

## ELECTRONIC DISTRIBUTION DISCLAIMER

### STRICTLY NOT TO BE FORWARDED TO ANY OTHER PERSONS

**IMPORTANT:** You must read the following before continuing. The following applies to the attached Prospectus (the "**Prospectus**") relating to Studenac Group S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 1, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés, Luxembourg*) under number B 218210 (the "**Company**"). You are therefore advised to read this carefully before reading, accessing or making any other use of the Prospectus. In accessing the attached Prospectus, you agree to be bound by the following terms and conditions, including any modifications to them any time you receive any information from us as a result of such access. You acknowledge that this electronic transmission and the delivery of the attached Prospectus and you agree you will not forward, reproduce, copy or publish this electronic transmission or the attached Prospectus whether electronically or otherwise to any other person. The Prospectus has been prepared solely in connection with (i) the offering of up to 31,103,927 existing shares in the Company to Institutional Investors, (ii) the offering of up to 24,066,667 new shares in the Company to Polish Retail Investors Croatian Retail Investors (the "**Offering**"); and (iii) the seeking of the admission and introduction to trading on the regulated market of the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) and admission to trading on the regulated market (Official Market Segment) of the Zagreb Stock Exchange (*Zagrebačka burza d.d.*) of all of the shares in the Company (the "**Shares**"). The Prospectus has been approved by the Commission de Surveillance du Secteur Financier as competent authority under Article 2(e) of Regulation (EU) 2017/1129 (the "**Prospectus Regulation**") and notified to the Croatian Financial Services Supervisory Agency (*Hrvatska agencija za nadzor financijskih usluga*), and the Polish Financial Supervision Authority (*Komisja Nadzoru Finansowego*). The Prospectus has been published on the Company's website at <https://www.studenacgroup.eu>. Prospective investors are advised to access such information prior to making an investment decision.

THIS ELECTRONIC TRANSMISSION AND THE ATTACHED PROSPECTUS MAY ONLY BE DISTRIBUTED IN CONNECTION WITH "**OFFSHORE TRANSACTIONS**" AS DEFINED IN, AND IN RELIANCE ON, REGULATION S UNDER THE U.S. SECURITIES ACT ("**REGULATION S**") OR WITHIN THE UNITED STATES TO QUALIFIED INSTITUTIONAL BUYERS AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT ("**RULE 144A**") OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

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THE SHARES IN THE COMPANY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON THAT THE SELLER AND ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QIB IN RELIANCE ON RULE 144A OR PURSUANT TO ANOTHER EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR (2) OUTSIDE OF THE UNITED STATES, TO CERTAIN INVESTORS IN OFFSHORE TRANSACTIONS IN ACCORDANCE WITH REGULATION S.

This electronic transmission, the attached Prospectus and the Offering when made are only addressed to and directed at:

- (a) persons in the Republic of Poland who are natural persons (individuals), corporate entities (legal persons) and non-corporate entities other than individuals (organizational units without legal personality) ("**Polish Retail Investors**");
- (b) persons in the Republic of Croatia who do not qualify as a qualified investor under the Croatian Capital Markets Act and are (i) natural persons (individuals) who are at least eighteen old and have a Croatian citizenship or have a foreign citizenship but reside in the Republic of Croatia or (ii) corporate entities (legal persons) with their registered office in the Republic of Croatia ("**Croatian Retail Investors**"); and
- (c) institutional investors in each case in accordance with Regulation S under the U.S. Securities Act and to persons in member states of the European Economic Area, other than Poland and Croatia, who are „qualified investors” within the meaning of Article 2(e) of the Prospectus Regulation ("**Institutional Investors**").

In the United Kingdom, this electronic transmission and the attached Prospectus is being distributed only to, and is directed only at, persons: (A) (i) who have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”), (ii) falling within Article 49(2)(a) to (d) of the Order and (iii) to whom it may otherwise lawfully be communicated; and (B) who are „qualified investors” within the meaning of Article 2(e) of the assimilated Prospectus Regulation as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018 (all such persons together being referred to as “**Relevant Persons**”).

This electronic transmission and the attached Prospectus must not be acted on or relied on (i) in Poland, by persons who are not Polish Retail Investors or Institutional Investors, (ii) in Croatia, by persons who are not Croatian Retail Investors or Institutional Investors, (iii) in the United Kingdom, by persons who are not Relevant Persons, and (iv) in any member state of the European Economic Area (other than Poland and Croatia), by persons who are not Institutional Investors. Any investment or investment activity to which the attached Prospectus relates is available only to (i) in Poland, Polish Retail Investors or Institutional Investors, (ii) in Croatia, Croatian Retail Investors or Institutional Investors, (iii) in the United Kingdom, Relevant Persons, and (iv) in any member state of the European Economic Area (other than Poland and Croatia), Institutional Investors, and will be engaged in only with such persons.

You are reminded that you have received this electronic transmission and the attached Prospectus on the basis that you are a person into whose possession this electronic transmission and the attached Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this electronic transmission or the attached Prospectus, electronically or otherwise, to any other person. The attached Prospectus has been made available to you in an electronic form. You are reminded that Prospectus transmitted via this medium may be altered or changed during the process of electronic transmission and consequently neither the Company, the Joint Global Coordinators (as defined in the Prospectus) and the Investment Firms (as defined in the Prospectus) nor any of their respective affiliates, directors, officers, employees, agents or advisers accepts any liability or responsibility whatsoever in respect of any difference between the Prospectus distributed to you in electronic format and the hard copy version. A hard copy of the Prospectus will be made available to you only upon request.

By accessing the attached Prospectus, you consent to receiving it in electronic form. None of the Joint Global Coordinators or the Investment Firms nor any of their respective affiliates, directors, officers, employees, agents or advisers accepts any responsibility whatsoever for the contents of the attached Prospectus or for any statement made or purported to be made by them, or on their behalf, in connection with the Company, the Offering or the Shares. To the fullest extent permitted by law, such persons accordingly disclaim all and any liability whether arising in tort, contract or otherwise which they might otherwise have in respect of such Prospectus or any such statement. No representation or warranty express or implied, is made by the Joint Global Coordinators, the Investment Firms or any of their respective affiliates, directors, officers, employees, agents or advisers as to the accuracy, completeness, reasonableness, verification or sufficiency of the information set out in the attached Prospectus.

The Joint Global Coordinators and the Investment Firms are acting exclusively for the Company and the selling shareholders and no one else in connection with the Offering. They will not regard any other person (whether or not a recipient of the attached Prospectus) as their client in relation to the Offering and will not be responsible to anyone other than the Company and the selling shareholders for providing the protections afforded to their respective clients nor for giving advice in relation to the Offering or any transaction or arrangement referred to in the attached Prospectus.

**Restriction:** Nothing in this electronic transmission constitutes, and this electronic transmission may not be used in connection with, an offer of securities for sale to persons other than the specified categories of institutional buyers described above and to whom it is directed and access has been limited so that it shall not constitute a general solicitation. If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the securities described therein.

**You are responsible for protecting against viruses and other destructive items.** Your receipt of this Prospectus via electronic transmission is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

**STUDENAC MARKET**

## Studenac Group S.A.

(a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office in Luxembourg, Grand Duchy of Luxembourg)

**Offering of up to 55,170,594 shares in the Company with a nominal value of EUR 0.01 each, including up to 31,103,927 Sale Shares and up to 24,066,667 New Shares, and the seeking of the admission and introduction (in Poland) and admission (in Croatia) of all up to 157,630,267 shares in the Company to trading on the regulated (main) market of the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*) and the regulated market (Official Market Segment) of the Zagreb Stock Exchange (*Zagrebačka burza d.d.*)**

**Offer Price Range PLN 13.60 to 14.40 / EUR 3.14 to 3.32 (Institutional Investors)  
Maximum Price PLN 14.40 / EUR 3.32 (Retail Investors)**

This prospectus (the "**Prospectus**") has been prepared in relation to: (i) the offering of up to 31,103,927 existing shares in Studenac Group S.A., a public limited liability company (*société anonyme*) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 1, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (*Registre de commerce et des sociétés, Luxembourg*) under number B 218210 (the "**Company**" or the "**Issuer**"), with a nominal value of EUR 0.01 each (the "**Sale Shares**"), offered for sale by Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII ("**PEF**"), with its registered office in Luxembourg (the "**Principal Selling Shareholder**"), Beragua Capital Advisory S.L., with its registered office in Madrid, Spain ("**Beragua**"), Heunadel Retail Invest GmbH with its registered office in Halle (Saale), Germany ("**Heunadel**"), Elisario Limited with its registered office in Nicosia, Cyprus ("**Elisario**") and Vladimir Bosiljevac (jointly, together with the Principal Selling Shareholder, the "**Selling Shareholders**"); (ii) the offering of up to 24,066,667 new shares in the Company, with a nominal value of EUR 0.01 each (the "**New Shares**" and, together with the Sale Shares, the "**Offer Shares**") (together with the offering of the Sale Shares, the "**Offering**"); and (iii) the seeking of the admission and introduction to trading on the regulated market of the Warsaw Stock Exchange (*Giełda Papierów Wartościowych w Warszawie S.A.*, the "**WSE**") and admission to trading on the regulated market (Official Market Segment) of the Zagreb Stock Exchange (*Zagrebačka burza d.d.*, the "**ZSE**") (together, "**Admission**") of all of the shares in the Company, including the Sale Shares and the New Shares, being up to 157,630,267 ordinary shares with a nominal value of EUR 0.01 each (the "**Shares**").

This Prospectus constitutes a prospectus in the form of a single document within the meaning of Article 6(3) of Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC, as amended (the "**Prospectus Regulation**") and has been prepared in accordance with the provisions of the Prospectus Regulation and the Luxembourg law of 16 July 2019 on prospectuses for securities.

The Company intends to raise gross proceeds of approximately €80 million from the issuance of New Shares in the Offering. The Selling Shareholders intend to sell up to 31,103,927 Sale Shares in the Offering. The final number of Offer Shares (the "**Final Number of Offer Shares**"), as well as the final price of the Sale Shares for Retail Investors (the "**Final Price of the Sale Shares for Retail Investors**") and the final offer price of the Offer Shares for Institutional Investors (the "**Final Price of the Offer Shares for Institutional Investors**") will be determined both in PLN (for Polish Retail Investors and Institutional Investors who elect to settle through the KDPW (as defined below)) and in EUR (for Croatian Retail Investors and Institutional Investors who elect to settle through the SKDD (as defined below)), by the Company and the Principal Selling Shareholder (acting jointly) in agreement with Erste Group Bank AG, Erste Securities Polska S.A. and ERSTE&STEIERMÄRKISCHE BANK d.d. (Erste Group Bank AG, Erste Securities Polska S.A. and ERSTE&STEIERMÄRKISCHE BANK d.d., "**Erste**"), Jefferies GmbH ("**Jefferies**"), J.P. Morgan SE ("**J.P. Morgan**"), Santander Bank Polska S.A. – Santander Biuro Maklerskie ("**SBM**") and Banco Santander, S.A. ("**Banco Santander**") and, together with SBM, "**Santander**") (together, the "**Joint Global Coordinators**") which are acting as the joint global coordinators and the joint bookrunners in relation to the Offering. The final number of Offer Shares to be offered to each category of investor (including the final number of the Sale Shares to be offered to Retail Investors) will be determined by the Company and the Principal Selling Shareholder (acting jointly) in agreement with the Joint Global Coordinators. The final number of Offer Shares to be offered to each category of investor (including the final number of the Sale Shares to be offered to Retail Investors), the Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors will be made public in accordance with the procedure set forth in Article 17(2) in connection with Article 21(2) of the Prospectus Regulation, i.e., in the manner in which the Prospectus has been published (on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com) and on the website of the Company at <https://www.studenacgroup.eu>). In accordance with the expected timetable of the Offering, the release of the foregoing information to the public is expected to take place on or about 27 November 2024.

The Offering consists of: (i) a public offering to retail investors in Poland ("**Polish Retail Investors**") and institutional investors in Poland ("**Polish Institutional Investors**") (the "**Polish Offering**") in accordance with Regulation S ("**Regulation S**") under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (ii) a public offering to retail investors in Croatia ("**Croatian Retail Investors**" and, together with Polish Retail Investors, "**Retail Investors**") and institutional investors in Croatia ("**Croatian Institutional Investors**") (the "**Croatian Offering**") in accordance with Regulation S; (iii) an offering in the United States of America to qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A under the U.S. Securities Act ("**Rule 144A**"); and (iv) an international placement to certain institutional investors outside of the United States of America, Poland and Croatia ("**International Institutional Investors**" and, together with Polish Institutional Investors, Croatian Institutional Investors and QIBs, "**Institutional Investors**") in accordance with Regulation S and pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation (the "**International Offering**").

The *Commission de Surveillance du Secteur Financier* (the "**CSSF**"), as the competent authority under the Prospectus Regulation, has approved the Prospectus as meeting the standards of completeness, comprehensibility and consistency imposed by the Prospectus Regulation. Such approval should not be considered as an endorsement of the Company that is, or the quality of the securities that are, the subject of the Prospectus. By approving this Prospectus, the CSSF gives no undertaking as to the economic and financial soundness of the transaction and the quality or solvency of the Company in keeping with the provisions of Article 6(4) of the Luxembourg Prospectus Law. The CSSF has neither reviewed nor approved any information in relation to International Offering and to the offering to the Institutional Investors. In order to be able to conduct the Polish Offering and the Croatian Offering and to list the Shares on the regulated market of the WSE and the regulated market of the ZSE, the Issuer has applied for a notification of this Prospectus pursuant to Article 25 of the Prospectus Regulation into Poland and Croatia.

Pursuant to Article 12(1) of the Prospectus Regulation, this Prospectus shall be valid until 19 November 2025, being date twelve months after its approval by the CSSF. The information contained in this Prospectus speaks only as of the date hereof and any obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (insofar as required under the Prospectus Regulation) will not apply after the time when trading in the Offer Shares on a regulated market of the WSE and the regulated market of the ZSE begins, i.e. after 10 December 2024.

Prospective investors should note that the Polish Offering and Croatian Offering described in the Prospectus are conducted exclusively within the territory of, respectively, Poland and Croatia, and the Prospectus is the sole legally binding document that has been prepared for the purposes of the Polish Offering and the Croatian Offering and Admission and which contains information on the Company and the Shares (including the Offer Shares).

For the purpose of the bookbuilding process applicable to Institutional Investors, the price range for the Offer Shares offered to Institutional Investors has been set at (i) PLN 13.60 to 14.40 and (ii) EUR 3.14 to 3.32 per Offer Share. Institutional Investors will be able to subscribe for the Offer Shares during the bookbuilding process. Following the bookbuilding process, Polish Institutional Investors will be able to submit purchase/subscription orders from 28 November 2024 to 29 November 2024. Retail Investors will be able to submit purchase orders from 20 November 2024 to 27 November 2024 (until 14:59 CET). The Maximum Price for Polish Retail Investors has been set at PLN 14.40 per Sale Share and the Maximum Price for Croatian Retail Investors has been set at EUR 3.32 per Sale Share. The Offer Price Range set in PLN, the Offer Price Range set in EUR, the maximum Offer Price for Polish Retail Investors, and the maximum Offer Price for Croatian Retail Investors have been determined

taking into account the average exchange rate for these currencies announced by the National Bank of Poland on 18 November 2024, i.e. the business day preceding the date of the approval of the Prospectus, which is EUR 1 = PLN 4.3320.

The Final Price of the Sale Shares for Retail Investors in PLN, the Final Price of the Sale Shares for Retail Investors in EUR, the Final Price of the Offer Shares for Institutional Investors in PLN and the Final Price of the Offer Shares for Institutional Investors in EUR will be determined in the bookbuilding process, taking into account, among other things, current and anticipated conditions in the Polish, Croatian and international capital markets and a qualitative and quantitative assessment of demand for the Offer Shares while ensuring fair treatment of respective investors. Therefore, the Final Price of the Sale Shares for Retail Investors in PLN and the Final Price of the Offer Shares for Institutional Investors in PLN may not correspond to, respectively, the Final Price of the Sale Shares for Retail Investors in EUR and the Final Price of the Offer Shares for Institutional Investors in EUR converted at the exchange rate of these currencies on any day of the Offering. In no event will the Final Price of the Sale Shares for Retail Investors in PLN or the Final Price of the Sale Shares for Retail Investors in EUR exceed the Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors, respectively.

The Offer Shares are being offered, as specified in this Prospectus, subject to cancellation, suspension or modification of the Offering and subject to certain other conditions. Please see "Terms and Conditions of the Offering". The Offer Shares will, upon Admission, rank *pari passu* in all respects with each other and with all other existing shares of the Company, including in respect of the right to receive dividends or other distributions declared, made or paid following Admission.

Institutional Investors who elected to settle through the KDPW may be allotted both New Shares and Sale Shares. The intention of the Company and the Selling Shareholders is that Retail Investors and Institutional Investors who elect to settle through the SKDD will be allotted Sale Shares only. New Shares will not be allotted to Retail Investors. In case not all Offer Shares are sold in the Offering, the New Shares will be allotted first and shall have priority over the Sale Shares.

The Shares (including the Offer Shares) have not been previously and are not currently admitted to trading on any regulated market. In connection with the dematerialisation and registration of the Shares (including the Offer Shares) in the securities depository operated by the National Depository for Securities (*Krajowy Depozyt Papierów Wartościowych S.A.*) (the "KDPW"), as primary depository, and the Central Depository & Clearing Company Inc. (*Središnje klirinško depozitarno društvo, dioničko društvo*) (the "SKDD", and together with the KDPW, the "NDSs"), as secondary depository, the Issuer has obtained the following ISIN code number: LU2911783244. The Company will file applications with the NDSs for the registration of the Shares (including the Offer Shares) in the securities depository maintained by, respectively, the KDPW (pursuant to Article 5a(1) or 5(1) of the Polish Act on Trading in Financial Instruments dated 29 July 2005 (the "Act on Trading in Financial Instruments")) and the SKDD (pursuant to the SKDD Rules dated 17 December 2021 (as amended), in particular Sections 3 and 4) in such a way that their registration in the NDSs will take place at a time that will allow for the registration of the Offer Shares in the securities accounts of investors, as well as the commencement of trading in the Shares on the regulated (main) market operated by the WSE and on the regulated market (Official Market Segment) operated by the ZSE, on the terms and dates specified in this Prospectus. It is the Company's and the Selling Shareholders' intention that trading in Shares on the regulated market of the WSE and the regulated market (Official Market Segment) of the ZSE will commence around 10 December 2024.

**Investing in the securities described in the Prospectus is subject to a high degree of risk inherent in investments in capital markets equity instruments and risks related to the Company's and Studenac's operations and their business environment. Prospective investors should read the entire document, in particular the section "Risk Factors" of this Prospectus. Stock exchange quotations of the Shares (including the Offer Shares) may decline, and investors could lose all or part of their investment. An investment in the Offer Shares does not guarantee the achievement of any expected profitability level. An investment in the Offer Shares is appropriate only for investors that do not need guaranteed income or capital protection, that (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and that have sufficient resources to be able to bear any losses that may result therefrom. Investors should make their own assessment as to the suitability of investing in the Offer Shares.**

**This Prospectus does not constitute an offer to sell, or a solicitation of an offer to buy, Offer Shares from persons in any jurisdiction in which the making of such offer or solicitation would be illegal. The Polish Offering and the Croatian Offering are being conducted exclusively within the territory of, respectively, Poland and Croatia. Any investor domiciled or established outside of the territory of Poland or Croatia that intends to participate in the Offering should become acquainted with Polish and Croatian law (to the extent that they may apply to the participation of the investor in such Offering). The Offer Shares have not been registered or approved and are not the subject of a notification submitted to any regulatory body in any jurisdiction, other than the Grand Duchy of Luxembourg, Poland and Croatia.**

**THE OFFER SHARES HAVE NOT AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED WITHIN THE UNITED STATES EXCEPT IN RELIANCE ON AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT OR IN ANOTHER TRANSACTION EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, SUBJECT TO COMPLIANCE WITH THE RELEVANT LAWS REGULATING TRADING IN SECURITIES IN ANY STATE OR JURISDICTION IN THE UNITED STATES. OUTSIDE THE UNITED STATES, THE OFFER SHARES ARE BEING OFFERED IN RELIANCE ON REGULATION S OF THE U.S. SECURITIES ACT. THE OFFER SHARES ARE SUBJECT TO CERTAIN RESTRICTIONS ON SALE, OFFER, SUBSCRIPTION AND DISPOSAL AS SET OUT IN THE SECTION ENTITLED "SELLING RESTRICTIONS". NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OF AMERICA HAS APPROVED OR DISAPPROVED THE OFFER OF THE OFFER SHARES OR PASSED ANY RESOLUTION REGARDING THE ADEQUACY OR ACCURACY OF THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENCE.**

In connection with the Offering, Erste Group Bank AG, acting as stabilising manager (the "Stabilising Manager"), will have the right to acquire the Shares on the WSE and the ZSE in a total amount not exceeding 10% of the Final Number of Offer Shares (the "Number of Stabilisation Shares") in order to stabilise the price of the Shares at a level higher than that which would otherwise prevail. The acquisition of the Shares for the purposes of stabilisation will be subject to the provisions of Commission (EU) Delegated Regulation 2016/1052 of 8 March 2016 (the "Stabilisation Regulation"). The purchase transactions related to the Shares will be effected during a period not longer than 30 days following the listing of the Shares on the WSE and the ZSE (the "Stabilisation Period") at a price not higher than the Final Price of the Offer Shares for Institutional Investors. The Stabilising Manager will not, however, be required to take any stabilisation actions. If the Stabilising Manager does take such action, it may be discontinued at any time, however no later than before the end of the Stabilisation Period.

Joint Global Coordinators and Joint Bookrunners

<b>Erste Group Bank AG</b>	<b>Erste Securities Polska S.A.</b>	<b>Erste &amp;Steiermärkische Bank d.d.</b>	<b>Jefferies</b>	<b>J.P. Morgan</b>	<b>Santander Bank Polska S.A. – Santander Biuro Maklerskie</b>	<b>Banco Santander, S.A.</b>
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Investment Firms

Investment firm with respect to Poland

**Santander Bank Polska S.A. – Santander Biuro Maklerskie**

Investment firm with respect to Croatia

**ERSTE&STEIERMÄRKISCHE BANK d.d.**

**This Prospectus and any supplement hereto will be published in electronic form on the website of the Luxembourg Stock Exchange under [www.luxse.com](http://www.luxse.com) and will be published in electronic form on the website of the Company at <https://www.studenacgroup.eu>.**

The date of this Prospectus is 19 November 2024

## TABLE OF CONTENTS

<b>SUMMARY</b>	<b>8</b>
<b>RISK FACTORS</b>	<b>15</b>
1. Risks Relating to the Industry in Which Studenac Operates	15
2. Risks Relating to Studenac’s Expansion Strategy	17
3. Risks Relating to Studenac’s Operations	20
4. Risks Relating to Studenac’s Financing Structure	25
5. Risks Relating to Legal, Tax and Regulatory Matters	27
6. Risk Factors Associated with the Shareholding Structure, the Offering and the Shares	29
<b>IMPORTANT INFORMATION</b>	<b>34</b>
<b>PRESENTATION OF FINANCIAL AND OTHER INFORMATION</b>	<b>40</b>
1. Consolidated Financial Statements and Other Data in the Prospectus	40
2. Presentation of Market and Operating Data	46
3. Market, Economic and Industry Data	46
4. Forward-Looking Statements	47
5. Documents Incorporated in the Prospectus by Reference	47
6. No Incorporation of Website Information	48
7. Trademarks and Trade Names	48
8. Enforceability of Foreign Court Judgments	48
9. Provision of Information	49
<b>REASONS FOR THE OFFERING AND USE OF PROCEEDS</b>	<b>50</b>
1. Reasons for the Offering	50
2. Use of Proceeds	50
<b>DIVIDEND AND DIVIDEND POLICY</b>	<b>51</b>
1. Dividend History	51
2. Dividend Policy	51
3. Restrictions Regarding Dividend and Interim Dividend Payment	51
<b>CAPITALISATION AND INDEBTEDNESS</b>	<b>53</b>
1. Working Capital Statement	53
2. Capitalisation and Indebtedness	53
3. Contingent Liabilities and Off-Balance Sheet Liabilities	54
<b>SELECTED HISTORICAL FINANCIAL INFORMATION</b>	<b>55</b>
1. Consolidated Statement of Profit and Loss Data	55
2. Consolidated Statement of Financial Position Data	55
3. Consolidated Statement of Cash Flows Data	56
4. Other Financial Data	57
5. Reconciliations	58
<b>OPERATING AND FINANCIAL REVIEW</b>	<b>61</b>
1. Overview	61
2. Recent Developments	62
3. Short-term Targets	62
4. Mid-Term Targets	63
5. Key Factors Affecting Results of Operations	64
6. Comparability of Results	69
7. Results of Operations	71



8.	Liquidity and Capital Resources	78
9.	Quantitative and Qualitative Disclosures About Market Risk	81
10.	Critical Accounting Policies	81
11.	Off-Balance Sheet Arrangements	81
<b>BUSINESS</b>		<b>82</b>
1.	Overview	82
2.	Competitive Strengths	83
3.	Strategy	87
4.	History	93
5.	Operations	94
6.	Marketing and Communications	100
7.	Network Expansion	102
8.	Digitalisation and Innovation	106
9.	Information Technology	106
10.	Employees	108
11.	Properties	109
12.	Environmental, Social and Governance	109
13.	Insurance	110
14.	Intellectual Property	110
15.	Material Contracts	110
16.	Litigation	115
<b>MARKET OVERVIEW</b>		<b>116</b>
1.	Croatian Macroeconomic Context	116
2.	Croatian Grocery Retail Market – Overview	118
3.	Croatian Grocery Retail Market: Channel Segmentation	120
4.	Competitive Landscape	122
5.	Croatian Grocery Retail Market: Mission Evolution	124
6.	Future Market Growth	125
7.	Additional Growth Markets: Overview	126
<b>REGULATORY OVERVIEW</b>		<b>129</b>
1.	General legal requirements applicable to trading, including the operation of grocery stores	129
2.	Working hours and Sunday trading limitation	129
3.	Alcohol and tobacco products	130
4.	Administrative measures and misdemeanours under the Trade Act	130
5.	Price cap measure	131
6.	Competition obligations and limitations	131
7.	Food related rules	133
8.	Environmental provisions	133
9.	Consumer protection framework	135
10.	Data protection regulations	135
<b>GENERAL INFORMATION ON STUDENAC</b>		<b>136</b>
1.	Basic Information on the Company	136
2.	Business Activities	136
3.	Share Capital	136
4.	The Group	137

<b>MANAGEMENT AND CORPORATE GOVERNANCE</b>	<b>139</b>
1. Management Structure	139
2. The Management Board and Supervisory Board	139
3. Other Information Regarding the Members of the Management Board and the Supervisory Board	153
4. Family Relations	154
5. Conflicts of Interest	154
6. Agreements and Understandings with Members of the Management Board and the Supervisory Board	154
7. Agreements and Understandings with Principal Shareholder, Clients, Suppliers or Other Persons on the Basis of which any Members of the Management Board or the Supervisory Board Were Appointed	155
8. Shares or Rights to Shares Held by Members of the Management Board or the Supervisory Board	155
9. Participation of the Members of the Management Board or the Supervisory Board in the Offering	155
10. Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board	155
11. Committees	158
12. WSE and ZSE Best Practices	158
<b>THE SELLING SHAREHOLDERS</b>	<b>162</b>
1. The Selling Shareholders	162
2. Shareholding Structure Before and After the Completion of the Offering	162
3. Dilution	163
4. Net Asset Value Per Share	163
5. Control over the Company	164
<b>RELATED-PARTY TRANSACTIONS</b>	<b>165</b>
1. General	165
2. Related-Party Transactions between 1 January 2021 and 31 August 2024	165
<b>DESCRIPTION OF THE SHARES AND GENERAL MEETINGS</b>	<b>167</b>
1. General	167
2. General Corporate Information	167
3. Articles of Association	167
4. Scope of Activities	168
5. Share Capital	168
6. Changes in Share Capital	168
7. Redemption and Repurchase of the Company's Own Shares	169
8. Share-Based Remuneration and Stock Plans	170
9. Voting Rights, General Meeting	170
10. Record Date	172
11. Information Rights	172
12. Adjourning General Meetings	172
13. Minutes of General Meeting	172
14. Distributions of Dividends	173
<b>TERMS AND CONDITIONS OF THE OFFERING</b>	<b>174</b>
1. The Offering	174
2. Information on the execution of the Framework Agreement with the European Bank for Reconstruction and Development	175
3. Expected timetable of the Offering	176
4. Cancellation of the Offering	178

5.	Suspension of the Offering	179
6.	Supplements to the Prospectus	180
7.	Maximum Price	180
8.	Final Price of the Sale Shares for the Retail Investors	181
9.	Determination of the Final Price of the Offer Shares for Institutional Investors	181
10.	Final Number of Offer Shares	182
11.	Placement of purchase/subscription orders	182
12.	Payment for the Offer Shares	186
13.	Allotment of the Offer Shares	187
14.	Registration of the Shares in the securities depository and settlement of the Offering	189
15.	Public announcement of the results of the Offering	190
16.	Listing of the Shares	190
17.	WSE Admission	190
18.	ZSE Admission	191
	<b>UNDERWRITING AGREEMENT, STABILISATION AND LOCK-UP</b>	<b>193</b>
1.	Underwriting Agreement	193
2.	Stabilisation	193
3.	Lock-up agreements	194
4.	Other relationships with the Joint Global Coordinators	196
5.	Expenses charged to Institutional Investors by the Joint Global Coordinators	196
	<b>SELLING RESTRICTIONS</b>	<b>197</b>
1.	Public Offer of the Offer Shares in Poland and Croatia	197
2.	United States of America	197
3.	European Economic Area	198
4.	United Kingdom	198
5.	Switzerland	199
6.	Canada	199
7.	Japan	199
8.	DIFC	199
9.	Singapore	199
	<b>TRANSFER RESTRICTIONS</b>	<b>201</b>
1.	Investors outside of the United States	201
2.	Investors in the United States	201
	<b>THE CAPITAL MARKETS IN LUXEMBOURG, POLAND AND CROATIA, AND CERTAIN LUXEMBOURG, CROATIAN AND POLISH REGULATIONS RELATED TO THE PURCHASE AND SALE OF SHARES</b>	<b>203</b>
1.	Luxembourg Capital Markets Regulations	203
2.	Polish Capital Markets Regulations	207
3.	Croatian Capital Markets Regulations	218
4.	Notification Requirements and Other Limitations under Antimonopoly Regulations	224
	<b>TAXATION</b>	<b>226</b>
1.	Luxembourg Tax Considerations	226
2.	Certain U.S. Federal Income Tax Considerations	229
3.	Taxation in Croatia	233
4.	Taxation in Poland	235
5.	Provisions on Mandatory Disclosure Rules	248



<b>ADDITIONAL INFORMATION</b>	<b>249</b>
1. Authorisations	249
2. Documents Available for Inspection	249
3. Independent Auditors	249
4. Entities Involved in the Offering	249
5. Public Takeover Bids	251
6. Costs of the Offering	251
<b>ABBREVIATIONS AND DEFINITIONS</b>	<b>252</b>
<b>GLOSSARY OF INDUSTRY TERMS</b>	<b>264</b>
<b>HISTORICAL FINANCIAL INFORMATION</b>	<b>265</b>
1. Audited Financial Statements (together with the Independent Auditors' Report)	265
2. Interim Financial Statements (together with the Independent Auditors' Review Report)	265

## SUMMARY

<b>Section A - Introduction and warnings</b>
<b>Warnings</b>
<p>This summary should be read as an introduction to this prospectus (“<b>Prospectus</b>”). Any decision to invest in the securities should be based on a consideration of the Prospectus as a whole by the investor. The investor could lose all or part of the invested capital. Where a claim relating to the information contained in the Prospectus is brought before a court, the plaintiff investor might, under national law, have to bear the costs of translating the Prospectus before the legal proceedings are initiated. Civil liability applies only those persons who have tabled the summary including any translation thereof, but only where the summary is misleading, inaccurate or inconsistent when read together with the remaining parts of the Prospectus or if it does not provide, when read together with the remaining parts of the Prospectus, key information required to aid investors when considering whether to invest in such securities.</p>
<b>The name of the securities</b>
<p>The Prospectus has been prepared in relation to: (i) the offering of up to 31,103,927 existing shares in Studenac Group S.A., a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of the Grand Duchy of Luxembourg, with its registered office at 1, Rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register (<i>Registre de commerce et des sociétés, Luxembourg</i>) under number B 218210 (the “<b>Company</b>” or the “<b>Issuer</b>”), with a nominal value of EUR 0.01 each (the “<b>Sale Shares</b>”), offered for sale by Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII (“<b>PEF</b>”), with its registered office in Luxembourg (the “<b>Principal Selling Shareholder</b>”), Beragua Capital Advisory S.L., with its registered office in Madrid, Spain (“<b>Beragua</b>”), Elisario Limited with its registered office in Nicosia, Cyprus (“<b>Elisario</b>”), Heunadel Retail Invest GmbH with its registered office in Halle (Saale), Germany (“<b>Heunadel</b>”) and Vladimir Bosiljevac (jointly, together with the Principal Selling Shareholder, the “<b>Selling Shareholders</b>”); (ii) the offering of up to 24,066,667 new shares in the Company, with a nominal value of EUR 0.01 each (the “<b>New Shares</b>” and, together with the Sale Shares, the “<b>Offer Shares</b>”) (together with the offering of the Sale Shares, the “<b>Offering</b>”); and (iii) the seeking of the admission and introduction to trading on the regulated market of the Warsaw Stock Exchange (<i>Giełda Papierów Wartościowych w Warszawie S.A.</i>, the “<b>WSE</b>”) and admission to trading on the regulated market (Official Market Segment) of the Zagreb Stock Exchange (<i>Zagrebačka burza d.d.</i>, the “<b>ZSE</b>”) (together, “<b>Admission</b>”) of all of the shares in the Company, including the Sale Shares and the New Shares, i.e. up to 157,630,267 shares with a nominal value of EUR 0.01 each (the “<b>Shares</b>”). The Company intends to raise gross proceeds of approximately €80 million from the issuance of New Shares in the Offering. It is the intention of the Selling Shareholders to sell up to 31,103,927 Sale Shares in the Offering.</p>
<b>The international securities identification number (ISIN) of the securities</b>
<p>The Shares have been assigned ISIN LU2911783244.</p>
<b>The identity and contact details of the issuer, including its legal entity identifier (LEI)</b>
<p>Studenac Group S.A. is a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of Luxembourg, currently having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 218210. LEI code No. 894500SLGSYU4APTAJ90; telephone No.: +352 691376473; website: <a href="https://www.studenacgroup.eu">https://www.studenacgroup.eu</a>.</p>
<b>The identity and contact details of the offerors, including their legal LEI</b>
<p>In the Offering, the Sale Shares are offered by the Selling Shareholders as follows:</p> <ul style="list-style-type: none"> <li>Polish Enterprise Funds SCA, a limited partnership limited by shares (<i>société en commandite par actions</i>), constituting an investment company with variable share capital, operating as an alternative investment fund (<i>société d'investissement à capital variable - fonds d'investissement alternatif réservé</i>) that is not supervised nor subject to any authorisation by the CSSF, established under the laws of the Grand Duchy of Luxembourg, with its registered office at 15, Boulevard F. W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg, registered in the Luxembourg Trade and Companies Register under number B 222119; LEI code No. 529900IFZLHJLMOJH37; telephone No.: +352 4818281; email: PEF@alterdomus.com, acting for compartment (subfund) PEF VIII;</li> <li>Elisario Limited, a private limited company, established under the laws of the Republic of Cyprus, with its registered office at Espiridon 5, 4th Floor, Strovolos, 2001, Nicosia, Cyprus, registered with the Register of Companies of Cyprus under number HE 322273; LEI code 254900J37Z7FDQL6ER88; telephone No.: +352 722 474 000; email: info@cpm.com.cy;</li> <li>Beragua Capital Advisory S.L., a private limited liability company (<i>sociedad limitada</i>), established under the laws of the Kingdom of Spain, with its registered office at C/ Triana, 31 28016 Madrid, registered with the Madrid Mercantile Registry (<i>Registro Mercantil de Madrid</i>) and with CIF number B85516227; LEI code 959800WYASAVNPF8T026; telephone No.: +34 91 535 75 18; website: <a href="http://www.beragua.com">www.beragua.com</a>; email: info@beragua.com;</li> <li>Heunadel Retail Invest GmbH, a private limited liability company, established under the laws of Germany, with its registered office at Friedenstrasse 26a, 06114 Halle (Saale), registered in commercial register of the district court of Stendal (<i>Amtsgericht Stendal</i>) under number HRB 25704; LEI code 894500NC8F4AK6664R81; telephone No.: +49 (0)345 239 66 452; website: <a href="http://www.heunadel.com">www.heunadel.com</a>; email: contact@heunadel.com; and</li> <li>Vladimir Bosiljevac, business address: Krsnjavog 1, 10000 Zagreb, Croatia, telephone No.: +385 91 510 2195; email: vbosiljevac@adriacap.com.</li> </ul> <p>The entity applying for Admission is the Company (see the section A, subsection “<i>The identity and contact details of the issuer, including its legal entity identifier (LEI)</i>” above).</p>
<b>The identity and contact details of the competent authority approving the Prospectus</b>
<p>The Prospectus has been approved by the <i>Commission de Surveillance du Secteur Financier</i> (the “<b>CSSF</b>”), which is the competent authority under Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC (the “<b>Prospectus Regulation</b>”), and the Luxembourg Law of 16 July 2019 on prospectuses for securities (<i>Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières</i>) (the “<b>Luxembourg Prospectus Law</b>”). The contact details of the CSSF are set out below.</p> <p>Commission de Surveillance du Secteur Financier 283, route d’Arlon L-1150 Luxembourg Telephone: +352 26 25 1-1 (switchboard) Email: <a href="mailto:direction@cssf.lu">direction@cssf.lu</a></p>
<b>The date of approval of the prospectus</b>
<p>The Prospectus was approved by the CSSF on 19 November 2024.</p>
<b>Section B - Key information on the issuer</b>
<b>Who is the issuer of the securities?</b>
<b>The issuer</b>
<p>Studenac Group S.A., a public limited liability company (<i>société anonyme</i>) incorporated and existing under the laws of Luxembourg, currently having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B 218210. LEI code No. 894500SLGSYU4APTAJ90.</p>

**The issuer's principal activities**

Studenac is the fastest growing food retailer in Croatia in terms of revenue over the past five years (source: OC&C Analysis). It operates proximity stores, meaning that its stores are strategically located close to customers and are tailored to fit the specific needs of the surrounding community as well as the local circumstances (e.g., traffic, tourism). Studenac's stores are centred around its "1 sitno 1 bitno" (small and essential) consumer proposition offering customers quick, quality everyday shopping for all of their daily needs. As at 30 September 2024, Studenac had 1,404 stores, making it the largest store network in Croatia. This number also included 32 stores in Slovenia following its entry into that market in 2024 through the acquisition of Kea.

Studenac has a unique and single format store portfolio and its stores have a selling space of 111 square metres on average. Studenac offers a typical range of between 2,000 and 4,000 branded and private label stock-keeping units ("SKUs") per store, as well as a to-go assortment and certain additional services. It appeals to consumers through its offering of daily proximity shopping, with a comprehensive product range which is focused on customers' daily needs, including a strong offering of perishables.

Studenac primarily operates in the Croatian grocery market, which had a total addressable market of €10.2 billion in 2023 which grew at a rate of 8.4% from 2022 to 2023, 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 are complementary to each other in terms of purchase mission, with customers purchasing in bulk at discounters while also visiting small format stores for convenience.

Studenac recently entered the Slovenian market by acquiring Kea, providing it with a foothold in the €5.9 billion Slovenian grocery market (based on 2023 data included in the OC&C Analysis).

Studenac has strength across both residential locations (including high traffic locations in cities), which provide it with a stable revenue base across all seasons, and tourist-led locations, which allow it to capitalise on Croatia's status as a tourism destination. In 2023, Croatia had approximately 21 million tourists (both domestic and foreign) and approximately 107 million overnights, according to the Croatian National Tourist Board. According to the OC&C Analysis, Studenac's market share in Croatia in 2023 was 6.6% based on retail revenue, which represents an increase of 4.1 percentage points from 2018. There is a long tail of independent players holding approximately 18% of the Croatian grocery market (including traditional grocery retailers and forecourt retailers), which the Management believes provides a base for further growth in market share.

Studenac was acquired by Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII in August 2018. Led by the new management that joined shortly after acquisition, Studenac has undergone a transformation from a family-owned business to a results-oriented professional organisation. It has been growing rapidly, both organically and through acquisitions since the time of its acquisition. In the period from 2018 to 30 September 2024, Studenac opened 491 new stores and acquired 725 stores.

The Management believes that Studenac is well positioned for further growth in Croatia. According to the OC&C Analysis, there are an estimated 3,200 white space locations suitable for the Studenac format across Croatia. Acquisitions of smaller market players have been one of the key growth avenues for Studenac. Studenac has proven experience in acquiring and successfully integrating other retail networks in Croatia. Studenac plans to continue growing via intensive acquisitions in Croatia. In Croatia alone, the Management has identified over 2,000 stores which fit its acquisition criteria.

The Management also believes that Studenac's store format is suitable for expansion into foreign markets. For example, it entered the Slovenian market, which shares certain similarities and favourable characteristics with the Croatian market. The Management believes that Studenac's store format is well tailored to the Slovenian market and Slovenian and Croatian consumers' tastes and habits are similar. The OC&C Analysis has identified an estimated 700 white space locations suitable for the Studenac format across Slovenia.

In total, Studenac intends to add approximately 1,000 stores organically and approximately 1,200 stores through acquisitions across Croatia and Slovenia from the end of 2023 to reach 3,400 stores by the end of 2028.

Studenac has a data-driven approval process for new locations 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 roll-out of new stores much quicker and more efficient for Studenac.

Studenac is focused on driving efficiency and profitability, including through digital tools used across strategic areas of the business. Digitalisation and innovation are firmly embedded across the organisation, supported by an in-house Centre of Excellence, Studenac Digital. The 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 is in the process of transforming and centralising its logistics structure to support its further growth and improve profitability. Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028, driving efficiencies and profitability, including through the ability to negotiate better terms with suppliers. Studenac is run by a management team comprising a mix of foreign industry experts with experience across many other food retailers, as well as experienced local managers with knowledge of the retail industry and the Croatian market.

For the year ended 31 December 2023, Studenac had sales revenue of €668.1 million and post-IFRS 16 Adjusted EBITDA of €65.9 million, which reflected a post-IFRS 16 Adjusted EBITDA margin of 9.9%. Studenac's profit for the year ended 31 December 2023 amounted to €1.3 million. For the eight months ended 31 August 2024, Studenac had sales revenue of €556.5 million and Post-IFRS 16 Adjusted EBITDA of €66.9 million, which reflected a Post-IFRS 16 Adjusted EBITDA margin of 12.0%. Studenac's profit for the eight months ended 31 August 2024 was €16.3 million.

Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the year ended 31 December 2023 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during 2023 for the entire year, i.e. from 1 January 2023) were €702 million and €70.7 million, respectively. Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the eight months ended 31 August 2024 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024) were €608.8 million and €72.1 million, respectively. Pro forma profit for the year ended 31 December 2023 and the eight months ended 31 August 2024 was €5.2 million and €20.3 million, respectively.

**The Issuer's shareholders**

The following table sets out the Company's shareholding structure as at the date of this Prospectus.

Name	Number of shares	Number of votes	% of shares in the share capital	% of votes at the GM
Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII	120,320,500	120,320,500	90.08	90.08
Elisario Limited	7,883,900	7,883,900	5.90	5.90
Beragua Capital Advisory S.L.	1,486,300	1,486,300	1.11	1.11
Vladimir Bosiljevac	1,478,200	1,478,200	1.11	1.11
Heunadel Retail Invest GmbH	1,379,600	1,379,600	1.03	1.03
Lluis Xavier Valencia Aura	492,700	492,700	0.37	0.37
Michał Wojciech Seńczuk	325,300	325,300	0.24	0.24
Rafał Cieślakowski	137,900	137,900	0.10	0.10
Marta Patricia Lopez Saavedra	29,600	29,600	0.02	0.02
Javier Cifuentes Gonzalez	29,600	29,600	0.02	0.02
<b>Total</b>	<b>133,563,600</b>	<b>133,563,600</b>	<b>100</b>	<b>100</b>

As of the date of the Prospectus, the Company is directly controlled by the Principal Selling Shareholder, due to its majority shareholding in the Company's share capital and the voting rights at the General Meeting held in connection with such shareholding. The expected shareholding structure of the Company after the completion of the Offering has been included in Section D of the Summary below.

**The identity of the Issuer's key managing directors**

As at the date of the Prospectus, the Company's Management Board comprised: (i) Michał Seńczuk (President of the Management Board); (ii) Dragan Baškarad; (iii) Filip Bilanovic; (iv) Rafał Cieślakowski; (v) Michał Halwa; (vi) Nina Mimica; and (vii) Andrija Topić.

As at the date of this Prospectus, the Company's Supervisory Board comprised: (i) Krzysztof Andrzejewski (Chairman of the Supervisory Board); (ii) Javier Fernández Rozado; (iii) Ronny Gottschlich; (iv) Michał Kędzia; (v) Gordan Kolak; (vi) Bartosz Kwiatkowski; (vii) Tomislav Tomljenović; (viii) Ewa Radkowska-Świętoń and (ix) Steph-anie Ekaette Trpkov.

**The identity of the Issuer's independent auditor**

The consolidated financial statements of the Company and its subsidiaries as at and for the years ended 31 December 2023, 2022 and 2021 have been audited by KPMG Audit S.à r.l ("KPMG"), which is a member of the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises of Luxembourg*), with its registered office at 39, Avenue John F. Kennedy, L-1855 Luxembourg. The interim condensed consolidated financial statements of the Company and its subsidiaries as at and for the eight months ended 31 August 2024 have been reviewed by KPMG.

**What is the key financial information regarding the issuer?**

**Key Financial Information**

The following tables set out summary key consolidated financial information for the Group as at and for the years ended 31 December 2023, 2022 and 2021, prepared in accordance with IFRS, and as at 31 August 2024 and for the eight months ended 31 August 2024 and 2023, prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" ("IAS 34").

**Key Financial Information from the Consolidated Statement of Profit and Loss**

	Year ended 31 December			Eight months ended 31 August	
	2023	2022	2021	2024	2023
	(€ millions)				
	(Audited)			(Unaudited)	
Sales revenue	668.1	502.5	309.5	556.5	465.1
Operating profit	19.2	8.4	5.3	34.1	23.3
Profit/(loss) for the period	1.3	(0.1)	0.0	16.3	10.1

**Key Financial Information from the Consolidated Statement of Financial Position**

	As at 31 December			As at 31 August
	2023	2022	2021	2024
	(€ millions)			
	(Audited)			(Unaudited)
Total Assets	576.8	427.8	264.8	681.6
Total Equity	80.2	78.9	67.9	96.5
Total Liabilities	496.6	348.9	197.0	585.1

**Key Financial Information from the Consolidated Statement of Cash Flows**

	Year ended 31 December			Eight months ended 31 August	
	2023	2022	2021	2024	2023
	(€ millions)				
	(Audited)			(Unaudited)	
Net cash inflow / (outflow) from operating activities	77.9	55.8	38.0	109.2	33.5
Net cash inflow / (outflow) from investing activities	(99.2)	(92.1)	(21.9)	(72.6)	(43.2)
Net cash inflow / (outflow) from financing activities	29.3	58.5	(25.1)	2.3	1.9

**What are the key risks that are specific to the issuer?**

Presented below is a selection of the key risks that are specific to Studenac:

- Changes in general economic conditions in Croatia or in Europe more broadly may lead to a decrease in consumer demand, which could adversely impact the operations of Studenac;
- Studenac's business would be harmed if the trend towards proximity shopping were to reverse or diminish;
- If Studenac does not timely identify or effectively respond to consumer trends or preferences, this could negatively affect its relationship with its customers, demand for the products it sells, its market share and the growth of its business;
- Studenac may be adversely affected by declining levels of tourism to Croatia;
- Studenac is subject to the risk of competition and narrow profit margins on the retail grocery market;
- Studenac may not be successful in implementing its organic growth strategy;
- Studenac is exposed to risks related to its ability to identify attractive acquisition targets and complete acquisitions on terms acceptable to it;
- Studenac is exposed to the risk of encountering unknown circumstances or the inadequate handling of such circumstances in connection with due diligence of acquisition targets;
- If Studenac is unable to maintain its LfL growth, this could have a material adverse effect on its business, results of operations, financial condition and prospects; and
- Studenac may not be able to repay its financial debt or obtain financing on favourable terms.

<b>Section C - Key information on the securities</b>															
<b>What are the main features of the securities?</b>															
<p><b>Description of securities being the subject of the Offering and the admission and introduction to trading on the main market of the WSE and the admission to trading on the regulated (Official Market Segment) market of the ZSE</b></p> <p>Pursuant to the Prospectus, the Selling Shareholders are offering up to 31,103,927 Sale Shares, with a nominal value of EUR 0.01 each. Pursuant to the Prospectus, the Company is offering up to 24,066,667 New Shares, with a nominal value of EUR 0.01 each. All Shares (including the New Shares) will be subject to the Company's applications for admission and introduction to trading on the regulated market of the WSE and admission to trading on the regulated market (Official Market Segment) of the ZSE.</p> <p><b>Rights attached to securities</b></p> <p>Each Offer Share entitles the holder thereof to one vote at the General Meeting, subject to limitations imposed by law. All of the Shares, including the Offer Shares, entitle the holders thereof to equal rights as regards the payment of dividends (including interim dividends) and authorise their holders to a share in the Company's profits as at the date of their acquisition in the Offering.</p> <p><b>Relative seniority of the securities in the Issuer's share capital in the event of insolvency</b></p> <p>In the event of the liquidation, dissolution or winding-up of the Company, the net assets remaining after the payment of all debts, charges and expenses shall be distributed to the shareholders of the Company in proportion to their respective shareholdings.</p> <p><b>Restrictions on the free transferability of the securities</b></p> <p>There are no restrictions on the transferability of the Offer Shares in the Articles of Association or under Luxembourg law. However, addressing the Offering to persons located or resident in, or who are citizens of, or who have a registered address in certain countries, and the transfer of the Offer Shares into certain jurisdictions, may be subject to specific regulations or restrictions.</p> <p><b>Dividend or payout policy</b></p> <p>The Management intends in the mid-term perspective to continue reinvesting profits generated by the Company back into the business to capitalise on market opportunities and increase Studenac's value.</p> <p>In the future, the Management should re-examine the dividend policy on an as-required basis, and decisions in that respect will be taken subject to various factors regarding the Company and Studenac, including, among others, the Company's prospects, its future profits, the amount of its unconsolidated distributable reserves, its working capital requirements, its financial condition and its capital expenditure and development plans, as well as legal requirements applicable to the payment of dividends by the Company.</p>															
<b>Where will the securities be traded?</b>															
All of the Shares will be subject to an application for the admission and introduction to trading on the regulated (main) market operated by the WSE and for the admission to trading on the regulated market (Official Market Segment) operated by the ZSE.															
<b>What are the key risks that are specific to the securities?</b>															
<p>Presented below is a selection of the key risks that are specific to the Offering and the Shares.</p> <ul style="list-style-type: none"> <li>• Following the completion of the Offering, PEF will continue to exercise significant influence over the Company and its operations and will be able to undertake actions that may be contrary to the interests of the other shareholders of the Company;</li> <li>• Investors could face an additional investment risk from currency exchange rate fluctuations in connection with their holding of the Company's shares;</li> <li>• There is currently no public trading market for the Shares and there is a risk that an active and liquid trading market for the Shares may not develop or be sustained. If an active trading market does not develop, investors may not be able to resell their Shares at or above the Final Price of the Sale Shares for Retail Investors and/or the Final Price of the Offer Shares for Institutional Investors and the Company's ability to raise capital in the future may be impaired; and</li> <li>• The market price of the Shares could be negatively affected by sales of substantial numbers of such Shares in the public markets by PEF, including following the expiry of the lock-up period, or the perception that these sales could occur.</li> </ul>															
<b>Section D - Key information on the offering of securities to the public and/or the admission to trading on a regulated market</b>															
<b>Under which conditions and timetable can I invest in this security?</b>															
<p><b>The Offering</b></p> <p>The following investors are authorised to take part in the Offering:</p> <ul style="list-style-type: none"> <li>• the Polish Retail Investors and the Croatian Retail Investors;</li> <li>• Institutional Investors.</li> </ul> <p>The intention of the Company and the Selling Shareholders is that Retail Investors will be allotted Sale Shares only. New Shares will not be allotted to Retail Investors.</p> <p><b>Expected timetable of the Offering</b></p> <p>The timetable below sets out the expected key dates relating to the Offering. All times and dates referred to in this timetable are based on local Warsaw and Zagreb time (both CET) and may be adjusted by the Principal Selling Shareholder prior to or following the execution of the Pricing Annex, in agreement with the Joint Global Coordinators.</p> <table border="1"> <tbody> <tr> <td>19 November 2024</td> <td>Execution of the conditional Underwriting Agreement Approval and the publication of the Prospectus Notification of the Prospectus (together with the translation of its summary into Polish and Croatian) to the PFSA and the CFSSA</td> </tr> <tr> <td>20 November 2024</td> <td>Commencement of the Offering – commencement of the bookbuilding process with the Institutional Investors</td> </tr> <tr> <td>20 November 2024</td> <td>Publication of the public invitation for participation in the Croatian Offering to the Croatian Retail Investors ("<b>Public Invitation</b>")</td> </tr> <tr> <td>20-27 November 2024</td> <td>Subscription period for all Retail Investors (the "<b>Subscription Period for the Retail Investors</b>") – acceptance of purchase orders from the Retail Investors and the deadline for payments from the Retail Investors (to be completed on 27 November 2024 by 14:59 CET)</td> </tr> <tr> <td>27 November 2024</td> <td>End of the bookbuilding process with the Institutional Investors</td> </tr> <tr> <td>27 November 2024</td> <td>Determination of the Final Number of the Offer Shares, the final number of Offer Shares offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) and the Final Price of the Sale Shares for the Retail Investors and the Final Price of the Offer Shares for the Institutional Investors, each in EUR and PLN (the "<b>Pricing Date</b>")</td> </tr> <tr> <td>27 November 2024</td> <td>Execution of a pricing agreement to the Underwriting Agreement, determining the Final Price of the Sale Shares for the Retail Investors, the Final Price of the Offer Shares for Institutional Investors (each in EUR and PLN), the Final Number of the Offer Shares and the final number of Offer Shares to be offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) (the "<b>Pricing Annex</b>")  Information on the Final Price of the Sale Shares for the Retail Investors, the Final Price of the Offer Shares for the Institutional Investors, the Final Number of the Offer Shares and the final number of Offer Shares to be offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) will be published on the Company's website</td> </tr> </tbody> </table>		19 November 2024	Execution of the conditional Underwriting Agreement Approval and the publication of the Prospectus Notification of the Prospectus (together with the translation of its summary into Polish and Croatian) to the PFSA and the CFSSA	20 November 2024	Commencement of the Offering – commencement of the bookbuilding process with the Institutional Investors	20 November 2024	Publication of the public invitation for participation in the Croatian Offering to the Croatian Retail Investors (" <b>Public Invitation</b> ")	20-27 November 2024	Subscription period for all Retail Investors (the " <b>Subscription Period for the Retail Investors</b> ") – acceptance of purchase orders from the Retail Investors and the deadline for payments from the Retail Investors (to be completed on 27 November 2024 by 14:59 CET)	27 November 2024	End of the bookbuilding process with the Institutional Investors	27 November 2024	Determination of the Final Number of the Offer Shares, the final number of Offer Shares offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) and the Final Price of the Sale Shares for the Retail Investors and the Final Price of the Offer Shares for the Institutional Investors, each in EUR and PLN (the " <b>Pricing Date</b> ")	27 November 2024	Execution of a pricing agreement to the Underwriting Agreement, determining the Final Price of the Sale Shares for the Retail Investors, the Final Price of the Offer Shares for Institutional Investors (each in EUR and PLN), the Final Number of the Offer Shares and the final number of Offer Shares to be offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) (the " <b>Pricing Annex</b> ")  Information on the Final Price of the Sale Shares for the Retail Investors, the Final Price of the Offer Shares for the Institutional Investors, the Final Number of the Offer Shares and the final number of Offer Shares to be offered to the various categories of Investors (including the final number of the Sale Shares to be offered to Retail Investors) will be published on the Company's website
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28 - 29 November 2024	Acceptance of purchase orders from the Institutional Investors in Poland. Deadline for payments for the Offer Shares subscribed for by the Institutional Investors who elected to settle through the National Depository for Securities ( <i>Krajowy Depozyt Papierów Wartościowych S.A.</i> ) (the " <b>KDPW</b> ") KDPW on 29 November by 16:00 CET
2 December 2024	Submission of purchase orders, if any, by the substitute Institutional Investors who respond to additional invitations of the Joint Global Coordinators to purchase the Offer Shares or by the Joint Global Coordinators or their affiliates in performance of their obligations under the Underwriting Agreement
2 December 2024	Allotment of the Offer Shares – determination and publication of the final number of the Offer Shares to be allotted to the investors, including a split between the various investor categories (the " <b>Allotment Date</b> ")
2 December 2024	WSE session – Submission of sales orders of the Sale Shares to the Polish Retail Investors through the WSE system
2 December 2024	Settlement date for the Institutional Investors who elected to settle through the Central Depository & Clearing Company Inc. ( <i>Središnje klirinško depozitarno društvo, dioničko društvo</i> ) (the " <b>SKDD</b> ") (the " <b>Settlement Date in Croatia</b> ") – Delivery of the Sale Shares against payment of the Final Price of the Offer Shares for Institutional Investors and closing of the Croatian Offering
2 December 2024	Expected date of registration of the Sale Shares in the securities accounts of Polish Retail Investors and Croatian Retail Investors
3 December 2024	Expected date of the registration of the Offer Shares in the securities accounts of the Institutional Investors who elected to settle through the KDPW or the Joint Global Coordinators acting on account of the Polish Institutional Investors (on the condition that the data provided by the investors for the registration of the Offer Shares in their securities accounts is complete and correct) - closing of the Polish Offering
about 3 December 2024	Expected date of the adoption by the Management Board of the WSE of the resolutions on the WSE Admission
3 December 2024	Expected date of the adoption by the ZSE of the resolution on the ZSE Admission
10 December 2024	Expected first day of trading of the Shares on the WSE and the ZSE, subject to the duration of proceedings before the KDPW, SKDD, WSE and the ZSE concerning the registration of the Shares in the KDPW, SKDD (as the case may be) as well as the WSE Admission and ZSE Admission (" <b>Listing Date</b> ")

#### **Maximum Price**

The maximum price for the Croatian Retail Investors per Sale Share is EUR 3.32, and the maximum price for the Polish Retail Investors per Sale Share is PLN 14.40 (the "**Maximum Price**"). The Retail Investors will be placing orders at the respective Maximum Price. The Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors were determined taking into account the average exchange rate for those currencies announced by the National Bank of Poland on 18 November 2024, i.e. the business day preceding the date of the approval of the Prospectus, which is EUR 1 = PLN 4.3320. The Final Offer Price of the Sale Shares for Retail Investors in PLN and the Final Offer Price of the Sale Shares for Retail Investors in EUR might be lower than, respectively, the Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors.

#### **Determination of the Final Price of the Sale Shares for Retail Investors**

The Final Price of the Sale Shares for Retail Investors will be determined by the Principal Selling Shareholder and the Company, acting jointly, in agreement with the Joint Global Coordinators, after completion of the bookbuilding process with the Institutional Investors. The Retail Investors will not participate in the bookbuilding process. The Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors may be different.

The Final Price of the Sale Shares for Retail Investors in PLN and the Final Price of the Sale Shares for Retail Investors in EUR will be determined on the basis of the bookbuilding process for Institutional Investors and taking into account, among others, current and anticipated conditions on Polish, Croatian and international capital markets and a qualitative and quantitative assessment of demand for the Offer Shares while ensuring fair treatment of respective investors. Therefore, the Final Price of the Sale Shares for Retail Investors in PLN may not correspond to the Final Price of the Sale Shares for Retail Investors in EUR converted at exchange rate of these currencies on any day of the Offering. In no event will the Final Price of the Sale Shares for Retail Investors in PLN or the Final Price of the Sale Shares for Retail Investors in EUR exceed the Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors, respectively.

#### **Final number of Offer Shares**

No later than on the Pricing Date, the Principal Selling Shareholder and the Company (acting jointly), in agreement with the Joint Global Coordinators, will make a decision on the final number of the Offer Shares offered to investors in the Offering (the "**Final Number of the Offer Shares**"). The intention of the Selling Shareholders and the Company is for the Final Number of the Offer Shares not to exceed 55,170,594 shares in the Company (but, for the avoidance of doubt, it may be lower). Additionally, the Principal Selling Shareholder and the Company (acting jointly), after consultation with the Joint Global Coordinators following the completion of the bookbuilding process, will determine the final number of the Offer Shares to be offered to each specific investor category (including the final number of the Sale Shares to be offered to Retail Investors). The Company's and the Principal Selling Shareholder's intention is to offer to Retail Investors the Sale Shares in the number of up to approximately 10% of the Offer Shares. The Company and the Principal Selling Shareholder do not rule out that the Retail Investors will be offered the Sale Shares in the number lower than 10% of the Offer Shares.

#### **Subscription and payment of Retail Investors**

##### *General*

A purchase order for the Sale Shares is unconditional, irrevocable (subject to the right to withdraw the purchase order if a supplement to the Prospectus is published), may not include any reservations or additional conditions of execution and is binding on the person who submitted it until the allotment of the Sale Shares in the Offering (subject to the right to withdraw the purchase order or evade the effects of the submitted purchase order in the cases specified in the relevant provisions on cancellation of the Offering, if any).

Each Retail Investor will be required to indicate in the purchase order form all of the required information and submit all of the required statements and authorisations, including authorisation for the Investment Firms, other Joint Global Coordinators, and the investment firm accepting purchase orders to transfer information constituting a professional secret, including information related to purchase orders made for the Offer Shares, to the extent required for the completion of the Offering and the Admission, and authorisation for the Investment Firms, other Joint Global Coordinators, the Company and the Selling Shareholders to receive such information, as well as to undertake any other action required for the completion of the Offering and the Admission.

##### *Polish Retail Investors*

The technical allotment of the Sale Shares to the Polish Retail Investors will be completed through the WSE IT system. Each Polish Retail Investor interested in subscribing for Sale Shares must have a securities accounts opened with an investment firm (which is part of the Polish Retail Syndicate), through which he or she will subscribe for Sale Shares, as well as sign relevant agreements for the acceptance and transmission of orders to buy or sell financial instruments. Polish Retail Investors wishing to purchase Sale Shares, who do not have securities accounts should open such accounts before submitting a purchase order with an investment firm which is a member of the Polish Retail Syndicate. In the event that the Polish Retail Investor's account is maintained by a custodian bank, the subscription order shall be placed in accordance with the rules for placing purchase orders by customers of the custodian bank. In the case of purchase orders placed by Polish Retail Investors from omnibus accounts, the purchase orders for the Sale Shares shall be placed in accordance with the rules of the entities operating the omnibus accounts.

The Polish Retail Investors will place their purchase orders at the Maximum Price in PLN, indicating the number of Sale Shares they are willing to buy.



#### Croatian Retail Investors

Before the commencement of the Subscription Period for the Retail Investors, the Public Invitation will be issued. The Public Invitation will, inter alia, contain relevant information on the process rules for participation in the Croatian Offering.

Each Croatian Retail Investor interested in submitting purchase orders for Sale Shares will need to properly fill out and sign the purchase order form. The Croatian Retail Investor shall also need to have one of the following accounts with the SKDD: a transactional investor account, a transactional named custody account or a transactional omnibus custody account. If the Croatian Retail Investor does not have such account, such account can be opened with any member of the Croatian Retail Syndicate or with any other investment firm or credit institution in Croatia providing such service. The Croatian Retail Investors cannot open such account directly with the SKDD by themselves. The Croatian Retail Investors, which are legal persons, will also need to provide the LEI number. The Croatian Retail Investors will place their purchase orders at the Maximum Price in EUR, indicating the number of Sale Shares they are willing to buy.

Purchase orders from the Croatian Retail Investors will be accepted in the Subscription Period for the Croatian Retail Investors: (i) at the client service points of any member of the Croatian Retail Syndicate or (ii) via the Internet (i.e., mobile app of the relevant member of the Croatian Retail Syndicate). The Croatian Retail Investors placing purchase orders for the Sale Shares are required to remit payment for the Sale Shares to the special purpose bank account opened by the relevant member of the Croatian Retail Syndicate.

#### Details of the admission to trading on the regulated market

Prior to the start of the Offering, there has been no public market for the Shares and as at the date of the Prospectus, the Shares are not listed on any regulated or equivalent market. However, the Company intends to submit applications for admission and introduction to trading on the regulated market of the WSE and admission to trading on the regulated market (Official Market Segment) of the ZSE of all Shares, i.e. 133,563,600 existing shares of the Company and 24,066,667 New Shares.

#### Shareholding structure following the Offering

The following table presents details of the entities which will hold directly or indirectly the Issuer's voting rights immediately following the completion of the Offering and the issuance of the New Shares, assuming that: (i) the Selling Shareholders sell all of the Sale Shares offered in the Offering and all of the New Shares offered by the Company are subscribed for in the Offering; (ii) the existing shareholders of the Company do not purchase or subscribe for the Offer Shares in the Offering and (iii) no stabilisation activities are conducted during the Stabilisation Period.

Name	Number of shares	Number of votes	% of shares in the share capital	% of votes at the GM
Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII	90,516,507	90,516,507	57.42	57.42
Elisario Limited	7,403,900	7,403,900	4.70	4.70
Beragua Capital Advisory S.L.	1,236,300	1,236,300	0.78	0.78
Vladimir Bosiljevac	1,250,000	1,250,000	0.79	0.79
Heunadel Retail Invest GmbH	1,037,866	1,037,866	0.66	0.66
Lluis Xavier Valencia Aura	492,700	492,700	0.31	0.31
Michał Wojciech Seńczuk	325,300	325,300	0.21	0.21
Rafał Cieślakowski	137,900	137,900	0.09	0.09
Marta Patricia Lopez Saavedra	29,600	29,600	0.02	0.02
Javier Cifuentes Gonzalez	29,600	29,600	0.02	0.02
Free float (purchasers of the Offer Shares)	55,170,594	55,170,594	35.00	35.00
<b>Total</b>	<b>157,630,267</b>	<b>157,630,267</b>	<b>100</b>	<b>100</b>

#### Dilution

Assuming that: (i) the Selling Shareholders sell all of the Sale Shares offered in the Offering and all of the New Shares offered by the Company are subscribed for in the Offering; (ii) the existing shareholders of the Company do not purchase or subscribe for the Offer Shares in the Offering and (iii) no stabilisation activities are conducted during the Stabilisation Period, following the issuance of the New Shares, new shareholders of the Company will immediately hold Shares, representing a total of 35% of the Shares in the Issuer. The existing shareholders of the Company will therefore suffer immediate dilution of 15.27% of their shareholding in the Issuer.

#### Costs of the Offering

The total costs of the Offering consist of the Joint Global Coordinators' fees and other costs such as, among other things, fees for legal and other advisory services, fees for accounting services, fees incurred in connection with marketing activities and fees relating to the approval of the Prospectus, the WSE Admission and the ZSE Admission or the costs and expenses related to organising of meetings with investors (early-look meetings and investor education), pilot fishing and the roadshow. The Joint Global Coordinators' fees will be paid on a pro rata basis by the Selling Shareholders (with respect to sale of the Sale Shares) and by the Company (with respect to the issuance of the New Shares), while the remaining costs will be covered by the Company. The Company estimates its total costs relating to the Offering will be in the range of approximately EUR 3.5 million and EUR 4.0 million. Neither the Selling Shareholders, nor the Company will collect any fees from investors placing purchase orders for the Offer Shares. Nonetheless, the amount paid by an investor subscribing for the Offer Shares may be increased by a potential commission for the investment firm accepting the purchase order in accordance with the rules in place in such investment firm.

#### Who is the Offeror and/or the person asking for admission to trading?

In the Offering, the Sale Shares are offered by the Selling Shareholders as follows:

- Polish Enterprise Funds SCA, a limited partnership limited by shares (*société en commandite par actions*), constituting an investment company with variable share capital, operating as an alternative investment fund (*société d'investissement à capital variable - fonds d'investissement alternatif réservé*), that is not supervised nor subject to any authorisation by the CSSF, established under the laws of the Grand Duchy of Luxembourg, with its registered office at 15, Boulevard F. W. Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg, registered in the Luxembourg Trade and Companies Register under number B 222119; LEI code No. 529900IFZLHJLMOJH37; telephone No.: +352 4818281; email: PEF@alterdomus.com, acting for compartment (subfund) PEF VIII;
- Elisario Limited, a private limited company, established under the laws of the Republic of Cyprus, with its registered office at Espiridon 5, 4th Floor, Strovolos, 2001, Nicosia, Cyprus, registered with the Register of Companies of Cyprus under number HE 322273; LEI code 254900J37Z7FDQL6ER88; telephone No.: +35 722 474 000; email: info@cpm.com.cy;
- Beragua Capital Advisory S.L., a private limited liability company (*sociedad limitada*), established under the laws of the Kingdom of Spain, with its registered office at C/ Triana, 31 28016 Madrid, registered with the Madrid Mercantile Registry (*Registro Mercantil de Madrid*) and with CIF number B85516227; LEI code 959800WYA5AVNPF8T026; telephone No.: +34 91 535 75 18; website: www.beragua.com; email: info@beragua.com;
- Heunadel Retail Invest GmbH, a private limited liability company, established under the laws of Germany, with its registered office at Friedenstrasse 26a, 06114 Halle (Saale), registered in commercial register of the district court of Stendal (*Armtsgericht Stendal*) under number HRB 25704; LEI code 894500NC8F4AK6664R81; telephone No.: +49 (0)345 239 66 452; website: www.heunadel.com; email: contact@heunadel.com; and
- Vladimir Bosiljevac, business address: Krsnjavog 1, 10000 Zagreb, Croatia, telephone No.: +385 91 510 2195; email: vbosiljevac@adriacap.com.

Information on the Company as an entity seeking the admission and introduction of the Shares to trading on the regulated market operated by the WSE and the admission of the Shares to trading on the regulated market (Official Market Segment) operated by the ZSE is presented in Section B in the "Who is the issuer of the securities" subsection.

**Why is this Prospectus being produced?**

**Reasons for the Offering**

Studenac believes that the Offering and the Admission will facilitate its further growth by enhancing its profile, brand recognition and credibility and will create a liquid market in the Company's shares for its existing and future shareholders. The Offering will also provide the Principal Selling Shareholder and the remaining Selling Shareholders with an opportunity to partially monetise their shareholding in the Company.

The Company will receive all of the proceeds from the issuance of the New Shares in the Offering and will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders. All of the proceeds from the sale of the Sale Shares in the Offering will be received by the Selling Shareholders. The amount of the proceeds to be received by the Company and the Selling Shareholders depends on the Final Number of Offer Shares, including the final number of the Sale Shares to be sold by the Selling Shareholder and the final number of the New Shares to be issued by the Company, the final number of Offer Shares offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors), the Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors, as well as the total costs and expenses related to the Offering. The information regarding the amount of proceeds to be received by the Company and the Selling Shareholders will be included in the pricing notification that will also contain information regarding the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors and the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) as well as the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors) and that will be published on the Pricing Date or the day after in the same manner as the Prospectus (i.e. in searchable electronic form on the Company's website (<https://www.studenacgroup.eu>) and on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com)) following completion of the bookbuilding process for Institutional Investors.

**Underwriting Agreement**

On the date of the Prospectus, the Company, the Selling Shareholders and the Joint Global Coordinators entered into a conditional agreement (the "**Underwriting Agreement**") pursuant to which the Company agreed to issue, offer and sell the New Shares in the Offering, and the Selling Shareholders agreed to offer and sell the Sale Shares in the Offering as indicated in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Joint Global Coordinators have agreed, subject to the satisfaction of certain conditions specified in the Underwriting Agreement and the Pricing Annex, to procure purchasers for the Offer Shares and, failing which, subject to execution of the Pricing Annex, to acquire or cause their affiliates to purchase and pay for the Offer Shares not otherwise purchased and paid for by the Institutional Investors, including Substitute Investors, on the terms provided in the Underwriting Agreement and the Pricing Annex.

The Underwriting Agreement contains conditions precedent concerning the Joint Global Coordinators' obligation to procure purchasers for the Offer Shares among Institutional Investors, as well as other obligations of the Joint Global Coordinators under the Underwriting Agreement, typical for underwriting agreements concluded in public offerings similar to the Offering, such as an agreement among the Company, the Selling Shareholders and the Joint Global Coordinators regarding the Pricing Annex specifying, inter alia, the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors, the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of Offer Shares that will be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors).

The Underwriting Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts for the purposes of settling any dispute arising out of or in connection with the Underwriting Agreement. The Underwriting Agreement contains terms customary for offerings similar to the Offering, including customary representations and warranties of the Company and the Selling Shareholders.

The Underwriting Agreement contains standard covenants by the Joint Global Coordinators with respect to advertising and promotional activities undertaken by them, including restrictions on undertaking such activities only with particular categories of Institutional Investors and in each case in compliance with the laws of the jurisdiction where such activities are to be conducted.

**Conflicts of interest**

Members of the Management Board and the Supervisory Board, including Michał Seńczuk, Michał Halwa, Dragan Baškarad, Andrija Topić, Rafał Cieślakowski, Nina Mimica, Michał Kędzia, Bartosz Kwiatkowski and Tomislav Tomljenović hold functions and management positions, or are partners at certain affiliates of the Company and the Principal Selling Shareholder. In addition, all members of the Management Board hold functions in the management board of Studenac Croatia and certain members of the Supervisory Board, namely Michał Kędzia, Bartosz Kwiatkowski, and Tomislav Tomljenović, also hold functions in the supervisory board of Studenac Croatia. Accordingly, their interests with respect to the Offering, the WSE Admission and the ZSE Admission may not be aligned with those of the Company or the Company's other shareholders, which constitutes a potential conflict of interest.

Subject to the above, in accordance with the information available to the Company, there are no actual or potential conflicts of interest between any duties of the members of the Management Board and of the members of the Supervisory Board in relation to the Company and any of their private interests or other duties. Members of the Management Board and the Supervisory Board not specified above, namely Filip Bilanović, Krzysztof Andrzejewski, Javier Fernández Rozado, Ronny Gottschlich, Gordan Kolak, Ewa Radkowska-Świętoń and Stephanie Ekaette Trpkov do not hold any positions, functions and are not partners at any affiliates of the Company or the Principal Selling Shareholder.

## RISK FACTORS

*Before investing in the Offer Shares, prospective investors should carefully consider the risks and uncertainties described below, together with the other information contained in this Prospectus. The occurrence of any of the events or circumstances described in these risk factors, individually or together with other circumstances, may have a significant negative impact on Studenac's business, financial condition, results of operations and prospects. The price of the Offer Shares could decline, and an investor might lose part or all of its investment upon the occurrence of any such event.*

*All of these risk factors are contingencies that may or may not occur. Studenac may face a number of these risks described below simultaneously and some risks described below may be interdependent where indicated with a cross reference. Although the most material risk factors have been presented first within each category, the order in which the remaining risks are presented is not necessarily an indication of the likelihood of the risks actually materialising, of the potential significance of the risks or of the scope of any potential negative impact on Studenac's business, results of operations, financial condition and prospects. While the risk factors below have been divided into categories, some risk factors could belong to more than one category, and prospective investors should carefully consider all of the risk factors set out in this section.*

*Although Studenac believes that the risks and uncertainties described below are material risks and uncertainties concerning Studenac's business and industry and the Offer Shares, they are not the only risks and uncertainties relating to Studenac and the Offer Shares. Other risks, events, facts or circumstances not presently known to Studenac, or that Studenac currently deems to be immaterial, could, individually or cumulatively, prove to be important and may have a significant negative impact on Studenac's business, results of operations, financial condition and prospects.*

*Prospective investors should carefully read and review the entire Prospectus and should form their own views before making an investment decision with respect to the Offer Shares. Furthermore, before making an investment decision with respect to the Offer Shares, prospective investors should consult their own professional advisors and carefully review the risks associated with an investment in the Offer Shares and consider such an investment decision in light of their personal circumstances.*

### **1. Risks Relating to the Industry in Which Studenac Operates**

#### **1.1. Changes in general economic conditions in Croatia or in Europe more broadly may lead to a decrease in consumer demand, which could adversely impact the operations of Studenac.**

Studenac conducts its business mainly within Croatia in the retail grocery market, although it is expanding its operations into Slovenia, having entered the country in September 2024. Accordingly, Studenac is dependent on Croatian consumer demand. Consumer demand in turn depends on a range of factors, including gross domestic product ("GDP") growth, disposable income levels, inflation, consumer confidence, availability of consumer credit, tourism levels, the unemployment rate, the statutory minimum wage, taxation rates, interest rates, currency exchange rates, political uncertainty, demographic changes and levels of EU funding to Croatia. Croatia's economy is performing strongly relative to the rest of the region, with real GDP growth of 2.7% in 2023, compared to 0.8% for the broader Central and Eastern Europe ("CEE") region, based on data from the World Bank. However, there can be no assurance that this growth will continue, particularly in light of the uncertain macroeconomic and the geopolitical situation globally and regionally, with inflation persisting and energy prices subject to volatility due to, among other factors, global conflicts. Moreover, inflation has been persistently high, both in Croatia and globally, in the aftermath of the COVID-19 pandemic. According to the EU Commission, the consumer price index ("CPI") was 8.4% in 2023 in Croatia. If inflation does not continue its downward trajectory, this may result in continued pressure on consumer spending, which could adversely affect demand for Studenac's products.

In addition to consumer demand in Croatia, Studenac is dependent on consumer demand more broadly in Europe. This is because a portion of its stores are located in coastal areas which are reliant on tourism. See also "—1.4 Studenac may be adversely affected by declining levels of tourism to Croatia". Western Europe and in particular Germany are the main sources of tourists to Croatia. Germany's GDP contracted by 0.3% in 2023, with private consumption having suffered from a loss in purchasing power due to inflation and high building and borrowing costs, labour shortages and elevated energy prices leading to depressed investment in construction- and energy-intensive sectors. Growth in other Western European countries has been anaemic, with 0.8% growth in GDP for Western Europe as a whole in 2023, according to the World Bank. In addition, tensions resulting from the war in Ukraine and the situation in Gaza could have a destabilising effect on global macroeconomic conditions, which could adversely affect growth in Western Europe and globally.

If macroeconomic conditions in Croatia and/or Europe more broadly were to deteriorate, this could adversely affect consumer demand in Croatia. Tourism levels from Europe could also be adversely affected. Adverse macroeconomic conditions could also limit access to external financing and give rise to difficulties with suppliers and/or other entities

with which Studenac conducts business. As a result, any adverse macroeconomic conditions could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**1.2. Studenac's business would be harmed if the trend towards proximity shopping were to reverse or diminish.**

Studenac is a proximity food retailer, meaning that its stores are strategically located close to customers and are tailored to fit the specific needs of the surrounding community. Studenac's stores are centred around the "I sitno I bitno" (small and essential) consumer proposition offering customers quick, quality everyday shopping for all of their daily needs. Studenac's consumer proposition has been successful due to the increasing importance of proximity shopping across the Croatian market. According to the OC&C Analysis, proximity shopping has grown from 46% of the Croatian grocery market in 2018 to 60% in 2023. Studenac is able to price its products at a premium compared to retailers operating larger stores due to the fact that convenience is a key priority for its customers. The OC&C Analysis has demonstrated that customers would require significant price savings to entice them to shop elsewhere at destinations located further away from them. Based on this analysis, 23% of Studenac's shoppers are not willing to travel further to save money and average price savings of 19% would be required to lead Studenac's customers to shop elsewhere. Furthermore, 58% of Studenac's customers spent less than ten minutes in-store during their last shop with Studenac. There can be no assurance, however, that the shift towards proximity shopping will continue and consumer preferences may shift towards retailers operating larger stores and other "big box" stores such as Lidl and Kaufland. If this were to occur, Studenac could lose share of wallet to these retailers. See also "—1.5 Studenac is subject to the risk of competition and narrow profit margins on the retail grocery market". If the trend towards proximity shopping were to reverse or diminish, this could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**1.3. If Studenac does not timely identify or effectively respond to consumer trends or preferences, this could negatively affect its relationship with its customers, demand for the products it sells, its market share and the growth of its business.**

The success of Studenac's business depends in part on how accurately it can predict consumer demand, availability of merchandise, the related impact on the demand for existing products and services and the competitive environment. Studenac's business is dependent on its ability to make decisions and predictions with respect to merchandise categories that quickly respond to changing consumer spending patterns, tastes and preferences, any incorrect calculations by Studenac may result in lower sales revenue, spoilage and inventory markdowns, which could adversely impact its results of operations. In particular, changes in lifestyle and dietary preferences, such as shifts away from meat or alcohol consumption due to health concerns, may be difficult to predict and respond to. Similarly, local conditions may cause customer preferences to vary from region to region.

Studenac's ability to predict and adapt to changing tastes and preferences depends on many factors, including obtaining accurate and relevant data on customer preferences, emphasising relevant merchandise categories, effectively managing inventory levels, and implementing competitive and effective pricing and promotion strategies. Price transparency, product assortment, customer experience and convenience are of primary importance to customers and continue to increase in importance, particularly as a result of digital tools and social media available to consumers and the choices available to consumers for purchasing products.

In particular, Studenac may not be successful in adjusting its line of private label products to respond to consumer trends or preferences. Studenac's product assortment includes private label products in certain product categories. Increasing the share of private label products is a key component of Studenac's strategy, given the higher margin of these products. Therefore, if Studenac is unable to adjust its line of private label products, this could frustrate its ability to implement its strategy and/or adversely affect its margins.

If Studenac does not timely identify or effectively respond to consumer trends or preferences, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**1.4. Studenac may be adversely affected by declining levels of tourism to Croatia.**

Studenac benefits from Croatia's status as a tourist destination. Average sales revenue per store and average sales revenue per square metre are also higher for Studenac's tourist-led and purely seasonal stores as compared to its resident-led and capital (Zagreb) stores. For these reasons, any development that adversely affects tourism levels to Croatia will have an adverse effect on Studenac's sales revenues and profitability. Tourism levels in Croatia have demonstrated significant growth in recent years (other than during the COVID-19 pandemic), which the Management attributes to Croatia's status as a relatively cheap car destination. Croatia's entry into the Schengen zone is also expected to result in an increase in the number of tourists, mostly from Germany and Western Europe. Nevertheless, there can be no assurance that these trends will continue. Croatia could also fall out of favour as a tourist destination, for

instance due to reputational issues, climate change or the increasing popularity of alternative tourist destinations. If tourism levels to Croatia were to decrease or fail to grow at rates consistent with Studenac's historical experience, this could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**1.5. Studenac is subject to the risk of competition and narrow profit margins on the retail grocery market.**

Studenac's results of operations are subject to risks relating to competition and narrow profit margins in the retail grocery market. Studenac's competitors include convenience stores, independent grocery stores, supermarket chains, supercentres, specialty food stores, general merchandisers, discount retailers, hypermarkets and restaurants. Specifically, Studenac's most relevant competitors include Konzum, Tommy, Spar and, regionally, Ribola. These players generally compete on the basis of location, quality of products, service, price, product variety and store condition. It is possible that Studenac could face increased competition in the future from some or all of these competitors. To the extent Studenac is required to reduce prices to maintain or grow its market share in the face of competition, Studenac's profitability and cash flows could be adversely affected. This may particularly be the case if customer preferences for proximity shopping shift. See also "—1.2 Studenac's business would be harmed if the trend towards proximity shopping were to reverse or diminish".

Furthermore, some of Studenac's competitors may have financial, distribution, purchasing and marketing resources that are greater than those of Studenac. Studenac's profitability could be impacted as a result of the pricing, purchasing, financing, advertising or promotional decisions made by competitors. Competitive pressures could ultimately lead to a reduction in Studenac's market share and a decline in profitability, which could in turn have a material adverse effect on its business, results of operations, financial condition and prospects.

**1.6. Labour shortages and/or higher labour costs could affect Studenac's business and future profitability adversely.**

Studenac may experience labour shortages, which can affect the entire market and/or it may face competition for employees with other retail operators or operators in the hospitality sector in Croatia. This might adversely affect its ability to expand its operations or compromise its ability to serve its customers. In addition, any increases in national minimum wage rates applicable in Croatia or in other countries in which Studenac operates (e.g., Slovenia) could result in an increase in Studenac's operating expenses and, if such costs cannot be passed on to consumers in the form of higher prices for Studenac's products, any such increase could adversely impact Studenac's profitability. Consequently, any labour shortages or any material increases in labour or other costs could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**2. Risks Relating to Studenac's Expansion Strategy**

**2.1. Studenac may not be successful in implementing its organic growth strategy.**

Studenac has been growing its store network rapidly since its acquisition by PEF in 2018, expanding its store network by approximately 3.3 times from 2018 to 2023, from 385 stores to 1,404 stores as of 30 September 2024. This growth has been both through organic store additions as well as through mergers and acquisitions ("M&A") activities. During the period from 2018 to 30 September 2024, Studenac added 491 stores organically. Studenac intends to continue to pursue a strategy of organically rolling out stores. According to the OC&C Analysis, as at the end of 2023 there are an estimated 3,200 white space locations across Croatia and an estimated 700 white space locations across Slovenia. However, the successful implementation of Studenac's organic roll-out strategy depends on, among other things, economic conditions, access to funding, the regulatory environment, its ability to lease real estate on commercially reasonable terms, the availability of qualified store personnel and Studenac's ability to integrate new stores in a timely and effective manner.

Studenac's roll-out of new stores has historically entailed relatively limited capital expenditure. On average, Studenac incurs capital expenditure of €100,000 to €120,000 per store opening. Studenac also incurs capital expenditure for the refurbishment and revamping of its stores, which it did for example in relation to the Lonja stores it acquired in 2022. In the past, Studenac has been able to fund its capital expenditure needs primarily through operating cash flows. However, there can be no assurance that capital expenditure requirements will not be higher than they have historically been and, if that proves to be the case, that Studenac will not be required to seek external financing in the form of debt facilities to fund them. If this is the case, Studenac may not be able to implement its expansion plans on the expected timing or at all.

Furthermore, even if Studenac opens new stores in accordance with its expansion plans, the newly opened stores may fail to operate profitably within the originally assumed time frames or at all or the increase in sales revenue or like-for-like ("LFL") sales growth may be lower than Studenac's expectations. New stores opened by Studenac represent a drag



on profitability due to the time it takes for them to fully ramp up. It typically takes two to three years for a store to reach maturity level in terms of sales and profitability. Studenac's pre-opening analysis for a store may also prove to be inaccurate due to, among other things, lower than expected customer traffic. In addition, if Studenac opens new stores in areas where it already operates, it may experience cannibalisation of its sales revenue, although this has not been the case in the past. If Studenac is unable to fund its roll-out of new stores, or if new stores do not perform as expected, Studenac's business, results of operations, financial condition and prospects could be materially adversely affected.

**2.2. *Studenac is exposed to risks related to its ability to identify attractive acquisition targets and complete acquisitions on terms acceptable to it.***

For the period from 2018 to 30 September 2024, Studenac acquired 725 stores through its acquisitions of Istarski Supermarketi, Sonik, Bure, Pemo, Lonia, Strahinjčica, Špar Trgovina, LA-VOR, Decentia and Kea. See "Business—5. Operations—5.3 Store footprint expansion" for further details of the main acquisitions Studenac has completed. Studenac intends to continue to pursue this strategy and has identified over 2,000 stores across Croatia that fit its criteria for acquisitions. There can be no assurance, however, that these stores will ultimately fit Studenac's criteria following due diligence or that Studenac will be able to complete acquisitions on acceptable terms due to, for example, competition from other purchasers, lack of financing or other external factors. In particular, other players in the market may embark on consolidation plans, which could heighten competition for targets across the Croatian market. Should Studenac fail to identify appropriate strategic acquisition targets and complete acquisitions, its expansion plans will be adversely affected, and it would not be able to achieve growth consistent with the rates of growth it has experienced in the past. Studenac may also encounter regulatory pressure as it expands its store network. While the Management considers that Studenac's market share at the national level is insufficient to give rise to competition concerns, at the local level it may face regulatory scrutiny due to the concentration of its stores in a particular region. This could in turn adversely affect its ability to complete further acquisitions in that region. Any failure to identify acquisition targets and complete acquisitions could in turn have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**2.3. *Studenac is exposed to the risk of encountering unknown circumstances or the inadequate handling of such circumstances in connection with due diligence of acquisition targets.***

Studenac conducts its M&A activities through its dedicated M&A and Post-Merger Integration team, which has significant experience in executing acquisitions. However, no assurance can be given that Studenac will properly assess the merits of a given acquisition or that it will be able to avoid incurring acquisition costs or other costs beyond what it has budgeted for. As a result of these or other factors, Studenac may incur liabilities or expenses that prove to be larger than anticipated.

