



STUDENAC
MARKET

**ONE OF THE
FASTEST GROWING
FOOD RETAILERS
IN CEE**

STUDENAC

Information about the Company
November 19, 2024

Studenac is the largest food retailer in Croatia by number of stores and the fastest growing in terms of revenue over the last five years.

Since 2018, when it embarked on a comprehensive business transformation marked by organic growth and numerous acquisitions, Studenac has more than tripled the number of stores in its network, reaching over 1,400 locations by the end of September 2024. It has grown from a regional chain to cover all of Croatia, and in 2024 entered neighboring Slovenia.

Studenac prides itself on convenient and accessible stores that meet all of its customers' daily needs, as seen in its dedication to a distinctive single-format consumer proposition that is „I sitno i bitno“ („both small and essential“).

The Company's Management sees potential for further growth based on this unique proximity retail concept. Studenac intends to continue its organic growth by opening new stores and to pursue its proven strategy of consolidating the market

by acquiring other players in Croatia and Slovenia, reaching 3,400 stores by the end of 2028.

The Company's sales revenue grew from EUR 309.5 million in 2021 to EUR 668.1 million in 2023, representing a compound annual growth rate (CAGR) of 46.9%. Over the same period, Adjusted EBITDA¹ grew from EUR 31.3 million to EUR 65.9 million (CAGR of 45.1%). Pro forma sales revenue and pro forma Adjusted EBITDA for 2023² were EUR 702 million and EUR 70.7 million, respectively. The Management's target is to grow Group sales revenue by approximately 30% (on a pro forma basis²) in 2024 compared to 2023, and at a CAGR of 25-30% in the medium term.

Since 2018, Studenac's majority shareholder has been a fund managed by Enterprise Investors, one of the largest private equity firms in Central and Eastern Europe, with unique experience and a proven track record of successful investments in the retail sector.

¹ For more information on Adjusted EBITDA, see definition and calculation on page 5.

² Including the results of operations of stores acquired during the relevant period (and thereafter in the case of pro forma information for the first eight months of 2024) as if such stores had been acquired on 1 January of such year. Note: the same explanation applies whenever pro forma results are referred to in this document.

#1 store network in Croatia...

Studenac is the fastest growing food retailer in Croatia in terms of revenue over the past five years. As of September 30, 2024, Studenac had 1,404 stores, including 1,372 locations in Croatia, making it the largest store network in the country, and 32 stores in Slovenia following its entry into that market in 2024.

Studenac has established a strong presence in local communities, from urban centers like Zagreb and Split, to rural regions with lower population density, and islands on the Adriatic coast with a strong tourism industry.

...with a proven business model distinguished by its unique proximity format...

Studenac operates proximity stores, meaning that its outlets are strategically located close to customers and tailored to fit the specific needs of the surrounding community and local conditions (e.g. traffic patterns, tourism). Studenac stores are typically located closer to consumers and in more convenient locations than those of its competitors. According to an analysis by strategy consultancy OC&C, about 71% of Studenac's customers spent less than five minutes getting to its stores (much quicker than for competitors), with a large proportion arriving on foot.

Studenac's stores are centered around its "I sitno I bitno" ("both small and essential") consumer proposition, offering quick, quality shopping for all of its customers' daily needs.

Studenac has a unique single-format store portfolio, integrated and operating in general under one brand, with an average sales area of 111 square meters. Studenac offers a typical range of 2,000 to 4,000 branded and private label SKUs per store, an assortment of to-go products and certain additional services. It appeals to consumers through its offering of daily proximity shopping, with a comprehensive product range that meets their daily needs, including a selection of fresh products. Unlike bigger formats it serves smaller shopping missions of Croatians and tourists that are summed up under 'food for today, food for tomorrow' concept.

...in Croatia's attractive, high- growth food retail market

Studenac primarily operates in the Croatian grocery sector, which has a total addressable market of EUR 10.2 billion (as of 2023), grew at a CAGR of 5.5% from 2018 to 2023 and has a projected CAGR of 4.8% in the next five years, according to the OC&C analysis.

The two fastest growing major segments of the Croatian grocery market in terms of revenue are smaller format stores such as Studenac's, and discounters. These segments complement each other in terms of purchase mission, with customers buying in bulk at discounters while also visiting small format stores for convenience.

