, in the absence of a nominal value, the accounting par value of the shares subscribed during the financial year within the limits of the authorised capital*

As of June 30, 2025, the share capital amounts to EUR 21,236,140 and is divided into 21,236,140 shares, of which Žito Inc. holds 1,000,000 treasury shares. The nominal value of each share is EUR 1.00.

*11. The existence of any participation certificates, convertible debentures, warrants, options or similar securities or rights, with an indication of their number and the rights they confer.*

Žito Group does not hold any participation certificates, convertible bonds, guarantees, options, or similar securities or rights.

*12. The name, registered office and legal form of each of the undertakings of which the undertaking is a member having unlimited liability*

Žito Group does not hold any interest in unlimited liability companies.

*13. The name and registered office of the undertaking which draws up the consolidated financial statements of the largest group of undertakings of which the undertaking forms part as a controlled group member*

Not applicable.

*14. The name and registered office of the undertaking which draws up the consolidated financial statements of the smallest group of undertakings of which the undertaking forms part as a controlled group member and which is also included in the group of undertakings referred to in point 13.*

Not applicable.

*15. The place where copies of the consolidated financial statements referred to in points 13 and 14 may be obtained, provided that they are available*

Not applicable.

*16. The nature and business purpose of the undertaking's arrangements that are not included in the balance sheet and the financial impact on the undertaking of those arrangements, provided that the risks or benefits arising from such arrangements are material and in so far as the disclosure of such risks or benefits is necessary for the purposes of assessing the financial position of the undertaking*

There are no material arrangements with entities that are not included in the financial statements as of June 30, 2025.

*17. The nature and the financial effect of material events arising after the balance sheet date which are not reflected in the profit and loss account or balance sheet*

In July 2025, Žito Inc. signed an Agreement on the Acquisition of Business Shares of the company Agro-Tovarnik d.o.o. Through the acquisition of shares in this company, Žito Group is expanding the scope of its existing business activities in crop farming and livestock production.

## **6. Statement of persons responsible for preparing financial statements**

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To the best of our knowledge, the unaudited standalone financial statements of Žito Inc. and its subsidiaries (hereinafter: Žito Group) for the six-month period ending June 30 2025, have been prepared in accordance with the Croatian Accounting Act and International Financial Reporting Standards, and provide a complete and true representation of the Company's assets and liabilities, profit and loss, financial position, and operations.

The management report for the period from January 1 to June 30, 2025, contains a true and fair view of the development and business results, along with a description of the most significant risks and uncertainties to which the Group is exposed.

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Jozo Ljubičić

Member of the Management Board for Finance



## 7. Contact

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