In carrying out acquisitions, Studenac conducts a thorough due diligence exercise and engages in other analyses of the target. However, this process may not identify all actual and potential liabilities prior to the completion of an acquisition. In particular, in the due diligence process, reliance will be placed on information provided by the target company itself. Public information or third-party sources will typically be limited and, if available, could be inaccurate and/or misleading. The purchase agreements Studenac enters into may not contain representations and warranties and indemnities adequate to protect Studenac against all actual and potential liabilities it encounters. Risks identified and considered prior to each acquisition might also be misjudged and could have an adverse impact on the prospects of the target and/or give rise to unexpected costs. Further, during the acquisition process, target companies may suffer from reductions in customer traffic, regulatory problems, unforeseen costs or other unforeseen issues. Studenac might also become subject to reputational damage to the extent it fails to identify adverse information regarding a target in the due diligence process.

Further, if due diligence reviews are carried out incorrectly or only with limited scope, Studenac could acquire targets that does not ultimately meet its standards, which could adversely affect Studenac's profitability, give rise to increased costs and/or harm Studenac's reputation. If Studenac does not identify all material issues in connection with its due diligence of acquisition targets, if it is inadequately protected from liability through representations and warranties and indemnities in purchase agreements or if fails to conduct an appropriate due diligence process, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**2.4. *There can be no assurance that Studenac will be able to successfully integrate the stores it acquires or that its acquired stores will perform as expected.***

Studenac is subject to the risk that the sales revenue, profitability and/or cash flows that the acquisitions it makes are expected to generate do not materialise. In addition, Studenac typically realises synergies in connection with its acquisitions, for example from improvements in trade terms and the removal of purchasing groups, head office



consolidation, distribution optimisation and network integration synergies and re-branding. There can be no assurance, however, that these synergies will be realised within the expected time frame or at all. Specifically, due to the lag in the materialisation of synergies, Studenac's acquisitions may have a temporary adverse impact on its margins for a certain period following completion. For instance, acquired companies have generally been operating on less favourable commercial terms with suppliers prior to their integration into Studenac. This lag may be longer than Studenac expects, which would have an adverse impact on its overall profitability.

Furthermore, Studenac may encounter difficulties in relation to the integration of acquisition targets' operational, financial and information technology ("IT") systems, processes and structures. As Studenac's operations grow in size, scope, and complexity, it may need to continue to improve, consolidate, unify and/or upgrade its systems, which will require additional expenditures and the devotion of management resources. If Studenac is unable to integrate its acquisitions effectively, or if it incurs additional costs in connection with the integration process, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

### **2.5. Studenac may face challenges in implementing its international expansion plans.**

Studenac conducts its business mainly in Croatia. As part of its expansion strategy, however, Studenac entered the Slovenian market, and, in the future, it may pursue growth in other countries. Studenac has no experience with opening new stores or completing acquisitions outside of Croatia. Acquisitions outside of Croatia may present challenges in terms of cultural or language obstacles but also in terms of integration and management of a business that is geographically further away from Studenac's core operations.

Studenac cannot rule out that its existing business model may not resonate with consumers or meet market demands in Slovenia. The successful introduction of Studenac's consumer proposition to Slovenia and, potentially, other markets is dependent on various factors, including, among other things, market acceptance, Studenac's effectiveness in aligning its business with local regulations and operational execution. While Studenac's consumer proposition has proven successful in Croatia, this does not mean that it will gain the expected traction and thereby develop the expected market share in other markets. Misalignment with local preferences could lead to diminished brand appeal and poor sales performance, hindering Studenac's ability to capture market share and achieve its financial targets.

Studenac cannot guarantee that it will be able to adapt its offering to a local market characterised by a different culture and consumer habits. Penetrating a new market also requires substantial investments in various areas such as marketing, distribution channels, and operational infrastructure. These upfront costs, coupled with uncertainties surrounding consumer adoption rates and competitive dynamics, may lead to significant financial burdens and lower than expected profitability.

Each jurisdiction has its own set of regulations governing retail operations, trade practices, and product standards. Failure to navigate these regulatory frameworks effectively could result in legal disputes, penalties, or even business closures, thereby disrupting Studenac's market entry plans. As a result of these or other factors, Studenac could achieve returns on its investment in international expansion that are below what it has budgeted for, and it could incur liabilities or expenses that prove to be larger than anticipated. This, in turn, could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

### **2.6. Studenac may be unable to lease real properties or renew its leases on commercially acceptable terms.**

Studenac does not own the properties on which its stores are located but leases them from third parties. Studenac's ability to open new stores is therefore dependent on its success in identifying and entering into leases on commercially reasonable terms for properties that are suitable for its needs. If Studenac fails to identify and enter into leases on a timely basis for any reason, including due to competition from other companies seeking similar sites, its growth may be impaired because it may be unable to open new stores as anticipated. Similarly, Studenac's business may be harmed if it is unable to renew the leases for its existing stores on commercially acceptable terms. Studenac also entered into lease agreements in respect of its distribution centres in located in Dugopolje, Zadar and Zagreb, as well as the offices, with the main ones being located in Omiš and Zagreb.

Approximately 30% of Studenac's lease agreements are indexed to inflation and it is therefore exposed to the risk of increases in rent in an inflationary environment. To the extent it is unable to increase its sales revenue sufficiently to offset any such increases, its margins could be adversely affected. Studenac's current portfolio of lease agreements mainly consists of leases with terms of five or ten years. However, the standard templates for new lease agreements are designed for a ten-year period. Studenac's templates also contain certain clauses beneficial to Studenac, including a right of first refusal to lease the premises after the expiration of the initial term. When Studenac renews its leases, however, its rent will typically increase. In addition, the terms of specific agreements that deviate from templates can be less favourable for Studenac. Out of its 1,404 stores as at 30 September 2024, 38 leases expire during

2024 and 95 in 2025. Studenac plans to extend these leases, unless the relevant stores are underperforming. See “*Business—11. Properties*”.

If Studenac is unable to enter into or renew existing leases on commercially acceptable terms, or if its existing leases are terminated for any reason, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

### **3. Risks Relating to Studenac’s Operations**

#### **3.1. *If Studenac is unable to maintain its LfL growth, this could have a material adverse effect on its business, results of operations, financial condition and prospects.***

One of Studenac’s strategic pillars is to maintain its LfL growth. Studenac’s ability to achieve such growth is dependent on a number of initiatives, namely improved product availability, including increases in the number of products; network revitalisation, including continuous refurbishment of existing and acquired stores; pricing and promotions tool, with advanced analytics expected to improve pricing decisions and create more appealing promotions; marketing initiatives, including the roll-out of promotional ads to increase brand awareness; expansion of the loyalty programme, including an increase in the number of active users of Moj Studenac; throughput boost, including improvements to the throughput of seasonal stores; continued bake-off rollout, including adding bakery capabilities to stores to drive footfall; active work on net promoter score (“**NPS**”) through improving the shopping experience; and additional services, including mailing packages, paying bills and lottery tickets. Any failure to successfully implement these initiatives may result in slower than planned growth, which could have a material adverse effect on Studenac’s business, results of operations, financial condition and prospects.

Given that Studenac’s sales revenue and profitability is ultimately driven by its sales volume to end customers, Studenac’s ability to maintain LfL growth largely depends on the number of customers visiting Studenac’s stores (the number of transactions) and the average basket size of their purchases. Therefore, any decrease in these metrics could negatively affect Studenac’s ability to maintain LfL growth and profitability. Studenac’s ability to maintain LfL growth may also be impacted by a number of factors beyond its control, including macroeconomic conditions (such as a high inflation rate or a high rate of unemployment that could negatively impact disposable consumer income and increase customer price sensitivity) or changing consumer habits. In addition, Studenac may become subject to regulatory measures that have an adverse effect on its results of operations, for example the Sunday trading limitation introduced by the Croatian government. See “—5. Risks Relating to Legal, Tax and Regulatory Matters—5.1 *The introduction of a trading limitation requiring retailers to close certain stores on Sundays and public holidays has had an adverse impact on traffic and any future similar measures could have an adverse effect on retailers such as Studenac*”. Any failure to maintain LfL growth could have a material adverse effect on Studenac’s business, results of operations, financial condition and prospects.

#### **3.2. *Risks associated with the suppliers from whom Studenac sources its products could adversely affect Studenac’s business.***

The prices of products that Studenac acquires and then offers to customers, including in particular fresh products, are volatile and represent the most significant item in Studenac’s operating expenses. The cost of products offered by Studenac may increase significantly as a result of global or local events that are beyond the control of Studenac, such as adverse agricultural conditions (including poor harvests or animal diseases), supply and demand dynamics or trade disruptions. Studenac’s suppliers may seek to pass on any increases in product prices to Studenac and Studenac may not always be able to pass on any such increases to its customers without losing market share. In certain instances, Studenac will be prevented from passing on any such increases. The Croatian government introduced a price cap on selected items (including flour, sugar, 2.8% long lasting milk, chicken, ground meat and sunflower oil) from September 2022 in order to address rising inflation. In September 2023, this was extended to cover additional product groups, including rice, eggs, spaghetti, certain vegetables, shampoo and toilet paper. Slovenia also introduced price cap legislation in 2022. Moreover, Studenac operates in a highly competitive environment and it may not always be able to respond in a timely manner to any pricing actions by its competitors, despite its extensive use of pricing tools across its business. Studenac’s energy costs can also be volatile and pursuant to its supply contracts with energy providers, the energy providers can adjust energy prices each year based on inflation.

Studenac’s suppliers and/or their manufacturers might also experience labour problems, shortages of raw materials, merchandise safety and quality issues, disruption or delays in the transportation of merchandise from the suppliers and manufacturers to Studenac’s distribution centres and stores and issues with transport availability and cost and/or transport security. These issues could in turn result in the disruption of supplies to Studenac’s stores, which could adversely affect Studenac’s sales revenue and profitability.

In addition, Studenac's supplier base is relatively concentrated, with its ten largest suppliers accounting for approximately 50% of purchases in 2023. Due to this concentration, the termination of any supply agreements or any financial instability of suppliers or their inability to meet their penalty obligations under Studenac's supply contracts disrupt Studenac's operations, which could in turn limit its sales revenue and/or adversely affect its profitability. Furthermore, Studenac expects its suppliers to comply with applicable laws, including labour, safety, anti-corruption and environmental laws, and to otherwise meet its required supplier standards of conduct. Studenac's ability to find qualified suppliers who uphold its standards, and to access products in a timely and efficient manner and in the large volumes it requires, may represent a challenge.

Studenac is also contemplating a shift towards international sourcing in order to accommodate its scale and future growth plans. Trade policies, tariffs and other restrictions on the exportation and importation of goods, trade sanctions imposed between certain countries and entities, the limitation on the exportation or importation of certain types of goods or of goods containing certain materials from other countries and other factors relating to foreign trade are beyond Studenac's control. These and other factors affecting Studenac's suppliers and its access to products could adversely affect its operations. If Studenac encounters any of the aforementioned issues with its suppliers, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**3.3. Any change in supplier terms could adversely affect Studenac's results of operations.**

Studenac receives additional rebates from its suppliers, where a rebate is applied by a supplier at the end of a particular period in return for achieving a sales target or completing specified actions. These rebates primarily comprise marketing rebates and supplier discounts. These items are usually based on Studenac's sales volumes. If Studenac does not grow its purchases from suppliers over prior periods or if it is not in compliance with the terms of these programmes, there could be a material negative effect on the level of rebates offered or paid to Studenac by its suppliers. Additionally, suppliers may change the requirements for, and the amount of, funds available. No assurance can be given that Studenac will continue to receive such incentives or that it will be able to collect outstanding amounts relating to these incentives in a timely manner, or at all. A reduction in, the discontinuance of, or a significant delay in receiving such incentives, or any inability to collect such incentives could have a material adverse effect on Studenac's business, results of operation, financial condition and prospects.

**3.4. Studenac may experience disruptions in its supply chain and distribution and warehouse operations.**

Studenac may experience disruptions in its supply chain, as was the case during the COVID-19 pandemic, when the entire industry was impacted by supply chain dislocation. Moreover, if its logistics operations do not function smoothly, this could disrupt its operations and/or compromise its ability to respond to industry-wide supply chain dislocations such as those experienced during the pandemic. Studenac has one main distribution centre in Dugopolje (near Split), with two cross-docking warehouses and six semi-cross-docking warehouses. Any disruption to the operations of these facilities could disrupt Studenac's supply chain operations and/or result in substantial losses. Furthermore, any technical or software breakdowns at Studenac's distribution centre or warehouses may adversely affect Studenac. If such an event were to occur, Studenac might not be able to resume its operations in a timely manner, and its insurance policies might not cover the resulting loss of property and revenues.

Studenac is in the process of transforming its logistics structure to support its further growth. In the future, Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028. The future structure is expected to include a Zagreb distribution centre, a Karlovac distribution centre and a Split distribution centre. This is expected to be supported by cross-docking warehouses in Varazdin, Vinkovci, Slavonski Brod, Sisak, Bakar, Pazin and Zadar. A new warehouse management system ("WMS") and replenishment system has also been implemented and is being rolled out. There can be no assurance, however, that Studenac will be able to successfully implement these plans or that its distribution and warehousing facilities will be appropriately scaled to adequately support its anticipated growth and the increase in the number of stores through its organic roll-out and acquisitions. Studenac may also not be able to upgrade or install technology in a timely manner or train its employees effectively in the use of such technology. Any disruptions to Studenac's distribution and warehousing operations could have a material adverse effect on its business, results of operations, financial condition and prospects.

**3.5. Customer complaints, product liability claims, product recalls, health and safety issues, adverse publicity, legal actions concerning Studenac, including in respect of Studenac's private labels could negatively affect Studenac.**

The preparation, packaging, transportation, storage and sale of perishable food products and non-food products entail a risk of product contamination, deterioration or defects that could potentially lead to product recalls, liability claims and adverse publicity, as well as additional costs for Studenac. Food and non-food products may contain contaminants

that could, in certain cases, cause illness, injury or death. The sale (or claims relating to an alleged sale) of contaminated, deteriorated or defective products may result in a product liability claim or product recall. The risks of product liability claims or product recall obligations are particularly relevant in the context of Studenac's sales of fresh food products.

Any customer complaints, product liability claims, product recalls, health and safety issues, adverse publicity, legal action or other factors could adversely affect Studenac's reputation. Any of the foregoing may be amplified by the dissemination of negative publicity on social media. Social media platforms allow for the immediate publication of content that their participants post, often without filters or checks on the accuracy of such posts and these may include negative posts or comments about Studenac or its brand. Even if Studenac reacts appropriately to negative posts or comments about it or its brand on social media and online, customers' perception of Studenac's brand image and reputation could suffer.

Moreover, Studenac is required to comply with certain requirements of applicable law, and its activity and products are subject to the supervision and control of various public inspection authorities, including market, sanitary and agricultural inspections, in particular in relation to compliance with food safety rules. Thus, Studenac is required to comply with many sanitary requirements and procedures, including those relating to health and safety and the monitoring and laboratory analysis of the quality of raw materials and end products.

Any of the foregoing could lead to adverse legal, regulatory or reputational consequences and could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**3.6. Studenac's business is subject to significant seasonality.**

Studenac experiences significant seasonality for its tourist-led stores, while resident-led stores tend to have much less volatile performance. Due to the impact of seasonality on its tourist-led stores, Studenac's results of operations will not be comparable from period to period within a particular year. The third quarter of the year tends to be the strongest in terms of sales revenue due to the impact of the tourist season. The contribution to sales revenue of Studenac's tourist-led stores will be disproportionately high during this period. For this reason, investors should not interpret Studenac's quarterly results as being indicative of its performance for the fully year. Net working capital is also subject to strong seasonality effects and tends to be at its lowest during the summer tourist season. This moves in the opposite direction in October and November as a result of payments to suppliers for stock acquired during the tourist season. If Studenac is unable to correctly predict the impact of seasonality on its net working capital and arrange financing therefor, its business, results of operations, financial condition and prospects could be materially adversely affected.

**3.7. Studenac's results of operations may not be comparable across periods due to the significant amount of stores it has opened and acquisitions it has undertaken as well as other external factors.**

Studenac has transformed its business since its acquisition by PEF in 2018, expanding both organically through new store openings as well as through acquisitions. For that reason, its results of operations will not be comparable across periods. It presents LfL data to show its performance separating out the impact of store opening and acquisitions. Nevertheless, in future periods, it may be difficult for investors to draw comparisons across periods, which could make it difficult for them to value their investment in the Company. Other external factors such as regulatory changes may also render comparisons across periods difficult. For instance, in September 2022, the Croatian government capped retail prices of certain basic food items. It also introduced a Sunday trading limitation in July 2023. See "*—5. Risks Relating to Legal, Tax and Regulatory Matters—5.1 The introduction of a trading limitation requiring retailers to close certain stores on Sundays and public holidays has had an adverse impact on traffic and any future similar measures could have an adverse effect on retailers such as Studenac*". These measures have affected comparability across periods and any future changes (e.g., the lifting of the price caps) would also affect comparability.

**3.8. Studenac presents certain metrics in the Prospectus, including adjusted and normalised metrics, which have not been subject to an audit or review and on which investors should not place undue reliance.**

In this Prospectus, Studenac presents certain alternative performance measures ("**APMs**"), including adjusted metrics showing various metrics as adjusted for events not related to Studenac's main activity, such as (i) expenses related to due diligence processes (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) and (ii) mergers and acquisitions and post-merger integration expenses (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). These APMs are unaudited supplementary measures that are not required by, or presented in accordance with, IFRS. They are not indicative of Studenac's historical results of operations, nor are they meant to be predictive of future results. Since all companies do not calculate these measures in an identical manner, Studenac's presentation may not be consistent with similar measures used by other companies. Therefore, prospective investors should not place undue reliance on these measures.



In addition, Studenac presents certain information regarding the incremental Adjusted EBITDA and Adjusted Profit/(Loss) for the Period uplift arising from normalisation and annualisation effects. These include (i) the full-year effect (i.e. as if the relevant acquisitions had occurred at the beginning of the year) of synergies achieved after acquisitions (e.g. due to the application of Studenac's trade terms at its targets); (ii) the annualised impact of Studenac's pricing and promo tool; and (iii) the full-year effect (i.e. as if the relevant acquisitions had occurred at the beginning of the year) of smaller acquisitions. The Management believes that this information is useful for enhancing the comparability of Studenac's results of operations across periods. These normalisation and annualisation effects are based on estimates of the Management and are neither audited nor reviewed. They are also not meant to be predictive of future results. Therefore, prospective investors should not place undue reliance on these measures.

For further detail of these measures, see "*Presentation of Financial and Other Information — 1.2 Alternative Performance Measures*" and "*—1.3 Normalisation and Annualisation Effects*" and "*Selected Historical Financial Information — 5. Reconciliations*".

**3.9. Any loss of Studenac's key employees or the inability to hire a sufficient number of qualified staff may have a negative impact on Studenac's operations and future growth.**

One of the key requirements for the further development of Studenac's business, in particular its expansion plans is the hiring, training and retention of an adequate number of qualified and motivated personnel. A number of Studenac's management personnel have many years of professional experience with Studenac or in the retail grocery market. There is a risk that due to its expansion, Studenac may not be able to retain key employees, attract key personnel to fill vacancies or staff newly created positions with employees who have the appropriate qualifications and experience and it may have to incur substantial costs of hiring and training them. In particular, Studenac can provide no assurance that in relation to its organic roll-out of new stores it will be able to hire a sufficient number of qualified personnel. Moreover, Studenac cannot exclude the possibility that its competitors or other players in the retail grocery market will offer potential employees more favourable terms of employment. Personnel shortages and the loss of key employees may adversely affect Studenac's ability to expand its operations.

In addition, Studenac is dependent on certain key individuals, including its Board members, including its CEO, CFO and COO. If any of these individuals were to resign and Studenac is unable to hire a suitable replacement, this may adversely affect Studenac and the implementation of its strategy. The loss of management personnel or employees in key positions could lead to a loss of know-how, or under certain circumstances, to the passing on of this know-how to competitors. If Studenac is unable to attract, retain and train a sufficient number of qualified employees, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**3.10. Studenac's IT systems may be subject to disruption or may prove to be insufficiently secure.**

Studenac manages its store operations using a range of information technology solutions, including multi-acquiring software for EFTPOS card payment processing, BI system and Qlik Sense software for business analytics and reporting and the IPIS+ software for store management. Studenac is highly dependent on its IT architecture, with data-driven processes embedded throughout the organisation.

Given the number of individual transactions Studenac has each year, it is crucial that it maintains uninterrupted operation of its IT systems. Studenac's information systems are subject to damage or interruption from power outages, computer and telecommunications failures, computer viruses, worms, other malicious computer programs, denial-of-service attacks, security incidents and breaches from a variety of threat actors, including both cybercriminals and nation state-sponsored actors, catastrophic events such as fires, major or extended winter storms, tornadoes, earthquakes and hurricanes, civil or political unrest or armed hostilities. The availability of Studenac's IT systems and the integrity of its data are essential to Studenac's business operations, including the processing of transactions, management of facilities, logistics, inventories and physical stores. Studenac's IT systems are not fully redundant and its disaster recovery planning cannot account for all eventualities. If Studenac's systems are damaged, breached, attacked, interrupted or otherwise cease to function properly, Studenac may have to make a significant investment to repair or replace them, and may experience the loss or corruption of data as well as suffer interruptions in its business operations in the interim. In addition, the cost of securing Studenac's systems against failure or attack is considerable, and increases in these costs, particularly in the wake of a breach or failure, could be significant.

In addition, Studenac frequently updates its IT hardware, software, processes and systems. The risk of system disruption is increased when significant system changes are undertaken. If Studenac fails to timely or successfully integrate and update its IT systems and processes, it may fail to realise the cost savings or operational benefits anticipated to be derived from these initiatives.

In addition, as in the case for most retailers, Studenac receives and stores certain personal data about its customers in its IT systems, as well as personal data concerning its suppliers and employees. If third parties are able to penetrate Studenac's network security or otherwise misappropriate customers' credit or debit card information or other personal data of individuals concerned, or if Studenac gives third parties improper access to its customers' credit card information and other personal data of individuals concerned, Studenac could be subject to liability. This liability could include claims for unauthorised purchases with credit or debit card information, identity theft, other similar fraud-related claims. This liability could also include claims for other misuses of personal data, including for unauthorised marketing purposes or generally related to illegal use of personal data (which can itself be a criminal offence). Other liability could include claims alleging misrepresentation of Studenac's privacy and data security practices. Any such liability for misappropriation of this information could decrease Studenac's profitability. If Studenac is unable to prevent disruptions to its IT systems or if its network security is breached, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**3.11. *Studenac may be unable to successfully implement its strategy in respect of ESG matters, which may adversely affect its business.***

Studenac is an environmentally conscious organisation focused on limiting its carbon footprint through energy-saving initiatives and the use of renewable energy. If, however, Studenac fails to deliver on its environmental, social and governance ("**ESG**") strategy, if the solutions applied by Studenac in the area of ESG prove insufficient from the perspective of stakeholders or if the costs of implementing such solutions are higher than expected, Studenac's reputation and profitability could be materially adversely impacted.

In addition, Studenac may fail to adequately adjust to and comply with applicable ESG regulatory requirements (including in respect of circular economy requirements, which mandate the continuous reduction of the amount of primary materials used and increased reliance on recycling and reusing resources and materials, or to achieve food waste prevention goals) due to the lack of ready-to-implement solutions that would fit Studenac's requirements and the scale of its operations. Studenac also faces the risk of higher implementation costs in relation to such solutions. Studenac is also vulnerable to increases in energy costs, which may be driven by a number of factors that are beyond Studenac's control, including regulatory changes (such as potential city centre access limitations for cars with combustion engines), increases in the cost of the extraction of fossil fuels, a growth in emission rights costs, increased demand for energy and the potential lower efficiency of renewable energy sources. If Studenac is unable to deliver on its ESG commitments or if it is required to spend more than it has anticipated in order to meet these commitments, its business, results of operations, financial condition and prospects could be materially adversely affected.

**3.12. *Extraordinary events beyond Studenac's control could adversely affect its business, results of operations, financial condition and prospects.***

Factors beyond Studenac's control, such as terrorist attacks, pandemics, acts of war, calamities or other extraordinary events and their consequences could cause disruptions to the Croatian economy or political situation and increase the degree of uncertainty in the financial markets, which could in turn disrupt Studenac's operations and result in a decrease in sales revenue and/or profitability. For example, the recent COVID-19 pandemic and governmental and other measures put in place to control the spread of the virus, such as travel bans and restrictions, lockdowns, quarantine orders and shutdowns of business and workplaces, led to a significant worsening of macroeconomic conditions, including higher unemployment and inflation rates, reduced disposable income and lower consumption and supply chain disruptions and negatively impacted the Croatian retail grocery market in which Studenac operates. Traffic across Studenac's store footprint was severely affected by the restrictions introduced by the Croatian government.

If Studenac's plans do not fully address these events, or if its plans cannot be implemented under the given circumstances, such losses may be severe. Unforeseen events can also lead to additional operating expenses, such as higher insurance premiums and the development of further back-up plans. Insurance coverage for certain risks may also be unavailable, thus increasing the risk to Studenac. Studenac's inability to effectively manage these risks could adversely affect its business, results of operations, financial condition and prospects.

**3.13. *Studenac may be subject to wage pressures and/or labour disputes, which may have a material and adverse effect on its business, results of operations, financial condition and prospects.***

Studenac may face pressure on the cost of its personnel due to competition for qualified staff. This may particularly be the case due to the tight labour market in Croatia and Slovenia. To the extent it is unable to manage these pressures, its margins may be adversely affected. Furthermore, approximately 7.5% of Studenac's employees are members of a union. Therefore, Studenac is exposed to the risk of labour disputes and other industrial actions. Studenac may experience strikes, work stoppages or other industrial actions in the future. Any of these may result in increases in the



cost of labour, or in labour disturbances that could disrupt Studenac's operations. If Studenac is unable to manage pressure on the cost of its personnel, if it is unsuccessful in negotiating wages or if it faces labour disturbances, this could in turn have a material adverse effect on its business, results of operations, financial condition and prospects.

**3.14. The loss of important intellectual property rights could materially harm Studenac's business.**

Studenac's trademark portfolio consists of 107 trademarks. All trademarks are Croatian national trademarks registered with the State Intellectual Property Office (the "DZIV"). Its key trademarks are important to its business. Certain trademarks are pledged in favour of lenders as security for obligations arising under relevant financing agreements.

While Studenac relies on a combination of trademark and copyright laws to establish and protect its intellectual property rights, third parties may infringe on, or misappropriate, Studenac's rights, or assert rights in, or ownership of, Studenac's trademarks and other intellectual property rights, or in trademarks that are similar to trademarks that Studenac owns. The steps Studenac has taken may not be sufficient to protect its intellectual property rights or to prevent others from seeking to invalidate its trademarks and Studenac may in the future need to resort to litigation to enforce its intellectual property rights. Any such litigation could result in substantial costs and a diversion of financial and management resources. If Studenac is unable to protect its intellectual property rights against infringement or misappropriation, this could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

It is also possible that Studenac may not identify third-party intellectual property rights adequately or assess the scope and validity of these third-party rights, which may lead to claims that Studenac has infringed intellectual property rights owned by third parties, who may challenge Studenac's right to continue to sell certain products and/or may seek damages from Studenac. Any such claims or lawsuits, whether proven to be with or without merit, could be expensive and time consuming to defend and could cause Studenac to cease offering products that incorporate the challenged intellectual property, which could divert the attention and resources of Studenac's management. Studenac cannot provide any assurance that it will prevail in any litigation related to infringement claims against Studenac. A successful claim of infringement against Studenac could result in Studenac being required to pay significant damages, cease the sale of certain products that incorporate the challenged intellectual property or obtain licenses from the holders of such intellectual property which may not be available on commercially reasonable terms, any of which could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**3.15. Studenac's insurance coverage relating to its operations may be insufficient or not available.**

As of the date of the Prospectus, Studenac holds the following insurance policies: directors' and officers' insurance, all risks property insurance, public liability insurance, employee liability insurance, product liability insurance, mandatory car insurance and all-risks vehicle insurance. Studenac's insurance policies may not cover all of the damage that may be incurred by Studenac in the course of conducting its business and certain types of insurance may not be available on commercially reasonable terms.

Studenac's insurance may be insufficient or unavailable to cover the damage incurred by Studenac or to satisfy any claims against Studenac. See "Business—13. Insurance" for details of Studenac's insurance coverage. Moreover, an insurer may, in the instances specified in the relevant insurance agreements, refuse to satisfy claims against Studenac or to cover the damage incurred by Studenac. There may also be risks that are not insurable or the insurance of which would not be commercially justified, or for which the proposed terms and conditions and restrictions will not be sufficient, in Studenac's opinion, to mitigate the potentially high costs of covering any potential damage. Moreover, Studenac's insurance policies are subject to exclusions and limitations. Therefore, amounts paid under these insurance policies may be insufficient to cover all of the damage suffered by Studenac at the full value thereof. Thus, Studenac may not obtain full compensation based on the insurance agreements concluded to cover damage relating to its operations, and the scope of Studenac's insurance coverage could be insufficient. Also, there can be no assurance that, in the future, Studenac will be able to obtain insurance protection at the current level or on satisfactory terms. If Studenac is unable to obtain sufficient insurance coverage to protect it against the risk of loss, its business, results of operations, financial condition and prospects could be materially adversely affected.

**4. Risks Relating to Studenac's Financing Structure**

**4.1. Studenac may not be able to repay its financial debt or obtain financing on favourable terms.**

As at 31 August 2024, Studenac had €206.6 million of loans outstanding and a Net Debt/Post-IFRS 16 Adjusted EBITDA (based on Post-IFRS Adjusted EBITDA on a last twelve month basis) of 3.3x. The Management is targeting a reduction in Studenac's Net Debt/Post-IFRS 16 Adjusted EBITDA ratio.

On 26 July 2018, Studenac Croatia (formerly ARH CEE d.o.o.), as original borrower and original guarantor, entered into an English law governed facilities agreement (as amended time to time, the "Facilities Agreement") with Bank Polska

Kasa Opieki S.A. ("**Bank Pekao**") as mandated lead arranger, lender, hedge counterparty, agent and security agent, the European Bank for Reconstruction and Development ("**EBRD**") as lender and certain other parties. On 3 August 2018, these parties entered into an English law intercreditor agreement (the "**Intercreditor Agreement**"). Pursuant to these agreements, loan facilities were provided to ARH CEE d.o.o. for the financing of the acquisition of the target company (then named Studenac d.o.o.) in 2018. Subsequently after the acquisition of Studenac d.o.o., an upstream merger was carried out and Studenac d.o.o. was merged into ARH CEE d.o.o. The target company ceased to exist and ARH CEE d.o.o. changed its name to Studenac d.o.o. (in this Prospectus defined as "Studenac Croatia"). The facilities were later pushed down by the upstream merger described above. Studenac Croatia has also drawn on the facilities to finance acquisitions that it made during 2019, 2022, 2023 and 2024. For further detail of the facilities and the underlying security, see "*Business—15. Material Contracts—15.1 Material Financing Agreements*". As at 31 August 2024, the aggregate amount outstanding under these facilities was €205.7 million. The Facilities Agreement contains a covenant that requires that the ratio of total net debt to adjusted EBITDA (each as defined in the Facilities Agreement) should not exceed 4.5x up to and including 31 December 2022, 3.75x from but not including 31 December 2022 up to and including 31 March 2025, 3.25x from but not including 31 March 2025 up to and including 31 March 2026 and 3.0x thereafter (in each case based on IFRS, with the calculation of EBITDA being subject to certain adjustments, including synergies from acquisitions). The Facilities Agreement also contains a covenant that the ratio of cashflow to debt service (each as defined in the Facilities Agreement) must not fall below 1.3x. As at 30 June 2024, this ratio was 1.73x.

Studenac Croatia also has at its disposal a revolving credit facility provided by Zagrebačka banka d.d. ("**ZABA**"). In addition, it has a reverse factoring arrangement with ZABA and a reverse factoring arrangement with OTP Bank d.d. ("**OTP Bank**") which are utilised by Studenac Croatia's domestic merchandise suppliers. As at 31 August 2024, EUR 0.9 million was outstanding under the revolving credit facility. On 14 November 2024, Studenac Croatia signed an annex to the Revolving Credit Facility Agreement with ZABA, increasing the amount of the revolving facility to EUR 23,600,000 and an annex to the ZABA Reverse Factoring Agreement, increasing the amount available thereunder to EUR 29,500,000 and the number of payment days to 100 days

The obligations of Studenac Croatia under the Facilities Agreement are secured by means of, *inter alia*, a pledge over the shares in Studenac Croatia, whereby Studenac Croatia has created a first ranking pledge over business shares of the Company representing 51% of the entire issued share capital of Studenac Croatia (the "**Share Pledge Agreement**"), as well as a pledge over the movable assets, bank accounts and trademarks of Studenac Croatia and an assignment of insurance policies of Studenac Croatia. Promissory notes and bills of exchange have also been issued by Studenac Croatia and the two guarantors under the Facilities Agreement and Studenac Croatia has also pledged its claims under the sale and purchase agreements for the acquisition of two of its subsidiaries. A financial and registered pledge, governed by Polish law, has also been established over the bank accounts of Studenac Croatia.

If Studenac Croatia were to default under any of these facilities, the counterparties to the facilities could accelerate amounts due and enforce against certain security provided by Studenac or Studenac Croatia to its creditors described above. For further details of the established security interests, see "*Business—15. Material Contracts—15.1 Material Financing Agreements*".

The covenants contained in Studenac's Croatia financing arrangements could also have important consequences for its business, including:

- increasing its vulnerability to, and reducing its flexibility to respond to, general adverse economic and industry conditions;
- requiring the dedication of a substantial portion of cash flow provided by operations to the payment of principal of, and interest on, indebtedness, thereby reducing the availability of such cash flow to fund working capital, capital expenditures, acquisitions, dividends or other general corporate purposes;
- limiting flexibility in planning for, or reacting to, changes in its business, the competitive environment and the industry in which it operates; and
- limiting its ability to borrow additional funds and increasing the cost of any such borrowing.

In addition, once these facilities mature, Studenac Croatia may not be able to secure financing on favourable terms or at all and if it is unable to do so, this could adversely affect its expansion plans, particularly its acquisitions plans. If Studenac Croatia is unable to meet the requirements contained in its current financing arrangements, or if it is unable to refinance on favourable terms, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**4.2. Any further increases in interest rates could negatively affect Studenac's financing costs and its ability to access capital.**

Studenac has exposure to interest rate risk due to its key financing arrangements (which are discussed above under "—4.1 Studenac may not be able to repay its financial debt or obtain financing on favourable terms") being linked to EURIBOR. In addition, to the extent Studenac refinances its debt to meet maturing debt obligations, to fund its capital expenditures and working capital needs and to finance future acquisitions, it might have to pay a higher interest rate than it is currently paying. Significant and sustained increases in market interest rates could materially increase its financing costs and have a material adverse effect on its business, results of operations, financial condition and prospects.

**5. Risks Relating to Legal, Tax and Regulatory Matters**

**5.1. The introduction of a trading limitation requiring retailers to close certain stores on Sundays and public holidays has had an adverse impact on traffic and any future similar measures could have an adverse effect on retailers such as Studenac.**

In July 2023, the Croatian government introduced changes to the Trade Act (Official Gazette 87/08, 96/08, 116/08, 76/09, 114/11, 68/13, 30/14, 32/19, 98/19, 32/20, 33/23 (Croatian: *Zakon a trgovini*) (the "Trade Act"), which limit the number of stores that may be opened on Sundays and public holidays. The Trade Act now provides that retail stores may be open for up to 90 hours per week from Monday until Saturday and the number of stores that can be opened on Sunday and public holidays has been limited. The new law allows retailers to choose 16 Sundays per year when they can open their stores (in which case the opening hours are extended to 105 hours per week), while on the remainder of Sundays in the year their stores must remain closed. Employees must be paid 50% more for their work on those Sundays on which stores are opened. The exemptions to this are very limited. The law does not apply to retail stores that are part of airports, bus and train stations, ferries, seaports, nautical marinas, hotels, gas stations, hospitals or museums. Additionally, the new law provides that stores must be closed on official state holidays (as at the date of the Prospectus, there were 14 such holidays annually in Croatia). If Studenac does not comply with the trading limitation, it will be subject to monetary fines.

The trading limitation had an adverse effect on Studenac's sales revenue towards the end of 2023 and in 2024 (although this was partially compensated by lower costs due to the stores being closed). There can be no assurance that the Croatian government will not in the future enact similar legislation that further limits store opening hours or otherwise adversely affects customer traffic at Studenac's stores. If this were to occur, this could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**5.2. Changes in and/or failure to comply with laws, regulations and interpretations of such laws and regulations specific to the retail grocery market could materially adversely affect Studenac's reputation, market position and results of operations.**

Studenac's operations are subject to regulatory scrutiny and it could be materially adversely affected by changes to existing legal requirements, including the related interpretations and enforcement practices, new legal requirements and/or any failure to comply with applicable regulations.

Studenac's operations do not require any specific licenses or permits. However, in order for it to carry out trade activities, all stores are required to have a decision on minimal technical standards and must meet sanitary and health conditions as prescribed by laws. Also, stores that trade food must be entered into a national register of stores authorised to trade food. Studenac's business is subject to frequent market, sanitary and agricultural inspections, which can result in the imposition of fines by regulatory authorities.

Studenac is also subject to foreign, national and local laws and regulations of general applicability, including laws and regulations related to competition and antitrust matters; protection of the environment and health and safety matters, including exposure to, and the management and disposal of, hazardous substances; food and drug safety; trade, consumer protection and safety, including the availability, sale, price label accuracy, advertisement and promotion of products Studenac sells; anti-money laundering prohibitions; consumer financial protection laws; economic, trade and other sanctions matters; licensing, certification and enrolment in government programmes; data privacy and cybersecurity and the sharing and interoperability of data; working conditions, workplace health and safety, equal employment opportunity, worker classification, employee benefit and other labour and employment matters. Any failure to comply with these laws and regulations could affect the profitability of Studenac's business, limit its ability to pursue business opportunities or conduct business, require changes to business practices or governance or alter Studenac's relationships with its customers, suppliers and other third parties, result in increased costs related to regulatory oversight and compliance, litigation-related settlements, judgments or expenses, restitution to customers or the imposition of fines or monetary penalties.

Increasing governmental and societal attention to ESG matters, including expanding mandatory and voluntary reporting diligence, and disclosure topics such as climate change, sustainability (including with respect to Studenac's

supply chain), natural resources, waste reduction, energy, human capital and risk oversight could expand the nature, scope and complexity of matters that we are required to control, assess and report.

The impact of new laws, regulations and policies and the related interpretations, as well as changes in enforcement practices or regulatory scrutiny as to existing laws and regulations generally cannot be predicted, and changes in applicable laws, regulations and policies and the related interpretations and enforcement practices of existing laws and regulations may require extensive system and operational changes, be difficult to implement, increase Studenac's operating costs, require significant capital expenditures or adversely impact the cost or attractiveness of the products Studenac offers, or result in adverse publicity and harm Studenac's reputation. If Studenac fails to predict or respond adequately to changes, including by implementing strategic and operational initiatives, or does not respond as effectively as its competitors, Studenac's business, results of operations, financial condition and prospects may be adversely affected.

In addition, Studenac may face audits or investigations by one or more government agencies relating to its compliance with applicable laws and regulations. To the extent a regulator or court disagrees with Studenac's interpretation of these laws and determines that its practices are not in compliance with applicable laws and regulations, Studenac could be subject to civil and criminal penalties that could adversely affect the continued operation of its business, including: suspension of payments from government programmes, loss of required licenses and certifications, loss of authorisations to participate in or exclusion from government programmes, termination of contractual relationships and significant fines or monetary damages. Failure to comply with applicable legal or regulatory requirements could result in legal and financial exposure and damage to Studenac's reputation. See also "*—5.4 Studenac may be subject to regulatory actions or financial penalties in relation to alleged or actual abuse of superior bargaining power and imposing of unfair trading practices in the food supply chain*".

If Studenac fails to comply with applicable laws and regulations or if it becomes subject to governmental investigations, this could have a material adverse effect on its business, results of operations, financial condition and prospects.

**5.3. Changes in tax laws or their interpretation could adversely affect Studenac's profitability and financial condition.**

Any changes in Studenac's operations or ownership could result in additional tax being imposed on Studenac in Luxembourg (where the Company is incorporated), Croatia or in other jurisdictions in which Studenac may operate in the future. The levels of, and reliefs from, taxation available to Studenac may not be in accordance with the assumptions made by Studenac or may change. There can be no guarantee that the rates of taxation envisaged by Studenac will be the ongoing rates of taxation paid by Studenac. Changes to the tax laws or practice in Luxembourg, Croatia or in other jurisdictions in which Studenac may operate in the future or any other tax jurisdiction in which Studenac is located or operates, or may in the future be located or operate, could materially affect Studenac's business, results of operations, financial condition and prospects. Specifically, any change in Studenac's tax status or changes in tax legislation or tax treaties negotiated by those countries in which the Company is incorporated or in which Group operates or may operate in the future, or in taxation legislation in Luxembourg, Croatia or any other tax jurisdiction in which Studenac operates or may in the future operate could affect Studenac's business, results of operations, financial condition and prospects. There can be no guarantee that the rates of taxation envisaged by Studenac will be the on-going rates of taxation paid by Studenac. Any changes relating to taxation may lead to higher taxes than assumed by Studenac being paid which in turn could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**5.4. Studenac may be subject to regulatory actions or financial penalties in relation to alleged or actual abuse of superior bargaining power and imposing of unfair trading practices in the food supply chain**

Studenac's activities are subject to laws and regulations pertaining to trading practices in the food supply chain, including unfair practices imposed based on the superior bargaining power, such as payment delays. Companies in the fast-moving consumer goods ("**FMCG**") sector, including Studenac, have been closely monitored by the relevant enforcement body for unfair trading practices in the food supply chain. The Croatian Competition Agency (Croatian: *Agencija za zaštitu tržišnog natjecanja*) (the "**AZTN**") has the power to impose fines of up to EUR 464,520.00 for unfair trading practices towards suppliers.

Notwithstanding Studenac's efforts to remain in compliance with laws and regulations to which it is subject, it is exposed to the risk that certain of its operations may be deemed as unfair trading practices implemented towards the suppliers. There can be no assurance that Studenac will not be subject to, or impacted by, any proceedings brought by the AZTN in the future whether or not such proceedings directly involve Studenac. Any adverse determinations could also result in significant adverse publicity or reputational harm, and could result in, or complicate, other inquiries, investigations or lawsuits in future investigations in the unfair trading practices area. Fines, adverse decisions in proceedings, changes to the manner in which Studenac can operate or negative publicity resulting therefrom may have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.



**5.5. *Studenac may be subject to regulatory action or financial penalties if it fails to comply with applicable data protection requirements, including the GDPR, and a failure to adequately protect the personal data of customers and employees could significantly impact Studenac's reputation and expose Studenac to litigation or other legal or regulatory actions.***

Studenac is subject to broad regulations regarding the use of personal data. Studenac collects and processes personal data (including names, addresses, age, bank and credit card details, and other personal data) from its employees, customers and business contacts as part of its business operations. The laws regulating data privacy and protection matters generally impose certain requirements on Studenac in respect of the collection, retention, use and other processing of such personal data. Failure to implement effective data collection controls could potentially lead to regulatory implications, fines and reputational and financial costs. Studenac seeks to ensure that procedures are in place to ensure compliance with all applicable data protection regulations by its employees and any third-party service providers, and also to implement security measures to prevent cyber-theft, including based on general and IT risks analyses, records of processing activities, documents regarding procedures in case of breaches and related records for breaches that would occur, regular compliance checks and by-laws on the use of IT equipment, video surveillance system etc. Taking into consideration the scope of processed personal data, continuous monitoring needs to be performed to ensure mitigation of detected issues and implementation of appropriate processing practices in the future. Thus, regardless of the numerous implemented measures, Studenac is exposed to the risk that the data could be wrongfully disclosed or is being processed in breach of applicable data protection and privacy laws.

In particular, Studenac is subject to the General Data Protection Regulation (Regulation (EU) 2016/679) (the "GDPR"), which has been in effect since 25 May 2018 and the Croatian Act on implementation of the GDPR (Croatian: *Zakon o provedbi Opće uredbe o zaštiti podataka*). The GDPR increased the regulatory burden on Studenac, as well as third-party providers on which Studenac relies, in respect of the processing of personal customer, employee and other data in the conduct of its business and increased the potential sanctions for breaches. This is as the GDPR provides for significant financial penalties up to the higher of 4% of the annual worldwide turnover of the undertaking (encompassing affiliated companies of Studenac) or EUR 20 million. If Studenac fails to comply with its obligations under the GDPR, Studenac may be subject to regulatory action or financial penalties, which could also result in adverse publicity and reputational damage. Also, breaches in this field may result with damage claims raised by data subjects.

Any of the foregoing events could result in Studenac suffering reputational damage as well as the loss of new or repeat business, which could have a material adverse effect on Studenac's business, results of operations, financial condition and prospects.

**6. Risk Factors Associated with the Shareholding Structure, the Offering and the Shares**

**6.1. *Following the completion of the Offering, PEF will continue to exercise significant influence over the Company and its operations and will be able to undertake actions that may be contrary to the interests of the other shareholders of the Company.***

As a result of its ownership of the Shares (as at the date of this Prospectus, 90.1% of the Shares and 90.1% of the total voting rights in respect of the Shares), PEF influences, and, assuming that, upon the completion of the Offering and no repurchase of Shares in connection with stabilisation activities, PEF will hold no less than 57.4% of the Shares and the total voting rights in respect of them, will continue to, directly or indirectly, influence the Company's legal and capital structure, and will control or have an impact on the outcome of matters requiring action on the part of shareholders. In particular, PEF influences decisions of the General Meeting concerning the payment of dividends. It may, for example, prevent the Company from paying dividends or conversely may vote for the payment of dividends in an amount exceeding the recommendation of the Management Board, which may be contrary to the interests or expectations of the other shareholders. Moreover, PEF will be able to influence the appointment and removal of members of the Supervisory Board (who in turn appoint members of the Management Board), the approval of significant transactions undertaken by the Company and changes to the Company's capital structure and will effectively control or exert influence on many other major decisions regarding Studenac's operations. PEF will also have certain rights as specified in the Articles of Association (which will be in force as at the date of the Admission), including the right to nominate candidates from whom the majority of the members of the Supervisory Board are appointed. As a result, PEF may have the power to influence significant matters in relation to the Company, including its strategy and the direction of the development of its business. Resolutions adopted by the General Meeting at the behest of PEF may be contrary to the interests of minority shareholders. On the other hand, there can also be no assurances that PEF will retain its shareholding in the Company at the current level or at all, and any future shareholders may have a different approach in relation to the strategy and the development of the Company's business.



**6.2. Investors could face additional investment risk from currency exchange rate fluctuations in connection with their holding of the Company's shares**

The Shares will be quoted only in PLN (on the regulated market operated by the WSE) and EUR (on the regulated market operated by the ZSE) and any future payments of dividends, if any, on the Shares will be denominated in EUR. The value in PLN or any other currency equivalent of any dividends paid on the Shares or any other distributions made would therefore be adversely affected by the depreciation of the EUR against the PLN or such other currencies. Moreover, any investment in the Shares by a shareholder whose main currency is not the EUR will be exposed to exchange rate risk so that any depreciation of the EUR in such shareholder's main currency, including PLN, will reduce the value of such shareholder's equity investment and the value of any dividends received from the Company.

Moreover, the Final Price of the Sale Shares for Retail Investors in PLN, the Final Price of the Sale Shares for Retail Investors in EUR, the Final Price of the Offer Shares for Institutional Investors in PLN and the Final Price of the Offer Shares for Institutional Investors in EUR will be determined taking into account, among other things, current and anticipated conditions in the Polish, Croatian and international capital markets and a qualitative and quantitative assessment of demand for the Offer Shares, meaning that, the Final Price of the Sale Shares for Retail Investors in PLN and the Final Price of the Offer Shares for Institutional Investors in PLN may not correspond to, respectively, the Final Price of the Sale Shares for Retail Investors in EUR and the Final Price of the Offer Shares for Institutional Investors in EUR converted at exchange rate on any other day of the Offering.

**6.3. There is currently no public trading market for the Shares and there is a risk that an active and liquid trading market for the Shares may not develop or be sustained. If an active trading market does not develop, investors may not be able to resell their Shares at or above the Final Price of the Sale Shares for Retail Investors and/or Final Price of the Offer Shares for Institutional Investors and the Company's ability to raise capital in the future may be impaired.**

Until trading on the WSE and the ZSE commences (which is expected on the Listing Date, i.e., 10 December 2024), there is no public trading market for the Shares. The Company can give no assurance that an active trading market for the Shares will develop or, if it does develop, that it will be sustained on the WSE and/or the ZSE, in particular given that the free float will be approximately 35% of the issued ordinary share capital of the Company. If such market fails to develop or is not sustained, the liquidity and trading price of the Shares could be adversely affected, and there may also be greater price volatility. Even if such market develops or is sustained, the market price for the Shares may fall below the Final Price of the Sale Shares for Retail Investors and/or the Final Price of the Offer Shares for Institutional Investors, perhaps substantially. As a result of fluctuations in the market price of the Shares, investors may not be able to sell their Shares at or above any of the prices referred above, or at all. Moreover, investors might not be able to immediately trade Shares across the WSE and the ZSE and therefore might not be able to benefit from higher liquidity or better trading conditions on one of the relevant markets.

**6.4. The market price of the Shares could be negatively affected by sales of substantial numbers of such Shares in the public markets by PEF including following the expiry of the lock-up period, or the perception that these sales could occur.**

Following the completion of the Offer, PEF will own approximately 57.4% of the Company and is subject to restrictions on the offer, sale, encumbrance or disposal of or the public announcement of the offer, sale, encumbrance or disposal or the intention to undertake any such actions. Such restrictions will apply for a period of 180 days following the Listing Date, without the prior written consent of the Joint Global Coordinators. See "Underwriting Agreement, Stabilisation and Lock-up—3. Lock-up agreements". The sale by PEF of a substantial number of Shares in the public market after the lock-up restrictions in the Underwriting Agreement expire (or earlier if such restrictions are waived by the Joint Global Coordinators), or the perception that such sales may occur, may depress the market price of the Shares. Furthermore, a sale of Shares by any Management Board or Supervisory Board members could be perceived as a lack of confidence in the performance and prospects of Studenac and could cause the market price of the Shares to decline. In addition, any such sales could impair Studenac's ability to raise capital through the issuance of equity securities in the future.

**6.5. The Company's ability to pay dividends (including any interim dividends) in accordance with its dividend policy may be restricted and, thus, no assurance may be given that the Company will pay dividends (including any interim dividends) in accordance with its dividend policy in the future.**

The payment of future dividends (including interim dividend) on the Shares, if any, and the amounts thereof, depend on a number of factors, including, among others, the Company's prospects, its future profits, the amount of its unconsolidated distributable reserves, its working capital requirements, its financial condition and its planned

capital expenditure and development plans, as well as legal requirements applicable to the payment of dividends by the Company.

The current dividend policy is that the Company will retain its future earnings in order to allow it to further pursue various growth opportunities and strengthen its competitive position. Consequently, the Management currently does not intend to recommend the payment of dividends. In the future, the Management should re-examine the dividend policy on an as-required basis. See *“Dividend and Dividend Policy”*.

Given that the Company is a holding company, Studenac’s legal structure may have a significant impact on the Company’s ability to pay dividends. The Company depends on profits and cash flows generated by the Subsidiaries (as defined herein), primarily Studenac Croatia, as well as any legal requirements applicable to the payment of dividends by such Subsidiaries to the Company. No assurance may be given by the Company that the Subsidiaries will be able to pay dividends to it, that they will generate sufficient cash flows to permit such payment or that their dividend payments will be in an amount and within the deadlines which would permit the Company to pay dividends.

There can be no assurance that the Company will ever pay dividends (including interim dividends). In particular, Studenac’s ability to pay dividends may be impaired if any of the risks described in this section *“Risk Factors”* were to occur. As a result, Studenac’s ability to pay dividends (including interim dividends) in the future may be limited.

**6.6. The Underwriting Agreement is subject to various conditions precedent and contains customary conditions authorising the parties thereto to terminate it.**

On the date of this Prospectus, the Company, the Selling Shareholders and the Joint Global Coordinators entered into a conditional underwriting agreement (see *“Underwriting Agreement, Stabilisation and Lock-up”*).

The Joint Global Coordinators are entitled to terminate the Underwriting Agreement in the circumstances set out therein, in particular if any of the Company’s or the Selling Shareholders’ representations or warranties prove to be factually or legally incorrect or if the situation in the financial markets changes significantly.

Neither the Company nor the Selling Shareholders can provide any assurance that no circumstances that may limit the ability of the parties to fulfil their obligations under the Underwriting Agreement, or that would authorise the Joint Global Coordinators to terminate the Underwriting Agreement, will occur.

Moreover, neither the Company nor the Selling Shareholders can provide any assurance that the Pricing Annex will be concluded. In accordance with applicable law, information regarding the conclusion of the Underwriting Agreement was filed with the CSSF and published via a press release on the Company’s website. If an amendment to the terms of the Underwriting Agreement or a change in the date of its execution would affect an investor’s evaluation of the Offer Shares, such information will be made public in accordance with Article 23 item 1 of the Prospectus Regulation, i.e., in the form of a supplement to the Prospectus in the manner in which the Prospectus was published. If the parties’ obligations under the Underwriting Agreement are not carried out, this will be made public in the form of a supplement to the Prospectus in accordance with Article 23 item 1 of the Prospectus Regulation. The communication by the Company of the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors and the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the number of the Offer Shares offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) pursuant to Article 21 item 2 of the Prospectus Regulation will be equivalent to the execution of the Pricing Annex on the terms and conditions set out above.

**6.7. The Shares may not be admitted to trading on the regulated (main) market operated by the WSE.**

The admission and introduction of the Shares (including the Offer Shares) to trading on the regulated (including the main) market of the WSE requires the consent of the Management Board of the WSE and the registration of the Offer Shares in the depository of securities maintained by the KDPW. Such consent may be granted if the Company satisfies all of the legal requirements specified in the relevant regulations of the WSE and the KDPW, in the regulation of the Minister of Finance of Poland of 25 April 2019 regarding the detailed requirements that must be satisfied by a market of official stock exchange quotations and the issuers of securities admitted to trading on such market (the **“Market and Issuers Regulation”**) and in the joint position of the Supervisory Board and the Management Board of the Stock Exchange of 17 December 2018 regarding the public nature of stock exchange trading, including, specifically, requirements regarding the minimum free float and the condition requiring the free transferability of shares. The terms and conditions regarding the WSE Admission, which have been specified in detail in the Market and Issuers Regulation and in the regulations of the WSE, are intended, inter alia, to ensure the liquidity of the shares, an adequate level of capitalisation, the trading of the shares in a reliable, correct and efficient manner in light of, inter alia, the financial standing of the issuer and the prospects of the development thereof as well as the security of stock exchange trading and the interests of the participants thereof.

As certain criteria for the WSE Admission are discretionary and are subject to the assessment of the Management Board of the WSE, the Company can give no assurance that the relevant consents and permits will be obtained and that the Offer Shares will be admitted and introduced to trading on the regulated market of the WSE. The Company cannot entirely rule out that, for reasons beyond its control, the WSE Admission will occur on a date that differs from that originally planned. Moreover, because of the time gap between the submission of orders by investors and the first day of the listing of the Offer Shares (see “*Terms and Conditions of the Offering—2. Expected timetable of the Offering*”), which may be longer than in other jurisdictions, investors will be exposed to a lack of liquidity during such time.

According to the Market and Issuers Regulation, liquidity will be sufficient if the shareholders, each of whom holds no more than 5% of the total number of votes at the issuer’s general meeting of shareholders, hold: (i) at least 25% of the shares in the company covered by the application; or (ii) at least 500,000 shares in such company with a total value of at least the PLN equivalent of EUR 17,000,000, calculated using the last issue price or sale price of the shares (or in extraordinary cases based on the forecast market price). Pursuant to the WSE Rules, financial instruments may be admitted to trading on the WSE provided that, inter alia: (i) subject to certain exceptions, the capitalisation of the company (understood as the product of the number of all of the issuer’s shares and the forecast market price of such shares) is equal to at least PLN 60,000,000 or the PLN equivalent of at least EUR 15,000,000; (ii) the shareholders, each of whom may hold less than 5% of the votes at the issuer’s general meeting of the shareholders, hold at least: (a) 15% of shares referred to in the application for admission to trading; and (b) 100,000 shares referred to in the application for admission to trading with a value equal at least to PLN 4,000,000 or the PLN equivalent of at least EUR 1,000,000, calculated on the basis of the last sale or issue price; and (iii) the shares are held by such number of shareholders which is considered sufficient to ensure the development of the liquidity of exchange trading.

In addition, the Management Board of the WSE assesses whether trading in shares will be conducted in a fair, orderly and efficient manner and whether free transferability of shares will be ensured (§3a(1) of the WSE Rules). This assessment is carried out by the Management Board of the WSE in accordance with the requirements of Commission Delegated Regulation (EU) 2017/568 (§3a(2) of the WSE Rules). Pursuant to Article 1(1) of Commission Delegated Regulation (EU) 2017/568, transferable securities are considered freely transferable if they can be traded between the parties to a transaction, and subsequently transferred without restriction and if all securities within the same class as the security in question are fungible. In addition, pursuant to paragraph 2, marketable securities that are subject to a restriction on their ability to be sold will not be considered freely transferable in accordance with the provisions of paragraph 1, unless such restriction is unlikely to cause market disruption. When considering an application for admission and listing of shares on the WSE, pursuant to § 10 of the WSE Rules, the Management Board of the WSE will take into account the current and anticipated financial condition of the company, its development prospects, the experience and qualifications of its management, the conditions under which the financial instruments were issued and their compliance with the principles referred to in §35 of the WSE Rules (including the “Joint position of the Supervisory Board and the Management Board of the Stock Exchange of 17 December 2018 regarding the public nature of stock exchange trading”), and the safety of stock exchange trading in the interests of its participants.

There is a risk that the Company will not satisfy the criteria set forth in the Market and Issuers Regulation and in the regulations of the WSE and will not obtain the consent of the Management Board of the WSE for the admission of the Offer Shares to trading. If the Offer Shares are not admitted to trading on the WSE, the Company will not be able to submit another application requesting the admission of the same shares to trading for a period of six months from the date of delivery of the resolution of the WSE’s Management Board, and in the event of an appeal against any such decision, from the date of delivery of the resolution of the Supervisory Board of the WSE.

**6.8. The Offer Shares may not be admitted to trading on the regulated market (Official Market Segment) operated by the ZSE.**

The admission of the Shares (including the Offer Shares) to trading on the regulated market of the ZSE requires the consent of the ZSE and the registration of the Offer Shares in the depository of securities maintained by the SKDD. Such consent may be granted if the Company satisfies all of the legal requirements specified in the relevant regulations of the ZSE and the SKDD, including, inter alia, the minimum free float requirement and the condition concerning the free transferability of shares. The terms and conditions regarding the admission to trading on the ZSE (and the relevant segment of the ZSE regulated market), which have been specified in detail in the ZSE Rules are intended, inter alia, to ensure the liquidity of the shares, an adequate level of capitalisation, the trading of the shares in a reliable, correct and efficient manner in light of, inter alia, the financial standing of the issuer, the prospects of the development thereof as well as the security of stock exchange trading and the interests of the participants thereof.

The ZSE will reject an application for listing (i.e. admission to trading on the ZSE) if, inter alia, the information available to the ZSE indicates that listing (i.e. admission to trading on the ZSE) might damage investors’ interests or the orderly functioning of the market. Since these grounds for rejection are discretionary and are subject to the assessment of

the ZSE, the Company can give no assurance that the relevant consents and permits will be obtained or that the Offer Shares will be admitted and introduced to trading on the regulated market of the ZSE. The Company cannot entirely rule out that, for reasons beyond its control, the admission of the Offer Shares to trading on the regulated market of the ZSE will occur on a date other than that originally planned. Moreover, because of the time gap between the submission of orders by investors and the first day of the listing of the Offer Shares (see "*Terms and Conditions of the Offering—2. Expected timetable of the Offering*"), which may be longer than in other jurisdictions, the investors will be exposed to a lack of liquidity during such time.

In addition, the ZSE assesses whether trading in shares will be conducted in a fair, orderly and efficient manner and whether the free transferability of shares will be ensured. This assessment is carried out by the ZSE in accordance with the requirements of Commission Delegated Regulation (EU) 2017/568. Pursuant to Article 1(1) of Commission Delegated Regulation (EU) 2017/568, transferable securities are considered freely transferable if they can be traded between the parties to a transaction, and subsequently transferred without restriction and if all securities within the same class as the security in question are fungible. In addition, transferable securities that are subject to a restriction on transfer will not be considered freely transferable, unless such restriction is unlikely to cause market disruption.

In light of the above, there is a risk that the Company will not satisfy the criteria defined in the Capital Markets Act and the ZSE Rules and will not obtain the consent of the ZSE to the admission of the Offer Shares to stock exchange trading.

## IMPORTANT INFORMATION

Erste Group Bank AG, Erste Securities Polska S.A., ERSTE&STEIERMÄRKISCHE BANK d.d., Jefferies GmbH, J.P. Morgan SE, Banco Santander, S.A. and Santander Bank Polska S.A., as joint global coordinators and joint bookrunners, are acting exclusively for the Company and the Selling Shareholders and for no one else in connection with the Offering and they will not be responsible towards or regard anyone other than the Company and the Selling Shareholders (whether or not a recipient of this Prospectus) as their respective clients and will not be responsible for providing the protections afforded to their respective clients, or for providing advice in relation to the Offering or any transaction or arrangement referred to in this Prospectus.

Capitalised terms used in this Prospectus and not otherwise defined in this Prospectus have the meanings ascribed to such terms in the “*Abbreviations and Definitions*” section. Moreover, certain industry terms and other terms used in this Prospectus are explained in the “*Abbreviations and Definitions*”, “*Glossary of Industry Terms*”, and “*Presentation of Financial and Other Information—3. Market, economic and industry data*” sections below.

Unless stated otherwise in this Prospectus, the term “**Studenac**” refers to the Company together with its direct and indirect subsidiaries from time to time (the “**Subsidiaries**”). The term the “**Company**” or the “**Issuer**” refers solely to Studenac Group S.A., a public limited liability company (*société anonyme*), incorporated and existing under Luxembourg law, with registered address in the Grand Duchy of Luxembourg, 1, rue Jean Piret, 2350 Luxembourg, registered in the Luxembourg Trade and Companies Register under number B 218210, as the issuer of the Shares and the holding company of Studenac, which does not conduct business operations. “**Studenac Croatia**” refers solely to Studenac d.o.o., a limited liability company incorporated and existing under Croatian law, with registered address in Omiš (Grad Omiš), Četvrt Ribnjak 17, registered with the court registry of the Commercial Court in Split under registration number (MBS): 081168181, Croatian personal identification number (OIB): 02023029348 as the main Subsidiary within Studenac conducting business operations. The term the “**Management**” refers to the Management Board of the Company and its members.

The validity of this Prospectus will expire on 19 November 2025, being twelve months after the date of its approval. The information contained in this Prospectus speaks only as at the date hereof and any obligation to supplement this Prospectus in the event of significant new factors, material mistakes or material inaccuracies (insofar as required under the Prospectus Regulation will not apply after the closing of the offer period for the Offer Shares or the time when trading in the Offer Shares on a regulated market begins, whichever occurs later.

Unless indicated otherwise, references to statements as to beliefs, expectations, estimates and opinions of the Company or its management refer to the beliefs, expectations, estimates and opinions of the Management.

None of the Company, the Selling Shareholders, the Joint Global Coordinators nor any of their respective representatives gives any assurance or makes any representation to any investor as to the legality of an investment in the Offer Shares by an investor under the laws applicable to such investor. The contents of this Prospectus are not to be construed as investment, legal, financial, business or tax advice. Each investor should consult with his or her own advisors as to the legal, tax, business, financial and related aspects of a purchase of the Offer Shares.

The Company, the Selling Shareholders and the Joint Global Coordinators may reject any offer to purchase the Offer Shares in whole or in part, sell less than the entire principal amount of the Offer Shares offered hereby or allocate to any purchaser less than all of the Offer Shares for which it has subscribed.

This Prospectus is intended to provide information to prospective investors in the context and for the sole purpose of evaluating a possible investment in the Offer Shares offered in the Offering. It has been prepared in accordance with the provisions of the Prospectus Regulation and the Luxembourg Prospectus Law and does not express any commitment or acknowledgement or waiver, and does not create any express or implied right towards anyone other than a prospective investor in the context of the Offering. It cannot be used except in connection with the Offering, the admission and introduction of the Shares to trading on the regulated (main) market operated by the WSE (the “**WSE Admission**”) and the admission of the Shares to trading on the regulated (Official Market Segment) market operated by the ZSE (the “**ZSE Admission**”).

### RESPONSIBILITY STATEMENT

The Company accepts responsibility for the completeness and accuracy of the information contained in this Prospectus. To the best of the Company’s knowledge, the information contained in this Prospectus is in accordance with the facts and does not omit anything likely to affect its import. The opinions, assumptions, intentions, projections and forecasts expressed in this Prospectus with regard to the Company are honestly held by the Company, have been reached after considering all of the relevant circumstances and are based on reasonable assumptions.

No representation or warranty, express or implied, is made by the Joint Global Coordinators as to the accuracy, completeness or verification of the information set forth in this Prospectus or any other information provided by the



Company or the Selling Shareholders in connection with the Offer Shares or their distribution, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation in this respect, whether made in the past or the future. The Joint Global Coordinators assume no responsibility for its accuracy, completeness or verification and accordingly disclaim, to the fullest extent permitted by applicable law, any and all liability, whether arising in tort, contract or otherwise, which they might otherwise be found to have in respect of this document or any such statement.

### **NOTICE TO PROSPECTIVE INVESTORS**

This Prospectus is intended to provide information to prospective investors in the context and for the sole purpose of evaluating a possible investment in the Offer Shares offered in the Offering, the WSE Admission and the ZSE Admission. It contains selected and summary information, does not express any commitment or acknowledgement or waiver and does not create any express or implied right towards anyone other than a prospective investor in the context of the Offering, the WSE Admission and the ZSE Admission. It cannot be used except in connection with the Offering, the WSE Admission and the ZSE Admission. The contents of this Prospectus are not to be construed as an interpretation of Studenac's obligations, of market practice or of contracts entered into by the Company.

Prospective investors are expressly advised that an investment in the Offer Shares entails financial risk and that they should therefore read this Prospectus in its entirety, in particular the "*Risk Factors*" section hereof, when considering an investment in the Offer Shares. In making an investment decision, prospective investors must rely on their own examination, analysis and enquiry of the Company, the Offer Shares and the Offering, and the information contained in this Prospectus, including the merits and risks involved in an investment in the Offer Shares.

Any decision to invest in the Offer Shares offered in the Offering should be based solely on this Prospectus (and any supplement hereto), taking into account that any summary or description set forth in this Prospectus of legal provisions, accounting principles or a comparison of such principles, corporate structuring or contractual relationships is for information purposes only and should not be construed as legal, accounting or tax advice as to the interpretation or enforceability of such provisions, information or relationships.

Except as provided for under mandatory provisions of law, no person is authorised to give any information or to make any representation in connection with the Offering other than as contained in this Prospectus (and any supplement hereto), and, if given or made, such information or representation must not be relied upon as having been authorised by the Company, the Selling Shareholders or any of the Joint Global Coordinators.

This Prospectus does not constitute an offer to sell or a solicitation by or on behalf of the Company, the Selling Shareholders or the Joint Global Coordinators to any person to purchase any of the Offer Shares offered in the Offering in any jurisdiction where it is unlawful for such person to make such an offer or solicitation. The distribution of this Prospectus and the offer of the Offer Shares in certain jurisdictions are restricted by law. Persons into whose possession this Prospectus may come are required by the Company, the Selling Shareholders and the Joint Global Coordinators to inform themselves about and to observe such restrictions. Other than with respect to the Offering in Poland and in Croatia, no action has been taken by the Company, the Selling Shareholders or the Joint Global Coordinators that would permit an offer of the Offer Shares, or the possession or distribution of this Prospectus or any other offering material or application form relating to the Offer Shares, in any jurisdiction where action for that purpose is required. This Prospectus may not be used for, or in connection with, any offer to, or solicitation by, anyone in any jurisdiction or under any circumstances in which such offer or solicitation is not authorised or is unlawful. None of the Company, the Selling Shareholders or any of the Joint Global Coordinators accepts any responsibility for any violation by any person, whether or not such person is a prospective investor in the Offer Shares, of any of these restrictions. See "*Selling Restrictions*" and "*Transfer Restrictions*" elsewhere in this Prospectus.

This Prospectus has been prepared in accordance with the Prospectus Regulation and the Luxembourg Prospectus Law, as well as with the Act on Public Offering, the Croatian Capital Markets Act, the Croatian Guidelines on Prospectus Check and Approval and on the Performance of Other Obligations in Connection with the Public Offering and Listing of Securities on the Regulated Market issued by the CFSSA in 2023 (the "**Prospectus Guidelines**"), other applicable bylaws and other applicable legislation governing the public offering of securities in Poland and Croatia. This Prospectus has been prepared in relation to the Offering and the Admission. This Prospectus was approved as a prospectus for the purposes of Article 3 of the Prospectus Regulation by, and filed with, the CSSF, as the competent authority under the Prospectus Regulation and the Luxembourg Prospectus Law and published on the Luxembourg Stock Exchange website ([www.luxse.com](http://www.luxse.com)). The Prospectus will also be published on the Company's website together with its summary translated into Polish and Croatian (<https://www.studenacgroup.eu>), following which this Prospectus will be passported to the PFSA and the CFSSA. The publication of the Prospectus will be made in accordance with Article 21 (2), (3) and (7) of the Prospectus Regulation.

None of the Company, the Selling Shareholders, the Joint Global Coordinators or any of their respective representatives is making any representation to any offeree or purchaser of the Offer Shares regarding the legality of an investment in the Offer Shares by such offeree or purchaser under the laws applicable to such offeree or purchaser. The contents of this Prospectus should not be construed as legal, financial or tax advice. The investors are advised to consult their own legal advisor, independent financial advisor or tax advisor for legal, financial or tax advice.

Each of the Joint Global Coordinators and any of their respective affiliates acting as an investor for its own account may purchase a portion of the Offer Shares in the Offering as a principal position and, in that capacity, may retain, purchase or sell for its own account the Offer Shares and any other securities of the Company or related investments and may offer or sell securities of the Company or other investments other than in connection with the Offering. Accordingly, references in this Prospectus to the Offer Shares being offered or placed should be read as including any offering or placement of such securities to the Joint Global Coordinators and any relevant affiliate acting in such capacity. In addition, certain of the Joint Global Coordinators or their affiliates may enter into financing or any other arrangements (including swaps, warrants or contracts for differences) with investors in connection with which such Joint Global Coordinators (or their affiliates) may from time to time acquire, hold or dispose of Offer Shares. The Joint Global Coordinators do not intend to disclose the extent of any such investments or transactions otherwise than in accordance with any legal or regulatory obligation to do so.

Neither the delivery of this Prospectus nor any sale made hereunder at any time after the date hereof shall, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the entirety of the information set forth in this Prospectus is correct as at any time subsequent to its date.

This Prospectus is not intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by any of the Company, the Selling Shareholders, any of the Manager or any of their affiliates or representatives that any recipient of this Prospectus should subscribe for or purchase the Offer Shares.

The Offer Shares are the subject of a public offering within the territory of the Republic of Poland and the Republic of Croatia on the basis of the Prospectus approved by the CSSF. In certain countries, applicable legislation may limit the distribution of the Prospectus or any advertising or promotion of the Offering. The Prospectus may not be used for the purpose of or in connection with, and does not constitute, any offer to sell, or any solicitation or invitation to purchase, subscribe for, or any advertising or promotion of the Offering with respect to the Offer Shares in any jurisdiction in which such offer or solicitation or invitation or advertising or promotion would be unlawful. The Offer Shares are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under applicable securities laws and regulations. Investors should be aware that they may be required to bear the financial risks of this investment for an undefined period of time. Persons in possession of the Prospectus should inform themselves about and observe and comply with any restrictions in such respect, including the restrictions regarding the possibility to acquire or subscribe for the Offer Shares (see "*Selling Restrictions*" and "*Transfer Restrictions*"). Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdictions.

For the purpose of acquiring or subscribing for the Offer Shares, each investor will be required to make certain representations and warranties and to take certain actions as described in "*Terms and Conditions of the Offering*". The Selling Shareholders reserves the right to refuse, at its own discretion, to allot any Offer Shares if in the opinion of the Selling Shareholders, the Company or the Joint Global Coordinators or any representative thereof such allotment could constitute a breach or result in a breach of any law or regulation (see "*Selling Restrictions*" and "*Transfer Restrictions*").

Prospective investors also acknowledge that: (i) they have not relied on the Joint Global Coordinators or any person affiliated with the Joint Global Coordinators in connection with any investigation of the accuracy of any information contained in this Prospectus or their investment decision; (ii) they have relied only on the information contained in this Prospectus; and (iii) that no person has been authorised to give any information or to make any representation concerning the Company or its subsidiary or the Offer Shares (other than as contained in this Prospectus) and, if given or made, any such other information or representation should not be relied upon as having been authorised by the Company, the Selling Shareholders or the Joint Global Coordinators.

#### **NOTICE TO PROSPECTIVE INVESTORS IN THE UNITED STATES**

The Company has prepared this Prospectus solely for use in connection with the offer of the Offer Shares to QIBs under Rule 144A, or another exemption from, or a transaction not subject to, the registration requirements of the U.S. Securities Act and outside the United States under Regulation S under the U.S. Securities Act. You agree that you will hold the information contained in this Prospectus and the transactions contemplated hereby in confidence. You may not distribute this Prospectus to any person, other than a person retained to advise you in connection with the purchase of any Offer Shares.

Neither the Offer Shares nor any other securities of the Company described in this Prospectus have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred in the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares will be offered and sold only: (i) outside of the United States, to certain investors in offshore transactions in accordance with Regulation S; and (ii) in the United States, to persons reasonably believed to be QIBs as defined in and in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another an exemption from, or in a transaction not subject to, the registration requirement provided for by the U.S. Securities Act.

Neither the U.S. Securities and Exchange Commission nor any securities regulatory authority of any state or other jurisdiction of the United States has approved or disapproved of the Offer Shares offered in the Offering or determined that this Prospectus is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

### **NOTICE TO EEA INVESTORS**

The Prospectus has been approved by the CSSF, the financial sector supervisory authority in the Grand Duchy of Luxembourg, for the purpose of the Polish Offering, the Croatian Offering, the WSE Admission and the ZSE Admission. No offer of the Offer Shares to the public is being made in any Member State of the European Economic Area (other than Poland and Croatia) (each, a **“Relevant State”**) that would require the publication of the Prospectus or any other offering document in such other Relevant State. However, the Joint Global Coordinators may decide to advertise the Offering in another Relevant State under certain exemptions from the obligation to publish a prospectus under the Prospectus Regulation, provided that any such offering of the Offer Shares to the public will not result in a requirement to publish the Prospectus or any other offering document by the Company, the Selling Shareholders or any of the Joint Global Coordinators under Article 3 of the Prospectus Regulation.

In relation to each Relevant State, no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, as applicable, except that the Offer Shares may be offered to the public in that Relevant State at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company, the Selling Shareholders or any of the Joint Global Coordinators to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation within the territory of the Relevant State, and each person who initially acquires Offer Shares or to whom any offer is made will be deemed to have represented, warranted and agreed to and with the Joint Global Coordinators, the Selling Shareholders and the Company that it is a “qualified investor” within the meaning of the Prospectus Regulation.

The Company, the Selling Shareholders, the Joint Global Coordinators and their respective affiliates and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the Joint Global Coordinators of such fact in writing may, with the consent of the Joint Global Coordinators, be permitted to purchase Offer Shares in the Offering.

### **NOTICE TO UK INVESTORS**

This Prospectus and any other material in relation to the Offer Shares described herein is only being distributed in the United Kingdom to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of the assimilated Prospectus Regulation as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018 and that also: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the **“Order”**); or (ii) who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order; or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as the **“Relevant Persons”**). The Offer Shares are only available in the United

Kingdom to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with, the Relevant Persons. This Prospectus and its contents should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this Prospectus or any of its contents.

#### **NOTICE TO PROSPECTIVE INVESTORS IN SWITZERLAND**

This document is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the “**FinSA**”), and no application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

#### **NOTICE TO PROSPECTIVE INVESTORS IN CANADA**

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principals that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of common shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any supplement hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”), agents are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

#### **NOTICE TO PROSPECTIVE INVESTORS IN JAPAN**

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No. 25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

#### **NOTICE TO PROSPECTIVE INVESTORS IN DIFC**

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this Prospectus or taken steps to verify the information set forth herein and has no responsibility for this Prospectus.

The Offer Shares to which this Prospectus relates may not be offered or sold to any person in the Dubai International Financial Centre unless such offer is: (a) an “**Exempt Offer**” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority rulebook; and (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the Dubai Financial Services Authority rulebook. This Prospectus must not, therefore, be delivered to, or relied on by, any other person.

The Offer Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Prospectus, you should consult an authorised financial advisor.

#### **MIFID II PRODUCT GOVERNANCE REQUIREMENTS**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance**”

**Requirements**”), and disclaiming any and all liability, whether arising in tort, contract or otherwise, that any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Offer Shares that are the subject of the Offering have been subject to a product approval process that has determined that such Offer Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, distributors should note that: the price of the Offer Shares may decline and investors could lose all or part of their investment; the Offer Shares offer no guaranteed income and no capital protection; and an investment in the Offer Shares is compatible only with investors who do not need guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other advisor) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offering. Furthermore, it is noted that, notwithstanding the Target Market Assessment, the Joint Global Coordinators will only procure investors who meet the criteria of professional clients and eligible counterparties (except for a public offering to investors in Poland and Croatia). For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Offer Shares. Each distributor is responsible for undertaking its own target market assessment in respect of the Offer Shares and determining the appropriate distribution channels.



## PRESENTATION OF FINANCIAL AND OTHER INFORMATION

### 1. Consolidated Financial Statements and Other Data in the Prospectus

#### 1.1. Financial Information

This Prospectus includes consolidated financial information of the Company and its Subsidiaries which has been derived from the audited consolidated financial statements of the Company and its Subsidiaries as of and for the years ended 31 December 2023, 2022 and 2021 (the “**Audited Financial Statements**”) prepared in accordance with the International Financial Reporting Standards (the “**IFRS**”) as adopted by the European Union and included elsewhere in this Prospectus. KPMG has audited the Audited Financial Statements as stated in KPMG’s report included elsewhere in this Prospectus.

This Prospectus also includes unaudited consolidated financial information of the Company and its Subsidiaries which has been derived from the unaudited interim condensed consolidated financial statements of the Company and its Subsidiaries as at and for the eight months ended 31 August 2024 (the “**Interim Financial Statements**” and, together with the Audited Consolidated Financial Statements, the “**Consolidated Financial Statements**”), prepared in accordance with IAS 34 and included elsewhere in this Prospectus. KPMG has reviewed the Interim Financial Statements. With respect to the Interim Financial Statements included herein, KPMG, as the independent auditor, has reported that KPMG applied limited procedures in accordance with professional standards for reviewing such information. However, a separate KPMG report included herein, states that KPMG did not audit and does not express an opinion on the Interim Financial Statements. Accordingly, the degree of reliance on their report on such information should be restricted in light of the limited nature of the review procedures applied.

The Prospectus includes the Interim Financial Statements to reflect the seasonality of Studenac’s business. Studenac experiences significant seasonality for its tourist-led stores during summer months. In 2023, on a pro forma basis (reflecting the results reported by targets acquired during the year ended 31 December 2023 for the entire period, i.e. from 1 January 2023), 17%, 25%, 38% and 20% of sales revenue was recorded in the first, second, third and fourth quarters, respectively. For the years 2021 to 2023, pro forma Post-IFRS 16 Adjusted EBITDA for the first eight months of the year has accounted for approximately 80% of Post-IFRS 16 Adjusted EBITDA for the full year. In 2023, however, this was 90% due to the impact of the Sunday trading limitation introduced in September 2023. As a result, including interim financial statements as at and for the six months ended 30 June 2024 would not reflect Studenac’s results in a comprehensive way and could be misleading.

#### 1.2. Alternative Performance Measures

The Management evaluates Studenac’s performance using certain operating and financial measures, which, unless otherwise indicated, are not derived from the Consolidated Financial Statements, but are calculated on the basis of the financial information presented in the Consolidated Financial Statements and/or unaudited accounting records, management accounts or other schedules prepared by the Management. The measures presented in this section are alternative performance measures (“**APMs**”) within the meaning of the ESMA Guidelines on Alternative Performance Measures. The APMs have not been audited or reviewed by KPMG and, accordingly, KPMG does not express an opinion or any other form of assurance on such information. The APMs are not financial measures calculated in accordance with IFRS and may not be permitted to appear on the face of primary financial statements or notes thereto. The APMs are among the measures used by the Management to evaluate the financial performance and liquidity of Studenac, and they are frequently used by securities analysts, investors and other interested parties to perform their own evaluation. They do not have uniform definitions and are not calculated by entities in the same manner; therefore, no assurance may be given that the APMs will be comparable to similar ratios presented by other entities, including entities operating in the same sector as Studenac.

Therefore, investors should not consider these measures in isolation or as a substitute for performance measures calculated in accordance with the IFRS. The APMs should not be given more prominence than measures derived directly from the Consolidated Financial Statements.

The following table sets out the definitions as well as the rationale for using each of the APMs. For a reconciliation of each APM to the closest comparable IFRS measure, see “*Selected Historical Financial Information — 5. Reconciliations*”, “*Operating and Financial Review — 8. Liquidity and Capital Resources — 8.2 Net Working Capital*” and “*Operating and Financial Review — 8. Liquidity and Capital Resources — 8.4 Capital Expenditure*”.

The Management does not consider the adjustments included in the table below to be related to the organic continuing operations of Studenac, inclusive of the applicable acquired businesses, and these costs are generally not relevant to assessing or estimating the long-term performance of its business. In addition, the size, complexity and volume of

past acquisitions, which often drives the magnitude of such costs, may not be indicative of the size, complexity and volume of Studenac's future acquisitions. The Management believes that the Adjusted EBITDA metric presented below, which excludes such adjustments, allows the Management and investors to better evaluate the Studenac's core business operations both with, and without, such costs. Furthermore, the Management believes that the exclusion of such costs in the calculation of Adjusted EBITDA provides investors with more accurate comparisons of the Studenac's financial results to historical operations and the financial results of less acquisitive peer companies.

Name of APM	Definition	Rationale for using the APM
Gross profit margin for retail and wholesale	Gross profit margin for retail and wholesale for a given period is defined as the ratio of gross profit for retail and wholesale (calculated as sales revenue for retail and wholesale and revenue from services less cost of goods sold) to sales revenue from retail and wholesale for that period.	Gross profit margin for retail and wholesale measures gross profit as a percentage of retail and wholesale sales. For that purpose, all sales revenue related to services provided to suppliers of goods for resale are considered as items adjusting the cost of goods. This APM shows the profitability potential before applying costs other than cost of goods sold.
Post-IFRS 16 EBITDA	Post-IFRS 16 EBITDA for a given period is defined as profit/(loss) for the period adjusted for income tax, finance costs, finance income and depreciation and amortisation.	Post-IFRS 16 EBITDA measures Studenac's results of operations after eliminating differences in performance caused by variations in capital structure, tax position and depreciation and amortisation.
Post-IFRS 16 EBITDA margin	Post-IFRS 16 EBITDA margin for a given period is defined as the ratio of Post-IFRS 16 EBITDA for that period to sales revenue for the same period.	Post-IFRS 16 EBITDA margin is a measure supplemental to Post-IFRS 16 EBITDA that provides an indication of the efficiency with which the business operates.
Post-IFRS 16 Adjusted EBITDA	Post-IFRS 16 Adjusted EBITDA for a given period is defined as Post-IFRS 16 EBITDA adjusted for events not related to Studenac's main activity, such as (i) expenses related to due diligence processes (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) and (ii) mergers and acquisitions and post-merger integration expenses (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).	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 amortisation, as well as expenses that are linked to the growth in the scale of the business and are not related to Studenac's direct revenue generating activities. This enables the Management to evaluate Studenac's results of operations related solely to direct revenue generating activities (i.e. excluding expenses linked to the growth in the scale of the business).

Name of APM	Definition	Rationale for using the APM
Post-IFRS 16 Adjusted EBITDA margin	Post-IFRS 16 Adjusted EBITDA margin for a given period is defined as the ratio of Adjusted EBITDA for that period to sales revenue for the same period.	Post-IFRS 16 Adjusted EBITDA margin is a measure supplemental to Adjusted EBITDA that provides an indication of the efficiency with which the business operates focusing solely on Studenac's direct revenue generating activities (i.e. excluding expenses linked to the growth in the scale of the business).
Pre-IFRS 16 Adjusted EBITDA	Pre-IFRS 16 Adjusted EBITDA for a given period is defined as Post-IFRS 16 Adjusted EBITDA adjusted for the impact of IFRS 16 for the same period.	Pre-IFRS 16 Adjusted EBITDA measures Studenac's results of operations at the Adjusted EBITDA level, further adjusted to eliminate the impact of IFRS 16, with the depreciation and interest expense related to the right-of-use assets in respect of leased real estate being replaced by the expense that would have been incurred under IAS 17 (previous accounting standard relating to lease accounting), in the relevant period. This enables the Management to evaluate the impact of the accounting treatment of Studenac's leases on its results of operations. Furthermore, the presentation of pre-IFRS 16 metrics is common in the retail industry in which Studenac operates.
Pre-IFRS 16 Adjusted EBITDA margin	Pre-IFRS 16 Adjusted EBITDA margin for a given period is defined as the ratio of Pre-IFRS 16 Adjusted EBITDA for that period to sales revenue for the same period.	Pre-IFRS 16 Adjusted EBITDA margin is a measure supplemental to Pre-IFRS 16 Adjusted EBITDA that provides an indication of the efficiency with which the business operates taking into account the impact of the accounting treatment of Studenac's leases. Furthermore, the presentation of pre-IFRS 16 metrics is common in the retail industry in which Studenac operates.
Post-IFRS 16 Adjusted Net Debt	Post-IFRS 16 Adjusted Net Debt is defined as the sum of non-current loans and borrowings, current loans and borrowings, non-current lease liabilities and current lease liabilities, less cash and cash equivalents and credit card receivables.	Post-IFRS 16 Adjusted Net Debt measures the amount of interest-bearing liabilities (including loans, borrowings and lease liabilities) reduced by the available cash, cash equivalents and cash-related receivables from credit card acquirers, presenting net amount of indebtedness of Studenac. This enables the Management to evaluate its indebtedness position while taking into account liquidity on its statement of financial position.

Name of APM	Definition	Rationale for using the APM
Pre-IFRS 16 Adjusted Net Debt	Pre-IFRS 16 Adjusted Net Debt is defined as Post-IFRS 16 Adjusted Net Debt adjusted for the impact of IFRS 16.	Pre-IFRS 16 Adjusted Net Debt measures the amount of the amount of interest-bearing liabilities (including loans, borrowings and lease liabilities) reduced by the available cash, cash equivalents and cash-related receivables from credit card acquirers, presenting net amount of indebtedness of Studenac, further adjusted to eliminate the impact of IFRS 16, with leases capitalised in accordance with IFRS 16 being eliminated. This enables the Management to evaluate the impact of the accounting treatment of Studenac's leases on its indebtedness position. Furthermore, the presentation of pre-IFRS 16 metrics is common in the retail industry in which Studenac operates.
Post-IFRS 16 Adjusted Net Debt/ Adjusted EBITDA	Post-IFRS 16 Adjusted Net Debt/Adjusted EBITDA is defined as the ratio of Post-IFRS 16 Adjusted Net Debt to Post-IFRS 16 Adjusted EBITDA.	Post-IFRS 16 Adjusted Net Debt/Adjusted EBITDA measures Studenac's leverage. This enables the Management to evaluate Studenac's ability to service its Adjusted Net Debt based on its results of operations.
Pre-IFRS 16 Adjusted Net Debt/ Adjusted EBITDA	Pre-IFRS 16 Adjusted Net Debt/Adjusted EBITDA is defined as the ratio of Pre-IFRS 16 Adjusted Net Debt to Pre-IFRS 16 Adjusted EBITDA.	Pre-IFRS 16 Adjusted Net Debt/ Adjusted EBITDA measures Studenac's leverage. This enables the Management to evaluate Studenac's ability to service its Adjusted Net Debt based on its results of operations taking into account the impact of the accounting treatment of Studenac's leases. Furthermore, the presentation of pre-IFRS 16 metrics is common in the retail industry in which Studenac operates.
Operating Cash Conversion	Operating Cash Conversion is defined as the ratio of net cash generated from operating activities for a given period to Post-IFRS 16 Adjusted EBITDA for the same period.	Operating Cash Conversion measures Studenac's cash generation before the effects of interest and tax payments. The enables the Management to evaluate the efficiency with which it is able to convert its Adjusted EBITDA into cash.