STUDENAC AT A GLANCE

1,404

stores as of September 30, 2024

111 SQM

average sales area per store

2,000-4,000

SKUs per store

6,700+

employees as of September 30, 2024

EUR 608.8M

8M 2024 sales revenue (on a pro forma basis³)

EUR 72.1M

8M 2024 Adjusted EBITDA⁴ (on a pro forma basis³)

13.1%

8M 2024 LFL⁵ sales growth

10

completed acquisitions in 2018 – 9M 2024

³ Including the results of operations of stores acquired during the relevant period (and thereafter in the case of pro forma information for the first eight months of 2024) as if such stores had been acquired on 1 January of such year.

⁴ For more information on Adjusted EBITDA, see definition and calculation on page 5.

⁵ For the same number of stores in the comparable periods, i.e. excluding newly opened and closed stores.

Studenac has strength across both residential locations, which provide it with a stable revenue base across all seasons, and tourist-led sites, which allow it to capitalize on Croatia's status as a tourism destination. In 2023, Croatia welcomed around 21 million tourists (both domestic and foreign) with approximately 107 million overnights, according to the OC&C analysis. The adoption of the euro and Croatia's entry into the Schengen zone at the beginning of 2023 are expected to result in an increase in the number of tourists, mostly from Germany and elsewhere in Western Europe.

According to OC&C, Studenac's market share in Croatia in 2023 was 6.6% based on total revenue, an increase of 4.1 percentage points from 2018. There is a long tail of independent players who have about 18% of the Croatian grocery market, including traditional grocery and forecourt retailers, which the Company believes provides a base for further growth in market share.

From a family-owned business to a results-oriented professional organization

Studenac was established in 1991 in Omiš. In August 2018, the Company was acquired by Polish Enterprise Fund VIII (PEF VIII), managed by Enterprise Investors, one of the largest private equity firms in Central and Eastern Europe. Enterprise Investors boasts unique experience and a proven track record of successful



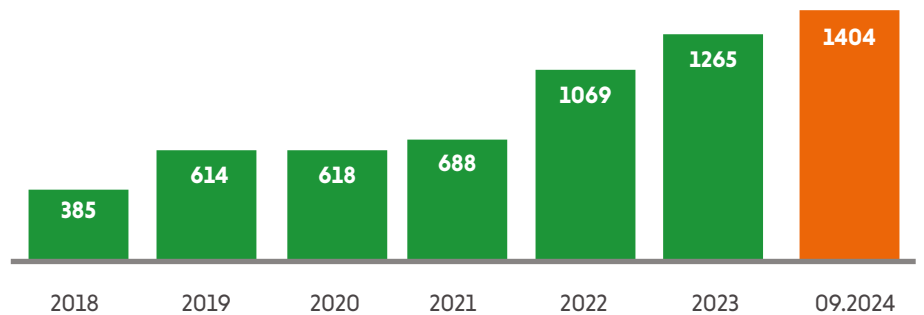
investments in the retail sector. This includes Dino Polska S.A., one of the largest retailers in Poland, which successfully went public on the Warsaw Stock Exchange in 2017, and Profi Rom Food, the largest supermarket chain in Romania, which was sold to another private equity firm in 2016.

At the time of its acquisition by PEF VIII, Studenac operated 385 stores. Following the acquisition, a new management team joined and Studenac commenced an accelerated expansion. The Company has been transformed from a family-owned busi-

