

CIAK Grupa d.d. (ZB: CIAK-R-A; ciakgrupa.hr) has published results for the period I– III 2024. Report contains non audited financial statements for period ending 31 March 2024, prepared by the company's Management in accordance with International financial reporting standards (IFRS).

CIAK Group financial results (IFRS)

I- III 2023	I- III 2024	In EUR thousands	I- III 2023	I- III 2024	%
61,776	71,484	Sales revenues	61,776	71,484	16
4,938	5,304	EBITDA ⁽¹⁾	4,938	5,304	7
4,938	5,526	EBITDA without one-off items ⁽²⁾	4,938	5,526	12
2,437	2,322	Profit / (Loss) from operations	2,437	2,322	(5)
2,437	2,544	Profit from operations without one-off items ⁽²⁾	2,437	2,544	4
(438)	(757)	Result from financial activities	(438)	(757)	73
1,999	1,565	Gross profit / (loss)	1,999	1,565	(22)
1,999	1,787	Gross profit / (loss) of period without one-off items⁽²⁾	1,999	1,787	(11)
		Net profit / (loss)	1,639	1,236	(25)
		Net profit / (loss) of period without one-off items	1,639	1,236	(25)
0.08	0.06	Earnings per share ⁽³⁾	0.08	0.06	(25)
2,131	2,265	Simplified free cash flow ⁽⁴⁾	2,131	2,265	6
56,519	69,729	Net debt ⁽⁵⁾	56,519	69,729	23
45	49	Net gearing (%) ⁽⁶⁾	45	49	8
2,807	3,261	CAPEX	2,807	3,261	16

⁽¹⁾ EBITDA (Earnings Before Interest, Taxes, Depreciation and Amortization) = EBIT (Earnings Before Interest and Taxes) + Amortization

⁽²⁾ EBITDA and operating profit in I- III 2024 were negatively affected by EUR 222 thousand one-off staff costs

⁽³⁾ Earnings per share = net profit / number of shares

⁽⁴⁾ Simplified Free Cash Flow = EBITDA without one-off items – CAPEX (capital expenditures)

⁽⁵⁾ Net debt = Long and short-term financial liabilities – Cash and cash equivalents

⁽⁶⁾ Gearing ratio = Long and short-term financial liabilities – Loans and deposits given - Cash and cash equivalents / (Long and short-term financial liabilities – Loans and deposits given - Cash and cash equivalents + Equity)

Compared to last year, reported sales revenue growth amounted to EUR 9.7 million or 16% increase.

EBITDA without one-off items in the first quarter is higher by EUR 0.6 million or 12% compared to the same period of the previous year.

Profit from operations without one-off items generated in the current quarter is higher by 4% compared to the previous year.

With the continuation of acquisitions and market consolidation, net debt as of 31 March 2024 amounts to EUR 69.7 million. The Net debt/EBITDA ratio as of the reporting date is 2.97 and is significantly below the possible rates at the consolidated level.

Capital investments amounted to EUR 3.3 million in first quarter of 2024 and were increased by 16% or EUR 0.5 million compared to the same period of the previous year. The presented CAPEX in both reporting periods includes investments in long-term tangible and intangible assets.

Main external parameters

I- III 2023	I- III 2024		I- III 2023	I- III 2024	%
2,140.46	2,076.70	Lead price (USD/t) *	2,140.46	2,076.70	(3)
1.07	1.09	Average USD/EUR	1.07	1.09	1
1.09	1.08	Closing USD/EUR	1.09	1.08	(1)

* LME market data – period average

Key effects on business result in I- III 2024 in comparison to I- III 2023

- Sales revenues in first quarter of 2024 amounted to almost EUR 71.5 million and increased by 16% compared to the last year.
- Average lead price on the London Stock Exchange in 2024 was 2,076.70 USD/t, i.e., it's lower by 3% compared to the first quarter of the previous year.
- Consolidated EBITDA without one-off items realized in the first quarter of 2024 amounts to EUR 5.5 million and is 12% higher compared to the same period previous year, primarily because of higher realized revenues, continued optimization of procurement processes, and management of operating expenditures.
- Financial expenditures amounted EUR 781 thousand and are 63% higher in comparison with last year's realisation.

Statement by president of the Management Board, Mr. Ivan Leko:

In 2024 CIAK Group continues with the delivery of good business results, despite the continued period of volatile external environment.

Compared to last year, at the consolidated level, the CIAK Group recorded an almost entirely organic increase in sales revenue by 16%, which totalled over EUR 71 million. EBITDA without one-off items recorded an increase of 12% and totalled EUR 5.5 million for the first quarter of 2024.