Name of APM	Definition	Rationale for using the APM
Post-IFRS 16 Adjusted Profit/(Loss) for the Period	Post-IFRS 16 Adjusted Profit/(Loss) for the Period is defined as profit/(loss) for the period adjusted for events not related to Studenac's main activity, such as (i) expenses related to due diligence processes (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), (ii) mergers and acquisitions and post-merger integration expenses (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 (iii) the corporate income tax impact on adjustments (i) and (ii) at the Croatian statutory tax rate of 18%.	Post-IFRS 16 Adjusted Profit/(Loss) for the Period measures Studenac's results of operations after eliminating differences in performance caused by variations in capital structure, tax position and depreciation and amortisation, as well as expenses that are linked to the growth in the scale of the business and are not related to Studenac's direct revenue generating activities. This enables the Management to evaluate Studenac's results of operations related solely to direct revenue generating activities (i.e. excluding expenses linked to the growth in the scale of the business).
Project and expansion capital expenditure as a percentage of sales revenue	Project and expansion capital expenditure as a percentage of sales revenue is defined as the ratio of project and expansion capital expenditure (defined as cash outflows on the acquisition of property, plant and equipment and intangible assets) in a given period to sales revenue for the same period.	Project and expansion capital expenditure as a percentage of sales revenue measures the proportion of sales revenue spent by Studenac on investing in organic expansion of the business. This enables the Management to evaluate the efficiency of capital expenditure in relation to store openings and other expansionary projects.
Mergers and acquisitions capital expenditure as a percentage of sales revenue	Mergers and acquisitions capital expenditure as a percentage sales revenue is defined as the ratio of mergers and acquisitions capital expenditure (defined as cash outflows on acquisition of subsidiaries) in a given period to sales revenue for the same period.	Mergers and acquisitions capital expenditure as a percentage of sales revenue measures the proportion of the sales revenue spent by Studenac on expanding the network by acquiring businesses. This enables the Management to evaluate the efficiency of capital expenditure in relation to its mergers and acquisitions activities.
Net working capital	Net working capital is defined as the sum of trade receivables and inventories less trade payables.	Net working capital provides an indication of Studenac's ongoing liquidity and ability to meet its obligations relating to trade payables. This enables the Management to evaluate its ongoing liquidity position.
Net working capital as a percentage of sales revenue	Net working capital as a percentage of sales revenue for a given period is defined as the ratio of net working capital (defined as trade and other receivables plus inventories less trade and other payables) to sales revenue for the same period.	Net working capital as a percentage of sales revenue measures the proportion of net working capital in sales revenue. This provides the Management with an indication of the efficiency of Studenac's management of its net working capital.



### **1.3. Normalisation and Annualisation Effects**

In the Prospectus, Studenac presents certain information on the incremental Adjusted EBITDA and Adjusted Profit/(Loss) for the Period uplift arising from normalisation and annualisation effects. These include (i) the full-year effect (i.e., as if the relevant acquisitions had occurred at the beginning of the year) of synergies achieved after acquisitions (e.g., due to the application of Studenac's trade terms at its targets); (ii) the annualised impact of Studenac's pricing and promo tool; and (iii) the full-year effect (i.e., as if the relevant acquisitions had occurred at the beginning of the year) of smaller acquisitions. The Management believes that this information is useful for enhancing the comparability of Studenac's results of operations across periods.

These normalisation and annualisation effects are based on estimates provided by the Management and have neither been audited nor reviewed. They are also not meant to be predictive of future results. Therefore, prospective investors should not place undue reliance on these measures.

### **1.4. Financial information illustrating effect of acquisitions**

In this Prospectus, certain financial information is presented "on a pro forma basis" in order to illustrate the impact of acquisitions on Studenac's results of operations. The financial information illustrating the effect of acquisitions for the year ended 31 December 2023 reflects the results reported by targets acquired during 2023 for the entire year, i.e. from 1 January 2023. The financial information illustrating the effect of acquisitions for the eight months ended 31 August 2024 reflects the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024.

This financial information, as presented in "Operating and Financial Review - 6 Comparability of Results - 6.4 Financial information illustrating effect of acquisitions", is extracted directly from the Consolidated Financial Statements and follows IFRS 3 requirements with respect to disclosure relating to acquisitions. Hence, it is not pro forma financial information within the meaning of the Prospectus Regulation or Regulation S-X under the Securities Act ("**Regulation S-X**").

### **1.5. Like-for-Like Data**

In analysing Studenac's performance, the Management makes significant use of LfL measures. These measures are frequently used by retail businesses, especially businesses that are undergoing rapid growth and expansion. LfL measures seek to provide a more meaningful basis for analysing the development of the business from one period to another by considering only those factors that were the same in both periods.

LfL measures represents the change in a particular line item (e.g. sales revenue) in the relevant period from Studenac's stores taking into account the sales of stores operating on the same day of both the current and previous period. For example, in calculating growth in revenue from year A to year B on an LfL basis, the revenue from stores opened or businesses acquired during year B would be ignored, as those factors had no effect on revenue for year A. Similarly, the contributions from any stores permanently closed during year A would be eliminated. Taking into account the number of days during the year for which stores were open provides a more accurate picture due in particular to the impact of the Sunday trading limitation, which was introduced by the Croatian government and became effective in July 2023.

Although LfL measures are a commonly used management tool in the retail industry, there may be differences in the precise method used to calculate them from one company to another. The basis for Studenac's LfL measurements may not be the same as that for its competitors. Investors should therefore use caution in comparing Studenac's LfL measures with those of other companies.

### **1.6. Rounding**

Certain numerical figures set out in this Prospectus, including financial data presented in millions and certain operating data, have been subject to rounding adjustments. As a result, the totals of the data in this Prospectus may vary slightly from the actual arithmetic totals of such information. Percentages and amounts reflecting changes over time periods relating to financial data are calculated using the numerical data in the Consolidated Financial Statements, or the tabular presentation of financial data (subject to rounding) contained in this Prospectus, as applicable, and do not use the numerical data in the narrative description thereof.

### **1.7. Currency presentation**

Unless otherwise indicated, all references in the Prospectus to "euro", "EUR" or "€" are to the common currency introduced at the start of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community, while references to "USD", "U.S. Dollar" or "\$" are to the lawful currency of the United States of America.

## 2. Presentation of Market and Operating Data

Some of the meanings of the terms regarding the Company's operations, the market in which it operates and the data presentation method used by the Company for the purposes of the Prospectus may differ from those used by other entities operating in the retail market. For certain definitions and explanations of industry terms, see "*Glossary of Industry Terms*" "*Market Overview*" and "*Regulatory Overview*".

## 3. Market, Economic and Industry Data

Unless the source is otherwise stated, the market, economic and industry data in this Prospectus constitute the Company's estimates using underlying data from independent third parties. The Company obtained market data and certain industry forecasts used in this Prospectus from internal surveys, reports and studies where appropriate, as well as from market research, publicly available information and industry publications, including the commercial and market analysis carried out by OC&C Strategy Consultants SP ("**OC&C**") on behalf of Studenac on 4 April 2024 ("**OC&C Analysis**") as well as Euromonitor Passport 2024, the European Commission, the Croatian Bureau of Statistics and PricewaterhouseCoopers ("**PwC**"). The OC&C Analysis is based on information supplied to OC&C by the Company or which is otherwise derived from third-party reports and consumer research. OC&C makes no representation or warranty as to the accuracy or completeness of any information contained therein, which should not be taken as the basis for any investment decision. To the fullest extent permitted by law, OC&C disclaims all liability for loss or damage of whatsoever nature and howsoever arising from the use of the information for investment or other purposes.

The Company confirms that all third-party data contained in this Prospectus has been accurately reproduced and extracted from such publications, and so far as the Company is aware and able to ascertain from information published by such sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. Where third-party information has been used in this Prospectus, the source of such information has been identified. Industry publications, surveys and forecasts generally state that the information contained therein has been obtained from sources believed to be reliable. Studenac believes that these industry publications, surveys and forecasts are reliable, but neither Studenac nor the Joint Global Coordinators have independently verified them or made any representation or warranty as to their accuracy or completeness. To the extent these industry publications, surveys and forecasts are accurate and complete, Studenac confirms it has correctly extracted and accurately reproduced the information from such sources. As far as Studenac is aware and able to ascertain from information published by such sources, no facts have been omitted that would render the reproduced information inaccurate or misleading. Additionally, industry publications and such reports generally state that the information contained therein has been obtained from sources believed to be reliable but that the accuracy and completeness of such information is not guaranteed and in some instances state that they do not assume liability for such information. Studenac cannot therefore assure you of the accuracy and completeness of such information and Studenac has not independently verified such information.

However, the forward-looking estimates and forecasts reproduced in this Prospectus from third-party sources could prove to be inaccurate. Market studies are often based on information or assumptions that may not be accurate or appropriate, and their methodology is inherently predictive and speculative. The fact that information from the aforementioned third-party studies (including those from Euromonitor) has been included in this Prospectus should not be considered as a recommendation by the relevant third parties to invest in, purchase, or take any other action whatsoever with respect to Shares in the Company.

Where third-party information has been used in this Prospectus, the source of such information has been identified. In addition, in many cases, statements in this Prospectus regarding Studenac's industry and its position in the industry are based on Studenac's experience and its own investigation of its industry and the review of information made publicly available by competitors. Comparisons between Studenac's reported financial or operational information and that of competitors using this information may not fully reflect their actual positions on the market as such information may not be defined consistently or reported for companies that operate in the same industry as Studenac defines or reports such information in this Prospectus.

While Studenac is not aware of any misstatements regarding the industry data presented herein, Studenac's estimates involve certain assumptions, risks and uncertainties and are subject to change based on various factors, including those discussed in the "*Risk Factors*" section. The Company or the Joint Global Coordinators cannot assure the investors that any of these statements are accurate or correctly reflect Studenac's position in the industry, and none of its internal surveys or information have been verified by any independent sources, and Studenac cannot guarantee their accuracy.

#### 4. Forward-Looking Statements

The Prospectus includes forward-looking statements, which include all statements other than statements of historical facts, including, without limitation, any statements preceded by, followed by or that include the words “targets”, “assumptions”, “believes”, “expects”, “aims”, “intends”, “will”, “may”, “anticipates”, “plans”, “assumes”, “would” or “could”, but also similar expressions or the negative thereof. The forward-looking statements apply specifically to the dividend policy, strategy, targets and plans of the Company, including in terms of the occurrence of specific economic events and assumed trends, including the development of the operations of Studenac, as well as factors and estimates which could in the future impact the financial results, financial situation and cash flows of Studenac. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors beyond Studenac’s control that could cause the real events and the actually realised and achieved assumptions, targets, plans, estimates and development of business, and, consequently, Studenac’s results of operations, its financial situation and development prospects to materially differ from any of those expressed or implied by the forward-looking statements included in this Prospectus. The forward-looking statements included in the Prospectus are based on numerous assumptions regarding the future, including those relating to the future operations of Studenac, the present and future business strategies in that respect, the occurrence of certain events and the environment in which Studenac currently operates and will operate in the future. Some of the factors that could cause actual results to differ materially from those contemplated by the forward-looking statements include, but are not limited to, those discussed in the “Risk Factors” section and including, among others:

- the ability of Studenac to implement its strategy and/or to effectively manage its anticipated growth;
- the ability of Studenac to integrate acquisitions;
- the ability of Studenac to implement its international expansion plans in other markets;
- the performance of third parties on which Studenac relies;
- the ability of Studenac to hire and retain highly skilled managers and other key staff and to maintain relationships with its workforce;
- the impact of any customer complaints, product liability claims, product recalls, health and safety issues or legal actions concerning Studenac;
- the ability of Studenac to ensure financing on favourable terms;
- general economic conditions, political events and levels of consumer demand;
- the impact of any changes or ambiguity in the legal framework or public policies;
- the impact of any revocation or non-renewal of any of Studenac’s required permits; and
- the impact of external factors beyond Studenac’s control, including, for example, accidents, vandalism, natural hazards, acts of terrorism, war, damage and loss caused by fire, power failures or other events that could potentially lead to the interruption of Studenac’s business operations, personal injuries, or damage to third-party property or the environment.

Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition, cash flows or results of operations could differ materially from what is described herein as anticipated, believed, estimated or expected. Investors are urged to read the sections of this Prospectus titled “Operating and Financial Review”, “Risk Factors” and “Business” for a more complete discussion of the factors that could affect Studenac’s future performance and the industry in which it operates.

The forward-looking statements speak only as at the date of this Prospectus. Neither the Company, nor the Selling Shareholders have any obligation, nor have they made any undertaking, to disseminate any updates of or revisions to any forward-looking statements contained in the Prospectus, unless they are required under applicable laws or the listing rules of the WSE or the ZSE.

Neither the Company, nor the Selling Shareholders make any representation, warranty or prediction that the factors anticipated in such forward-looking statements will be present, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or typical scenario.

The Company has not published and does not intend to publish any profit forecast or profit estimate within the meaning of Regulation 2019/980, and no such profit estimate is provided in this Prospectus.

#### 5. Documents Incorporated in the Prospectus by Reference

The Prospectus does not incorporate any information by reference to information contained in other publicly available documents or sources, regardless of the form in which they have been made available or recorded.

## **6. No Incorporation of Website Information**

The contents of Studenac's websites and all other websites mentioned in this Prospectus do not form part of this Prospectus. The information on such websites has not been scrutinised or approved by the CSSF.

Except for the Prospectus, any Prospectus supplements and the Final Number of the Offer Shares offered in the Offering, the final number of the Offer Shares offered to each category of investors, the Final Price for the Offer Shares for Retail Investors and the Final Price for the Offer Shares for Institutional Investors published in compliance with the requirements of the Prospectus Regulation, the information published on the websites of the Company, the Selling Shareholders and the Joint Global Coordinators and the information contained on the websites to which the websites of the Company, the Selling Shareholders and the Joint Global Coordinators are linked does not constitute a part of the Prospectus.

## **7. Trademarks and Trade Names**

Studenac has proprietary and/or licence rights to certain trademarks or trade names that it uses in conjunction with the operation of its businesses. Studenac does not intend to use or display other companies' trademarks or trade names to imply a relationship with, or an endorsement of or sponsorship by Studenac of any other companies. Each trademark, trade name or service mark of any other company appearing in this Prospectus belongs to its respective holder. Solely for convenience, the trademarks, trade names and copyrights referred to in this Prospectus may be listed without the ©, ® and TM symbols, but Studenac will assert, to the fullest extent under applicable law, its rights or the rights of the applicable licensor to these trademarks, trade names and copyrights.

## **8. Enforceability of Foreign Court Judgments**

The Company has been established and operates in accordance with Luxembourg law. The assets of the Company are principally situated in Croatia. Therefore, in respect of matters that are not subject to the jurisdiction of Luxembourg courts, it may be difficult for investors who are not subject to the jurisdiction of Luxembourg to successfully deliver to the Company any letters or judgments issued in courts outside the European Union in connection with any proceedings conducted against such persons with respect to the Offering or the Offer Shares.

In each of Croatia and Luxembourg, being Member States, Regulation No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters (the "**Recast Brussels Regulation 1215/2012**") is applied directly. Under the Recast Brussels Regulation 1215/2012, the recognition of judgments of courts of the Member States in each of Croatia and Luxembourg does not require any special procedure in order to be recognised in either Member State. In addition, the enforcement of judgments of courts of the Member States in each of Croatia and Luxembourg does not require a declaration of enforceability in separate proceedings. However, in both cases – recognising and enforcing judgments – the applicant must deliver a copy of the judgment and relevant certificate issued by the court of origin, pursuant to the template prescribed under Recast Brussels Regulation 1215/2012. Depending on the scope of enforcement, additional proof may be required. The relevant court, at the request of the person against whom a motion was submitted for the recognition and enforcement of a judgment may refuse to recognise and enforce the judgment if any of the following occur: (i) the recognition and enforcement would be manifestly contrary to the public policy system of the relevant Member State; (ii) where the judgment was given in default of appearance, if the defendant was not served with the document which instituted the proceedings or with an equivalent document in sufficient time and in such a manner as to enable him to arrange for his defence, unless the defendant failed to commence proceedings to challenge the judgment when it was possible for him to do so; (iii) if the judgment is irreconcilable with the judgment given between the same parties in the Member State addressed; (iv) if the judgment is irreconcilable with an earlier judgment given in another Member State or in a third state in a dispute involving the same cause of action and between the same parties, provided that the earlier judgment satisfies the conditions necessary for it to be recognised in the relevant Member State; or (v) if the judgment contradicts the Recast Brussels Regulation 1215/2012 regarding jurisdiction over matters concerning insurance, consumer agreements or individual contracts of employment if the defendant was the insurer, the insured, the beneficiary under insurance, an injured party, a consumer or an employee and Recast Brussels Regulation 1215/2012 regarding exclusive jurisdiction. The Company cannot give any assurance that all of the conditions for the enforcement of foreign judgments in Croatia and/or Luxembourg, as the case may be, will be met or that any particular judgment will be enforceable in Croatia and/or Luxembourg, as the case may be.

With respect to a judgment issued by the courts of a state which is not a Member State and not party to any relevant bilateral or multilateral treaty with Croatia regarding the recognition of judgments, such judgment will not be enforced directly by the courts in Croatia. In order for such judgement to be deemed enforceable in Croatia, proceedings for recognising the foreign judgement must be initiated in Croatia before the competent Croatian court. Apart from the judgement translated by the official court interpreter, the applicant must file evidence that the judgment is final and binding under the laws of the country of origin. If the judgement is to be enforced in Croatia, in addition to evidence

on the finality and binding nature thereof, the applicant must file evidence on the enforceability of the judgement under the laws of the country of origin. Grounds for refusing recognition or enforcement of the judgement are very similar to the grounds under the Recast Brussels Regulation 1215/2012. The relevant court will refuse to recognise and enforce the judgment if any of the following circumstances occur: (i) the recognition and enforcement would be manifestly contrary to the Croatian public policy system; (ii) it is determined, upon objection of the party against whom the recognition or enforcement is sought, that such party's right to participate was violated in the proceedings in which the judgement has been given; (iii) if there is a final judgment issued in Croatia involving the same cause of action and between the same parties; (iv) if final judgment was issued earlier in another foreign state in a dispute involving the same cause of action and between the same parties, provided that the earlier judgment has already been recognized or it satisfies the conditions necessary for it to be recognised in Croatia; or (v) if the judgment contradicts the Recast Brussels Regulation 1215/2012 regarding jurisdiction over matters concerning insurance, consumer agreements or individual contracts of employment if the defendant was the insurer, the insured, the beneficiary under insurance, an injured party, a consumer or an employee; (vi) if the Croatian courts or other relevant authorities have exclusive jurisdiction over the respective matter; (vii) if the court of origin based its jurisdiction solely on the presence of the defendant or its property in the country of the court of origin, and this presence is not directly related to the subject of the proceedings. In addition, the relevant court in Croatia will stay the proceedings for the recognition of a foreign court judgement if the proceedings were previously initiated before the Croatian courts involving the same cause of action and between the same parties, until the final and binding conclusion of such proceedings.

With respect to a judgment issued by courts of a state which is not a Member State and not party to any relevant bilateral or multilateral treaty with Luxembourg regarding the recognition of judgments, such judgment will not be directly enforced by the courts in Luxembourg. In order to obtain a judgment which is enforceable in Luxembourg, enforcement proceedings must be initiated in Luxembourg (*exequatur*) before the Luxembourg District Court (*Tribunal d'Arrondissement*), subject to compliance with the relevant provisions of the Luxembourg New Code of Civil Procedure (*Nouveau Code de Procédure Civile*) and Luxembourg case law, being:

- the court awarding the judgment had jurisdiction over the subject matter of the action having led to the judgment according to its applicable laws and Luxembourg private international law rules on conflict of jurisdiction;
- the judgment rendered by the relevant court is enforceable (*exécutoire*);
- the judgment is in compliance with international procedural public order and with international substantial public order;
- the judgment has not been obtained by way of fraud; and
- the absence of a contradiction between the judgment issued and an already issued judgment of a Luxembourg court.

If an original action is brought in Luxembourg, Luxembourg courts may refuse to apply the designated law, amongst others and notably (i) if the choice of such foreign law was not made in good faith (*bona fide*), (ii) if the foreign law was not pleaded and proved, or (iii) if pleaded and proved, such foreign law was contrary to mandatory Luxembourg laws or incompatible with Luxembourg's international public policy. Also, an *exequatur* may be refused in respect of a foreign judgment granting punitive damages. In practice, Luxembourg courts presently tend not to review the merits of a foreign judgment, although there is no clear statutory prohibition of such review. Further, in the event of any proceedings being brought in a Luxembourg court in respect of a monetary obligation expressed to be payable in a currency other than euro, a Luxembourg court would have power to give judgment expressed as an order to pay a currency other than euro. However, enforcement of the judgment against any party in Luxembourg would be available only in euro and for such purposes all claims or debts would be converted into euro.

In addition, the Company and the Selling Shareholders are entities existing and operating under the laws of Luxembourg and thus notices and demands regarding the recognition and enforcement of judgments issued against the Company or the Selling Shareholders, including by Croatian courts, in connection with the Offering and the Offer Shares will specifically have to comply with the regulations of the laws of Luxembourg, including Recast Brussels Regulation 1215/2012 in the case of judgments rendered by a court in a Member State of the EU (including Poland and Croatia).

## 9. Provision of Information

The Company has agreed that for as long as any of the Offer Shares are in issue and constitute "restricted securities" within the meaning of Rule 144(a)(3) under the U.S. Securities Act, it will, during any period in which the Company is neither subject to Section 13 or 15(d) under the U.S. Securities Exchange Act of 1934, as amended (the "**U.S. Exchange Act**"), nor exempt from reporting under the U.S. Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of such Offer Shares or to any prospective purchaser of such Offer Shares designated by such holder or beneficial owner, upon the request of such holder, beneficial owner or prospective purchaser, the information specified in, and meeting the requirements of, Rule 144A(d)(4) under the U.S. Securities Act.



## REASONS FOR THE OFFERING AND USE OF PROCEEDS

### 1. Reasons for the Offering

Studenac believes that the Offering and the Admission will facilitate its further growth by enhancing its profile, brand recognition and credibility and that it will create a liquid market in the Company's shares for its existing and future shareholders. The Offering will also provide the Principal Selling Shareholder and the remaining Selling Shareholders with an opportunity to partially monetise their shareholdings in the Company.

### 2. Use of Proceeds

The Company will receive all proceeds from the issue of the New Shares and will not receive any proceeds from the sale of the Sale Shares by the Selling Shareholders. All proceeds from the sale of the Sale Shares in the Offering will be received by the Selling Shareholders.

The amount of the proceeds to be received by the Company and the Selling Shareholders depends on the Final Number of Offer Shares, including the final number of New Shares to be issued by the Company, the final number of Offer Shares offered to various categories of investors, the Final Price of the Offer Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors, as well as the total costs and expenses related to the Offering. The information regarding the amount of proceeds to be received by the Company and the Selling Shareholders will be included in the pricing notification that will also contain information regarding the Final Price of the Offer Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors and the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) as well as the final number of Offer Shares to be offered to various categories of investors and that will be published on the Pricing Date (as defined below) or the day after in the same manner as the Prospectus (i.e. in searchable electronic form on the Company's website (<https://www.studenacgroup.eu>) and on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com)) following completion of the bookbuilding process for Institutional Investors. For information on the costs of the Offering, see "*Additional Information—6. Costs of the Offering*".

The Company intends to raise gross proceeds of approximately €80 million from the issuance of New Shares in the Offering. The Company intends to use the proceeds from the offering of the New Shares, in particular, to finance the further dynamic growth of the business including by means of acquisitions and its store network roll-out, as well as to reduce its leverage as measured in terms of the Adjusted Net Debt/EBITDA ratio. The remaining amounts (if any) will be used for the general corporate purposes of Studenac.

## DIVIDEND AND DIVIDEND POLICY

### 1. Dividend History

The Company has not paid any dividends from its net profit within and since the period covered by the Consolidated Financial Statements.

### 2. Dividend Policy

The Management intends in the mid-term perspective to continue reinvesting profits generated by the Company back into the business to capitalise on market opportunities and increase Studenac's value.

In the future, the Management should re-examine the dividend policy on an as-required basis, and decisions in that respect will be taken subject to various factors regarding the Company and Studenac, including, among others, the Company's prospects, its future profits, the amount of its unconsolidated distributable reserves, its working capital requirements, its financial condition and its capital expenditure and development plans, as well as legal requirements applicable to the payment of dividends by the Company.

All of the Shares, including the Offer Shares, entitle the holders thereof to equal rights as regards the payment of dividends (including interim dividends) and authorise their holders to a share in the Company's profits as of the date of their acquisition in the Offering.

### 3. Restrictions Regarding Dividend and Interim Dividend Payment

At the end of each financial year, the Company's accounts are closed and the Management Board draws up the consolidated statement of financial position and the consolidated statement of comprehensive income in accordance with the Articles of Association and Luxembourg law. Of the annual net profits of the Company, at least 5% shall be allocated to the legal reserve. This allocation shall cease to be mandatory as soon and as long as the aggregate amount of such reserve amounts to 10% of the issued share capital of the Company. Sums contributed to a reserve of the Company may also be allocated to the legal reserve. In the event of a share capital reduction, the Company's legal reserve may be reduced in proportion such that it does not exceed 10% of the issued share capital.

Upon the recommendation of the Management Board, the General Meeting may decide that the excess be distributed to the shareholder(s) in proportion to their shareholding in the Company as dividends or be carried forward in accordance with the Luxembourg law relating to commercial companies dated 10 August 1915 (the "**Luxembourg Company Law**") and the Articles of Association.

Subject to Luxembourg law and the Articles of Association, the Management Board, may resolve to distribute an interim dividend. Any share premium, assimilated premium or other distributable reserves may be freely distributed to the shareholders of the Company subject to the provisions of the Articles of Association and Luxembourg law.

Under Luxembourg corporate law, no distributions to shareholders may be made when on the closing date of the last financial year the net assets as set out in the annual accounts are, or following such distribution would become, lower than the amount of the subscribed share capital plus the reserves which may not be distributed under the Articles of Association or Luxembourg law. The General Meeting may resolve to carry forward the profits or part of the profits realised during a financial year as it deems necessary. Payment of any dividend in cash will be made in EUR. Any dividends that are paid to Shareholders through the relevant central securities depositories will be automatically credited to the relevant shareholders' accounts without the need for shareholders to present documentation proving their ownership of the Shares.

A claim for any declared dividend and other distributions lapses five (5) years after the date on which such dividends or distributions became payable. Any dividend or distribution that is not claimed by the shareholders within this period will be considered to have been forfeited to the Company and will be carried to the reserves of the Company.

Details concerning any distribution of dividends resolved by the General Meeting will be published on the Company's website.

Given that the Company is a holding company, Studenac's legal structure may have a significant impact on the Company's ability to pay dividends. This depends on the profits and cash flows generated by the Subsidiaries, primarily Studenac Croatia, as well as any legal requirements for the payment of dividends by the Subsidiaries. No assurance may be given by the Company that the Subsidiaries will be able to pay dividends for its benefit, that they will generate sufficient cash flows allowing for such payment or that their dividend payments will be in an amount and within the deadlines which would permit the Company to pay dividends.

For information regarding the taxation of revenue (income) paid as dividend, see "*Taxation*".

Furthermore, the Facilities Agreement contains restrictions on distributions and similar payments. However, dividend payments are permitted to the extent that (i) no default under the Facilities Agreement has occurred and is continuing or would result from such payment; (ii) the payment is not in breach of the Intercreditor Agreement; and (iii) the outstanding amount under Existing Facility B, New Facility B and Facility B 2024 is lower than EUR 13,100,000, provided that certain conditions are met. Please see also "*Business – 15 Material Contracts*".

## CAPITALISATION AND INDEBTEDNESS

The data presented in this section should be analysed in conjunction with the information provided in “Operating and Financial Review” and the Consolidated Financial Statements and the notes thereto, as well as the financial data presented in the other sections of the Prospectus.

### 1. Working Capital Statement

The Company is of the opinion that Studenac has sufficient working capital for its present requirements.

### 2. Capitalisation and Indebtedness

The following table sets out the consolidated capitalisation and indebtedness of Studenac as at 31 August 2024.

Capitalisation	As at 31 August 2024
	(€ million) / (unaudited)
Total current debt (including current portion of non-current debt):	44,085
Guaranteed	0
Secured <sup>(1)</sup>	17,404
Unguaranteed / unsecured <sup>(2)</sup>	26,681
Total non-current debt (excluding current portion of non-current debt)	298,084
Guaranteed	-
Secured <sup>(3)</sup>	188,273
Unguaranteed / unsecured <sup>(4)</sup>	109,811
Shareholder equity	96,545
Share capital	1,336
Legal reserve(s)	0
Other reserves	95,209
<b>Total</b>	<b>438,714</b>

Secured current debt includes current portion (due within the next 12 months) of long-term debt under the Facilities Agreement, which is secured by pledges over various tangible and intangible assets.

- (1) Unguaranteed / unsecured current debt relates to (i) the revolving facility agreement with ZABA, (ii) certain financial lease liabilities and (iii) and IFRS 16-related lease liabilities.
- (2) Secured non-current debt includes debt under the Facilities Agreement, which is secured by pledges over various tangible and intangible assets.
- (3) Unguaranteed / unsecured non-current debt includes (i) the revolving facility agreement with ZABA, (ii) certain financial lease liabilities and (iii) and IFRS 16-related lease liabilities.

Indebtedness	As at 31 August 2024
	(€ million) / (unaudited)
A. Cash	77,918
B. Cash equivalents	0
C. Other current financial assets	36
<b>D. Liquidity (A + B + C)</b>	<b>77,954</b>
E. Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	26,681
F. Current portion of non-current financial debt	17,404
<b>G. Current financial indebtedness (E + F)</b>	<b>44,085</b>
<b>H. Net current financial indebtedness (G - D)</b>	<b>(33,869)</b>
I. Non-current financial debt (excluding current portion and debt instruments)	298,084
J. Debt instruments	0
K. Non-current trade and other payables	0
<b>L. Non-current financial indebtedness (I + J + K)</b>	<b>298,084</b>
<b>M. Total financial indebtedness (H + L)</b>	<b>264,215</b>

As at the date of this Prospectus and since the date of the financial information presented above, i.e., 31 August 2024, there have been no significant changes in Studenac’s capitalisation, indebtedness or liquidity position.

**3. Contingent Liabilities and Off-Balance Sheet Liabilities**

Studenac does not have any material off-balance sheet arrangement as at the date of this Prospectus, except for those indicated in Note 26 to the Audited Financial Statements. See also “*Operating and Financial Review—11 Off-Balance Sheet Arrangements*”.



## SELECTED HISTORICAL FINANCIAL INFORMATION

The data presented in this section should be analysed in conjunction with the information provided in the “Operating and Financial Review”, the Consolidated Financial Statements and the notes thereto, as well as the financial data presented in the other sections of the Prospectus.

For information on the basis for the preparation and presentation of the Consolidated Financial Statements, see “Presentation of Financial and Other Information”.

The following tables set out selected consolidated historical financial information of Studenac as at and for the years ended 31 December 2023, 2022 and 2021 and as at 31 August 2024 and for the eight months ended 31 August 2024 and 2023.

### 1. Consolidated Statement of Profit and Loss Data

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
			(€ millions)		
	(Unaudited)		(Audited)		
Operating income					
Sales revenue	556.5	465.1	668.1	502.5	309.5
Other operating income	1.4	2.6	3.3	2.9	1.6
<b>Total operating income</b>	<b>557.9</b>	<b>467.7</b>	<b>671.4</b>	<b>505.4</b>	<b>311.1</b>
<b>Operating expenses</b>					
Cost of goods sold	(377.4)	(319.9)	(464.8)	(356.6)	(216.6)
Personnel expenses	(72.5)	(59.4)	(89.5)	(65.8)	(40.1)
Depreciation and amortisation	(28.9)	(28.6)	(43.3)	(31.8)	(24.9)
Other operating expenses <sup>(1)</sup>	(44.9)	(36.4)	(54.6)	(42.8)	(24.2)
<b>Total operating expenses</b>	<b>(523.8)</b>	<b>(444.4)</b>	<b>(652.2)</b>	<b>(496.9)</b>	<b>305.8</b>
<b>Operating profit</b>	<b>34.1</b>	<b>23.3</b>	<b>19.2</b>	<b>8.4</b>	<b>5.3</b>
Finance income	0.1	0.1	0.1	0.3	1.4
Finance expense	(13.1)	(9.4)	(14.8)	(7.7)	(5.7)
Net finance costs	(13.0)	(9.3)	(14.7)	(7.4)	(4.3)
Profit before tax	21.1	14.0	4.5	1.0	1.0
Income tax	(4.7)	(3.9)	(3.2)	(1.1)	(1.0)
<b>Profit/(loss) for the period</b>	<b>16.3</b>	<b>10.1</b>	<b>1.3</b>	<b>(0.1)</b>	<b>0.0</b>

Note:

(1) Includes provisions.

### 2. Consolidated Statement of Financial Position Data

	As at 31 August 2024	As at 31 December		
		2023	2022	2021
	(€ millions)			
	(Unaudited)	(Audited)		
<b>Assets</b>				
<b>Non-current Assets</b>				
Property, plant and equipment	71.1	59.6	41.3	23.6
Intangible assets and goodwill	283.6	243.9	199.5	132.8
Right-of-use assets	134.6	130.6	88.3	56.9
Other financial assets	-	0.1	0.0	-
Deferred tax assets	1.0	2.4	0.4	0.1
<b>Total non-current Assets</b>	<b>490.3</b>	<b>436.6</b>	<b>329.6</b>	<b>213.4</b>
<b>Current Assets</b>				
Inventories	76.0	61.1	47.4	28.5

	As at 31 August 2024	As at 31 December		
		2023	2022	2021
		(€ millions)		
Trade and other receivables	18.0	26.0	17.2	12.3
Prepaid expenses	19.3	3.9	2.4	1.9
Other financial assets	-	10.1	0.1	0.0
Income tax receivable	-	-	0.3	-
Cash and cash equivalents	77.9	39.0	31.0	8.7
<b>Total Current Assets</b>	<b>191.3</b>	<b>140.1</b>	<b>98.3</b>	<b>51.4</b>
<b>Total Assets</b>	<b>681.6</b>	<b>576.8</b>	<b>427.8</b>	<b>264.8</b>
<b>Equity and Liabilities</b>				
<b>Equity and reserves</b>				
Issued capital	1.3	1.3	1.3	1.3
Translation reserve	-	-	(0.9)	(0.9)
Share premium	77.6	77.6	77.6	66.4
Retained earnings	17.6	1.3	0.9	1.0
<b>Total equity</b>	<b>96.5</b>	<b>80.2</b>	<b>78.9</b>	<b>67.9</b>
<b>Non-current liabilities</b>				
Loans and borrowings	188.3	157.4	111.6	58.8
Provisions	0.7	1.0	0.7	0.6
Lease liabilities	109.8	109.2	73.4	46.4
Derivative instruments	-	-	-	0.1
Deferred tax liabilities	0.9	2.8	1.4	0.8
<b>Total non-current liabilities</b>	<b>299.7</b>	<b>270.5</b>	<b>187.2</b>	<b>106.7</b>
<b>Current Liabilities</b>				
Loans and borrowings	18.3	30.4	24.0	12.1
Trade and other payables	215.6	141.4	102.3	63.6
Lease liabilities	25.7	21.6	17.5	12.2
Current tax liabilities	4.2	3.1	-	0.1
Other liabilities	21.6	29.7	17.9	2.3
<b>Total current liabilities</b>	<b>285.4</b>	<b>226.1</b>	<b>161.7</b>	<b>90.3</b>
<b>Total Liabilities</b>	<b>585.1</b>	<b>496.6</b>	<b>348.9</b>	<b>197.0</b>
<b>Total Equity and Liabilities</b>	<b>681.6</b>	<b>576.8</b>	<b>427.8</b>	<b>264.8</b>

### 3. Consolidated Statement of Cash Flows Data

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions)				
	(Unaudited)		(Audited)		
Net cash inflow / (outflow) from operating activities	109.2	33.5	77.9	55.8	38.0
Net cash inflow / (outflow) from investing activities	(72.6)	(43.2)	(99.2)	(92.1)	(21.9)
Net cash inflow / (outflow) from financing activities	2.3	1.9	29.3	58.5	(25.1)
Net increase/decrease in cash and cash equivalents	38.9	(7.8)	8.1	22.2	(9.0)
Cash and cash equivalents at the beginning of period	39.0	31.0	31.0	8.7	17.7
Cash and cash equivalents at the end of period	77.9	23.1	39.0	31.0	8.7

#### 4. Other Financial Data

	As at and for the eight months ended 31 August		As at and for the year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions, except where otherwise indicated)				
	(Unaudited)				
Gross profit margin for retail and wholesale (%) <sup>(1)</sup>	34.9%	33.6%	32.7%	30.8%	32.0%
Post-IFRS 16 EBITDA <sup>(2)</sup>	63.1	52.0	62.5	40.2	30.2
Post-IFRS 16 EBITDA margin (%) <sup>(3)</sup>	11.3%	11.2%	9.3%	8.0%	9.7%
Post-IFRS 16 Adjusted EBITDA <sup>(4)</sup>	66.9	54.7	65.9	43.6	31.3
Post-IFRS 16 Adjusted EBITDA margin (%) <sup>(5)</sup>	12.0%	11.8%	9.9%	8.7%	10.1%
Pre-IFRS 16 Adjusted EBITDA <sup>(6)</sup>	47.2	37.9	40.5	23.0	17.2
Pre-IFRS 16 Adjusted EBITDA margin (%) <sup>(7)</sup>	8.5%	8.1%	6.1%	4.6%	5.6%
Post-IFRS 16 Adjusted Net Debt <sup>(8)</sup>	260.1	248.8	277.0	193.2	119.9
Post-IFRS 16 Adjusted Net Debt/Adjusted EBITDA (x) <sup>(9)</sup>	3.3x	n/a	4.2x	4.4x	3.8x
Pre-IFRS 16 Adjusted Net Debt <sup>(10)</sup>	124.6	126.0	146.2	102.3	61.3
Pre-IFRS 16 Adjusted Net Debt/Adjusted EBITDA (x) <sup>(9)</sup>	2.5x	n/a	3.6x	4.5x	3.6x
Post-IFRS 16 Adjusted Profit/(Loss) for the Period <sup>(11)</sup>	19.5	12.4	4.2	2.7	0.9
Operating Cash Conversion (%) <sup>(12)</sup>	163.3%	61.3%	118.2%	127.8%	122.0%

(1) Gross profit margin for retail and wholesale is defined as the ratio of gross profit for retail and wholesale (calculated as sales revenue for retail and wholesale and revenue from services less cost of goods sold) to sales revenue from retail and wholesale for that period. For the calculation of gross profit margin for retail and wholesale, see “—5. Reconciliations” below.

(2) Post-IFRS 16 EBITDA is defined as profit/(loss) for the period adjusted for income tax, finance costs, finance income and depreciation and amortisation, see “—5. Reconciliations” below.

(3) Post-IFRS 16 EBITDA margin is defined as the ratio of Post-IFRS 16 EBITDA to sales revenue.

(4) Post-IFRS 16 Adjusted EBITDA is defined as Post-IFRS 16 EBITDA adjusted for events not related to Studenac’s main activity, such as (i) expenses related to due diligence processes (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) and (ii) mergers and acquisitions and post-merger integration expenses (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). For reconciliation to profit/(loss) for the period, see “—5. Reconciliations” below.

(5) Post-IFRS 16 Adjusted EBITDA margin is defined as the ratio of Post-IFRS 16 Adjusted EBITDA to sales revenue.

(6) Pre-IFRS 16 Adjusted EBITDA is defined as Post-IFRS Adjusted EBITDA adjusted for the impact of IFRS 16 for the same period. For a reconciliation to profit/(loss) for the period, see “—5. Reconciliations” below.

(7) Pre-IFRS 16 Adjusted EBITDA margin is defined as the ratio of Pre-IFRS 16 Adjusted EBITDA to sales revenue.

(8) Post-IFRS 16 Adjusted Net Debt is defined as the sum of current loans and borrowings, non-current loans and borrowings, non-current lease liabilities and current lease liabilities less cash and cash equivalents and receivables from credit card companies. For details of the calculation of Adjusted Net Debt, see “—5. Reconciliations” below.

(9) For purposes of this calculation, for the eight months ended 31 August 2024, Post-IFRS 16 Adjusted EBITDA on a last twelve month basis is used.

(10) Pre-IFRS Adjusted Net Debt is defined as Post-IFRS Adjusted Net Debt adjusted for the impact of IFRS 16. For details of the calculation of pre-IFRS Adjusted Net Debt, see “—5. Reconciliations” below.

(11) Post-IFRS 16 Adjusted Profit/(Loss) for the Period is defined as profit/(loss) for the period adjusted for events not related to Studenac’s main activity, such as (i) expenses related to due diligence processes (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), (ii) mergers and acquisitions and post-merger integration expenses (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 (iii) the corporate income tax impact on adjustments (i) and (ii) at the tax rate of 18%. For a reconciliation to profit/(loss) for the period, see “—5. Reconciliations” below.

(12) Operating Cash Conversion is defined as the ratio of net cash generated from operating activities to Post-IFRS 16 Adjusted EBITDA. For details of the calculation of Operating Cash Conversion, see “—5. Reconciliations” below.

## 5. Reconciliations

The following table sets out the calculation of gross profit margin for retail and wholesale:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(€ millions, except where otherwise indicated)</i>				
	<i>(Unaudited)</i>				
Sales revenue from retail	503.8	427.5	613.6	472.3	289.2
Sales revenue from wholesale	9.3	4.8	7.3	1.1	0.8
<b>Sales revenue from retail and wholesale</b>	<b>513.1</b>	<b>432.3</b>	<b>620.9</b>	<b>473.4</b>	<b>290.0</b>
<b>Revenue from services</b>	<b>43.4</b>	<b>32.8</b>	<b>47.2</b>	<b>29.1</b>	<b>19.3</b>
Cost of goods sold	(377.4)	(319.9)	(464.8)	(356.6)	(216.6)
<b>Gross profit from retail and wholesale</b>	<b>179.1</b>	<b>145.2</b>	<b>203.3</b>	<b>145.9</b>	<b>92.7</b>
<b>Gross profit margin from retail and wholesale (%)</b>	<b>34.9%</b>	<b>33.6%</b>	<b>32.7%</b>	<b>30.8%</b>	<b>32.0%</b>

The following table sets forth the calculation of Post-IFRS 16 EBITDA margin (the reconciliation of Post-IFRS 16 EBITDA to profit/(loss) for the period appears below):

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(€ millions, except where otherwise indicated)</i>				
	<i>(Unaudited)</i>				
Sales revenue	556.5	465.1	668.1	502.5	309.5
Post-IFRS 16 EBITDA	63.1	52.0	62.5	40.2	30.2
Post-IFRS 16 EBITDA margin	11.3%	11.2%	9.3%	8.0%	9.7%

The following table sets forth the calculation of Post-IFRS 16 Adjusted EBITDA margin (the reconciliation of Post-IFRS 16 Adjusted EBITDA to profit/(loss) for the period appears below):

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(€ millions)</i>				
	<i>(Unaudited)</i>				
Sales revenue	556.5	465.1	668.1	502.5	309.5
Post-IFRS 16 Adjusted EBITDA	66.9	54.7	65.9	43.6	31.3
Post-IFRS 16 Adjusted EBITDA margin	12.0%	11.8%	9.9%	8.7%	10.1%

The following table sets forth the calculation of Pre-IFRS 16 Adjusted EBITDA margin (the reconciliation of Pre-IFRS 16 Adjusted EBITDA to profit/(loss) for the period appears below):

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	<i>(€ millions)</i>				
	<i>(Unaudited)</i>				
Sales revenue	556.5	465.1	668.1	502.5	309.5
Pre-IFRS 16 Adjusted EBITDA	47.2	37.9	40.5	23.0	17.2
Pre-IFRS 16 Adjusted EBITDA margin	8.5%	8.1%	6.1%	4.6%	5.6%

The following table sets forth a reconciliation of EBITDA, Post-IFRS 16 Adjusted EBITDA and Pre-IFRS 16 Adjusted EBITDA to profit/(loss) for the period:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions)				
	(Unaudited)				
Profit/(loss) for the period	16.3	10.1	1.3	(0.1)	0.0
Tax (expense)/income	4.7	3.9	3.2	1.1	1.0
Finance costs	13.1	9.4	14.8	7.7	5.7
Finance income	(0.1)	(0.1)	(0.1)	(0.3)	(1.4)
Depreciation and amortisation expenses	28.9	28.6	43.3	31.8	24.9
Post-IFRS 16 EBITDA	63.1	52.0	62.5	40.2	30.2
Cost of ongoing due diligence processes	0.9	1.1	1.5	–	–
M&A and post-merger integration costs	2.9	1.7	2.0	3.4	1.1
Post-IFRS 16 Adjusted EBITDA	66.9	54.7	65.9	43.6	31.3
IFRS 16 impact on Adjusted EBITDA	(19.7)	(16.8)	(25.4)	(20.7)	(14.1)
Pre-IFRS 16 Adjusted EBITDA	47.2	37.9	40.5	23.0	17.2

The following table sets forth a reconciliation of Post-IFRS 16 Adjusted Net Debt and Pre-IFRS 16 Adjusted Net Debt to total loans and borrowings:

	As at 31 August 2024	As at 31 December		
		2023	2022	2021
	(€ millions)			
	(Unaudited)			
Current loans and borrowings	18.3	30.4	24.0	12.1
Non-current loans and borrowings	188.3	157.4	111.6	58.8
Current lease liabilities	25.7	21.6	17.5	12.2
Non-current lease liabilities	109.8	109.2	73.4	46.4
<b>Total loans and borrowings and lease liabilities</b>	<b>342.1</b>	<b>318.6</b>	<b>226.5</b>	<b>129.5</b>
Cash and cash equivalents	(77.9)	(39.0)	(31.0)	(8.7)
Receivables from credit card companies	(4.2)	(2.6)	(2.3)	(0.9)
<b>Post-IFRS 16 Adjusted Net Debt</b>	<b>260.1</b>	<b>277.0</b>	<b>193.2</b>	<b>119.9</b>
Current lease liabilities	(25.7)	(21.6)	(17.5)	(12.2)
Non-current lease liabilities	(109.8)	(109.2)	(73.4)	(46.4)
<b>Pre-IFRS 16 Adjusted Net Debt</b>	<b>124.6</b>	<b>146.2</b>	<b>102.3</b>	<b>61.3</b>

The following table sets forth a reconciliation of Post-IFRS 16 Adjusted Net Profit/(Loss) for the Period to profit/(loss) for the period:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions)				
	(Unaudited)				
Profit/(loss) for the period	16.3	10.1	1.3	(0.1)	0.0
Cost of ongoing due diligence processes	0.9	1.1	1.5	–	–
M&A and post-merger integration costs	2.9	1.7	2.0	3.4	1.1
Corporate income tax impact at a rate of 18%	(0.7)	(0.5)	(0.6)	(0.6)	(0.2)
<b>Post-IFRS 16 Adjusted Net Profit/(Loss) for the Period</b>	<b>19.5</b>	<b>12.4</b>	<b>4.2</b>	<b>2.7</b>	<b>0.9</b>



The following table sets forth the calculation of Operating Cash Conversion:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions, except where otherwise indicated)				
	(Unaudited)				
Net cash generated from operating activities	109.2	33.5	77.9	55.8	38.0
Post-IFRS 16 Adjusted EBITDA	66.9	54.7	65.9	43.6	31.3
Operating Cash Conversion (%)	163.3%	61.3%	118.2%	127.8%	122.0%

The following table sets forth the calculation of Post-IFRS 16 Adjusted Net Debt/Adjusted EBITDA (the reconciliations of each of which appear above):

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions, except where otherwise indicated)				
	(Unaudited)				
Post-IFRS 16 Adjusted EBITDA <sup>(1)</sup>	78.1	n/a	65.9	43.6	31.3
Post-IFRS 16 Adjusted Net Debt	260.1	248.8	277.0	193.2	119.9
Post-IFRS 16 Adjusted Net Debt/Adjusted EBITDA <sup>(1)</sup>	3.3x	n/a	4.2x	4.4x	3.8x

Note:

(1) For purposes of this calculation, for the eight months ended 31 August 2024, Post-IFRS 16 Adjusted EBITDA on a last twelve month basis is used.

The following table sets forth the calculation of Pre-IFRS 16 Adjusted Net Debt/Adjusted EBITDA (the reconciliations of each of which appear above):

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions, except where otherwise indicated)				
	(Unaudited)				
Pre-IFRS 16 Adjusted EBITDA	47.2	37.9	40.5	23.0	17.2
Pre-IFRS 16 Adjusted Net Debt	124.6	126.0	146.2	102.3	61.3
Pre-IFRS 16 Adjusted Net Debt/ Adjusted EBITDA <sup>(1)</sup>	2.5x	n/a	3.6x	4.5x	3.6x

Note:

(1) For purposes of this calculation, for the eight months ended 31 August 2024 and 2023, Post-IFRS 16 Adjusted EBITDA on a last twelve month basis is used.

## OPERATING AND FINANCIAL REVIEW

*The following operating and financial review has been derived from: (i) the Audited Financial Statements, prepared in accordance with IFRS as adopted in the EU and (ii) the Interim Financial Statements, prepared in accordance with IAS 34.*

*For information on the presentation and basis for the preparation of the Consolidated Financial Statements, please refer to “Presentation of Financial and Other Information”, Note 2 to the Audited Financial Statements and Note 2 to the Interim Financial Statements. Investors should become acquainted with the above and take into account the explanations included therein, as well as analyse the information contained in this and other sections of the Prospectus. Some of the financial information presented in the operating and financial review is not part of the Audited Financial Statements or the Interim Financial Statements and has not been audited or reviewed by an independent auditor. Such information should not serve as an indicator of Studenac’s future operating performance or be used to analyse Studenac’s business independently from the Consolidated Financial Statements and other financial information contained elsewhere in this Prospectus. The Company has presented such information because it believes that investors may find it useful in assessing Studenac’s business, its financial position, cash flow and results of operations. See also “Selected Historical Financial Information”.*

*This section includes forward-looking statements that reflect the current views and opinions of the Management and, due to their nature, involve certain risks and uncertainties. The actual events and performance results of Studenac may differ significantly from the results presented in the forward-looking statements due to the factors discussed below and in other sections of the Prospectus, in particular in the section “Risk Factors”. See also “Presentation of Financial and Other Information—4 Forward-Looking Statements”.*

### 1. Overview

Studenac is the fastest growing food retailer in Croatia in terms of revenue over the past five years (source: OC&C Analysis). It operates proximity stores, meaning that its stores are strategically located close to customers and are tailored to fit the specific needs of the surrounding community as well as the local circumstances (e.g., traffic, tourism). Studenac’s stores are centred around its “1 sitno 1 bitno” (small and essential) consumer proposition offering customers quick, quality everyday shopping for all of their daily needs. As at 30 September 2024, Studenac had 1,404 stores, making it the largest store network in Croatia. This also included 32 stores in Slovenia following its entry into that market in 2024 through the acquisition of Kea.

Studenac has a unique and single format store portfolio and its stores have a selling space of 111 square metres on average. Studenac offers a typical range of between 2,000 and 4,000 branded and private label stock-keeping units (“SKUs”) per store, as well as a to-go assortment and certain additional services. It appeals to consumers through its offering of daily proximity shopping, with a comprehensive product range which is focused on customers’ daily needs, including a strong offering of perishables.

Studenac primarily operates in the Croatian grocery market, which had a total addressable market of €10.2 billion in 2023 which grew at a rate of 8.4% from 2022 to 2023, 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 are complementary to each other in terms of purchase mission, with customers purchasing in bulk at discounters while also visiting small format stores for convenience.

Studenac recently entered the Slovenian market through its acquisition of Kea, providing it with a foothold in the €5.9 billion Slovenian grocery market (based on 2023 data included in the OC&C Analysis).

Studenac has strength across both residential locations (including high traffic locations in cities), which provide it with a stable revenue base across all seasons, and tourist-led locations, which allow it to capitalise on Croatia’s status as a tourism destination. In 2023, Croatia had approximately 21 million tourists (both domestic and foreign) and approximately 107 million overnights, according to the Croatian National Tourist Board. According to the OC&C Analysis, Studenac’s market share in Croatia in 2023 was 6.6% based on retail revenue, which represents an increase of 4.1 percentage points from 2018. There is a long tail of independent players holding approximately 18% of the Croatian grocery market (including traditional grocery retailers and forecourt retailers), which the Management believes provides a base for further growth in market share.

Studenac was acquired by Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII in August 2018. Led by the new management that joined shortly after acquisition, Studenac has undergone a transformation from a family-owned business to a results-oriented professional organisation. It has been growing rapidly, both organically and through acquisitions since the time of its acquisition. In the period from 2018 to 30 September 2024, Studenac opened 491 new stores and acquired 725 stores.

The Management believes that Studenac is well positioned for further growth in Croatia. According to the OC&C Analysis, there are an estimated 3,200 white space locations suitable for the Studenac format across Croatia. Acquisitions

of smaller market players have been one of the key growth avenues for Studenac. Studenac has proven experience in acquiring and successfully integrating other retail networks in Croatia. Studenac plans to continue growing via intensive acquisitions in Croatia. In Croatia alone, the Management has identified over 2,000 stores which fit its acquisition criteria. The Management also believes that Studenac's store format is suitable for expansion into foreign markets. For example, it entered the Slovenian market, which has certain similarities and favourable market characteristics to Croatia. The Management believes that Studenac's store format is well tailored to the Slovenian market and Slovenian and Croatian consumers' tastes and habits are similar. The OC&C Analysis has identified an estimated 700 white space locations suitable for the Studenac format across Slovenia.

In total, Studenac intends to add approximately 1,000 stores organically and approximately 1,200 stores through acquisitions across Croatia and Slovenia from the end of 2023 to reach 3,400 stores by the end of 2028.

Studenac has a data-driven approval process for new locations 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 roll-out of new stores much quicker and more efficient for Studenac.

Studenac is focused on driving efficiency and profitability, including through digital tools used across strategic areas of the business. Digitalisation and innovation are firmly embedded across the organisation, supported by an in-house Centre of Excellence, Studenac Digital. The 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 is in the process of transforming and centralising its logistics structure to support its further growth and improve profitability. Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028, driving efficiencies and profitability, including through the ability to negotiate better terms with suppliers.

Studenac is run by a management team comprising a mix of foreign industry experts with experience across many other food retailers, as well as experienced local managers with knowledge of the retail industry and the Croatian market.

For the year ended 31 December 2023, Studenac had sales revenue of €668.1 million and post-IFRS 16 Adjusted EBITDA of €65.9 million, which reflected a post-IFRS 16 Adjusted EBITDA margin of 9.9%. Studenac's profit for the year ended 31 December 2023 amounted to €1.3 million. For the eight months ended 31 August 2024, Studenac had sales revenue of €556.5 million and Post-IFRS 16 Adjusted EBITDA of €66.9 million, which reflected a Post-IFRS 16 Adjusted EBITDA margin of 12.0%. Studenac's profit for the eight months ended 31 August 2024 was €16.3 million.

Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the year ended 31 December 2023 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during 2023 for the entire year, i.e. from 1 January 2023) were €702 million and €70.7 million, respectively. Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the eight months ended 31 August 2024 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024) were €608.8 million and €72.1 million, respectively. Pro forma profit for the year ended 31 December 2023 and the eight months ended 31 August 2024 was €5.2 million and €20.3 million, respectively.

## 2. Recent Developments

Studenac's results through September and October 2024 have shown a similar trend as the results for the eight months ended 31 August 2024, with continued growth in sales revenue due to acquisitions, new stores openings and positive LfL sales growth. In September, certain external factors (primarily unfavourable weather conditions) had a slight negative impact on sales and margin performance. However, the overall impact on Studenac's performance was not material. Margin performance remained stable. The expected performance for the full year 2024 remains consistent with the targets presented below under "— Short-term Targets".

Net working capital and net debt are impacted by normal seasonality trends when moving from the peak of the season towards low and off season periods.

While Studenac continues to evaluate opportunities for organic and inorganic growth, the Company has not entered into any sales and purchase agreements or other binding contracts as at the date of the Prospectus, other than those disclosed herein.

## 3. Short-term Targets

In the short term, the Management is targeting that Studenac will open between 140 and 160 new stores per year on a gross basis (i.e. before store closures). Sales revenue is targeted to grow at a rate of approximately 30% (on a pro forma basis, that is, including the results of operations of stores acquired during the relevant year as if such stores had been acquired on 1 January of such year) in 2024 compared to 2023 and LfL sales revenue growth is expected to

gradually step down towards low double digits in 2024 (from 13.1% in the eight months ended 31 August 2024) and thereafter to remain at very high single digits. Margin accretion is expected to be supported by a range of key initiatives, such as pricing optimisation, traffic uptake, basket size increases, promotions and loyalty programme, private label penetration, category management implementation and optimisation, scale benefits and terms of trade optimisation, sales mix optimisation and centralisation. Material growth is targeted in the short term from the contribution of acquisitions made by Studenac which closed in the third quarter of 2024. The Management is further targeting that in the short term, Studenac's Post-IFRS 16 Adjusted EBITDA margin on a pro forma basis (that is, including the results of operations of stores acquired during the relevant year as if such stores had been acquired on 1 January of such year) will gradually step up to be above the pro forma Post-IFRS 16 Adjusted EBITDA margin for the eight months ended 31 August 2024. Depreciation and amortisation on a post-IFRS 16 basis is targeted to be approximately 2.5% of sales revenue on a post-IFRS 16 and pre-IFRS 16 basis, and the effective tax rate is targeted to be in the high teens, whereas historically it had been above 20%. The decrease will reflect the reduced scale of permanent non-tax deductible costs. Interest expense is expected to decrease compared to historical levels following the margin reduction resulting from the financing completed in September 2024. The net profit margin is expected to increase mainly due to the reduction in the effective tax rate, lower depreciation, primary component impact, lower base interest rates and lower bank margins following the completion of the refinancing referred to above.

The Management is targeting that new store openings and optimisation projects will require capital expenditure of 3% to 4% of sales revenue in the short term. Acquisition related capital expenditure is targeted at 3% to 4% of sales revenue. In the short term, net working capital is targeted to be between (7)% and (9)% of Studenac's sales revenue.

The Management also expects that Studenac's leverage will decrease, which will be aided by the proceeds of the Offering to be received by the Issuer. It is targeting a reduction in its Net Debt/Post-IFRS 16 Adjusted EBITDA ratio to below 2.5x as at 31 December 2025 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 1.5x) and to below approximately 1.5x as at 31 December 2026 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 0.5x), from 3.3x as at 31 August 2024 (based on Post-IFRS Adjusted EBITDA on a last twelve month basis) (or 3.1x on a pro forma basis (reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024 on Adjusted EBITDA last twelve month basis) and 4.2x as at 31 December 2023 (or 3.9x on a pro forma basis (reflecting the results reported by targets acquired during the year ended 31 December 2023 for the entire period, i.e. from 1 January 2023). As adjusted for the proceeds of the Offering received by the Issuer, the as adjusted Net Debt/Post-IFRS 16 Adjusted EBITDA ratio and the as adjusted Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio was 2.2x and 0.8x, respectively, as at 31 August 2024. Studenac is targeting a net debt free Net Debt/Post-IFRS 16 Adjusted EBITDA ratio by the end of 2028.

#### 4. Mid-Term Targets

In the mid-term, the Management is targeting the following:

- 200 to 250 new store openings per year;
- A total of 1,200 stores to have been acquired by the end of 2028, together with organic store openings, resulting in 3,400 stores by the end of 2028;
- Sales revenue growth at a compound annual growth rate ("**CAGR**") of 25% to 30%;
- A gradual step-down of LfL sales revenue growth from very high to high single digits;
- Adjusted Post-IFRS 16 Adjusted EBITDA margin on a pro forma basis (that is, including the results of operations of stores acquired during the relevant year as if such stores had been acquired on 1 January of such year) accelerating towards the mid-teens, driven by the factors referred to above under "*— 3. Short-term Targets*".
- A gradual decrease in depreciation and amortisation to approximately 2% of sales revenue on a post-IFRS 16 and pre-IFRS 16 basis;
- Interest expense decreasing below historical levels, driven by the factors referred to above under "*— 3. Short-term Targets*";
- An effective tax rate in the high teens;
- Capital expenditure associated with both new store openings and projects, as well as acquisitions of approximately 3% each; and
- Net working capital of (7)% to (8)% of sales revenue.

The average expected capital expenditure per acquired store is expected to be approximately €200 thousand in the medium term, which is lower than the range for 2021 to 2023. This is expected to be due both to Studenac's balance

sheet permitting more sizeable acquisitions with a lower unit price and the fact that Studenac has already evaluated the profitability levels of identified targets in Croatia, all of which tend to be lower than the networks acquired in prior years. The average expected investment in refurbishing acquired stores is expected to be between €20 thousand and €40 thousand. The average expected sales per acquired store is expected to be €540 thousand per year going forward. Studenac is targeting a net debt free Net Debt/Post-IFRS 16 Adjusted EBITDA ratio by the end of 2028.

## 5. Key Factors Affecting Results of Operations

### 5.1. Macroeconomic Trends in Croatia

Substantially all of Studenac's sales revenue is attributable to Croatia, although Studenac is expanding its operations into Slovenia and may in the future expand into other countries. Studenac's results of operations are therefore affected by macroeconomic trends in Croatia and their influence on consumer purchasing power and demand for Studenac's products.

Croatia has been benefiting from strong macroeconomic fundamentals and rapidly growing household affluence. Croatia's economy is outperforming the rest of Europe, with real GDP growth of 2.7% in 2023, compared to 0.8% for the broader CEE region and 0.8% for Western Europe, based on data from the World Bank. The EU Commission has forecasted real GDP growth of 3.3% and 2.9% in 2024 and 2025, respectively. It also expects a decline in the unemployment rate from 6.1% in 2023 to 5.8% in 2024 and 5.6% in 2025 and a decline in inflation, with CPI expected to decline from 8.4% in 2023 to 3.5% in 2024 and 2.2% in 2025.

Tourism is another key factor driving demand for Studenac's products, since many of Studenac's stores are located in areas with strong tourism activity. Croatia is well positioned to benefit from increased European integration. Croatia has been a member of the European Union since 2013 and it entered the Eurozone and Schengen zone in January 2023. These developments are expected to result in an increase in the number of tourists, mostly from Germany and Western Europe. OC&C projects total overnight stays to grow at a CAGR of 6% from 2023 to 2028 and further anticipates foreign tourist grocery market spend to grow at a CAGR of 10% over the same period.

According to OC&C, the Croatian grocery market grew from €7.8 billion in 2018 to €10.2 billion in 2023, reflecting a CAGR of 5.5%. Increasing affluence and growing tourism levels have contributed to this growth. Local grocery market spend increased from €7.1 billion in 2018 to €9.2 billion in 2023 and foreign tourist grocery market spend increased from €0.7 billion to €1.0 billion over the same period, according to OC&C. The market is expected to continue its rapid growth, with growth expected to be driven by growth in the number of tourists, as well as increasing tourist spend, and the growing attractiveness of premium products and food inflation. OC&C projects that the Croatian grocery market will grow to €12.9 billion in 2028, which would reflect a CAGR of 4.8%. These dynamics have contributed, and are expected to continue to contribute, to growing demand for Studenac's products.

Another factor that has affected Studenac's results is the level of CPI inflation in Croatia. Inflation has contributed to higher basket sizes (see "*—5.4 LfL Growth—5.4.1 Number of Transactions, Number of Items per Ticket and Basket Size*") and has also had an impact on Studenac's operating expenses. In addition, starting in September 2022, the Croatian government capped retail prices for certain basic food items, such as flour, sugar, milk and oil, as part of its macroeconomic measures to combat inflationary pressures. This had an adverse impact on Studenac's margins in 2022 and 2023. See "*—5.7 Government Regulation—5.7.1 Price Caps*".

#### 5.1.1. COVID-19 pandemic

Studenac's results of operations for the year ended 31 December 2021 were significantly impacted by the COVID-19 pandemic, which led to lower levels of tourist traffic as travel restrictions were implemented by the Croatian government and the governments of other neighbouring countries that are sources of tourism for Croatia. The pandemic also resulted in a temporary change in customer behaviour, which was predominantly reflected in lower ticket volumes, partially offset by higher average basket size, due to customers limiting their excursions and stocking up on goods during the pandemic.

Tourist traffic in Croatia recovered strongly as the country emerged from the COVID-19 pandemic. Across Studenac's store footprint, tourist-led and pure seasonal stores were the primary drivers of LfL growth in 2022 due to tourists returning in large numbers as restrictions were lifted during the year. In 2023, however, traffic normalised and resident-led stores outperformed tourist-led stores during the year. See "*—5.4 LfL Growth*" below.

### 5.2. Trends in Consumer Behaviour

Studenac's results of operations are affected by consumer trends such as demand for proximity shopping, demand for particular products sold by Studenac, the frequency of shopping trips and average basket size. There has been a trend in the Croatian market towards smaller basket missions, meaning that customers are increasingly visiting



stores more frequently to purchase a limited number of items as opposed to weekly or monthly shopping trips where a large volume of items is purchased. This has resulted in a shift away towards smaller format stores such as those of Studenac. Management believes that this trend has contributed, and is expected to continue to contribute, to Studenac's sales revenue growth.

The shift towards smaller basket missions has resulted in a decrease in the average number of items, particularly in tourist-led and pure seasonal stores. Customers have been purchasing fewer products per individual purchase, while visiting shops more frequently, which has resulted in strong growth in customer numbers. The average number of items decreased from 4.4 in 2021 to 4.2 in both 2022 and 2023. However, the number of transactions grew from 54,176 thousand in 2021 to 81,495 thousand in 2022 and to 95,127 thousand in 2023. The average number of items was 4.1 and 4.2 and the number of transactions was 65,772 thousand and 72,263 thousand for the eight months ended 31 August 2023 and 2024, respectively. See "—5.4 LfL Growth—5.4.1 Number of Transactions, Number of Items per Ticket and Basket Size».

### 5.3. Store footprint expansion

During the years 2021 to 2023 and the eight months ended 31 August 2024, Studenac has significantly expanded its store footprint, both through acquisitions and organically through the opening of new stores, as discussed in detail below. This has in turn led to growth the average retail space of Studenac's network. The following table sets forth the number of stores and the aggregate area as at and for the nine months ended 30 September 2024 and 2023 and 31 December 2023, 2022 and 2021:

	As at and for the nine months ended 30 September		As at and for the year ended 31 December		
	2024	2023	2023	2022	2021
Number of stores	1,404	1,204	1,265	1,069	688
Average retail space (square metres) <sup>(1)</sup>	146,090	123,091	127,061	98,663	76,158
Average store size (square metres)	111	107	108	110	116

(1) Calculated as the average of retail space at the beginning of the period and retail space at the end of the year.

Source: Company.

#### 5.3.1. Acquisitions

Studenac's results of operations have been significantly impacted by acquisitions. Studenac has made the following key acquisitions:

- In 2021, it acquired 29 stores through the acquisition of Bure, which strengthened its position on the Adriatic coast;
- In 2022, it acquired 298 stores through the acquisition of Lonia, which created a platform for expansion in Central Croatia;
- In 2022, it acquired 38 stores through the acquisition of Pemo, which strengthened its existing position in Dubrovnik;
- In 2023, it acquired 47 stores through the acquisition of Strahinjčica, which strengthened its position in Northern Croatia;
- In 2023, it acquired 40 stores through the acquisition of Špar Trgovina, which strengthened its position in the Northern Croatia region;
- In 2023, it acquired 16 stores through the acquisition of LA-VOR, which strengthened its position in the Istria region;
- In 2024, it acquired 36 stores through the acquisition of Decentia, which strengthened its position in Central Croatia, with a particular focus on Zagreb; and
- In 2024, it acquired Kea, a well-positioned and recognised local retail chain with 32 stores mainly covering north-western Slovenia. In 2023, Kea had revenue of approximately €50 million and EBITDA (including the impact of the equivalent of IFRS 16, which applies under Slovenian GAAP) of €2.9 million.

See "Business—7. Network Expansion—7.2 Acquisitions and Post-Merger Integration" for further detail of these acquisitions.

In 2022, the acquisition of stores, mainly from Lonia and Pemo, led to an impact on sales revenue. In 2023, Studenac realised an increase in sales revenue from the acquisition of stores from Strahinjčica, Špar Trgovina and LA-VOR.

In terms of gross margin, Studenac is able to achieve an uplift in the gross margins of acquired companies shortly after the completions of the acquisitions through the alignment of acquired companies' terms of trade with those of Studenac. Studenac is typically able to implement its terms of trade with suppliers within two to three weeks of closing an acquisition. There is a limited lag in the materialisation of these synergies due to the time required to sell stock acquired by the target prior to closing of the acquisition. Studenac will also typically reduce the cost of operations of acquired companies by eliminating redundant functions. This also takes time and hence results in a limited lag effect. Synergies may also include headquarters optimisation, leveraging centralised contracts (e.g. Studenac's energy contracts) and common distribution and logistics networks.

Synergies may also include the refurbishment of stores of the target. Refurbishments entail the full implementation of Studenac branding, facilitating the full leveraging of Studenac brand's power to achieve an uplift in sales. After the acquisition of Lonia in 2022, for instance, Studenac managed to increase Lonia's sales revenue by approximately 33% (from the second half of 2022 to the second half of 2023), which included the effect of refurbishing 46 stores in Zagreb. From the second half of 2022 to the second half of 2023, tickets, basket size and volumes increased by 15.5%, 15.2% and 19.6%, respectively. Following the acquisition, Studenac also strengthened categories with higher margins. In the second half of 2022 (i.e., before the refurbishments), non-perishables, perishables, tobacco and other non-food accounted for 38%, 28%, 25% and 8% of sales revenue. This shifted to 39%, 32%, 23% and 7% for the second half of 2023 (i.e., after the refurbishments). This had a favourable impact on margins since the front margin (i.e., the gross margin before allowances and discounts from suppliers) for non-perishables, perishables, tobacco and other non-food items was 23.6%, 27.7%, 5.2% and 23.2% in the second half of 2023.

Similarly, Studenac was able to achieve an EBITDA uplift at the stores it acquired in the Bure acquisition of approximately 2.5 times from the third quarter of 2021 to the third quarter of 2023. This was achieved through various levers, including a 37% increase in sales revenue over this period (a portion of which was due to market dynamics), gross margin improvement of approximately 10 percentage points over this period, a reduction in operational costs and the compounding of these effects. Ultimately, this led to an 11 percentage point improvement in the EBITDA margin from the third quarter of 2021 to the third quarter of 2023.

### 5.3.2. *New Store Openings*

Organic growth through new store openings has been a key driver of Studenac's growth in sales revenue. Studenac opened 53, 114, 116 and 97 stores in 2021, 2022, 2023 and the first three quarters of 2024, respectively (with the number of store openings in 2021 being adversely affected by the COVID-19 pandemic). In all of 2024, Studenac is targeting to open approximately 140 stores and the Management expects the number of new stores opened to grow each year.

Similar to the dynamics for acquired stores, new stores opened by Studenac are a drag on margins due to the time it takes for them to fully ramp up. It typically takes two to three years for a store to reach maturity level in terms of sales and profitability.

During the years 2021 to 2023 and the eight months ended 31 August 2024, stores opened more recently (in the years 2020 to 2023) have experienced the highest growth in sales revenue and Adjusted EBITDA compared to stores opened in earlier years. Stores opened in 2021 have already reached the level of sales per square metre of other mature stores, which also reflects the quality of their location. However, the Adjusted EBITDA margins of stores opened more recently still have the potential to grow and reach profitability levels realised by more mature stores. The average store EBITDA contribution margin (which is calculated after deducting variable store-driven costs (i.e., excluding marketing and logistics costs) from the relevant store's gross margin) for stores opened in 2019, 2020 and 2021 was 13.1% compared to 14.4% for stores opened in 2018 and earlier. Management expects further improvement for these stores due to the implementation of network-wide initiatives, such as the introduction of a new pricing and promo tool (see "—5.5 Pricing and Promo Tool" below), growing productivity of store employees and continuously improving terms with commercial suppliers.

Due to its streamlined processes, which are described in detail below, Studenac's organic roll-out requires relatively limited capital expenditure. On average, Studenac incurs capital expenditure of €100,000 to €120,000 per store opening. The payback period for new stores rolled out organically also tends to be favourable, at an average of less than 2.5 years (based on capital expenditure minus net working capital divided by cash flow generated by the store), compared to less than 5.4 years for acquired stores (based on capital expenditure divided by cash flow generated by the store).

### 5.3.3. *Store closures*

Studenac periodically closes stores to optimise profitability. Most of the stores that have been closed since the acquisition by PEF in 2018 have been mature stores operated by Studenac, with the remaining closures related to network optimisation following the acquisitions. For instance, in 2022, 24 Lonia stores were closed shortly after they were acquired. In relation to newly opened stores, Studenac has been successful in reducing the number of closures due to

the effective identification of store locations with potential for high performance. Very few stores opened after 2018 have subsequently been closed by Studenac.

The following table sets forth store closures for the period from 2018 to 30 September 2024:

	2018	2019	2020	2021	2022	2023	2024
Stores closed	17	18	28	12	69 <sup>(1)</sup>	23	26 <sup>(2)</sup>

Note:

(1) Out of the 69 stores closed in 2022, 35 were closures of stores acquired by Studenac, including Lonia stores.

(2) Information as at 30 September 2024.

Source: Company.

#### 5.4. LfL Growth

LfL sales revenue grew by 5.6%, 18.0% and 16.3% in 2021, 2022 and 2023, respectively, driven by operating improvements introduced by management and pricing increases, which were driven in part by inflation. LfL sales revenue growth was 13.1% in the eight months ended 31 August 2024. In 2022, tourist-led and pure seasonal stores were the primary drivers of LfL sales revenue growth due to the significant recovery in tourist levels after the COVID-19 pandemic. This shift was largely due to the normalisation of tourist levels during 2023, as well as growth mainly stemming from the Lonia acquisition (where resident-led stores are dominant) and operational initiatives implemented across the network. These operational initiatives included the introduction of performance bonuses for store staff, the implementation of pricing tools (see “—5.5 Pricing and Promo Tool» below), tracking and improving the availability of defined assortment, audits of stores and the introduction of the Moj Studenac loyalty programme.

LfL sales revenue growth slowed across all types of stores towards the end of 2023 largely due to the abatement of inflation in Croatia.

The key drivers of LfL sales revenue growth include trends in the number of transactions, number of items per ticket and basket size, which are discussed in detail below.

Going forward, Studenac’s initiatives to improve LfL growth in future periods include the following:

- Pricing optimisation, including through elasticity analysis;
- Traffic uptake, partly driven by growth in tourism;
- Basket size increases;
- Promotions and leveraging the loyalty programme, Moj Studenac;
- Increasing private label penetration; and
- Category management implementation and optimisation.

##### 5.4.1. Number of Transactions, Number of Items per Ticket and Basket Size

LfL sales revenue growth is driven by the number of transactions, the number of items per ticket and basket size, which are in turn influenced by macroeconomic factors such as disposable income levels, tourism levels and inflation. The number of transactions has been growing due to the expansion of Studenac’s store footprint, as well as the return of tourists following the COVID-19 pandemic. The number of items per ticket has been decreasing, influenced by the trend towards smaller basket missions, meaning that customers are increasingly visiting stores more frequently to purchase a limited number of items as opposed to weekly or monthly shopping trips where a large volume of items is purchased. Basket sizes have, however, been increasing, in part due to inflation, but also due to Studenac’s focus on pricing, assortment and improvements in shelf availability of its products.

The Sunday trading limitation introduced by the Croatian government, which became effective in July 2023, has exerted downward pressure on the number of transactions but upward pressure on the number of items per ticket and therefore basket size due to the reduction in the number of shopping days.

The following table sets forth the number of transactions, number of transactions per store, number of items per ticket and basket size as at and for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021:

	As at and for the eight months ended 31 August		As at and for the year ended 31 December		
	2024	2023	2023	2022	2021
Number of transactions ('000s)	72,685	65,772	95,127	81,495	54,176
Number of transactions per store <sup>(1)</sup>	54,415	54,583	75,617	72,633	78,063
Number of items sold ('000s)	305,922	271,128	397,702	338,694	240,007

	As at and for the eight months ended 31 August		As at and for the year ended 31 December		
	2024	2023	2023	2022	2021
Number of items per ticket	4.2	4.1	4.2	4.2	4.4
Basket size (€)	6.9	6.5	6.5	5.8	5.3

(1) Excluding Decentia.

Source: Company.

### 5.5. Pricing and Promo Tool

In terms of pricing, the team has developed a predictive pricing tool together with a global consulting firm which recommends prices based on product life cycle, price elasticity, promotion effect, cannibalisation effect and competitor reaction. The tool was ready for out-of-season products in the second quarter of 2023 and for in-season products from the second quarter of 2024. The impact of the pricing and promo tool on gross margin ranges between 1.0 and 1.5 percentage points. The tool was gradually implemented throughout the course of 2023 and part of the impact was already partially visible in the 2023 consolidated financial statements. Had the tool been implemented for the entirety of 2023, the incremental impact at the EBITDA level would have been €1.9 million higher.

### 5.6. Product Mix

Studenac's product mix has a significant influence on its results of operations, including its margins. The gross margin for certain types of products (e.g. bakery products, private label products) is higher than for other products. The gross margin for tobacco products is low compared to other products. Therefore, to the extent Studenac shifts towards selling products with higher gross margins, this will improve its overall gross margin and vice versa. Studenac is targeting a shift in its sales mix to 40% perishables, 41% non-perishables and 19% non-food items by 2028, compared to 34%, 40% and 26% in 2023, respectively (with tobacco accounting for approximately 17% of sales revenue in 2023). Perishables have higher margins than non-perishables and hence this shift is expected to contribute to gross margin expansion. This is expected to be achieved through the expansion of shelf space for perishables and improved in-store positioning during refurbishments as well as investments in product freshness, including the opening of new distribution centres in 2025. The Management is targeting a cumulative improvement in the gross margin of at least 1 percentage point during the period from 2023 to 2028 through the shift towards high margin perishables and the shift towards private label (as described below).

#### 5.6.1. Private label

Private label products are also key in driving Studenac's gross margin. In 2021, Studenac developed and started rolling out its own private label, replacing the products previously supplied through the NTL purchasing alliance, from which it withdrew in December 2020. Since that time, private label has been growing in importance, with private label products increasing to 6.8% of sales revenue in 2023 from 5.9% in 2021. This has been primarily driven by dairy and fat products and commodities and conserved products, which together accounted for slightly more than 40% of private label sales in the three years ended 31 December 2023. Private label products generate a higher gross margin compared to other branded goods. Studenac is planning to increase the share of private label products in its sales revenue from 6.8% in 2023 to 10.5% by 2028, and to maintain this growth in the following years, which is expected to have a favourable impact on the gross margin. The gross margin for private label products is approximately 3.7 percentage points higher than for branded products.

### 5.7. Government Regulation

Studenac's results of operations are influenced by changes in government regulation. In the years 2021 to 2023 and the eight months ended 31 August 2024, the most significant changes were the introduction of a price cap for certain products sold by Studenac and the Sunday trading limitation, which are described in greater detail below.

#### 5.7.1. Price Caps

Starting from September 2022, the Government of Croatia has capped retail prices of certain basic food items, including flour, sugar, 2.8% long lasting milk, chicken, ground meat and sunflower oil, as part of its macroeconomic measures aimed at addressing significant inflationary pressures across the Croatian economy. In September 2023, this was extended to cover additional product groups, including rice, eggs, spaghetti, certain vegetables, shampoo and toilet paper. The share in sales revenue of price capped items was 2.98% in 2023 and 4.74% in the first half of 2024. The price caps resulted in the gross margin (defined as (sales revenue less cost of goods sold) divided by sales revenue) decreasing in 2022, to 29.0% compared to 30.0% in 2021. The gross margin subsequently increased to 30.4% in 2023. The main

impact was on commodities such as sugar. Within dairy and fat, only 2.8% long lasting milk was affected and the overall gross margin for dairy and fat products increased in 2022.

The Management ultimately expects the price caps implemented by the Government to be temporary. In September 2023, the maximum margin rule was removed, allowing Studenac to mitigate the impact on its margins through supplier negotiations. The price caps are expected to be lifted once inflationary pressures abate more fully. If the price caps are lifted, this would tend to have a favourable impact on the gross margin. Had the price caps not applied, Studenac's gross margin would have been 0.72 percentage points higher in 2023 and 0.91 percentage points higher in the first half of 2024.

#### 5.7.2. *Sunday trading limitation*

In July 2023, the Croatian Government introduced changes to the Trade Act which limit the number of stores that may be opened on Sundays and public holidays. The Trade Act now provides that retail stores may be open for up to 90 hours per week from Monday until Saturday and the number of stores that can be opened on Sunday and public holidays has been limited. The new law allows retailers, to choose 16 Sundays per year when they can open their stores (in which case the opening hours are extended to 105 hours per week), while on the remainder of Sundays in the year their stores must remain closed. Employees must be paid 50% more for their work on those Sundays on which stores are opened. The exemptions to this are very limited. The law does not apply to retail stores that are part of airports, bus and train stations, ferries, seaports, nautical marinas, hotels, gas stations, hospitals or museums. Additionally, the new law provides that stores must be closed on official state holidays (as of the date of the Prospectus, there were 14 such holidays annually in Croatia).

The Sunday trading limitation resulted in a decline in sales revenue towards the end of 2023, following strong growth as Croatia recovered from the COVID-19 pandemic in 2022. On the other hand, the Sunday trading limitation also led to a slight increase in number of items per ticket. Studenac has also been able to react with agility to the Sunday trading limitation due to its dense store network and it has been able to redirect a portion of traffic from Sunday to Saturday, including through a 10% discount for Saturday sales over €10. The Management expects that the adverse effect of the Sunday trading limitation will level off starting in 2025, which will be fully comparable to 2024 in terms of the number of non-working Sundays.

It is also worth noting that the Sunday trading limitation in Croatia was much less severe than in other European countries, for instance Poland and Germany. In Poland and Germany, under the applicable bans, the maximum opening hours are 72 and 84, respectively, compared to 90 in Croatia. In Poland, there is an exemption for 7 shopping Sundays and in Germany there are certain exemptions that apply depending on the region. This compares to 16 Sundays per year in Croatia as described above. Finally, the exemptions in terms of venue are more limited in Poland (restaurants, filling stations, pharmacies, bakers and post offices) and Germany (pharmacies, petrol stations, shops, train stations and airports).

#### 5.8. **Seasonality**

Studenac experiences significant seasonality for its tourist-led stores, while resident-led stores tend to have much less volatile performance. In 2023, on a consolidated basis, 16%, 25%, 39% and 20% of sales revenue was recorded in the first, second, third and fourth quarters, respectively.

For the years 2021 to 2023, pro forma Post-IFRS 16 Adjusted EBITDA for the first eight months of the year has accounted for approximately 80% of Post-IFRS 16 Adjusted EBITDA for the full year. In 2023, however, this was 90% due to the impact of the Sunday trading limitation introduced in September 2023.

Net working capital is also subject to strong seasonality effects and tends to be at its lowest during the summer tourist season. This moves in the opposite direction in October and November as a result of payments to suppliers for stock acquired during the tourist season.

### 6. **Comparability of Results**

Due to the significant expansion of its operations undertaken by Studenac during the years 2021 to 2023 and the eight months ended 31 August 2024, comparing its results of operations from period to period is challenging. In order to enable investors to compare the underlying performance of Studenac's business, certain LfL metrics are presented herein, as described in further detail below. In addition, certain Adjusted metrics are presented in order to eliminate the effect of events not related to Studenac's main activity, such as (i) expenses related to due diligence processes (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) and (ii) mergers and acquisitions and post-merger integration expenses (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). The Management has also presented normalisation and annualisation metrics in order to illustrate the full-year effect of certain transactions



and management actions. Certain financial information illustrating the effect of acquisitions is also shown, in order to provide investors with an indication of the impact of acquisitions for the relevant full financial period.

### **6.1. LfL metrics**

LfL measures represents the change in a particular line item (e.g. sales revenue) in the relevant period from Studenac's stores taking into account the sales of stores operating on the same day of both the current and previous period. See "Presentation of Financial and Other Information" for further detail.

### **6.2. Adjusted metrics**

In this Prospectus, Adjusted EBITDA is presented in order to eliminate the effects of events not related to Studenac's main activity, such as (i) expenses related to due diligence processes (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) and (ii) mergers and acquisitions and post-merger integration expenses (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). For the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021, Studenac's post-IFRS 16 Adjusted EBITDA was €66.9 million, €54.7 million, €65.9 million, €43.6 million and €31.3 million, respectively. Its pre-IFRS 16 Adjusted EBITDA was €47.2 million, €37.9 million, €40.5 million, €23.0 million and €17.2 million, respectively. Its Post-IFRS 16 Adjusted Profit/(Loss) for the Period was €19.5 million, €12.4 million, €4.1 million, €2.7 million and €1.0 million for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021, respectively. The Management believes that these are the most relevant metrics for investors to consider as they enhance comparability across periods. See "Selected Historical Financial Information" for further detail of these metrics.

### **6.3. Normalisation and annualisation effects**

The Management has estimated an additional incremental €5.9 million to €6.3 million in 2023 in Adjusted EBITDA and €4.8 million and €5.2 million in Adjusted Profit/(Loss) for the Period relating to normalisation and annualisation effects. These include (i) the full-year effect (i.e., as if the relevant acquisitions had occurred at the beginning of the year) of synergies achieved after acquisitions (e.g., due to the application of Studenac's trade terms at its targets); (ii) the annualised impact of Studenac's pricing and promo tool; and (iii) the full-year effect (i.e. as if the relevant acquisitions had occurred at the beginning of the year) of smaller acquisitions. The Management believes that this information is useful for enhancing the comparability of Studenac's results of operations across periods.

These normalisation and annualisation effects are based on estimates provided by the Management and have neither been audited nor reviewed. They are also not meant to be predictive of future results. Therefore, prospective investors should not place undue reliance on these measures. Please also see "Risk Factors — 3 Risks Relating to Studenac's Operations—3.8 Studenac presents certain metrics in the Prospectus, including adjusted and normalised metrics, which have not been subject to an audit or review and on which investors should not place undue reliance."

### **6.4. Financial information illustrating effect of acquisitions**

In this Prospectus, certain financial information is presented "on a pro forma basis" in order to illustrate the impact of acquisitions on Studenac's results of operations. Such financial information for the year ended 31 December 2023 reflects the results reported by targets acquired during 2023 for the entire year, i.e. from 1 January 2023. Such financial information for the eight months ended 31 August 2024 reflects the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024.

This financial information below is extracted directly from the Consolidated Financial Statements and follows IFRS 3 requirements with respect to disclosure relating to acquisitions. Hence, it is not pro forma financial information within the meaning of the Prospectus Regulation or Regulation S-X.

The following table sets forth certain financial information illustrating the effect of acquisitions for the year ended 31 December 2023:

	Year ended 31 December 2023		
	Consolidated results of Studenac	Contribution of acquired companies to the Group results, on a pro forma basis	Combined results of Studenac on a pro forma basis
	(€ millions)		
Sales revenue	668.1	34.3	702.4
Operating profit	19.2	3.7	22.9
Depreciation and amortisation	(43.3)	(1.1)	(44.4)
Profit/(loss) for the period	1.3	4.0	5.3

The following table sets forth certain financial information illustrating the effect of acquisitions for the eight months ended 31 August 2024:

	Eight months ended 31 August 2024		
	Consolidated results of Studenac	Contribution of acquired companies to the Group results, on a pro forma basis <sup>(1)</sup>	Combined results of Studenac on a pro forma basis <sup>(1)</sup>
	(€ millions)		
	(Unaudited)		
Sales revenue	556.5	52.2	608.7
Operating profit	34.1	4.0	38.1
Depreciation and amortisation	(28.9)	(1.1)	(30.0)
Profit/(loss) for the period	16.3	4.0	20.3

Note:

(1) On 28 June 2024, Studenac Croatia entered into a share purchase agreement for the purchase of Kea. The transaction was concluded in September 2024 and hence the results of operations of Kea are not included in Studenac's consolidated results of operations for the eight months ended 31 August 2024. The pro forma financial information above reflects the results of operations of Kea as if it had been acquired on 1 January 2024.

For further detail, see Note 17 to the Interim Financial Statements and Note 25 to the Audited Financial Statements. For further information regarding financial information concerning Kea, see Note 18 to the Interim Financial Statements.