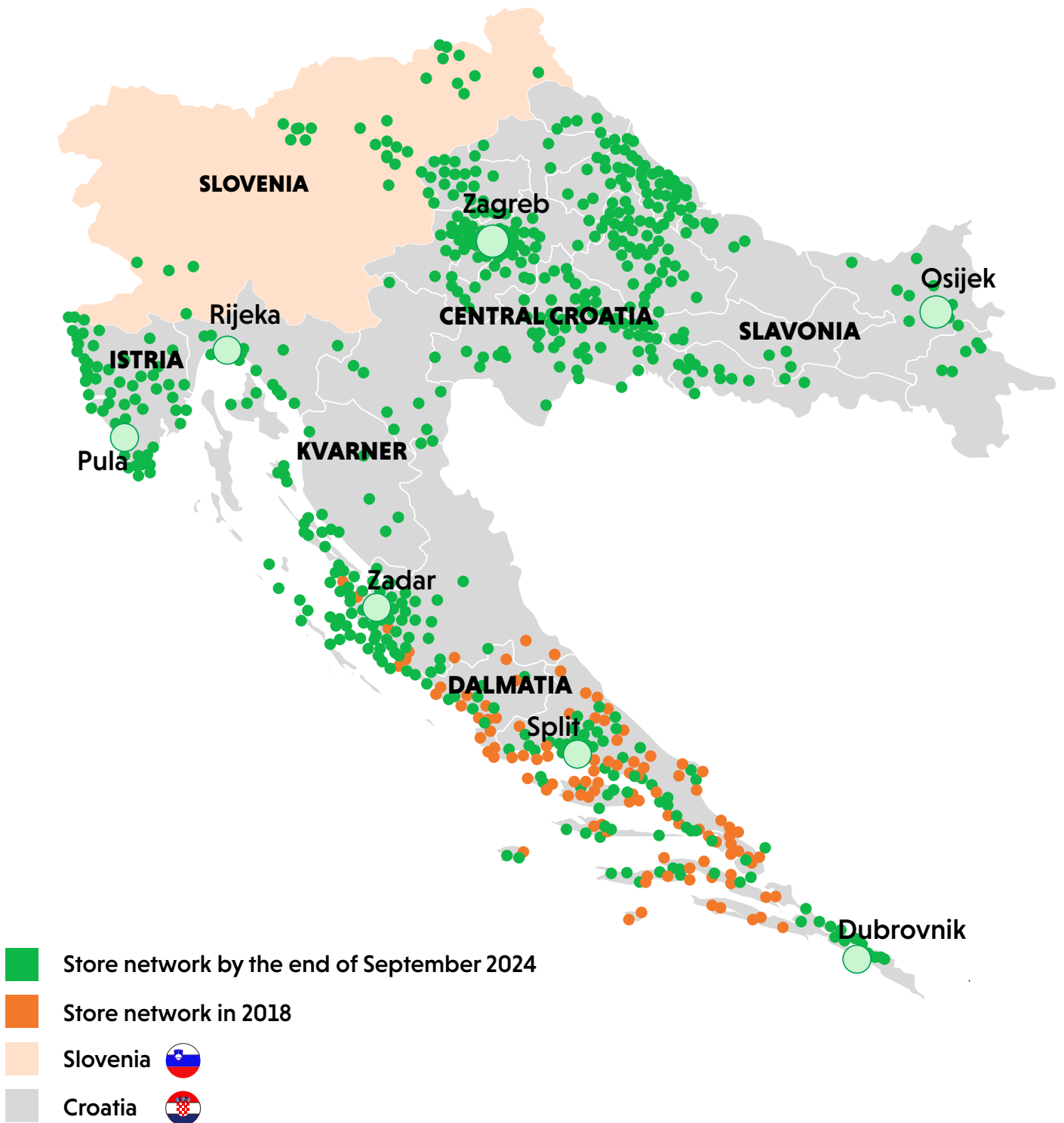
ness to a results-oriented professional organization.

With digitalization firmly embedded in its DNA, Studenac has become one of the fastest-growing players in the expanding Croatian grocery sector. It has been expanding rapidly, both organically and through acquisitions. From 2018 to the end of September 2024, Studenac opened 491 new stores and acquired 725 stores, buying up Istarski Supermarketi, Sonik, Bure, Pemo, Lonia, Strahinjčica, Špar Trgovina, LA-VOR, Decentia in Croatia and Kea in Slovenia.

Number of stores



STUDENAC'S STORE NETWORK



Strong financial performance with outsized sales growth

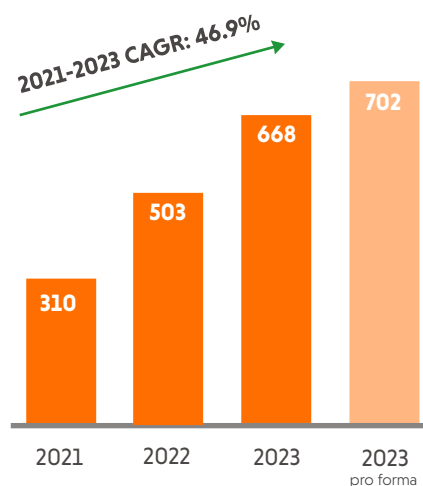
Studenac has dynamically grown its sales revenue through its organic roll-out of new stores and acquisitions, as well as through like-for-like (LFL) growth⁶.