At the same time, the consolidated gross profit amounted to almost EUR 1.6 million, i.e. slightly less compared to same period last year. Looking at the quarterly level, the expected somewhat lower intensity compared to the first quarter of 2023 is visible in that part, which is primarily the result of last year's stronger business growth in the first quarter. Therefore, the dynamics of the same are expected in the realization of the following periods during the year, not only from the organic growth achieved by the CIAK Group, but also from the inorganic growth realized in the second quarter of 2024.

By realizing the acquisitions of two companies - STAHLGRUBER trgovina d.o.o. Ljubljana and SIM IMPEX Banja Luka d.o.o., a member of LKQ Europe, CIAK Group achieved another of its strategic goals in the further consolidation of the market and the strengthening and growth of CIAK Group's portfolio on the market of Southern and Eastern Europe. It should be noted that the takeover transaction of the company STAHLGRUBER trgovina d.o.o. Ljubljana is fully completed, while the execution of the transaction for the company SIM IMPEX d.o.o. Banja Luka remains subject to approval by the competent authorities.

At the same time, realized capital investments throughout the first quarter of 2024 amounted to EUR 3.3 million and are 16% higher compared to the last year's first quarter. This sends a clear message that CIAK Group continues its business development and keeps its focus on long-term business development and delivery of business results.

*Consolidated Profit & Loss statement of CIAK Group
for period ending 31 March 2023 and 31 March 2024 (in EUR thousands)*

I- III 2023	I- III 2024	In EUR thousands	Notes	I - III 2023	I - III 2024	%
61,776	71,484	Sales revenues		61,776	71,484	16
433	383	Other operating revenues		433	383	(12)
62,209	71,867	Operating revenues	1	62,209	71,867	16
7,693	9,746	Costs of raw materials and consumables		7,693	9,746	27
2,501	2,982	Amortization		2,501	2,982	19
10,590	14,408	Staff costs	3	10,590	14,409	36
34,596	37,015	Costs of goods sold		34,596	37,015	7
3,765	4,952	Other costs		3,765	4,952	32
446	700	Value adjustments		446	700	57
181	(259)	Provisions for costs and risks		181	(259)	(243)
59,772	69,545	Operating expenditures		59,772	69,545	16
2,437	2,322	Profit / (Loss) from operations		2,437	2,322	(5)
41	24	Financial revenues		41	24	(41)
479	781	Financial expenditures	4	479	781	63
(438)	(757)	Profit / (loss) from financial activities		(438)	(757)	73
1,999	1,565	Profit / (Loss) of the period		1,999	1,565	(22)

*Consolidated Statement of financial position of CIAK Group
on 31 December 2023 and 31 March 2024 (in EUR thousands)*

In EUR thousands	Notes	31 December 2023	31 March 2024	%
TOTAL ASSETS				
Fixed assets				
Intangible assets		9,263	9,318	1
Real estate, plant and equipment		54,857	56,674	3
Loans and deposits given		365	368	1
Investment in holdings, securities and other fixed financial assets		315	314	(0)
Receivables		300	333	11
Deferred tax assets		295	296	0
Total fixed assets	5	65,395	67,303	3
Current assets				
Inventories	6	96,157	103,961	8
Customer receivables		36,625	37,438	2
Other receivables		2,725	3,979	46
Loans and deposits given		1,310	1,543	18
Cash & cash equivalents		13,706	5,269	(62)
Total current assets		150,523	152,190	1
Prepaid expenses and accrued revenues		6,542	5,799	(11)
Total assets		222,460	225,292	1
Equity and liabilities				
Equity and reserves				
Initial equity		26,215	26,215	0
Capital reserves		24,505	24,505	0
Other reserves		603	604	0
Retained profit / (Loss brought forward)		11,860	18,900	59
Profit / (Loss) of the period		7,025	1,270	(82)
Minority interest		(37)	(71)	92
Total equity		70,171	71,423	2
Provisions		3	3	0
Long-term liabilities				
Long-term liabilities for loans and deposits	7	54,481	54,853	1
Other long-term liabilities		1,171	1,171	0
Deferred tax liability		778	777	(0)
Total long-term liabilities		56,430	56,801	1
Short-term liabilities				
Liabilities for banks and other creditors loans	7	19,939	20,145	1
Liabilities to suppliers		58,815	61,362	4
Taxes and similar liabilities		9,852	9,418	(4)
Other short-term liabilities		2,602	1,749	(33)
Liabilities to employees		2,724	3,147	16
Total short-term liabilities		93,931	95,821	2
Accruals and deferred income		1,925	1,244	(35)
Total liabilities		152,289	153,869	1
Total equity and liabilities		222,460	225,292	1