## 7. Results of Operations

### 7.1. Eight months ended 31 August 2024 and 2023

The following table sets forth Studenac's results of operations for the eight months ended 31 August 2024 and 2023:

	Eight months ended 31 August				Change	
	2024		2023		Change	
	(€ millions)	(% of total operating income)	(€ millions)	(% of total operating income)	(€ millions)	(%)
	(Unaudited)					
<b>Operating income</b>						
Sales revenue	556.5	99.7%	465.1	99.4%	91.4	19.7%
Other operating income	1.4	0.3%	2.6	0.6%	(1.2)	(46.2)%
<b>Total operating income</b>	<b>557.9</b>	<b>100.0%</b>	<b>467.7</b>	<b>100.0%</b>	<b>90.2</b>	<b>19.3%</b>
<b>Operating expenses</b>						
Cost of goods sold	(377.4)	67.6%	(319.9)	68.4%	57.5	18.0%
Personnel expenses	(72.5)	13.0%	(59.4)	12.7%	13.1	22.1%
Depreciation and amortisation	(28.9)	5.2%	(28.6)	6.1%	0.3	1.0%
Other operating expenses <sup>(1)</sup>	(44.9)	8.0%	(36.4)	7.8%	8.5	23.4%
<b>Total operating expenses</b>	<b>(523.8)</b>	<b>93.9%</b>	<b>(444.4)</b>	<b>95.0%</b>	<b>79.4</b>	<b>17.9%</b>
<b>Operating profit</b>	<b>34.1</b>	<b>6.1%</b>	<b>23.3</b>	<b>5.0%</b>	<b>10.8</b>	<b>46.4%</b>
Finance income	0.1	0.0%	0.1	0.0%	-	0.0%
Finance expense	(13.1)	2.3%	(9.4)	2.0%	3.7	39.4%

	Eight months ended 31 August					
	2024		2023		Change	
	(€ millions)	(% of total operating income)	(€ millions)	(% of total operating income)	(€ millions)	(%)
	<i>(Unaudited)</i>					
Net finance costs	(13.0)	2.3%	(9.3)	2.0%	3.7	39.8%
<b>Profit before tax</b>	<b>21.1</b>	<b>3.8%</b>	<b>14.0</b>	<b>3.0%</b>	<b>7.1</b>	<b>50.7%</b>
Income tax	(4.7)	0.8%	(3.9)	0.8%	0.8	20.5%
<b>Profit/(loss) for the period</b>	<b>16.3</b>	<b>2.9%</b>	<b>10.1</b>	<b>2.2%</b>	<b>6.2</b>	<b>61.4%</b>

Note:

(1) Includes provisions.

## 7.2. Operating income

Studenac's operating income consists of sales revenue and other operating income. Sales revenue is generated by the sale of goods and services on the market decreased by discounts granted to customers. Other operating income consists of out of court settlements, income from insurance claims, income from the early payment of discounts and compensation and other income. Other operating income is not material to Studenac's overall results of operations.

### 7.2.1. Sales revenue

The following table sets forth a breakdown of sales revenue for the eight months ended 31 August 2024 and 2023:

	Eight months ended 31 August					
	2024		2023		Change	
	(€ millions)	(% of total)	(€ millions)	(% of total)	(€ millions)	(%)
	<i>(Unaudited)</i>					
Sales revenue from retail	503.8	90.5%	427.5	91.9%	76.4	17.9%
Sales revenue from wholesale	9.3	1.7%	4.8	1.0%	4.4	91.6%
Revenue from services	43.4	7.8%	32.8	7.0%	10.6	32.4%
Other revenue	-	0.0%	-	0.0%	-	0.0%
<b>Total sales revenue</b>	<b>556.5</b>	<b>100.0%</b>	<b>465.1</b>	<b>100.0%</b>	<b>91.4</b>	<b>19.7%</b>

Sales revenue from retail increased by €76.4 million, or 17.9%, to €503.8 million for the eight months ended 31 August 2024, compared to €427.5 million for the eight months ended 31 August 2023.

The increase was due to acquisitions and new store openings, as well as LfL growth. In 2024, Studenac acquired 36 stores through the acquisition of Decentia but Decentia's results were only consolidated for one month due to the timing of closing of the acquisition. The acquisition of Kea in Slovenia was completed in September 2024 and hence did not contribute to sales revenue during the periods. In addition, Studenac acquired 47 stores, 40 stores and 16 stores through the acquisitions of Strahinjčica, Špar and LA-VOR in 2023 and these stores were consolidated in Studenac's results of operations for the entirety 2024, compared to only a portion of 2023 (i.e. from their dates of acquisition). In terms of organic growth, Studenac opened 91 stores in the eight months ended 31 August 2024. It opened 116 stores in 2023 and the full-year impact of these store openings was felt in 2024. The number of transactions increased to 72,263 thousand in the eight months ended 31 August 2024 from 65,772 thousand in the eight months ended 31 August 2023, while average basket increased from €6.5 to €6.9 over the same period. The number of items per ticket increased from 4.1 to 4.2 over the same period. Studenac recorded LfL growth in sales revenue of 13.1% in the eight months ended 31 August 2024, which was primarily driven by residential-led stores. Additionally, there was a partially offsetting impact on traffic resulting from the introduction of a Sunday trading limitation by the Croatian government. Revenue from services grew at higher pace than sales revenue growth, reflecting the higher level of marketing activities.

## 7.3. Operating expenses

Operating expenses consist of cost of goods sold, personnel expenses, depreciation and amortisation, provisions and other operating expenses.

### 7.3.1. Cost of goods sold

Cost of goods sold consists of the cost of the products sold in Studenac's stores as well as net inventory losses, surpluses and write-offs. Cost of goods sold increased by €57.7 million, or 18.0%, to €377.4 million for the eight months

ended 31 August 2024, compared to €319.9 million for the eight months ended 31 August 2023. This reflected a gross margin (defined as (sales revenue less cost of goods sold) divided by sales revenue) of 32.2% and 31.2% for the eight months ended 31 August 2024 and 2023, respectively. The expansion of the gross margin reflected the full integration of the Strahinjčica, Špar and LA-VOR stores acquired in 2023. The synergies mainly consisted of negotiations of more favourable terms of trade with suppliers. Management actions also had an impact, in particular the full year impact of the pricing and promo tool through 2024, as well as improving terms of trade with suppliers, which present a significant lever for margin growth. Increases in centralisation also contributed to the increase in the gross margin, as Studenac has negotiated more favourable purchase conditions to offset increased distribution costs. The improvement in the gross margin also reflected improvements in the product assortment, including an increase in the share of private label products, which entail higher margins compared to third party products.

#### 7.3.2. *Personnel expenses*

Personnel expenses consist of net salaries, taxes on salaries, mandatory pension payments, social security contributions on salaries, employee transportation costs, employee remuneration and rewards and other employee costs and outsourced employees. Personnel expenses increased by €13.1 million, or 22.1%, to €72.5 million for the eight months ended 31 August 2024, compared to €59.4 million for the eight months ended 31 August 2023. The increase was mainly due to the expansion of Studenac's business through acquisitions and new stores openings. Wage inflation also contributed to the increase. Studenac continuously works on improving productivity and effective hours management, which has aided it in addressing pressure on salaries.

#### 7.3.3. *Depreciation and amortisation*

Depreciation and amortisation increased by €0.3 million, or 1.0%, to €28.9 million for the eight months ended 31 August 2024, compared to €28.6 million for the eight months ended 31 August 2023. Studenac completed an annual review of useful lives of its assets and adjusted depreciation rates accordingly on a prospective basis, which resulted in a lower depreciation charge for those assets. The reduction was more than offset by the depreciation of the additions to property, plant and equipment.

#### 7.3.4. *Other operating expenses*

Other operating expenses consist of electricity and other energy resources, cost of students, distribution costs, marketing costs, intellectual services, utilities, material and small inventory used, maintenance, bank services, security, franchising costs and operating leases, commissions, telecommunications costs, municipal fees and contributions, insurance, health and sanitary licences, travel, employee recruitment fees, value adjustment of receivables and other expenses.

Other operating expenses increased by €8.5 million, or 23.4%, to €44.9 million for the eight months ended 31 August 2024, compared to €36.4 million for the eight months ended 31 August 2023. The increase was due to increases in the cost of students, distribution costs, marketing costs and other costs, which related to network and sales growth, such as credit card processing fees, utilities and cash collection services, among others.

*Electricity and other energy resources.* Electricity and other energy resources costs increased by €0.1 million, or 1.5%, to €7.2 million for the eight months ended 31 August 2024, compared to €7.1 million for the eight months ended 31 August 2023. These expenses stayed relatively flat due to Studenac's focus on energy consumption optimisation across its network.

*Distribution costs.* Distribution costs increased by €1.8 million, or 50.4%, to €5.3 million for the eight months ended 31 August 2024, compared to €3.5 million for the eight months ended 31 August 2023. The increase was due to a higher level of centralization, which led to higher distribution costs.

*Marketing costs.* Marketing costs increased by €1.1 million, or 28.0%, to €4.9 million for the eight months ended 31 August 2024, compared to €3.8 million for the eight months ended 31 August 2023. The increase was due to the expansion of Studenac's business and an expansion in its overall marketing activities.

### 7.4. **Net finance income/(costs)**

Finance income consists of interest rate swap fair value changes, interest income, income from adjustment of hedges, positive exchange rate differences and other finance income. Finance costs consist of negative exchange rate differences, interest expense, unwind of discount on deferred consideration and other finance costs.

Net finance costs increased by €3.8 million, or 40.3%, to €13.0 million for the eight months ended 31 August 2024, compared to €9.3 million for the eight months ended 31 August 2023. The increase was due to an increase in borrowings under the Facilities Agreement and the EBRD facility.

### 7.5. Tax income/(expenses)

Income tax increased by €0.8 million, or 21.2%, to €4.7 million for the eight months ended 31 August 2024, compared to €3.9 million for the eight months ended 31 August 2023. The effective tax rate was 22.5% and 27.9% for the eight months ended 31 August 2024 and 2023, respectively. The decrease in the effective tax rate reflected a lower share of non-deductible expenses in profit before tax.

### 7.6. Years ended 31 December 2023 and 2022

The following table sets forth Studenac's results of operations for the years ended 31 December 2023 and 2022:

	Years ended 31 December					
	2023		2022		Change	
	(€ millions)	(% of total operating income)	(€ millions)	(% of total operating income)	(€ millions)	(%)
	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	
<b>Operating income</b>						
Sales revenue	668.1	99.5%	502.5	99.4%	165.6	33.0%
Other operating income	3.3	0.5%	2.9	0.6%	0.4	14.2%
<b>Total operating income</b>	<b>671.4</b>	<b>100.0%</b>	<b>505.4</b>	<b>100.0%</b>	<b>166.0</b>	<b>32.9%</b>
<b>Operating expenses</b>						
Cost of goods sold	(464.8)	69.2%	(356.6)	70.6%	(108.2)	30.4%
Personnel expenses	(89.5)	13.3%	(65.8)	13.0%	(23.7)	36.1%
Depreciation and amortisation	(43.3)	6.4%	(31.8)	6.3%	(11.5)	36.1%
Other operating expenses <sup>(1)</sup>	(54.6)	8.1%	(42.8)	8.4%	(11.8)	27.7%
<b>Total operating expenses</b>	<b>(652.2)</b>	<b>97.1%</b>	<b>(496.9)</b>	<b>98.3%</b>	<b>155.2</b>	<b>31.2%</b>
<b>Operating profit</b>	<b>19.2</b>	<b>2.9%</b>	<b>8.4</b>	<b>1.7%</b>	<b>10.8</b>	<b>128.6%</b>
Finance income	0.1	0.0%	0.3	0.1%	(0.2)	(66.7)%
Finance expense	(14.8)	2.2%	(7.7)	1.5%	(7.1)	92.2%
Net finance costs	(14.7)	2.2%	(7.4)	1.5%	(7.3)	98.6%
<b>Profit before tax</b>	<b>4.5</b>	<b>0.7%</b>	<b>1.0</b>	<b>0.2%</b>	<b>3.5</b>	<b>350.0%</b>
Income tax	(3.2)	0.5%	(1.1)	0.2%	(2.1)	190.9%
<b>Profit/(loss) for the period</b>	<b>1.3</b>	<b>0.2%</b>	<b>(0.1)</b>	<b>0.0%</b>	<b>1.4</b>	<b>n/a</b>

Note:

(1) Includes provisions.

### 7.7. Operating income

#### Sales revenue

The following table sets forth a breakdown of sales revenue for the years ended 31 December 2023 and 2022:

	Year ended 31 December					
	2023		2022		Change	
	(€ millions)	(% of total)	(€ millions)	(% of total)	(€ millions)	(%)
	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	
Sales revenue from retail	613.6	91.8%	472.3	94.0%	141.3	29.9%
Sales revenue from wholesale	7.3	1.1%	1.1	0.2%	6.2	563.6%
Revenue from services	47.2	7.1%	29.1	5.8%	18.1	62.3%
Other revenue	0.1	0.0%	0.0	0.0%	0.0	0.0%
<b>Total sales revenue</b>	<b>668.1</b>	<b>100.0%</b>	<b>502.5</b>	<b>100.0%</b>	<b>165.6</b>	<b>33.0%</b>

Sales revenue from retail increased by €141.3 million, or 29.9%, to €613.6 million for the year ended 31 December 2023, compared to €472.3 million for the year ended 31 December 2022. The increase was due to acquisitions and new store openings, as well as LfL growth. In 2023, Studenac acquired 47 stores through the acquisition of Strahinjčica, 40 stores through the acquisition of Špar Trgovina (it also acquired 16 stores through the acquisition of LA-VOR in 2023 but this did not impact Studenac's results of operations for the year due to the timing of the acquisition). In addition, Studenac acquired 298 stores from Lonja and 38 stores from Pemo in 2022 and these stores were consolidated



in Studenac's results of operations for the entirety of 2023, compared to only a portion of 2022 (i.e. from their dates of acquisition). In terms of organic growth, Studenac opened 116 stores in 2023. It opened 114 stores in 2022 and the full-year impact of these store openings was felt in 2023.

Studenac had LfL growth in sales revenue of 16.3% in 2023. The number of transactions increased to 95,127 thousand in 2023 from 81,495 thousand in 2022. Traffic normalised in 2023 in the aftermath of the COVID-19 pandemic. LfL growth in sales revenue was primarily driven by residential-led stores due to the normalisation of tourist traffic, as well as strong improvements in performance by the stores acquired in the Lonja acquisition (which tend to be resident-led). Towards the end of the year, there was an adverse impact on traffic resulting from the introduction of a Sunday trading limitation by the Croatian government. The number of items per ticket remained stable at 4.2 in 2022 and 2023. Basket sizes increased to €6.5 in 2023 from €5.8 in 2022, driven in part by inflation. LfL growth was also due to management actions such as the introduction of a pricing and promo tool midway through 2023, which aided Studenac in optimising its pricing, as well as the introduction of performance bonuses for store staff, improvements in assortment, audits of stores and the introduction of the Moj Studenac loyalty programme (which was launched in 2022 but continued to ramp up in 2023).

The full year impact of the price caps implemented by the Government in September 2022 had an adverse effect on sales revenue in 2023, which offset the factors described above. See " — 5. Key Factors Affecting Results of Operations — 5.7.1 Price caps" for further detail.

## **7.8. Operating expenses**

### *7.8.1. Cost of goods sold*

Cost of goods sold increased by €108.2 million, or 30.8%, to €464.8 million for the year ended 31 December 2023, compared to €356.6 million for the year ended 31 December 2022. This reflected a gross margin (defined as (sales revenue less cost of goods sold) divided by sales revenue) of 30.4% and 29.0% for the years ended 31 December 2023 and 2022, respectively. The expansion of the gross margin reflected the full integration of the Lonja and Pemo stores acquired in 2022. The gross margin decreased in 2022 largely due to the lag in realising synergies from these acquisitions but increased in 2023 as these synergies were realised. The synergies mainly consisted of negotiations of supplier terms on a more favourable basis. The management actions referred to above also had an impact, in particular the introduction of a pricing and promo tool midway through 2023. The improvement in the gross margin also reflected improvements in the product assortment, including an increase in the share of private label products, which entail higher margins compared to third party products.

The full year impact of the price caps implemented by the Government in September 2022 had an adverse effect on the gross margin in 2023, which offset the factors described above. See " — 5. Key Factors Affecting Results of Operations — 5.7.1 Price caps" for further detail.

### *7.8.2. Personnel expenses*

Personnel expenses increased by €23.7 million, or 36.1%, to €89.5 million for the year ended 31 December 2023, compared to €65.8 million for the year ended 31 December 2022. The increase was broadly in line with the increase in sales revenue and cost of goods sold and reflected the expansion of Studenac's business through acquisitions and new stores openings. Inflation also contributed to the increase. Studenac continuously works on improving productivity and effective hours management, which has aided it in addressing the pressure on salaries.

### *7.8.3. Depreciation and amortisation*

Depreciation and amortisation increased by €11.5 million, or 36.1%, to €43.3 million for the year ended 31 December 2023, compared to €31.8 million for the year ended 31 December 2022. The increase was mainly due to the expansion of Studenac's business through acquisitions and new store openings.

### *7.8.4. Other operating expenses*

Other expenses increased by €11.8 million, or 27.7%, to €54.5 million for the year ended 31 December 2023, compared to €42.7 million for the year ended 31 December 2022. The increase was broadly in line with the increase in sales revenue and cost of sales. The increase was mainly driven by higher electricity and other energy resource costs, higher cost of students, higher distribution costs, higher marketing costs and higher intellectual services costs (which include consulting and other professional fees). These primarily reflected the increased scale of Studenac's business as it expanded through acquisitions and new store openings.

*Electricity and other energy resources.* Electricity and other energy resources costs increased by €1.7 million, or 19.3%, to €10.8 million for the year ended 31 December 2023, compared to €9.0 million for the year ended 31 December 2022. The increase was due to the expansion of Studenac's business through store openings and acquisitions. However, electricity costs decreased at a lower rate than Studenac's other expenses, since Studenac was able to contain these costs through its favourable long-term contract.

*Distribution costs.* Distribution costs increased by €1.6 million, or 37.9%, to €5.9 million for the year ended 31 December 2023, compared to €4.3 million for the year ended 31 December 2022. The increase was due to the expansion of Studenac's store network through acquisitions and new store openings, as well as increasing centralisation.

*Marketing costs.* Marketing costs increased by €1.3 million, or 27.6%, to €5.8 million for the year ended 31 December 2023, compared to €4.5 million for the year ended 31 December 2022. The increase was due to the expansion of Studenac's business and was in line with the overall increase in other operating expenses.

### 7.9. Net finance income/(costs)

Net finance costs increased by €7.3 million, or 97.6%, to €14.7 million for the year ended 31 December 2023, compared to €7.4 million for the year ended 31 December 2022. The increase was due to an increase in borrowings under the Bank Pekao and EBRD facility, as well as higher interest rates.

### 7.10. Tax income/(expenses)

Income tax increased by €2.1 million, or 188.6%, to €3.2 million for the year ended 31 December 2023, compared to €1.1 million for the year ended 31 December 2022. The effective tax rate was 71.6% and 113.8% for the years ended 31 December 2023 and 2022, respectively. Studenac had an effective tax rate significantly above the statutory tax rate of 18% due to the non-deductibility of certain expenses. These relate to inventory shrinkage and interest costs that are not tax deductible. Interest on the loan used to acquire Studenac was initially not deductible for tax purposes since there were no retail operations. With the increase in Studenac's scale, the non-tax-deductible component is expected to diminish. The non-tax-deductible expenses related to inventory shrinkage are expected to abate due to lower shrinkage ratios in Studenac's fresh categories.

### 7.11. Years ended 31 December 2022 and 2021

The following table sets forth Studenac's results of operations for the years ended 31 December 2022 and 2021:

	Years ended 31 December					
	2022		2021		Change	
	(€ millions)	(% of total operating income)	(€ millions)	(% of total operating income)	(€ millions)	(%)
	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	
<b>Operating income</b>						
Sales revenue	502.5	99.4%	309.5	99.5%	193.0	62.4%
Other operating income	2.9	0.6%	1.6	0.5%	1.2	76.4%
<b>Total operating income</b>	<b>505.4</b>	<b>100.0%</b>	<b>311.1</b>	<b>100.0%</b>	<b>194.3</b>	<b>62.4%</b>
<b>Operating expenses</b>						
Cost of goods sold	(356.6)	70.6%	(216.6)	69.6%	140.0	64.6%
Personnel expenses	(65.8)	13.0%	(40.1)	12.9%	25.7	64.1%
Depreciation and amortisation	(31.8)	6.3%	(24.9)	8.0%	6.9	27.8%
Other operating expenses <sup>(1)</sup>	(42.8)	8.4%	(24.3)	7.8%	18.5	76.6%
<b>Total operating expenses</b>	<b>(496.9)</b>	<b>98.3%</b>	<b>(305.8)</b>	<b>98.3%</b>	<b>191.1</b>	<b>62.5%</b>
<b>Operating profit</b>	<b>8.4</b>	<b>1.7%</b>	<b>5.3</b>	<b>1.7%</b>	<b>3.1</b>	<b>59.2%</b>
Finance income	0.3	0.1%	1.4	0.5%	(1.2)	(82.1)%
Finance expense	(7.7)	1.5%	(5.7)	1.8%	2.0	35.6%
Net finance costs	(7.4)	1.5%	(4.3)	1.4%	3.2	75.0%
<b>Profit before tax</b>	<b>1.0</b>	<b>0.2%</b>	<b>1.0</b>	<b>0.3%</b>	<b>(0.1)</b>	<b>(5.7)%</b>
Income tax	(1.1)	0.2%	(1.0)	0.3%	0.1	11.0%
<b>Profit/(loss) for the period</b>	<b>(0.1)</b>	<b>0.0%</b>	<b>0.0</b>	<b>0.0%</b>	<b>(0.2)</b>	<b>n/a</b>

Note:

(1) Includes provisions.

## 7.12. Operating income

### 7.12.1. Sales revenue

The following table sets forth a breakdown of sales revenue for the years ended 31 December 2022 and 2021:

	Year ended 31 December				Change	
	2022		2021			
	(€ millions)	(% of total)	(€ millions)	(% of total)	(€ millions)	(%)
	(Audited)	(Unaudited)	(Audited)	(Unaudited)	(Unaudited)	
Sales revenue from retail	472.3	94.0%	289.2	93.5%	183.1	63.3%
Sales revenue from wholesale	1.1	0.2%	0.8	0.2%	0.3	40.8%
Revenue from services	29.1	5.8%	19.3	6.2%	9.8	50.6%
Other revenue	0.0	0.0%	0.2	0.1%	(0.2)	(88.0)%
<b>Total sales revenue</b>	<b>502.5</b>	<b>100.0%</b>	<b>309.5</b>	<b>100.0%</b>	<b>193.0</b>	<b>62.4%</b>

Sales revenue from retail increased by €183.1 million, or 63.3%, to €472.3 million for the year ended 31 December 2022, compared to €289.2 million for the year ended 31 December 2021. The increase was due to acquisitions and new store openings, as well as LfL growth. In 2022, Studenac acquired 298 stores through the acquisition of Lonia and 38 stores through the acquisition of Pemo. In terms of organic growth, Studenac opened 114 stores in 2022. It opened 53 stores in 2021 and the full-year impact of these store openings was felt in 2022.

Studenac had LfL growth in sales revenue of 18.0% in 2022. Traffic rebounded strongly as Croatia recovered from the COVID-19 pandemic, reaching 81,495 in 2022 from 54,176 in 2021. LfL growth in sales revenue was primarily driven by tourist-led stores due to the strong increase in tourist traffic due to the recovery from the COVID-19 pandemic. The number of items per ticket decreased slightly to 4.2 in 2022 from 4.4 in 2021 in line with the trend towards smaller basket missions. Basket sizes increased to €5.8 in 2022 from €5.3 in 2021, driven in part by inflation.

## 7.13. Operating expenses

### 7.13.1. Cost of goods sold

Cost of goods sold increased by €140.0 million, or 64.6%, to €356.6 million for the year ended 31 December 2022, compared to €216.6 million for the year ended 31 December 2021. This reflected a gross margin (defined as (sales revenue less cost of goods sold) divided by sales revenue) of 29.0% and 30.1% for the years ended 31 December 2022 and 2021, respectively. The contraction of the gross margin was due to the integration of Lonia and Pemo. There was a lag in realising the synergies from these acquisitions, which materialised mainly in 2023. The price cap also had an adverse impact on the gross margin.

### 7.13.2. Personnel expenses

Personnel expenses increased by €25.7 million, or 64.1%, to €65.8 million for the year ended 31 December 2022, compared to €40.1 million for the year ended 31 December 2021. The increase was broadly in line with the increase in sales revenue and cost of goods sold and reflected the expansion of Studenac's business through acquisitions and new stores openings. Inflation also contributed to the increase.

### 7.13.3. Depreciation and amortisation

Depreciation and amortisation increased by €6.9 million, or 27.8%, to €31.8 million for the year ended 31 December 2022, compared to €24.9 million for the year ended 31 December 2021. The increase was mainly due to the expansion of Studenac's business through acquisitions and new store openings.

### 7.13.4. Other operating expenses

Other operating expenses increased by €18.5 million, or 76.6%, to €42.7 million for the year ended 31 December 2022, compared to €24.2 million for the year ended 31 December 2021. The increase was mainly driven by higher electricity and other energy resource costs, higher cost of students, higher distribution costs, higher marketing costs and higher intellectual services costs. These primarily reflected the increased scale of Studenac's business as it expanded through acquisitions and new store openings. Inflation also contributed to the increases in these costs.

*Electricity and other energy resources.* Electricity and other energy resources costs increased by €3.4 million, or 59.0%, to €9.0 million for the year ended 31 December 2022, compared to €5.7 million for the year ended 31 December 2021. The increase was due to the expansion of Studenac's business through store openings and acquisitions.

*Distribution costs.* Distribution costs increased by €2.4 million, or 124.9%, to €4.3 million for the year ended 31 December 2022, compared to €1.9 million for the year ended 31 December 2021. The increase was due to the expansion of Studenac's store network through acquisitions and new store openings.

*Marketing costs.* Marketing costs increased by €1.0 million, or 28.9%, to €4.5 million for the year ended 31 December 2022, compared to €3.5 million for the year ended 31 December 2021. The increase was due to the expansion of Studenac's business and was in line with the overall increase in other operating expenses.

#### 7.14. Net finance income/(costs)

Net finance costs increased by €3.2 million, or 75.0%, to €7.4 million for the year ended 31 December 2022, compared to €4.3 million for the year ended 31 December 2021. The increase was due to an increase in borrowings under the Bank Pekao and EBRD facility, partially offset by higher interest income due to an interest rate swap in 2021 which did not recur in 2022.

#### 7.15. Tax income/(expenses)

Income tax increased by €0.1 million, or 11.0%, to €1.1 million for the year ended 31 December 2022, compared to €1.0 million for the year ended 31 December 2021. The effective tax rate was 113.8% and 96.7% for the years ended 31 December 2022 and 2021, respectively. Studenac had an effective tax rate significantly above the statutory tax rate of 18% due to the non-deductibility of certain expenses, as described above.

### 8. Liquidity and Capital Resources

Studenac uses cash primarily to fund its expansion plans and capital expenditures, as discussed in more detail under "Business—3. Strategy" and "—8.4 Capital Expenditure», as well as to meet its working capital needs and to service its debt obligations. Studenac funds these capital requirements through a variety of sources, including cash generated from its operations and facilities granted by Bank Pekao and the EBRD. Studenac also has a revolving credit facility with ZABA. In addition, it has a reverse factoring arrangement with ZABA utilised by Studenac's domestic merchandise suppliers. For further details of these arrangements, see "—8.3 Borrowings» and "Business—15 Material Contracts—15.1 Material Financing Agreements".

As at the date of this Prospectus, the Management believes that Studenac has liquidity and access to medium- and long-term financing that allows it to ensure the necessary resources to meet its commitments for future investments. As of the date of the Prospectus, there are no restrictions on the use of capital resources that have materially affected, or could materially affect, directly or indirectly, Studenac's operations.

#### 8.1. Cash flows

The following table summarises our cash flows for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions)				
	(Unaudited)		(Audited)		
Net cash inflow / (outflow) from operating activities	109.2	33.5	77.9	55.8	38.0
Net cash inflow / (outflow) from investing activities	(72.6)	(43.2)	(99.2)	(92.1)	(21.9)
Net cash inflow / (outflow) from financing activities	2.3	1.9	29.3	58.5	(25.1)
Net increase/decrease in cash and cash equivalents	38.9	(7.8)	8.1	22.2	(9.0)
Cash and cash equivalents at the beginning of period	39.0	31.0	31.0	8.7	17.7
Cash and cash equivalents at the end of period	77.9	23.1	39.0	31.0	8.7

##### 8.1.1. Net cash generated from operating activities

Net cash generated from operating activities increased by €75.7 million to €109.2 million for the eight months ended 31 August 2024, compared to €33.5 million for the eight months ended 31 August 2023. The increase was due to the expansion of Studenac's business, as well as an increase in trade payables, partially offset by an increase in trade receivables and inventories. The increase in trade payables was due to Studenac's negotiation of more favourable terms of trade with suppliers, as well as seasonality impact across the business.

Cash flow from operations increased by €22.1 million to €77.9 million for the year ended 31 December 2023, compared to €55.8 million for the year ended 31 December 2022. The increase was due to the expansion of Studenac's business, as well as an increase in trade payables, partially offset by an increase in trade receivables and inventories. The increase in trade payables was due to Studenac's negotiation of more favourable terms of trade with suppliers following its acquisitions of Lonja and Pemo in 2022.

Cash flow from operations was €55.8 million for the year ended 31 December 2022, compared to €38.0 million for the year ended 31 December 2021. The increase reflected the improved underlying profitability of Studenac's business, as

well as an increase in trade payables, which in turn reflected the negotiation of more favourable terms of trade with suppliers following its acquisitions of Bure in 2021 and Lonja and Pemo in 2022.

#### 8.1.2. Net cash outflow from investing activities

Net cash outflow from investing activities increased by €29.4 million to €72.6 million for the eight months ended 31 August 2024, compared to €43.2 million for the eight months ended 31 August 2023. The increase was due to €30.0 million of payments for acquisitions (which included a component of deferred payments in respect of a 2023 acquisitions), a €12.5 million increase in acquisition of property, plant and equipment and a cash inflow in the amount of €10.0 million from deposits received.

Net cash outflow from investing activities increased by €7.1 million to €99.2 million for the year ended 31 December 2023, compared to €92.1 million for the year ended 31 December 2022. The increase was due to a €12.3 million deferred payment due in 2023, which related to acquisitions in the prior year and a €15.7 million increase in acquisition of property, plant and equipment, partially offset by a €20.6 million decrease in costs related to the acquisition of subsidiaries in 2023 compared to 2022.

Net cash outflow from investing activities increased by €70.2 million to €92.1 million for the year ended 31 December 2022, compared to €21.9 million for the year ended 31 December 2021. The increase was due to a €67.1 million increase in the cash outflow related to acquisitions of subsidiaries as well as a €7.8 million increase in acquisition of property, plant and equipment, which primarily related to store renovations and refurbishments.

See “—8.4 Capital expenditure» below for further details of Studenac’s capital expenditure.

#### 8.1.3. Cash flow from/(used in) financing activities

Cash generated from financing activities increased by €0.4 million to €2.3 million for the eight months ended 31 August 2024, compared to € 1.9 million for the eight months ended 31 August 2023.

Cash flow from financing activities decreased by €29.2 million to €29.3 million for the year ended 31 December 2023, compared to €58.5 million for the year ended 31 December 2022. The decrease was due to a €12.9 million decrease in net proceeds from loans and borrowings and the share issue in 2022 in the amount of €11.2 million.

Studenac recorded a cash inflow from financing activities of €58.5 million in the year ended 31 December 2022, compared to a cash outflow of €25.1 million for the year ended 31 December 2021. The cash outflow in 2021 related to a € 12.6 million net repayment of loans as well as the €12.5 million payment of leases.

## 8.2. Net working capital

The assets that make up Studenac’s net working capital are trade receivables and inventories. Liabilities included in Studenac’s net working capital include trade payables. Studenac’s net working capital as a percentage of sales revenue has remained relatively stable during the year ended 2021 to 2023, while in the eight months ended 31 August 2024, there was an increase in negative net working capital, which is a natural seasonality effect. This reflects the receipt of sales with bills to suppliers being settled following the summer season. This is supported by a pool of trade financing in the form of reverse factoring. Net working capital as a percentage of sales revenue was (19.0)%, (7.1)%, (6.8)% and (7.0)% for the eight months ended 31 August 2024 and the years ended 31 December 2023, 2022 and 2021, respectively.

The following table sets forth a breakdown of net working capital and the calculation of net working capital as a percentage of sales revenue as at 31 August 2024 and 31 December 2023, 2022 and 2021:

	As at 31	As at 31 December		
	August 2024	2023	2022	2021
	(€ millions, except where otherwise indicated)			
	(Unaudited)			
Trade receivables	12.1	21.7	13.0	9.9
Inventories	76.0	61.1	47.4	28.5
Trade payables	(193.6)	(129.9)	(94.3)	(59.8)
<b>Net working capital</b>	<b>(105.5)</b>	<b>(47.3)</b>	<b>(34.0)</b>	<b>(21.6)</b>
Sales revenue	556.5	668.1	502.5	309.5
<b>Net working capital as a percentage of sales revenue</b>	<b>(19.0)%</b>	<b>(7.1)%</b>	<b>(6.8)%</b>	<b>(7.0)%</b>

## 8.3. Borrowings

On 26 July 2018, Studenac Croatia, as original borrower and original guarantor, entered into the Facilities Agreement with Bank Pekao as mandated lead arranger, lender, hedge counterparty, agent and security agent, the EBRD as lender and certain other parties. On 3 August 2018, these parties entered into the Intercreditor Agreement. Pursuant to



these agreements, loan facilities were provided for the financing of the acquisition of Studenac Croatia in 2018. The facilities were later pushed down to the level of Studenac Croatia. Studenac Croatia has also drawn on the facilities to finance acquisitions that it made during 2022 and 2023. For further detail of the facilities, see “Business—15.1 Material Contracts—15.1.1 Material Financing Agreements”. As at 31 August 2024, the aggregate amount outstanding under these facilities was €205.7 million. The Facilities Agreement contains a covenant that requires that the ratio of total net debt to adjusted EBITDA (each defined in the Facilities Agreement) should not exceed 4.5x up to and including 31 December 2022, 3.75x from but not including 31 December 2022 up to and including 31 March 2025, 3.25x from but not including 31 March 2025 up to and including 31 March 2026 and 3.0x thereafter (in each case based on IFRS, with the calculation of EBITDA being subject to certain adjustments, including synergies from acquisitions). The Facilities Agreement also contains a covenant that the ratio of cashflow to debt service (each as defined in the Facilities Agreement) must not fall below 1.3x. As at 30 June 2024, this ratio was equal to 1.73x.

Studenac Croatia also has at its disposal a revolving credit facility provided by ZABA. In addition, it has a reverse factoring arrangement with ZABA and a reverse factoring arrangement with OTP which are utilised by Studenac Croatia’s domestic merchandise suppliers. As at 31 August 2024, EUR 0.9 million was outstanding under the revolving credit facility. On 14 November 2024, Studenac Croatia signed an annex to the Revolving Credit Facility Agreement with ZABA, increasing the amount of the revolving facility to EUR 23,600,000 and an annex to the ZABA Reverse Factoring Agreement, increasing the amount available thereunder to EUR 29,500,000 and the number of payment days to 100 days. The following table sets forth the details of Studenac’s borrowings as at 31 August 2024 and 31 December 2023, 2022 and 2021:

	As at 31 December							
	As at 31 August 2024		2023		2022		2021	
	Principal amount	Interest rate	Principal amount	Interest rate	Principal amount	Interest rate	Principal amount	Interest rate
	(€ millions)	(%)	(€ millions)	(%)	(€ millions)	(%)	(€ millions)	(%)
Bank Pekao S.A. and EBRD	205.7	3m EURIBOR + margin	171.6	6.18%	120.0	2.93%	67.6	3.44%
Zagrebačka Banka d.d. (ZABA)	0.9	3m EURIBOR + margin	15.6	5.06%	15.6	1.95-2.40%	3.3	2.34%
Individual person - Igor Bodrožić	-	-	0.5	12.00%	-	-	-	-
Raiffeisen Leasing d.o.o.	0.0	-	0.0	-	-	-	-	-
<b>Total</b>	<b>206.6</b>		<b>187.7</b>		<b>135.6</b>		<b>71.0</b>	

Source: Company.

Most loans bear variable interest based on 3-month EURIBOR. The rates indicated in the table above are rates at year end. Studenac intends to continue to generate strong cash flows and achieve high Operating Cash Conversion. Studenac had Operating Cash Conversion of 118.2% in 2023 and 163.3% for the eight months ended 31 August 2024. This reflects the impact of seasonality in Studenac. Studenac plans to deploy this cash to continue to pursue acquisition opportunities and open stores organically, as well as to decrease its Net Debt/Post-IFRS 16 Adjusted EBITDA ratio, which stood at 3.3x as at 31 August 2024 (based on Post-IFRS Adjusted EBITDA on a last twelve month basis) (or 3.1x on a pro forma basis (reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024 on a Adjusted EBITDA last twelve month basis) and 4.2x as at 31 December 2023 (or 3.9x on a pro forma basis (reflecting the results reported by targets acquired during the year ended 31 December 2023 for the entire period, i.e. from 1 January 2023). As additional EBITDA flows through from the expansion, the Management expects that Studenac’s leverage will decrease, and it is targeting a reduction in its Net Debt/Post-IFRS 16 Adjusted EBITDA ratio to below 2.5x as at 31 December 2025 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 1.5x) and to below 1.5x as at 31 December 2026 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 0.5x). As adjusted for the proceeds of the Offering received by the Issuer, the as adjusted Net Debt/Post-IFRS 16 Adjusted EBITDA ratio and the as adjusted Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio was 2.2x and 0.8x, respectively, as at 31 August 2024. Studenac is targeting a net debt free Net Debt/Post-IFRS 16 Adjusted EBITDA ratio by the end of 2028. Please see also “Business – 15 Material Contracts – 15.1 Material Financing Agreements”.

#### 8.4. Capital expenditure

Studenac incurs capital expenditures primarily in connection with acquisitions, new store openings and the renovation of its store network. The table below sets forth a breakdown of Studenac’s capital expenditure for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions)				
	(Unaudited)		(Audited)		
Acquisition of property, plant and equipment and intangible assets	31.8	19.3	37.3	21.6	13.7
Deferred payments – acquisition of subsidiaries <sup>(1)</sup>	18.2	10.6	12.3	–	4.8
Acquisition of subsidiaries, net of cash	35.8	13.4	49.9	70.5	3.4
<b>Total capital expenditure</b>	<b>85.8</b>	<b>43.3</b>	<b>99.5</b>	<b>92.1</b>	<b>21.9</b>

Note:

(1) Relates to certain arrangements in relation to acquisitions of target companies.

Studenac's project and expansion capital expenditure as a percentage of sales revenue was 5.7 %, 4.1%, 5.6%, 4.3% and 4.4% for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021, respectively. Its mergers and acquisition capital expenditure as a percentage of sales revenue was 9.7%, 5.2%, 9.3%, 14.0% and 2.6% for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021, respectively.

The following table sets out a breakdown of Studenac's project and expansion capital expenditure as a percentage of sales revenue and mergers and acquisition capital expenditure as a percentage of sales revenue for the eight months ended 31 August 2024 and 2023 and the years ended 31 December 2023, 2022 and 2021:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
	(€ millions, except where otherwise indicated)				
	(Unaudited)		(Audited)		
Acquisition of property, plant and equipment and intangible assets	31.8	19.3	37.3	21.6	13.7
<b>Project and expansion capital expenditure</b>	<b>31.8</b>	<b>19.3</b>	<b>37.3</b>	<b>21.6</b>	<b>13.7</b>
Sales revenue	556.5	465.1	668.1	502.5	309.5
<b>Project and expansion capital expenditure as a percentage of sales revenue</b>	<b>5.7%</b>	<b>4.1%</b>	<b>5.6%</b>	<b>4.3%</b>	<b>4.4%</b>
<b>Mergers and acquisition capital expenditure as a percentage of sales revenue</b>					
Acquisition of subsidiaries, net of cash	35.8	13.4	49.9	70.5	3.4
Deferred payments – acquisition of subsidiaries <sup>(1)</sup>	18.2	10.6	12.3	–	4.8
Mergers and acquisition capital expenditure	54.0	24.0	62.2	70.5	21.9
Sales revenue	556.5	456.1	668.1	502.5	309.5
<b>Mergers and acquisition capital expenditure as a percentage of sales revenue</b>	<b>9.7%</b>	<b>5.2%</b>	<b>9.3%</b>	<b>14.0%</b>	<b>2.6%</b>

Note:

(1) Relates to certain arrangements in relation to acquisitions of target companies.

## 9. Quantitative and Qualitative Disclosures About Market Risk

For details of Studenac's financial risk management, see Note 23 to the Audited Financial Statements.

## 10. Critical Accounting Policies

For details of critical accounting policies, see Note 3 to the Audited Financial Statements.

## 11. Off-Balance Sheet Arrangements

Studenac does not have any material off-balance sheet arrangement as at the date of this Prospectus, except for those indicated in Note 26 to the Audited Financial Statements.

## BUSINESS

### 1. Overview

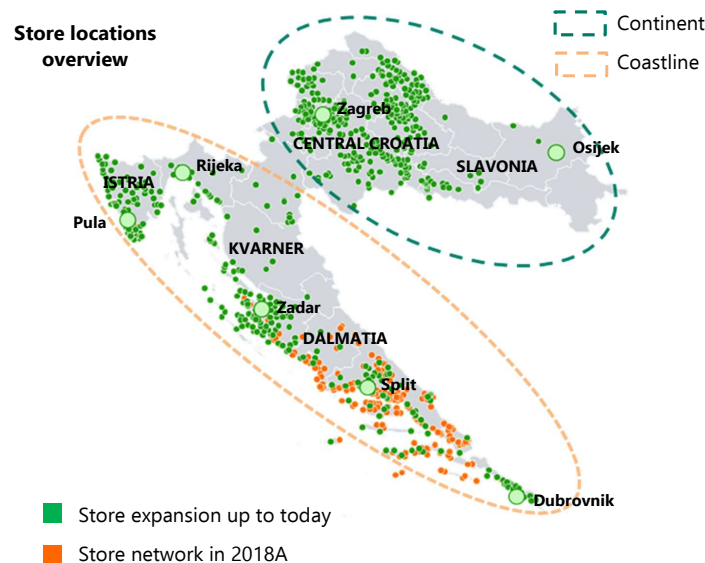
Studenac is the fastest growing food retailer in Croatia in terms of revenue over the past five years (source: OC&C Analysis). It operates proximity stores, meaning that its stores are strategically located close to customers and are tailored to fit the specific needs of the surrounding community as well as the local circumstances (e.g., traffic, tourism). Studenac's stores are centred around its "I sitno I bitno" (small and essential) consumer proposition offering customers quick, quality everyday shopping for all of their daily needs. As at 30 September 2024, Studenac had 1,404 stores, making it the largest store network in Croatia. This also included 32 stores in Slovenia following its entry into that market in 2024 through the acquisition of Kea.

Studenac has a unique and single format store portfolio and its stores have a selling space of 111 square metres on average. Studenac offers a typical range of between 2,000 and 4,000 branded and private label SKUs per store, as well as a to-go assortment and certain additional services. It appeals to consumers through its offering of daily proximity shopping, with a comprehensive product range which is focused on customers' daily needs, including a strong offering of perishables.

Studenac primarily operates in the Croatian grocery market, which had a total addressable market of €10.2 billion in 2023 which grew at a rate of 8.4% from 2022 to 2023, according to the OC&C Analysis. The two fastest growing major<sup>1</sup> segments of the Croatian grocery market in terms of revenue are smaller format stores such as Studenac's and discounters. These segments are complementary to each other in terms of purchase mission, with customers purchasing in bulk at discounters while also visiting small format stores for convenience.

Studenac has strength across both residential locations (including high traffic locations in cities), which provide it with a stable revenue base across all seasons, and tourist-led locations, which allow it to capitalise on Croatia's status as a tourism destination. In 2023, Croatia had approximately 21 million tourists (both domestic and foreign) and approximately 107 million overnights, according to the Croatian National Tourist Board. According to the OC&C Analysis, Studenac's market share in Croatia in 2023 was 6.6% based on retail revenue, which represents an increase of 4.1 percentage points from 2018. There is a long tail of independent players holding approximately 18% of the Croatian grocery market (including traditional grocery retailers and forecourt retailers), which the Management believes provides a base for further growth in market share.

Studenac was acquired by Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII in August 2018. Led by the new management that joined shortly after acquisition, Studenac has undergone a transformation from a family-owned business to a results-oriented professional organisation. It has been growing rapidly, both organically and through acquisitions since the time of its acquisition. In the period from 2018 to 30 September 2024, Studenac opened 491 new stores and acquired 725 stores. The following chart depicts Studenac's store footprint, distinguishing between stores that it owned in 2018 at the time of the PEF acquisition and stores added organically and through acquisitions since that time:



Source: Company.

<sup>1</sup> Forecourt retailers not taken into account due to insignificant share in the market (3%).

The Management believes that Studenac is well positioned for further growth in Croatia. According to the OC&C Analysis, there are an estimated 3,200 white space locations suitable for the Studenac format across Croatia. Acquisitions of smaller market players have been one of the key growth avenues for Studenac. Studenac has proven experience in acquiring and successfully integrating other retail networks and plans to continue growing via intensive acquisitions. In Croatia alone, the Management has identified over 2,000 stores which fit its acquisition criteria.

The Management also believes that Studenac's store format is suitable for expansion into foreign markets. For example, it entered the Slovenian market, which has certain similarities and favourable market characteristics to Croatia. The Management believes that Studenac's store format is well tailored to the Slovenian market and Slovenian and Croatian consumers' tastes and habits are similar. The OC&C Analysis has identified an estimated 700 white space locations suitable for the Studenac format across Slovenia.

Studenac recently entered the Slovenian market through its acquisition of Kea, providing it with a foothold in the €5.9 billion Slovenian grocery market (based on 2023 data included in the OC&C Analysis). The grocery spend in Slovenia was €2.8 thousand per capita in 2023, which is approximately 4% higher than in Croatia. Slovenia's real disposable income per capita is €17 thousand (based on 2022 data), the highest in the CEE region, making it a more affluent market than in Croatia. The Slovenian grocery market is dominated by big box retailers, with the market share of discounters, supermarkets and hypermarkets standing at 74%. The convenience and small grocery segments are relatively undeveloped, with 18% of the market, with other types of channels having a market share of 8% (based on 2023 data).

In total, Studenac intends to add approximately 1,000 stores organically and approximately 1,200 stores through acquisitions across Croatia and Slovenia from the end of 2023 to reach 3,400 stores by the end of 2028.

Studenac has a data-driven approval process for new locations 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 roll-out of new stores much quicker and more efficient for Studenac.

Studenac is focused on driving efficiency and profitability, including through digital tools used across strategic areas of the business. Digitalisation and innovation are firmly embedded across the organisation, supported by an in-house Centre of Excellence, Studenac Digital. The 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 is in the process of transforming and centralising its logistics structure to support its further growth and improve profitability. Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028, driving efficiencies and profitability, including through the ability to negotiate better terms with suppliers.

Studenac is run by a management team comprising a mix of foreign industry experts with experience across many other food retailers, as well as experienced local managers with knowledge of the retail industry and the Croatian market.

For the year ended 31 December 2023, Studenac had sales revenue of €668.1 million and post-IFRS 16 Adjusted EBITDA of €65.9 million, which reflected a post-IFRS 16 Adjusted EBITDA margin of 9.9%. Studenac's profit for the year ended 31 December 2023 amounted to €1.3 million. For the eight months ended 31 August 2024, Studenac had sales revenue of €556.5 million and Post-IFRS 16 Adjusted EBITDA of €66.9 million, which reflected a Post-IFRS 16 Adjusted EBITDA margin of 12.0%. Studenac's profit for the eight months ended 31 August 2024 was €16.3 million.

Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the year ended 31 December 2023 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during 2023 for the entire year, i.e. from 1 January 2023) were €702 million and €70.7 million, respectively. Pro forma sales revenue and pro forma Post-IFRS 16 Adjusted EBITDA for the eight months ended 31 August 2024 (sales revenue or Post-IFRS 16 Adjusted EBITDA, as the case may be, reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024) were €608.8 million and €72.1 million, respectively. Pro forma profit for the year ended 31 December 2023 and the eight months ended 31 August 2024 was €5.2 million and €20.3 million, respectively.

## **2. Competitive Strengths**

The Management believes that Studenac has the following competitive strengths:

### **2.1. *Unique player disrupting both the attractive local and accelerating tourist sectors of the over €16 billion Croatian and Slovenian grocery market***

Studenac is the only modern small-store single format proximity retailer in Croatia. Its unique attributes provide it with the ideal platform to capture market share and benefit from growth in the Croatian grocery market. According to the OC&C Analysis, proximity shopping grew from 46% of the Croatian grocery market in 2018 to 60% in 2023. This has enabled Studenac to take away a larger share of consumer spending on food, and thus market share, from the incumbents, with Studenac having grown its market share by approximately 4.1 percentage points from 2018 to 2023

to reach 6.6% based on retail revenue, according to the OC&C Analysis. Based on the Management's forecasts of sales revenue and OC&C's market size estimates, the Management expects that Studenac will continue to benefit from this dynamic, resulting in a 10 percentage point gain in market share from 2023 to 2028.

Studenac's commercial model is based on a localised approach, which reflects the population density (i.e. urban vs. rural) and affluence of the areas in which stores are located as well as the dynamics of traffic seasonality (i.e. residential-led vs. tourist-led). This localised approach, whereby Studenac tailors its store layouts and product offerings to accommodate different population and traffic dynamics, ultimately provides it with agility across its operations. Studenac's strength across residential and tourist locations is evident, with the former providing it with a stable revenue base across all seasons and the latter allowing it to capitalise on Croatia's status as a tourism destination. In 2023, Croatia had 21 million tourists (both domestic and foreign) and 107 million overnight visits, according to the OC&C Analysis. The adoption of the Euro and Croatia's entry into the Schengen zone are expected to result in an increase in the number of tourists, mostly from Germany and Western Europe. The OC&C Analysis projects total overnight stays to grow at a CAGR of 6% from 2023 to 2028 and further projects foreign tourist grocery market spend to grow at a CAGR of 10% over the same period. With 16 million tourist overnight stays per annum, tourism is a less important driver of the Slovenian economy than it is for Croatia. Nevertheless, tourists visiting Slovenia spend up to 82% more per overnight stay than tourists visiting Croatia, and the country tends to be perceived less as a "beach" destination than Croatia, with tourists visiting during both summer and winter holidays.

Studenac is well positioned to benefit from growth in the Croatian and Slovenian grocery market. Croatia's economy is outperforming the rest of Europe, with real GDP growth of 2.7% in 2023, compared to 0.8% for the broader CEE region and 0.8% for Western Europe, based on data from the World Bank. The EU Commission has forecasted real GDP growth of 3.3% and 2.9% in 2024 and 2025, respectively. It also expects a decline in the unemployment rate from 6.1% in 2023 to 5.8% in 2024 and 5.6% in 2025 and a decline in inflation, with the CPI expected to decline from 8.4% in 2023 to 3.5% in 2024 and 2.2% in 2025. These macroeconomic conditions are expected to contribute to further growth in the Croatian grocery market. Studenac's total addressable market of €10.2 billion in Croatia in 2023 grew at a CAGR of 5.5% from 2018 to 2023 and is projected to grow at a CAGR of 4.8% from 2023 to 2028, according to the OC&C Analysis.

Studenac's total addressable market in Slovenia was €5.9 billion in 2023, having grown at a CAGR of approximately 5% between 2018 and 2023. The Slovenian grocery market is expected to reach €7.2 billion in size by 2028, according to the OC&C Analysis. The Slovenian grocery market has certain key structural differences when compared to Croatia, with a less developed proximity sector. Despite the increasing importance of proximity shopping, this format has maintained a 10% to 11% share in a growing market, with evidence that Studenac can leverage its offer and mission to win market share as a new entrant.

## **2.2. Pure play proximity operator with the largest store network in Croatia**

Studenac's focus is on proximity shopping, which means that its stores are strategically located close to customers and are tailored to fit the specific daily shopping needs of the surrounding community as well as the local circumstances (e.g., in relation to traffic, tourism). Studenac's stores are typically located closer to consumers and in more convenient locations as compared to its competitors. Based on the OC&C Analysis, approximately 71% of Studenac's customers spent under five minutes traveling to its stores, with a large proportion of customers traveling on foot. Studenac's shoppers would require a significant price differential to forgo the ease of store proximity.

Moreover, Studenac's format and the density of its store network enables it to maintain closeness to its customers. Its store network reached 1,404 stores as at 30 September 2024, making Studenac the largest store network in Croatia. This also included 32 stores in Slovenia following its entry into that market in 2024 through the acquisition of Kea. While discounters are also growing their footprint in Croatia, Studenac's format and the format of discounters are complementary to each other in terms of purchase mission. Studenac's unique proposition targets purchase missions which differ from those of larger retailers. Studenac is focused on smaller basket missions such as purchasing food for daily shopping, for immediate or later consumption and top ups of must-have items at home or at work. These missions are markedly different from those undertaken by consumers at larger retailers, which are typically focused on bulk, weekly purchases where consumers are more focused on large assortment choice and price. The mission mix of Studenac's customers was 51% food for now, 27% food for later today and 22% large basket shopping, compared to 26%, 18% and 56% for Lidl, respectively, based on Management data, Euromonitor Retail 2024, OC&C Consumer Survey and OC&C Analysis. Smaller basket missions are also growing in importance as the need for convenience and consumers' time constraints become more significant.

Studenac's small store format enables consumers to visit its stores and complete their purchase missions frequently, quickly and efficiently. By way of comparison, the average store size of Lidl was approximately seven times the size of Studenac's in 2023. Studenac also has more touch points with the customer, with a store count approximately 11 times that of Lidl's as at 31 December 2023.



### **2.3. *Distinctive single format customer proposition through “I sitno i bitno”***

Studenac appeals to consumers through its offering of proximity shopping, with a comprehensive product range focused on customers’ daily needs. The product range satisfies daily grocery shopping needs, which is reflected in the “I sitno i bitno” (Small and Essential) consumer proposition. Studenac’s product range covers everyday fresh assortment from vegetables and fruits, dairy products, bakery, fresh meat, ready-to-eat items (e.g., sandwiches and salads), ready-to-drink items (e.g., coffee and soft drinks), snacks (e.g., chips and confectionery), conserved products (e.g., canned foods), alcohol and personal and home care products, as well as non-food items (e.g., media and home goods) and services (e.g., paying bills, sending and receiving packages and lottery tickets). This wide range of meticulously selected assortment compares very favourably with its direct competitors.

In addition to its branded assortment, Studenac has an attractive assortment under its own private label, which offers excellent value for money, is well tailored to specific customer needs and offers higher margins in comparison with third party products. The product range of its private label offering has been carefully selected in order to enhance the attractiveness of its assortment and emphasise the uniqueness of its offering.

### **2.4. *Professionalised organisation supported by a well-optimised operational backbone***

Since its acquisition by PEF in 2018, Studenac has been transformed under the Management’s stewardship into a modern and professionalised enterprise, with a full leadership team in place, the embedding of data-driven processes throughout the organisation and a growth mindset supported by performance management. Studenac’s organisational expansion has been driven by its dedicated Mergers & Acquisition and Post-Merger Integration teams. Its expansion has been underpinned by the implementation of state-of-the-art IT systems and business processes, a well-optimised supply backbone and established human resources (“HR”) and talent strategies.

Studenac has a well-optimised logistics network with a flexible and efficient supply chain. Its operational model enables it to tailor its category assortment to reflect both regional conditions and the specifics of individual stores, providing it with flexibility and the ability to maintain closeness to its customers. Studenac employs data-driven algorithms for the allocation of its category assortment to its stores, reflecting regional requirements, the competitive landscape and evolving customer demands. Studenac’s system for category assortment definition is based on multi-dimensional analysis of assortment regions, location and store format. For each assortment group, commercial managers define the specificity of the assortment, tailoring to the assigned store cluster. Standardised and automated tools allow Studenac to implement changes in the category assortment allocation efficiently and consistently across specific stores. Studenac’s model is agile, enabling it to tailor its assortment to focus on different types of shopping missions, namely proximity shopping missions or convenience shopping. This duality enables it to respond effectively to the needs of its customers and local communities, ultimately bringing it closer to the customer.

Studenac is on a clear path towards centralisation to further optimise its cost structure. In the future, Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028. Centralised deliveries are crucial to Studenac’s plans for gross margin expansion, in addition to stock optimisation, fresh products quality improvements and on-shelf goods availability. The future structure is expected to include distribution centres located in Zagreb, Karlovac and Split (see “—5.3. *Logistics and Supply Chain*” for further detail).

### **2.5. *Strong growth track record with margin resilience and healthy cash flow generation***

Studenac has grown its sales revenue through its organic roll-out of new stores and acquisitions, as well as through LfL growth. Studenac’s LfL growth in sales revenue was 5.6%, 18.0% and 16.3% for 2021, 2022 and 2023, respectively, and its network of stores grew from 688 to 1,069 and to 1,265 over the same periods. Studenac’s sales revenue grew at a CAGR of 46.9% from 2021 to 2023. LfL sales revenue growth was 13.1% in the eight months ended 31 August 2024. Studenac’s network of stores reached 1,362 as at 31 August 2024.

Studenac’s strong EBITDA growth and high Operating Cash Conversion have contributed to strong cash flow generation. Studenac had Operating Cash Conversion of 122.0%, 127.8%, 118.2% and 163.3% in 2021, 2022, 2023 and the eight months ended 31 August 2024, respectively. Studenac deploys the cash it generates to pursue further growth through acquisitions and new store openings, as well as to reduce its leverage.

### **2.6. *Proven organic growth levers through digitalisation, margin accretion and capitalisation on the white space opportunity***

#### **2.6.1. *Embedding of digitalisation and AI elements across the organisation contributing to margin accretion and improvements to the customer experience***

Digitalisation and innovation are firmly embedded in the Studenac organisation, supported by an in-house Centre of Excellence, Studenac Digital. Studenac deploys advanced analytics capabilities to unlock value creation, pursues

a data-driven approach to decision-making in real time and embeds innovation and digitalisation at the various management levels. In certain specific areas of the business, a data-driven AI-based approach is applied on a daily basis. These include (i) pricing, for which Studenac has developed, together with a well-known global strategic consulting firm, a predictive pricing tool that recommends prices based on product life cycle, price elasticity, promotion effect, cannibalisation effect and competitors' reactions; (ii) promotions, where Studenac uses a separate promo tool that generates category level recommendations, calculating the effectiveness of various scenarios and thereby optimising returns; (iii) expansions, where Studenac employs a location assessment tool to support its end-to-end expansion process through the assessment of store sales and margin potential along with focused assortment suggestions; and (iv) service revenues, where Studenac uses a service revenue monitoring tool, allowing for better control of this revenue stream. Through its portfolio of digital tools, Studenac is able to obtain a holistic view of product, group and assortment profitability. All of these solutions are integrated into a dedicated business intelligence platform which provides robust dashboards and detailed drill-down reports in order to track performance on a daily basis, including granular data at the store level. All of these initiatives are expected to contribute to improvement in Studenac's gross margin.

In addition, Studenac is using digitalisation to improve the customer experience, including the implementation of an innovative customer loyalty programme and tailoring offering packages to specific customer purchasing patterns, as well as a digital solution for customer inquiries (i.e. an intelligent chatbot). This solution has been developed in cooperation with Infobip, the first Croatian unicorn company.

#### *2.6.2. Well positioned to capitalise on white space opportunity*

Studenac has demonstrated an unmatched track record of organically rolling out stores across Croatia. In 2021, 2022, 2023 and in the nine months ended 30 September 2024, it opened 53, 114, 116 and 97 stores, respectively. In full year 2024, Studenac is targeting to open approximately 140 stores and the Management expects the number of new stores opened to grow each year. Studenac's organic expansion is supported by a dedicated expansion team focusing on both quantitative and qualitative aspects. The process is founded on a data-driven approval process for new locations supported by a tailored location assessment tool, which provides Studenac with recommendations for site evaluation and uses machine learning algorithms to better identify new locations. Studenac has been successful in achieving strong new store performance due to better identification of locations for new openings. It has also achieved a significant reduction in stores closed. Very few stores opened after 2018 have subsequently been closed by Studenac.

Due to the universal yet flexible format of Studenac's stores, there are a significant number of white space locations available for further expansion. According to the OC&C Analysis, there are an estimated 3,200 white space locations suitable for the Studenac format across Croatia. The Management also believes that Studenac's format is well suited for expansion into neighbouring markets and other countries in the region, including Slovenia, where the OC&C Analysis has identified approximately an estimated 700 white space locations.

Studenac's store opening process is also streamlined, with its standardised process for new store openings typically lasting between three and five weeks. On average, Studenac incurs capital expenditure of €100,000 to €120,000 per store opening.

#### **2.7. Platform for regional consolidation to achieve growth through inorganic avenues**

Acquisitions of smaller market players in Croatia has been one of Studenac's key growth engines. The Company has dedicated Mergers & Acquisitions and Post-Merger Integration teams in place. Studenac has proven experience in acquiring and successfully integrating other retail networks in Croatia, having acquired 725 stores during the period from 2018 to the date of the Prospectus. Studenac's acquisition strategy entails a capex-light expansion, with a five-year payback period target. Its acquisition approach as well universal format have also enabled it to expand into new areas, where it has not been present to date. For instance, Studenac invested approximately €2.9 million across 46 stores acquired through the Lonia acquisition, which had a major impact on the in-store experience. In the Lonia acquisition, Studenac was also able to achieve significant margin improvement due to the shift to perishables. Sales revenue increased by approximately 33% (from the second half of 2022 to the second half of 2023).

The Post-Merger Integration "cookbook" is a unique collection of guidelines based on the team's vast experience with processes being tailored to the complexity of the acquisition and the extent of changes to be deployed. Once it acquires a store, Studenac deploys its "I sitno I bino" (Small and Essential) consumer proposition and engages in immediate rebranding of the store. Immediately after each acquisition, Studenac applies its more favourable terms of trade at the target, which results in significant gross margin improvement and decreases the cost of operations of the acquired companies by eliminating redundant functions.

**2.8. Experienced, empowered and highly committed Management team backed by a Supervisory Board with unparalleled sector experience**

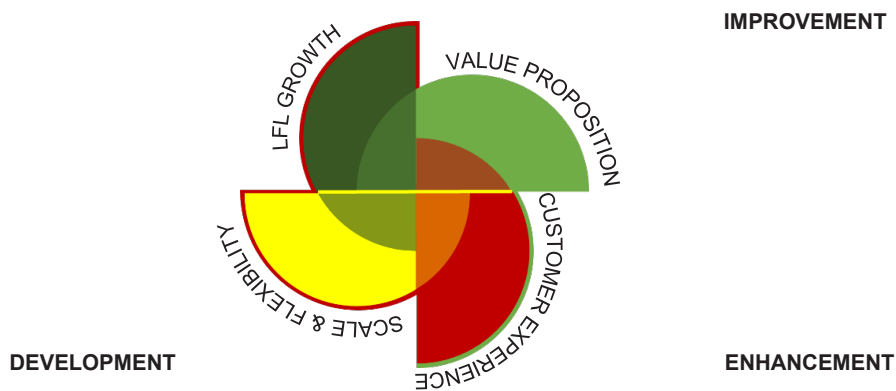
Studenac’s highly committed Management team has wide ranging experience across the retail and FMCG industries. The team includes a solid mix of seasoned managers from consumer facing sectors, including a mixture of international experience and strong knowledge of the Croatian market. The team has a proven track of record of operating in the fast-paced retail industry in agile innovation-driven and value-based cultures. Studenac’s Management team is committed to growing with purpose, supporting sustainability and managing with transparency. Under Michał Seńczuk’s leadership, Studenac has undergone a strategic transformation from a local business into a national grocery player, pursuing initiatives to improve the commercial proposition, streamline operations and focus on organic and non-organic growth with seamless integration, with the ultimate goal of profitably accelerating growth.

Studenac’s Management team is supported by an industry-driven Supervisory Board with unparalleled sector experience. This includes Krzysztof Andrzejewski, the former Chief Executive Officer of Żabka and a senior commercial leader in the FMCG industry and adviser to various company boards within the retail sector, Ronny Gottschlich, the former country head of Lidl in the United Kingdom and adviser to various company boards in the retail industry across various regions, and Javier Fernández Rozado, who advised in numerous consumer and retailing transactions, including Caprabo, CVC-El Arbol, Inditex, Carrefour Spain, Esselunga and Jerónimo Martins.

**3. Strategy**

Studenac’s strategy includes several levers for growth, including scale and flexibility developments; LfL growth; improvements to the value proposition; and customer experience enhancements, as depicted in the following chart:

These elements are described in further detail below:



Source: Company.

**3.1. Achieve further growth through leveraging the white space opportunity in Croatia and Slovenia, pursuing further opportunities for acquisitions and expanding into foreign markets**

Studenac intends to pursue three avenues for increasing its scale: (i) leveraging the white space opportunity in Croatia; (ii) continuing to pursue acquisition opportunities; and (iii) expansion into foreign markets, including Slovenia. Ultimately, Studenac expects to open approximately 1,000 stores and acquire approximately 1,200 stores in Croatia and Slovenia and to increase the number of stores in its network to over 3,400 by the end of 2028.

**3.1.1. Leveraging the white space opportunity in Croatia**

Studenac intends to continue its organic growth through store openings in Croatia. In 2024, Studenac is targeting to open approximately 140 stores and the Management expects the number of new stores opened to grow each year, capitalising on the white space opportunity in Croatia. According to OC&C, there are approximately an estimated 3,200 white space locations suitable for the Studenac format across Croatia. In order to fully exploit this opportunity, Studenac is planning to scale its dedicated expansion team, which, as of 30 September 2024, included 16 people: 3 expansion directors and 13 expansion managers. It also plans to continue to leverage its advanced digital tools to identify and assess the potential of new store locations, including its location assessment tool. The location assessment tool expedites all aspects of the organic expansion process, from strategic network planning to site analysis. Studenac’s digital approach also enables it to engage in granular catchment analysis across urban and rural and residential-led and tourist-led locations. Studenac is also aiming to be able to identify upside from new builds and high mobility areas. The use of the location assessment tool reduces the time to decision and limits the potential for errors in selecting individual locations for new stores.

Studenac is further aiming to reduce the time required to roll out and adapt new stores to the Studenac model. Studenac intends to achieve improvements in its adaption time by leveraging its store opening playbook, planograms and operational “lessons learned”. The adaptation process encompasses the entire process of opening a store, from the moment a decision on location is taken until the opening. This includes contract negotiations, rental contract signing, construction and fit-out works and equipment assembly. In reducing the adaptation time for newly opened stores, Studenac will be able to release additional capacity to open more stores. Improvements in Studenac’s adaption time, along with the success of its location assessment tool (which it has been using since 2023), are expected to result in a further reduction in stores closed.

### *3.1.2. Continuing to pursue acquisition opportunities*

The Croatian market is attractive for a consolidator such as Studenac due to fragmentation across the retail market, as well as the increasing importance of proximity shopping in Croatia, which is conducive to Studenac’s business model. Accordingly, Studenac intends to continue to pursue its proven strategy of consolidating the market through the acquisition of other players. In Croatia alone, the Management has identified over 2,000 stores which fit its acquisition criteria. Studenac has a pool of 18 targets that it is actively pursuing in Croatia. The acquisition strategy encompasses the acquisition of both smaller unorganised players, as well as larger players across the Croatian market. Studenac’s acquisition strategy will be underpinned by its robust process for acquiring and integrating targets into its network of stores. Studenac has the proven capacity to conduct several acquisition processes at the same time and has developed a post-merger integration “cookbook” based on its experience. Processes are tailored to the complexity of the acquisitions, with a hands-on approach and internal agility. In pursuing its acquisition strategy, the Management believes that it will face limited competitive pressure as no other retailer in Croatia is pursuing the same market consolidation opportunity.

Studenac intends to continue to achieve margin uplift for its acquired stores, which it has a demonstrated track record of achieving. It also plans to continue to identify opportunities for refurbishment and revamping of its acquired stores.

### *3.1.3. Expansion into foreign markets*

The Management believes that Studenac’s store format is suitable for expansion into foreign markets in neighbouring countries and the broader region. For example, it entered the Slovenian market through the acquisition of Kea and intends to conclude further acquisitions in Slovenia, which has certain similarities and favourable market characteristics to Croatia. Similar to Croatia, the Slovenian retail market is ripe for consolidation given its relative fragmentation and the importance of proximity shopping. Slovenia also has attractive macroeconomic and demographic fundamentals. The Management believes that 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 an estimated 700 white space locations suitable for the Studenac format across Slovenia and Studenac has completed work on the acquisition of a target there.

## **3.2. Continue to pursue LfL enrichment through several levers**

Studenac intends to continue to pursue LfL enrichment by attracting new customers and growing the share of wallet of existing customers mainly through the improvement of the customer value proposition. Studenac is also considering new revenue streams, leveraging the unique position of its stores, particularly on the Croatian coast.

Studenac’s initiatives to improve the customer value proposition include further assortment tailoring and an expansion of its perishable product assortment, as well as increasing the saturation of the convenience and to-go segments. In addition, new categories are planned to be introduced in response to changes in consumption trends and consumer habits, in order to complement Studenac’s core offering.

Specifically, Studenac is focused on increasing the availability of products across its stores, revitalising the store network through the continuous refurbishment of existing and acquired stores, utilising advanced data analytics to improve pricing decisions and create more appealing promotions for customers, rolling out promotional advertisements to increase brand awareness, active work on NPS and expanding the loyalty programme (Moj Studenac) to boost basket size. Studenac is also rolling out self-checkout and mobile POS to boost throughput. A total of 43 cash registers for self-payment service have been implemented across 18 stores. By the end of 2024, an additional 20 self-payment cash registers will be added across 10 stores. The medium-term plan is to accelerate the introduction of self-payment cash registers.

### *3.2.1. Product assortment*

In terms of its assortment, Studenac is targeting a shift in its sales mix to 40% perishables, 41% non-perishables and 19% non-food items by 2028, compared to 34%, 40% and 26% in 2023, respectively. At the same time, Studenac is focused on increasing the penetration of private label, from 6.8% of sales revenue in 2023 to 10.5% in 2028. During the year 2024, Studenac is planning to introduce an additional 100 private label products, bringing the total assortment to approximately 500 products. This is intended to drive traffic across Studenac’s store network and also will have

a favourable margin impact. The Management is targeting a cumulative improvement in the gross margin of at least 1 percentage point during the period from 2023 to 2028 through the shift towards high margin perishables and the shift towards private label. Studenac is also continuing its bake-off roll out in order to drive traffic. Additional services that Studenac intends to expand include mailing packages, paying bills and lottery tickets.

### 3.2.2. *Pricing and promotions*

In terms of pricing, Studenac has developed a predictive pricing tool together with a global consulting firm which recommends prices based on product life cycle, price elasticity, promotion effect, cannibalisation effect and competitor reaction. The tool was ready for out-of-season products in the second quarter of 2023 and for in-season products from the second quarter of 2024. The tool was gradually implemented throughout the course of 2023 and a portion of the impact is already visible in the consolidated financial statements. Had the tool been implemented for the entirety of 2023, the Management estimates that the incremental impact at the EBITDA level would have been €1.9 million higher. It has been successful in achieving a margin uplift for the off-season and is also targeting margin uplift in the summer season.

Studenac piloted its promo use case tool in 2023 with transparent tracking of store promotions and their impact on net return, evolving in 2024 to fully launch and include detailed impact calculations taking into account the effects of cannibalisation. In the future, personalised promotions will be designed based on prescriptive tools and will be tailored to customers and demand. The Management estimates, once the full rollout is in place, that the impact on the total margin is approximately 0.5 percentage points in 2024 vs 2023.

### 3.2.3. *Logistics and supply chain*

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

In addition, the centralisation of deliveries will be key to the achievement of these objectives and will also facilitate stock optimisation throughout the entire supply chain. Across its network, Studenac plans to double the share of centralised deliveries from approximately 33% in 2023 to 65% in 2028. Centralised deliveries are crucial to Studenac's plans for gross margin expansion, as well as for optimising the utilisation of its logistics base and transport fleet. The Management expects that the planned increase in centralised deliveries will deliver a cumulative gross margin uplift over the period from 2023 to 2028 of 2 percentage points, although this will be partially offset by higher transportation costs, resulting in a net impact at the EBITDA margin level of 0.5 percentage points over that period. The project to increase centralised deliveries will entail limited capital expenditure, as Studenac is cooperating with developers directly investing in the construction of new distribution centres. The operating expenditure for warehousing and transport are expected to increase, but the Management expects that this will be more than recovered through increasing efficiency and capacity utilisation.

## 3.3. ***Continue to embed digitalisation and innovation throughout the organisation***

Studenac plans to continue investing in innovation, with a special focus on digital tools. These investments are supported by a dedicated Innovation and Digitalisation team, as well as the Management Board, including in particular Nina Mimica, who has specific responsibility for digitalisation. The Innovation and Digitalisation team engages in continuous scanning of the organisation, identifying areas for technological improvement and investigating the most suitable solutions.

### 3.3.1. *Data science and advanced analytics*

Studenac intends to build on the success of the advanced analytics tools it has developed to date (including the location assessment tool, the pricing tool, the promotions tool and the negotiations support tool), all of which use complex data models including both internal and external sources of data. Studenac has a clear plan to use the internal team of data engineers and data scientists built over the last years to support its business processes with high quality decision support systems. Using econometric modelling to accurately understand its past results allows Studenac to plan for the future with improved precision and certainty of outcome. Considering the scale of operations, huge volumes of data collected and processed, experience in building data models and predictive analytics, such support is especially important for store operations and the commercial activities. This is particularly relevant in relation to areas of the business where decisions used to be made in a more manual mode.

### 3.3.2. *Digitalisation/Automation/Robotisation*

Studenac uses electronic data interchange ("**EDI**"), whereby its IT systems can exchange information without human intervention, for example in receiving incoming invoices. This mode of interactive two-way communication with the



system of the external business partners is being rolled out to additional processes, such as placing orders with suppliers, receiving delivery confirmations, sending outgoing invoices and master data exchange.

Mindful of its environmental impact, Studenac is rolling out paper free processes across its business. For that purpose, a document management system has been implemented, facilitating the transfer of the review and approval process into digital workflows. The system is linked to a digital archive that should significantly reduce the need for circulating paper documents. Documents from other processes can also be stored in the archive, so that printing and paper consumption are minimised.

Studenac is also aiming to continue to identify processes that involve simple and repetitive tasks with the aim of automating these processes through the use of robots. Studenac has already introduced robots across a number of processes, such as data uploads to external systems, document matching/difference reporting within systems, verification and validation of data. Its objectives are to directly drive efficiencies across these processes and to increase the quality and analytical/control component.

### 3.3.3. *Customer Facing Solutions*

Studenac continues to build strong partnerships with technology partners, including its ongoing cooperation with Infobip, and market players with wide customer bases that benefit from combining efforts and offering a value-added proposition to the consumers. Studenac is implementing innovative modes of cooperation with the aim of improving customer satisfaction.

### 3.3.4. *In-Store Solutions*

Through its IT team, Studenac is testing and implementing new technological solutions in its stores, improving efficiency. These include a Wi-Fi network, price tag auditing and printing, multi-function hand-held terminals, a mobile version of the enterprise resource planning ("**ERP**") system and solutions improving customer throughput (e.g., mobile POS and self-checkout).

## 3.4. **Further marketing and brand enhancements**

Studenac aims to continue to bolster its reputation as the leading retailer for small purchase missions in Croatia. In 2020, it rolled out its rebranding, which was aimed at aligning the brand with customers, clarifying the format and making the brand more attractive. Then in October 2021, it launched its "I sitno I bitno" (small and essential) consumer proposition and initiated a long-term communication platform leveraging Studenac's format attributes to further strengthen the brand and customer awareness. It continues to leverage this work and is also conducting active work on its NPS. This entails collecting customer feedback from different channels through an annual and quarterly brand health tracker (so-called "top down NPS"), as well as collecting customers' feedback directly at the point of sale after they have completed a purchase (so-called "bottom up NPS"). Based on the points that identified during this exercise, specific actions were implemented across a pilot pool of stores, which ultimately resulted in NPS growth during the testing period. By the end of 2024, a roll-out covering 50% of Studenac's store network is planned, with full implementation in the course of 2025. Through these initiatives, Studenac aims to become even closer to local communities as an example of true customer centricity.

Studenac's ESG approach is also an important part of its community engagement. Studenac has launched various corporate social responsibility ("**CSR**") programmes, and it intends to continue its efforts in this area. These will include programmes dedicated to local communities with a special focus on the most vulnerable, children and seniors, addressing topics of utmost importance to the public, both nationally and regionally. Programmes dedicated to preserving natural resources, including education of young people as well as concrete steps towards a reduction in Studenac's carbon footprint, have been in place for several years and continuous enhancements of these programmes is planned for the coming years. Studenac's CSR programme have been proven as a successful Investment in brand sentiment uplift and public engagement, both from a media perspective and customers' perception of Studenac as a leader in these areas.

Studenac aims to expand its marketing reach and increase its share of voice ("**SoV**"), which is a marketing metric that refers to the proportion of a brand's total advertising impressions or mentions within a particular market or industry. Its efforts in this area will involve a so-called 360° approach, covering traditional channels such as television (where a majority of the media budgets of retail players in Croatia is concentrated), as well as social media, display and out-of-home ("**OOH**") advertising (mainly digital screens). In addition, special attention is being paid to Studenac's own channels and buzz created in the viral world. User generated content ("**UGC**") is also important in generating content that resonates with customers.

## 3.5. **Continue to invest in human capital**

Studenac intends to increase its efforts and investments in the improvement of the professional competencies of its employees, with a simultaneous emphasis retention of these employees. An important element in achieving this goal

is Studenac's employee NPS project, which it has already launched and which facilitates the regular collection of data and the measurement of employee satisfaction.

Studenac will also undertake further adjustment of its remuneration structure to reflect market changes. The implementation of new, and the modification of existing, motivation systems will be designed to increase employee satisfaction and increase the attractiveness of Studenac in the eyes of current and new employees. To meet the expectations of employees, Studenac has already implemented a number of benefits, which it will continue to do in the coming years. These developments are part of Studenac's overall employee benefits programme which it recently launched.

An important element of building a strong team is the regular assessment of employees on their professional competencies and the implementation of goals, which will be further strengthened and cascaded down the hierarchy in order to ensure that Studenac has a talent pool that will be conducive to the future development of the company.

### **3.6. Optimisation of operating expenditures across the store network and capital expenditures**

Studenac is focused on the optimisation of its operating expenditures and capital expenditures. It has the mitigants in place to control its operating expenditures going forward at the store level, the network level and at its headquarters.

At the store level, in response to the long-term trend towards an increase in the minimum wage, Studenac has a plan in place for continuous improvements in planning the work of employees and increasing productivity per working hour based on a flexible working time arrangements. Ultimately, Studenac plans to offset any increases in the cost of labour with efficiency gains, keeping personnel costs as a percentage of revenue constant.

Studenac previously secured a long-term contract for electricity prior to the significant increase in energy prices, which allowed it to weather a turbulent period of increased costs with no negative impact. This contract has been renewed, leveraging the favourable price levels in the first quarter of 2024, which are approximately 16% higher than energy prices secured under the previous contract. The new contract will be in place for two years starting from September 2024. Studenac plans to continue the optimisation of utilities costs through organisational and investment-related improvements aimed at minimising energy consumption at its stores, warehouses and offices. Studenac is expecting to finalise the process of replacing its lighting systems with LED equipment, which should reduce energy consumption while ensuring brighter light in the stores. Studenac is prepared to start using energy generated from photovoltaic plants installed on the roofs of the existing distribution centres (where they are already installed) as well as future distribution centres. This is roughly 30% cheaper compared to electricity procured from the grid.

Following successful tests, new solutions have already been implemented for equipment at new locations and are also being implemented in connection with ongoing refurbishments. For example, Studenac has been installing drinks refrigerators with doors at newly opened and newly refurbished stores from April 2024 in order to reduce energy usage. It is also preparing to test retrofitting doors on refrigerators across certain of its stores. In addition, Studenac is using remote refrigeration equipment (with heat-emitting devices placed outside the building) more widely instead of plug-in devices, which is expected to reduce energy consumption by air conditioning systems. In 2024, as part of its annual technical inspections, Studenac implemented optimised temperature settings on all refrigerators. It is expected that the current tests of sensors linked to a monitoring system will help to enforce a strict approach to switching off the equipment when not needed.

Studenac manages a portfolio of lease agreements which mainly consists of leases with terms of five or ten years, however, the standard templates for new lease agreements are designed for a ten-year period. The relatively low share of contracts with direct indexation (approximately 30%) contributes to the stability of Studenac's cost base. As sales revenue increases, the Management expects that Studenac will be able to achieve a reduction in rent expenses as a percentage of sales revenue.

At its headquarters, Studenac intends to achieve efficiencies through the further use of robotic process automation, digitalisation and advanced tools, focusing on value-added activities by employees. Studenac is also implementing more advanced and secure IT tools, which is also expected to drive efficiency.

In relation to capital expenditure, on average, Studenac incurs capital expenditure of €100,000 to €120,000 per store opening. Studenac intends to continue to optimise its capital expenditure in order to free up capital for further store acquisitions. Studenac's increasing scale is also expected to have a positive effect on its bargaining power when contracting for equipment. Its bargaining power is also expected to help it in its negotiations in relation to service fees.

### **3.7. Continue high cash flow generation to be invested in further expansion of the network and deleveraging**

Studenac intends to continue to generate strong cash flows and achieve high Operating Cash Conversion. Studenac had Operating Cash Conversion of 118.2% in 2023 and 163.3% for the eight months ended 31 August 2024. It plans to deploy this cash to continue to pursue acquisition opportunities and open stores organically, as well as to decrease its Net Debt/Post-IFRS 16 Adjusted EBITDA ratio, which stood at 3.3x as at 31 August 2024 (based on Post-IFRS Adjusted

EBITDA on a last twelve month basis) (or 3.1x on a pro forma basis (reflecting the results reported by targets acquired during or after the eight months ended 31 August 2024 for the entire period, i.e. from 1 January 2024 on a Adjusted EBITDA last twelve month basis) and 4.2x as at 31 December 2023 (or 3.9x on a pro forma basis (reflecting the results reported by targets acquired during the year ended 31 December 2023 for the entire period, i.e. from 1 January 2023)). As additional EBITDA flows through from the expansion, the Management expects that Studenac's leverage will decrease, and it is targeting a reduction in its Net Debt/Post-IFRS 16 Adjusted EBITDA ratio to below 2.5x as at 31 December 2025 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 1.5x) and to below approximately 1.5x as at 31 December 2026 (Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio of 0.5x). As adjusted for the proceeds of the Offering received by the Issuer, the as adjusted Net Debt/Post-IFRS 16 Adjusted EBITDA ratio and the as adjusted Net Debt/Pre-IFRS 16 Adjusted EBITDA ratio was 2.2x and 0.8x, respectively, as at 31 August 2024. Studenac is targeting a net debt free Net Debt/Post-IFRS 16 Adjusted EBITDA ratio by the end of 2028.

### **3.8. Continue its engagement with ESG topics**

Studenac has implemented a dedicated unit in its organisational structure to effectively coordinate all of the aspects related to ESG areas. In terms of the environment, a number of initiatives have been tested and implemented to reduce the impact of Studenac's activities on the environment. See "*—12. Environmental Social and Governance*". Studenac has carried out a detailed study addressing all of the aspects of emissions in order to identify areas of special attention and to enable it to closely monitor its progress. It further intends to develop a Scope 3 emissions reduction methodology and will carry out a value chain assessment with a focus on climate impact in order to identify the most vulnerable areas.

As described above under "*—3.4 Further marketing and brand enhancements*", Studenac aims to stay close to the local communities in which it operates and engages directly in certain initiatives demonstrating social responsibility. It intends to further develop this community involvement.

Following the full implementation of an ethics and compliance programme, Studenac plans to monitor the ESG area using control mechanisms, ensuring the highest standards and transparency across its operations. The Compliance Officer role is focused on maintaining compliance across matters such as conflicts of interest, gifts and hospitality, anti-bribery and corruption. Transparency and clear rules of governance were some of the main changes implemented after the acquisition by PEF in 2018. The aim is to maintain the high standards implemented at that time and to introduce additional policies to achieve continuous improvement.

Studenac is preparing to fully implement sustainability reporting, based on the recently amended reporting framework (Corporate Sustainability Reporting Directive), for 2024. This means that the sustainability report that will be released in 2025 will be subject to audit as an integrated report. As a preparatory step, Studenac completed a survey of its stakeholders to better understand what is considered important by them in the area of ESG.

### **3.9. Developing the IT platform to support further growth**

With the growth in the scale of Studenac's operations, IT is playing an increasingly important role in supporting the business. The primary objective, across all levels of IT operations, is to support the business and scaling up with modern solutions, which drive efficiencies in business processes and increase the comfort of the users with regard to the quality, reliability and availability of data.

#### **3.9.1. Infrastructure**

Studenac's key IT resources have been fully transferred to the cloud environment, which is hosted by renowned partners. Dedicated connecting lines have been established, ensuring redundancy. A multi-provider solution facilitates the right mix of stability for the main systems and agility, flexibility and support for the in-house team of developers. Hosting the key systems in a cloud environment enables Studenac to leverage the newest solutions and to flexibly shape and adjust the available resources to its current needs.

Studenac's key strategic focus in this area is the completion of the transformation of the application landscape, covering all key areas with advanced solutions. This is expected to facilitate both the continued scaling up of the business as well as increasing efficiency of business processes. The aim is to support digitalisation, automation, and robotisation to the maximum extent possible. Detailed solutions are implemented jointly by the innovation and IT teams.

#### **3.9.2. Data**

With the extensive use of data science and advanced analytics tools built in-house, as well as dedicated external solutions optimising Studenac's operations (e.g., its automated replenishment tool), it is critical to ensure the completeness, accuracy and timely availability of the key data components, master data and transactional data. Studenac's strategy assumes the continuous implementation of EDI for pulling master data for the category assortment from the

systems of the suppliers, as well as robotic process automation (“**RPA**”) to ensure the verification of the master data. Electronic workflows are employed to ensure full control over the process of data enrichment.

Studenac continues to extend the use of automated controls embedded in the ERP system, ensuring that any obvious mistakes in handling transactions will be prevented and other errors properly detected and escalated.

In light of the multiple systems using centrally stored data resources, Studenac is implementing a modern data warehouse solution, to enable different systems to pull the key data from a single source, enhancing the quality, availability and speed of processing of key data components.

### 3.9.3. Security

Studenac is continuously working on improving the security of its IT systems. The use of a scalable and secure cloud environment enables it to leverage the strength of leading providers and to upgrade its existing business continuity and disaster recovery plans, with these more advanced solutions supporting redundancy of systems.

### 3.9.4. In-store technology

The process of identification, selection, testing and implementation of in-store solutions that support both the customer experience and the efficiency of work of Studenac’s employees is deeply embedded in the business logic. Studenac’s in-store technology combines the efforts of the IT team and the Innovation team. Studenac is currently testing a number of solutions which are expected to deliver a positive impact in the near future. They cover areas such as Internet of Things (“**IOT**”), improved price signage, mobile solutions and support for the provision of additional services.

## 4. History

Studenac’s first store was opened in 1991 in Omiš by Mr. Josip Milavić. The chain was initially anchored by a wholesale warehouse in Duće and several small stores in Omiš. Mr. Milavić then expanded the store network in Dalmatia. At the time of its acquisition by PEF in 2018, Studenac operated 385 stores. Following the acquisition, the new management joined and Studenac commenced an accelerated expansion.

In July 2019, Studenac acquired Istarski Supermarketi, which operated 105 stores. This acquisition allowed Studenac to anchor its brand in Istria, where it had started expanding organically towards the end of the previous year. In December 2019, Studenac completed the acquisition of Sonik, which operated 84 stores, marking Studenac’s entry into the Northern coast and enabling it to expand along the Adriatic coast.

In 2020, Studenac rolled out its rebranding, which was aimed at aligning the brand with customers, clarifying the format and making the brand more attractive. In October 2020, Studenac launched its first CSR programme, “Korak bliže prirodi” (Step closer to nature), focusing on the areas of nature preservation and sustainability, which was followed by several further CSR programmes.

In May 2021, Studenac took the strategic decision to commence its expansion in Zagreb, the capital of Croatia, opening its first store there. In June 2021, Studenac further strengthened its position on the Adriatic coast through the acquisition of Bure, which operated 29 stores. In September 2021, Studenac launched its second CSR programme, “Korak bliže zajednici” (Step closer to the community), which was focused on vulnerable groups in the community.