Sales revenue increased from EUR 309.5 million in 2021 to EUR 668.1 million in 2023, representing a compound annual growth rate (CAGR) of 46.9%. Over the same period, Adjusted EBITDA⁷ grew from EUR 31.3 million to EUR 65.9 million (CAGR of 45.1%). Pro forma sales revenue and pro forma Adjusted EBITDA for 2023⁸ were EUR 702 million and EUR 70.7 million, respectively. Studenac's LFL growth in sales revenue was 5.6% in 2021, 18.0% in 2022 and 16.3% in 2023.

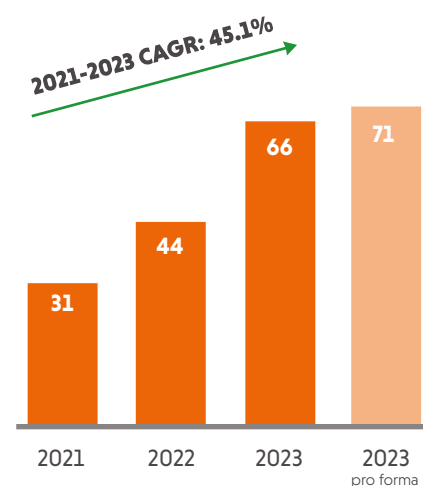
In the first eight months of 2024, Studenac generated consolidated sales revenue of EUR 556.5 million, up 19.7% y/y, with LFL growth of 13.1%. Over the same period, Adjusted EBITDA increased to EUR 66.9 million (+22.3% y/y). Pro forma sales revenue and pro forma Adjusted EBITDA for the first eight months of 2024 were EUR 608.8 million and EUR 72.1 million, respectively.

The Management's target is to grow Group revenues at rate of approximately 30% (on a pro-forma basis) in 2024 compared to 2023, and at a CAGR of 25-30% in the medium term.

Sales revenue (EUR million)



Adjusted EBITDA (EUR million)



⁶ For the same number of stores in the comparable periods, i.e. excluding newly opened and closed stores.

⁷ For more information on Adjusted EBITDA, see definition and calculation in a box below.

⁸ Including the results of operations of stores acquired during the relevant period (and thereafter in the case of pro forma information for the first eight months of 2024) as if such stores had been acquired on 1 January of such year. Note: the same explanation applies whenever pro forma results are referred to in this document.

WHAT IS ADJUSTED EBITDA?⁹

It is a Post-IFRS 16 EBITDA adjusted for **events not related to Studenac's main activity** such as **expenses related to due diligence processes¹⁰ and mergers and acquisitions and post-merger integration expenses¹¹**.

(EUR million, Unaudited)	2021	2022	2023
Post-IFRS 16 EBITDA	30.2	40.2	62.5
Post-IFRS 16 Adjusted EBITDA	31.3	43.6	65.9

⁹ Post-IFRS 16 Adjusted EBITDA measures Studenac's results of operations after eliminating differences in performance caused by variations in capital structure, tax position and depreciation and amortization, as well as expenses that are linked to the growth in the scale of the business and are not related to Studenac's direct retail activities. This enables the Management to evaluate Studenac's results of operations related solely to direct retail activities.

¹⁰ Including expenses related to commercial, financial, tax and legal vendor due diligence services and discretionary bonuses paid to employees engaged in the due diligence process.

¹¹ Including external employee bonuses, costs related to the integration process of acquired companies and legal, financial and other advisor costs incurred as part of completed acquisitions.



... and going beyond Croatia's borders

The Management also believes that Studenac's store format is suitable for expansion into foreign markets. In 2024 it entered Slovenia, which has similarly favorable market characteristics to Croatia.