Financial result overview and notes

PROFIT AND LOSS STATEMENT

Notes

- 1 **Consolidated revenues** of the CIAK Group in the first quarter of 2024 amounted to EUR 71.9 million, which is EUR 9.7 million or 16% higher compared to the same reporting period last year, of which:
 - o EUR 8.3 million related to organic growth
 - o EUR 1.4 million related to inorganic growth
- 2 **Consolidated EBITDA** realized in the first quarter of 2024 amounted to EUR 5.3 million and is 7% higher compared to consolidated EBITDA realized in the first quarter of the previous year.
- 3 **Staff costs** are EUR 3.8 million or 36% higher compared to the previous year, primarily because of an increase in employee wages.
- 4 **Financial expenditures** compared to the previous year are higher by EUR 302 thousand or 63%.

STATEMENT OF FINANCIAL POSITION

Notes

- 5 **Long-term assets** of the company at the end of the first quarter of this year are higher, compared to the end of the previous year, by 3% or EUR 1.9 million mostly due to realized capital expenditures.
- 6 Compared to the end of the previous year, **inventory level** is EUR 7.8 million or 8% higher at the reporting date, partly as an effect of business expansion on foreign markets.
- 7 **Short-term and long-term loans** on 31 March 2024 increased compared to the 31 December 2023 by EUR 578 thousand, of which:
 - o EUR 1.3 million relates to increase of IFRS 16, long-term leases and loans from legal entities
 - o EUR 0.7 million relates to decrease of debt toward financial institutions and banks

One-off items in EBITDA, operating and gross/net profit

The result of the first quarter of 2024 is negatively affected by EUR 222 thousand one-off staff costs.

Implications of the Russian invasion of Ukraine on the financial statements of 2024

CIAK Group does not have a business relationship with entities from Russia and Ukraine, and in its operations, it is not directly exposed to such entities, given that the Group does not provide its services and products to entities from Russia and Ukraine, and that entities from Russia and Ukraine do not provide their services and products to the Group. The area of the Group's business from the point of view of sales is mostly in the countries where the Group is present: Croatia, Slovenia, Serbia, Montenegro, Bosnia and Herzegovina, and North Macedonia, of which approx. 65-70% of the Group's business is in the Republic of Croatia. In terms of procurement, our key principals are in Europe and EU countries for the largest part of our business (car segment, truck segment, ecology), and for the wholesale segment, imports from Asia. Accordingly, the current situation in Russia does not have any direct impact on the Group.

However, the aforementioned situation globally affects other factors that indirectly have an impact on the entire global market, namely the further rise in the prices of raw materials and energy, pressures on the growth of interest rates, etc. which indirectly could affect some segments of CIAK Group business.

Significant events in 2024

On 16 April 2024, a member of the CIAK Group, the company C.I.A.K. Auto d.o.o. Croatia, signed a takeover transaction of two companies - STAHLGRUBER trgovina d.o.o. Ljubljana and SIM IMPEX Banja Luka d.o.o., a members of LKQ Europe.

The takeover transaction of the company STAHLGRUBER trgovina d.o.o. Ljubljana is fully completed, while the execution of the transaction for the company SIM IMPEX d.o.o. Banja Luka remains subject to approval by the competent authorities.

The company STAHLGRUBER trgovina d.o.o. Ljubljana is one of the independent distributors in the automotive aftermarket (IAM) in Slovenia and generates an annual revenue of over EUR 12 million at three sales locations. With an experienced team that will continue to be led by Mr. Benjamin Lenart as the President of the Management Board, and with a business culture and business expertise very similar to one used in the C.I.A.K. Auto company, we expect to make full use of the synergistic effects and enable the Company to achieve even higher results in the coming years. The company will continue to operate on the market as C.I.A.K. Auto Slovenia, thereby further strengthening the market position of C.I.A.K. Auto in the Adria region.

Considering the core business of the CIAK Group, those takeovers are logical steps towards further strengthening and growth of the CIAK Group's portfolio on the market of Southern and Eastern Europe.

Financial instruments and risks

The risks are explained in detail in CIAK Group's audited Financial Statements for the year ending 31 December 2023.

As of 31 March 2024, CIAK Group had financial debt amounted to **EUR 75 million**, of which **EUR 25.7 million** was related to long-term leases (IFRS 16) and to a lesser extent corporate loans, while **EUR 49.3 million** was related to banks and financial institutions.

Management Board

Financial reports for period I- III 2024 were prepared in accordance with International financial reporting standards (IFRS), i.e., they accurately show, in all material respects, the financial position of the company, the results of its operations and cash flows.

Management Board:

Ivan Leko	President of the Management Board
Dominik Leko	Member
Dalibor Bagarić	Member
Ivica Greguraš	Member
Ivan Miloš	Member