In October 2021, Studenac launched its “I sitno I bitno” (small and essential) consumer proposition and initiated a long-term communication platform leveraging Studenac’s format attributes to further strengthen the brand and customer awareness.

In February 2022, Studenac strengthened its position in Dubrovnik through the acquisition of Pemo, which operated 38 stores. Pemo had been a direct major competitor in Dubrovnik, which is an important region for tourism. In March 2022, the Moj Studenac loyalty programme was launched with the aim of building a bond with existing customers and attracting new customers, driving traffic and increasing basket size. In June 2022, Studenac created the platform for expansion in Central Croatia when it acquired Lonia, which operated 298 stores. Following these acquisitions, Studenac became the largest store network in Croatia in terms of number of stores.

In 2023, Studenac strengthened its position in the Zagorje region with its acquisition of Strahinjčica, which operated 47 stores, in the Northern part of Croatia with the acquisition of Špar Trgovina, which operated 40 stores, and in the Istria region with the acquisition of LA-VOR, which operated 16 stores and enabled Studenac to expand further in the Northern Adriatic, Istria and Zagreb.

In 2024, Studenac acquired 36 stores through the acquisition of Decentia, which strengthened its position in Central Croatia, with a particular focus on Zagreb. Also in 2024, it made its first acquisition in Slovenia when it acquired Kea, a well-positioned and recognised local retail chain mainly covering north-western Slovenia.

## 5. Operations

Studenac’s operational activities are carried out across the entire organisation with a particular focus on enhancing customer satisfaction and growing the scale of the business. Major activities are subject to annual budgeting and periodic review, which allow Studenac and its management to remain up to date with progress on achieving annual goals.

The following table sets out certain operational data for Studenac as of and for the eight months ended 31 August 2024 and 2023 respectively and the years ended 31 December 2023, 2022 and 2021:

	Eight months ended 31 August		Year ended 31 December		
	2024	2023	2023	2022	2021
LfL sales revenue growth (%) <sup>(1)</sup>	13.1%	15.1%	16.3%	18.0%	5.6%
New store openings <sup>(1)</sup>	88	61	116	114	53
Store acquisitions <sup>(1)</sup>	36	87	103	336	29
Number of stores at period end <sup>(2)</sup>	1,362	1,204	1,265	1,069	688
Number of transactions per period <sup>(2)</sup>	72,685	65,772	95,127	81,495	54,176
Average basket size (€) <sup>(2)</sup>	6.9	6.5	6.5	5.8	5.3
Average total retail space for the period ( <i>square metres</i> ) <sup>(3)</sup>	141,415	122,828	127,061	98,663	76,158
Number of stores generating sales revenue in period <sup>(2)(4)</sup>	1,363	1,205	1,258 <sup>(5)</sup>	1,122	694
Average number of employees <sup>(2)</sup>	6,473	5,853	5,918	5,377	3,475

Notes:

(1) Excluding Decentia.

(2) Including Decentia.

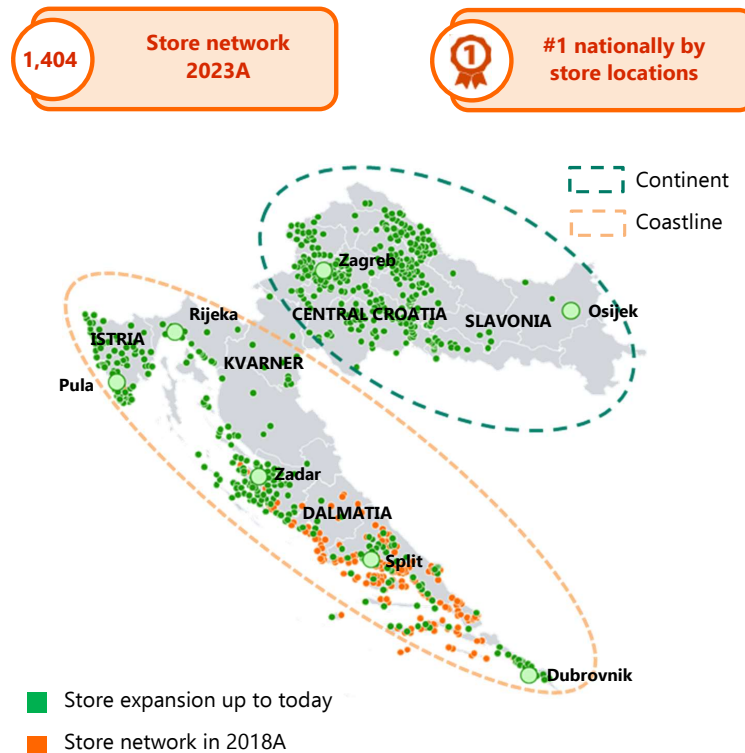
(3) Calculated as the average of retail space at the beginning of the period and retail space at the end of the year.

(4) Includes stores closed during the year.

Source: Company.

### 5.1. Store Footprint

As of 30 September 2024, Studenac had 1,404 stores in Croatia and Slovenia (i.e., including 32 stores in Slovenia following Studenac’s entry into that market in 2024 through the acquisition of Kea), with full coverage of the coastline (with the strongest presence in Croatia’s islands amongst its peers) and continental regions in Croatia, making it the largest store network in Croatia. Studenac’s Croatian store footprint is depicted in the following chart:



Source: Company.



### 5.1.1. Store Clusterisation

One of the strategic elements of Studenac’s commercial model is store clusterisation, which reflects the characteristics of stores across the network as well as the dynamics of traffic seasonality. Studenac has six clusters: urban tourist-led, urban residential-led, rural tourist-led, rural residential-led, capital (Zagreb) and purely seasonal (stores which operate only during specified seasons). The clusterisation of Studenac’s store network is important for determining the allocation of capital expenditure and also defines operational and commercial activities.

Clusterisation is primarily based upon two factors: population density and the exposure to tourist traffic. Broadly, urban stores have an average population density of more than 30 persons per square kilometre and rural stores have an average population density below 30 persons per square kilometre. Tourist-led stores are such that have a ratio of tourist nights to the total number of residents more than 10 times and, for resident-led stores, this ratio is less than 10 times. However, Studenac manages the clusterisation of its stores in a flexible manner, meaning that stores can be moved between clusters depending on changes in the dynamics of the area in which the store is located.

As at 30 September 2024, there were 171, 344, 190, 463, 132 and 104 urban tourist-led, urban residential-led, rural tourist-led, rural residential-led, capital (Zagreb) and purely seasonal stores, respectively. For the year ended 31 December 2023, urban tourist-led, urban residential-led, rural tourist-led, rural residential-led, capital (Zagreb) and purely seasonal stores accounted for 20.4%, 20.8%, 22.2%, 26.9%, 5.1% and 4.6% of total sales revenue, respectively. The gross margin for these clusters for the year ended 31 December 2023 was 34.8%, 28.5%, 35.1%, 28.0%, 30.5% and 45.6% and LfL sales revenue growth was 14.2%, 18.8%, 12.6%, 19.2%, 33.7% and 6.2%, respectively.

### 5.1.2. Sales management

The network of stores is managed pursuant to an organisational structure reporting to the COO of the Company. The organisational structure is multi-layered and each level has a clear assignment of responsibilities and field of operations. The following chart depicts Studenac’s sales organisation as at 31 August 2024:

<b>Sales Director</b>								<b>No</b>
DIVISION 1								4
<b>Regional Director</b>				<b>Regional Director</b>				
REGION 1				REGION 1				11
<b>Area Manager</b>		<b>Area Manager</b>		<b>Area Manager</b>		<b>Area Manager</b>		
AREA 1		AREA 2		AREA 3		AREA 4		67
<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	<b>Store Manager</b>	
STORE 1	STORE 2	STORE 3	STORE 4	STORE 5	STORE 6	STORE 7	STORE 8	1,362

Source: Company.

There are clear key performance indicators (“KPIs”) assigned to each level of the sales organisation, which are tracked periodically through Studenac’s business intelligence tool, with different KPIs being tracked for different periods. KPIs are tracked by dedicated digital tools, which increases efficiency across the entire sales structure. KPIs are mainly focused on two business areas: customer service (e.g., on-shelf availability and planograms alignment) and efficiency (e.g., productivity).

In addition, to enable full consistency across store operations over a broad network, Studenac uses standard “routines” to be followed by area and store managers. Procedures and manuals are made available to all employees on Studenac’s Intranet platform.

Operational Internal Audit plays a very important role in store operations and consists of several auditors who visit stores frequently to control the quality of sales standards. Regular reports are distributed in real time and any corrective actions are taken immediately.

Studenac also maintains a financial motivation system, incentivising employees throughout the organisation structure to achieve their KPIs and sales budgets.

### 5.1.3. Additional services for customers

As part of its rebranding exercise and the reorientation of its strategic direction, Studenac has focused on establishing itself as more than “just a grocery store”. As part of the duality concept of its brand (see “—6.1 Brand Identity”), Studenac has introduced a range of services at the point of sale such as paying bills, sending and picking up packages and offering lottery tickets at selected locations. All of these services are intended to contribute to building the duality of Studenac’s brand, generate traffic, create interest and strengthen Studenac’s bond with customers.

Studenac decided to embark on its e-commerce journey via aggregators Wolt and Glovo, which deliver Studenac's products to customers through their logistics networks. Currently, Studenac's sales revenue from these arrangements is immaterial.

## **5.2. Commercial activities**

Studenac's commercial activities include category management, the management of its store layouts and plans, product pricing, promotional activities and the management of supplier relationships, which are discussed in detail below.

### **5.2.1. Category management**

Studenac's approach to category management encompasses the following objectives: (i) continuously optimising the assortment range and effectively utilising the available space; (ii) anticipating and fulfilling the evolving needs and desires of customers; and (iii) continuously maximising article- and space-productivity to drive profitability and operational efficiency.

The basis of Studenac's category management is specific category roles aligned with its corporate vision. Studenac's category roles include the following:

- **Destination:** destination categories are the cornerstone of Studenac's strategy. They are often characterised by their ability to attract customers and differentiate Studenac from its competitors. They are known for offering a unique and sought after product range that serve as a motivation for customers to visit Studenac's stores;
- **Preferred:** preferred categories are the core product groups that form the foundation of Studenac's assortment. These categories are essential for meeting the everyday needs and demands of the target customer base. Preferred categories are often characterised by their high and consistent share of basket;
- **Convenience:** Convenience categories are aimed at providing customers with quick and easy access to products, facilitating a "one stop shop". These categories are typically characterised by their convenience-oriented product offerings and the ability to save customers time and effort; and
- **Seasonal/promotional:** Seasonal and promotional categories play a specific role within Studenac's assortment, as they are aligned with specific times of year or marketing campaigns. These categories feature products that are in high demand during certain seasons, events or promotional periods. They are of particular importance for tourist-driven areas such as the coastline and Croatia's islands.

Understanding the different roles that product groups can play within a retailer's assortment is crucial for effective category management. By identifying and leveraging the strengths of each category role, Studenac can regionally optimise its offering, enhance customer experiences, and drive sales and profitability.

Studenac's assortment is defined based on assortment region, location and store format. The assortment regions include South, West, Capital (Zagreb), Central and East. Locations are classified as urban, rural or purely seasonal.

Each store has a basic assortment of products available in each store. For stores with selling areas of below 60 square metres, the number of SKUs ranges from 900 to 1,450. In such stores, the sales from basic assortment account for 52% of sales. For stores with a selling area of approximately 80 square metres, the number of SKUs ranges between 1,950 and 2800. For stores with a selling area of approximately 150 square metres, the number of SKUs ranges between 3,600 and 5,000. For stores with a selling area of 250 to 400 square metres, the number of SKUs ranges between 5,900 and 6,700.

Studenac's ready-to-eat offer is present across 249 stores and its ready-to-drink offering is present across 286 stores as of the date of the Prospectus. Studenac is planning to expand this offering, mainly in high traffic locations.

Studenac's highest margin categories include ready-to-eat and frozen products, which have a gross margin of over 50%, followed by sweets, snacks, cakes, beverages, bakery, special food, charcuterie, conserved products, alcohol and the majority of non-food categories, which have gross margins ranging from 42% to 47%. Studenac achieves lower gross margins in the range of 35% to 40% for dairy and fat, commodities, detergents and certain other non-food items. The lowest margin product is tobacco, with a gross margin in the low- to mid-teens.

Shrinkage (meaning the loss of inventory that can be attributed to damage, shoplifting, administrative error and vendor fraud) across Studenac's stores is relatively limited, averaging approximately 1.0% per year.

Across Studenac's stores, cash transactions account for between 80% and 70% of total transactions, with the remainder being card transactions.

Private label

Studenac’s private label product assortment includes the following umbrella brands:



Source: Company.

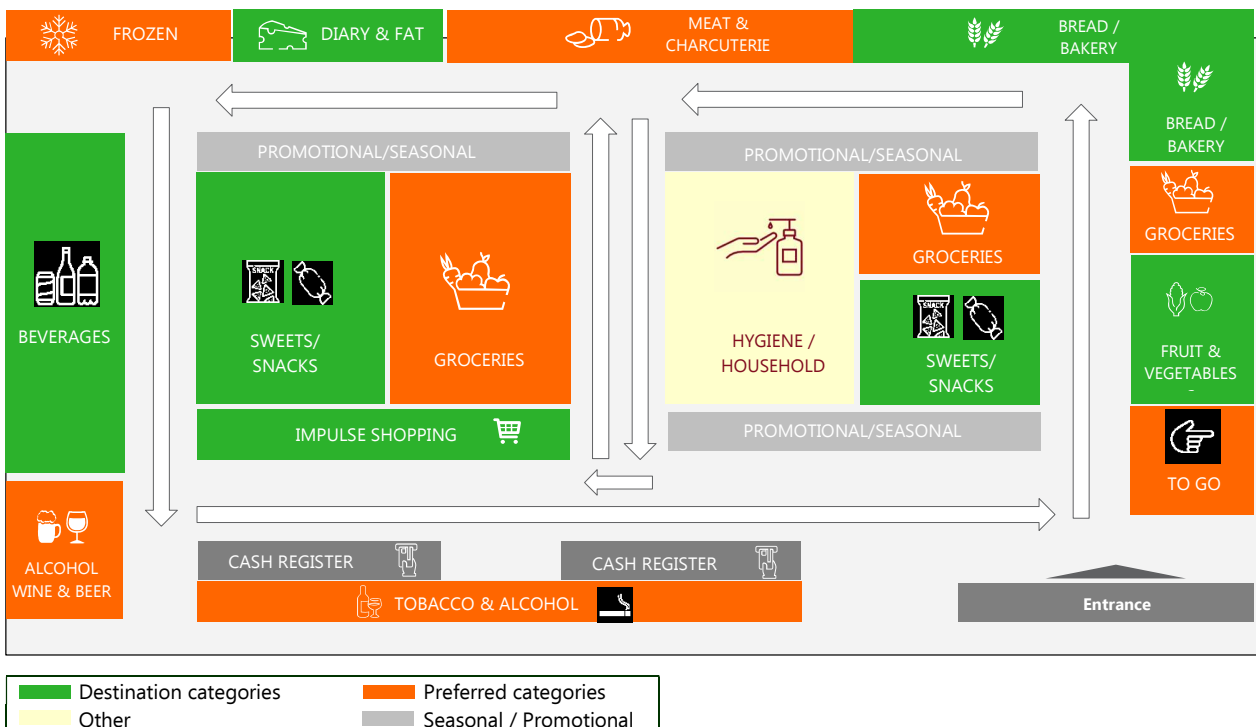
Private label is of strategic importance for Studenac’s customer value proposition. Studenac offers high quality private label products at competitive market prices, providing excellent value for money. Studenac carefully selects a range of private label products under the umbrella of the brands set forth above in order to enhance the competitiveness and attractiveness of its assortment and emphasise the uniqueness of its offer.

During 2024, Studenac is planning to introduce an additional 100 private label products, bringing the total to 500. The share of private label products has been increasing each consecutive year. In 2023, private label products accounted for 6.8% of sales revenue. It is ultimately aiming for private label products to account for 10.5% of sales revenue by 2028, and to maintain this growth in the following years.

Private label products typically generate higher margins for Studenac, which also tends to be true for other players in the market. For that reason, increasing the share of private label products is a key part of Studenac’s margin expansion plans.

5.2.2. Store layout

Studenac’s stores have a selling space of 111 square metres on average. However, the majority of stores range between 70 and 150 square metres, which is Studenac’s desirable size. Studenac uses logical and standardised paths to ensure good orientation for customers at its stores. It has adopted a standardised layout which is customer purpose-driven, convenient comprehensive and fast, with a focus on top-up shopping (which refers to customer purchasing items that they may have forgotten during their main shopping excursion). Food categories are the main offer, with an enlarged freshness area, including a ready-to-eat refrigerator area. Fruits and vegetables are typically strategically positioned at the store entrance, with the bakery located towards the back of the store. In designing its store layouts, Studenac classifies products into destination categories, preferred categories, seasonal and promotional categories and other categories. Studenac’s typical store layout is set forth in the chart below:



Source: Company.

Studenac employs clear processes for streamlined and strategy-oriented implementation of store layouts across its network. The attractiveness of its store layouts is continuously enhanced by the centralised placement of promotion products and seasonal assortments. Studenac adapts the above standardised store layout to the characteristics of its various locations. For example, it includes enhanced non-food areas and assortments in stores in rural areas.

Ease of checkout is a key focus of Studenac's stores. According to the OC&C Analysis, Studenac's stores received the highest checkout score compared to its regional competitors (including Tommy, Lidl, Špar, Konzum, Kaufland, Plodine and Ribola). Studenac has rolled out IT solutions in its stores in order to improve customers' checkout experience. This has resulted in shorter checkout times, paper savings, higher hygiene standards and the ability to provide additional services such as lottery tickets and utility payments. Studenac deploys self-checkout in selected stores, which has led to shorter waiting lines, a better customer experience, improved staff productivity and greater alignment with younger customers. Studenac has different types of self-checkout and setup depending on the location. Studenac has also introduced multi-acquiring payment terminals. It has a new single point of sale ("**POS**") terminal, with routing of bank card transactions to selected banks. Studenac is in the course of testing its mobile POS application.

### 5.2.3. Planograms

Studenac uses planograms to achieve a clear store structure and easy to follow presentation. The objectives of planograms include making the choice and purchase easier for the customer, supporting the category role at the point of sale, implementing visual merchandising tactics, standardising assortment across the store network, supporting turnover and gross profit targets and supporting the efficient replenishment of products. Studenac has standardised planograms reflecting rural versus urban and regional differences. Its processes make specific recommendations for selected categories, including frozen products, meat and cheese counters and fruits and vegetables.

In general, in Studenac's stores, high margin products are positioned on higher shelves, product families are placed together vertically, products are stacked side-by-side to make them easily accessible and facilitate the fitting of multiple items on one shelf, pricing is organised from low to high, the same articles are located on the same level (horizontal multi-facing), labels are clear, easy to read and follow a logical order and categories follow each other in a logical manner. Fruits and vegetables are neatly presented and stored in cooled components to preserve their freshness. Produce that is part of exhibitions appear high quality and well presented. All of Studenac's stores have a bakery assortment and almost half of its stores also have a bake-off assortment, with daily deliveries from local bakeries. For the largest stores, up to three bakeries make deliveries to the store to achieve a broad and complementary assortment.

Studenac runs cyclical assortment reviews three times per year, which serve as a starting point for its planograms. Studenac has monthly maintenance modifications and listing and delisting updates. Store employees are encouraged to proactively address customer suggestions on product assortments.

### 5.2.4. Product pricing

The pricing policy for Studenac's products is based on the fact that convenience is a key priority for Studenac's customers, with the OC&C Analysis having indicated that average price savings of 19% would be required to lead Studenac's customers to shop elsewhere. OC&C Analysis has further indicated that 23% of Studenac's shoppers would not be willing to travel further to save money.

An internal professional team with extensive experience supported by the digital pricing tool, which was developed together with a global consulting firm, manages the price positioning of stores. Price management includes a differentiated approach to individual products, with particular emphasis on those that build perception and loyalty (known as "key volume items"). To continuously optimise price management in the tourist off-season period (October to May), stores are divided into six price clusters. The assignment of stores to individual clusters is based on detailed criteria and periodically verified to ensure the best possible perception of Studenac, regardless its position. Factors taken into account when defining price levels include:

- Location of the store;
- Shopping mission;
- Customer behaviour and affluence;
- Item/category price elasticities at the store level; and
- Competitor stores located nearby and the price level of those stores.

During the high season (June to September), price positioning is extended to eleven clusters, reflecting the impact of tourist traffic in selected locations. In these stores, the use of a pricing tool allows Studenac to enhance the margin by lowering the impact of price changes on volumes sold. High season pricing is on average 11% to 13% higher than pricing outside the high season.

### 5.2.5. *Promotional activities*

Promotional activities are an important element of Studenac's strategy, allowing it to build price attractiveness, as well as strengthen customer demand and increase sales. Studenac conducts promotional activities through various campaigns addressed to all customers, including weekly catalogue, discounts in individual categories, quantity and value promotions, as well as unique offers for loyal customers via the Moj Studenac loyalty card (see "*—6.2 Loyalty Club*"), which include percentage discounts on purchases, coupons and bonus points. Promotions are communicated to customers using both above the line ("**ATL**") (e.g., radio, television, newspapers, magazines and billboards) and below the line ("**BTL**") (e.g., e-mail marketing and telemarketing) methods.

To maintain maximum efficiency and consistency in building price perceptions, Studenac, together with a global consulting firm, developed a promotional tool (see "*—8. Digitalisation and Innovation*") that uses econometric modelling to accurately understand the results of promotional activities and plan them for the future accordingly. This expanded approach to promotion has improved promotion effectiveness (based on incremental sales, cannibalisation and return on investment ("**ROI**")) and enriched Studenac's view from a customer perspective. The planned further development of the tool will improve the decision-making process, especially when planning the number of promotions and defining the quantity to be purchased, which is expected to further improve efficiency. It will also include a visualisation of the leaflet design for operational decisions.

### 5.2.6. *Supplier base and relationship management*

Studenac has a centralised purchasing function within the Commercial department. Studenac is focused on building long-term relationships with its suppliers. It is a major customer for all large FMCG companies operating in Croatia. It has leveraged these strong and long-standing relationships with its suppliers, including in the development of its own private label products. See "*—5.2.1 Category Management—Private label*". Studenac's ten largest suppliers accounted for 47% of purchases in 2023. The Management believes that Studenac's scale is a significant enabler of margin improvement. Studenac is shifting further to international sourcing and large market players as much as possible in order to accommodate its scale and future growth plans.

### 5.2.7. *Digital tools*

Studenac has increasingly been incorporating digital tools into its commercial contract negotiation processes. It has built and implemented a holistic, fact-based approach to supplier negotiations by providing negotiation levers. This has been supported by digital tools and capability building programmes. It intends to unlock additional margin impact in its supplier negotiations for 2024 and future periods. Studenac has also received support from a global consulting firm, which has brought knowledge, expertise and training to the commercial contract negotiation process.

Studenac also has a backmargin control tool, which monitors invoicing to ensure that discounts and other agreed terms are applied accurately. The first phase of the tool was launched in September 2023 and the second phase will be launched in the third quarter of 2024. Through the tool, Studenac is able to observe profitability on a product level.

## 5.3. **Logistics and Supply Chain**

Studenac has professionalised and integrated its logistics infrastructure using existing and acquired facilities. It has one main distribution centre in Dugopolje (near Split), with two cross-docking warehouses and six semi-cross-docking warehouses. Cross-docking warehouses are facilities where products are delivered from the distribution centre and then transported further to the destination stores. A new WMS and replenishment system has also been implemented and is being rolled out. This is to ensure the efficiency throughout entire supply chain as well as quality of operation.

Studenac is in the process of transforming its logistics structure to support its further growth. In the future, Studenac plans to double the share of centralised deliveries from 33% in 2023 to 65% in 2028. Centralised deliveries are crucial to Studenac's plans for gross margin expansion, in addition to stock optimisation, fresh products quality improvements and on-shelf goods availability. The future structure is expected to include a Zagreb distribution centre with a space of 36,000 square metres, a Karlovac distribution centre with a space of 18,900 square metres, and a Split distribution centre, with a space of 18,900 square metres. This is expected to be supported by cross-docking warehouses in Varazdin, Vinkovci, Slavonski Brod, Sisak, Bakar, Pazin and Zadar. The distribution centres in Zagreb and Split are expected to be operational by the end of 2025, and the Karlovac distribution centre is expected to be operational in mid-2026. These facilities are being constructed according to Studenac's specifications but will be leased rather than owned by Studenac. This future setup is expected to enable Studenac to supply 3,000 stores, with 1.3 million pallets centralised, 79,000 square metres of space, 247 last-mile trucks and 1,400 full-time employees.



### 5.3.1. *Quality control*

Product quality and safety are key to consumer satisfaction and trust. To ensure high standards, Studenac has developed an effective quality management system, which includes three departments: the Food Safety Department, Quality Control Department and Private Label Quality Control Department.

#### Food safety

Studenac's Food Safety Department's role is to ensure the health and safety of food across Studenac's entire network. Studenac has also developed a sanitation standard operating procedures ("**SSOP**") system in cooperation with a Croatian cleaning and detergent manufacturer. The SSOP system defines hygienic procedures and practices across all phases of business, from warehouses to stores. Studenac also developed, in collaboration with external providers, a calibration system and a system for monitoring the operation of cooling chambers and the use of thermometers for monitoring temperature. This is critical for maintaining food quality and safety. The Food Safety Department has also developed a sampling plan for products, water and facility cleanliness procedures and a plan for the implementation of disinfection, disinfestation and deratting ("**DDD**") measures in cooperation with several large laboratories. A self-control system based on the hazard analysis critical control point ("**HACCP**") principles has also been developed. The HACCP audit system has been launched in stores in cooperation with the Audit team, and warehouse audits were also launched.

In the last three years, the Food Safety Department has registered all of its warehouses that deal with food of animal origin with a detailed check of prerequisite programmes and coordination of veterinary, sanitary and agricultural inspections at the warehouses. The product labelling procedure has also been defined in such a way that all product groups have been united in one department, and the digitisation of declarations is underway.

During the period from 2021 to 2023, the Food Safety Department conducted 51 trainings related to HACCP, quality and food safety, which included 673 employees.

#### Quality control

Studenac's Quality Control Department focuses on monitoring and ensuring product quality. It has created a system of goods control and has developed quality requirements for most products. HACCP manuals that define quality control and safety procedures have been developed for each warehouse. A supplier complaints system has also been launched and suppliers are also contacted regarding complaints from the field, where feedback on products is obtained for the purpose of improving services and products.

In 2020, Studenac left the Narodni Trgovacki Lanac ("**NTL**") purchasing alliance, which undertook quality assessment of products, electing instead to conduct quality control in-house. Due to these changes, the percentage of goods delivered and not accepted has decreased from less than 5% from 2018 to 2020 to less than 1% for 2021 to 2023. Studenac's priorities in the area of quality control for the period from 2024 to 2026 include further improvements targeting a further reduction in this ratio.

#### Private label quality control

Studenac's Private Label Quality Control Department plays an important role in the development and quality control of Studenac's private label products. In the last three years, Studenac has launched approximately 400 private label products that were approved by the Private Label Quality Department through organoleptic analyses and supplier and product benchmarks, creating specifications and quality requirements and checking and approving the final packaging visual.

## **6. Marketing and Communications**

The main purpose of Studenac's marketing and communications strategy is to establish the brand as the next door grocery store for all daily needs supported by memorable brand slogan "I sitno I bitno" (small and essential).

Marketing activities are focused on building brand awareness and image uplift. The Management aims to achieve live, interactive and engaging dialogue with customers in order to create a bond and build a community of loyal customers. Studenac actively monitors its customers' needs and feedback through its Moj Studenac loyalty club (see "**—6.2 Loyalty Club**") and social media community, which has been a valuable source of direct insights into customer behaviour. On a monthly basis, Studenac reaches up to 300,000 brand followers through its communication channels. It also conducts regular brand health trackers to validate the brand positioning and the realisation of the main brand KPIs. One of Studenac's ultimate goals is to make its customers' experience with the brand worthwhile, which the Management believes it is achieving.

As part of consumer and message segmentation, Studenac uses a mix of media channels to make marketing activities as effective as possible. Television is the main communication channel in the industry and Studenac allocates

approximately 50% of its media investment to this channel. Advertisement trackers in the last year have shown strong progress on particular KPIs relating to media creative efficiency such as ad recall, brand linkage and awareness building on brand pyramid, as well as conversion rate improvements all the way down to brand loyalisation. Due to the growing role of digitalisation, Studenac is increasing the digital share in its media mix to above 20%. This ranges from traditional digital activities to social media and ambassador marketing. Due to the nature of digital advertising, numerous KPIs are tracked all along customer journey; from Google analytics to digital and social advertising KPIs, where constant campaign optimisation is resulting in a further efficiency uplift and relevant content to significant improvement in the engagement rate. Finally, brand health trackers (e.g., Ipsos, brand value creator (“**BVC**”) methodology) are used on an annual basis to provide an overarching assessment of how Studenac is progressing on building brand equity. In the last two years, progress has been achieved on both attitudinal equity and market effects.

Studenac also invests in marketing activities through its mobile application, Moj Studenac, which gives Studenac the opportunity to prepare individually targeted marketing communications aimed at each user of the mobile application based on individual customers’ purchasing habits.

Studenac also conducts active work on its NPS. This entails collecting customer feedback from different channels through an annual and quarterly brand health tracker (so-called “top down NPS”), as well as collecting customers’ feedback directly at the point of sale after they have completed a purchase (so-called “bottom up NPS”). Based on the points that identified during this exercise, specific actions were implemented across a pilot pool of stores, which ultimately resulted in NPS growth during the testing period. By the end of 2024, a roll-out covering 50% of Studenac’s store network is planned, with full implementation in the course of 2025. Through these initiatives, Studenac aims to become even closer to local communities as an example of true customer centricity.

### **6.1. Brand Identity**

According to OC&C, Studenac enjoys strong brand awareness, with approximately 95% brand awareness in the coastal region and over 70% in Zagreb (which it entered in 2021). Studenac’s brand is focused on combining the functionality of a grocery store with a “to go” format, in line with the growing trend of on-the-go consumption, including coffee, freshly squeezed orange juice, breakfast snack or a lunch bite.

In 2020, Studenac underwent a rebranding exercise, returning to the brand’s original archetype as a caregiver that is emotionally close to its local customers and tourists. Studenac has consciously built its brand to communicate to two different groups of customers: local customers and tourists.

The brand’s attributes are conveyed through the organisation of Studenac’s stores, focusing on the following:

- clear division of the store and its zones into grocery and “to go”;
- navigation adapted to the needs of local and visiting customers;
- extensive self service (e.g., bread, cold cuts, cheese, packed small portions of olives);
- “to go” zone at the entrance;
- extensive area for chilled drinks and ice cream;
- seasonal reorganisation of the store (introduction of additional display equipment, self service equipment, stands and outdoor refrigerators);
- efficient and fast service with no queues; and
- functional counter to serve customers with baskets.

### **6.2. Loyalty Club**

Studenac’s customer exhibit high levels of repeat shopping, with 24% of Studenac customers shopping at least once per week in 2023, compared to 19% on average for Studenac’s competitors, according to the OC&C Analysis. In order to increase the loyalty of its customers, Studenac introduced the Moj Studenac application in March 2022. The Moj Studenac mobile application targets the digital native population and seniors ready to explore its extensive benefits and rewards system. According to data collected by Studenac, the Moj Studenac community grew to 519,140 loyalty club members as at 30 September 2024, accounting for 23% of sales revenue in the nine months ended 30 September 2024, and a 16% share of transaction volume. The basket size of loyalty club members was 2.4 times higher in 2023, at €13.70, compared to non-club members, at €5.80. The average monthly purchase frequency for loyalty club members is 8.2 times. In the course of 2024, data collected by Studenac are demonstrating strong momentum across all KPIs.

The loyalty club has evolved through the merging of the loyalty programmes of acquired stores, with functionalities being merged into one “super programme” and the technical upgrade of running functionalities aiming for satisfying customer experience. Customers have a choice of plastic cards or the mobile app. Cash-back is offered as an additional feature, personalised offers have been introduced and Studenac has extended its partnership programmes.

The key benefits of the Moj Studenac loyalty programme include the following:

- **Welcome Discount:** New members receive a 20% welcome discount on their first purchase, encouraging them to engage with the program from the start;
  - **Ongoing Discounts:** Members enjoy a consistent 5% discount on every purchase, providing continuous value;
  - **Exclusive Offers:** The programme provides access to exclusive discounts and coupons;
  - **Points Collection and Usage:** Members earn points with every purchase (e.g., 2 points per €0.13 spent). These points can be redeemed for discounts on selected products or on the total purchase;
  - **Charitable Contributions:** Points can be donated to charitable organisations such as the Croatian Red Cross;
  - **Customer Engagement:** The programme includes features such as customer surveys and personalized offers; and
- In-App Promotions:** The Moj Studenac app offers additional benefits, such as access to weekly catalogues, store locations, and culinary inspiration through recipes and special deals in collaboration with external vendors.

## 7. Network Expansion

Since the new management joined following the acquisition of Studenac by PEF in August 2018, Studenac has been growing rapidly, both organically and through acquisitions. For the period from 2018 to 30 September 2024, Studenac opened 491 stores and acquired 725 stores. Studenac’s future strategy encompasses both organic growth through capitalising on available white space and acquisitions, in both Croatia and Slovenia. During the period from 2016 to 2023, Studenac accounted for 94% of store openings in Croatia (including both new store openings and acquisitions).

### 7.1. Organic growth

Organic growth has been a critical driver of Studenac’s growth historically, with Studenac having opened 491 stores since 2018, as demonstrated by the following table:

	2018	2019	2020	2021	2022	2023	2024 <sup>(1)</sup>
Stores opened	21	58	32	53	114	116	97

(1) Data as at the nine months ended 30 September 2024.

Source: Company.

There is a significant white space opportunity in Croatia and Slovenia for further organic expansion. According to the OC&C Analysis, there are an estimated 3,200 white space locations suitable for the Studenac format across Croatia and an estimated 700 white space locations suitable for the Studenac format across Slovenia. In 2024, Studenac entered the Slovenian market, which the Management believes has similarly favourable market characteristics to Croatia. The Management believes that Studenac’s store format is well tailored to the Slovenian market and Slovenian and Croatian consumers’ tastes and habits are similar.

Due to its streamlined processes, which are described in detail below, Studenac’s organic roll-out requires relatively limited capital expenditure. On average, Studenac incurs capital expenditure of €100,000 to €120,000 per store opening. New stores mature rapidly and record margin improvements more quickly than Studenac’s older stores.

#### 7.1.1. Location identification

Studenac has an organic roll-out plan which has been carefully calibrated to minimise cannibalisation. Studenac has three expansion teams, for the coastline, Zagreb and Eastern Croatia. These teams have three directors and 15 managers. Studenac has a data-driven approval process for new locations supported by a sophisticated location assessment tool, which makes automated recommendations for site evaluation and uses machine learning to better identify suitable new locations. It is used at the strategic and operational level by executives in Studenac’s Investment Committee and Studenac’s expansion team. The location assessment tool takes into account sales potential and cannibalisation estimate analysis, identifying the most attractive catchments from the perspective of competition, affluence and potential for tourism. It has identified a comprehensive set of geolocated white space locations, including their predicted sales and profitability metrics.

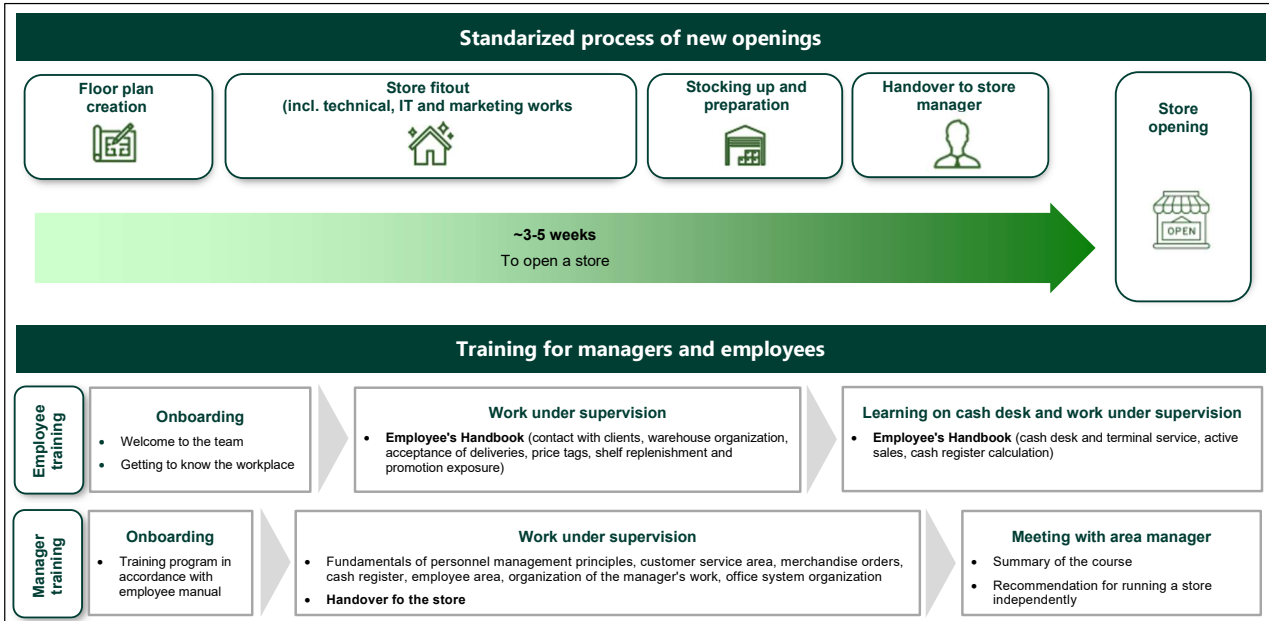
Expansion managers are responsible for identifying potentially interesting locations for Studenac’s network expansion. During this process, a location assessment tool is used to support the managers. The location assessment tool gives automated recommendations for site evaluation taking into account various factors such as competition, affluence and tourism.

Once a location has been identified, all other teams (including the commercial, technical, sales and controlling teams) are informed regarding the potential new location. Then they are required to enter their data regarding shelves, assortments, utilities such as refrigerators and air conditioning units, pricing clusters and services in the store. Studenac ensures standardisation by employing a unified process for new location data and the automation of specific data

inputs. On the basis of these inputs, a new profitability assessment is conducted. This is then presented to Studenac’s Investment Committee, which is responsible for making the final decision on the store opening. The process for approval has been streamlined with an automatic suggestion of green, amber and red locations.

7.1.2. Store opening process

Studenac has a standardised process for new store openings which typically lasts between three and five weeks. The process is set forth in the following chart:



Source: Company.

Studenac has developed standardised training for managers and employees of new stores. Managers are onboarded and then work under supervision to learn the fundamentals of personnel management principles, customer service, merchandise ordering, cash register management, employee areas and the organisation of the manager’s work and office systems. The store is then handed over to the manager, following which the manager meets with the area manager, who makes recommendations for running the store independently.

Employees are onboarded and then work under supervision according to the Employee Handbook, which covers contact with clients, warehouse organisation, acceptance of deliveries, price tags, shelf replenishment and promotion exposure. Following this training, the employees are provided with all of the basic trainings needed for a swift start of the new localization.

7.1.3. Store closures

Studenac periodically closes stores to optimise profitability. Most of the stores that have been closed since the acquisition by PEF in 2018 have been mature stores operated by Studenac, with the remaining closures related to network optimisation following the acquisitions. For instance, 24 Lonia stores were closed shortly after they were acquired. In relation to newly opened stores, Studenac has been successful in reducing the number of closures due to the effective identification of store locations with potential for high performance. Very few stores opened after 2018 have subsequently been closed by Studenac.

The following table sets forth store closures for the period from 2018 to 2023:

	2018	2019	2020	2021	2022	2023
Stores closed	17	18	28	12	69 <sup>(1)</sup>	23

Note:

(1) Out of the 69 stores closed in 2022, 35 were closures of stores acquired by Studenac, including Lonia stores.

Source: Company.

7.2. Acquisitions and Post-Merger Integration

Studenac has dedicated Mergers & Acquisition and Post-Merger Integration teams in place and has tailored its processes to account for acquisition complexity. The acquisition and integration processes are described in more detail below.

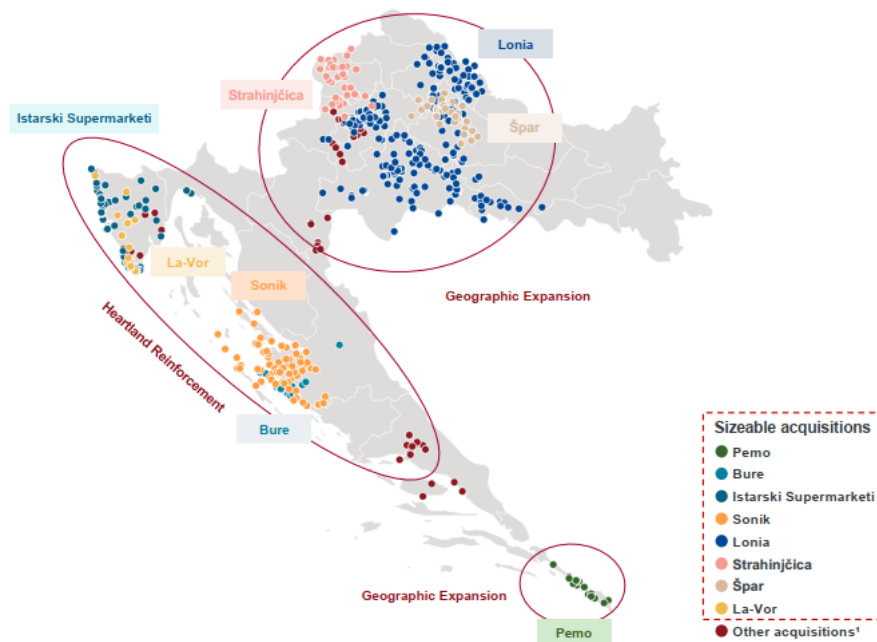
7.2.1. Acquisitions

Studenac has completed ten sizeable acquisitions since 2018 and the Management believes that it is the only retail company operating in Croatia that has systematically proven its ability to acquire and integrate other brands, fully converting synergies into performance improvements. The following chart depicts Studenac’s key acquisitions over the past five years and the number of stores added by each acquisition:

Studenac’s acquisitions have enabled it to penetrate new areas and have reinforced its presence in areas in which it already operated. The following table sets forth information regarding Studenac’s key acquisitions:

Target	Number of stores	Year	Region entered/strengthened	Description of acquisition
Istarski Supermarketi	105	2019	Northern Coast region market entry	<ul style="list-style-type: none"> <li>Store chain operating in Istria and Rijeka</li> <li>Wide network with many campsite locations</li> </ul>
Sonik	84	2019	Expansion along the Adriatic coast	<ul style="list-style-type: none"> <li>Zadar-based retailer</li> <li>Cooperation with family farms supplying locally produced perishables</li> </ul>
Bure	29	2021	Strengthened of position on the Adriatic coast	<ul style="list-style-type: none"> <li>Recognisable retail chain in Zadar</li> <li>Addresses both local and tourist consumers</li> </ul>
Lonia	298	2022	Created platform for expansion in Central Croatia	<ul style="list-style-type: none"> <li>Sizeable retail network in continental Croatia</li> <li>Highly attractive locations in Zagreb region</li> </ul>
Pemo	38	2022	Strengthened existing position in Dubrovnik	<ul style="list-style-type: none"> <li>Dubrovnik-based operator</li> <li>Well recognised brand with high level of customer loyalty</li> </ul>
Strahinjčica	47	2023	Strengthened position in Northern Croatia	<ul style="list-style-type: none"> <li>Store network operating in Zagreb and surrounding counties</li> <li>Access to local communities</li> </ul>
Špar Trgovina	40	2023	Strengthened position in Northern Croatia region	<ul style="list-style-type: none"> <li>Operating in Koprivnicko-Krizevacka and surrounding counties</li> <li>Strengthening presence in continental Croatia</li> </ul>
LA-VOR	16	2023	Strengthened position in Istria region	<ul style="list-style-type: none"> <li>Proximity chain with high level of customer loyalty</li> <li>Well recognised stores in Istrian neighbourhoods</li> </ul>
Decentia	36	2024	Strengthened position in Zagreb region	<ul style="list-style-type: none"> <li>Well-positioned and recognised stores in Central Croatia, with a particular focus on Zagreb</li> </ul>
Kea	32	2024	Strengthened position in Celje, Maribor, Prekmurje and Primorje regions	<ul style="list-style-type: none"> <li>Well-positioned and recognised local retail chain mainly covering north-western Slovenia</li> </ul>

The following charts depict the location of the stores acquired in Croatia and Slovenia, respectively:



Source: Company.





Source: Company. The green dots presented on the map indicate the locations of Kea stores.

Studenac's M&A team has identified over 2,000 stores across 18 targets in Croatia which fit its criteria for acquisitions. It also made its first acquisition in Slovenia and is working to identify more targets.

Studenac's acquisition activities are designed to achieve the following objectives:

- Geographic expansion: entering new addressable markets;
- Economies of scale: scaling effects for the entire store network;
- Capability and resource acquisition: acquiring stores, customer bases and employees; and
- Synergy leverage: improving the performance of the acquired stores.

Studenac has the following target acquisition criteria:

- Size of the target and optimality of the target stores' location and regional fit into Group footprint;
- Key synergy areas and potential for realisation;
- Main drivers for scalability and profitability and expected growth rate;
- Current and forecasted capital expenditure requirements; and
- Elements of the target's goodwill.

#### 7.2.2. Integration

Studenac's Post-Merger Integration team has a post-merger integration "cookbook" based on the team's unique experience and a process tailored to the complexity of the acquisition, employing a hands-on approach with internal agility. The source of synergies for Studenac's acquisitions is typically from improvements in trade terms, distribution optimisation and re-branding enabling Studenac to leverage its brand equity.

Studenac integrates its targets according to the following steps:

- Transaction closing: completing the legal steps for the acquisition and establishing governance over the target's business;
- Integration plan: setting up a detailed integration plan for each business segment acquired;
- Terms of trade transfer: migrating all contracts with suppliers to Studenac's terms of trade;
- Human resources onboarding: commencing the transfer of employees into the Studenac family;
- Technical migration: IT equipment is aligned and migrated to Studenac's systems;
- Supply chain optimisation: utilising Studenac's logistics to optimise the supply of goods to acquired stores;
- Rebranding: changing of the exterior and/or logo of acquired stores;
- Assortment alignment: introduction of new assortment logic and transfer of private label to the acquired stores;
- Legal merger: merging the legal entity into Studenac; and
- Operational alignment: gradual implementation of operational routines such as internal audit, procedures, deployment and availability monitoring.

The entire process typically takes up to two months for targets with up to €20 million in sales revenue; between three and six months for targets with between €20 million and €50 million of sales revenue; and between six and 12 months for targets with over €50 million in revenue. This process has been completed for all acquisitions that closed prior to 2024 other than LA-VOR, for which the transaction closing, integration, terms of trade transfer and human resources onboarding have been completed.

In addition, Studenac is often able to improve aspects of the stores it acquires through refurbishment and revamping. For instance, when Studenac acquired them, Lonia's stores had unappealing decoration, a lack of appropriate lighting,

worn storefronts and disorganised store layouts. Studenac invested approximately €2.9 million across 46 acquired stores, which had a major impact on the in-store experience. The acquired Lonia stores are now brightly lit and attractive, with clear branding, intuitive layouts and a high quality, visible and fresh product offering. Studenac also introduced planograms (as described above under “—5.2.3 Planograms”) to manage shelves and improve the availability of key products at these stores, which drove gross margin improvement. There has also been significant gross margin improvement due to the shift to perishables. Sales revenue at Lonia stores increased by approximately 33% (from the second half of 2022 to the second half of 2023).

## 8. Digitalisation and Innovation

Digitalisation and innovation are a core part of Studenac’s approach. Studenac has an in-house Centre of Excellence, which is responsible for building and scaling advanced analytics and business projects in order to improve business performance, customer experience and operational excellence. Studenac has an Innovation and Digitalisation Team, consisting of business and technical experts currently leading multiple projects. The project portfolio focuses on bringing growth or value, overall optimisation and efficiency improvements while at the same time motivating the organisation to embark on new and relevant opportunities.

In terms of pricing, the team has developed a predictive pricing tool together with a global consulting firm which recommends prices based on product life cycle, price elasticity, promotion effect, cannibalisation effect and competitor reaction. The tool was ready for out-of-season products in the second quarter of 2023 and for in-season products from the second quarter of 2024. Studenac piloted its promo use case tool in 2023 with transparent tracking of store promotions and their impact on net return, evolving in 2024 to fully launch and include detailed impact calculations taking into account the effects of cannibalisation. In the future, personalised promotions will be designed based on prescriptive tools and will be tailored to customers and demand.

In terms of purchasing, the team has developed a negotiations support tool and a supplier rebate and marketing budget control tool, which are described above under “—5.2.6 Supplier base and relationship management”.

Studenac has developed a location assessment tool to identify ideal sites for new store openings, which is described above under “—7.1 Organic growth”.

The Innovation and Digitalisation team is also cooperating with Infobip, the first Croatian unicorn company to develop an innovative solution for addressing customer queries (i.e., an intelligent chatbot), which is aimed at improving the customer experience. It will enable Studenac to provide its customers with a fresh way to connect with the brand, will increase loyalty and successfully redirect customers to Studenac stores during the Sunday trading limitation (the new law allows retailers, to choose 16 Sundays per year when they can open their stores). The pilot for this tool was successful and it is in the course of being further enhanced.

Studenac has also introduced a business intelligence tool via Qlik Sense which is its main reporting tool. The tool provides robust dashboards and detailed drill-down reports in order to track performance on a daily basis, including at the store level.

A data monetisation project is also being developed. Studenac monetises the data it collects by making sales reports available to suppliers. This generated a sales revenue of €1.2 million in 2023 through sales to 27 brands/suppliers. The next steps in data monetisation include an automated dashboard providing tailored supplier reports with the click of a button, which will save employees time. Currently, it takes four to five hours of employee time to prepare a sales report. Studenac is also developing more profound content in the report, covering demographic, competition and trend data. Studenac intends to expand the number of suppliers to which it sells sales reports from the 27 suppliers to which it currently sells.

## 9. Information Technology

The mission of Studenac’s Information Technology Department is to lead the transformation of the Studenac retail landscape by harnessing cutting-edge technology, establishing a seamless technological ecosystem across its store network. Through relentless innovation, integration, and optimisation of Studenac’s IT infrastructure, the IT Department provide support to all aspects of Studenac’s retail operations. By enabling stores to leverage accurate, consistent, and trusted data through cutting-edge master data management practices, rigorous data governance strategies and the latest automation technologies, the Information Technology Department aims to create a data-driven ecosystem that transforms every facet of Studenac’s retail operations. The Department’s vision is to propel Studenac into the future of retail, where data excellence drives strategic decision-making, customer satisfaction and sustainable growth, while leveraging key areas of automation, including robotic process automation, to simplify processes, eliminate routine tasks, reduce errors, and cut costs, ultimately enhancing operational efficiency and effectiveness through a customer-centric approach and collaborative partnerships.

### 9.1. *Technology Architecture*

Studenac's technology architecture is based on the Oracle Cloud platform, positioning an ERP system at its core. This ERP system acts as the pivotal hub, orchestrating a range of business processes and ensuring centralised data management. The architecture leverages Oracle Service Bus ("**OSB**") and Apache Kafka as the primary interface technologies, facilitating seamless connectivity and communication between the ERP system and various ancillary systems.

Oracle Service Bus, with its high-performance and scalable service-oriented architecture ("**SOA**") capabilities, facilitates efficient service integration, message brokering and secure data transmission across different applications and services across the ecosystem. It ensures that service interactions are reliable, scalable and maintainable, providing a robust backbone for the enterprise's integration needs.

Apache Kafka, a distributed event streaming platform, further augments this integration landscape by enabling real-time data streaming and event-driven architecture. Apache Kafka's high throughput, fault tolerance and durability make it an ideal tool for handling large volumes of data and ensuring real-time data processing. The combination of OSB and Apache Kafka ensures that data flows seamlessly and efficiently across the various components of the Studenac's IT infrastructure.

The adoption of Oracle Cloud, with its comprehensive suite of cloud services, provides a scalable and secure foundation for the entire architecture. This cloud infrastructure supports a wide array of applications, databases and analytics tools, ensuring that the organisation can scale operations dynamically and maintain high availability and disaster recovery capabilities.

### 9.2. *Technology Landscape*

The Integralni Poslovni Informacijski Sustav+ ("**IPIS+**") ERP system is an advanced and comprehensive ERP platform that extends beyond the basic functionalities typically associated with ERP systems. It includes specialised business solutions tailored to specific needs across POS (checkout and fiscalisation), back office support (e.g., ordering), inventory management, asset management, mobile back office operations management ("**MobileBoom**") and financial modules. It integrates self-checkout stands and is capable of working with a mobile POS system. A key advantage of IPIS+ is that it combines centralised functionalities, ensuring full data availability and processing power, with POS working locally, enabling cashiers to operate in offline mode, ensuring continuous functionality in the event of infrastructure or network outages. Broad use of EDI, mainly for incoming invoices, but also for outgoing invoices, orders, and order confirmations, allows for the automation of certain activities and a reduction in the use of paper.

Qlik Sense is a powerful data visualisation and business intelligence ("**BI**") tool developed by Qlik. It is designed to help organisations make data-driven decisions by allowing users to easily create interactive and shareable dashboards. Studenac maintains granular data in the BI tool for use in advanced analytics.

Moj Studenac (Loyal Guru) is a comprehensive loyalty and customer engagement platform designed to help businesses enhance customer retention, boost engagement and drive sales. It provides tools and features that allow companies to create, manage, and optimise their loyalty programmes and better understand their customers through data-driven insights. It is directly linked to the IPIS+ ERP system and store checkouts.

Solvoyo is an advanced supply chain optimisation and analytics platform helping businesses to improve supply chain performance through end-to-end planning and automated ordering capabilities. It leverages artificial intelligence ("**AI**") and advanced analytics to optimise various aspects of the supply chain, from demand forecasting to inventory management and transportation planning. It is used to generate order proposals that are later sent through IPIS+ to suppliers, as well as to analyse the inventory data, orders and availability and supplier performance.

Spaceman is a specialised software solution used for retail space planning and merchandising. Developed by Nielsen, it helps retailers and manufacturers optimise product placement on store shelves to maximise sales and improve inventory management.

Studenac's WMS is supplied by SymphonyAI, a leading provider of enterprise software solutions. WMS is designed to streamline warehouse operations, optimise inventory management and improve overall efficiency across warehouses and fulfilment operations.

### 9.3. *In-Store Technology*

In addition to WiFi routers providing internet connectivity, Studenac's stores feature DIGI ix20 digital signage for engaging content delivery. Personal device terminals ("**PDTs**") assist staff in inventory management, while Meraki switches manage network traffic efficiently. Scale scanners and touch screens ensure swift checkout with no additional actions required from customer. Additionally, self-checkout stations provide customers with a convenient and efficient way to complete their purchases independently.

#### 9.4. Infrastructure Stability and Security

Studenac continuously prioritises network stability, cybersecurity and data privacy. It has 24/7 automated monitoring and alerting systems in place, ensuring rapid detection and response to any network issues or security threats. Additionally, it conducts regular cybersecurity penetration testing and benchmarking against leading technology advancements and solutions in the retail store business. These measures are integral to maintaining smooth operations, protecting sensitive customer information, and staying ahead of evolving cyber risks.

#### 9.5. Master Data Management, Data Governance and Automation

Master data management and data governance serve as foundational elements at Studenac, ensuring the accuracy and integrity of critical information. Additionally, the integration of RPA further enhances these efforts by automating repetitive data management tasks, reducing errors, and accelerating data processing times. By combining RPA with robust master data management practices, Studenac achieves greater efficiency and accuracy in maintaining its centralised repository of master data. This synergy enables the organisation to deliver superior customer experiences, optimise supply chain operations and make data-driven decisions with confidence.

### 10. Employees

The Management believes that the people who work at and cooperate with Studenac are one of the main drivers of its growth and success. As a result, Studenac promotes a culture of learning, continuous development, performance and equality among its employees. Studenac has built a truly innovative team by recruiting individuals with a disruptive mindset and global experience. This has allowed Studenac to apply global best practices and knowledge to its consumer proposition. The Management believes that engaged employees perform better and are more committed to their work. Studenac has implemented a performance system to align the responsibilities of employees with Studenac’s business objectives. The performance system is monitored monthly, quarterly or annually, depending on the type of work performed, and all of Studenac’s employees are assessed based on their achievement of the performance objectives assigned to them. Studenac has an incentive program for area managers, store managers and store employees, which is based on sales and productivity targets.

The role of Studenac’s HR department involves two primary functions. The first is a strategic role focused on attracting and retaining talent through employer branding activities. The second role is inextricably linked to Studenac’s business operations. For example, several members of Studenac’s HR team take an active role in the field supporting the recruitment and onboarding of new employees and working closely with Area Managers and Sales Directors to ensure a seamless process.

Studenac employs individuals based on employment contracts made by the rules and obligations of labor law in Croatia. Individuals are employed on the basis of an employment contract for an indefinite period of time or for a fixed period of time, all in accordance with the laws and regulations of labor law in Croatia.

Studenac’s financial benefits for its employees include allowances for Christmas, Easter and other holidays, paid transportation, jubilee awards, allowances for the birth of a child, support in case of deaths in the family, an allowance for Studenac’s “Recommend a College” programme and an allowance for the “Store of the month” and “Store of the year” programmes. Non-financial benefits include a free day of holiday for parents of first graders, the possibility of working from home for employees at Studenac’s headquarters and discounts through the “I bitno i sitno” programme with various partners.

As at 31 August 2024, Studenac had 6,739 employees, including 555 based at Studenac’s headquarters, 1,316 store managers, 483 store deputy managers, 3,969 store employees (other than store managers) and 416 logistics employees. The following table sets forth a breakdown of Studenac’s employees by function as at 31 August 2024 and 31 December 2023, 2022 and 2021:

	As at 31 August 2024	As at 31 December		
		2023	2022	2021
Headquarters	555	500	436	270
Store managers	1,316	1,265	1,084	685
Store deputy managers	483	499	487	447
Store employees	3,969	3,865	3,492	2,164
Warehouses (including wholesale)	416	380	334	158
<b>Total</b>	<b>6,739</b>	<b>6,509</b>	<b>5,833</b>	<b>3,724</b>

Source: Company.

The following table sets forth a breakdown of Studenac's employees by gender as at 30 September 2024 and 31 December 2023, 2022 and 2021:

	As at 31 August	As at 31 December		
	2024	2023	2022	2021
Male	1,125	956	782	428
Female	5,614	5,553	5,051	3,296

Source: Company.

Studenac intends to increase its efforts and investments in the improvement of the professional competencies of its employees, with a simultaneous emphasis on retention of these employees. An important element in achieving this goal is Studenac's employee NPS project, which it has already launched and which facilitates the regular collection of data and the measurement of employee satisfaction.

### 10.1. Seasonal workforce

With respect to the seasonal workforce, in the year ended 31 December 2023, Studenac used approximately: (i) 312 employees employed under employment contracts entered into for a definite period and (ii) 1,974 students and pupils under definite period contracts, in all cases on average per month, while in the period between 1 January 2024 and 31 August 2024, approximately: (i) 384 employees employed under employment contracts entered into for a definite period and (ii) 2,105 students and pupils under definite period contracts, in all cases on average per month. Studenac used the seasonal workforce mainly for position of salesman and shop assistant.

### 10.2. Collective bargaining

Approximately 7.5% of Studenac's employees are members of a union. From 1 November 2024, the Collective Bargaining Agreement for the Trade Industry became applicable to Studenac, meaning that the salaries of Studenac's employees for November 2024 and future periods will need to be paid in accordance with the Collective Bargaining Agreement for Trade Industry.

## 11. Properties

Studenac leases all of the properties on which its stores are located, as well as its distribution centres located in Dugopolje (near Split), Zadar and Zagreb and its offices located in Omiš and Zagreb.

Studenac's current portfolio of lease agreements mainly consists of leases with terms of five or ten years. However, the standard templates for new lease agreements are designed for a ten-year period. Studenac's templates also contain certain clauses beneficial to Studenac, including a right of first refusal to lease the premises after the expiration of the initial term. Studenac is also entitled to terminate a lease agreement if minimum technical conditions necessary for the operation of the store are not obtained. None of Studenac's lease agreements contain change of control provisions or notification obligations which could be triggered by the Offering. When Studenac renews its leases, its rent will typically increase. In addition, the terms of specific agreements that deviate from templates can be less favourable for Studenac. Out of its 1,265 stores as of 31 December 2023, 38 leases expire during 2024 and 95 in 2025. Studenac plans to extend these leases, unless the relevant stores are underperforming.

## 12. Environmental, Social and Governance

Studenac has implemented a dedicated unit in its organisational structure to effectively coordinate all of the aspects related to ESG areas. In terms of the environment, a number of initiatives have been tested and implemented to reduce the impact of Studenac's activities on the environment. Studenac has carried out a detailed study addressing all of the aspects of emissions in order to identify areas of special attention and to enable it to closely monitor its progress. It further intends to develop a Scope 3 emissions reduction methodology and will carry out a value chain assessment with a focus on climate impact in order to identify the most vulnerable areas.

Following the full implementation of an ethics and compliance programme, Studenac plans to monitor the ESG area using control mechanisms, ensuring the highest standards and transparency across its operations. The Compliance Officer role is focused on maintaining compliance across matters such as conflicts of interest, gifts and hospitality, anti-bribery and corruption. Transparency and clear rules of governance were some of the main changes implemented after the acquisition by PEF in 2018. The aim is to maintain the high standards implemented at that time and to introduce additional policies to achieve continuous improvement. Studenac is also considering options to update its remuneration policy in line with climate related KPIs.

In line with these initiatives, Studenac is focused on limiting 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. In 2023, Studenac conducted its first carbon footprint calculation. Studenac's energy saving initiatives include:

- Installing drink refrigerators with doors at newly opened and newly renovated stores from April 2024 in order to reduce energy usage;
- Preparing test retrofitting doors on refrigerators across certain stores;
- Optimising temperature settings on all refrigerators;
- Testing consumption of plug-in versus remote cabinets at selected stores including the impact on energy consumption by air conditioning systems; and
- Upgrading the technical standards of equipment.

Studenac is preparing to fully implement sustainability reporting, based on the recently amended reporting framework (Corporate Sustainability Reporting Directive), for 2024. This means that the sustainability report that will be released in 2025 will be subject to audit as an integrated report. As a preparatory step, Studenac completed a survey of its stakeholders to better understand what is considered important by them in the area of ESG. Studenac will also review and, to the extent practicable, follow the ESG reporting recommendations in line with guidelines jointly developed by the EBRD and the WSE.

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 introduced an underground water protection initiative as part of the project. The "Korak bliže prirodi" (Step closer to nature) project is supported by the Tourist Board of Split and Ploče, the city of Ploče, the city of Crikvenica, the port Captaincies of Biograd na Moru and local waste collection companies.

Studenac's social initiatives are focused on local community projects, support for non-governmental organisations ("NGOs") and diversity and inclusion. Studenac introduced its "Korak bliže zajednici" (Step closer to the community) project in 2021. The focus of the project is on supporting NGOs, socially disadvantaged, vulnerable groups and children and on promoting health topics. In terms of diversity and inclusion, 41 retirees have been employed in seasonal jobs through the campaign "Remain an Active Member of Your Community". Studenac is also supporting Ukrainian refugees, having recruited 104 Ukrainians through the SVOJA association. It is also involved in empowering women through a partnership with Cemex and has introduced the Kodiraona initiative aimed at empowering women in the field of digital technology and data analytics.

### **13. Insurance**

Studenac maintains insurance coverage that it believes is in line with standards adopted by the retail market in Croatia. Studenac's insurance policies include directors' and officers' insurance, all risks property insurance, public liability insurance, employee liability insurance, product liability insurance, mandatory car insurances and all-risks vehicle insurances.

### **14. Intellectual Property**

Studenac's trademark portfolio consists of 107 trademarks. All trademarks are Croatian national trademarks registered with the DZIV. Certain trademarks are pledged in favour of lenders as security for obligations arising from financing agreements.

There are four domain names in the portfolio: studenac.hr, lito.hr, pemo.hr and lonia.hr. Two domain names, studenac.hr and lito.hr, are registered under the name of Studenac. The domain name lonia.hr is still registered under Lonia's name while the domain name pemo.hr is registered under Pemo's name. The registration of these two domain names has yet to be transferred to Studenac following the acquisition of Lonia and Pemo.

Studenac is highly dependent on its IT architecture, with data-driven processes embedded throughout the organisation (see "Risk Factors – 3. Risks Relating to Studenac's Operations" 3.10 *Studenac's IT systems may be subject to disruption or may prove to be insufficiently secure.*). Other than this, Studenac is not dependent on any patents, licence agreements or other intangible assets provided by third parties. Further, Studenac controls access to as well as the use and distribution of its own intellectual property to third parties under licence agreements, confidentiality procedures and non-disclosure agreements.

### **15. Material Contracts**

The following agreements have been entered into by a member of the Group within the two years immediately preceding the date of this Prospectus and are, or may be, material to a member of the Group, or may contain provisions under which a member of the Group has an obligation or an entitlement that is, or may be, material to such member of the Group as at the date of this Prospectus.

## 15.1. Material financing agreements

### 15.1.1. Term Facilities Agreement

#### General Overview

On 26 July 2018, Studenac Croatia, as original borrower and original guarantor, entered into the Facilities Agreement with Bank Pekao as mandated lead arranger, lender, hedge counterparty, agent and security agent, EBRD as lender (the “**Finance Parties**”). On 3 August 2018, these parties, as well as local Revolving Credit Facility provider, entered into the Intercreditor Agreement.

The following loan facilities were made available under the Facilities Agreement:

- a) a term loan facility in the aggregate amount of EUR 50,547,200 (“**Existing Facility A**”);
- b) a term loan facility in the aggregate amount of EUR 75,820,800 (“**Existing Facility B**”);
- c) a term loan facility in the aggregate amount of EUR 35,000,000 (“**Capex Facility Stage 2**”);
- d) a term loan facility in the aggregate amount of EUR 10,000,000 (“**New Facility A**”);
- e) a term loan facility in the aggregate amount of EUR 15,000,000 (“**New Facility B**”);
- f) a term loan facility in the aggregate amount of EUR 36,000,000 (“**Facility A 2024**”); and
- g) a term loan facility in the aggregate amount of EUR 44,000,000 (“**Facility B 2024**”).

As at 31 August 2024, the aggregate amount outstanding under these facilities was €205.7 million.

Existing Facility A, Existing Facility B, Capex Facility Stage 2, New Facility A and New Facility B are fully drawn by Studenac Croatia.

Facility A 2024 and Facility B 2024 were made available in order to finance the following:

- a) certain capital expenditures of Studenac Croatia; and
- b) certain acquisitions of the entities, including the payment of acquisition costs relating thereto and refinancing certain financial indebtedness and/or cash collateralising any contingent liabilities of any such acquired entities.

Existing Facility A, New Facility A, Capex Facility Stage 2 and Facility A 2024 are to be repaid in instalments paid on each of the repayment dates indicated in the Facilities Agreement. The final repayment date for Existing Facility A, New Facility A, Capex Facility Stage 2 and Facility A 2024 is 31 March 2028. Existing Facility B, New Facility B and Facility B 2024 are to be repaid in full on the final repayment date for Existing Facility B, New Facility B and Facility B 2024, which is set as 30 September 2028.

Existing Facility A, Existing Facility B, New Facility A, New Facility B, Capex Facility Stage 2, Facility A 2024 and Facility B 2024 under the Facilities Agreement may be voluntarily prepaid or cancelled subject to certain conditions, including certain notice periods and minimum prepayment amounts.

#### Mandatory Prepayment Events

The Facilities Agreement contains a mandatory prepayment clause pursuant to which all amounts outstanding under the Facilities Agreement together with accrued interest and other costs, become immediately due and payable in the following situations:

- the Principal Selling Shareholder ceases to (i) have the power to control, directly or indirectly, Studenac Croatia, which means that the Principal Selling Shareholder ceases to (a) have the right to cast, or control the casting of, more than 80% of the maximum number of votes that may be cast at a general meeting of Studenac Croatia; or (b) have the right to appoint or remove all, or the majority, of the directors or other equivalent officers of Studenac Croatia; and/or (ii) hold beneficially more than 80% of the issued share capital of Studenac Croatia (excluding, in each case, any part of that issued share capital that carries no right to participate beyond a specified amount in the distribution of either profits or capital); and
- the sale of all or substantially all of the assets of Studenac Croatia (or any holding company of any member of Studenac) and its subsidiaries to persons who are not members of the Group.

The Facilities Agreement contains restrictions on distributions and similar payments. However, dividend payments are permitted to the extent that (i) no default under the Facilities Agreement has occurred and is continuing or would result from such payment, (ii) the payment is not in breach of the Intercreditor Agreement and (iii) the outstanding amount under Existing Facility B, New Facility B and Facility B 2024 is lower than EUR 13,100,000, provided that certain conditions are met.

On 17 October 2024 the Finance Parties agreed to remove certain restrictions on distributions and similar payments, with the only restriction being meeting a specified total net debt to adjusted EBITDA ratio, each as defined in the Facilities Agreement, following the distribution.

The Facilities Agreement contains representations, warranties, undertakings and events of default customary for financing agreements of a similar type.

It also contains the undertakings customary for financing agreements of a similar type as well as limitations on the disposal and encumbrance of assets, subject to certain specified types of permitted disposals, transactions or security.

#### Security

The obligations of Studenac Croatia under the Facilities Agreement are secured by means of, *inter alia*, a pledge over the shares in Studenac Croatia, whereby in the Share Pledge Agreement Studenac has created a first ranking pledge over the shares of the Company representing 51% of the entire issued share capital of Studenac Croatia, as well as pledge over the movable assets, bank accounts and trademarks of Studenac Croatia and an assignment of insurance policies of Studenac Croatia. Promissory notes and bills of exchange have also been issued by Studenac Croatia and the two guarantors under the Facilities Agreement and Studenac Croatia has also pledged its claims under the sale and purchase agreements for the acquisition of two of its subsidiaries. A financial and registered pledge, governed by Polish law, has also been established over the bank accounts of Studenac Croatia.

Pursuant to the Share Pledge Agreement, as one of the means of enforcement of the shares in the event of a default, the pledgee may enter into an out-of-court settlement of its claims and rights by means of direct and forced sale of the pledged shares or any part thereof without a court or judgement or decision of any other court action, by means of public auction or direct sale to a purchaser designated by the pledgee against payment of the purchase price which shall be determined by the pledgee, all in a manner and time as the pledgee may decide in its sole discretion, in order to settle the secured liabilities. Such public auction and the direct sale mentioned above shall be made with the diligence and care which can be reasonably expected from the pledgee given the circumstances and in compliance with the agreement regarding the drag-along rights of such pledgee (the "**Drag-Along Rights Agreement**").

In consideration of the Finance Parties accepting that the Share Pledge Agreement would cover 51% of the shares of Studenac Croatia, Studenac, on the terms and subject to the conditions set out in Drag-Along Rights Agreement, granted to the Finance Parties drag-along rights over all of the shares held by Studenac to enable the Finance Parties to offer for sale in the event of enforcing of the Share Pledge Agreement, 100% of the shares of Studenac Croatia. In the event of a default under the Facilities Agreement, which entitles the pledgees to enforce the Share Pledge Agreement, the Finance Parties also have the right to sell the unpledged shares on the terms and subject to the conditions set out in Drag-Along Rights Agreement.

On 17 October 2024 the Finance Parties agreed to remove the Share Pledge from the list of securities. The security is to be reinstated in case the Offering does not take place in a specified timeframe.

#### Financial covenants

The Facilities Agreement contains a covenant that requires that the ratio of total net debt to adjusted EBITDA (each as defined in the Facilities Agreement) should not exceed 4.5x up to and including 31 December 2022, 3.75x from but not including 31 December 2022 up to and including 31 March 2025, 3.25x from but not including 31 March 2025 up to and including 31 March 2026 and 3.0x thereafter (in each case based on IFRS, with the calculation of EBITDA being subject to certain adjustments, including synergies from acquisitions). The Facilities Agreement also contains a covenant that the ratio of cash flow to debt service (each as defined in the Facilities Agreement) must not fall below 1.3x. As at 30 June 2024, this ratio was equal to 1.73x.

#### 15.1.2. New Facilities Agreement

##### General Overview

On 17 October 2024, Studenac Croatia concluded a term sheet with Bank Pekao as lender, hedge counterparty, agent and security agent ("**Term Sheet (New Facilities)**"), which constitutes an appendix to the mandate letter concluded between the two parties on that day ("**Mandate Letter**"). The Term Sheet (New Facilities) was subsequently followed by a commitment letter issued by the bank. The Term Sheet (New Facilities) provides commitments for (i) up to EUR 56.25 million amortised term loan facility ("**Term Facility A**"), (ii) up to EUR 168.75 million bullet term loan facility ("**Term Facility B**"), and (iii) a EUR 50.00 million revolving credit facility ("**New Revolving Credit Facility**", together the "**New Facilities**"). Under the Mandate Letter, Bank Pekao is also mandated to, *inter alia*, conduct and complete

a syndication process pursuant to the conditions agreed therein. The terms of the New Facilities as described herein are subject to negotiation, documentation and execution of the New Facilities Agreement (as defined below).

#### New Facilities Agreement

On or around the completion of the Offering, Studenac Croatia intends to enter into the New Facilities by executing an English law governed facilities agreement with, Bank Pekao as lender, hedge counterparty, agent and security agent (the "**New Facilities Agreement**"). Following that, Bank Pekao is expected to conduct and complete a syndication process during which certain additional banks are anticipated to join the consortium of banks.

Pursuant to the New Facilities Agreement, Studenac Croatia will be permitted to use the borrowings under the New Facilities Agreement to finance:

- a) the refinancing of the Facilities Agreement (Term Facility A and Term Facility B);
- b) the payment of any financing fees and costs payable in respect of the refinancing of Facilities Agreement (Term Facility A and Term Facility B);
- c) the general corporate and working capital purposes of the Group (which will include, without limitation, financing or refinancing of the capital expenditures of the Company, operating expenditures and costs as well as any utilisation drawn for, subject to satisfaction of the relevant acquisition criteria, the Permitted Acquisitions, including the payment of associated Acquisition Costs and refinancing Financial Indebtedness (each as defined in the Term Sheet), and/or cash collateralising any contingent liabilities of any such acquired entity) (New Revolving Credit Facility).

Term Facility A is to be repaid in semi-annual instalments paid on each of the repayment dates indicated in the New Facilities Agreement. Term Facility B is to be repaid at the end of the term. The final repayment date for the New Facilities will be 5 years from the first utilisation.

New Facilities may be voluntarily prepaid or cancelled subject to certain conditions, including certain notice periods and minimum prepayment amounts.

#### Mandatory Prepayment Events

The New Facilities Agreement shall contain a mandatory prepayment clause pursuant to which all amounts outstanding under the New Facilities Agreement together with accrued interest and other costs, become immediately due and payable in the following situations:

- change of control event, i.e.:
  - upon and at any time after successful completion of the Offering:
    - any person (other than the PEF (as defined in the Term Sheet) or members of the management board of Studenac or Studenac Croatia) or group of persons acting in concert (other than with the Selling Shareholder or members of the management board of Studenac or Studenac Croatia and any person directly or indirectly controlled by any of them) owns and controls more than 50% of the issued voting share capital of Studenac; or
    - PEF ceases to control or ceases to own legally and beneficially (directly) at least 30% of the issued share capital and voting rights and economic rights in Studenac,
  - when Studenac ceases to control or ceases to own legally and beneficially (directly) 100% of the issued share capital and voting rights and economic rights in Studenac Croatia or Studenac ceases to have the ability to determine the composition of the majority of the board of directors (or other equivalent management body) of Studenac Croatia;
- the sale of all or substantially all of the assets of the Group (or Studenac or any member of the Group) whether in a single transaction or a series of related transactions.

The New Facilities Agreement shall contain restrictions on distributions and similar payments. However, dividend payments are permitted to the extent that the total net debt to adjusted EBITDA ratio following the distribution does not exceed the level of 3.0x.

#### Security

The obligations of Studenac Croatia under the New Facilities Agreement are to be secured by means of, *inter alia*:

- a) pledges over shares in the material subsidiaries of Studenac Croatia (if applicable);
- b) pledges over rights to trademarks;

- c) pledges over the certain bank accounts together with the relevant power of attorney to the bank accounts (if applicable);
- d) Polish law registered pledges and financial pledges over bank accounts opened with Bank Pekao together with the relevant power of attorney to the bank accounts (if applicable); and
- e) promissory notes (Croatian: *zadužnica*) and blank bills of exchange (Croatian: *mjenica*) with bills of exchange statement (Croatian: *mjenično očitovanje*).

#### *Financial covenants*

The New Facilities Agreement shall contain a covenant that requires that the ratio of total net debt to adjusted EBITDA (each as defined in the New Facilities Agreement) should not exceed 3.5x (based on IFRS, with the calculation of EBITDA being subject to certain adjustments, including synergies from acquisitions). The New Facilities Agreement shall also contain a covenant that the ratio of interest service cover (as defined in the New Facilities Agreement) must not fall below 2.0x.

#### *15.1.3. Revolving Credit Facility Agreement and Reverse Factoring Agreements*

Studenac Croatia entered into a revolving credit facility agreement with ZABA as lender (the “**Revolving Credit Facility Agreement**”), a reverse factoring agreement (the “**ZABA Reverse Factoring Agreement**”) with ZABA as lender, as well as into a reverse factoring agreement (the “**OTP Reverse Factoring Agreement**”, together with the ZABA Reverse Factoring Agreement, the “**Reverse Factoring Agreements**”) with OTP Bank as lender. The Revolving Credit Facility Agreement was last amended on 14 November 2024.

Under the Revolving Credit Facility Agreement, ZABA provided Studenac Croatia with a revolving facility of up to EUR 23,600,000 and EUR 2,400,000 as a frame agreement for loans and guarantees for the purposes of financing working capital, the refinancing of any existing financial obligations on the part of Studenac Croatia, and other corporate purposes. Under the ZABA Reverse Factoring Agreement, ZABA provided Studenac Croatia with a reverse factoring facility of up to EUR 29,500,000 which can be used for any other purpose as agreed between Studenac Croatia and ZABA. Under the OTP Reverse Factoring Agreement, OTP Bank provided Studenac Croatia with a reverse factoring facility of up to EUR 15,500,000.

The revolving credit facility is to be repaid in the following instalments: EUR 7,000,000 on 31 July 2025, EUR 7,000,000 on 31 August 2025 and EUR 9,600,000 on 30 September 2025. The maturity date for the reverse factoring facility under the ZABA Reverse Factoring Agreement is up to 100 days and depends on the date of utilisation. As at 31 August 2024, EUR 42,762,000 was outstanding under the Revolving Credit Facility and the ZABA Reverse Factoring Agreement. Studenac Croatia’s obligations under these agreements are secured by promissory notes issued by Studenac Croatia. The agreements with ZABA provide that the prior written consent of ZABA (not to be unreasonably withheld or delayed) is required for any change in the ownership of the shares of Studenac Croatia. Effecting such change without the prior written consent of ZABA, unless remedied within 30 days, will result in an event of default under the agreement.

## **15.2. Material agreements regarding acquisitions of other entities**

### *15.2.1. Acquisition of STRAHINJČICA*

On 20 April 2023, Studenac Croatia concluded a share purchase agreement concerning shares of STRAHINJČICA with Mr. Miljenko Goluban. Pursuant to the agreement, Studenac Croatia acquired one share in STRAHINJČICA representing 100% of the share capital of STRAHINJČICA. On 31 August 2023, STRAHINJČICA was merged into Studenac Croatia.

### *15.2.2. Acquisition of ŠPAR TRGOVINA*

On 28 July 2023, Studenac Croatia concluded a share purchase agreement concerning the shares of ŠPAR TRGOVINA with Mr. Zlatko Navojec and Mrs. Rajka Navojec. Pursuant to the agreement, Studenac Croatia acquired two shares in ŠPAR TRGOVINA representing 100% of the share capital of ŠPAR TRGOVINA. The outstanding tranches of the purchase price still need to be paid to the sellers. On 31 October 2023, ŠPAR TRGOVINA was merged into Studenac Croatia.

### *15.2.3. Acquisition of LA-VOR*

On 28 December 2023, Studenac Croatia concluded a share transfer agreement concerning the shares of LA-VOR with Mr. Igor Bodrozic. Pursuant to the agreement, Studenac Croatia acquired one share in LA-VOR representing 100% of the share capital of LA-VOR. LA-VOR is a chain of local shops which at the time of its acquisition operated 16 stores in the northern Adriatic regions of Istria. The outstanding tranche of the purchase price still needs to be paid to the seller.



#### 15.2.4. Acquisition of Decentia

On 19 June 2024, Studenac Croatia concluded a share purchase agreement concerning shares in Decentia with Mr Mate Tomić. Pursuant to the agreement, Studenac Croatia acquired one share in Decentia representing 100% of the share capital of Decentia, which at the time of its acquisition operated 36 stores in Zagreb and the Zagreb area. The outstanding tranche of the purchase price still needs to be paid to the seller.

#### 15.2.5. Acquisition of Kea

On 28 June 2024, Studenac Croatia concluded a share purchase agreement concerning shares in Kea with Mr. Boštjan Kukovičič. On 4 September 2024, the Slovenian Competition Protection Agency (*Javna agencija RS za varstvo konkurence*) issued a decision approving the acquisition of the share in Kea by Studenac. The transaction was completed on 6 September 2024 when the Slovenian Court Register (*Sodni register*) registered Studenac as the sole legal owner of the share in Kea and the filing for the registration of the transfer of the share in Kea was made. Kea operates 32 stores in Slovenia at the time of its acquisition.

### 16. Litigation

Studenac is not a party to any pending governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) which may have, or have had, in the past 12 months, a significant effect on the Company or the financial position or profitability of the Company and/or its Subsidiaries. Studenac may be subject to legal proceedings and claims in the ordinary course of its business and such claims, even if lacking merit, could result in the expenditure of significant financial and managerial resources. To the best knowledge of the Management, the provisions built for the ongoing litigation, arbitration or other administrative proceedings are sufficient to cover any potential losses that may result from these proceedings.

## MARKET OVERVIEW

Information presented in this section has been extracted from, amongst other sources, publicly available third-party publications that the Company deems reliable, including, but not limited to, official data published by Euromonitor Passport 2024, the European Commission, the Croatian Bureau of Statistics and PwC, among others, or data derived from a report prepared by OC&C. In addition, certain industry and market data, as well as information on the competitive position presented in this section, has been derived from the Group's internal analyses and estimates based on its knowledge of and experience on the markets where it operates. Although the Management has grounds to believe that such analyses and estimates are reasonable and reliable, their fairness and completeness, the methodology used and assumptions made therein have not been independently verified, and they may change. The projections and forward-looking statements contained in this section do not guarantee that actual results will be the same in the future. Actual events and circumstances may significantly differ from the current assumptions. Therefore, investors should not rely only on the industry and market data or information on the market position presented in the section "Market Overview".

Before reading this section, investors should read "Important Information" and "Presentation of Financial and Other Information—3. Market, Economic and Industry Data", where sources of third-party data are indicated. In addition, information presented.

### 1. Croatian Macroeconomic Context

Given the fact that Studenac operates in Croatia, the local macroeconomic situation has influenced and will continue to influence the ongoing operational performance, financial results and development of the Company in the future. Within the CEE region, which has exhibited positive macroeconomic characteristics, Croatia has performed strongly.

Table 1: Disposable Income per Capita, 2015 – 2023 (€k)

	Central Eastern Europe (CEE)								Western Europe (WE)					
	Slovenia	Croatia	Poland	Romania	Bulgaria	Serbia	North Macedonia	Bosnia & Herzegovina	Germany	UK	France	Spain	Portugal	Greece
Disposable Income per Capita	17.8	11.9	11.0	10.6	8.6	7.3	5.6	5.3	28.9	28.2	26.5	17.5	16.2	14.1
2015 - 2019 CAGR	4.9%	5.7%	5.8%	11.5%	7.7%	5.5%	4.7%	3.4%	2.7%	2.5%	2.4%	3.1%	4.1%	1.7%
2019 - 2023 CAGR	6.7%	9.7%	8.6%	11.5%	13.5%	12.1%	8.7%	8.6%	3.6%	4.0%	3.9%	1.9%	3.9%	5.3%

Source: Euromonitor Passport 2024, OC&C Analysis.

The table above shows that Croatia has outperformed the majority of its peers, including Poland, Romania and others, with one of the highest disposable income per capita in the region (€11.9 thousand in 2023), second only to Slovenia (€17.8 thousand in 2023). Growth in disposable income has also been strong, with a CAGR of 5.7% in the period from 2015 to 2019 and 9.7% from 2019 to 2023.

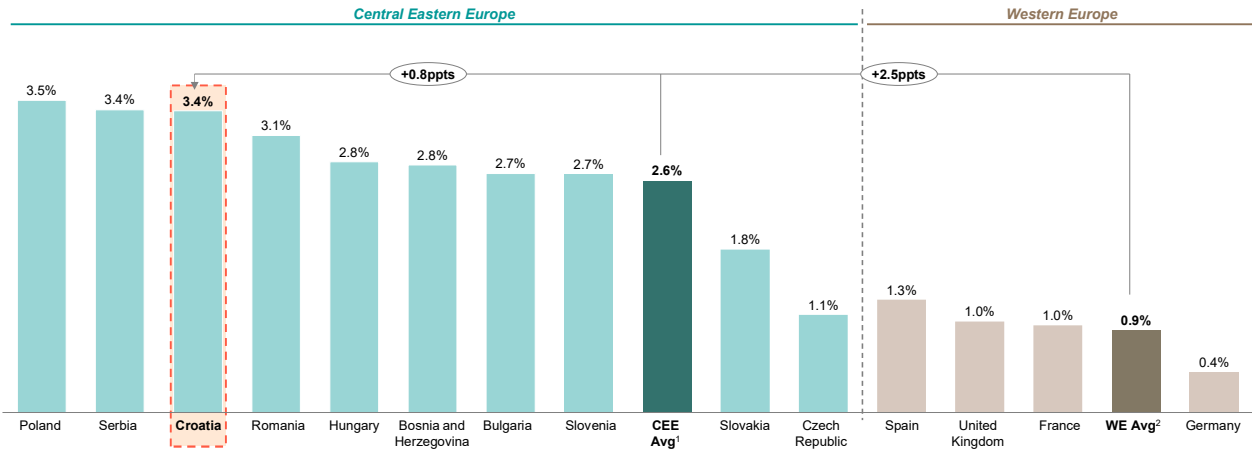
Strong economic activity and elevated labour demand contributed to a reduction in the unemployment rate to 6.1% in 2023 (Source: European Commission, "Economic Forecast for Croatia", dated 15 May 2024). Moreover, according to the latest macroeconomic forecasts for Croatia published in May 2024 by the European Commission, the country's labour market is expected to remain tight, with the unemployment rate reaching new lows. Headline inflation also declined from 10.7% in 2022 to 8.4% in 2023 and is projected to continue its gradual decline in the coming years, reaching 3.5% in 2024 and 2.2% in 2025 (Source: European Commission, "Economic Forecast for Croatia", dated 15 May 2024). This will be mainly driven by a deceleration in processed food and non-energy industrial goods prices. Nonetheless, despite Europe-wide high inflation, food prices in Croatia are still lower than most other European countries.

The broader CEE region is also supported by highly favourable macroeconomic trends as the constituent countries transform and mature into increasingly advanced markets that are able to attract a wide range of investment capital. The key drivers of this have been, among others, their increasingly well-trained labour forces, continuous investment in local infrastructure, innovation and digital capabilities, as well as their strategic geographic location at the crossroads of Europe and Asia.

Despite notable differences across the constituent CEE countries, all of them have benefitted from sustained economic growth in the past three decades. While growth has been uneven within the region, those countries that have integrated into the European Union have underpinned one of the most successful growth stories in the world, comparable with the economic success of the Asian Tigers and China in recent decades (Source: PwC Report, "CEE in the Spotlight").

The chart below shows how, in terms of real GDP, the CEE region has experienced growth of 2.6% per annum compared to 0.9% per annum in Western Europe (“WE”) between 2018 and 2023. The chart also highlights Croatia’s real GDP growth of 3.4% per annum between 2018 and 2023, which outpaced both the broader CEE and WE regions by 0.8 percentage points and 2.5 percentage points, respectively, over the same period.

Chart 1: Real GDP Growth, 2018-2023 (% CAGR)



Source: Euromonitor Passport 2024, OC&C Analysis.

(1) Includes Bosnia and Herzegovina, Bulgaria, Croatia, Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Serbia, Slovakia, Slovenia.

(2) Includes Spain, UK, France and Germany.