Slovenia offers attractive macroeconomic and demographic fundamentals, including membership in the eurozone and the highest GDP per capita of the European Union's 11 CEE members (based on 2023 data by Eurostat).

According to the Management, Studenac's store format is well tailored to the Slovenian market, and Slovenian and Croatian consumers' tastes and habits are similar. OC&C has identified around 700 white space locations suitable for the Studenac format across Slovenia.

Further growth in Croatia...

The Company's Management believes that Studenac is well positioned for further growth in Croatia. Studenac's strategy is built around several growth levers, including developing scale and flexibility, LFL growth, improving the value proposition and enhancing the customer experience.

Studenac intends to continue its organic growth through store openings in Croatia. In full year 2024, the Company is aiming to open around 140 stores, and the Management expects the number of new stores to

grow each year, capitalizing on the white space opportunity in Croatia. Strategy consultancy OC&C estimates that there are 3,200 white space locations suitable for the Studenac format across Croatia.

Studenac also intends to continue pursuing its proven strategy of consolidating the market by acquiring other players. The Croatian retail market's fragmentation makes it attractive for a consolidator such as Studenac, as well as the increasing importance of proximity shopping in Croatia, which is conducive to Studenac's business model. The Company has proven experience in acquiring and successfully integrating other retail networks around the country.

Target: 3,400 stores by the end of 2028

In total, by opening new stores and by acquiring other players in Croatia and Slovenia, Studenac intends to reach 3,400 stores by the end of 2028.

Studenac has a data-driven approval process for new sites, supported by a sophisticated location assessment tool, which makes automated recommendations for site evaluation and uses machine learning to better identify suitable new locations. This tool makes the rollout of new stores much quicker and more efficient and has cut

the number of closures by identifying locations with potential for high performance.

Studenac is focused on driving efficiency and profitability, including through digital tools used across strategic areas of the business. Digitalization and innovation are firmly embedded across the organization, supported by an in-house Center of Excellence, Studenac Digital, located in Zagreb. The Company's Management believes that new solutions, such as advanced analytics tools in the areas of pricing and promotions, provide a competitive advantage in the local market.

Studenac intends to continue developing its logistics and supply chain to enhance the quality of fresh products and on-shelf availability, as well as reducing the lead time for deliveries to stores. Improving the quality of fresh products is a key enabler of Studenac's strategy of increasing the proportion of fresh products in its sales mix. This is important not only for margin improvement but also as a driver of LFL growth.

Studenac is in the process of transforming and centralizing its logistics structure to support growth and improve profitability. The Company plans to double the share of centralized deliveries from 33% in 2023 to 65% in 2028, driving efficiencies and profitability, including through the ability to negotiate better terms with suppliers.

Studenac's commitment to ESG

Studenac is an environmentally conscious organization focused on reducing its carbon footprint through energy-savings initiatives and the



use of renewable energy. Since 2021, Studenac has held the ZelEn (green energy) certificate. 90% of the energy it uses comes from renewable sources purchased from the national electricity company, HEP Group.

Studenac's biodiversity initiatives include its "Step Closer to Nature" project, which was introduced in 2020. The focus is on cleaning the sea across the Adriatic coast and on urban biodiversity. Studenac has also intro-

duced an underground water protection initiative as part of the project.

Studenac's social initiatives are focused on local community projects, support for non-governmental organizations and diversity and inclusion. Studenac introduced its "Step Closer to Community" project in 2021. The focus of the project is on supporting NGOs, socially disadvantaged, vulnerable groups and children and on promoting health topics.



Qualified Management Board with a broad range of skills and experience

The Studenac management team comprises a mix of foreign industry experts, with experience across many other food retailers, and seasoned local managers with knowledge of the retail industry and the Croatian market.



Michał Seńczuk
Chief Executive Officer



Michał Halwa
Chief Financial Officer



Dragan Baškarad
Chief Operating Officer



Filip Bilanović
Chief Development Officer



Rafał Cieślakowski
Chief Commercial Officer



Nina Mimica
Chief Innovation Officer



Andrija Topić
Chief Acquisition
and Integration Officer

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A copy of the Prospectus together with its summary translated into Polish and Croatian has been published by the Company on the Company's website (www.studenacgroup.eu) and on the website of the Luxembourg Stock Exchange (www.luxse.com).

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