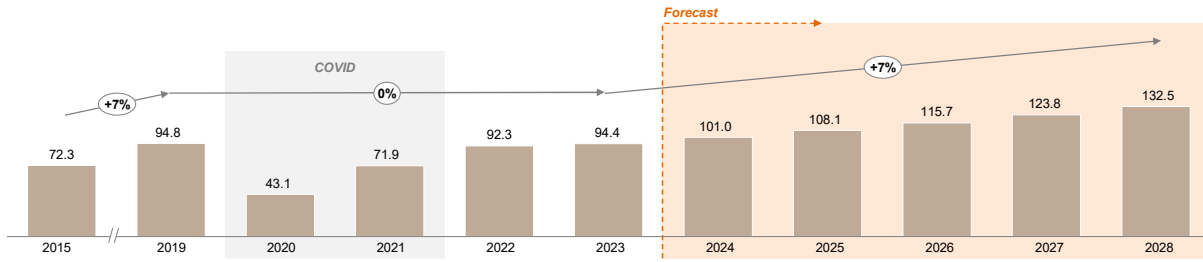
Additionally, the CEE region has benefitted from the low level of indebtedness across the region. On average, the public debt ratio in the CEE region is less than half of that of more advanced economies in the WE region (Source: PwC Report, “CEE in the Spotlight”). This has provided more resilience during periods of uncertainty and through external shocks. During the 2007 – 2008 global financial crisis, CEE-EU countries proved to be more resilient and experienced faster recoveries than Western European countries, with Poland being the only member state that managed to avoid a recession (Source: Peterson Institute for International Economics Report, “Lessons from the East European Financial Crisis, 2008 – 10”, June 2011).

### 1.1. Tourism

The Croatian domestic economy is expected to continue to benefit from an increasingly high level of tourism, which contributes to the domestic grocery market both directly in the form of spending by tourists as well as indirectly by boosting local wealth levels. Recent and future growth in tourism has been supported by several key factors and events, including the entry into both the Schengen and Eurozone areas in January 2023, as well as continued investment into (i) the hotel, restaurant and café (“HoReCa”) channel (including a significant focus on the modernisation of hotel amenities to increase the occupancy rate); (ii) the country’s infrastructure (such as the expansion of the Zagreb and Split’s airports, the port in Dubrovnik and Pelješac bridge, opened in July 2022 to bypass the need to travel through the so-called “Neum Corridor” when travelling from Split to Dubrovnik or vice versa); and (iii) advertising efforts, and growth potential in the hinterland offseason. There are currently approximately 1,070 hotels and similar accommodations in Croatia, offering approximately 438,500 accommodations in 2023 with an average occupancy rate of rooms of 57.9% in 2023, compared to 55.0% in 2022 (Source: Croatian Bureau of Statistics, <https://podaci.dzs.hr/2023/en/58170>).

Tourism has been an increasingly significant contributor to Croatian GDP, contributing approximately 20% in 2022. This represents a marked increase over time, with the tourism contribution to total GDP in 2014 standing at 17% (Source: Croatian Bureau of Statistics, OC&C Analysis). Following a sharp decline in 2020 due to the COVID-19 pandemic, tourism in the country has rebounded to pre-COVID levels. The number of international tourists’ overnights declined by 55% in 2020, negatively impacting the total grocery market, but rebounded strongly in 2021 (67% growth compared to 2020), achieving a full recovery in 2023 when it reached pre-COVID levels at 94.4 million (107 million total overnight stays, including 94.4 million by foreign tourists (Source: Croatian Bureau of Statistics, OC&C Analysis).

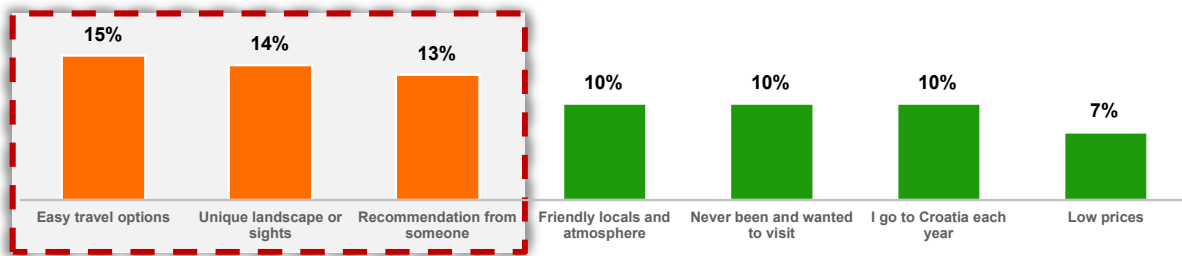
Chart 2: Number of Overnights by International Tourists, (# m)



Source: Croatian Bureau of Statistics, OC&C Analysis.

Croatia is one of the most popular coastal destinations in Europe, with 16.9m international tourist arrivals in 2023 (Source: Fitch BMI). Considering that countries such as France, Spain, Italy, Greece and Portugal have 91.8m, 85.2m, 57.3m, 32.7m and 18.2m international tourist arrivals in 2023 respectively, this leaves significant upside for tourism growth in Croatia going forward (Source: Fitch BMI). Recognised for its unique sights and easy travel options, the country is increasingly favoured without price being a key concern, benefitting from the widespread perception of being an excellent holiday destination.

Chart 3: Most Important Reason Why Tourists Chose Croatia as Destination<sup>1</sup>

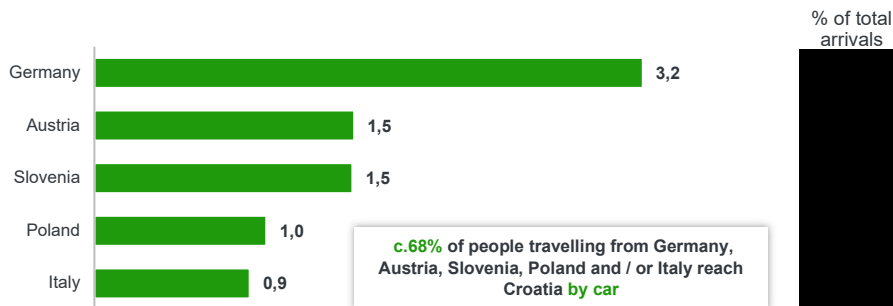


Source: OC&C Consumer Survey 2024, OC&C Analysis.

(1) OC&C Consumer Survey 2023, question: What are the two main reasons you chose Croatia over other South European destinations? N=774. Reason selected as most important from two selected main reasons.

Croatia is an easily reachable destination by car when travelling from Europe. Approximately 68% of people travelling from Germany, Slovenia, Austria, Poland and/or Italy reach Croatia by car (Source: OC&C Consumer Survey, OC&C Analysis), making it more convenient compared to other locations that must be necessarily reached by plane.

Chart 4: Top 5 Arrivals of International Tourists in Croatia, 2023 (m)



Source: World Bank, UNWTO, OC&C Analysis.

At the same time, Croatia tends to be cheaper than many Eastern European travel destinations. Croatian prices are at least 19% cheaper than comparable “beach” destination such as Greece (Source: Eurostat, data extracted on 03/07/2024; [https://ec.europa.eu/eurostat/databrowser/view/prc\\_ppp\\_ind\\_\\_custom\\_12053545/default/table?lang=en](https://ec.europa.eu/eurostat/databrowser/view/prc_ppp_ind__custom_12053545/default/table?lang=en), OC&C Analysis). These high levels of tourist inflows contribute to recurring seasonality, with a pronounced peak during the summer months.

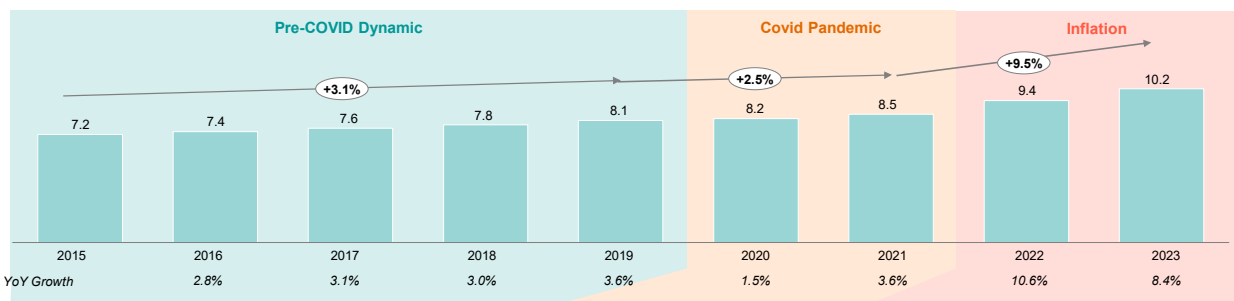
## 2. Croatian Grocery Retail Market – Overview

In 2023, the Croatian grocery retail market reached a value of €10.2 billion, up 8.4% from €9.4 billion in the prior year and 42.5% from €7.2 billion in 2015 (Source: Croatian Bureau of Statistics, OC&C Analysis). The market is sizeable relative to both other South-European and CEE economies, with strong per capita category spend of €2.7 thousand, reinforcing the attractiveness of the market. This per capita spend is second only to Slovenia in the region, while only Poland, Czech Republic, Romania and Hungary have larger addressable markets (Source: Euromonitor Retail 2024, OC&C Analysis).

In addition, Croatia had a population of approximately 3.8 million people in 2023, with inhabitants evenly distributed across mid-sized cities in the country (Source: Croatian Bureau of Statistics).

The Croatian grocery market is fundamentally different from the Polish grocery market, which reached a value of €88 billion in 2023 (Source: OC&C Analysis). The density in terms of people per square kilometre in Poland is 131, compared to 71 for Croatia. Moreover, while Croatia has more hills and approximately 1,200 islands, with a total border length of approximately 2,200 kilometres, Poland has more lowlands and a total border length of approximately 2,800 kilometres. Tourism accounted for 5% of Poland’s GDP in 2023, compared to 20% in Croatia. The share of the three largest cities in Poland’s GDP in 2023 was 9%, compared to 24% for Croatia. In terms of the supply chain, the Polish grocery market is a fully integrated model compared to Croatia, where there is a significant role for producers and distributors. In terms of pricing, the Croatian grocery market is based on margin-oriented pricing, with seasonal changes, while the Polish grocery market is based on a “price war” for market share in a deflationary environment. In the Croatian grocery market, there are approximately 132 discounter stores representing market share of approximately 15%, while convenience stores lack a nationwide brand or format. In the Polish grocery market, by contrast, there are 5,390 discounter stores representing market share of approximately 33%. In terms of convenience stores, Żabka dominates the Polish grocery market, with over 10 thousand stores. Real estate is more expensive in Croatia, with less availability in attractive locations compared to HoReCa.

Chart 5: Croatian Grocery Market Size Evolution, 2015-23 (€bn)



Source: Croatian Bureau of Statistics, OC&C Analysis.

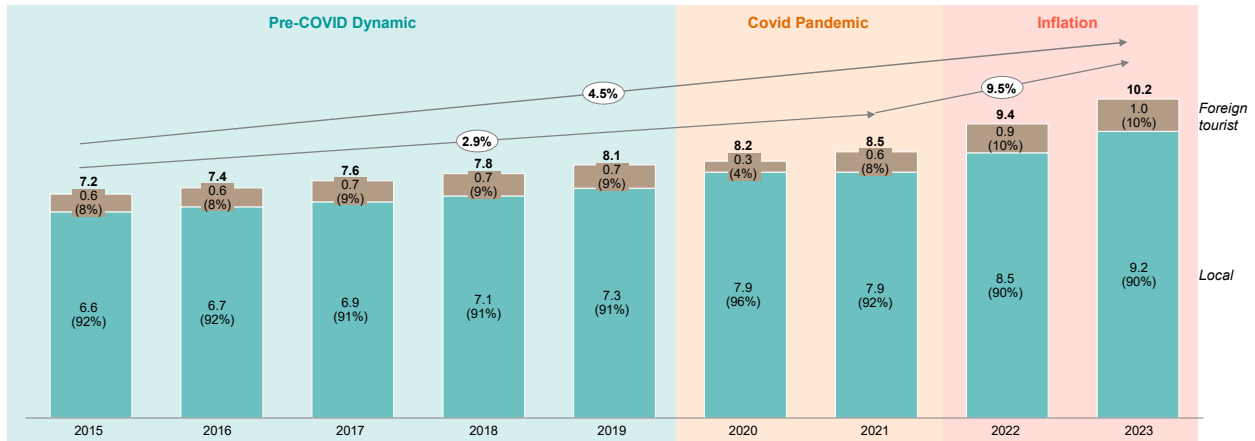
During the pre-COVID years between 2015 – 2019, the long-term growth of the Croatian grocery market remained stable with a 3.1% CAGR over the period, driven by rising disposable income (with a 4.8% CAGR in real disposable income over the same period) and premiumisation of consumer shopping habits, boosted by Croatia having joined the European Union in 2013 (Source: Eurostat, data extracted on 31/05/2024; <https://ec.europa.eu/eurostat/databrowser/view/tec00113/default/table?lang=en>, OC&C Analysis). During the COVID-19 pandemic, the local market saw significant growth due to lockdown measures which froze food service, supporting overall grocery market growth of 5.1% between 2019 – 2021 (2.5% CAGR, according to OC&C Analysis). Whilst the number of tourists declined by 63% in 2020, dampening overall growth in the market, 2021 saw a strong rebound of 78% versus 2020. Strong market growth at a CAGR of 9.5% since 2021 can largely be attributed to an inflationary environment, with particularly high food inflation of 15.9% in 2022 and 12.7% in 2023, partially offset by trade down behaviours of customers (Source: Croatian Bureau of Statistics, OC&C Analysis). The tourism recovery in 2023, with the level of tourists reaching pre-COVID levels, helped to boost the market further.

Growth in the grocery market has been driven by a number of underlying dynamics, including real spend on food per capita growth and food inflation. Between 2016 and 2021, the market was primarily driven by premiumisation, with consumers increasing spending on higher-value food products (0.9% per annum), while volume grew at a slower pace over the same period (0.7% per annum), as increasingly affluent consumers displayed a willingness to increase spending per calorie of food purchased (Source: OC&C Analysis). More recently, given high inflation, consumers have shifted towards lower-priced options, although volume stayed the same, in line with trends observed in most European markets. In addition, Croatia’s Sunday trading limitation is less restrictive and less impactful to retailer sales when compared to the effects this has had in other key CEE and WE countries, e.g., retailers are allowed to be open on up to 16 Sundays per calendar year, extending weekly opening hours to 105 hours.

Tourist spend contributes to approximately 10% of the overall grocery market, with the segment outperforming the total market in terms of growth. High levels of tourism directly contribute to market spend, as well as indirectly support the domestic economy and help to increase general wealth levels. Between 2021 – 2023, the foreign tourist contribution to the overall market grew 26.4% versus the local segment at 8.0% (Source: Croatian Bureau of Statistics, OC&C Analysis).



Chart 6: Croatian Grocery Market Size Split by Type of Customer, 2015-23 (€bn)



Source: Croatian Bureau of Statistics, OC&C Analysis.

### 3. Croatian Grocery Retail Market: Channel Segmentation

The Croatian grocery retail landscape can be broadly segmented across six key channels. According to OC&C Analysis, these include: forecourt retailers, traditional grocery retailers, small formats, medium formats, large formats and discounters. Among these, Studenac falls within the small format category.

#### 3.1. Forecourt Retailers

Forecourt retailers are chained or independent retail outlets with a typical selling space of under 400 square metres, and with a primary focus on selling food, beverages, tobacco and other groceries. These are typically located on the forecourt of a petrol/gas/service station (Source: Euromonitor, Retail 2024).

#### 3.2. Traditional Grocery Retailers

These include small local grocers which are mostly non-chained, independent retail outlets with a selling space of under 400 square metres, kiosks, market stalls or street vendors and are generally run by families or on an individual basis. Product focus is on food, beverage and tobacco, and other groceries (Source: Euromonitor, Retail 2024).

#### 3.3. Small Format

Small format grocers are generally located in residential neighbourhoods and are defined as having a selling area of no more than 400 square metres. This category excludes and is independent from both forecourt retailers and traditional grocery retailers.

#### 3.4. Medium Format

Medium format grocers are defined as having a selling area of between 400 and 2,500 square metres and are typically known as supermarkets. These businesses may also sell a selection of non-groceries, but the product mix is skewed towards grocery items.

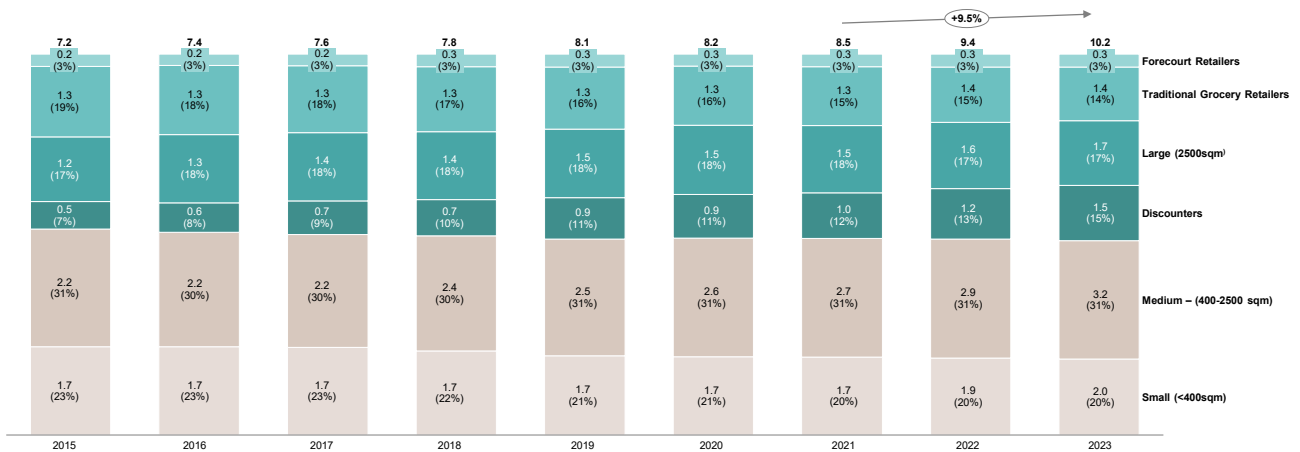
#### 3.5. Large Format

Large format grocers are defined as having a selling area of over 2,500 square metres. These are often known as hypermarkets and are typically either chained or independent retail outlets and may focus on both grocery and non-grocery merchandise. Often these are located on out-of-town sites with large parking lots or as the anchor site in a shopping centre.

#### 3.6. Discounters

Discounters are chained retail outlets with a selling space typically ranging between 400 and 2,500 square metres. Stores have a primary focus on selling a limited range of foods, beverages, tobacco, and non-groceries at budget prices, regularly via private label. Discounters are able to offer goods at a discount to smaller formats through volume-based wholesale discounts from key suppliers.

Chart 7: Grocery Market Size Split by Channels, 2015-23 (€bn)



Source: Euromonitor Retail 2024, OC&C Analysis.

(1) OC&C analysis based on Euromonitor data, in current terms.

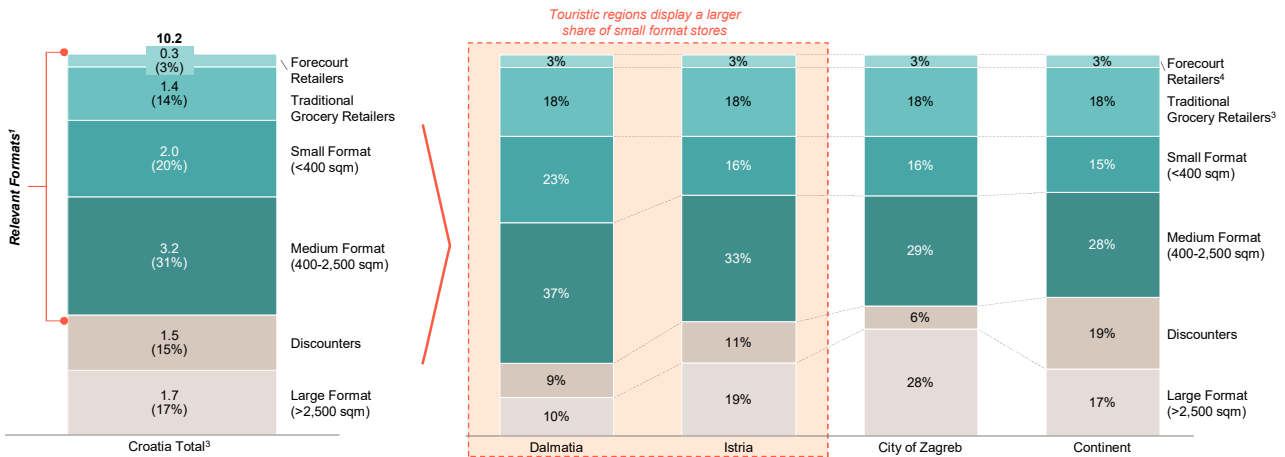
(2) Traditional grocery retailers include non-chained small grocers.

(3) Small stores include retail outlets with less than 400 sqm of selling area, located in residential neighbourhoods, and Food/Drink/Tobacco specialists.

(4) Medium stores include retail outlets with a selling space between 400 and 2,500 sqm, excluding forecourt retailers, discounters and traditional grocery retailers.

According to OC&C analysis, there has been a shift of spend away from larger-format hypermarkets towards the smaller format channels, with small and medium channels experiencing the second<sup>2</sup> strongest CAGR from 2021 to 2023, standing at 8.8% on a combined basis. Discounters' penetration in Croatia (c.15%) remains lower than in other CEE geographies (e.g. Poland, Czech Republic, Romania, Hungary), partly due to increased demand by hotels for land, inflating plot prices and limiting growth. Eurospin has been the only market entrant in the past 10 years into the Croatian discount segment. This has seen limited traction with consumers as well as narrowed network expansion, with 24 stores in the country in 2023 (Source: Desk Research, OC&C Analysis).

Chart 8: Croatian Grocery Retail Market Channel Split per Region, 2023 (€bn, % of total sales)<sup>2</sup>



Source: Euromonitor Retail 2024, OC&C Analysis.

(1) Relevant formats cater to similar missions to Studenac and are potential candidates for taking market share.

(2) Analysis based on data from seven largest retailers: Studenac, Konzum, Plodine, Tommy, Spar, Lidl, Kaufland, and Euromonitor's historical data on number of stores per retailer.

(3) OC&C analysis based on Euromonitor data.

(4) Due to lack of data on exact location of traditional grocery retailers and forecourt retailers the share is assumed to be consistent across regions.

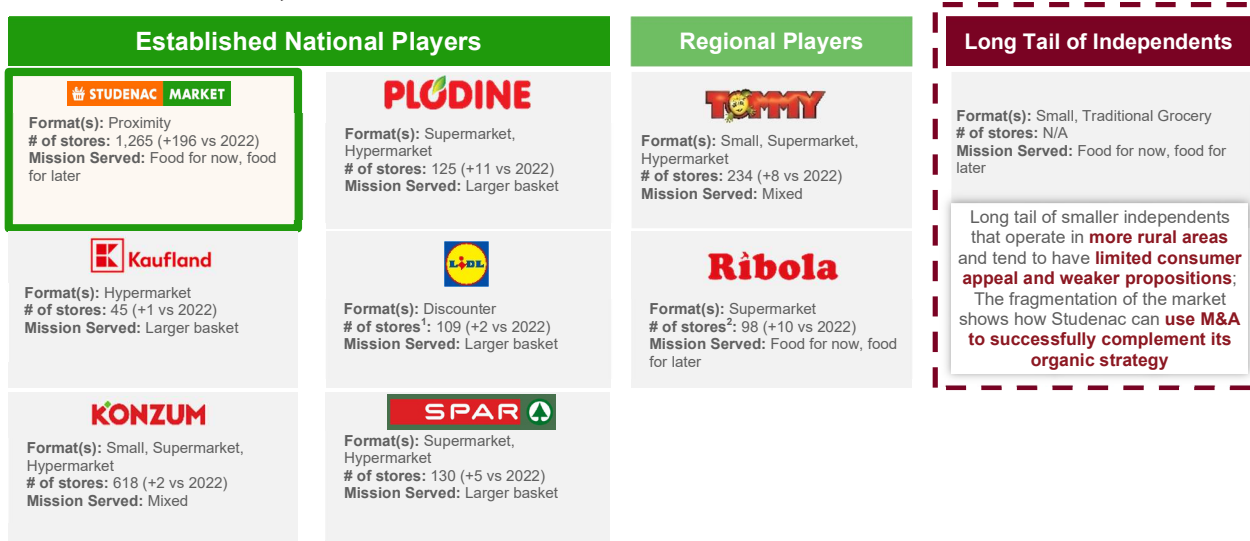
The traditional grocery market in Croatia is also characterised by low online penetration, which is not expected to grow to a material size in the next five years according to OC&C Analysis. This is driven by several structural barriers limiting online adoption across the country, including customers having a preference for in-store shopping, low population density making logistics difficult and limited competitive pressure to adopt online (Source: OC&C Analysis).

<sup>2</sup> Forecourt retailers not taken into account due to insignificant share in the market (3%).

#### 4. Competitive Landscape

According to OC&C Analysis, the competitive landscape can broadly be defined as being split into three groups of competitors, which include (i) established national players, (ii) regional players, and (iii) a long tail of independents. Among the established national players, Lidl (109 stores in 2023) is the primary discounter in Croatia, which, together with Kaufland (45 stores), is single-format. Within the multi-format established player group, Spar (130 stores) and Plodine (125 stores) generally offer hyper- and super-markets, while Konzum (618 stores) also offers smaller formats, despite a significantly bigger portion of its sales still coming from larger formats. Ribola (98 stores) is a regional player that is skewed more towards short-term / same-day shopping, while Tommy (234 stores) is a regional player that mostly serves long-term purchase missions. The below chart displays an overview of the key players in the market.

Chart 9: Overview of Grocery Retailers in Croatia, 2023



Source: Euromonitor Retail 2024 (data extracted on 11/06/2024), Desk Research, OC&C Analysis.

(1) Store number according to Lidl Croatia website as of 25 July 2024.

(2) Data from desk research.

Table 2: Overview Grocery Retailers in Croatia (Store Counts, 2022 vs. 2023)

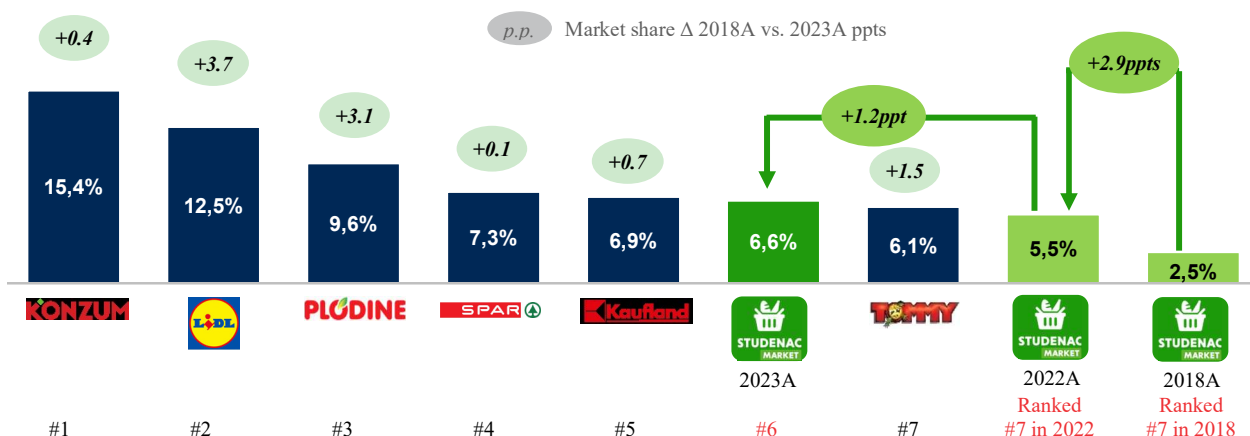
	Established National Players					Regional Players		
	Studenac	Kaufland	Lidl	Konzum	SPAR	Plodine	Tommy	Ribola
2022 Store Count	1069	44	107	616	125	114	226	88
<b>2023 Store Count</b>	<b>1265</b>	<b>45</b>	<b>109</b>	<b>618</b>	<b>130</b>	<b>125</b>	<b>234</b>	<b>98</b>
Δ Store Count	+196	+1	+2	+2	+5	+11	+8	+10

Source: Euromonitor Retail 2024 (data extracted on 11/06/2024), Desk Research, OC&C Analysis.

(1) Store number according to Lidl Croatia website as of 25 July 2024.

The chart below shows how Studenac has been rapidly taking share from other market players.

Chart 10: 2023 Market Share of Studenac and Other Market Players










Source: Orbis, Euromonitor Retail 2024 (data extracted on 06/06/2024), OC&C Analysis.

(1) Defined as all Grocery Retailers sales, including non-food sales; Market shares derived by taking brand retail value sales in current terms from Euromonitor and dividing by OC&C market size; Data as of 06/06/2024.

In addition, Studenac has been outperforming nearly all of its competitors in the market in terms of revenue growth, EBITDA margins and number of stores.

Chart 11: Outperformance versus Competitors

	Revenue 2022 (€m)	Revenue Growth 2021-23A (CAGR)	EBITDA <sup>1</sup> 2022 (%)	# of Stores <sup>4</sup> 2023 (#)
	503 <b>€668m</b> 2023A	<b>46.9%</b>	<b>8.7%</b> <sup>2</sup> <b>12.0%</b> 8M-2024 <sup>3</sup>	<b>1 265</b>
	1 596	15,0%	8.5%	618
	1 069	15,0%	9.5%	109
	789	13,7%	9.5%	125
	823	17,7%	7.5%	130
	647	11,3%	6.1%	45
	546	13,1%	9.1%	234

Source: Orbis, Euromonitor Retail 2024, Internals, OC&C Analysis.

(1) EBITDA numbers calculated based on official annual reports will exclude rent (i.e., EBITDA applying IFRS-16, or EBITDAR applying IAS 17).

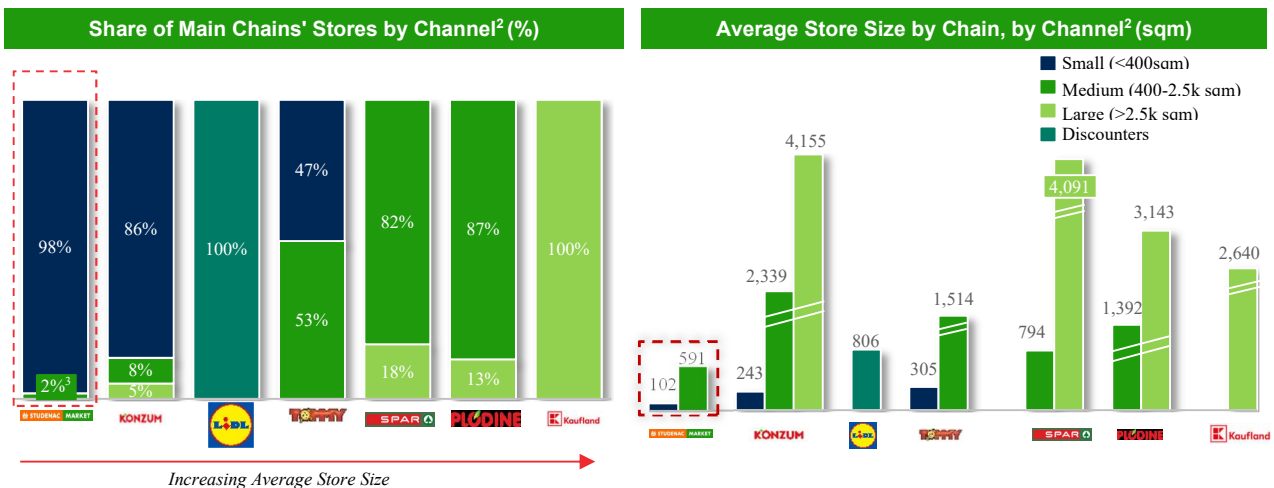
(2) Post-IFRS 16, adjusted EBITDA.

(3) Post-IFRS 16, 8M 2024 as of 31st August 2024.

(4) Euromonitor data (management data for Studenac) as of 11/06/2024; number of Lidl stores according to the retailer's website as of 25 July 2024.

Within this competitive landscape, Studenac is the only proximity player expanding nationally. Furthermore, while Studenac's store network skews towards smaller formats, other leading players typically operate larger stores.

Chart 12: Croatian Grocery Landscape by Channel<sup>1</sup>



Source: Euromonitor (data extracted on 8 February 2023), OC&C Analysis.

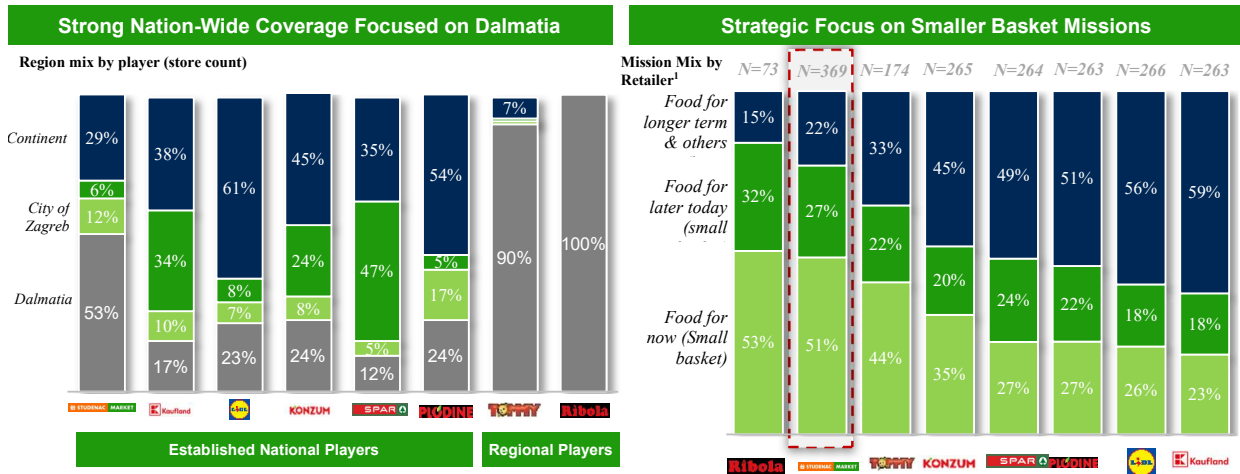
(1) Based on 2021, which is the latest available. Based on Euromonitor's historical selling space data.

(2) Size definitions are as set forth in the legend in the righthand chart.

(3) Studenac has several stores slightly exceeding the 400 square metre mark of a convenience store.

Studenac is one of the few players with nation-wide coverage focused on smaller basket missions.

Chart 13: Players' Regional Focus and Smaller Basket Mission Focus



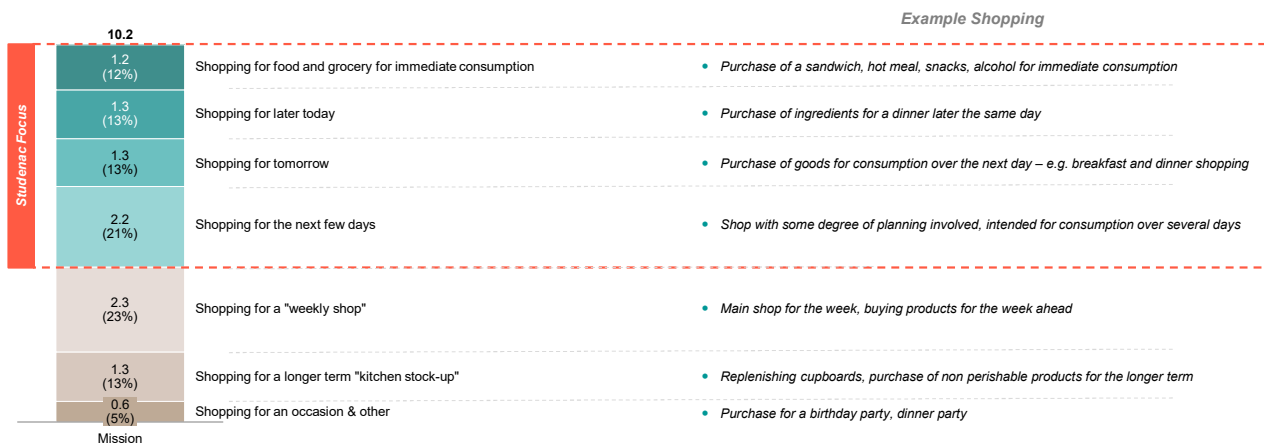
Source: OC&C Consumer Survey 2023, Management data, OC&C Analysis.  
 (1) Thinking back on your last shop at retailer X, what best describes the type of grocery shop you were doing.

**5. Croatian Grocery Retail Market: Mission Evolution**

The shift towards smaller formats has occurred alongside a general consumer preference for proximity and “food-for-today” shopping missions – which typically involve a smaller basket than longer term shopping missions –, together with a strong desire for convenience. According to OC&C Analysis, of the €10.2 billion grocery retail market in 2023, €2.5 billion can be attributed to shopping missions for immediate consumption and for later that day. Other near-term missions including shopping for tomorrow and for the next few days account for a further €3.5 billion, resulting in a combined 59% of the market geared towards short-term, proximity-focused missions.

The proximity format offers a convenient shopping experience with curated assortments tailored to the local area, whether for tourists in summer destinations or urban working professionals.

Chart 14: Croatian Grocery Shopping Missions<sup>1</sup> Split by Value, Croatia, 2023 (€bn)

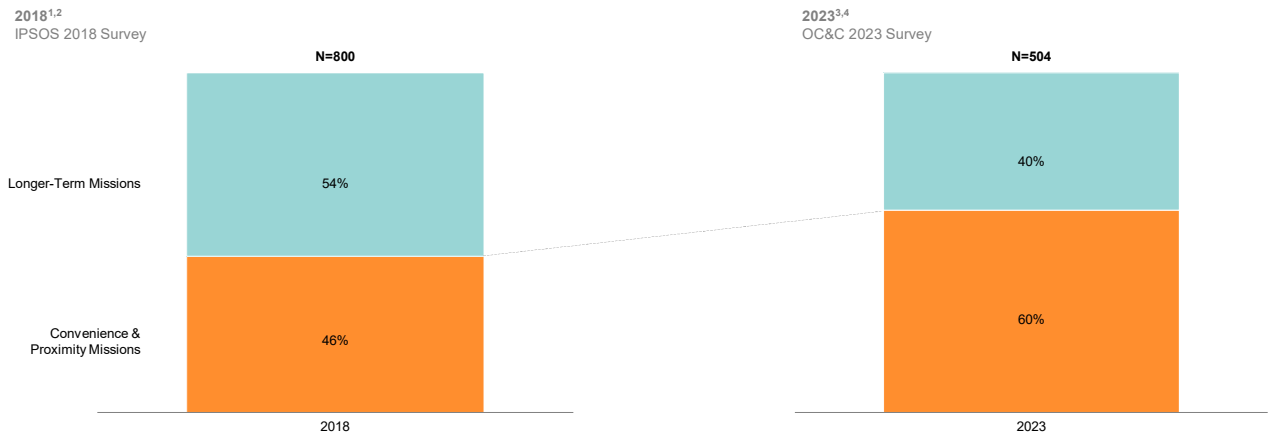


Source: OC&C Customer Survey, OC&C Analysis.  
 (1) Question: Thinking back on your last shop at retailer X, what best describes the type of grocery shop you were doing?

Smaller basket missions are growing in penetration as long-term missions have increasingly fragmented into “food-for-now” and “food-for-later” propositions. This is mainly driven by the fact that consumers are increasingly gravitating towards daily proximity shopping, purchasing small and essential goods in a reliable and efficient manner with a focus on convenience. Tourism has also continued to incremental growth in the overall grocery retail market, further supporting the trend towards proximity shopping missions, given the more limited stay duration and basket size.



Chart 15: Grocery Market Mission Evolution, 2018 – 2023 (%) - Zagreb Indicative Analysis



Source: OC&C Consumer Survey 2023, Studenac Internal IPSOS Survey 2018, OC&C analysis.

(1) How often are you making purchases of food and other household necessities?: Research conducted in 2018 through phone interviews in Central & Northern Adriatic Croatia.

(2) Convenience & proximity missions defined as predominantly shopping “once a day or more often” or “4-5 times a week”.

(3) Thinking back on your spend in the last 3-months, what proportion of your shopping was spent...[on the following missions].

(4) Convenience & proximity missions defined as share of wallet spent “shopping for now”, “shopping for later today”, “shopping for tomorrow”, “shopping for next few days”.

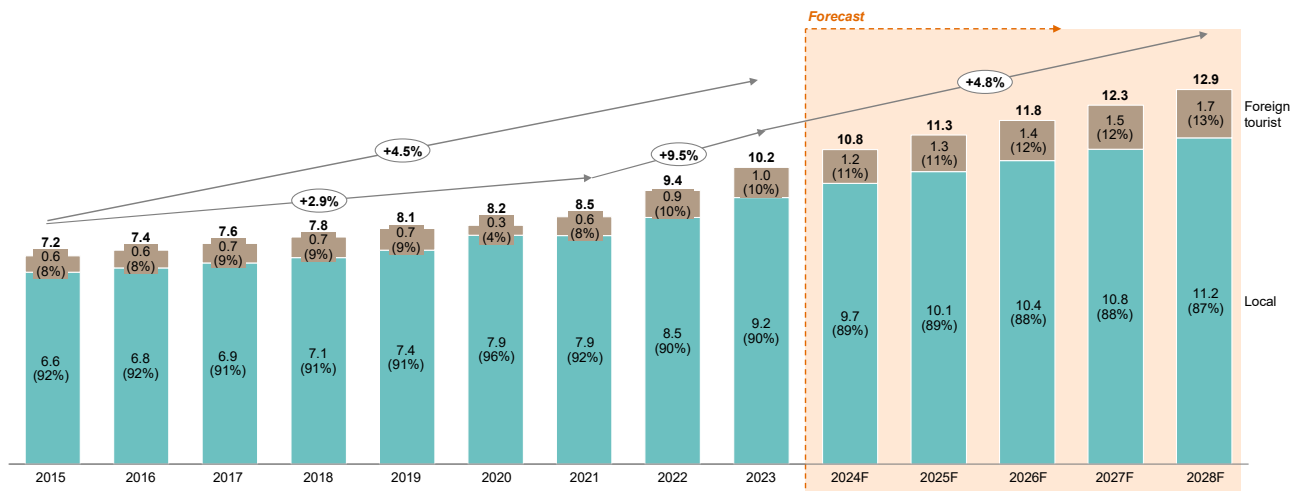
## 6. Future Market Growth

The Croatian economy is on track to continue outperforming the rest of Europe, driven by its attractive macroeconomic underpin. Unemployment is expected to decline by 0.5% during the period 2023 – 2025 compared to 0.1% in broader CEE and 0.1% in the European Union over the same period (Source: Eurostat for historical performance; European Commission for forecasts), and food inflation is expected to fall below 4% in 2024 and slightly above 2% in 2025 (Source: European Commission). Rapidly growing affluence and expenditure is expected to drive outsized economic growth in Croatia.

According to OC&C Analysis, growth in the Croatian grocery market is projected to accelerate to 4.8% per annum in the next five years. The tourist segment will outperform within this. Growth will continue to be driven by both internal, macroeconomic factors and increased tourist contribution. In addition, the rate of population decline is expected to slow over the next five years (-0.2% per annum from 2023 – 2028 compared to -1.2% per annum from 2018 – 2023; Source: Desk Research, OC&C Analysis).

In the future, real spend growth will be supported by continued premiumisation, driven by growing levels of affluence. Overnight stays are projected to grow significantly at 7% per annum, in line with pre-COVID 19 levels of 7% per annum (Source: Croatian Bureau of Statistics, OC&C Analysis).

Chart 16: Croatian Grocery Market Size Split by Type of Customer, 2015-28F (€bn)



Source: Croatian Bureau of Statistics, OC&C Analysis.

(1) Weighted market growth accounting for Studenac’s exposure to the tourist segment, based on regional and seasonal sales exposure.

## 7. Additional Growth Markets: Overview

In addition to Studenac’s domestic Croatian market, Slovenia has been identified as a potential growth market given similar market dynamics, cultural affinities and economic adjacencies. In 2024, Studenac made its first acquisition in Slovenia when it acquired Kea.

### 7.1. Slovenia

As the first Eastern European country to join the European Union in 2004, Slovenia is one of the most attractive and economically developed markets in the CEE region.

In contrast to most of its CEE and Balkan peers, the country is characterised by a growing population that is becoming increasingly affluent over time. Chart 17 highlights how Slovenia’s population has continued to grow at sustained pace, experiencing 0.3% per annum growth compared to -0.3% per annum in the remaining CEE countries between 2016 – 2022. Chart 16 displays how real disposable income per capita in Slovenia (€17 thousand in 2022 and €17.8 thousand in 2023) is the highest in the CEE region and has historically grown at approximately 5% per annum between 2016 and 2022, surpassing both the broader CEE and WE regions, which have been growing at approximately 4% and 1%, respectively, over the same period.

Chart 17: Population Growth, 2016-2022 (CAGR %)

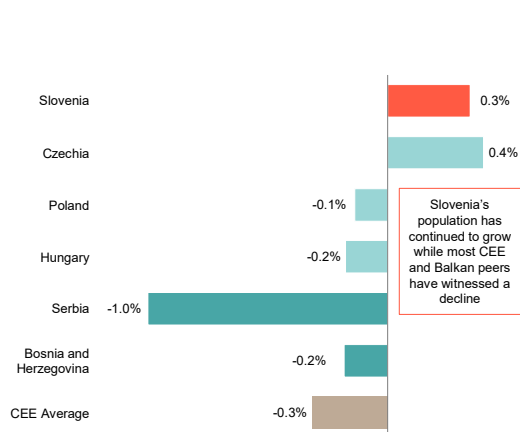
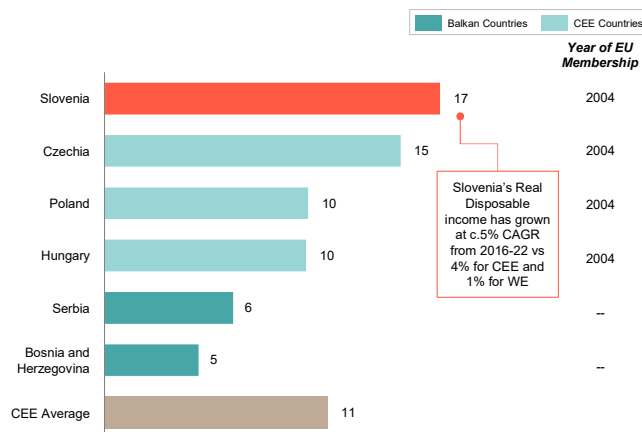


Chart 18: Real Disposable Income per Capita, 2022 (€k)



Source: Euromonitor Passport 2024, International Monetary Fund (data extracted on 29/05/2024), OC&C Analysis.

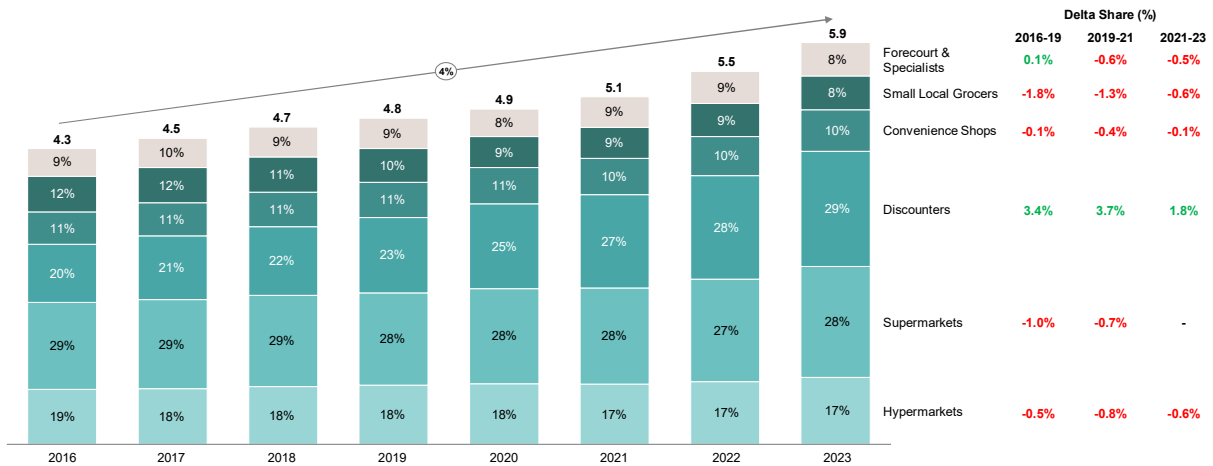
Real GDP per capita grew from approximately €24 thousand in 2014 to approximately €29 thousand in 2022 (Source: Euromonitor Passport 2024, OC&C Analysis).

The local labour market is characterised by a high and growing participation rate and a declining unemployment rate. Together with the Czech Republic (60% in 2021) and Hungary (59%), Slovenia has one of the highest workforce participation rates in the region (58%). It also enjoys the highest female workforce participation rate (54% in 2021 versus the EU average of 51% in the same year) as well as an unemployment rate (5% in 2021) which is lower than Balkan peers and in line with richer CEE countries. The country has seen significant food inflation (19% in 2022), which has accelerated the pace of government market intervention with actions such as the introduction of price and margin caps for certain products sold by retailers.

With 16 million tourist overnight stays per annum (versus 107 million in Croatia, including 94.4 million from foreign tourists in 2023), tourism is a less important driver of the Slovenian economy than for Croatia. Most tourists coming to Slovenia are domestic or from nearby countries (approximately 60% compared to approximately 40% in Croatia) and tend to stay for approximately 3 days (compared to approximately 5 in Croatia), supporting the need for a top-up, convenience grocery offering. Nevertheless, tourists visiting Slovenia spend up to 82% more per overnight stay than tourists visiting Croatia and the country tends to be perceived less as a “beach” destination than Croatia, with tourists visiting during both summer and winter holidays.

The grocery market in Slovenia was €5.9 billion in size in 2023 and is projected to grow at 4% CAGR going forward, reaching €7.2 billion by 2028 (Source: Euromonitor Retail 2024, OC&C Analysis). It has certain key structural differences when compared to Croatia, with a smaller convenience sector and higher discounter penetration (Aldi, Lidl and Eurospin are all present in the country). Chart 19 illustrates that, in a local grocery market that has grown steadily at approximately 4% per year between 2016 and 2023, discounters have been gaining share from traditional retail, while the convenience share has remained steady at approximately 10-11%.

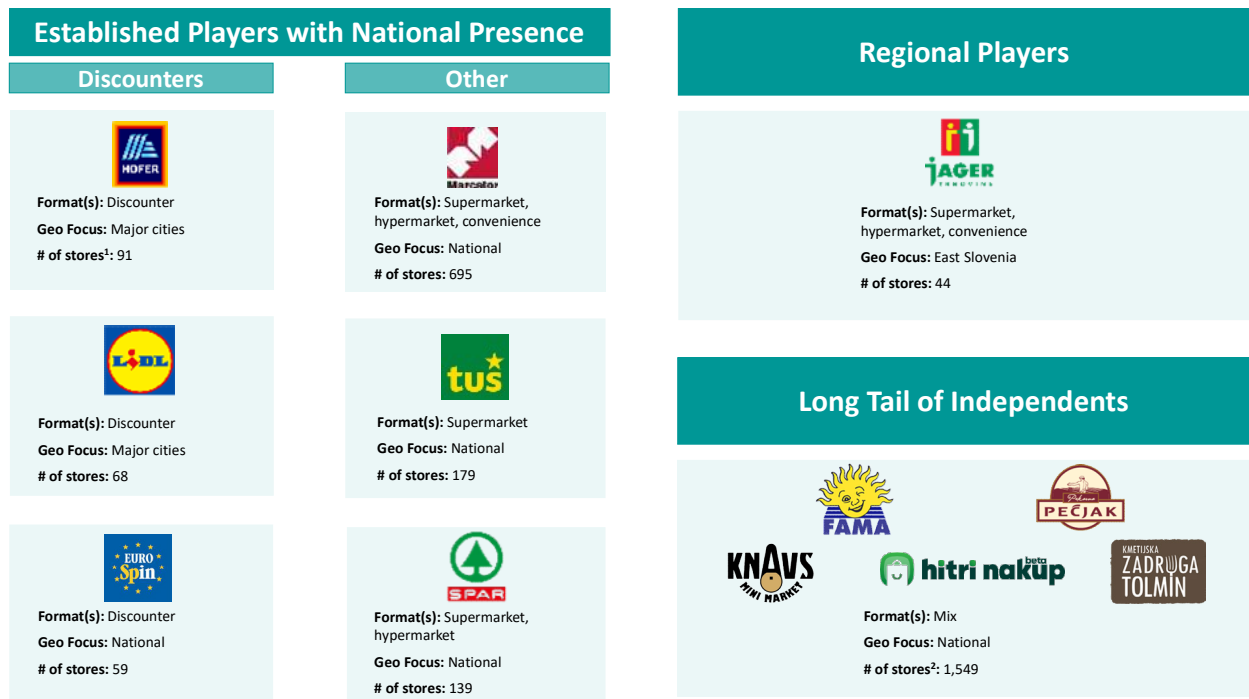
Chart 19: Slovenian grocery Market Size Split by Channels, 2016 – 2023<sup>1</sup> (€bn)



Source: Euromonitor Retail 2024, OC&C Analysis.  
(1) In current terms.

Currently, there is no clear market winner in the proximity format, leaving ample headroom for Studenac to fill in the gaps left in the country. In 2022, Mercator, Spar, Hofer, Lidl and Energotus had a market share of 26%, 20%, 13%, 12% and 10%, respectively, with the remaining 20% of the Slovenian market being attributable to other players (Source: Slovenia Invest). The chart below provides an overview of the competitive landscape in Slovenia.

Chart 20: Overview of Grocery Retailers in Slovenia, 2023



Source: Google Maps Scrape, Hofer.Si, Lidl.Si, Mercator.Si, Tus.Si, Spar.Si, Eurospin.Si, Trgovinejager.Com, OC&C Analysis.

(1) # of stores for all retailers apart from independents come from retailers' websites; data as of 11 October 2024.

(2) # of stores according to a Google Maps Scrape; data as of February 2024.

Key retail players in the country tend to focus on larger formats gravitating towards major cities in either Central Slovenia or Slavinja (east of central), with over 50% of their stores in towns with at least 5,000 inhabitants.

Chart 21: Region Mix by Player<sup>1</sup> (Store Count)

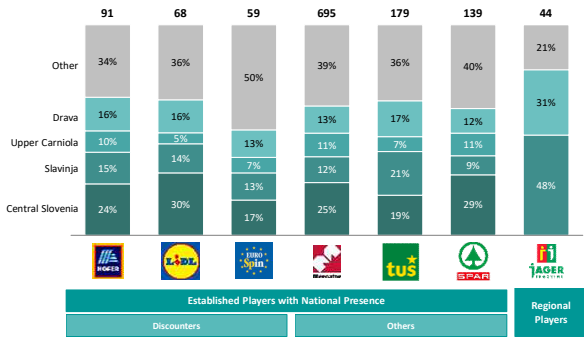
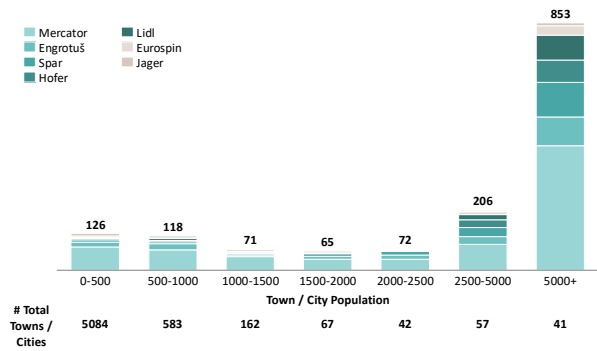


Chart 22: Competitor Locations by Size of Town



Source: Google Maps Scrape, Hofer.Si, Lidl.Si, Mercator.Si, Tus.Si, Spar.Si, Eurospin.Si, Trgovinejager.Com, 2024 Experian Limited, OC&C Analysis.

(1) A Google Maps Scrape was used to determine the regional split, which was then applied to the total number of stores obtained from the retailers' websites (data as of 11 October 2024).

This shows how Slovenia presents a unique opportunity for Studenac to export its proposition.

## REGULATORY OVERVIEW

*As at the date of the Prospectus, Studenac conducts its operations mainly in Croatia, and therefore is subject to numerous laws, rules and regulations resulting from both EU regulations and domestic laws in Croatia. Due to its recent entry into Slovenian market – via acquisition of Kea, Studenac’s business operations in Slovenia are also subject to domestic laws in Slovenia. Certain areas of Studenac’s operations, such as the sale of alcoholic beverages, energy drinks and tobacco products, or trading during Sundays and holidays, are subject to a higher degree of regulation.*

*Below, Studenac outlines selected information on certain aspects of the regulatory and legal environment that are applicable to its key business activities in Croatia as the main country of Studenac’s operations. Such information is not intended to provide a comprehensive or complete description of the regulatory and legal requirements applicable to Studenac.*

### **1. General legal requirements applicable to trading, including the operation of grocery stores**

The Trade Act regulates the conditions for conducting trade, working hours in trade business, prohibition measures for unfair trading, supervision procedure and administrative measures applicable to grocery stores.

In order to conduct trade activities, traders must ensure that sales premises, equipment and the means used to conduct trade activities meet the prescribed minimal technical standards, general sanitary and health conditions, as well as condition prescribed by food regulations. Additionally, the persons handling goods that could affect human health (e.g. foods) are obligated to meet the sanitary and health conditions and obligations imposed by the food regulations. The Croatian Ordinance on Minimum Technical Standards prescribes the minimum technical conditions related to sales premises, equipment and means applied in sales premises, conditions related to the external surfaces of the sales premises and conditions for the sale of goods outside stores. It also refers to the obligation to meet the conditions stipulated in other regulations (e.g., relating to hygiene, fire prevention, building construction, environmental protection and, occupational safety). Prior to initiating operations, traders must obtain a decision on the fulfilment of minimal technical standards and file supporting evidence indicating that the prescribed conditions have been met. Provided the conditions are met, the decision is issued by the competent local office of the state administration in the region responsible for business affairs.

In terms of personnel, the Trade Act stipulates that employees working in the position of salesperson or sales manager must have completed at least three years of high school education.

Traders must also fulfil obligations concerning to the goods sold in the premises and must provide the competent inspector with information on the condition of the goods in the sales premises based on written documentations or an electronic record of the business transactions. Such documents pertaining to the goods in the sales premises must contain information such as name of the supplier, the number and date of the document on the charge and discharge of goods, and the name, unit and volume of the good in question, etc.

### **2. Working hours and Sunday trading limitation**

Pursuant to Croatian law, the working hours of the sales premises, including grocery stores, are established independently by the trader and may not exceed 90 hours per week, from Monday to Saturday. The working hours must be presented on the sales premises in a clear, visible and readable manner for consumers.

In Croatia, sales premises are closed on Sundays and public holidays. However, traders can independently designate 16 Sundays a year as working Sundays in which case 15 additional working hours are added to the prescribed 90 working hours per week, which are then distributed between Monday and Sunday. In relation to public holidays, the Croatian Government can adopt a decision indicating which sales premises are obligated to operate on Croatian public holidays. All of the above rules are not applicable to sales premises which are within or are an integral part of: (i) railway and bus stations, airports, ports open to public traffic, ports of inland navigation of ships, airplanes and ferries for the transport of people and vehicles; (ii) gas stations; (iii) hospitals; (iv) hotels, areas of cultural and religious institutions and other cultural entities, museums, visitor centres or interpretation centres, nautical marinas, camps, family farms; and (v) designated protected nature areas.

In relation to working-Sundays, traders must keep records of working hours and provide the inspector with such records in case of inspection. At the request of the inspector, the Croatian Tax Authority (in Croatian: *Ministarstvo financija, Porezna uprava*) must provide information from the fiscal system concerning the trader’s working Sundays.

As regards fines, administrative measures and misdemeanours that can be imposed and/or committed for breaching these rules, please see “—4. Administrative measures and misdemeanours under the Trade Act”.



### **3. Alcohol and tobacco products**

#### **3.1. Selling alcohol and tobacco products to persons under the age of 18**

Pursuant to Croatian law, the sale of alcohol (which includes alcoholic beverages and beverages containing alcohol), tobacco and tobacco products to persons under the age of 18 is prohibited.

Should the competent inspector determine that the trader has been selling such products to persons under the age of 18, administrative measures and misdemeanour fines may be imposed. See “—4. *Administrative measures and misdemeanours under the Trade Act*”, “—3.3 *Misdemeanours fines concerning alcoholic beverages*” and “—3.4 *Regulation regarding the limited use of tobacco and related products*”.

#### **3.2. Visible signs related to the prohibition on selling of alcohol and alcohol beverages to persons under the age of 18**

Pursuant to Croatian law, a sign informing visitors of the prohibition on sales to persons under the age of 18 must be displayed at all sales premises where alcoholic beverages and beverages containing alcohol are sold.

If such sign is not displayed, the competent inspector will order the trader to rectify this irregularity within a reasonable deadline set by the inspector. If the trader does not comply with this order within the given deadline, the inspector will issue a decision prohibiting the sale of the products which gave rise to the violation, until the identified irregularities have been rectified. This measure will be lifted upon it is determined by the inspection in the minutes on the surveillance of the trader's execution of the imposed measure.

#### **3.3. Misdemeanours fines concerning alcoholic beverages**

If a trader sells alcoholic and other beverages containing alcohol in retail stores to persons under the age of 18, under Croatian law, a misdemeanour fine in an amount ranging from EUR 660 to EUR 39,810 may be imposed on the trader and from EUR 530 to EUR 9,290 on the person responsible for a violation at the trader's enterprise.

If a notice on the prohibition of sales of alcoholic and other beverages containing alcohol is not displayed in the stores, a misdemeanour fine in an amount ranging from EUR 530 to EUR 33,180 may be imposed on the trader and from EUR 390 to EUR 6,630 on the responsible person at the trader's enterprise.

The rules on repeated misdemeanours and the confiscation of objects described in “—4. *Administrative measures and misdemeanours under the Trade Act*” - apply accordingly.

#### **3.4. Regulation regarding the limited use of tobacco and related products**

The Tobacco Usage Limitation Act prescribes an additional obligation and detailed prohibitions which must be complied with, including that no person engaged in trading tobacco can amend or delete information which is part of the unique identification of a tobacco product, advertisement and promotion bans relating to tobacco and tobacco-related products or the prohibition on selling tobacco and tobacco-related products to persons under the age of 18 or by persons under the age of 18.

In all sales premises, a sign informing of the prohibition on selling tobacco and tobacco-related products, electronic cigarettes, refillable containers and other similar products to persons under the age of 18 must be displayed in a visible place.

If the competent inspector determines that the sale of tobacco and tobacco-related products, electronic cigarettes and similar products is in violation of the provisions of the Tobacco Usage Limitation Act, a decision to impose a ban on selling such products for a period of up to six months shall be issued. In exceptional circumstances, if it is determined that such products are being sold to persons under the age of 18 (or by persons under the age of 18), an oral decision shall be issued prohibiting the conduct of trade activities for a period ranging from 30 days to six months, in line with the Trade Act, see “—4. *Administrative measures and misdemeanours under the Trade Act*”.

In the event of failing to comply with the obligations and prohibitions under the Tobacco Usage Limitation Act, misdemeanour fines of up to EUR 19,900 may be imposed on the trader (as a legal entity) and up to EUR 1,990 on the person responsible for a violation at the trader's enterprise.

### **4. Administrative measures and misdemeanours under the Trade Act**

In the event the competent inspector determines that a violation of the Trade Act has occurred in the course of the trader's activities (e.g., selling alcohol or tobacco to persons under the age of 18, conducting trade activities without the required permits, undertaking unfair trading practices), a ban on trade activities shall be imposed until such irregularities have been rectified. In any case, such ban shall be imposed for a maximum of 30 days. In specific situations (e.g., the illegal sale of alcohol or tobacco), this measure shall be imposed by an oral decision followed by a written decision issued to the trader within eight days as of the day of rendering the oral decision.

An appeal submitted against such decision does not have a suspensive effect. This prohibition measure is enforced in such a manner that the inspector will either seal the sales premises, or equipment or means by which trade activities are performed, or in any other suitable way. However, in most cases (such as the sale of alcohol or tobacco to persons under the age of 18), the measure shall not be implemented by sealing or in another appropriate way if the trader, no later than within five working days of the date of the oral decision, submits to the competent inspector evidence that the identified irregularities have been rectified and that the sum of EUR 3,982 has been paid to the state authorities. Otherwise, the decision to ban sales will be implemented by sealing the premises or in another appropriate way on the working day immediately following the deadline for submitting of the required evidence.

Furthermore, if such a measure has been imposed, it shall be suspended, and the sealed premises, equipment and means will be unsealed even before the timeframe of 30 days expires, if the trader delivers to the competent inspector evidence that the irregularities have been rectified and that the amount of EUR 3,982 has been paid to the state authorities.

In the event of non-compliance with applicable provisions of the Trade Act, in addition to administrative measures such as the imposition of a ban on trade activities, monetary fines may be imposed ranging from EUR 260 to EUR 39,810 on the legal entity and from EUR 130 to EUR 9,290 on the person responsible for a violation at the trader's enterprise. Should the misdemeanour be repeated in the same sales premises within two years after the decision concerning the misdemeanour has become final and binding, a ban on trade activities shall be imposed on the said sales premises. Such measures shall be issued for the duration of three or six months, depending on the number of repetitions of the misdemeanour.

If objects, means and/or material benefits have been intended for or used in committing a specific misdemeanour or arise from such misdemeanours, such objects, means and/or material benefits shall be confiscated.

## **5. Price cap measure**

Price cap measures are stipulated in the Act on Exceptional Price Control Measures and the Price Control Decision which is currently in force. To mitigate the harmful effects of market disruptions on consumer supply of certain products in retail, the Price Control Decision currently stipulates the maximum prices for 30 common products (e.g., edible sunflower oil, milk, sugar, flour, rice, certain meats and sanitary products). For the purposes of promptly providing consumers with information on the retail prices, a sticker prescribed by the Price Control Decision must be displayed alongside the retail price. Should the prices exceed the stipulated maximum, a monetary fine may be imposed in the amount of five to 20 times the amount charged above the prescribed prices and up to EUR 1,990.00 on the person responsible for a violation at the trader's enterprise.

## **6. Competition obligations and limitations**

### **6.1. Unfair trading under the Trade Act**

Under the Croatian Trade Act, actions performed by a trader that violates good trade practices for competition purposes are considered to be unfair trading and are forbidden as such. The Trade Act sets forth a non-exhaustive list of unfair trading practices that, among other, include: (i) selling goods below their purchase price, including VAT (with exemptions prescribed by law); (ii) exploiting another trader's reputation for advertising or offering goods or services; (iii) disclosing information on another trader that harms their reputation; (iv) the placement of misleading product information; (v) actions aimed at disrupting or hindering business relationships between other traders; (vi) unjustified contract termination or failure to fulfil contractual obligations towards one trader in order to enter into the same or more beneficial contract with another trader; and (vii) offering gifts or benefits to gain an advantage at the expense of another trader or consumer.

Unfair trading practices are subject to the sanctions described above under "*Administrative measures and misdemeanours under the Trade Act*". Furthermore, a breach of these rules may give rise to claims for damages on the part of the affected traders or trade associations.

### **6.2. Unfair trading practices in the agricultural and food supply chain**

In Croatia, the UTP Act regulates the framework and measures used to prevent unfair trading practices in business-to-business relationships in the agricultural and food supply chain. Studenac Croatia, as a purchaser of agricultural and food supplies with superior bargaining power, must comply with the UTP Act and ensure that it does not engage in the unfair trading practices towards its suppliers.

In addition, the UTP Act stipulates the obligatory content of the agreement with the supplier and rules concerning issuing invoices and drafting and displaying the buyer's general terms and conditions.

The UTP Act distinguishes between “black” and “grey” practices. Whereas “black” unfair trading practices are prohibited, in all circumstances, “grey” practices are permitted if the supplier and the buyer agree on them beforehand in a clear and unambiguous manner and other specific exemption conditions are met.

The scope of “black” practices is broad and encompasses, among others: (i) the absence of a written contract between the buyer and the supplier, as well as a written contract non-compliant with the provisions of the UTP Act; or imposing obligations on the supplier that are not contained in a written contract; (ii) payments that are not clearly highlighted and itemised in the invoice or purchase order; (iii) the buyer’s general terms and conditions being non-compliant with the UTP Act; (iv) the buyer being entitled to unilaterally terminate the contract without written notice or without stating justified reasons for the termination, unilaterally cancel the contract without a reasonable notice period or to unilaterally amend the contract; (v) disproportionately high contractual penalties in light of the value and significance of the obligation; and (vi) other unfair actions that the buyer undertakes in its relationship with the supplier (e.g., in continuous supply agreements), payments later than 30 days for perishable products and payment later than 60 days for other products; short-notice cancellations of perishable products, where it is unreasonable to expect the supplier to find another route to market or to utilise these products (where a period shorter than 30 days is always considered a short period); misuse of the supplier’s trade secrets; requesting the supplier not to sell products to other buyers at lower prices; under certain circumstances, selling the products at a retail price lower than the purchase price paid to the supplier, including VAT.

“Grey” practices, which are generally forbidden but may be permitted provided that additional conditions are fulfilled, include: (i) returning unsold products to the supplier, demanding and/or charging a fee for the disposal of such products, or demanding and/or charging the supplier a fee for unsold expired products; (ii) requiring the supplier to pay for the cost of any discounts implemented in the promotional campaigns or advertising conducted by the buyer; (iii) requesting payments from the supplier for stocking or listing their products in the buyer’s assortment; and (iv) requiring payments from the supplier for data on the products sold or for any monetary and other penalties imposed on the buyer by decisions of the competent authorities.

The competent authority for supervising compliance with the UTP Act is the AZTN. Non-compliance with the provisions of the UTP Act may result in misdemeanour fines. The fines under the UTP Act vary and generally will be up to EUR 464,520.00 for the legal entity. Competition obligations and limitations. In exceptional circumstances, the maximum amount may increase to EUR 663,610.00 for the legal entity for the “black” practice of selling products at a retail price lower than the purchase price paid to the supplier, including VAT.

In 2024, the AZTN imposed a fine in the amount of EUR 132,000.00 on Studenac for the violation of the rules regarding unfair trading practices. In this case, the unfair trading practices included purchasing goods based on a written contract that was non-compliant with the provisions of the UTP Act; requiring payments for marketing services that have not been agreed on in a transparent and non-ambiguous manner; unlawful return of unsold goods to suppliers; and paying suppliers by deadlines longer than those statutorily prescribed. With the aim to remedy the detected issues in its business operations, Studenac has undertaken various steps such as: implementation of a new marketing services pricelist with clearly defined rebates and terms; improvement of internal processes and administration actions to avoid accidental delays in payments of suppliers and implementing a clear bylaw on the conditions of return and write off of goods.

### **6.3. Prohibited agreements and abuse of dominant position**

The Croatian Competition Act regulates, among other things, prohibited agreements and abuses of dominant positions. Prohibited agreements (including decisions of trade associations and concerted practices) are made between independent undertakings that aim to distort competition in the relevant market. The following agreements are prohibited by the Competition Act: (i) directly or indirectly fix purchase or selling prices or any other trading conditions, (ii) limit or control production, markets, technical development, or investment, (iii) divide markets or sources of supply, (iv) apply dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage or (v) condition the conclusion of contracts on the other parties’ acceptance of supplementary obligations which, by their nature or according to trade customs, have no connection with the subject of such contracts. There are exceptions to these prohibitions deriving from special rules for block exemptions (as prescribed by special block exemption regulations) and there is a possibility to justify restrictions, however, the burden of proof is on the parties to the agreement. If the prohibited agreement is concluded under prohibited circumstances, such agreement would be null and void.

The provisions concerning the abuse of dominant position apply to undertakings that have a dominant position, i.e., undertakings that, based on their market power, can act in the relevant market to a considerable extent independently of their actual or potential competitors, consumers, buyers or suppliers. The Competition Act prescribes criteria to designate undertakings with dominant position and typical cases of abuse of dominance include the following: (i)

directly or indirectly imposing unfair purchase or selling prices or other unfair trading conditions, (ii) limiting production, markets or technical development to the prejudice of consumers, (iii) applying dissimilar conditions to equivalent transactions with other trading parties, thereby placing them at a competitive disadvantage and (iv) conditioning the conclusion of contracts on acceptance by the other parties of supplementary obligations which, by their nature or according to trade customs, have no connection with the subject of such contracts.

Non-compliance with the provisions of the Competition Act results in the risk of the imposition of monetary fines of up to 10% of the undertaking's global annual turnover (which may be the turnover of the group). In addition to that, the AZTN may impose different measures to remedy negative effects.

Apart from these rules on prohibited agreements and abuse of dominance, Studenac Croatia is also subject to merger clearance obligations, see *"The Capital Markets in Luxembourg, Poland and Croatia, and Certain Luxembourg, Croatian and Polish Regulations Related to the Purchase and Sale of Shares—4. Notification Requirements and Other Limitations under Antimonopoly Regulations—4.1 Concentration Control in Croatia"*.

## **7. Food related rules**

Under Croatian law, stores that trade food must be entered in a national register of stores authorised to trade food.

As a business that sells food, Studenac Croatia must comply with national and EU food regulations, such as the Food Act, the Food Information Act and the Food Information Regulation.

The Food Information Act sets forth the competent authorities and their tasks, official controls and procedures and administrative measures and misdemeanour provisions for the implementation of the Food Information Regulation. The Food Information Act prescribes the obligation to note all food information (mandatory or voluntarily displayed) in the Croatian language and Latin script. Detailed obligations concerning the transparent presentation of information and mandatory elements of food labels are prescribed by the Food Information Regulations. In the course of supervision, the authority may impose various measures such as rectification of irregularities, temporary prohibition on placing the product on the market or prohibiting any form of informing consumers in a manner that is not compliant with the relevant rules. Breaches of these regulations and/or the Food Information Act can result in the imposition of misdemeanour fines of up to EUR 13,273.00 and up to EUR 2,550.00 on the person responsible for a violation at the trader's enterprise.

The Food Act prescribes the obligations of the entities that deal with food for humans and animals, administrative measures and misdemeanour fines. These obligations include, for example, ensuring that food offered is secure for consumers and animals and providing inspectors with sufficient volumes of food and food for animals for sampling purposes.

In the course of administrative supervision, a wide spectrum of measures may be imposed for non-compliance with the provisions of the Food Act, such as prohibiting placement on the market of food that is harmful to human health or unsuitable for human consumption or ordering withdrawal of food from the market and notification to consumers regarding the reasons of withdrawal. Misdemeanours for non-compliance are also prescribed, with monetary fines of up to EUR 13,270.00 and up to EUR 1,320.00 on the person responsible for a violation at the trader's enterprise.

## **8. Environmental provisions**

### **8.1. Waste management**

Studenac Croatia is obligated to ensure the treatment of waste through the process of preparation for re-use, recycling or recovery of the waste and when this is not possible, it is obligated to ensure the disposal of waste in a safe manner. Studenac Croatia, as a waste producer, must either process the produced waste independently or it must engage another entity/person authorised to process the waste or deliver the waste outside Croatia for the purposes of recovery or disposal in accordance with Regulation 1013/2006. The producer of waste must treat its waste as described above within one year as of the date when such waste has been produced.

The waste holder is obliged to hand over to an authorised person separately from other waste the following types of waste: (i) hazardous waste; (ii) wastepaper, metal, plastic, glass, bulky waste and textiles and footwear; (iii) packaging waste; and (iv) waste that is considered a special category of waste. A producer of bio-waste is obliged to deliver bio-waste separately from other waste to an authorised person or to recycle bio-waste at the place of origin. When waste needs to be recovered or to facilitate preparation for reuse, recycling or other recovery procedures, the waste must be collected separately and must not be mixed with other waste and substances that have different properties.

The original producer of waste or the current or previous holder of waste is obliged to bear the costs of waste management, including the costs of construction and operation of the necessary infrastructure for waste management in accordance with the "polluter pays" principle. Studenac Croatia is obliged to pay the fee for packing, electronic waste and batteries to the Environmental Protection and Energy Efficiency Fund (in Croatian: *Fond za zaštitu okoliša i energetske učinkovitost*), among other fees. This fee is calculated based on the data provided by Studenac Croatia. As an

exception to this, the costs of waste management are borne by the manufacturer of the product from which the waste is generated within the obligation of extended responsibility of the product manufacturer. The holder of the waste is responsible for the damage caused by the waste that was in its possession when the damage occurred.

If Studenac Croatia engages another entity to dispose of its waste, waste must at all times be accompanied by an Accompanying Sheet (Croatian: *prateći list*) in respect of such transport. An Accompanying Sheet is a document containing information on the waste and persons involved in the waste management process. There are certain exceptions where an Accompanying Sheet is not required and which are set forth in the Waste Management Act.

The sender of the waste shipment, the recipient of the waste and, when applicable, the intermediary in waste management, are obliged to exchange all information necessary to complete the Accompanying Sheet, including information on the authority to take over the waste, the method of waste treatment and the destination for waste treatment.

The waste holder is obligated to keep records of waste management for at least three years of the day action concerning the waste has been taken.

Waste management at Studenac is addressed in its "Waste Management Procedure", which is aimed at ensuring the efficient management of waste in line with all legal requirements, including the proper collection of waste and the handing over of waste to an authorised collector for disposal. Studenac generates waste at retail locations (stores), warehouses and offices. The waste generated is classified according into the following categories: non-hazardous waste, hazardous waste, and special categories of waste. Studenac has a function responsible for overseeing waste management to ensure that the handling of waste is carried out in accordance with all legal requirements.

Inspectors have a wide range of powers under the Waste Management Act in the event of non-compliance. These include an order to eliminate any irregularities and deficiencies; the preparation and retention of required records and the removal of waste. Misdemeanours concerning non-compliance with the provisions of the Waste Management Act are subject to fines of up to EUR 26,540 and up to EUR 13,200 on the person responsible for a violation at the trader's enterprise.

## **8.2. Light pollution**

Light pollution in Croatia is regulated by the Act on Protection from Light Pollution. Should Studenac Croatia own buildings or objects (e.g., billboards) which are illuminated, or which are a source of light, the measures for protection from light pollution must be respected. Protection measures against light pollution include protection against unnecessary and harmful light emissions into the space, the zone and outside of the zone that needs to be illuminated, as well as measures to protect the night sky and natural water bodies and protected areas from artificial lighting, taking into account health, biological, economic, cultural, legal, security, astronomical and other conditions and needs. Protection measures against light pollution must not endanger components of the environment or the quality of life of current and future generations, and must not contradict regulations concerning occupational safety and health protection. When new lighting is installed, a mandatory planning, design and construction process for lighting must be undertaken by Studenac Croatia. Furthermore, it is mandatory to reduce the emission of light with wavelengths below 500 nm into the environment due to its unfavourable effect on human health, the ecosystem and traffic safety in bad weather conditions. It is forbidden to (i) use light beams of any kind or shape directed towards the sky or towards a natural body of water; (ii) direct interior lamps towards the visible part of the sky in buildings with a transparent facade; (iii) install lamps and other light sources contrary to the mandatory method of lighting management, which is prescribed by law; (iv) install environmentally unacceptable lamps; (v) place lamps so that they shine into the horizon and above it and into natural water bodies, except in cases permitted by law; (vi) use outdoor lamps, decorative and landscape lighting where the luminous flux of the lamps illuminating notice boards and the lighting of the facade of the building is out of the scope of the lighting; (vii) install lamps with a correlated light colour temperature above 2200 K and illuminated notice boards in protected areas, in order to preserve the ecosystem and biodiversity; (viii) place billboards in such a way that they obscure or reduce the visibility of posted traffic signs or dazzle road users or distract their attention to an extent that may be dangerous for traffic safety; and (ix) place notice boards that emit light greater than the emissions as prescribed by applicable law.

If it is non-compliant with rules on protection from light pollution, Studenac Croatia could be subject to inspections and prohibitions in respect of proscribed lighting arrangements, as well as being charged with a misdemeanour. If charged for a misdemeanour, Studenac Croatia may face monetary fines of up to EUR 13,270 and up to EUR 2,650 on the person responsible for a violation at the trader's enterprise.

## **8.3. Noise protection**

Studenac Croatia must comply with the provisions of the Noise Protection Act. Compliance with such provisions is monitored through inspections and may result in bans (e.g., bans on using sources of noise until noise protection



measures have been implemented). Non-compliance with the Noise Protection Act may lead to monetary fines of up to EUR 13,270 and up to EUR 1,990 on the person responsible for a violation at the trader's enterprise. For certain specified misdemeanours, the person responsible may even be fined for attempts to violate such misdemeanours. A competent inspector may fine the person responsible in the company on site if it finds that the company is conducting business for which noise protection measures must be put in place, with a monetary fine of EUR 130. Fines for the recurrence of certain misdemeanours are also stipulated (with a monetary fine of EUR 400). In addition, a ban on performing activities for a period from three months to one year may be imposed.

## 9. Consumer protection framework

Since Studenac Croatia operates a supermarket chain and offers products directly to consumers on the market, one of the main obligations to which it is subject is to comply with consumer protection rules, which are mostly contained in the CPA. The CPA sets forth the essential rights of consumers in the purchase of products and creates a legislative framework for the actions of traders towards consumers. These include obligations relating to the labelling and packaging of products, the indication of price and other conditions of sale, invoice provisions, payment methods, advertising and consumers' complaints. When offering products at lower prices, rules governing special forms of sale such as sales promotion (Croatian: *akcijska prodaja*), clearance sale (*rasprodaja*), seasonal sale (*sezonsko sniženje*), sale of defective goods (*roba s greškom*) and sale of goods with an imminent expiry date (*roba kojoj istječe rok uporabe*) must be complied with.

Rules on contracts with consumers stipulate a high level of consumer protection and provide that contractual provisions that are contrary to statutory provisions on consumer protection to the detriment of consumers shall be null and void. In addition to a wide range of rules on pre-contractual notices, contract performance and commercial warranties, the CPA prohibits traders from implementing unfair terms in consumer contracts.

In relation to material defects of products, the Obligations Act applies, while issues related to processing consumer personal data are subject to regulations governing personal data protection (such as the GDPR and the Croatian GDPR Implementation Act).

The CPA sets out detailed rules on unfair commercial practices that are forbidden since they are contrary to the requirements of professional diligence and distort the economic behaviour of consumers, leading them to purchase the relevant trader's products. Although the CPA list is not exhaustive, various actions of traders are explicitly considered to be misleading or aggressive practices.

Supervision of compliance with consumer protection rules is conducted by the State Inspectorate of Croatia (in Croatian: *Državni inspektorat Republike Hrvatske*). Traders that breach the consumer protection rules are subject to misdemeanour fines of up to EUR 26,544.00 and up to EUR 1,990.00 on the person responsible for a violation at the trader's enterprise, and other interim measures such as a temporary ban on selling goods until the detected irregularities have been rectified. In addition to misdemeanour sanctions, traders are exposed to potential action for the protection of collective interests and consumer rights that can be taken only by the authorised bodies under the Act on Representative Actions for the Protection of the Collective Interests of Consumers.

In addition to the comprehensive provisions of the CPA, there are other national (Croatian) and EU regulations covering consumer protection matters that Studenac Croatia is obligated to comply with. These regulations include the Bylaw on the Method of Displaying the Retail Price and the Unit Price, which prescribes rules on displaying prices, the Act on Technical Requirements for Products and Assessment of Conformity stipulating obligations concerning placing products on the market and ensuring compliance with conformity requests, the previously mentioned Food Act and the Food Information Act which set forth obligations concerning trading in food, and the Inadmissible Advertising Act, which regulates the rules on misleading and comparative advertising.

## 10. Data protection regulations

In terms of data protection, Studenac Croatia is subject to various obligations, taking into consideration the high number of employees and consumers. The GDPR prescribes obligations on collecting, processing, storing and transfer of personal data. These obligations relate to matters such as: establishing a valid legal basis for processing data, conducting the stipulated analysis where required (e.g., processing data for legitimate purposes, processing data in line with the established principles such as transparency, purpose limitation and data minimisation, implementing appropriate technical and organizational measures to ensure compliant processing and creating internal processes to respect the notification obligations towards authorities and data subjects in the event of data processing breaches). Supplementing the rules of the GDPR, the Croatian GDPR Implementation Act regulates certain matters in detail (e.g., the rules on implementing video surveillance in work premises and the rules on storing video surveillance footage). The GDPR provides for significant financial penalties up to either 4% of the undertaking's annual global turnover (encompassing the group) or EUR 20 million, whichever is higher. There are several misdemeanours prescribed by the Croatian GDPR Implementation Act such as a fine of up to EUR 6,640.00 for failing to adequately inform on processing data through video surveillance.

## GENERAL INFORMATION ON STUDENAC

### 1. Basic Information on the Company

Name and legal form:	Studenac Group S.A.( <i>société anonyme</i> )
Abbreviated name:	Studenac Group
R.C.S. Luxembourg:	B218210
Registered office and address:	1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg
Telephone No.:	+352 691376473
Website*:	<a href="https://www.studenacgroup.eu">https://www.studenacgroup.eu</a>
Tax Identification Number:	2024 2201 990
Legal Entity Identifier (LEI):	894500SLGSYU4APTAJ90

\* Information made available on the Company's website does not form a part of the Prospectus unless that information is incorporated by reference into the Prospectus (no such information has been incorporated into this Prospectus by reference).

The Company was incorporated on 20 September 2017 before the Luxembourg public notary Maître Marc Loesch, under the laws of Luxembourg, under the original name Spatium CEE Holding S.à r.l., a private limited liability company (*société à responsabilité limitée*) and was converted into a public limited liability company (*société anonyme*) pursuant to the second resolution of the Company's extraordinary General Meeting convened on 22 May 2024 and held before the Luxembourg notary Maître Jean- Joseph Wagner on 22 May 2024. The registration of the above-mentioned change in the Company's legal form and name was registered with the Luxembourg Trade and Companies Register's website on 29 May 2024.

The Company is registered with the Luxembourg Trade and Companies Register under number B218210, having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg.

### 2. Business Activities

The corporate objectives of the Company are set out in Article 3 of the Articles of Association.

The objects of the Company consist of the acquisition, holding, management and disposal of participating and other interests, in any form whatsoever, in Luxembourg and foreign companies, or other business entities, enterprises or investments, with acquisitions made by way of purchase, subscription, or in any other manner as well as the transfer by sale, exchange or otherwise of stock, bonds, debentures, notes, certificates of deposits and any other securities or financial instruments of any kind, and the ownership, administration, development and management of its portfolio.

The Company may participate in the creation, development, management and control of any company or enterprise and may invest in any way and in assets of any type. The Company may also hold interests in partnerships and carry on its business through branches in Luxembourg or abroad.

The Company may borrow in any form and issue convertible or nonconvertible bonds, notes and debentures or any kind of debt or equity securities.

The Company may lend funds including, without limitation, funds deriving from any borrowings on the part of the Company or from the issuance of equity or debt securities of any kind, to its subsidiaries, affiliated companies or to any other company or enterprise as it deems fit.

The Company may grant assistance in any way it deems fit to companies or other enterprises in which the Company has an interest or which form part of the group of companies to which the Company belongs or to any other company or enterprise as it deems fit, take any controlling and supervisory measures and carry out any operation which it may deem useful for the attainment and pursuit of its objects.

The Company may generally employ any techniques and instruments relating to or with respect to any of its investments for the purposes of efficient management, including, without limitation, techniques and instruments designed to protect the Company against credit, currency exchange, interest rate risks and other risks.

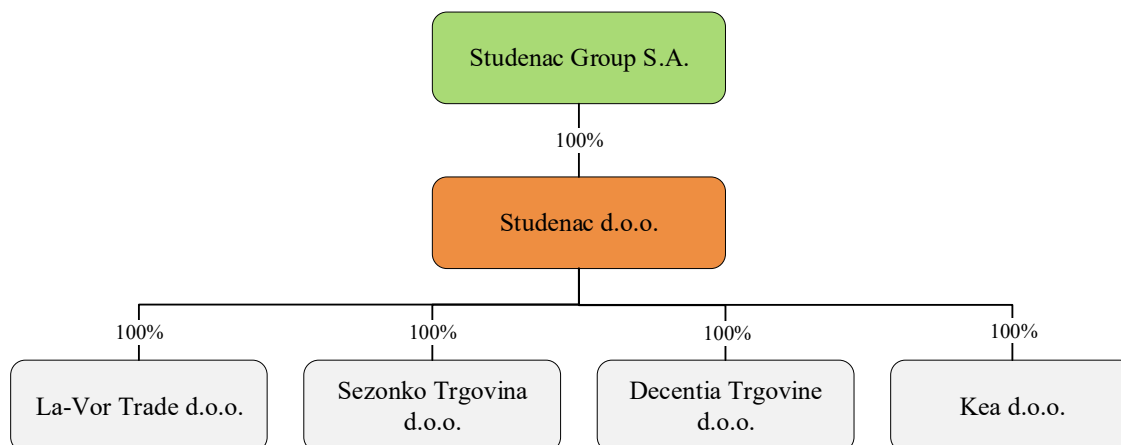
Finally, the Company may perform all commercial, technical and financial or other operations, whether connected directly or indirectly, in all areas in order to facilitate the accomplishment of its purpose.

### 3. Share Capital

As at the date of this Prospectus, the Company's share capital amounted to EUR 1,335,636, represented by and divided into 133,563,600 Shares with a nominal value of EUR 0.01 each, all fully subscribed for and entirely paid up (the "Shares").

#### 4. The Group

As at the date of this Prospectus, Studenac comprises the Company (the parent entity), Studenac Croatia, La-Vor Trade d.o.o., Sezonko Trgovina d.o.o., Decentia Trgovine d.o.o. and Kea d.o.o. The current corporate structure of Studenac appears below, indicating the chain of ownership and the percentage shares in the share capital of each of the entities, respectively.



Source: Company.

There are no joint ventures or undertakings in which the Company holds a proportion of the capital likely to have a significant effect on the assessment of its own assets and liabilities, financial position or profits and losses.

Basic information about Studenac companies, i.e. the Company's direct or indirect subsidiaries, is presented below.

##### **Studenac d.o.o.**

Name and legal form:	Studenac d.o.o.
Registered office and address:	Četvrt Ribnjak 17, 21310 Omiš, Croatia
Core business activities:	Retail trade; other business activities include, among others, the provision of services in stores, warehousing and storage, food and beverage service activities, market research and public opinion polling, advertising, freight transport, activities of holding companies, property management and maintenance activities
Share capital:	EUR 3,431,550.00
Percentage of the Company ownership rights in share capital/voting:	The Company holds 100% of the share capital/voting rights

##### **La-Vor Trade d.o.o.**

Name and legal form:	La-Vor Trade d.o.o.
Registered office and address:	Mažinjica br. 72/2, Buzet, Croatia
Core business activities:	Other retail sales in non-specialised stores; other business activities include, among others, warehousing and storage, food beverage service activities, advertising and market research, freight transport, property management
Share capital:	EUR 2,650.00
Percentage of the Company ownership rights in share capital/voting:	Studenac Croatia holds 100% of the share capital/voting rights

##### **Sezonko Trgovina d.o.o.**

Name and legal form:	Sezonko Trgovina d.o.o.
Registered office and address:	Četvrt Ribnjak 17, Omiš, Croatia
Core business activities:	Retail sale in non-specialised stores with food, beverages or tobacco predominating
Share capital:	HRK 20,000.00 (approx. EUR 2,660)
Percentage of the Company ownership rights in share capital/voting:	Studenac Croatia holds 100% of share capital/voting rights

**Decentia Trgovine d.o.o.**

Name and legal form:	Decentia Trgovine d.o.o.
Registered office and address:	Ulica Ante Mike Tripala 5, Zagreb, Croatia
Core business activities:	Retail sales in stores; other business activities include, among others, warehousing and storage, food beverage service activities, advertising and market research, freight transport, property management
Share capital:	EUR 2,500.00
Percentage of the Company ownership rights in share capital/voting:	Studenac Croatia holds 100% of share capital/voting rights

**Kea d.o.o.**

Name and legal form:	Kea d o.o.
Registered office and address:	Obrtna ulica 2, Šentjur, 3230 Šentjur, Slovenia
Core business activities:	Grocery retail operations in 32 stores
Share capital:	EUR 8,450.26
Percentage of the Company ownership rights in share capital/voting:	Studenac Croatia holds 3.0786% of share capital/ 100% of voting rights*

\* 3.0786% of share capital entitles to receive and retain any dividends and other distributions of profit of Kea; the share capital of Kea amounts to EUR 8,450.26 and consists of two shares: one business share which entitles the shareholder to receive and retain any dividends and other distributions of profit of Kea and one treasury share (i.e., a share held by Kea itself that has no voting rights), representing 96.9214% of the share capital.

Source: Company.

## MANAGEMENT AND CORPORATE GOVERNANCE

This section outlines certain information concerning the management board (the “**Management Board**”) and the supervisory board (the “**Supervisory Board**”) of the Company, the Company’s committees, the Company’s employees and its corporate governance.

This section provides relevant and material information, but does not purport to give a complete overview and should be read in conjunction with, and is qualified in its entirety by reference to, the relevant provisions of Luxembourg law as in force on the date of this Prospectus, the Articles of Association and the rules of procedure of the Management Board and Supervisory Board as these will be in effect ultimately at Admission. This section does not constitute legal advice given to any prospective shareholder regarding these matters and should not be considered as such. The full text of the Articles of Association is available in French and English at the Company’s registered office at 1, Rue Jean Piret, L-2350, Luxembourg, Grand Duchy of Luxembourg during regular business hours. The Articles of Association are also available in French and English on the Company’s website (<https://www.studenacgroup.eu>) and on the website of the Luxembourg Register of Trade and Companies ([www.lbr.lu](http://www.lbr.lu)).

### 1. Management Structure

The Company has a two-tier board structure consisting of the Management Board and the Supervisory Board. The Management Board is responsible for the Company’s day-to-day management, which includes, among other things, preparing the strategies and policies of the Company and achieving the Company’s objectives. The Supervisory Board supervises and advises the Management Board. Each member of the Management Board and the Supervisory Board has a duty to the Company to properly perform the duties assigned by each member and to act in the Company’s corporate interest. In addition to the Management Board and the Supervisory Board, the Company has created an audit committee (the “**Audit Committee**”). The Management Board may act in the name of the Company and perform all acts necessary or useful for achieving the Company’s corporate purposes, except for those acts expressly attributed to the General Meeting or the Supervisory Board under the applicable law or the Articles of Association.

### 2. The Management Board and Supervisory Board

#### 2.1. Powers, responsibilities and functioning

The Management Board is responsible for the management of the Company’s operations. The members of the Management Board are responsible for the Company’s day-to-day management, which includes, among other things, preparing the strategies and policies of the Company and achieving the Company’s objectives.

The Management Board’s responsibilities include, among other things, defining and attaining the Company’s objectives, determining the Company’s strategy and day-to-day management of the Company’s operations. The Management Board may perform all acts necessary or useful for achieving the Company’s objectives, with the exception of those acts that are prohibited by law or by the Articles of Association or are expressly the province of the General Meeting or the Supervisory Board. In accordance with the Luxembourg Company Law and the Articles of Association, the Management Board may delegate its powers to conduct the daily management and affairs of the Company and the representation of the Company for such daily management and affairs to any member of the Management Board or one or more *ad hoc* agents. In fulfilling their responsibilities, the members of the Management Board must act in the interest of the Company.

The Supervisory Board shall carry out the permanent supervision of the management of the Company by the Management Board without being authorised to interfere in such management. The Management Board shall timely provide the Supervisory Board with the information necessary for the performance of their supervision duties and with timely access to the Company’s facilities and premises, senior management and employees whenever necessary. The Management Board is required to keep the Supervisory Board informed and to consult with the Supervisory Board on important matters, especially in terms of the Company’s operational performance, financial situation and its major financial and non-financial risks.

The Management Board may appoint any person, whether or not a member of the Management Board, for the purposes of performing specific functions at every level within the Company. The Management Board will determine the powers, responsibilities and remuneration (if any) of its agent(s), the duration of the period of representation and any other relevant conditions of his/her/its/their agency. In addition, the Management Board is entitled to delegate its management powers to an executive committee (*comité de direction*) or to a chief executive officer (*directeur général*), provided that such delegation may neither deal with the general policy of the Company nor with all acts reserved by law and the Articles of Association to the Management Board. The Management Board defines the extent and limits of the powers of the executive committee or the chief executive officer, and may resolve to change them at any time.



The Management Board appoints the members of the executive committee or the chief executive officer, fixes the conditions (including the remuneration) and the duration of their mandate, and the *modus operandi* of the executive committee, provided that the Management Board can revoke the members of the executive committee and the chief executive officer *ad nutum*.

The Management Board shall also be entitled to create committees which will carry out their activities under its responsibility. The Management Board appoints the members of such committees, fixes the conditions (including the remuneration) and the duration of the mandate of the members thereof, and the *modus operandi* of such committees and the powers delegated to it, provided that the Management Board can revoke the members of any committee *ad nutum*.

The Company will be bound or represented in relations with third parties by, (i) if the Company has one member of the Management Board, the sole signature of that member of the Management Board; (ii) if the Company has more than one member of the Management Board, the joint signature of the President of the Management Board and a member of the Management Board responsible for the area to which the underlying decision applies, in accordance with the Management Board Rules (as defined below); or (iii) the sole signature of any other person (agent) to whom such power has been delegated in accordance with the Articles of Association or applicable law to the extent that such power has been delegated.

## **2.2. Rules of procedure of the Management Board and Supervisory Board**

In accordance with the Articles of Association, the Management Board, subject to the consent of the Supervisory Board, has adopted rules of procedure governing the Management Board's principles and best practices (the "**Management Board Rules**"). The rules of procedure of the Management Board describe, among other items, the duties, tasks, composition, procedures and decision-making of the Management Board.

The Supervisory Board has adopted a set of rules (the "**Supervisory Board Rules**"), governing its decision-making process and working methods, as well as the supervising duties over the Management Board. The Supervisory Board Rules cover, among other things, the composition of the Supervisory Board, its duties, tasks and procedures.

## **Management Board**

### **2.3. Composition, appointment and removal of the members of the Management Board**

The Articles of Association provide that, in the case of a plurality of shareholders the Management Board shall consist of at least three (3) members appointed for a period not exceeding six (6) years (renewable). If a legal entity is appointed as a member of the Management Board, such legal entity must, in accordance with the Luxembourg Company Law, designate a physical person as a permanent representative, who shall perform this role in the name and on behalf of the legal entity.

Members of the Management Board are appointed by the Supervisory Board in accordance with the Articles of Association. The current members of the Management Board were appointed in accordance with the Articles of Association by the Supervisory Board on 7 October 2024.

The president of the Management Board will preside at all meetings of the Management Board. In the absence of the President of the Management Board, the member of the Management Board serving as Chief Financial Officer shall preside as chairperson at a Management Board meeting. If the member of the Management Board serving as Chief Financial Officer is not present at a meeting within fifteen (15) minutes after the time fixed for the start of the meeting, then the members of the Management Board present will appoint another member of the Management Board as chairperson *pro tempore* by a majority vote by the members of the Management Board present or represented at such meeting. The Management Board may appoint and dismiss a secretary, who does not need to be a member of the Management Board, and determine the secretary's responsibilities, powers and authority. The Management Board Secretary shall be responsible for, among other things, keeping the minutes of meetings of the Management Board.

A member of the Management Board may be dismissed with or without cause and may be replaced at any time by the Supervisory Board. No person may at the same time be a member of the Management Board and the Supervisory Board. However, in the event of vacancy on the Management Board, the Supervisory Board may appoint one of its members to act as a member of the Management Board. During such period, the functions of the person concerned as a member of the Supervisory Board shall be suspended.

### **2.4. Frequency and place of the Management Board meetings**

The Management Board shall meet as often as the business and interests of the Company so requires but at least four times each financial year. Management Board meetings are generally held at the offices of the Company, but may take place elsewhere in Luxembourg, as provided for in the convening notice.

Members of the Management Board may participate in a meeting of the Management Board by means of telephone conference or similar communication equipment by means of which all persons participating in the meeting can hear, see and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, provided that all actions approved by the members of the Management Board at any such meeting will be reproduced in writing in the form of resolutions. In such a case, the meeting is deemed to be held in Luxembourg.

## 2.5. *Decision-making of the Management Board*

If no larger majority is stipulated by Luxembourg law or pursuant to the Articles of Association, the Management Board can validly debate and take decisions if at least the majority of its members is present or represented. Decisions are taken by a simple majority of the members present or represented.

The Management Board may adopt resolutions in writing, provided that they are signed by all members of the Management Board. The resolutions adopted in writing will be as valid and effective as if passed at a meeting duly convened and held.

A member of the Management Board may act at any meeting of the Management Board by appointing another member of the Management Board as their proxy in writing. A member of the Management Board may represent more than one member of the Management Board by proxy, under the condition that (without prejudice to any quorum requirements) at least two (2) members of the Management Board are present at the meeting.

### **Members of the Management Board**

As at the date of this Prospectus, the Management Board consists of seven members.

The following table sets out the key information about the members of the Management Board performing their duties as at the date of the Prospectus.

<b>Name</b>	<b>Age</b>	<b>Position</b>	<b>Date the current term of office began</b>	<b>Expiration of the current term of office</b>
Michał Seńczuk	50	President of the Management Board (Chief Executive Officer)	2024 (but has served as the president of the Management Board of Studenac Croatia since 2018)	2030
Dragan Baškarad	46	Member of the Management Board (Chief Operating Officer)	2024 (but has served as a member of the Management Board of Studenac Croatia since 2020)	2030
Filip Bilanović	51	Member of the Management Board (Chief Development Officer)	2024 (but has served as a member of the Management Board of Studenac Croatia since 2020)	2030
Rafał Cieślakowski	50	Member of the Management Board (Chief Commercial Officer)	2024 (but has served as a member of the Management Board of Studenac Croatia since 2018)	2030
Michał Halwa	49	Member of the Management Board (Chief Financial Officer)	2024 (but has served as a member of the Management Board of Studenac Croatia since 2020)	2030
Nina Mimica	40	Member of the Management Board (Chief Innovation Officer)	2024 (but has served as a member of the Management Board of Studenac Croatia since 2022)	2030
Andrija Topić	36	Member of the Management Board (Chief Acquisition and Integration Officer)	2024 (has also served as a member of the Management Board of Studenac Croatia since 2024)	2030

Source: Company.

As at the date of this Prospectus, the mandates of the members of the Management Board expire no later than in 2030.

The business address of all of the members of the Management Board (other than Nina Mimica) is as follows: 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg.

## 2.6. *Professional curricula vitae of the members of the Management Board*

### 2.6.1. *Michał Seńczuk*

Michał Seńczuk is the president of the Management Board of the Company. He has also been the president of the Management Board of Studenac Croatia since 2018.

Mr. Seńczuk has over 25 years of experience in the retail industry, including seven years' experience as a chief executive officer and nine years as a management board member in companies operating in the industry.

Before joining Studenac, he gained experience working for some of the largest companies in the retail sector in Poland, including Jeronimo Martins Polska S.A., Żabka Polska S.A. and Polomarket sp. z o.o., where he was responsible for managing operations as well as for strategy development and realisation.

Mr. Seńczuk graduated from Poznań University of Economics, where he obtained a master's degree in management and marketing (specialising in transport and logistics). Mr. Seńczuk completed the Executive MBA programme at the Canadian International Management Institute and Harvard Business School Publishing as well as the Transition to General Management programme at INSEAD Business School.

#### *2.6.2. Dragan Baškarad*

Dragan Baškarad is a member of the Management Board of the Company. He has also been a member of the Management Board and the Chief Operating Officer of Studenac Croatia since 2020.

Mr. Baškarad has extensive and diverse experience gained performing managerial positions in retail sector companies for over 15 years.

He has been leading the operations of Studenac since 2020 and is responsible for setting and implementing new standards for store operations as well as for the supply chain.

Before joining Studenac, he gained experience at Konzum, a major FMCG company, as a company director. Subsequently, Mr. Baškarad worked with Stanic-Trade company, one of the largest companies in retail and wholesale of consumer electronics in the region, where he held the position of board member responsible for retail development and network expansion.

Mr. Baškarad graduated from the Faculty of Economics, University of Mostar, Bosnia and Herzegovina.

#### *2.6.3. Filip Bilanović*

Filip Bilanović is a member of the Management Board of the Company since 2018. He has also been a Chief Director of Development of Studenac Croatia since 2020.

Mr. Bilanović has extensive and diverse experience in retail, especially in the field of marketing, commercial operations and expansion, as well as real estate. In addition, he possesses professional experience in the hospitality industry. He has been a member of the management of Studenac Croatia since 2009. He has been responsible for the development of the business network development since 2020. Before joining Studenac, he gained experience at Omial d.d., a company that produces packaging for the food industry.

Mr. Bilanović graduated from the Faculty of Economics, University of Zagreb.

#### *2.6.4. Rafał Cieślakowski*

Rafał Cieślakowski is a member of the Management Board of the Company. He has also been a member of the Management Board and the Chief Commercial Officer of Studenac Croatia since 2018.

Mr. Cieślakowski has extensive and diverse experience in the retail industry.

He has been managing the commercial operations area at Studenac since 2018.

Before joining Studenac, he gained experience at Jeronimo Martins Poland. Over almost 20 years, he held various positions within the group's structure, including, most recently, that of Senior Category Manager and, subsequently, that of Commercial Director. Mr. Cieślakowski was responsible for the results of the assortment strategic category in terms of strengthening the company's position in the Polish market. At the same time, he was responsible for the creation and development of a new model of direct cooperation with foreign suppliers at the level of the entire group.

Mr. Cieślakowski graduated from Poznań University of Economics and Business, where he obtained a master's degree in management and marketing. He has also completed post-graduate studies in the field of the operational management of companies and of supply chains at the School of Logistics in Poznań as well as several management courses in the United States and Europe.

#### *2.6.5. Michał Halwa*

Michał Halwa is a member of the Management Board of the Company. He has also been a member of the Management Board and the Chief Financial Officer of Studenac Croatia since 2020.

Mr. Halwa has extensive and diverse experience in finance and in mergers and acquisitions obtained during his cooperation with private equity funds and successful business transformations.

Before joining Studenac, Mr. Halwa gained experience at PricewaterhouseCoopers Polska, where he worked on financial audit and business advisory projects for close to 10 years. In 2011, he joined Dino Polska S.A. (Dino sp. z o.o. at that time), a leading Polish grocery retailer, where he supported the initial phase of dynamic growth and expansion as Chief Financial Officer and a Member of the Management Board. For several years after that, Mr. Halwa served as Chief

Financial Officer and as a Management Board Member in several Polish and international companies operating in the automotive sector (NordGlass sp. z o.o., AGC Automotive Europe), FMCG (R.Twinings & Company sp. z o.o.) and, most recently, IT for the retail sector (Exorigo-UPOS).

Mr. Halwa graduated from the Poznań University of Economics, where he obtained a degree in International Business.

Mr. Halwa has been a Fellow Member of the Association of Chartered Certified Accountants since 2005.

#### 2.6.6. *Nina Mimica*

Nina Mimica is a member of the Management Board of the Company. She has also been a member of the Management Board and the Chief Innovation Officer of Studenac Croatia since 2022. Her business address is Prilaz moru 36, 21318 Mimice, Croatia.

Ms. Mimica has extensive experience in the areas of advertising, marketing and corporate communications as well as product development and management, new business development, innovation and international marketing and product strategy.

Since 2022, she has been managing innovation and digitalisation at Studenac and is responsible for strategy relating to and the implementation of innovative technological solutions based on the use of advanced analytics and new product development in order to improve customer satisfaction, optimise internal processes, increase efficiency and ensure new company growth and value. Previously, Ms. Mimica held the positions of Marketing Communications and Corporate Communications Sector Director at Studenac for over three years.

Before joining Studenac, she gained experience in small, privately-owned companies as well as in a multinational corporation. From 2013 to 2019, Ms. Mimica worked at Deutsche Telekom Group, where she was responsible for international product strategy and development as well as ideation and the execution of innovative business models. She has also worked with Electrolux Professional and Digitel d.o.o.

Mr. Mimica graduated with a degree in service management studies from RIT Croatia. She has completed a master's degree in business administration with a focus on international business at the MIB School of Management in Trieste, Italy, and holds a Digital Certificate from Stanford University.

#### 2.6.7. *Andrija Topić*

Andrija Topić is a member of the Management Board of the Company. He has also been a member of the Management Board of Studenac Croatia since April 2024 and the Chief Acquisition and Director of Integration of Studenac Croatia since 2021.

Mr. Topić has extensive and diverse experience in development projects, mergers and acquisitions and retail business obtained while holding executive functions in the retail and automotive sectors.

Since 2021, he has been managing acquisitions and integration at Studenac and is responsible for the negotiation of acquisitions and the successful integration of stores and retail chains into Studenac following acquisition.

Before joining Studenac, he gained experience at Tokić d.o.o. as executive director for business development, and subsequently as a management board member and Chief Growth Officer. Mr. Topić also worked with Fortenova d.d. (formerly Agrokor d.d.), where he held the position of retail executive director overseeing more than 1,500 stores in the region.

Mr. Topić graduated from Lock Haven University of Pennsylvania, where he obtained a degree in business administration. He has also completed the Advanced Project Management, Change Management and Risk Management programme at the University of Oxford and an EMBA at the Cotrugli Business School in Zagreb, Croatia.

#### **Positions held by the Management Board members in other companies and partnerships**

The following table sets forth information on the other companies and partnerships in which, during the last five (5) years, the members of the Management Board: (i) held management or supervisory body positions; (ii) held shares (due to the continuous volatility of small blocks of shares in the case of companies listed on the WSE, ZSE or on another regulated market in Poland, Croatia or abroad, the following table sets out only those companies in which a given member of the Management Board held shares in a number exceeding 1% of the votes at the general meeting of such company); or (iii) were partners.

Studenac Group S.A.

<b>Name</b>	<b>Company</b>	<b>Position</b>	<b>Does the person serve in this capacity as at the date of this Prospectus</b>
Michał Seńczuk	Istarski Supermarketi	Chairman of the Supervisory Board	No
	Kea	Member of the Supervisory Board	Yes
	LA-VOR	Chairman of the Supervisory Board	Yes
	Lonia	Chairman of the Supervisory Board	No
	Pemo	Chairman of the Supervisory Board	No
	Sezonko Trgovina d.o.o.	President of the Management Board	Yes
	Sonik	Chairman of the Supervisory Board	No
	Studenac Croatia	President of the Management Board	Yes
	PEF Managers SCSp	Limited partner	Yes
Dragan Baškarad	Decentia	Member of the Supervisory Board	Yes
	LA-VOR	Member of the Supervisory Board	Yes
	Lonia	President of the Management Board	No
	Kea	Member of the Supervisory Board	Yes
	Pemo	Member of the Supervisory Board	No
	Stanic Trade d.o.o.	Member of the Management Board	No
	Studenac Croatia	Member of the Management Board	Yes
	PEF Managers SCSp	Limited partner	Yes
Filip Bilanović	Bure	Director	No
	CEDEKAP TRGOVINA d.o.o.	Director	No
	DURAVIT TRGOVINA društvo s ograničenom odgovornošću za trgovinu i usluge	Director	No
	Istarski Supermarketi	Vice-chairman of the Supervisory Board	No
	Kea	Member of the Supervisory Board	Yes
	Lonia	Member of the Supervisory Board	No
	Narodni Trgovacki Lanac d.o.o. za trgovinu i usluge	Member of the Supervisory Board	No
	PRINCEZA KORINA d.o.o.	Member of the Management Board	No
	Sonik	Member of the Management Board	No
	Studenac Croatia	Member of the Management Board	Yes
	TEHNO-RON MALOPRODAJA društvo s ograničenom odgovornošću za trgovinu i usluge	Director	No
	PEF Managers SCSp	Limited partner	Yes
	Rafał Cieślakowski	Istarski Supermarketi	Member of the Supervisory Board
Kea		Member of the Supervisory Board	Yes
Sonik		Vice-chairman of the Supervisory Board	No
Studenac Croatia		Member of the Management Board	Yes
PEF Managers SCSp		Limited Partner	Yes



Name	Company	Position	Does the person serve in this capacity as at the date of this Prospectus
Michał Halwa	Decentia	Member of the Supervisory Board	Yes
	Exorigo-Upos S.A.	Member of the Management Board	No
	Exorigo-Upos sp. z o.o.	Member of the Management Board	No
	Finture sp. z o.o.	Member of the Management Board	No
	Finture.AI sp. z o.o.	Member of the Management Board	No
	Kea	Member of the Supervisory Board	Yes
	LA-VOR	Vice-chairman of the Supervisory Board	Yes
	Lonia	Vice-chairman of the Supervisory Board	No
	R. TWINING AND COMPANY sp. z o.o.	Member of the Management Board	No
	Pemo	Vice-chairman of the Supervisory Board	No
	Sezonko Trgovina d.o.o.	Member of the Management Board	Yes
	PIERHOUSE BUSINESS SOLUTIONS LIMITED	Director	No
	PIERHOUSE ASIA PACIFIC LTD	Director	No
	Studenac Croatia	Member of the Management Board	Yes
	PEF Managers SCSp	Limited partner	Yes
	Nina Mimica	PEF Managers SCSp	Limited partner
Studenac Croatia		Member of the Management Board	Yes
Andrija Topić	Decentia	Member of the Supervisory Board	Yes
	Kea	Director	Yes
	LA-VOR	Member of the Management Board	Yes
	Lonia	Member of the Management Board	No
	Pemo	Member of the Management Board	No
	Špar Trgovina	Member of the Management Board	No
	Strahinjčica	Member of the Management Board	No
	Studenac Croatia	Member of the Management Board	Yes
	Tokić – Rast i Razvoj d.o.o.	Director	No
Tokić d.o.o.	Member of the Management Board	No	

Source: Company.

## Supervisory Board

### 2.7. Composition, appointment and removal of the members of the Supervisory Board

The Articles of Association provide that the Supervisory Board shall consist of between seven (7) and nine (9) members appointed for a maximum term of six (6) years, which may be renewed. If a legal entity is appointed as a member of the Supervisory Board, such legal entity must, in accordance with the Luxembourg Company Law, designate a physical person as a permanent representative, who shall perform this role in the name and on behalf of the legal entity.

Members of the Supervisory Board are appointed by the General Meeting by an absolute majority of the votes cast, with a quorum of no less than fifty per cent (50%) of the Company's share capital present or represented. For as long as PEF holds:

- at least 40% (inclusive) of the total number of votes at the General Meeting, PEF has the right to present to the General Meeting 6 (six) candidates to serve as members of the Supervisory Board (in the case of a seven-member Supervisory Board) or 7 (seven) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of 8 (eight) or 9 (nine) members) from whom the General Meeting shall elect 4 (four) candidates to serve as members of the Supervisory Board (in the case of a seven-member Supervisory Board) or 5 (five) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of 8 (eight) or (9) nine members);

- between 25% (inclusive) and 40% of the total number of votes at the General Meeting, PEF has the right to present to the General Meeting 4 (four) candidates to serve as members of the Supervisory Board (in the case of a seven-member Supervisory Board) or 5 (five) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of (8) eight or (9) nine members) from whom the General Meeting shall elect 2 (two) candidates to serve as members of the Supervisory Board (in the case of a seven-member Supervisory Board) or 3 (three) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of (8) eight or (9) nine members);
- between 10% (inclusive) and 25% of the total number of votes at the General Meeting, PEF has the right to present to the General Meeting 3 (three) candidates to serve as members of the Supervisory Board (in the case of a seven-member Supervisory Board) or 4 (four) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of (8) eight or (9) nine members) from whom the General Meeting shall elect 1 (one) candidate to serve as a member of the Supervisory Board (in the case of a seven-member Supervisory Board) or 2 (two) candidates to serve as members of the Supervisory Board (in the case of a Supervisory Board composed of (8) eight or (9) nine members);
- less than 10% of the total number of votes at the General Meeting, PEF has the right to present to the General Meeting 3 (three) candidates to serve as members of the Supervisory Board from whom the General Meeting shall elect 1 (one) member of the Supervisory Board.

In the event the mandate of a member of the Supervisory Board appointed from PEF's candidates presented in accordance with the above procedure expires, irrespective of the reason, the right to present a candidate for a member of the Supervisory Board in place of the member of the Supervisory Board whose mandate has expired shall be vested in PEF, so long as PEF holds the respective shareholding.

The current members of the Supervisory Board were appointed in accordance with the Articles of Association by a General Meeting held on 7 October 2024. A member of the Supervisory Board may be dismissed with or without cause and be replaced at any time by the General Meeting.

The Supervisory Board shall elect from among its members a Chairperson who, in case of a tied vote, shall have a casting vote. The Supervisory Board may also appoint a Vice-Chairperson from among its members. Either the Supervisory Board Chairperson or the Supervisory Board Vice-Chairperson should be independent. The Chairperson will chair all meetings of the Supervisory Board. In the absence of the Supervisory Board Chairperson, the Supervisory Board Vice-Chairperson, if any, will chair such meeting of the Supervisory Board. In their absence, the other members of the Supervisory Board will appoint another member of the Supervisory Board as chairperson *pro tempore* by a majority vote cast by the members of the Supervisory Board present or represented at such meeting.

In the event of a vacancy in the office a member of the Supervisory Board appointed by the General Meeting, the remaining members so appointed may, subject to compliance with any applicable nomination right, fill the vacancy on a provisional basis. In such circumstances, the next General Meeting shall make the final appointment.

The Supervisory Board may appoint and dismiss a secretary, who does not need to be a member of the Supervisory Board, and determine the secretary's responsibilities, powers and authority. The Supervisory Board Secretary shall be responsible, among other things, for keeping the minutes of the meetings of the Supervisory Board.

## **2.8. Frequency and place of Supervisory Board meetings**

The Supervisory Board shall meet as often as the business and interests of the Company require, but at least four times each financial year. Supervisory Board meetings are generally held at the offices of the Company, but may take place elsewhere, as provided for in the convening notice.

Members of the Supervisory Board may participate in a meeting of the Supervisory Board by means of telephone conference or similar communication equipment by means of which all persons participating in the meeting can hear and speak to each other, and such participation in a meeting will constitute presence in person at the meeting, provided that all actions approved by the members of the Supervisory Board at any such meeting will be reproduced in writing in the form of resolutions. In such a case, the meeting is deemed to be held in Luxembourg.

## **2.9. Decision-making of the Supervisory Board**

If no larger majority is stipulated by Luxembourg law or pursuant to the Articles of Association, the Supervisory Board can validly debate and take decisions if at least the majority of its members is present or represented. Decisions are taken by a simple majority of the members of the Supervisory Board present or represented.

The Supervisory Board may adopt resolutions in writing, provided that they are signed by all members of the Supervisory Board. The resolutions adopted in writing will be as valid and effective as if passed at a meeting duly convened and held.

A member of the Supervisory Board may act at any meeting of the Supervisory Board by appointing in writing another member as their proxy. A member of the Supervisory Board may represent more than one member of the Supervisory Board by proxy, provided that (without prejudice to any quorum requirements) at least a simple majority of the total number of the members of the Supervisory Board are present at the meeting.

### Members of the Supervisory Board

As at the date of this Prospectus, the Supervisory Board consists of nine members.

The following table sets out the key information concerning the members of the Supervisory Board performing their duties as at the date of the Prospectus.

Name	Age	Position	Date the current term of office began	Expiration of the current term of office
Krzysztof Andrzejewski	50	Chairman of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Javier Fernández Rozado	60	Member of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Ronny Gottschlich	49	Member of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Michał Kędzia	43	Member of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Gordan Kolak	54	Member of the Supervisory Board (independent)	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Bartosz Kwiatkowski	37	Member of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Tomislav Tomljenović	34	Member of the Supervisory Board	2024 (but has served as a member of the Supervisory Board of Studenac Croatia since 2018)	2030
Ewa Radkowska- Świątoń	53	Member of the Supervisory Board	2024	2030
Stephanie Ekaette Trpkov	42	Member of the Supervisory Board	2024	2030

Source: Company.

As at the date of this Prospectus, the mandates of the members of the Supervisory Board expire no later than 2030.

The business address of all of the members of the Supervisory Board is as follows: 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg.

## 2.10. Professional curricula vitae of the members of the Supervisory Board

### 2.10.1. Krzysztof Andrzejewski

Krzysztof Andrzejewski is the chairman of the Supervisory Board of the Company and has been the Chairman of the Supervisory Board of Studenac Croatia since 2018.

Mr. Andrzejewski has extensive and diverse experience in management and advisory to private equity funds. He has over 20 years retail and consumer industry experience and has been involved in buy-outs, start-up initiatives and deal structuring across the CEE region.

Before joining the Company, he worked at Żabka Polska sp. z o.o. as Chief Financial Officer, Chief Operating Officer and Chief Executive Officer, and Ursus Breweries S.A., where he was responsible for finance and sales and distribution. Previously, he worked at Kompania Piwowarska S.A. as Chief Financial Officer responsible for Operations in Poland and SABMiller Europe in various roles. He started his professional career at PricewaterhouseCoopers in New York, United States. From 2019 until 2023, he was a member of the Management Board of Autostrada Wielkopolska S.A.,

Autostrada Wielkopolska II S.A and, from 2022 to 2023, Autostrada Eksploatacja S.A. Since 2023, Mr. Andrzejewski has held the position of Chief Development Officer and member of the Management Board of Kulczyk Investments S.A.

Mr. Andrzejewski graduated from Adam Mickiewicz University in Poznań and completed Post Graduate Studies in Financial Strategy at the Saïd Business School, Oxford as well as the MIT Sloan School of Management. He has also completed numerous courses in corporate finance and general management, including the Management Development Program, Executive Leadership Program, Global Action Learning Programs operated by business schools such as Harvard Business School, Wharton Business School and Stanford Graduate School of Business. He has been a lecturer at Poznań University of Economics and a guest speaker at numerous business conferences. He is also alumnus of the international programme of Zeit Stiftung Bucerius.

#### *2.10.2. Javier Fernández Rozado*

Javier Fernández Rozado is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018.

Mr. Fernández Rozado has extensive and diverse experience in retail business advisory, investment banking and equity research. Before joining the Company, he gained experience at Beragua Advisory in Madrid, where he is the Founder and Managing Partner. Recent retail clients of Beragua include Profi, Mercator, Jerónimo Martins, Sklavenitis, Pepco, Pepkor, D1 and 3B among others. Before that, he worked at Deutsche Bank London as Director of Equity Research and Managing Director in the Consumer Group. At Deutsche Bank, he was responsible for origination in numerous consumer and retail transactions, including Caprabo, CVC-El Arbol, Inditex, Carrefour, Esselunga and Jerónimo Martins. He also worked at Santander in Madrid and Nabisco Brands in San Francisco, New York and Barcelona.

Mr. Fernández Rozado graduated from the Universidad Autonoma de Madrid, where he obtained a degree in business administration and where he also received a Ph.D. in business administration. Mr. Fernández Rozado holds a master's degree in financial management from the Stanford Graduate School of Business. He has also completed the Advanced Management Program at Instituto de Estudios Superiores de Empresa (IESE).

#### *2.10.3. Ronny Gottschlich*

Ronny Gottschlich is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018.

Mr. Gottschlich has extensive and diverse experience in the retail and technology space. He has led large workforces, managed multibillion dollar organisations and rapidly expanded novel retail concepts internationally. Mr. Gottschlich advises retailers and adjacent businesses in board positions. Additionally, he helps start-ups by providing advice and providing them with access to his vast network of retail executives and investments.

Before joining Studenac, he gained experience as Chief Executive Officer of Lidl UK and, previously, in other positions at Lidl Germany. Mr. Gottschlich was also the Chief Commercial Officer and Co-Founder of Gorillas, a Quick-Commerce Pioneer delivering groceries in 10 minutes. He has supported companies around the world as a supervisory board member (i.e., A101 in Türkiye and Veganz in Germany) and through his consulting firm. Mr. Gottschlich has also worked as an Operating Partner at Rockaway Capital, which owns the leading e-grocery and e-travel Player in Germany and holds a portfolio of companies with over €2.5 billion in revenue. He actively supports ADQ in the transformations and strategy committee at LuLu as well as advising Mexican retailer Tiendas 3B, which completed its initial public offering on the New York Stock Exchange.

Mr. Gottschlich studied at Martin Luther University of Halle-Wittenberg and Merseburg University of Applied Sciences. He holds a Diploma (MBA equivalent) in Marketing and Personnel.

#### *2.10.4. Michał Kędzia*

Michał Kędzia is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018.

Mr. Kędzia has extensive and diverse experience in FMCG products, financial services and healthcare sectors. He has worked with PEF since 2007.

He led successful investments in companies such as Dino S.A., one of the largest retailers in Poland, Intersport ISI, an international sporting goods retailer, and 8a, the largest online retailer of outdoor gear and apparel in the CEE region. Mr. Kędzia has also been a member of supervisory boards of the business activities of Modular System sp. z o.o., a container manufacturer, Goodspeed sp. z o.o., a provider of transport services, Croatian Pan-Pek d.o.o., a bakery producer and retailer and Advanced Protection Systems S.A., a producer of radar and anti-drone systems. Previously, Mr. Kędzia worked at Ernst & Young on M&A transactions.

Mr. Kędzia holds a master's degree in Finance and Accounting and a master's degree in International Relations from the University of Łódź.

#### 2.10.5. *Gordan Kolak*

Gordan Kolak is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018. Mr. Kolak is also the chairperson of the Audit Committee of the Company.

Mr. Kolak has extensive and diverse experience in strategic and operational management as well as in national security affairs. He is an expert in the corporate, financial and organisational restructurings of complex business systems and has a wealth of experience in management and advisory functions.

Before joining Studenac, he gained experience as a director and a president of the management boards of several companies operating in the fields of information and communications technology ("ICT") systems integration, the production of special-purpose robotic machinery and Dalekovod transmission lines metal structures, suspension and jointing equipment production. In 2019, he was appointed vice-president, and in 2020, president of the management board of KONČAR, a leading a Croatian electrical, transport and energy company. He has also served as a member of numerous supervisory boards.

Mr. Kolak graduated from the University of Rijeka, Faculty of Engineering, and earned his master's degree from the University of Zagreb, Faculty of Mechanical Engineering and Naval Architecture. Subsequently, he continued his professional training at prestigious American and European civil and military schools.

As a member of Croatian Armed Forces, Mr. Kolak actively participated in the Croatian War of Independence and in developing the country's defence system. He took part in the United Nations Mission in Sierra Leone and continues to be active in developing Croatia's national security and defence system.

Mr. Kolak has been president of the Croatian Association of Management Consultants and a lecturer at the Zagreb School of Economics and Management. From 2015 to 2020, he was the Secretary of the Croatian President's Homeland Security Council.

Mr. Kolak has been awarded the Homeland War Memorial medal as well as the Society of American Military Engineers Award for academic excellence among engineering officers, and the United Nations Medal for participating in joint international military operations in Sierra Leone.

Mr. Kolak is an active member of numerous business associations.

#### 2.10.6. *Bartosz Kwiatkowski*

Bartosz Kwiatkowski is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018.

Mr. Kwiatkowski has extensive and diverse experience in retail and e-commerce, industrial services and the energy sector. He has been the Vice-Chairman of the Supervisory Board of Focus Garden sp. z o.o., a company operating and developing FocusGarden.pl, the fastest growing gardening e-commerce platform in Poland. He is also the chairman of the Supervisory Board of 8a, the largest online retailer of outdoor gear and apparel in the CEE region. Mr. Kwiatkowski was also a member of the Supervisory Board of Wento sp. z o.o., a leading photovoltaic developer in Poland. Before joining Studenac, he also gained experience at Kearney.

Mr. Kwiatkowski graduated from Warsaw School of Economics, where he obtained a master's degree in Finance and Banking.

#### 2.10.7. *Tomislav Tomljenović*

Tomislav Tomljenović is a member of the Supervisory Board of the Company and has been a member of the Supervisory Board of Studenac Croatia since 2018. Mr. Tomljenović is also a member of the Audit Committee of the Company.

Mr. Tomljenović has extensive and diverse experience as a member of the supervisory boards of several retail and food production companies in the Adriatic region of Croatia. He has also served as Investment Director for the Adriatic region of Croatia at Enterprise Investors Corporation, the fund manager of the Principal Selling Shareholder.

Before joining the Company, he gained experience in the investment management, management consulting and financial advisory practices of various Big4 firms.

Mr. Tomljenović graduated from the Zagreb School of Economy and Management, where he obtained a bachelor's degree in Economics and Management.

#### 2.10.8. *Ewa Radkowska-Świętoń*

Ewa Radkowska-Świętoń is a member of the Supervisory Board of the Company and a member of the Audit Committee of the Company.



Ms Radkowska-Świętoń has extensive and diverse experience in asset management, with a particular focus on investments, sales and corporate governance.

Before joining Studenac, Ms Radkowska-Świętoń gained experience as Chief Executive Officer and Chief Investment Officer at Skarbiec TFI S.A., one of the leading independent investment companies in Poland, where she was responsible for strategic initiatives, including M&A and restructuring, equity investments, compliance, legal, and HR. She also cooperated closely with the sales and product departments in creating product offerings, acquiring new partners and clients, managing relationships with key existing partners, and overseeing marketing, training, and PR activities. In 2011, she became deputy CEO of Nationale Nederlanden PTE S.A., where she worked for almost 10 years and was responsible for investments by the largest Polish open pension fund. For several years, she served as a Management Board Member and Fund Manager of several Polish and international companies (Nationale Nederlanden PTE S.A., Aviva Investors (Poland) S.A., ING Investment Management Poland S.A.).

Currently, she serves as a chairwoman of the Supervisory Board of Kruk S.A. and the Supervisory Board of Pretty Soon S.A. and as a member of the Supervisory Board of Ipopema Securities S.A. She is also president of the Association of Independent Non-Executive Directors and a member of the Risk Committee of the KDPW\_CCP and of the Oversight Committee of Capital Market Benchmarks at GPW Benchmark S.A.

She has been a lecturer at the Sustainability and Environment Institute at Łazarski University in Warsaw and a lecturer at Akademia Leona Koźmińskiego in Warsaw.

Ms Radkowska-Świętoń graduated from the Warsaw School of Economics, where she obtained a master's degree in economics. She is also a certified Chartered Financial Analyst (CFA) and Financial Risk Manager (FRM).

#### 2.10.9. *Stephanie Ekaette Trpkov*

Stephanie Ekaette Trpkov is a member of the Supervisory Board of the Company.

Ms Trpkov has extensive and diverse experience in management and strategic planning with a focus on green transition, industrial transformation and innovation.

Since 2008, Ms Trpkov has been working as a management consultant and C-suite advisor in the roles of project designer, manager and coordinator at various institutions in Belgium, Austria, Slovenia, the Netherlands, Macedonia, and Croatia. In 2016, she joined the World Bank Group as a Private Sector Development Consultant and later became an Energy Sector Consultant with responsibility for new project development and project financing options aimed at supporting the green industrial transition and economic recovery of key sectors in Croatia.

She is a co-founder of Agrodox Ltd., a climate technology company with a focus on effecting green transition through innovation in commodities trading and value chain redesign. Ms Trpkov was also the owner and executive director of Intech Ventures Ltd., a technology company, and is an owner of Topax Consulting, a company that specialises in strategic industrial transformation.

Ms Trpkov graduated from the University of Uyo, Nigeria, where she obtained a bachelor of science degree in Industrial Biochemistry, and also received a Diploma in International Relations & Communications. She also completed an Executive MBA at COTRUGLI Business School in Zagreb and is currently pursuing a Doctorate in Business Administration (DBA) at the Swiss School of Business & Management in Geneva, where she is conducting research into the paradox of green technology adoption in energy intensive industries. Ms Trpkov is a member of several expert committees and is a known speaker at numerous conferences on energy transition.

#### **Positions held by the Supervisory Board members in other companies and partnerships**

The following table sets out information on the other companies and partnerships in which, during the last five (5) years, the members of the Supervisory Board: (i) held management or supervisory body positions; (ii) held shares (due to the volatility of small blocks of shares in the case of companies listed on the WSE, ZSE or on another regulated market in Poland, Croatia or abroad, the following table sets out only those companies in which a given member of the Supervisory Board held shares in a number exceeding 1% of the votes at the general meeting of such company); or (iii) were partners.

Studenac Group S.A.

<b>Name</b>	<b>Company</b>	<b>Position</b>	<b>Does the person serve in this capacity as at the date of this Prospectus</b>
Krzysztof Andrzejewski	Kulczyk Investments SA	Member of the Management Board	Yes
	Autostrada Wielkopolska S.A	Member of the Management Board	No
	Autostrada Wielkopolska II S.A.	Member of the Management Board	No
	Autostrada Eksploatacja S.A	Member of the Management Board	No
	Caravella Biopharma SA	Member of the Supervisory Board	Yes
	„Chata Polska” S.A.	Member of the Supervisory Board	No
	Grodziska Fabryka Wyposażenia Wagonów „Growag” sp. z o.o.	Member of the Supervisory Board	No
	Growag SV sp. z o.o.	Member of the Supervisory Board	No
	Noho Warszawa sp. z o.o.	Member of the Supervisory Board	Yes
	Progress Eco S.A.	Member of the Supervisory Board	No
	Progress Eco sp. z o.o.	Chairman of the Supervisory Board	No
	Studenac Croatia	Chairman of the Supervisory Board	No
	Rotator sp. z o.o.	President of the Management Board	Yes
	Wojskowa 6 sp. z o.o.	Vice-president of the Management Board	Yes
	Żabka Finanse sp. z o.o.	Member of the Supervisory Board	No
Javier Fernández Rozado	Beragua Advisory S.L.	Managing Partner	Yes
	Baragua	Managing Partner and shareholder	Yes
	Fundamental Private Partners	Member of the Management Board and shareholder	Yes
Ronny Gottschlich	Pepkor Brazil	Member of the Board	Yes
	Studenac Croatia	Member of the Supervisory Board	No
	A101 Yeni Mağazacılık A.Ş.	Member of the Supervisory Board	Yes
	Veganz Group AG	Member of the Supervisory Board	Yes
	Rockaway Capital SE	Operating Partner	No
	Gorillas	Member of the Management Board	No
	Heunadel	President of the Management Board	Yes
Studenac Croatia	Member of the Supervisory Board	No	

Studenac Group S.A.

<b>Name</b>	<b>Company</b>	<b>Position</b>	<b>Does the person serve in this capacity as at the date of this Prospectus</b>
Michał Kędzia	PAN-PEK d.o.o.	Member of the Supervisory Board	Yes
	Polish Enterprise Investors VII, L.P.	Limited Partner	Yes
	Polish Enterprise Investors VIII, L.P.	Limited Partner	Yes
	Enterprise Investors Partners IX SCSp.	Limited Partner	Yes
	Intersport ISI d.o.o.	Member of the Supervisory Board	Yes
	Modular System sp. z o.o.	Member of the Supervisory Board	Yes
	Advanced Protection Systems S.A.	Member of the Supervisory Board	Yes
	Goodspeed sp. z o.o.	Member of the Supervisory Board	Yes
	Nu-med Grupa S.A.	Member of the Supervisory Board	No
	RSIG sp. z o.o. - Nowy Manhattan sp.k.	Limited Partner	Yes
	Little Tuscany sp. z o.o.	Member of the Management Board	No
	RSIG sp. z o.o.- Filmowa Residence sp.k.	Limited Partner	Yes
	RSIG sp. z o.o. - Osiedle Żeromskiego sp.k.	Limited Partner	Yes
	Scan Lab sp. z o.o.	Chairman of the Supervisory Board	Yes
	Snap Outdoor sp. z o.o.	Member of the Supervisory Board	No
	Eycore sp. z o.o.	Member of the Supervisory Board	Yes
	Studenac Croatia	Member of the Supervisory Board	Yes
	Hello Smile sp. z o.o.	Chairman of the Supervisory Board	Yes
	Pol-Line sp. z o.o.	Chairman of the Supervisory Board	Yes
	Gordan Kolak	Scan Lab Spieki sp. z o.o.	Chairman of the Supervisory Board
Pro Smile sp. z o.o.		Chairman of the Supervisory Board	Yes
KONČAR-Electrical Industry Inc.		Vice-president of the Management Board	No
KONČAR-Electrical Industry Inc.		President of the Management Board	Yes
M Plus Croatia d.o.o.		Vice-chairman of the Supervisory Board	Yes
KONČAR-Distribution and special transformers Inc.		Chairman of the Supervisory Board	Yes
KONČAR-Switchgear Ltd		Chairman of the Supervisory Board	Yes
KONČAR-Electric vehicles Inc		Chairman of the Supervisory Board	Yes
KONČAR-Power transformers Ltd		Vice- chairman of the Supervisory Board	Yes
KONČAR-Generators and motors Ltd		Chairman of the Supervisory Board	Yes
KONČAR-Instrument transformers Inc		Chairman of the Supervisory Board	Yes
Dalekovod Inc		Chairman of the Supervisory Board	Yes
Studenac Croatia		Member of the Supervisory Board	No

Name	Company	Position	Does the person serve in this capacity as at the date of this Prospectus
Bartosz Kwiatkowski	Snap Outdoor sp. z o.o.	Member of the Supervisory Board	Yes
	Focus Garden sp. z o.o.	Member of the Supervisory Board	Yes
	Wento sp. z o.o.	Member of the Supervisory Board	No
	Studenac Croatia	Member of the Supervisory Board	Yes
	Polish Enterprise Investors VIII, L.P.	Limited Partner	Yes
	Enterprise Investors Partners IX SCSp.	Limited Partner	Yes
Tomislav Tomljenović	Intersport ISI d.o.o.	Member of the Supervisory Board	Yes
	PAN-PEK d.o.o.	Member of the Supervisory Board	Yes
	Tomljenović Savjetovanje d.o.o.	Shareholder and director	Yes
	Studenac Croatia	Member of the Supervisory Board	Yes
Ewa Radkowska-Świętoń	Kruk S.A.	Chairwoman of the Supervisory Board	Yes
	Ipopema Securities S.A.	Independent non-executive director, Chairwomen of the Audit Committee	Yes
	Pretty Soon S.A.	Chairwoman of the Supervisory Board	Yes
Stephanie Ekaette Trpkov	Agrodox d.o.o.	Member of the Management Board	Yes
	Intech Ventures d.o.o.	Member of the Management Board	No
	10 Zed International d.o.o.	Member of the Management Board	Yes

Source: Company.

### 2.11. Members of the Supervisory Board who satisfy the independence criteria

Pursuant to Article 15.2 of the Articles of Association, at least two members of the Supervisory Board should satisfy the criteria for independence from the Company and from any entities that have significant relations with the Company. The independence criteria need to comply with the terms set out in the “Code of Best Practices for WSE Listed Companies 2021”, which constitutes a set of rules and recommendations regarding corporate governance applicable to companies listed on the WSE (the “WSE Best Practices”) and the Corporate Governance Code of the ZSE (“ZSE Best Practices”). A candidate for the position of an independent member of the Supervisory Board is required to submit to the Company, before being appointed to the Supervisory Board, a written statement on satisfying the criteria of independence. Should a situation arise in which a Supervisory Board member is unable to satisfy the independence criteria, the Supervisory Board member is required to immediately inform the Company of such fact.

As at the date of this Prospectus, three members of the Supervisory Board (Gordan Kolak, Ewa Radkowska-Świętoń and Stephanie Ekaette Trpkov) meet the independence criteria described above according to the statements submitted by them.

### 3. Other Information Regarding the Members of the Management Board and the Supervisory Board

According to representations given by the members of the Management Board and the Supervisory Board, and except for the cases described in this Prospectus, during the last five years, no member of the Management Board or the Supervisory Board has:

- been a partner in a partnership;
- been a member of the administrative, management or supervisory bodies of any capital company;
- carried on any business activity other than business activity at the Company or a Subsidiary thereof which could be material to the Company or such Subsidiary thereof;
- been convicted of any fraudulent offences;
- been subject to any proceedings or sanctions imposed by any administrative bodies or other supervisory bodies (including any recognised trade organisation);
- been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies);
- been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer; or

- been a member of an administrative, governing or supervisory board or an executive in any company at a time when a bankruptcy, receivership, liquidation or similar proceedings were conducted or where a company was put into administration.

#### **4. Family Relations**

There are no family relationships between the members of the Management Board or the members of the Supervisory Board.

#### **5. Conflicts of Interest**

Members of the Management Board and the Supervisory Board, including Michał Seńczuk, Michał Halwa, Dragan Baškarađ, Andrija Topić, Rafał Cieślakowski, Nina Mimica, Michał Kędzia, Bartosz Kwiatkowski, and Tomislav Tomljenović, hold functions and management positions, or are partners at certain affiliates of the Company and the Principal Selling Shareholder. In addition, all members of the Management Board hold functions in the management board of Studenac Croatia and certain members of the Supervisory Board, namely Michał Kędzia, Bartosz Kwiatkowski, and Tomislav Tomljenović, also hold functions in the supervisory board of Studenac Croatia. Accordingly, their interests with respect to the Offering, the WSE Admission and the ZSE Admission may not be aligned with those of the Company or of the Company's other shareholders, which constitutes a potential conflict of interest.

Subject to the above, in accordance with the information available to the Company, there are no actual or potential conflicts of interest between any duties of the members of the Management Board and of the members of the Supervisory Board in relation to the Company and any of their private interests or other duties. Members of the Management Board and the Supervisory Board not specified above, namely Filip Bilanović, Krzysztof Andrzejewski, Javier Fernández Rozado, Ronny Gottschlich, Gordan Kolak, Ewa Radkowska-Świętoń and Stephanie Ekaette Trpkov do not hold any positions, functions and are not partners at any affiliates of the Company or the Principal Selling Shareholder.

Any member of the Management Board or Supervisory Board who has, directly or indirectly, a patrimonial interest conflicting with the interest of the Company in connection with a transaction falling within the competence of the Management Board or the Supervisory Board, must inform the (i) the Management Board and the Supervisory Board Chairperson (in the case of Management Board members) and (ii) the Supervisory Board (in the case of Supervisory Board members). The relevant member of the Management Board or Supervisory Board may not take part in the discussions relating to such transaction nor vote on such transaction. Any such conflict of interest must be reported to the next General Meeting prior to such meeting taking any resolution on any other item. The conflict of interest rules shall not apply where the decisions of the Management Board or the Supervisory Board relates to day-to-day transactions entered into under normal conditions.

If as a consequence of one or more members of the Management Board or Supervisory Board having a conflict of interest no resolution can be adopted by the Management Board or the Supervisory Board, the Management Board or the Supervisory Board may decide to submit the decision on this specific item to the General Meeting.

Where a Management Board or a Supervisory Board member has reason to believe that another member of a Management Board or a Supervisory Board has not declared an existing or potential conflict of interest, they should inform the Supervisory Board Chairperson. If they believe the Supervisory Board Chairperson has a conflict of interest, they should inform the Supervisory Board Vice-Chairperson.

Members of the Management Board and Supervisory Board should not engage in activities that compete with the Company's business, either on their own or on another's behalf. They should not be members of the management or supervisory boards of companies that engage in such activities, or own significant holdings in them. Management Board and Supervisory Board members should inform the company secretary of all holdings in such companies, and details of these holdings should be made freely available on the Company's website.

#### **6. Agreements and Understandings with Members of the Management Board and the Supervisory Board**

Each member of the Management Board is party to an employment agreement with the Company. The agreements provide for six months' severance pay in the event of termination. The employment agreement of the President of the Management Board includes a 12-month post-termination non-compete undertaking. The employment agreements of the remaining members of the Management Board include six-month post-termination non-compete undertakings. For details of the total remuneration of the members of the Management Board, see "*10 Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board*".

The members of the Supervisory Board are not parties to any agreements with the Company.

Other than the above and except for the transactions described in "*Related-Party Transactions*", the Company has not entered into any other transactions with members of the Management Board or with members of the Supervisory



Board, and has not paid any benefits other than the remuneration and bonuses paid to members of the Management Board and members of the Supervisory Board in connection with the holding of positions on the governing bodies of the Company or of other Studenac companies or in connection with the provision of services to the Company or to other Studenac companies as described in this section.

#### **7. Agreements and Understandings with Principal Shareholder, Clients, Suppliers or Other Persons on the Basis of which any Members of the Management Board or the Supervisory Board Were Appointed**

There are no agreements or understandings in place with the principal shareholders, clients, suppliers or other persons pursuant to which any members of the Management Board or the Supervisory Board were appointed or otherwise, and the members of Management Board or the Supervisory Board have no knowledge of any such understandings, except as stated in this section.

#### **8. Shares or Rights to Shares Held by Members of the Management Board or the Supervisory Board**

7,883,900 Shares constituting 5.907% of the share capital of the Company are held by Elisario, a company in which Krzysztof Andrzejewski holds 5.899% of the shares.

1,486,300 Shares constituting 1.114% of the share capital of the Company are held by Beragua, a company in which Javier Fernández Rozado holds 85% of the shares.

1,379,600 Shares constituting 1.034% of the share capital of the Company are held by Heunadel, a company in which Ronny Gottschlich holds 50% of the share capital.

Michał Seńczuk directly holds 325,300 Shares constituting 0.244% of the share capital of the Company.

Rafał Cieślakowski directly holds 137,900 Shares constituting 0.103% of the share capital of the Company.

#### **9. Participation of the Members of the Management Board or the Supervisory Board in the Offering**

Based on the information available to the Company, as at the date of this Prospectus, none of the members of the Management Board or the Supervisory Board intend to acquire any Shares in the Offering.

Michał Kędzia, Bartosz Kwiatkowski and Tomislav Tomljenović will not acquire any Shares in the Offering due to the internal regulations adopted by the Enterprise Investors group.

#### **10. Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board**

##### **10.1. Remuneration**

The aggregated costs related to the remuneration of members of the Management Board incurred by Studenac during the year ended 31 December 2023 amounted to approximately €1,419,000 (including bonuses).

The aggregated costs of benefits in kind provided to the members of the Management Board by Studenac totalled €147,000 during the year ended 31 December 2023.

The aggregated costs related to the remuneration of members of the Supervisory Board incurred by Studenac during the year ended 31 December 2023 amounted to €143,000.

Based on the annual evaluation system and individual (qualitative and quantitative) KPI realisation, an annual bonus (multiple of the monthly salary) is paid to members of the Management Board of Studenac.

There were no amounts set aside or accrued by the Company for the year 2023 for the purposes of providing the Management Board or the Supervisory Board pensions, retirement or similar benefits. No service contracts with any of the members of the Management Board or the Supervisory Board providing for benefits upon termination of employment for the year 2023 were in place.

##### **10.2. Co-investment and profit-sharing plan**

As at the date of the Prospectus, the Company is covered by the portfolio company manager co-investment and profit-sharing plan (the "**Plan**"). According to the terms of the Plan, members of the Company's management team have an opportunity to participate in the Plan by becoming limited partners (*associés commanditaires*, "**Limited Partner(s)**") in PEF Managers SCSp, a Luxembourg-based limited partnership (*société en commandite spéciale*) acting as an investment holding partnership for members' investments in certain companies in which PEF has invested (the "**Partnership**"). The Partnership and the Plan are governed by Luxembourg law.

The Partnership holds all (100%) of the shares in PEF GP S.à r.l., a private limited liability company (*société à responsabilité limitée*) formed and existing under the laws of the Grand Duchy of Luxembourg, which is the general partner of the Principal Selling Shareholder and receives proceeds from liquidity events pertaining to the Company through PEF GP S.à r.l.

#### 10.2.1. Subscription

Members of the management team may accede to the Partnership and become ordinary Limited Partners by signing a subscription form and term sheet (the "**Term Sheet**"). The Term Sheet sets forth the key terms under which the Limited Partners are entitled to participate in the profit-sharing plan pertaining to the Principal Selling Shareholder's investment in the Company. All Management Board members of the Company are eligible to participate in the Plan.

#### 10.2.2. Contributed capital

By signing the Term Sheet, each Limited Partner commits to making a capital commitment to the Partnership in one or multiple capital commitment drawdown(s) (a "**Capital Commitment**"). In connection with a Capital Commitment, an acceding Limited Partner subscribes for new ordinary limited partnership interests in the Partnership in relation to the Company and in exchange for the initial capital participation.

#### 10.2.3. Partners' allocations and distributions

Upon the completion of the Offering or the occurrence of a liquidity event for the Principal Selling Shareholder (an "**Event**"), allocations are calculated and made to Limited Partners on the basis of the relevant Term Sheet.

##### (a) Allocation of ordinary return

Upon the occurrence of the Event, the Limited Partners' account will be credited on a pro rata basis in relation to the Principal Selling Shareholder's net gain or loss on the Company.

##### (b) Allocation under the profit-sharing plan

Upon the occurrence of the Event and provided that the return on the Company, defined as the ratio of the proceeds to the investment, exceeds 2.0 times, the Limited Partners' account will be credited with that portion of the Principal Selling Shareholder's net gain as adjusted by the Limited Partner's vesting schedule (as described below). The allocation will be the product of the percentage of net gain and the percentage of the Limited Partner's vesting.

##### (c) Vesting schedule

Vesting takes place over four years, in equal tranches. The first vesting for a given Limited Partner will take place after approval of the first financial statements following the date of the signing of the Term Sheet for that Limited Partner.

Vesting takes place each year, after the auditors have presented their annual report (assuming the report is without qualification) and the Annual Shareholders Meeting or any relevant corporate body approves such annual report provided that the Limited Partner continued to be a member of the Company's management team for the year for which the financial statements are being approved.

Full vesting is applicable to a Limited Partner upon the occurrence of an Event with a return corresponding to at least 2.0 times the investment, provided that the Limited Partner is employed by the Company or by Studenac at the time of the Event.

A Limited Partner shall be entitled to the benefit vested until the Cessation Date (as defined below) and all unvested benefits are cancelled.

If a Limited Partner is deemed to be a Bad Leaver (as defined below), that Limited Partner's vesting will be forfeited.

#### 10.2.4. Leavers

A Limited Partner becomes a Leaver when he/she ceases for any reason to be an employee or director or, or consultant to, a member of the group (defined as the Partnership and the direct and indirect subsidiaries of the Partnership and the Principal Selling Shareholder, e.g., the Company, the "**Shareholders Group**") and does not continue as an employee or director of, or consultant to, any other member of the Shareholders Group (such employee, director or consultant a "**Leaver**" and the date on which he/she becomes a Leaver, his/her "**Cessation Date**").

The Leaver can be designated:

- a) a bad leaver, generally meaning a Leaver whose employment has been terminated for cause by the employer (e.g., due to a material breach of the Leaver's service contract or any other contract of employment, confidentiality or non-competition agreement, the commission of any act involving dishonesty or fraud or similar misconduct, wilful misfeasance or wilful conduct or any other act or omission which has been detrimental to the businesses of the Shareholders Group or has brought the Shareholders Group into disgrace or disrepute, or the commission

of a felony, crime or criminal offence under applicable law) and, in principle, also when employment has been terminated at the initiative of the Leaver (the “**Bad Leaver**”), or

b) a good leaver, generally meaning a Leaver who is not categorised as a Bad Leaver.

### **10.3. Long-term incentive plan**

The Company has introduced a long-term incentive plan, conditional on admission of the Shares to trading on a regulated market (the “**LTIP**”), under which certain shares of the Company (the “**Award Shares**”) will be granted to its Management Board members, selected key managers and certain other Participants (the “**Participants**”) as defined in and in accordance with the rules governing the LTIP (the “**LTIP Rules**”).

As a principle, the Award Shares granted to Participants under the LTIP will be the existing shares of the Company, either held by the Company in treasury or acquired by the Company for the purpose of satisfying the requirements of the LTIP. For the avoidance of doubt, the Company does not intend to issue any new Shares for the purpose of the LTIP, provided that the Company may proceed, in its entire discretion and subject to relevant approvals being granted, with any such issue of new Shares from time to time (whether for the purpose of the LTIP or otherwise).

The LTIP is administered by the Supervisory Board.

The LTIP will start immediately after the commencement of trading in the Shares on a regulated market (the “**Start Date**”), is established for a period of six years calculated from the Start Date and will expire on the sixth anniversary of the Start Date (the “**Completion Date**”).

Over the six-year period starting from the Start Date and ending on the Completion Date, the total maximum number of Award Shares that may be attributed under the LTIP, subject to the LTIP Rules, is a fixed amount corresponding to 4% of the number of Shares in issue after admission of the Shares to trading (taking into consideration any capital increase in relation to said admission to trading, as applicable). For the avoidance of doubt, depending on the attainment of the relevant performance measure set forth in the LTIP Rules, the actual number of Award Shares attributed to Participants for the whole duration of the LTIP may be lower than this maximum amount.

A Participant shall be conditionally entitled to receive up to a specified number of the Award Shares, whose number will be determined (in accordance with the LTIP Rules) as of the end of each one-year period commencing on the Start Date and terminating on the ending of each anniversary of the Start Date (each a “**Performance Period**”).

The total maximum number of Award Shares which all Participants (together) will be entitled to receive with respect to each Performance Period will be determined by the Supervisory Board after each Performance Period based on the compound annual growth rate with respect to the increase of the Company’s share price at the end of each Performance Period (with the initial share price serving as a basis for calculation) (the “**CAGR**”) and in accordance with (and subject to) the provisions set forth in the LTIP Rules, provided that:

- the base number of Award Shares with respect to each Performance Period (including, as applicable, as part of any catch-up mechanism) (the “**Base Number**”), shall be:
  - an amount equal to 1.6% of the number of Shares in issue after admission of the Shares to trading (taking into consideration any capital increase in relation to the said admission to trading, as applicable), if the CAGR at the end of the relevant Performance Period is between 15% (inclusive) and 20%;
  - an amount equal to 2.6% of the number of Shares in issue after admission of the Shares to trading (taking into consideration any capital increase in relation to the said admission to trading, as applicable), if the CAGR at the end of the relevant Performance Period is between 20% (inclusive) and 25%; or
  - an amount equal to 4% of the number of Shares in issue after admission of the Shares to trading (taking into consideration any capital increase in relation to the said admission to trading, as applicable) (i.e. the maximum total number of Award Shares) if the CAGR at the end of the relevant Performance Period is equal to or higher than 25%;
- said number may not exceed 16.6% of the applicable Base Number with respect to each of the first, second, third, fourth and fifth Performance Periods and 17.0% thereof with respect to the sixth Performance Period.

In addition to the above, as from the end of the third Performance Period, a catch-up mechanism shall apply in order to attribute certain Award Shares that may have not been attributed with respect to previous Performance Periods, subject to the terms of the LTIP Rules. Said catch-up mechanism shall apply only where the applicable CAGR proves to recover the underperformance of preceding Performance Periods.

Participants shall be entitled to acquire Award Shares from the Company at their nominal value after delivery of his, her or its Award Shares by the Supervisory Board, in the conditions set forth in the LTIP. In the event a Participant

enters into the LTIP during any Performance Period after the Start Date, such Participant shall be attributed his/her/its Award Shares as from the beginning of the subsequent Performance Period.

The delivery of Award Shares under the LTIP will take place in six tranches (corresponding to the six Performance Periods), in accordance with the LTIP Rules (said dates of delivery being referred to as the "Delivery Dates"). Without prejudice and subject to the LTIP Rules (including without limitation any option rights granted thereunder), once delivered the Award Shares may not be forfeited. Before delivery of the relevant Award Shares, corresponding conditional entitlement of each Participant to be attributed Award Shares may be forfeited in accordance with the LTIP Rules.

A Participant will not have any voting or dividend rights (or any other shareholder rights) prior to the Award Shares being delivered to him, her or it.

Subject to permitted transfers under the LTIP Rules, a Participant will hold full legal and beneficial ownership of the Award Shares and neither the Award Shares nor the benefits attached thereto may be directly or indirectly sold, transferred, assigned, charged or otherwise alienated for a period of two years from the relevant Delivery Date.

## **11. Committees**

As at the date of this Prospectus, the Company has an Audit Committee and a Strategic Committee. The Company does not plan to establish a nomination committee or a remuneration committee.

### **11.1. Audit Committee**

The Audit Committee assists the Supervisory Board in monitoring systems of internal controls, the quality and integrity of financial reporting process and the content of the Company's and Studenac's financial statements and reports. The tasks of the Audit Committee also include assessing and mitigating Studenac's business and financial risks as well as supervision of persons entrusted with the management of the Company.

The Audit Committee assists the Supervisory Board by advising on, among other things, the Company's financing policy, its compliance with applicable laws and regulations, its disclosure of financial information, including its accounting principles, the procedure for the appointment of auditors and their recommendation to the General Meeting, the recommendations from the external auditor, and the reviewing of internal risk management and control.

The Audit Committee shall have a minimum of three (3) members, a majority of whom (including the chairperson of the Audit Committee) shall be independent. Neither the chairperson of the Supervisory Board nor a former member of the Management Board can perform the function of the chairperson of the Audit Committee.

The Audit Committee meets as often as the business and interests of the Company so require, no less than at least four times a year.

The members of the Audit Committee are: Gordan Kolak (chairperson), Ewa Radkowska-Świętoń and Tomislav Tomljenović.

### **11.2. Strategic Committee**

The Strategic Committee assists the Supervisory Board in assessing the Company's long-term development strategies and goals as well as the Company's major investment undertakings. The tasks of the Strategic Committee also include providing advice, support and recommendations to the Supervisory Board, aiming to facilitate its assessment of the strategic planning process in the Company.

The Strategic Committee assists the Supervisory Board by advising the Supervisory Board on specific strategic discussions including but not limited to mergers and acquisitions, important operational initiatives across the Company, cross border expansion and global innovation in retail services.

The Strategic Committee shall have a minimum of four (4) members.

The Strategic Committee meets as often as the business and interests of the Company so require.

The members of the Strategic Committee are: Krzysztof Andrzejewski (chairperson), Michał Kędzia (deputy chairperson), Bartosz Kwiatkowski and Tomislav Tomljenović.

## **12. WSE and ZSE Best Practices**

As the Shares are to be admitted to trading on the WSE and the ZSE only, the Company has not opted to comply with the Ten Principles of Corporate Governance of the Luxembourg Stock Exchange. Instead, from the date of the admission of its Shares to trading on the regulated market of the WSE, the Company will comply in particular with the Corporate Governance Code of the WSE (WSE Best Practices), i.e., the rules applicable in connection with the listing of the Company in effect starting from the WSE Admission, as such applies to companies listed on the WSE. From the date of the admission of the Shares to trading on the regulated (Official Market Segment) market of the ZSE, the

Company will comply with the ZSE Best Practices as far as such rules are not contrary the WSE Best Practices and are practicable to be complied with by the Company given the dual listing. In any case, the Company will provide relevant explanation of its compliance and non-compliance with the WSE and ZSE Best Practices, as it is required in accordance with such regulations.

The Company does not anticipate any material impact on its corporate governance, including any future change in the board and committee positions as a result of the Admission.

### **12.1. WSE Best Practices**

WSE Best Practices are a set of recommendations and rules of procedure for governing bodies of publicly listed companies and their shareholders. The WSE Rules and the resolutions of the WSE Management Board and its council set forth the manner in which publicly listed companies disclose information on their compliance with corporate governance rules and the scope of the information to be provided. If a certain rule is not complied with by a publicly listed company on a permanent basis or has been breached incidentally, such publicly listed company is required to disclose this fact in the form of a current report. Under Polish law, the Company will be required to disclose in the form of a report whether or not it complies with the various principles and provisions of the WSE Best Practices and, in the event that the Company deviates from a best practice provision set out in the WSE Best Practices, the reason for such deviation must be properly explained in its report.

As at date of the Prospectus, the Company, as a company not listed on the WSE, does not observe the corporate governance rules applicable to public companies listed on the WSE. As at the Listing Date of the Shares on the regulated market operated by the WSE, the Company will comply with all of the corporate governance rules set forth in the WSE Best Practices, subject to the following:

#### *12.1.1. The participation of minority group in the management board and the supervisory board*

Recommendation 2.1 of the WSE Best Practices provides that the company should have in place a diversity policy applicable to the management board and the supervisory board, approved by the supervisory board and the general meeting, respectively. The diversity policy defines diversity goals and criteria, among others including gender, education, expertise, age, professional experience, and specifies the target dates and the monitoring systems for such goals. With regard to gender diversity of corporate bodies, the participation of the minority group in each body should be at least 30%.

As at the date this Prospectus, the participation of minority group in the Management Board and the Supervisory Board has not reached the recommended level of 30%. The Company expects to increase the participation of women in the future.

#### *12.1.2. Participation in a general meeting by means of electronic communication (e-meeting)*

Recommendation 4.1 of the WSE Best Practices provides that the company should enable its shareholders to participate in a general meeting by means of electronic communication (e-meeting) if justified by the expectations of shareholders notified to the company, provided that the company is in a position to provide the technical infrastructure necessary for such general meeting to proceed.

As at the date of the Prospectus, the Company is not in a position to provide the infrastructure and resolve any legal risks necessary for the General Meeting to be held electronically. The Company does not rule out that it may decide to implement such infrastructure in the future.

### **12.2. ZSE Best Practices**

The ZSE Best Practices are a set of recommendations and rules applicable to companies whose shares are admitted to trading on the regulated market of the ZSE with the aim to promote effective governance and accountability. The ZSE Rules adopted by the Management Board of the ZSE and bylaws adopted by the CFSSA set forth the manner in which publicly listed companies disclose information on their compliance with corporate governance rules and the scope of the information to be provided. Under ZSE Rules, companies listed on the ZSE are required to deliver to ZSE a completed compliance questionnaire and publish it on their websites by 30 June of each year at the latest. If a certain rule is not complied with by a publicly listed company, such publicly listed company is required to disclose this fact in the compliance questionnaire.

As at date of the Prospectus, the Company, as a company not listed on the ZSE, does not observe the corporate governance rules applicable to public companies listed on the ZSE. As at the Listing Date of the Shares on the regulated market operated by the ZSE, the Company will comply with all of the corporate governance rules set forth in the ZSE Best Practices, subject to the following:



### *12.2.1. Establishment of the nomination committee, a remuneration committee and an audit committee*

Recommendation 3.3 of the ZSE Best Practices provides that the main responsibilities of the nomination committee are to:

- oversee the appointment process for the supervisory and management boards to ensure it is fair and transparent;
- for each vacancy, develop role and candidate descriptions consistent with the board profile (consulting with the president of the relevant board as necessary) and identify and recommend suitable candidates to the supervisory board;
- when seeking independent members of the supervisory board, confirm that candidates are independent;
- agree the terms of appointment with potential new management and supervisory board members, including their expected time commitment;
- draw up succession plans for the reappointment or replacement of members of the supervisory and management boards in consultation with the president of the relevant board;
- monitor progress on achieving the target percentage of female members on the supervisory and management boards; and
- monitor the policy of the management board on the selection and appointment of senior management.

Recommendation 4.6 of the ZSE Best Practices provides that the supervisory board should establish at least a nomination committee, a remuneration committee and an audit committee. The supervisory board should stipulate the mandate and activities of each committee.

Recommendation 6.1 of the ZSE Best Practices provides that the main responsibilities of the remuneration committee are to:

- recommend to the supervisory board the remuneration policy for management board members at least every three years;
- recommend to the supervisory board each year the remuneration to be received by members of the management board, based on an assessment of the company's and their individual performance during the year, and following consultation with the president of the management board;
- recommend to the supervisory board the remuneration policy for supervisory board members, for approval by the general meeting;
- monitor the amount and structure of remuneration to senior management and the workforce as a whole, and make recommendations to the management board on their policies; and
- oversee the preparation of the annual remuneration report required by law, for approval by the supervisory board.

Recommendation 6.2 of the ZSE Best Practices provides that the supervisory board should determine the annual remuneration of each management board member, based on the recommendations of the remuneration committee and in accordance with the approved remuneration policy. The remuneration policy should be prepared in accordance with the relevant legal requirements.

As at the date of the Prospectus, the Supervisory Board has not envisaged creation of a nomination committee nor a remuneration committee. The functions of these committees are performed by the entire Supervisory Board, as per legal requirements in Luxembourg and the Company bylaws. The Audit Committee has been established. The remuneration policy has been adopted by the Supervisory Board, without forming a remuneration committee.

### *12.2.2. Independence of the majority of the Supervisory Board members*

Recommendation 4.4 of the ZSE Best Practices provides that the majority of all supervisory board members should be independent. Either president or deputy president of the supervisory board should be independent.

As at the date of the Prospectus, three out of nine Supervisory Board members are independent. The Company does not rule out that it may decide to comply with this principle in the future.

### *12.2.3. Composition of the Supervisory Board committees*

Recommendation 4.9 of the ZSE Best Practices provides that each committee should have at least three members, with the majority being independent. The president should be an independent member of the supervisory board, and members of the management board cannot be members of the committees.

As at the date of the Prospectus, the Company complies with the recommendation in terms of the composition of the Audit Committee. However, given the Strategic Committee's objectives of assessing the Company's long-term development strategies and major investment undertakings, the Company believes that aligning the Strategic Committee's composition with the ZSE Best Practices may result in diminishing the support and expertise of long-standing shareholders.

#### *12.2.4. The company secretary*

Recommendation 4.15 of the ZSE Best Practices provides that the company should designate an individual to perform the activities of a company secretary. That person should be responsible for: ensuring that supervisory board procedures are complied with, advising the supervisory board on governance matters, supporting the president of the supervisory board and helping the supervisory board and committees to function efficiently.

As at the date of the Prospectus, the Company is actively working on establishing the position of the company secretary and is currently in the process of recruiting a person for it. The company secretary will assist the Chairman of the Supervisory Board and other Supervisory Board members with daily management tasks and will ensure that the Supervisory Board complies with the relevant procedures.

#### *12.2.5. Risk management system*

Recommendation 7.1 of the ZSE Best Practices provides that the management board should adopt, upon prior approval by the supervisory board, a policy specifying the nature and extent of the risks the company needs and is willing to take in order to achieve its long-term strategic objectives (the "risk appetite").

Recommendation 7.9 of the ZSE Best Practices provides that the company should maintain an effective risk management system that is adequate for the objectives, size and scale of the activities of the company. The system should include processes that can ensure reliable risk identification, measurement, response, reporting and monitoring; and should cover external risks facing the company as well as financial and operational risks. The company should designate clear internal responsibilities for maintaining the risk management system. Those responsible for it should liaise closely with the audit committee.

As at the date of the Prospectus, the Company is in the process of establishing a fully formalised risk management system as well as a risk appetite policy. The adoption of this policy will require approval of the Supervisory Board. The policy will outline the nature and extent of the risks that the Company is willing to take in order to achieve its long-term strategic objectives, whereas the risk management system policies will establish reliable processes for effective risk identification, measurement, response, reporting, and monitoring, with respect to both internal and external risks.

#### *12.2.6. Monitoring of the independence and objectivity of the external auditor*

Recommendation 7.7 of the ZSE Best Practices provides that the audit committee should monitor the independence and objectivity of the external auditor. It should approve a policy on the provision of permitted non-audit services by the external auditor and monitor the implementation of that policy.

As at the date of the Prospectus, the Company's audit committee (established on 30 October 2024), plans to review and decide on the policy for permitted non-audit services in the coming months.

#### *12.2.7. Data on the website should be available in both Croatian and English*

Recommendation 8.3 of the ZSE Best Practices provides that all data on the website should be freely available in both Croatian and English.

As of the date of the Prospectus, certain documents such as financial statements, press releases and the general content of the website are available in Croatian and English. However, other documents (e.g. Luxembourg related current reporting and General Meeting documents) are only in English and are not translated into Croatian.

#### *12.2.8. Notification of a general meeting*

Recommendation 9.6 of the ZSE Best Practices provides that the company should ensure that the notice of a general meeting is issued no later than 30 days before the general meeting. The agenda, resolutions and all other documents required for the meeting should be made freely available on the company's website at the same time. All documents should be available in Croatian and English.

As of the date of the Prospectus, certain documents (e.g. Luxembourg related current reporting and General Meeting documents) are available only in English and are not translated into Croatian.

## THE SELLING SHAREHOLDERS

### 1. The Selling Shareholders

The Selling Shareholders are as follows:

- Polish Enterprise Funds SCA, acting for compartment (subfund) PEF VIII (the “**Principal Selling Shareholder**”);
- Elisario Limited with its registered office in Nicosia, Cyprus (“**Elisario**”);
- Beragua Capital Advisory S.L. with its registered office in Madrid, Spain (“**Beragua**”);
- Heunadel Retail Invest GmbH with its registered office in Halle (Saale), Germany (“**Heunadel**”); and
- Vladimir Bosiljevac.

#### 1.1. Principal Selling Shareholder

The Principal Selling Shareholder is a Luxembourg alternative investment fund (*fonds d’investissement alternatif reserve*) that is not supervised nor subject to any authorisation by the CSSF, structured as an investment company with variable capital (*société d’investissement à capital variable*) in the form of a corporate shareholding limited by shares (*société en commandite par action*). The Principal Selling Shareholder was incorporated in Luxembourg on 15 February 2018 as existing in perpetuity and is registered with the Luxembourg register of Commerce and Companies (*Registre de Commerce et des Sociétés*) under number B 222 119. The Principal Selling Shareholder’s registered office is 15, Boulevard FW Raiffeisen, L-2411 Luxembourg, Grand Duchy of Luxembourg.

The Principal Selling Shareholder constitutes one sole legal entity. The Principal Selling Shareholder is structured as an umbrella with one or more sub-fund(s), each invested in specific assets. Each sub-fund is linked to a specific portfolio of investments which is segregated from the investment portfolios pertaining to the other sub-funds. Although an umbrella fund constitutes a single legal entity, the right of investors and creditors regarding a sub-fund or raised by the constitution, operation or liquidation of a sub-fund are limited to the assets of that sub-fund, and the assets of a sub-fund will be available exclusively to shareholders relating to that sub-fund and for those of the creditors whose claims arose in relation to the constitution, operation or liquidation of that sub-fund.

As at the date of this Prospectus, the Principal Selling Shareholder holds approximately 90.08% of the shares in the share capital and approximately 90.08% of the total number of votes in the Company.

#### 1.2. Other Selling Shareholders

Other than the Principal Selling Shareholder, the following shareholders intend to sell Sale Shares in the Offering:

- Elisario - a private limited company incorporated under the laws of the Republic of Cyprus. As at the date of this Prospectus, Elisario holds approximately 5.90% of the shares in the share capital and approximately 5.90% of the total number of votes in the Company;
- Beragua - a limited liability company (*sociedad limitada*) incorporated under the laws of Kingdom of Spain. As at the date of this Prospectus, Beragua holds approximately 1.11% of the shares in the share capital and approximately 1.11% of the total number of votes in the Company;
- Heunadel - a limited liability company incorporated under the laws of Germany. As at the date of this Prospectus, Heunadel holds approximately 1.03% of the shares in the share capital and approximately 1.03% of the total number of votes in the Company; and
- Vladimir Bosiljevac. As at the date of this Prospectus, Vladimir Bosiljevac holds approximately 1.11% of the shares in the share capital and approximately 1.11% of the total number of votes in the Company.

### 2. Shareholding Structure Before and After the Completion of the Offering

The following table sets out the Company’s shareholding structure as at the date of this Prospectus.

Name	Number of shares	Number of votes	% of shares in the share capital	% of votes at the GM
Polish Enterprise Funds SCA compartment PEF VIII	120,320,500	120,320,500	90.08	90.08
Elisario Limited	7,883,900	7,883,900	5.90	5.90
Beragua Capital Advisory S.L.	1,486,300	1,486,300	1.11	1.11
Vladimir Bosiljevac	1,478,200	1,478,200	1.11	1.11
Heunadel Retail Invest GmbH	1,379,600	1,379,600	1.03	1.03
Lluis Xavier Valencia Aura	492,700	492,700	0.37	0.37

Name	Number of shares	Number of votes	% of shares in the share capital	% of votes at the GM
Michał Wojciech Seńczuk	325,300	325,300	0.24	0.24
Rafał Cieślakowski	137,900	137,900	0.10	0.10
Marta Patricia Lopez Saavedra	29,600	29,600	0.02	0.02
Javier Cifuentes Gonzalez	29,600	29,600	0.02	0.02
Total	133,563,600	133,563,600	100	100

As at the date of the Prospectus and insofar as it is known to Studenac, the table below presents details of the entities which will hold directly or indirectly the Issuer's voting rights immediately following the completion of the Offering and the issuance of the New Shares based on the assumptions set out in the paragraph below and noting that with respect to the offer and issue of the New Shares, the pre-emptive rights of existing shareholders of the Company have been excluded.

The numbers and percentages of Shares listed below assume that (i) the Selling Shareholders sell all of the Sale Shares offered in the Offering and all of the New Shares offered by the Company are subscribed for in the Offering; (ii) the existing shareholders of the Company do not purchase or subscribe for the Offer Shares in the Offering and (iii) no stabilisation activities are conducted during the Stabilisation Period.

Name	Number of shares	Number of votes	% of shares in the share capital	% of votes at the GM
Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII	90,516,507	90,516,507	57.42	57.42
Elisario Limited	7,403,900	7,403,900	4.70	4.70
Beragua Capital Advisory S.L.	1,236,300	1,236,300	0.78	0.78
Vladimir Bosiljevac	1,250,000	1,250,000	0.79	0.79
Heunadel Retail Invest GmbH	1,037,866	1,037,866	0.66	0.66
Lluis Xavier Valencia Aura	492,700	492,700	0.31	0.31
Michał Wojciech Seńczuk	325,300	325,300	0.21	0.21
Rafał Cieślakowski	137,900	137,900	0.09	0.09
Marta Patricia Lopez Saavedra	29,600	29,600	0.02	0.02
Javier Cifuentes Gonzalez	29,600	29,600	0.02	0.02
Free float (purchasers of the Offer Shares)	55,170,594	55,170,594	35.00	35.00
<b>Total</b>	<b>157,630,267</b>	<b>157,630,267</b>	<b>100</b>	<b>100</b>

### 3. Dilution

Following the issuance of the New Shares and based on the assumptions indicated above, new shareholders of the Company will hold Shares representing a total of 35% of the Shares in the Issuer. The existing shareholders of the Company will therefore suffer immediate dilution of 15.27% of their shareholding in the Issuer.

### 4. Net Asset Value Per Share

The following table sets out the net asset value per share of Studenac as at 31 August 2024.

Net Asset Value Per Share	As at 31 August 2024
	(€ millions <sup>(1)</sup> ) (unaudited)
Total assets	681.6
Total liabilities	585.1
Net assets (equity)	96.5
Number of shares in issuance	133,563,600
Net asset value per share	0.72

<sup>(1)</sup> Except for the number of shares in issuance.

**5. Control over the Company**

As at the date of the Prospectus, the Company is directly controlled by the Principal Selling Shareholder, due to its majority shareholding in the Company's share capital and the voting rights at the General Meeting held in connection with such shareholding (see "*Description of the Shares and General Meeting—9. Voting Rights, General Meeting*").



## RELATED-PARTY TRANSACTIONS

### 1. General

For the purposes of the Audited Financial Statements and the Interim Financial Statements, parties are considered to be related in line with the requirements of IAS 24.

According to IAS 24 "Related Party Disclosures", entities and persons are considered to be related to a company if the entity or a close relative of the person:

- controls the company or is involved in its joint management, exercises significant influence over the company or holds a key position in the management of the company or a parent entity;
- is a member of the same group of companies;
- is associated with the company within the meaning of IAS 28 "Investments in Associates and Joint Ventures" or is a joint venture in which the company is a partner within the meaning of IAS 31 "Interests in Joint Ventures";
- to the same extent as the company, is a joint venture of the same third parties;
- is a company that is controlled by a related party, is significantly influenced by it or is subject to joint management in which a related party of that company is involved or in which such person holds a key position in the management; or
- is a pension fund established for the benefit of the employees of the company or for the benefit of an entity related to that company for payments after termination of the employment relationship.

The material transactions and legal relationships that existed between Studenac and the above-mentioned related parties and entities in the financial years 2021 to 2023, as well as in the current 2024 financial year, up to and including 31 August 2024, that are required to be reported in connection with IAS 24 "Related Party Disclosures", are set forth, respectively, in Note 24 to the Audited Financial Statements and Note 16 to the Interim Financial Statements.

Studenac entered into the following transactions with the members of its corporate bodies or their related parties:

- Cooperation with Uvert Doradztwo Krzysztof Andrzejewski related to the provision of advisory services;
- One-off cooperation with Beragua Advisory S.L. in terms of advisory services linked to Studenac's entry into the Zagreb market;
- Provision of consultancy services related mostly to M&A activities for targets in central Croatia by Adria Capital d.o.o., a company of one of the Company's shareholders, Mr. Vladimir Bosiljevac;
- Past cooperation with an IT services provider, Solutions Lab, which is a related party of the president of the Management Board of the Company. The scope of this cooperation related to temporary support in building a BI tool for monitoring stock availability.
- The law firm Odvjetničko društvo Šavorić i partneri provides legal services and consultations to Studenac on various topics, with a focus on merger and acquisition activities. The managing partner of this law firm is also member of the supervisory board of Studenac Croatia.
- Current cooperation with Solvoyo Co, an IT company for stock replenishment systems, which is related to one of the Company's Supervisory Board member, Ronny Gottschlich. Solvoyo was selected in a competitive tender without the full knowledge of the nature of the relationship and without any direct involvement of Ronny Gottschlich. The deployment of the stock replenishment system as well as any on-going billing is handled by the Company without any involvement or interest on the part of the related party.

### 2. Related-Party Transactions between 1 January 2021 and 31 August 2024

Between 1 January 2021 and 31 December 2023, Studenac executed transactions with Pan-Pek d.o.o., Solvoyo Co, Adria Capital d.o.o., Odvjetničko društvo Šavorić i partneri and Solutions Lab. Pan-Pek d.o.o. and Odvjetničko društvo Šavorić i partneri are not subsidiaries of the Group but these companies share members of the Supervisory Board. In addition, Pan-Pek d.o.o. and Studenac Croatia are both portfolio companies owned by Enterprise Investors. Adria Capital d.o.o. is owned by one of the shareholders of the Company and Solvoyo Co is related through the Company's Supervisory Board member, Ronny Gottschlich.

Between 1 January 2021 and 31 December 2023, Studenac executed the following transactions with the aforementioned entities.

	Year ended 31 December			
	31 August 2024	2023	2022	2021
	(€ thousands)			
<b>Trade and other payables</b>	<b>(2,338)</b>	<b>(1,145)</b>	<b>(1,362)</b>	<b>(145)</b>
Pan-Pek d.o.o.	(1,913)	(1,000)	(1,362)	(145)
Adria Capital d.o.o.	(378)	-	-	-
Solvoyo Co	-	(60)	-	-
Odvjetničko društvo Šavorić i partneri	-	(85)	-	-
<b>Trade and other receivables</b>	<b>3</b>	<b>620</b>	<b>393</b>	<b>-</b>
Pan-Pek d.o.o.	3	620	393	-
<b>Purchase of inventory</b>	<b>5,494</b>	<b>6,259</b>	<b>7,547</b>	<b>2,517</b>
Pan-Pek d.o.o.	5,494	6,259	7,547	2,517
<b>Revenues</b>	<b>7</b>	<b>20</b>	<b>-</b>	<b>-</b>
Pan-Pek d.o.o.	7	20	-	-
<b>Other costs</b>	<b>355</b>	<b>145</b>	<b>129</b>	<b>-</b>
Odvjetničko društvo Šavorić i partneri	32	145	129	-
Adria Capital d.o.o.	323	-	332	49
Solutions Lab	-	-	7	4
<b>Software</b>	<b>189</b>	<b>570</b>	<b>188</b>	<b>-</b>
Solvoyo Co	189	570	188	-

Source: Consolidated Financial Statements.

The additional remuneration to the companies related to members of the Company's Supervisory Board or that of Studenac Croatia amounted to €93,000 for the eight months ended 31 August 2024, €145,000 in 2023, €121,000 in 2022 and €175,000 in 2021. This remuneration was paid in connection with consultancy services provided by Ronny Gottschlich, Uvert Doradztwo (Krzysztof Andrzejewski), Beragua Advisory S.L. (Javier Fernández Rozado), Gordan Kolarak and Boris Šavorić.

## DESCRIPTION OF THE SHARES AND GENERAL MEETINGS

*The information contained in this section is of a general nature and was prepared in accordance with the laws and regulations applicable as at the date of this Prospectus as well as the Articles of Association. Therefore, investors should carefully examine the Articles of Association and consult their legal advisors for detailed information on the rights and obligations attached to the Shares and the General Meeting. Moreover, any reference in this section to deadlines stated in business days, in the context of rights exercised through the KDPW, should be understood as deadlines which are counted in accordance with §5 of the KDPW Rules, thus excluding any days classified as holidays under the relevant laws and regulations as well as Saturdays, provided that the Management Board of the KDPW – if such is necessary for the deposit system, and of which the Management Board of the KDPW is required to notify the KDPW participants at least one month in advance – may, under a resolution, introduce certain additional business days which are to be excluded for the purposes of the calculation of the respective deadlines as well as designate such additional days classified as holidays and Saturdays which will be included for the purposes of the calculation of the deadlines.*

*Set forth below is information concerning the Company's share capital and related overview information concerning the material provisions of the Articles of Association and applicable Luxembourg law, in particular the Luxembourg Company Law. For more information, please see the Articles of Association.*

### 1. General

Set out below is an overview of certain relevant information concerning the Company's share capital created under Luxembourg law and a brief overview of certain significant provisions of the Articles of Association and applicable Luxembourg law as in effect on 30 September 2024.

This summary provides an overview of all relevant and material information and should be read in conjunction with, and is qualified in its entirety by reference to, the applicable provisions the full Articles of Association and the applicable provisions of Luxembourg law as in force on the date of this Prospectus.

### 2. General Corporate Information

The Company is a public limited liability company (*société anonyme*) incorporated and existing under the laws of Luxembourg, currently having its registered office at 1, rue Jean Piret, L-2350 Luxembourg, Grand Duchy of Luxembourg and registered with the Luxembourg Trade and Companies Register under number B218210.

The Company was incorporated on 20 September 2017 with share capital of EUR 12,500, which was paid in cash. The share capital underwent the following changes after the Company's incorporation: (i) on 6 August 2018, the share capital was increased from EUR 12,500 to EUR 1,000,000; (ii) on 17 December 2018, the share capital was increased from EUR 1,000,000 to EUR 1,011,147; (iii) on 30 July 2020, the share capital was increased from EUR 1,011,147 to EUR 1,334,719, and (iv) on 17 December 2022, the share capital was increased from EUR 1,334,719 to EUR 1,335,636. On 29 August 2024, the General Meeting of the Company adopted a resolution for an amendment to the nominal value of the existing shares of the Company, from EUR 1.00 per share to EUR 0.01 per share and a subsequent split of 1,335,636 Shares of the Company, having a nominal value of EUR 1.00 each, into 133,563,600 Shares of the Company with a nominal value of EUR 0.01 each. The share split has been conducted to increase the number of Shares to be offered within the Offering. The Company has been incorporated for an unlimited period of time.

The Company has not issued any listed or unlisted securities not representing the Company's share capital. Neither the Company, nor any of its subsidiaries (nor any party on behalf of the Company) holds any of the Shares in the Company. The Company has no outstanding convertible securities, exchangeable securities or securities with warrants. There are no relevant acquisition rights or obligations over the Company's authorised but unissued capital or undertakings to increase the Company's issued share capital.

The fiscal year of the Company begins on the first day of January of each year and ends on the last day of December of the same year.

### 3. Articles of Association

The Articles of Association were last amended on 22 May 2024 to change the Company's name to Studenac Group S.A. and to change the legal form of the Company to a public limited company (*société anonyme*), subsequently on 7 October 2024 and on 18 November 2024 to generally adopt articles of association for the Company that are suitable for a Company whose shares will be admitted to trading on regulated markets in the European Union. All references in this section to the Articles of Association is a reference to the articles of association of the Company as amended, and this section reflects the articles of association of the Company as amended. As at the date of the Prospectus, the

amendments to the Articles of Association are in the process of registration with RESA. However, they are effective from the date of holding of the General Meeting, i.e., 18 November 2024.

The Articles of Association are also available in French and English on the Company's website (<https://www.studenac-group.eu>) and on the website of the Luxembourg Register of Trade and Companies ([www.lbr.lu](http://www.lbr.lu)).

#### **4. Scope of Activities**

The scope of activities of the Company is as set out in full in Article 3 of the Articles of Association. As the Company is a holding company, the primary activities of the Company are to carry out the business of a holding company consisting in particular transactions pertaining directly or indirectly to the taking of participating interests in any enterprises in whatever form, as well as the administration, and the management, the control and the development of such participating interests. (see also "*General Information on Studenac—2. Business Activities*").

#### **5. Share Capital**

As at 31 August 2024, and further to a split of the share capital pursuant to the minutes of the extraordinary general meeting of the Company dated 29 August 2024, the Company's share capital amounts to EUR 1,335,636 represented by 133,563,600 Shares of EUR 0.01 each, all fully subscribed for and entirely paid up.

The existing Shares were issued and currently exist in registered form only in accordance with the Articles of Association of the Company and the Luxembourg Company Law.

#### **6. Changes in Share Capital**

The share capital of the Company may be increased or reduced by way of a resolution of the General Meeting adopted by a majority of at least three-quarters (3/4) of the votes cast and with a quorum of no less than fifty per cent (50%) of the Company's share capital present or represented. If such quorum is not attained, a second General Meeting is convened, which deliberates validly regardless of the proportion of capital present or represented. Subject to the provisions of the Luxembourg Company Law, the General Meeting may decide to create new classes of shares and determine the features, rights and restrictions of such classes of shares. In addition, the Management Board is authorised to issue shares up to the total amount of the authorised share capital (the "**Authorised Capital**").

##### **6.1. Increase of share capital**

Under the Articles of Association, the issuance of Shares or granting of rights to subscribe for Shares may be resolved either by (i) the General Meeting or (ii) by the Management Board within the limits of the Authorised Capital.

In the case of a share capital increase against payment in cash, existing shareholders have a preferential subscription right *pro rata* to their participation in the share capital prior to its increase (no preferential subscription right applies in case of a share capital increase against a contribution in kind). The Management Board shall determine the period of time during which such preferential subscription right may be exercised, which may not be less than 14 days from the opening of the subscription period, which shall be announced in a notice and shall be published on the RESA as well as in a newspaper published in Luxembourg. If, after the end of the subscription period, not all of the preferential subscription rights offered to the existing shareholder(s) have been subscribed for, third parties may be allowed to participate in the share capital increase, unless the Management Board decides that the preferential subscription rights shall be offered to existing shareholders who have already exercised their rights during the subscription period, *pro rata* to their participation in the share capital, the modalities for the subscription being determined by the Management Board. The Management Board may also decide in such case that the share capital shall only be increased by the amount of subscriptions received by the shareholder(s) of the Company.

Such right may be waived by the relevant shareholders and it may also be limited or suppressed by a resolution of the General Meeting adopted by a majority of at least four-fifths (4/5) of the votes cast and with a quorum of no less than fifty per cent (50%) of the Company's share capital present or represented. If such quorum is not attained, a second General Meeting is convened, which deliberates validly regardless of the proportion of capital present or represented. Any proposal to such effect must be specifically announced in the convening notice. The detailed reasons therefor must be set out in a report prepared by the Management Board, and presented to the meeting, dealing in particular with the proposed issue price, unless such report is waived by all of the shareholders. This report must be made available to the public at the Company's registered office and on the Company's website. An issuance of shares to banks or other financial institutions with a view to their being offered to the shareholders of the Company in accordance with the decision relating to the increase of the subscribed capital does not constitute an exclusion of the preferential subscription rights pursuant to the Luxembourg Company Law.

The preferential subscription right may be limited or cancelled by the Management Board deciding on the share capital increase within the limits of the Authorised Capital.

Pursuant to Article 420-26 of the Luxembourg Company Law, the preferential subscription rights of existing shareholders in case of a capital increase by means of a contribution in cash may not be restricted or withdrawn by the Articles of Association. Nevertheless, the Articles of Association may authorise the Management Board to withdraw or restrict these preferential subscription rights in relation to an increase of capital made within the limits of the authorised capital. Such authorisation is only valid for a maximum of five (5) years from publication on the RESA of the relevant amendment of the Articles of Association. It may be renewed on one or more occasions by the extraordinary General Meeting, deliberating in accordance with the requirements for amendments to the Articles of Association, for a period that, for each renewal, may not exceed five (5) years.

## **6.2. Reduction of Share capital**

The share capital may be decreased by a resolution of the extraordinary General Meeting adopted in the manner required for an amendment of the Articles of Association. In case of a share capital decrease, all shareholders have the right to participate pro rata in the share capital reduction. In the event of decrease of the share capital with a repayment to the shareholders or a waiver of their obligation to pay up their Shares, creditors whose claims predate the publication of the minutes of the extraordinary General Meeting on the RESA may, within 30 days from such publication, apply for the constitution of securities to the judge presiding the chamber of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters. The judge may only reject such an application if the creditor already has adequate safeguards or if such securities are unnecessary with regard to the assets of the Company. No payment may be made or waiver given to the shareholders until such time when the creditors have obtained satisfaction or until the judge presiding the chamber of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters has ordered that their application should not be granted. No creditor protection rules apply in the case of a reduction in the subscribed capital for the purpose of offsetting losses incurred which are not capable of being covered by means of other own funds or to include sums in a reserve provided that such reserve does not exceed 10% of the reduced subscribed share capital.

## **6.3. Authorized Share Capital**

Pursuant to the Articles of Association, the Company may issue up to 24,066,667 additional Shares and thus increase the share capital of the Company by an amount of up to EUR 240,666.67.

During a period of five (5) years from the date of the adoption of the Articles of Association or any subsequent resolutions to renew, increase or decrease the authorised capital, the Management Board is authorised to issue Shares within the limits of the authorised capital to such persons and on such terms as they shall see fit and especially to proceed to such issue within limitation or removal of the preferential right to subscribe to the Shares issued for the existing Shareholders, and it being understood, that any issuance of such instruments will reduce the available authorised capital accordingly.

The Authorised Capital may be increased, reduced or renewed by a resolution of the extraordinary General Meeting adopted in the manner required for an amendment of the Articles of Association, i.e. through a resolution of the General Meeting adopted by a majority of at least three-quarters (3/4) of the votes cast and with a quorum of no less than fifty per cent (50%) of the Company's share capital present or represented. If such quorum is not attained, a second General Meeting is convened, which deliberates validly regardless of the proportion of capital present or represented

## **6.4. Transfer of Shares**

The Shares are in registered form. All future shares to be issued by the Company shall be in registered or dematerialised form.

The Shares are freely transferable in accordance with the legal provisions applicable to registered shares, subject to compliance with applicable laws.

Additionally, following the WSE Admission and the ZSE Admission, the Shares will be subject to certain lock-up arrangements resulting from the lock-up undertakings executed in connection with the Offering (see "*Underwriting Agreement, Stabilisation and Lock-up—3. Lock-up agreements*") and the LTIP (the terms and conditions of the LTIP are described in "*Management and Corporate Governance—10 Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board—10.3 Long-term incentive plan.*").

## **7. Redemption and Repurchase of the Company's Own Shares**

The Company does not currently hold any of its own shares, and no third party holds Shares in the Company on behalf of the Company. The Company has not issued any securities that are convertible into or exchangeable for securities or securities with warrants to subscribe for Shares in the Company.



According to the Articles of Association, the Company may repurchase its own shares in compliance with the legal requirements, including the repurchasing of them for the purposes of the allocation of Shares to employees and corporate officers. The repurchase of Shares shall comply with the provisions of Article 430-22 of the Luxembourg Company Law in particular:

- the terms and conditions for the repurchase must be included in the Articles of Association;
- the repurchase can only be made by using sums available for distributions (i.e., the net assets cannot become lower than the amount of the subscribed capital plus the reserves which may not be distributed) or the proceeds of a new issue made with a view to carry out such repurchase;
- an amount equal to the nominal value of all Shares repurchased must be included in a reserve which cannot be distributed to the shareholders except in the event of a reduction of a subscribed capital.

No resolution of the General Meeting is required in case of a repurchase made pursuant to Article 430-22 of the Luxembourg Company Law.

The Company may not cast votes on, and is not entitled to dividends paid on, Shares held by it nor will such Shares be counted for the purpose of calculating a voting quorum. Votes may be cast on Shares held by the Company if the Shares are encumbered with a right of usufruct that benefits a party other than the Company or a subsidiary, the voting right attached to those Shares accrues to another party and the right of usufruct was established by a party other than the Company or a subsidiary before the Shares belonged to the Company or the Subsidiary.

No dividend shall be paid on the Shares held by the Company in its own capital. For the computation of the profit distribution, the Shares held by the Company in its own capital shall not be included. The Management Board is authorised to dispose of the Company's own Shares held by it.

## **8. Share-Based Remuneration and Stock Plans**

The Supervisory Board is authorised to undertake, within the context of the LTIP approved by the Company's shareholders for the benefit of the members of the current and future Management Board of the Company and key employees of the Company (as defined under the LTIP Rules), the allocation of existing Shares. The terms and conditions of the LTIP are described in "*Management and Corporate Governance—10 Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board—10.3 Long-term incentive plan.*"

## **9. Voting Rights, General Meeting**

The shareholders exercise their collective rights in the General Meeting. Any regularly constituted General Meeting shall represent the entire body of shareholders of the Company. The General Meeting is vested with the powers expressly reserved to it by the laws and by the Articles of Association. Each Share entitles the holder thereof to one vote at the General Meeting, subject to the limitations imposed by law. The Principal Selling Shareholder does not have different voting rights than the other shareholders.

The General Meeting may at any time be convened on the initiative of (i) the Management Board, (ii) the Supervisory Board, or (iii) one or more shareholders representing, in the aggregate, at least ten per cent (10%) of the voting rights at the General Meeting, to be held at such place and on such date as specified in the notice of such meeting in accordance with the provisions of the law and the Articles of Association, and in accordance with the publicity requirements of any foreign stock exchange applicable to the Company.

The Management Board shall convene the annual General Meeting within a period of six (6) months after the end of the Company's financial year. Other meetings of shareholders may be held at such place and time as may be specified in the respective notices of meeting. The General Meeting must be convened by the Management Board, upon request in writing indicating the agenda, addressed to the Management Board by the Supervisory Board, one or several shareholders representing at least 10% of the Company's issued share capital. In such case, a General Meeting must be convened and shall be held within a period of one (1) month from the receipt of such request. If following such a request, a General Meeting is not held in due time, shareholders may request the president of the district court (*Tribunal d'Arrondissement*) dealing with commercial matters and sitting as in urgency matters to appoint a delegate which will convene the General Meeting.

For so long as the Shares are admitted to trading on a Regulated Market, the General Meeting must be convened in accordance with the provisions of the Luxembourg Shareholder Rights Law. In accordance with the Luxembourg Shareholder Rights Law, the convening notice for any General Meeting must contain the agenda of the meeting, the place, date and time of the meeting, the description of the procedures that each shareholder must comply with in order to be able to participate and cast its votes in the General Meeting, a statement of the record date and the manner in which shareholders must register and a statement that only those persons who are shareholders on that date shall have the right to participate and vote in the General Meeting, an indication of the postal and electronic

addresses where and how the full unabridged text of the documents to be submitted to the General Meeting and the draft resolutions may be obtained and an indication of the address of the internet site on which this information is available. Such notice shall take the form of announcements published (i) 30 days before the General Meeting, in the RESA and in a Luxembourg newspaper and (ii) in a manner ensuring immediate access on a non-discriminatory basis in such media as may reasonably be relied upon for the effective dissemination of information throughout the European Economic Area (“EEA”). A notice period of at least 17 days applies, in case of a second or subsequent convocation of a General Meeting adjourned for lack of quorum, provided that this paragraph has been complied with in the first convocation and no new item has been added to the agenda. The notices shall also be published in such other manner as may be required by laws, rules or regulations applicable any stock exchange the Company is listed on, as applicable from time to time.

In accordance with the Luxembourg Shareholder Rights Law, one or several shareholders, representing at least 5% of the Company's issued share capital, may (i) request to add one or several items to the agenda of any General Meeting, provided that such item(s) are accompanied by a justification or a draft resolution to be adopted in the General Meeting or (ii) table draft resolutions for items included or to be included on the agenda of the General Meeting. Such request must be sent to the Company's registered office in writing by registered letter or electronic means and must be received by the Company at least 22 days prior to the date of the General Meeting and include the postal or electronic address of the sender. In case such request entails a modification of the agenda of the relevant meeting, the Company will make available a revised agenda at least 15 days prior to the date of the General Meeting.

If provided for in the relevant convening notice and the Articles of Association, shareholders may participate in a General Meeting by electronic means, ensuring, notably, any or all of the following forms of participation: (i) a real-time transmission of the General Meeting; (ii) a real-time two-way communication enabling shareholders to address the shareholders' meeting from a remote location; and (iii) a mechanism for casting votes, whether before or during the General Meeting, without the need to appoint a proxy who is physically present at the meeting. Any shareholder which participates by electronic means in a General Meeting shall be considered present for the purposes of the quorum and majority requirements. The use of electronic means allowing shareholders to take part in a General Meeting may be subject only to such requirements as are necessary to ensure the identification of shareholders and the security of the electronic communication, and only to the extent that they are proportionate to achieving that objective.

If all shareholders are present or represented, the General Meeting may be held without prior notice or publication.

The provisions of the law are applicable to General Meeting. The Management Board may determine other terms or set conditions that must be respected by a shareholder to participate in any meeting of shareholders in the convening notice (including, but not limited to, longer notice periods).

A shareholder may act at any General Meeting by appointing another person, shareholder or not, as his proxy in writing by a signed document transmitted by mail or facsimile or by any other means of communication authorised by the Management Board. One person may represent several or even all shareholders.

A board of the meeting (*bureau*) shall be formed at any General Meeting, composed of a chairperson to be elected from the Management Board, a secretary and a scrutineer, each of whom shall be appointed by the General Meeting and who do not need to be shareholders. The board of the meeting (*bureau*) shall ensure that the meeting is held in accordance with applicable rules and, in particular, in compliance with the rules in relation to convening the meeting, majority requirements, vote tallying and representation of shareholders.

An attendance list must be kept at any General Meeting.

In accordance with the Articles of Association, each shareholder may vote at a General Meeting through a signed voting form sent by post, electronic mail, facsimile or by any other means of communication authorised by the Management Board to the Company's registered office or to the address specified in the convening notice. The shareholders may only use voting forms provided by the Company which contain at least (i) the name or corporate denomination of the shareholder, its address or registered office, (ii) the number of votes the shareholder intends to cast in the General Meeting, as well as the direction of his/her/its votes or his/her/its abstention, (iii) the form of the Shares held, (iv) the place, date and time of the meeting, (v) the agenda of the meeting, the proposals submitted to the resolution of the meeting as well as for each proposal three (3) boxes allowing the shareholder to vote in favour of or against the proposed resolution or to abstain from voting thereon by ticking the appropriate boxes, (vi) the period within which the form for voting from a remote location must be received by the Company and (vii) the shareholder's signature. The Company will only take into account voting forms received no later than two (2) business days prior to the General Meeting to which they relate, within the deadlines provided in the Articles of Association. Forms in which no vote is expressed, or which do not indicate an abstention shall be void.

## **10. Record Date**

Any shareholder who holds one or more Share(s) at 24:00 hours (midnight) (Luxembourg time) on the date falling 14 days prior to (and excluding) the date of the General Meeting (the "**Record Date**") shall be admitted to the relevant General Meeting. Any shareholder who wishes to attend the General Meeting must inform the Company thereof at the latest on the Record Date, in a manner to be determined by the Management Board in the convening notice. In case of Shares held through a settlement organisation or with a professional depository or sub-depository designated by such depository, a holder of Shares wishing to attend a General Meeting should receive from such operator or depository or sub-depository a certificate certifying the number of Shares recorded in the relevant account on the Record Date. The certificate should be submitted to the Company at its registered address no later than three (3) business days prior to the date of the General Meeting. In the event that the shareholder votes through proxies, the proxy has to be deposited at the registered office of the Company at the same time or with any agent of the Company, duly authorised to receive such proxies. The Management Board may set a shorter period for the submission of the proxy.

## **11. Information Rights**

Every shareholder has the right to ask questions related to items on the agenda of a General Meeting. The Company shall answer questions put to it by shareholders subject to measures which it may take to ensure the identification of shareholders, the good order of general meetings and their preparation and the protection of confidentiality and the Company's business interests. The Company may provide one overall answer to questions having the same content. Where the relevant information is available on the Company's website (<https://www.studenacgroup.eu>) in a question and answer format, the Company shall be deemed to have answered the questions asked by referring to the Company's website.

The Articles of Association may provide that Shareholders have the right, as soon as the convening notice is published, to ask questions in writing regarding the items on the agenda which will be answered during the General Meeting. Such questions may be addressed to the Company in writing or by electronic means at the address indicated in the convening notice along with a certificate proving that they are shareholders at the Record Date. The Articles of Association shall fix the time limit within which these written questions must be submitted to the Company.

## **12. Adjourning General Meetings**

The Management Board may adjourn any General Meeting already commenced, including any General Meeting convened in order to resolve on an amendment of the Articles of Association, for a period of four (4) weeks. The Management Board must adjourn any General Meeting already commenced if so required by one or several Shareholders representing at least 10% of the Company's issued share capital. By such an adjournment of a General Meeting already commenced, any resolution already adopted in such meeting will be cancelled. For the avoidance of doubt, once a meeting has been adjourned pursuant to the second sentence of this Section, the Management Board shall not be either entitled or required to adjourn such meeting a second time.

## **13. Minutes of General Meeting**

The board of the meeting (*bureau*) shall draw up minutes of any General Meeting, which shall be signed by the members of the board of the meeting (*bureau*) as well as by any shareholder who requests to do so.

### **13.1. Voting rights**

Each Share confers the right on the holder to cast (1) vote at a General Meeting. For all matters submitted to a vote of the Shareholders, except as required by Luxembourg law, the holder of Shares will vote together as a single class, with each Share entitling the holder to one (1) vote.

### **13.2. Amendment of the Articles of Association**

Any amendment to the Articles of Association must be approved by the General Meeting held in front of a Luxembourg notary in accordance with the quorum and majority requirements applicable to an amendment to the Articles of Association. The quorum requirement is met if at least one half of all of the Shares issued and outstanding are present or represented at the General Meeting. In the event the required quorum is not reached at the first extraordinary General Meeting, a second extraordinary General Meeting may be convened, through a new convening notice, at which Shareholders can validly deliberate and decide regardless of the number of Shares present or represented. A three quarters (3/4) majority of the votes cast by the Shareholders present or represented is required at any such General Meeting.

### **13.3. Dissolution and Liquidation**

The Company may be dissolved by a resolution of the General Meeting adopted by the majority of three-quarters (3/4) of the votes cast, with a quorum of no less than fifty per cent (50%) of the Company's share capital present or represented. The liquidation shall be carried out by one or several liquidators appointed at the extraordinary General Meeting. The General Meeting may appoint the Management Board members as the liquidators of the Company. The liquidators shall have the most extensive powers for the realisation of the assets and payment of the liabilities of the Company. In the event of the liquidation, dissolution or winding-up of the Company, the net assets remaining after the payment of all debts, charges and expenses should be distributed to the Shareholders in proportion to their respective shareholdings.

Once the liquidation has been completed, the books, records and other data carriers of the dissolved Company will be held by the person or legal person appointed for that purpose at the extraordinary General Meeting for the period prescribed by law (which as at the date of this Prospectus is five (5) years).

### **13.4. Financial information**

The Company's annual financial statements, the consolidated financial statements, the management report, the auditors' report and other information required under Luxembourg law must be made available for inspection by the shareholders at the registered office of the Company and on the Company's website (<https://www.studenacgroup.eu>) at least 15 days prior to the date of the annual General Meeting.

The Company is required to publish its financial report within four (4) months after the end of each financial year.

The Company must publish a semi-annual financial report as soon as possible, but at the latest three (3) months after the end of the first six (6) months of the financial year.

After approval by the annual General Meeting, the financial statements and the consolidated financial statements must be filed with the Luxembourg Trade and Companies Register.

The Prospectus includes the Interim Financial Statements, which reflect the seasonality of the Company's business. For more information on the financial information included in the Prospectus see "*Presentation of Financial and Other Information- 1. Consolidated Financial Statements and Other Data in the Prospectus –1.1. Financial Information*".

### **14. Distributions of Dividends**

The dividend policy, history and applicable restrictions and procedures are described in the Section "*Dividend and dividend policy*".

## TERMS AND CONDITIONS OF THE OFFERING

### 1. The Offering

In connection with the Offering, the Selling Shareholders' intention is to sell up to 31,103,927 ordinary shares with a nominal value of EUR 0.01 each in the Company (the "**Sale Shares**"), and the Company's intention is to issue and offer up to 24,066,667 newly issued ordinary shares in the Company with a nominal value of EUR 0.01 each (the "**New Shares**" and together with the Sale Shares, the "**Offer Shares**") (the "**Offering**"). The Offer Shares constitute up to 35% of the Shares (assuming the issuance by the Company of the maximum number of New Shares). The proportion of the Sale Shares and the New Shares in the final number of the Offer Shares will be determined taking into account the Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors. The Final Price of the Offer Shares for Institutional Investors may be higher than the Maximum Price.

No later than the date on which the Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors are determined, the Principal Selling Shareholder and the Company, in agreement with the Joint Global Coordinators, will decide on the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of the Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors) (the "**Pricing Date**").

The Company's and the Principal Selling Shareholder's intention is to offer to Retail Investors (as defined below) the Sale Shares in the number of up to approximately 10% of the Offer Shares. The Company and the Principal Selling Shareholder do not rule out that the Retail Investors will be offered the Sale Shares in the number lower than 10% of the Offer Shares. Institutional Investors who elected to settle through the KDPW may be allotted both New Shares and Sale Shares. The intention of the Company and the Selling Shareholders is that Retail Investors and Institutional Investors who elect to settle through the SKDD will be allotted Sale Shares only. New Shares will not be allotted to Retail Investors.

In case not all Offer Shares are sold in the Offering, the New Shares will be allotted first and shall have priority over the Sale Shares. There is no minimum amount of Offer Shares that must be subscribed for in order for the Offering to proceed. However, the Issuer and the Principal Selling Shareholder may decide not to proceed with the Offering or Admission. For more details, please see sections "3. Cancellation of the Offering" and "4. Suspension of the Offering" below.

The Offering consists of: (i) a public offering to Retail Investors in Poland ("**Polish Retail Investors**") and Institutional Investors in Poland ("**Polish Institutional Investors**") (the "**Polish Offering**") in each case in accordance with Regulation S under the U.S. Securities Act of 1933, as amended (the "**U.S. Securities Act**"); (ii) a public offering to retail investors in Croatia ("**Croatian Retail Investors**" and together with Polish Retail Investors, "**Retail Investors**") and institutional investors in Croatia ("**Croatian Institutional Investors**") (the "**Croatian Offering**"), in each case in accordance with Regulation S under the U.S. Securities Act; (iii) an offering in the United States of America to qualified institutional buyers ("**QIBs**") as defined in, and in reliance on, Rule 144A under the U.S. Securities Act ("**Rule 144A**"); and (iv) an international placement to certain institutional investors outside of the United States of America, Poland and Croatia ("**International Institutional Investors**" and, together with Polish Institutional Investors, Croatian Institutional Investors and QIBs, "**Institutional Investors**") in accordance with Regulation S under the U.S. Securities Act and pursuant to an exemption from the obligation to publish a prospectus under the Prospectus Regulation (the "**International Offering**").

Closing of the Polish Offering, the Croatian Offering and the International Offering are not conditional upon each other. In connection with the Offering, no parity has been determined with respect to the split of the Offering among Poland, Croatia and other countries or the number of the Offer Shares offered in particular countries. The Offering will be conducted in accordance with the restrictions described in the section "*Selling Restrictions*".

The Sale Shares acquired in the Offering by Polish Retail Investors will be deposited in the KDPW and the price for those Sale Shares will be paid in PLN. The Sale Shares acquired in the Offering by Croatian Retail Investors will be deposited in the SKDD and the price for those Sale Shares will be paid in EUR.

Institutional Investors, at the moment of placing of an order for the Offer Shares during the bookbuilding process, must decide whether their preference is to have the Offer Shares deposited in the KDPW and to pay the price for those Offer Shares in PLN or, alternatively, to have the Offer Shares deposited in the SKDD and to pay the price for those Offer Shares in EUR.

This Prospectus has been prepared in relation to the Offering and the seeking of the admission and introduction to trading on the regulated market of the WSE and admission to the regulated market (Official Market Segment) of the ZSE of all of the shares in the Company, including the Sale Shares and the New Shares, i.e. of up to 157,630,267 ordinary shares with a nominal value of EUR 0.01 each (the "**Shares**") ("**Admission**"). Prospective investors should note that the Prospectus (together with (i) supplements to the Prospectus, if any, following their approval by the *Commission de Surveillance*



*du Secteur Financier* (the “**CSSF**”) in this respect and (ii) information on the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors and the Final Number of Offer Shares as well as the final number of the Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) is the sole legally binding document for the purposes of the Polish Offering, the Croatian Offering and Admission which contains information on the Company and the Shares (including the Offer Shares).

In connection with the dematerialisation and registration of the Shares (including the Offer Shares) in the securities depository maintained by the KDPW (primary depository) and the securities depository maintained by the SKDD (secondary depository), the Issuer was assigned the following ISIN code No. LU2911783244. The Company will file applications with the KDPW for the registration of the Shares (including the Offer Shares) in the securities depository maintained by the KDPW (based on Article 5a section 1 or Article 5 section 1 of the Polish Act on Trading in Financial Instruments) and with the SKDD applications for the registration of the Shares (including the Offer Shares) in the securities depository maintained by the SKDD (pursuant to the SKDD Rules dated 17 December 2021 (as amended), in particular Sections 3 and 4) in such a way that their registration in the securities depository will take place at a time that will, in particular, allow for the registration of the Offer Shares in the securities accounts of investors, as well as the commencement of trading in the Shares on the regulated (main) market operated by the WSE and regulated market (Official Market Segment) of the ZSE, on the terms and dates specified in this Prospectus. Also, the KDPW (as primary securities depository) and the SKDD (as secondary securities depository) established an indirect link through Clearstream Banking SA to enable transfer of the Sale Shares from the KDPW system to the SKDD system to facilitate the Croatian Offering.

With respect to the offer and issue of the New Shares, the pre-emptive rights of existing shareholders have been excluded.

The Sale Shares are being offered to Retail Investors at the Final Price of the Sale Shares for Retail Investors. Croatian Retail Investors will subscribe for Sale Shares at the Maximum Price in EUR, and the Polish Retail Investors will subscribe for Sale Shares at the Maximum Price in PLN (see “—6. Maximum Price” and “7. Final Price of the Offer Shares for the Retail Investors” below).

The Offer Shares are being offered to Institutional Investors at the Final Price of the Offer Shares for Institutional Investors. The Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors will be determined by the Company and the Principal Selling Shareholder jointly in agreement with the Joint Global Coordinators, following the bookbuilding process for Institutional Investors and will be expressed in both PLN and EUR (as applicable).

Information regarding the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors and the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) as well as the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) will be published on the Pricing Date (as defined below) or the day after in the same manner as the Prospectus (i.e. in searchable electronic form on the Company’s website (<https://www.studenacgroup.eu>) and on the website of the Luxembourg Stock Exchange at [www.luxse.com](http://www.luxse.com)) following completion of the bookbuilding process for Institutional Investors.

Neither the Company nor the Selling Shareholders plan to offer for subscription or place (privately or publicly) other securities of the same class as the Offer Shares outside of the Offering.

## **2. Information on the execution of the Framework Agreement with the European Bank for Reconstruction and Development**

On 7 November 2024 the Company and the Principal Selling Shareholder concluded a framework agreement (the “**Framework Agreement**”) with EBRD.

Pursuant to the Framework Agreement, EBRD may acquire Offer Shares in the Offering in such number not exceeding 10% of the Company’s share capital immediately after the issuance of the New Shares in connection with the Offering (the “**EBRD Shares**”), subject to certain conditions, including: (i) the EBRD being satisfied with the final price of the Offer Shares, (ii) the EBRD being satisfied that the Offer Shares have been marketed to a wide investor base satisfactory to the EBRD, (ii) the amount invested by the EBRD for the purpose of acquiring the EBRD Shares does not exceed 10% of the total share capital of the Company immediately after the issuance of the New Shares; and (iii) the EBRD being satisfied that no material change has occurred between the date of the Framework Agreement and the date of acquisition of the EBRD Shares.

Under the Framework Agreement, for as long as the EBRD holds any of the EBRD Shares and unless the EBRD otherwise agrees, the Company is obliged to, inter alia:

- commit to making its finance flows consistent with a pathway towards low greenhouse gas emissions and climate-resilient development,

- use sound procurement methods which ensure a sound selection of goods, works and services at fair market value and that the Company is making its capital investments in a cost effective manner,
- after the end of each financial year, furnish to the EBRD a report on Environmental Matters and Social Matters arising in relation to the Company during such financial year,
- within the periods and according to the provisions of the Framework Agreement, assess, update or develop internal policies and strategies with regard to, among others: (i) value chain assessment; (ii) climate strategy; (iii) remuneration policy; and (iv) ESG reporting.

According to the Framework Agreement, assuming the EBRD's allocation of the Offer Shares is equal to at least 5% of the issued share capital of the Company, EBRD will be subject to a lock-up for a period of 180 days following the Listing Date. For more details please see *Underwriting Agreement, Stabilisation and Lock-up—3. Lock-up agreements*.

According to the Framework Agreement, the Company should apply the proceeds received by the Company in connection with the Offering of the New Shares in line with the Use of Proceeds section of the Prospectus.

The Framework Agreement shall automatically terminate upon the earlier of: (i) the date of the closing of the Offering, if the EBRD does not acquire any EBRD Shares in the Offering, or (ii) the date on which the EBRD ceases to hold any EBRD Shares.

The Framework Agreement is governed by English law.

### 3. Expected timetable of the Offering

The timetables below set out the expected key dates relating to the Polish Offering and the Croatian Offering. Certain events are beyond the control of the Company or the Selling Shareholders. All times and dates referred to in this timetable are based on local Warsaw and Zagreb time (both CET), as applicable, and may be adjusted by the Principal Selling Shareholder and the Company prior to or following the execution of the Pricing Annex, in agreement with the Joint Global Coordinators.

Institutional Investors, at the moment of placing of an order for Offer Shares during the bookbuilding process, shall decide whether their preference is to have the Offer Shares deposited in the KDPW and to pay the price for those Offer Shares in PLN or, alternatively, have the Offer Shares deposited in the SKDD and to pay the price for those Offer Shares in EUR. Depending on that decision, the expected timetable for the Polish Offering or the Croatian Offering will apply.

#### Expected timetable for the Polish Offering:

19 November 2024	Execution of the conditional Underwriting Agreement. Approval and the publication of the Prospectus. Notification of the Prospectus (together with the translation of its summary into Polish and Croatian) to the PFSA.
20 November 2024	Commencement of the Offering – commencement of the bookbuilding process for Institutional Investors.
20 - 27 November 2024	Subscription period for Polish Retail Investors (the <b>“Subscription Period for the Polish Retail Investors”</b> ) – acceptance of purchase orders from Polish Retail Investors and the deadline for payments from Polish Retail Investors (to be completed on 27 November 2024 by 14:59 CET).
27 November 2024	End of the bookbuilding process for Institutional Investors.
27 November 2024	Determination of the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares), the final number of Offer Shares offered to each category of investor (including the final number of the Sale Shares offered to Retail Investors), the Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors, each in EUR and PLN (the <b>“Pricing Date”</b> ).

27 November 2024 or the day after	Execution of a pricing agreement annexed to the Underwriting Agreement and determination of the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors (each in EUR and PLN), the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) (the " <b>Pricing Annex</b> "). Information on the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors, the Final Number of Offer Shares and the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) will be published on the Company's website and on the official website of the Luxembourg Stock Exchange.
28 - 29 November 2024	Acceptance of purchase/subscription orders from Institutional Investors who elect to settle through the KDPW. Deadline for payments for Offer Shares subscribed for by Institutional Investors who elect to settle through the KDPW on 29 November by 16:00 CET.
2 December 2024	Submission of purchase/subscription orders, if any, by Substitute Investors (as defined herein) who respond to additional invitations issued by the Joint Global Coordinators to purchase or subscribe for Offer Shares or by the Joint Global Coordinators or their affiliates in the performance of their obligations under the Underwriting Agreement.
2 December 2024	Allotment of the Offer Shares – determination and publication of the final number of Offer Shares to be offered to each category of investor, including a split between the various categories of investors (the " <b>Allotment Date</b> ").
2 December 2024	WSE session – Submission of sales orders for Sale Shares by Polish Retail Investors through the WSE system.
2 December 2024	Expected date of registration of the Sale Shares in the securities accounts of Polish Retail Investors.
about 3 December 2024	Expected date of the adoption by the Management Board of the WSE of the resolutions on the WSE Admission.
3 December 2024	Expected date of the registration of the Offer Shares in the securities accounts of Institutional Investors who elect to settle through the KDPW or the Joint Global Coordinators acting on account of the Polish Institutional Investors (on the condition that the data provided by the investors for the registration of the Offer Shares in their securities accounts is complete and correct) and closing of the Polish Offering.
10 December 2024	Expected first day of trading of the Shares on the WSE, subject to the duration of proceedings before the KDPW concerning the registration of the Shares in the KDPW, as well as the WSE Admission (the " <b>Listing Date in Poland</b> ").

**Expected timetable for the Croatian Offering:**

19 November	Execution of the conditional Underwriting Agreement. Approval and the publication of the Prospectus. Notification of the Prospectus (together with the translation of its summary into Polish and Croatian) to the CFSSA.
20 November 2024	Publication of the public invitation for participation in the Croatian Offering to Croatian Retail Investors (the " <b>Public Invitation</b> ").
20 November 2024	Commencement of the Offering – commencement of the bookbuilding process for Institutional Investors.

20 - 27 November 2024	Subscription period for Croatian Retail Investors (the “ <b>Subscription Period for Croatian Retail Investors</b> ” and, together with Subscription Period for Polish Retail Investors, the “ <b>Subscription Period for Retail Investors</b> ”) – acceptance of purchase orders from Croatian Retail Investors and the deadline for payments from Croatian Retail Investors (to be completed on 27 November 2024 by 14:59 CET).
27 November 2024	End of the bookbuilding process for Institutional Investors.
27 November 2024	Pricing Date.
27 November or the day after	Execution of the Pricing Annex. Information on the Final Price of the Sale Shares for the Retail Investors, the Final Price of the Offer Shares for Institutional Investors, the Final Number of Offer Shares and the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) will be published on the Company’s website and on the official website of the Luxembourg Stock Exchange.
2 December 2024	Allotment Date.
2 December 2024	Expected date of registration of the Sale Shares in the securities accounts of Croatian Retail Investors.
2 December 2024	Settlement date for Institutional Investors who elect to settle through the SKDD (the “ <b>Settlement Date in Croatia</b> ”) - Delivery of the Sale Shares against payment of the Final Price of the Offer Shares for Institutional Investors and closing of the Croatian Offering.
3 December 2024	Expected date of the adoption by the ZSE of the resolution on the ZSE Admission.
10 December 2024	Expected first day of trading of the Shares on the ZSE, subject to the duration of proceedings before the SKDD concerning the registration of the Shares in the SKDD, as well as the ZSE Admission (the “ <b>Listing Date in Croatia</b> ” and, together with the Listing Date in Poland, the “ <b>Listing Date</b> ”).

The Principal Selling Shareholder and the Company, on the terms provided above, reserve the right to change the above timetable of the Offering, including the dates of the subscription period for the Offer Shares. Such information on changes to the dates of the Offering will be notified to the CSSF and published in a manner compliant with applicable regulations, as well as with the relevant market practices in Luxembourg, Poland and Croatia on the Company’s website (<https://www.studenacgroup.eu>). If such change to the timetable of the Offering may affect the assessment of the securities, this information will be made publicly available in the form of a supplement to the Prospectus (after its prior approval by the CSSF) according to Article 23 item 1 of the Prospectus Regulation, as well as with the relevant market practices in Luxembourg, Poland and Croatia on the Company’s website (<https://www.studenacgroup.eu>). Any change to the date on which the acceptance of purchase/subscription orders commences must be made public at the latest on the last day before the original date (based on the timetable of the Offering as at the date of making such information public). Any change to the end of the bookbuilding process or the date on which the acceptance of purchase/subscription orders ends must be made public at the latest on the last day before the original date (according to the timetable of the Offering as at the date of making such information public).

The determination of a new timetable of the Offering will not be considered a cancellation of or withdrawal from the Offering.

#### 4. Cancellation of the Offering

Before the commencement of the Subscription Period for Retail Investors, the Principal Selling Shareholder and the Company acting jointly, after consultation with the Joint Global Coordinators, may withdraw from the Offering without providing a reason, thus effectively cancelling the Offering.

After the commencement of the Subscription Period for Retail Investors, the Principal Selling Shareholder and the Company may: (i) no later than the execution of the Pricing Annex, cancel the Offering in agreement with the Joint Global Coordinators; or (ii) after the execution of the Pricing Annex (but no later than the earlier of the following dates: (i) 8:00 a.m. CET on the day of allotment of shares to Polish Retail Investors during a WSE special session; and (ii) 8:00 a.m. CET on the date on which settlement orders to transfer Sale Shares to the securities accounts of Institutional

Investors are to be submitted), cancel the Offering in agreement with the Joint Global Coordinators if in the opinion of the Principal Selling Shareholder and the Company, there are material reasons for such cancellation. Material reasons include, but are not limited to:

- sudden or unexpected changes to the economic or political situation in Luxembourg, Poland, Croatia or abroad, which may or could have a material adverse effect on the Offering, the financial markets, the economy of Luxembourg, Poland or Croatia or the Company's or the Group's operations;
- sudden or unexpected events having an impact on the Group's operations or which could result in material damage to the Group or result in material disruption to its business;
- sudden or unpredictable changes in the Group's environment having an impact on its operating activities;
- a material adverse change to the Group's operations, financial condition or operating results;
- a suspension or material limitation of trading in securities on the WSE and/or the ZSE or on other stock exchange markets if this could have a material adverse effect on the Offering and/or Admission;
- unsatisfactory interest in the Offering from investors (including unsatisfactory Final Price of the Sale Shares for Retail Investors and/or the Final Price of the Offer Shares for Institutional Investors), in particular reputed financial institutions operating on the capital markets;
- an inability to achieve, as a result of the Offering, a sufficient, in the opinion of the Joint Global Coordinators, number of Offer Shares traded on the WSE and the ZSE, providing adequate liquidity in the Shares;
- the occurrence of circumstances that may preclude or materially delay the resolution on (i) the WSE Admission or (ii) ZSE Admission;
- termination or cancellation of the Underwriting Agreement; or
- other unexpected reasons causing that the execution of the Offering and/or allocation of the Offer Shares would be impossible or adverse from the point of view of the interest of the Company or the Principal Selling Shareholder or would cause an increased investment risk for the Investors purchasing Offer Shares.

Cancellation of the Offering will not be possible after the closing of the Offering, understood to be the date of registration of the Offer Shares in Institutional Investors' securities accounts.

The cancellation of the Offering in relation only to the Sale Shares and continuation of the Offering in relation to the New Shares is not possible.

In the case of cancellation of the Offering, the Company does not intend to seek admission of the Shares to trading on the regulated market operated by the WSE or the regulated market (Official Market Segment) operated by the ZSE, on the parallel market operated by the WSE or ZSE or on any other equivalent market, and the relevant applications to the WSE and the ZSE, if already made, will be withdrawn in such a case.

In case of the cancellation of the Offering, a return of payment for the Offer Shares without interest or compensation, net of transfer costs shall take place no later than seven days following the cancellation of the Offering.

Information on the cancellation of the Offering will be notified to the CSSF and published through a publication on the Company's website, as well as, to the extent required, by way of a supplement to this Prospectus.

## **5. Suspension of the Offering**

A decision to suspend the Offering, without providing any reason for doing so, may be taken by the Principal Selling Shareholder and the Company acting jointly at any time before the commencement of the Subscription Period for Retail Investors, after consultations with the Joint Global Coordinators. The Offering may only be suspended in its entirety with respect to all Offer Shares. The new timetable for the Offering may or may not be determined simultaneously with a decision on the suspension of the Offering, provided that the Principal Selling Shareholder and the Company may at a later date determine a new timetable for the Offering.

From the commencement of the Subscription Period for Retail Investors and up to the day before the Allotment Date, the Principal Selling Shareholder and the Company acting jointly, in agreement with the Joint Global Coordinators, may decide to suspend the Offering only for material reasons, which may include, among other things, any event that might adversely affect the success of the Offering or increase the investment risk for purchasers of the Offer Shares, including the material reasons listed in the section "*Cancellation of the Offering*" above. A decision to suspend the Offering may be made without simultaneously determining a new timetable for the Offering, which may be determined at a later date.

The suspension of the Offering in relation only to the Sale Shares and continuation of the Offering in relation to the New Shares is not possible.



Information about the suspension of the Offering will be filed with the CSSF and published through a publication on the Company's website, as well as, to the extent required, by way of a supplement to this Prospectus.

None of the Company, the Selling Shareholders or the Joint Global Coordinators shall bear any liability for any consequences (including, without limitation, losses, damages, or lost opportunity) incurred by any third party (including Investors) and/or their affiliates in respect of and/or in connection with any suspension, cancellation or modification of the Offering.

## 6. Supplements to the Prospectus

Any significant new factor, material mistake or inaccuracy relating to the information included in the Prospectus which may affect the assessment of Offer Shares, and which arises or is noted between the date of approval of the Prospectus and the closing of the offering period or the commencement of trading on the regulated market operated by the WSE and the regulated market (Official Market Segment) operated by the ZSE, whichever occurs later, will be communicated through a supplement to the Prospectus in accordance with the applicable regulations. Such supplement will be subject to approval by the CSSF, will be subsequently passported to the PFSA and CFSSA, and will be published in the same manner as the Prospectus. In the event a supplement to the Prospectus is published after investors have agreed to purchase the securities (i.e., before such supplement is published), such investors shall have the right to withdraw their acceptance (which for Retail Investors would be by notifying the entity with which their respective purchase orders were placed), exercisable within two business days following the publication of the supplement, provided that the new significant factor, material mistake or material inaccuracy arose or was noted prior to the end of the Subscription Period for Retail Investors or the registration of the Offer Shares in the securities accounts of investors (delivery of the Offer Shares), whichever occurs first. This period may be extended by the Company and the Principal Selling Shareholder in agreement with the Joint Global Coordinators. The final expiration date of the right of withdrawal will be specified in the supplement to the Prospectus (if any).

In such case and if necessary, the Allotment Date (and the remaining timetable of the Offering) will be adjusted in order to enable investors to withdraw their submitted purchase/subscription orders. If an investor withdraws a purchase/subscription order, payments for the Offer Shares that have been made will be returned, net of transfer costs, to such investor without any interest or compensation no later than seven days after the date of such withdrawal.

If after the date of approval of the Prospectus by the CSSF and before its publication, supplements to the Prospectus are legally required, all supplements to the Prospectus approved by the CSSF and passported to the PFSA and CFSSA until that date will be published as separate documents simultaneously with the Prospectus.

If any supplement to the Prospectus is published, statements contained in such supplement (or contained in any documented incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Prospectus. Any statement so modified or superseded shall, except as so modified or superseded, no longer constitute a part of this Prospectus.

## 7. Maximum Price

For the purpose of the bookbuilding process for Institutional Investors, a price range of: (i) EUR 3.14 to EUR 3.32; and (ii) PLN 13.60 to PLN 14.40 has been specified. However, the Final Price of the Offer Shares for Institutional Investors may be lower or higher than, respectively, the bottom and the top of the price range. The price range may be subject to change. The price range set in PLN and the price range set in EUR have been determined taking into account the average exchange rate for these currencies announced by the National Bank of Poland on 18 November 2024, i.e. the business day preceding the date of the approval of the Prospectus which is EUR 1 = PLN 4.3320, meaning that, due to possible changes in the exchange rates, the actual values in PLN may not correspond to the actual values in EUR when taking into account the PLN/EUR exchange rate on any other date (see also *Risk Factors – 6 Risk Factors Associated with the Shareholding Structure, the Offering and the Shares - 6.2 Investors could face additional investment risk from currency exchange rate fluctuations in connection with their holding of the Company's shares*). The maximum price for Croatian Retail Investors per Sale Share is EUR 3.32 and the maximum price for Polish Retail Investors per Sale Share is PLN 14.40 (the "**Maximum Price**"). Retail Investors will place orders at the relevant Maximum Price; however, the Final Price of the Sale Shares for Retail Investors may be lower than the Maximum Price.

The Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors were determined taking into account the average exchange rate for these currencies announced by the National Bank of Poland on 18 November 2024, i.e., the business day preceding the date of the approval of the Prospectus which is EUR 1 = PLN 4.3320. In case the Final Price of the Sale Shares for Retail Investors is lower than the Maximum Price, the relevant member of the Croatian Retail Syndicate and the Polish Offering Agent (as the case may be) shall ensure that the excess funds (i.e., the amount being the difference between the Maximum Price and the Final Price of the Sale Shares for Retail Investors)

are returned to the relevant Retail Investors to the accounts provided in their purchase orders within seven days after the Allotment Date. Such amounts shall be returned, net of transfer costs, without any interest or compensation, and members of the Croatian Retail Consortium, the Polish Offering Agent (as the case may be) and the Selling Shareholders shall not be liable for any kind of compensation to the Retail Investors.

#### **8. Final Price of the Sale Shares for the Retail Investors**

The Final Price of the Sale Shares for Retail Investors will be determined by the Principal Selling Shareholder and the Company, acting jointly, in agreement with the Joint Global Coordinators, after completion of the bookbuilding process for Institutional Investors. Retail Investors will not participate in the bookbuilding process.

The Final Price of the Sale Shares for Retail Investors in PLN and the Final Price of the Sale Shares for Retail Investors in EUR will be determined on the basis of the bookbuilding process and taking into account, among other things, current and anticipated conditions in the Polish, Croatian and international capital markets and a qualitative and quantitative assessment of demand for the Offer Shares while ensuring fair treatment of respective investors. Therefore, the Final Price of the Sale Shares for Retail Investors in PLN may not correspond to the Final Price of the Sale Shares for Retail Investors in EUR converted at exchange rate of these currencies on any day of the Offering (see also *Risk Factors – 6 Risk Factors Associated with the Shareholding Structure, the Offering and the Shares - 6.2 Investors could face additional investment risk from currency exchange rate fluctuations in connection with their holding of the Company's shares*). In no event will the Final Price of the Sale Shares for Retail Investors in PLN or the Final Price of the Sale Shares for Retail Investors in EUR exceed the Maximum Price for Polish Retail Investors and the Maximum Price for Croatian Retail Investors, respectively.

The Final Price of the Sale Shares for Retail Investors will be determined: (i) in PLN for Polish Retail Investors and (ii) in EUR for Croatian Retail Investors.

The Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors may constitute different prices.

The Final Price of the Sale Shares for Retail Investors will be notified to the CSSF and announced together with, and in the same manner as, the Final Number of Offer Shares and the final number of the Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors), i.e., in searchable electronic form on the Company's website (<https://www.studenacgroup.eu>) and on the official website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

#### **9. Determination of the Final Price of the Offer Shares for Institutional Investors**

The Final Price of the Offer Shares for Institutional Investors will be determined by the Principal Selling Shareholder and the Company, acting jointly, in agreement with the Joint Global Coordinators, after completion of the bookbuilding process for Institutional Investors. The Final Price of the Offer Shares for Institutional Investors will be determined on the basis of the bookbuilding process and taking into account economic and market conditions, a qualitative and quantitative assessment of demand for the Offer Shares, and other factors deemed appropriate.

The Final Price of the Offer Shares for Institutional Investors will be determined: (i) in PLN for Institutional Investors who elect to settle through the KDPW and (ii) in EUR for Institutional Investors who elect to settle through the SKDD.

As the Final Price of the Offer Shares for Institutional Investors will be established based on the bookbuilding process, the Final Price of the Offer Shares for Institutional Investors in PLN may not correspond to the Final Price of the Offer Shares for Institutional Investors in EUR converted at exchange rate on any day of the Offering (see also *Risk Factors – 6 Risk Factors Associated with the Shareholding Structure, the Offering and the Shares - 6.2 Investors could face additional investment risk from currency exchange rate fluctuations in connection with their holding of the Company's shares*).

During the bookbuilding process for Institutional Investors, Institutional Investors will submit declarations indicating the number of the Offer Shares they are willing to acquire, the price that they are willing to pay and whether the respective Institutional Investor wants to settle with the KDPW for trading on the WSE or with the SKDD for trading on the ZSE. The bookbuilding process will be carried out in PLN and EUR. The bookbuilding process will be conducted prior to the commencement of the subscription period for Institutional Investors who elect to settle through the KDPW.

The details of the bookbuilding process will not be made public. In order to obtain detailed information regarding participation in the bookbuilding process, interested Institutional Investors should contact the Joint Global Coordinators directly.

The Final Price of the Offer Shares for Institutional Investors will be announced by the Company in a manner compliant with applicable regulations, as well as market practice in Luxembourg, Poland and Croatia. Specifically, the Final Price of the Offer Shares for Institutional Investors will be notified to the CSSF and published in the same manner as

the Prospectus (i.e. in searchable electronic form on the Company's website (<https://www.studenacgroup.eu>) and on the official website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com))).

## 10. Final Number of Offer Shares

No later than on the Pricing Date, the Principal Selling Shareholder and the Company acting jointly, in agreement with the Joint Global Coordinators, will make a decision on the final number of the Offer Shares offered to investors in the Offering (the "**Final Number of the Offer Shares**") and the final number of the Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors). The intention of the Selling Shareholders and the Company is for the Final Number of the Offer Shares not to exceed 55,170,594 shares in the Company (but, for the avoidance of doubt, it may be lower).

The Final Number of Offer Shares and the final number of the Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares to be offered to Retail Investors) will be notified to the CSSF and announced together with, and in the same manner as, Final Price of the Sale Shares for Retail Investors and the Final Price of the Offer Shares for Institutional Investors, i.e., in searchable electronic form on the Company's website (<https://www.studenacgroup.eu>) and on the official website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

Information on the Number of Stabilisation Shares will be provided, along with the above information, subject to provisions set out in "*Underwriting Agreement, Stabilisation and Lock-up—Stabilisation*" below.

## 11. Placement of purchase/subscription orders

### 11.1. General information

A purchase order for the Offer Shares is unconditional, irrevocable (subject to the right to withdraw the purchase order if a supplement to the Prospectus is published (see "*—5. Supplements to the Prospectus*" above)), may not include any reservations or additional conditions of execution and is binding on the person who submitted it until the allotment of the Offer Shares in the Offering (subject to the right to withdraw the purchase order or avoid the effects of the submitted purchase order in the cases specified in the relevant provisions on cancellation of the Offering, if any).

Each investor (save for Institutional Investors who elect to settle through the SKDD) will be required to indicate in the purchase/subscription order form all of the required information and submit all of the required statements and authorisations, including authorisation for the Investment Firms, the other Joint Global Coordinators and the Investment Firm accepting purchase/subscription orders to transfer information constituting a professional secret, including information related to purchase/subscription orders made for the Offer Shares, to the extent required for the completion of the Offering and the Admission, and authorisation for the Investment Firms, the other Joint Global Coordinators, the Company and the Selling Shareholders to receive such information, as well as to undertake any other action required for the completion of the Offering and the Admission.

The placement of a purchase/subscription order by Polish Institutional Investors, other Institutional Investors who elect to settle through the KDPW, Polish Retail Investors and Croatian Retail Investors, as well as by placement of declarations for the purchase of the Sale Shares by the Croatian Institutional Investors and International Institutional Investors (other than Institutional Investors who elect to settle through the KDPW) in the bookbuilding process is equivalent to confirmation by such investors that, among other things:

- (i) they have read the Prospectus and the relevant translation of the Prospectus summary;
- (ii) they have read the Articles of Association (which are publicly available on the website of the Luxembourg Register of Trade and Companies (*Registre de commerce et des Sociétés, Luxembourg*) ([www.lbr.lu](http://www.lbr.lu)) and which will be made publicly available through publication on the Company's website (<https://www.studenacgroup.eu>) and accepted them;
- (iii) they have accepted the terms of the Offering;
- (iv) they have consented to being allotted a lower number of the Offer Shares than the number specified in such investor's purchase/subscription order;
- (v) they have agreed to not being allotted any Offer Shares at all pursuant to the terms and conditions set forth in the Prospectus;
- (vi) they have been informed that processing of personal data is necessary to conduct the Offering and Admission and to ensure compliance with applicable laws and regulations,
- (vii) exclusively in the case of the Croatian Offering, they have agreed to the sharing of information on the number of the Offer Shares allotted to a given person and other information necessary to facilitate the Croatian Offering, between the members of the Croatian Retail Syndicate (as defined below), as well as by any member

of the Croatian Retail Syndicate with the SKDD and the investment firm or credit institution acting on the account of the person to whom the Offer Shares were allotted.

If a purchase/subscription order form is missing any indication of the above or other required information, or if any other information is missing or incorrectly stated on the purchase/subscription order form, or if any untrue or incorrect information is provided therein, the purchase/subscription order of such investor may be declared invalid. The decision as to whether the data indicated in the purchase/subscription order may cause a given purchase/subscription order to be invalid shall depend on the nature and extent of any omissions or irregularities occurring in the completion of the purchase/subscription order. All of the consequences resulting from incorrectly filling out purchase/subscription order forms or submission of the Offer Shares, including the invalidity of purchase/subscription orders, will be borne by the relevant investors.

The Company, the Selling Shareholders and the Joint Global Coordinators will not charge any additional fees to investors who place a purchase/subscription order. A brokerage commission may be charged by the members of the retail syndicates and Investment Firms, including the Joint Global Coordinators which accept the purchase/subscription orders, in accordance with their respective internal regulations. Investors will not bear any other costs or taxes in connection with the submission of purchase/subscription orders for the Offer Shares, except for the costs (if any) associated with opening and maintaining a securities account and brokerage commission costs in accordance with the provisions of the relevant agreements and regulations of the entity accepting the purchase/subscription order, if any. For information relating to taxation, see "Taxation".

### **11.2. Polish Retail Investors**

The technical allotment of the Sale Shares to the Polish Retail Investors will be completed through the WSE IT system. Each Polish Retail Investor interested in placing purchase orders for Sale Shares must have a securities account opened with an investment firm (which is part of the Polish Retail Syndicate (as defined below), through which he or she will place purchase orders for Sale Shares, as well as sign relevant agreements for the acceptance and transmission of orders to buy or sell financial instruments. Polish Retail Investors wishing to purchase Sale Shares who do not have securities accounts should open such accounts before submitting a purchase order with an investment firm which is a member of the Polish Retail Syndicate (as defined below). In the event that a Polish Retail Investor's account is maintained by a custodian bank, the purchase order shall be placed in accordance with the rules for placing purchase orders by customers of the custodian bank. In the case of purchase orders placed by Polish Retail Investors from omnibus accounts, purchase orders for Sale Shares shall be placed in accordance with the rules of the entities operating the omnibus accounts.

Polish Retail Investors will place their purchase orders at the Maximum Price in PLN, indicating the number of Sale Shares they are willing to buy.

Purchase orders from Polish Retail Investors will be accepted in the Subscription Period for Polish Retail Investors at the client service points of Santander Bank Polska S.A.– Santander Biuro Maklerskie (as the Investment Firm) and other investment firms, including authorised banks in Poland, which will join the retail syndicate and accept purchase orders for Sale Shares from Polish Retail Investors (jointly with the Investment Firm, the "**Polish Retail Syndicate**") in accordance with their internal procedures and rules applicable to a given member of the Polish Retail Syndicate. The list of members of the Polish Retail Syndicate and the list of client service points where purchase orders will be accepted will be made public before the commencement of the Subscription Period for the Polish Retail Investors on the website of the Company (<https://www.studenacgroup.eu>) in the same manner as the Prospectus. In the event that, after the date of the commencement of the Subscription Period for the Polish Retail Investors, the list of the members of the Polish Retail Syndicate changes, including with respect to the addition of new members, the changes will be made public in the form of an update to the list of the members of the Polish Retail Syndicate on the Company's website (<https://www.studenacgroup.eu>) in the same manner as the Prospectus.

Polish Retail Investors have a right to place more than one purchase order for the Sale Shares, provided that the number of the Sale Shares subscribed for by a Polish Retail Investor in a single purchase order may not be higher than 5,500,000 Sale Shares. A purchase order covering a higher number of the Sale Shares than 5,500,000 Sale Shares will be regarded as a purchase order for 5,500,000 Sale Shares. Purchase orders not paid in time will be deemed invalid and a purchase order with improperly completed purchase order forms may be deemed invalid depending on the nature and extent of any omissions or irregularities occurring in the completion of the purchase order. The consequences of submitting an incorrect or incomplete purchase order will be borne by the Polish Retail Investor submitting such purchase order.



Any purchase orders for Sale Shares by a Polish Retail Investor with a price other than the Maximum Price in PLN will be deemed invalid.

Subscriptions via the Internet and telephone will be accepted from Polish Retail Investors who are parties to a brokerage account agreement or agreement for the acceptance and transmission of orders to buy or sell financial instruments (or similar types of agreements), concluded by a Polish Retail Investor with a member of the Polish Retail Syndicate, if the provisions of such agreement provide for the placement of subscriptions for shares via the Internet or telephone. Such subscriptions will be accepted in accordance with the internal regulations of the relevant member of the Polish Retail Syndicate. Agreements concluded with a particular member of the Polish Retail Syndicate may also provide for different forms for the placement of subscriptions.

On the basis of the accepted purchase orders, the members of the Polish Retail Syndicate will place, on behalf of Polish Retail Investors, purchase orders for the Sale Shares through the WSE system. The Investment Firms accepting purchase orders are responsible for properly conveying purchase orders for the Sale Shares to the WSE system. The purchase order form will include a power of attorney for the Investment Firm to place a purchase order for the Sale Shares on behalf of Polish Retail Investors.

For information on the detailed rules governing the placement of purchase orders by Polish Retail Investors, in particular: (i) the need to have a brokerage account agreement and agreements on the acceptance and transfer orders to buy or sell financial instruments, (ii) the documents required if a purchase order is placed by a statutory representative, proxy or any other person acting on behalf of an investor, and (iii) the possibility of placing purchase orders (e.g., via the Internet), Polish Retail Investors should contact a member of the Polish Retail Syndicate accepting purchase orders for the Sale Shares from Polish Retail Investors or customer service points.

### **11.3. Croatian Retail Investors**

Before the commencement of the Subscription Period for Retail Investors, the Public Invitation for Croatian Retail Investors will be issued. The Public Invitation will, *inter alia*, contain relevant information on the process rules for participation in the Croatian Offering.

Each Croatian Retail Investor interested in submitting purchase orders (which are to be understood, for Croatia, as offers for purchase) for Sale Shares will need to properly fill out and sign the purchase order form. Each Croatian Retail Investor must also have one of the following securities accounts with the SKDD: a transactional investor account, a transactional named custody account or a transactional omnibus custody account. The number of such account within the SKDD system will have to be stated in the purchase order form. If a Croatian Retail Investor does not have such account, such account can be opened with the Croatian Offering Agent, and Zagrebačka banka d.d., with registered seat at Trg bana Josipa Jelačića 10, Croatian personal identification number: 92963223473 (together with the Croatian Offering Agent, the "**Croatian Retail Syndicate**") or with any other investment firm or credit institution in Croatia providing such service. The Croatian Retail Investors cannot open such account directly with the SKDD by themselves. The Croatian Retail Investors, which are legal persons, will also need to provide the LEI number. Croatian Retail Investors will place their purchase orders at the Maximum Price in EUR, indicating the number of Sale Shares they are willing to buy.

Purchase orders from Croatian Retail Investors will be accepted in the Subscription Period for Croatian Retail Investors: (i) at the client service points of the members of the Croatian Retail Syndicate or (ii) via the Internet (i.e., mobile app of the relevant member of the Croatian Retail Syndicate). The detailed list of the members of the Croatian Retail Syndicate and the list of client service points of the members of the Croatian Retail Syndicate where the purchase orders will be accepted will be published before the commencement of the Subscription Period for the Croatian Retail Investors on the website of the Company (<https://www.studenacgroup.eu>) in the same manner as the Prospectus. If any investment firm or authorised bank additionally joins the Croatian Retail Syndicate for the purpose of accepting purchase orders for the Sale Shares from the Croatian Retail Investors in the Croatian Offering, such investment firm and/or authorised bank will be considered part of the Croatian Retail Syndicate. In the event that, after the date of the commencement of the Subscription Period for the Croatian Retail Investors, the list of members of the Croatian Retail Syndicate changes, including with respect to client service points and/or the addition of new members to the Croatian Retail Syndicate, the changes will be made public in the form of an update that will be published on the Company's website (<https://www.studenacgroup.eu>). In such case, the list of client service points will be published on the Company's website (<https://www.studenacgroup.eu>).

Croatian Retail Investors have a right to place more than one purchase order for the Sale Shares, provided that the number of the Sale Shares subscribed for by a Croatian Retail Investor in a single purchase order may not be higher than 5,500,000 Sale Shares. A purchase order covering a higher number of the Sale Shares than 5,500,000 Sale Shares will be regarded as a purchase order for 5,500,000 Sale Shares. Purchase orders not paid in time will be deemed



invalid, and the purchase order with improperly completed purchase order forms may be deemed invalid depending on the nature and extent of any omissions or irregularities occurring in the completion of the purchase order. The consequences of submitting an incorrect or incomplete purchase order will be borne by the Croatian Retail Investor submitting such purchase order.

Any purchase orders for the Sale Shares by a Croatian Retail Investor with a price other than the Maximum Price in EUR will be deemed invalid.

Purchase orders will be accepted from Croatian Retail Investors by the member of the Croatian Retail Syndicate only if made: (i) in writing at the client service point of the member of the Croatian Retail Syndicate or (ii) via the Internet (i.e. mobile app of the relevant member of the Croatian Retail Syndicate ) if there is an appropriate agreement concluded between the Croatian Retail Investor and member of the Croatian Retail Syndicate which regulates the provision of services via such platform. Such purchase orders will be accepted in accordance with the internal regulations of the member of the Croatian Retail Syndicate.

Once the Subscription Period for Croatian Retail Investors ends, the member of the Croatian Retail Syndicate will inform the Selling Shareholders of the number of Croatian Retail Investors and the number of Sale Shares for which they submitted purchase orders, as well as other relevant details.

For information on the detailed rules governing the placement of purchase orders by Croatian Retail Investors, in particular: (i) the need to have a specific type of securities account; (ii) the documents required if a purchase order is placed by a statutory representative, proxy or any other person acting on behalf of an investor; and (iii) the possibility of placing purchase orders (e.g., via the Internet), Croatian Retail Investors should contact a member of the Croatian Retail Syndicate accepting purchase orders for the Sale Shares from Croatian Retail Investors, preferably at a client service point or Croatian Offering Agent on the contact number: 0800 7890 (from Croatia) or +385 51 365 591 (from abroad).

#### **11.4. Institutional Investors**

Once the bookbuilding process has been completed, the Company and the Principal Selling Shareholder, following consultation with the Joint Global Coordinators, will make a discretionary selection of the Institutional Investors to whom they will allocate Offer Shares and, in case of Institutional Investors who elect to settle through the KDPW, to whom invitations to submit purchase/subscription orders for the Offer Shares will be sent by the Investment Firms or other investment firms (on their own behalf and on behalf of the other Joint Global Coordinators) and who will be entitled, individually or by the Joint Global Coordinators acting on their account, to submit a purchase/subscription order for the Offer Shares in the number specified in such invitation and to make payments for the Offer Shares at the Final Price of the Offer Shares for Institutional Investors to the account indicated in such invitation.

Purchase/subscription orders placed by Institutional Investors who elect to settle through the KDPW and who were invited to submit purchase/subscription orders for the Offer Shares will be accepted by the Joint Global Coordinators on the terms stated in the invitation to submit purchase/subscription orders. For information on the detailed rules governing the placing of purchase/subscription orders, in particular the documents required if an order is submitted by a proxy or any other person acting on behalf of an investor, the necessity of signing of the relevant agreements for the acceptance and transmission of orders to buy or sell financial instruments, and the submission of purchase/subscription orders, the Institutional Investors should contact the Joint Global Coordinators.

Any consequences of a failure to correctly complete the purchase/subscription order form for purchase of the Offer Shares will be borne by the relevant investor submitting a purchase/subscription order for the Offer Shares.

Each Institutional Investor who elects to settle through the KDPW may submit one or several purchase/subscription orders for the aggregate number of Offer Shares indicated in the invitation addressed to such Institutional Investor to place a purchase/subscription order. In this context, the number of Offer Shares indicated in the invitation to a particular Institutional Investor is the maximum number of Offer Shares for which the Institutional Investor can submit a purchase/subscription order. This number can differ across Institutional Investors. Purchase/subscription orders which jointly cover a number of Offer Shares greater than that stated in the invitation will be treated as purchase/subscription orders for the maximum number of the Offer Shares indicated in the invitation addressed to the relevant Institutional Investor. If an Institutional Investor who elects to settle through the KDPW submits a purchase/subscription order for a lower number of the Offer Shares than that stated in the invitation, such Institutional Investor may be allocated lower number of Offer Shares than that indicated in its purchase/subscription order or no Offer Shares may be allocated to such Institutional Investor. Allocations to Institutional Investors who elect to settle through the KDPW will, in each case, be determined by the Company and the Principal Selling Shareholder, after consultation with the Joint Global Coordinators. Institutions that manage assets on behalf of third parties may submit a single collective purchase/subscription order in favour of specific customers, attaching to the order the list of such customers

containing such data as required in the purchase/subscription order form. Purchase/subscription orders will be accepted on a purchase/subscription order form in Polish or English (for persons who are not Polish residents) provided by the Investment Firms or other investment firms accepting purchase/subscription orders. At the time of submitting a purchase/subscription order, Institutional Investors are required to issue an irrevocable instruction for the deposit of Offer Shares in a securities account maintained in their name, operated by an investment firm or custodian bank or other entity that is a direct or indirect participant of the KDPW. International Institutional Investors who elect to settle through the KDPW that want the Joint Global Coordinators to include their order in an aggregate purchase/subscription order should contact the relevant Joint Global Coordinators for details of submitting their order and the corresponding payment, registration and settlement process for Offer Shares allocated to them.

Institutional Investors who elect to settle through the SKDD are required to issue an irrevocable instruction for depositing the Sale Shares in a securities account operated by an investment firm or custodian bank or other entity that is a direct or indirect participant of the SKDD. In order to obtain detailed information regarding participation in the bookbuilding process, interested Institutional Investors should contact the Joint Global Coordinators directly.

Institutional Investors may be charged by the Joint Global Coordinators to account for crossing and funding costs in relation to the Offering, as applicable.

The EBRD may place purchase orders and/or subscribe for the Offer Shares in accordance with the Framework Agreement (for more details, see *"Information on the execution of the Framework Agreement with the European Bank for Reconstruction and Development"* above) on the terms specified for the Institutional Investors.

## **12. Payment for the Offer Shares**

Payments for the Offer Shares do not bear interest.

### **12.1. Polish Retail Investors**

Polish Retail Investors placing purchase orders for Sale Shares are required to pay for such Sale Shares at the time of placing the order, in accordance with the rules of the relevant member of the Polish Retail Syndicate accepting the purchase order for the Sale Shares. Payments should be made in an amount corresponding to the product of the number of the Sale Shares for which such Polish Retail Investor is placing his or her purchase order(s) and the Maximum Price in PLN, increased by the brokerage commission, if any, of the member of the Polish Retail Syndicate accepting the purchase order.

Funds paid by a Polish Retail Investor for Sale Shares (increased by a brokerage commission, if any) will be blocked in his/her bank or cash account used for servicing the securities account at the moment of placing of the purchase order. Any previously unsettled receivables may not be credited as payment for the Sale Shares. A purchase order placed by a Polish Retail Investor which is not fully paid or not paid in time will be considered entirely invalid. Purchase orders for the Sale Shares may be paid for by using the non-restricted cash funds of that Polish Retail Investor deposited in his or her securities account. If the funds in the account are insufficient, the purchase order will not be accepted.

### **12.2. Croatian Retail Investors**

Croatian Retail Investors placing purchase orders for the Sale Shares are required to remit payment for the Sale Shares to the special purpose bank account opened by the relevant member of the Croatian Retail Syndicate. Payments must be visible in the special purpose bank account opened by the relevant member of the Croatian Retail Syndicate prior to the end of Subscription Period for Retail Investors. Payments should be made in an amount corresponding to the product of the number of the Sale Shares for which such Croatian Retail Investor is placing his or her purchase order(s) and the Maximum Price in EUR. A subscription order placed by a Croatian Retail Investor which is not paid in time will be considered entirely invalid. Should the amount of funds actually received in the special purpose bank account at the relevant member of the Croatian Retail Syndicate be lower than the amount specified in the purchase order, the amount of funds actually received in the respective bank account will be used as the relevant amount in order to calculate the number of Sale Shares that the Croatian Retail Investor wishes to place purchase orders for, but can never be lower than the minimum number of Sale Shares for which the Croatian Retail Investor may place purchase orders for.

### **12.3. Institutional Investors**

Institutional Investors, at the moment of placing of an order for the Offer Shares during the bookbuilding process, shall decide whether their preference is to have Offer Shares deposited in the KDPW and to pay the price for those Offer Shares in PLN or, alternatively, have Offer Shares deposited in the SKDD and to pay the price for those Offer Shares in EUR. Depending on that decision, the expected timetable and related steps for Poland or the expected timetable and related steps for Croatia will apply.

Institutional Investors who elect to settle through the KDPW are required to pay for the Offer Shares to which their purchase/subscription orders relate, at the Final Price of the Offer Shares for Institutional Investors no later than by 16:00 CET on the last day on which purchase/subscription orders from Institutional Investors who elect to settle through the KDPW are accepted, in PLN in an amount equivalent to the product of the number of the Offer Shares for which the Institutional Investor placed a purchase/subscription order or purchase/subscriptions orders, and the Final Price of the Offer Shares for Institutional Investors in PLN, and in compliance with the instructions stated in the invitation to submit a purchase/subscription order. Payments should be made by wire transfer in PLN, to the account stated in the invitation to submit a purchase/subscription order. The date of payment shall be the date on which the relevant cash sum is credited to such account. As a rule, payments are made to the same investment firm where the subscription for Offer Shares was made.

Institutional Investors who elect to settle through the SKDD are required to make the payment for the allocated Offer Shares on the Settlement Date in Croatia, in EUR in an amount equivalent to the product of the amount of Offer Shares which were allocated to such Institutional Investor and the Final Price of the Offer Shares for Institutional Investors in EUR. The Offer Shares will be delivered in book-entry form through the facility of the SKDD against payment (delivery vs payment).

International Institutional Investors who want the Joint Global Coordinators, acting on behalf of Institutional Investors, to include their order in an aggregate purchase/subscription order for the Offer Shares should contact the relevant Joint Global Coordinators acting on behalf of the Institutional Investors for details of payment for the Offer Shares and the settlement process of the Offer Shares with respect to them.

### **13. Allotment of the Offer Shares**

Decisions regarding: (i) the number of the Offer Shares to be allotted to various categories of investors; and (ii) the allotment of the Offer Shares to specific Institutional Investors will be discretionary and will be taken by the Principal Selling Shareholder and the Company acting jointly, in each case after consultation with the Joint Global Coordinators following the completion of the bookbuilding process.

After the final number of Offer Shares to be offered to various categories of investors has been made public, the Principal Selling Shareholder and the Company, acting jointly, reserve the right to transfer the Offer Shares between such categories of investors after consultation with the Joint Global Coordinators, provided that only those Offer Shares which: (i) are not covered by purchase/subscription orders duly made and paid for; or (ii) have not been acquired by investors as a result of such investors withdrawing their purchase/subscription orders, in accordance with the relevant provisions of the Prospectus, may be transferred. Such transfers will not affect the Final Number of Offer Shares.

Institutional Investors who elected to settle through the KDPW may be allotted both New Shares and Sale Shares. The intention of the Company and the Selling Shareholders is that Retail Investors and Institutional Investors who elect to settle through the SKDD will be allotted Sale Shares only. New Shares will not be allotted to Retail Investors.

#### **13.1. Polish Retail Investors**

The allotment of the Sale Shares to Polish Retail Investors will be completed through the WSE system on the basis of a separate agreement entered into among SBM as the Investment Firm, the Company and the WSE in accordance with duly filed and paid for purchase orders.

Members of the Polish Retail Syndicate accepting purchase orders for the Sale Shares will enter into the WSE IT system purchase orders for the Sale Shares issued on the basis of the investor's properly submitted and paid for purchase orders. On the Allotment Date, allotments of Sale Shares will be entered into the WSE IT system.

Allotment of the Sale Shares to Polish Retail Investors will be made in the following manner:

- if the number of Sale Shares for which Retail Investors, including Polish Retail Investors, have placed purchase orders, does not exceed the number of Sale Shares offered to Retail Investors, Sale Shares will be allocated to Polish Retail Investors in the number resulting from properly placed and paid purchase orders; and
- if the number of Sale Shares covered by purchase orders placed by Retail Investors, including Polish Retail Investors (and which remain valid until the WSE settlement session during which the transaction of sale of the Sale Shares to Polish Retail Investors is settled), is greater than the number of the Sale Shares that are finally offered in the Retail Offering, Sale Shares will be allocated to Retail Investors, including Polish Retail Investors, on the basis of a proportional reduction of each purchase order submitted by Retail Investors, including both Polish Retail Investors and Croatian Retail Investors, after rounding down to an integer and with the reservation that each such purchase order will be treated separately for the purpose of the allocation of the Sale Shares.

The Sale Shares which are not allocated as a result of rounding will be allocated to Polish Retail Investors in accordance with the allocation rules applied by the WSE.

Funds of Polish Retail Investors who have not been allotted Sale Shares, whose purchase orders for Sale Shares have been proportionately reduced or deemed invalid or arising from a difference between the Maximum Price in PLN and the Final Price of the Sale Shares for Retail Investors in PLN will remain in the investor's bank or cash account used for servicing the securities account held by the member of the Polish Retail Syndicate accepting the purchase order. These funds will be unblocked on the date of allotment of the Sale Shares by the WSE or on the next day, upon receipt of agreements with the WSE by the member of the Polish Retail Syndicate accepting the purchase orders. The funds will be returned, net of transfer costs, without any interest or compensation for costs incurred by Polish Retail Investors in placing of purchase orders for Sale Shares.

Polish Retail Investors participating in the Offering will be notified of the number of Sale Shares allocated to them by the relevant member of the Polish Retail Syndicate. Trading of the Sale Shares on the WSE may commence before the above-mentioned notification has been made.

### **13.2. Croatian Retail Investors**

Upon adoption of the decision on allotment of Sale Shares (including to Croatian Retail Investors) by the Principal Selling Shareholder and the Company acting jointly, after the consultation with the Joint Global Coordinators, a contract for the sale of the number of Sale Shares allocated to each Croatian Retail Investor shall be considered to have been concluded between the relevant Selling Shareholders and the relevant Croatian Retail Investor.

The allotment of Sale Shares to Croatian Retail Investors shall be completed by the transfer of the relevant number of Sale Shares to the securities account opened by them with a credit institution or investment firm. The transfer will be conducted in accordance with the SKDD's regulations. It is the obligation of each Croatian Retail Investor to take all required actions to facilitate due receipt of the Sale Shares to its securities account (including giving the required instructions to its investment firm or credit institution).

Allotment of the Sale Shares to the Croatian Retail Investors will be made in the following manner:

- if the number of the Sale Shares for which Retail Investors, including Croatian Retail Investors, have placed purchase orders, does not exceed the number of the Sale Shares offered to Retail Investors, Sale Shares will be allocated to Croatian Retail Investors in the number resulting from properly placed and paid purchase orders; and
- if the number of Sale Shares covered by purchase orders placed by Retail Investors, including Croatian Retail Investors, is greater than the number of Sale Shares that are finally offered in the Retail Offering, the Sale Shares will be allocated to Retail Investors, including Croatian Retail Investors, on the basis of a proportional reduction of each purchase order submitted by Retail Investors, including both Polish Retail Investors and Croatian Retail Investors, after rounding down to an integer and with the reservation that each such purchase order will be treated separately for the purpose of the allocation of the Sale Shares.

The Sale Shares which are not allocated to Croatian Retail Investors as a result of rounding will be allocated to Institutional Investor(s) at the discretion of the Croatian Offering Agent.

Funds of Croatian Retail Investors who have not been allotted Sale Shares whose purchase orders for Sale Shares have been proportionately reduced or deemed invalid or arising from a difference between the Maximum Price in EUR and the Final Price of the Sale Shares for Retail Investors in EUR will be returned, net of transfer costs, to the relevant Croatian Retail Investor without any interest or compensation for costs incurred by the Croatian Retail Investors in placing purchase orders for the Sale Shares within seven days following the Allotment Date.

### **13.3. Institutional Investors**

For the settlement through the KDPW, following completion of the bookbuilding process, invitations for submitting purchase/subscription orders for the Offer Shares will be sent by the Investment Firms or other investment firms, on behalf of the Joint Global Coordinators to Institutional Investors who elect to settle through the KDPW and to which the Principal Selling Shareholder and the Company decided to send such invitations after consultation with the Joint Global Coordinators. An Institutional Investor to whom an invitation has been sent will be allotted the number of the Offer Shares stated in the invitation, provided that the purchase/subscription order for such Offer Shares has been duly submitted by, or on behalf of, such Institutional Investor and the relevant number of the Offer Shares has been paid for. If an Institutional Investor has only made a partial payment for the Offer Shares or has placed a purchase/subscription order(s) for a number of Offer Shares lower than that specified in the invitation, such Institutional Investor may be allotted: (i) as many Offer Shares as such Institutional Investor has paid for, (ii) a lower number of the Offer Shares than that for which it has paid or (iii) no Offer Shares, as determined by the Company and the Principal Selling Shareholder after consultation with the Joint Global Coordinators. If an Institutional Investor places one or several purchase/subscription orders for a greater number of the Offer Shares than that indicated in the invitation, such Institutional Investor will be allotted the number of the Offer Shares indicated in the invitation sent to it.



For settlement through the SKDD, there will be no submission of purchase/subscription orders for the Offer Shares. Institutional Investors who elect to settle through the SKDD will be deemed to have subscribed for Offer Shares in the bookbuilding process. Such Institutional Investors will be allotted such number of Offer Shares as determined by the Company and the Principal Selling Shareholder, and will be settled by delivery of the Offer Shares against payment on the Settlement Date in Croatia (delivery vs payment).

Institutional Investors who have not been allotted Offer Shares or whose purchase/subscription orders for Offer Shares were withdrawn or otherwise not granted will be reimbursed within seven days from the Allotment Date or the date of the announcement of the cancellation of the Offering or the exercise of withdrawal rights with respect to subscriptions/purchase orders in connection with the publication of a supplement to the prospectus (see “—5. *Supplements to the Prospectus*” above), respectively, without any interest or compensation, to the account stated in such purchase/subscription order of the relevant Polish Institutional Investor or Institutional Investor who elect to settle through the KDPW or account communicated otherwise in case of the Croatian Institutional Investor.

Any Offer Shares with respect to which Retail Investors or Institutional Investors have exercised the right to withdraw their purchase/subscription orders may be allotted to Institutional Investors who participated in the bookbuilding process (“**Substitute Investors**”), provided that Substitute Investors who elect to settle through the KDPW have duly submitted and paid for purchase/subscription orders for Offer Shares following an invitation to submit such purchase/subscription orders for Offer Shares on the terms and conditions specified in this section.

Offer Shares with respect to which Institutional Investors have withdrawn their purchase/subscription orders in compliance with the applicable provisions of the law, failed to submit their purchase/subscription orders in response to an invitation or failed to make timely payments in respect of the orders placed may be offered and allotted to the Substitute Investors, provided that they have duly submitted and paid for the purchase/subscription orders submitted in response to the invitation to submit such purchase/subscription orders for the Offer Shares on the terms and conditions specified in this section or may be allotted to the Joint Global Coordinators in performance of the Underwriting Agreement on the terms provided in “*Underwriting Agreement, Stabilisation and Lock-up*”.

Institutional Investors participating in the Offering will be notified of the Offer Shares allocated to them by the investment firms to whom they submitted their purchase/subscription orders or the Croatian Offering Agent (with respect to Croatian Institutional Investors). Trading in the Shares on the WSE and the ZSE may commence before above-mentioned notification has been made.

Upon (i) allotment of Offer Shares by the Principal Selling Shareholder and the Company to an Institutional Investor; and (ii) payment by that Institutional Investor for the allotted Offer Shares, a contract for the sale of such Offer Shares shall be deemed to have been concluded between the relevant Selling Shareholders and the relevant Institutional Investor.

#### **14. Registration of the Shares in the securities depository and settlement of the Offering**

In accordance with applicable regulations, all of the Shares will be dematerialised and ultimately registered through the KDPW as the primary depository, which is the Polish central clearing house and an entity maintaining a securities depository, and in accordance with applicable Croatian regulations through the SKDD as a secondary depository, which is the Croatian central clearing house and an entity maintaining a securities depository. All of the Shares will be in electronic form. Therefore, investors may only hold Shares through their investment/securities accounts opened with and maintained by investment firms and custodians that are KDPW and SKDD participants.

The Company will file applications with the KDPW and SKDD for the registration of the Shares, including the Offer Shares, in the securities depositories maintained by the KDPW and the SKDD in such a way that their registration in the securities depositories will take place at a time that allows for registration of the Offer Shares in the securities accounts of investors, as well as the commencement of trading in the Shares on the regulated (main) market operated by the WSE and regulated market (Official Market Segment) operated by the ZSE on the terms and dates specified herein.

For the purposes of registration in the securities depository maintained by the KDPW and the SKDD, the Shares will be assigned the following ISIN code: LU2911783244.

In relation to the Polish Offering, Sale Shares will be recorded in the securities accounts of Retail Investors through which purchase orders were made by Polish Retail Investors.

Subject to receipt of the Offer Shares by SBM as the Investment Firm from the registration agent through the KDPW, SBM will issue settlement instructions in order to transfer Offer Shares to the securities accounts of Institutional Investors who elect to settle through the KDPW. Offer Shares will be deposited in the securities accounts of Institutional Investors (on the condition that the information submitted by Institutional Investors for the purposes of the registration of Offer Shares in their securities accounts is complete and correct and an investment firm or a custodian bank maintaining the securities account of such Institutional Investor has delivered to the KDPW a settlement or transfer instruction).



In relation to the Croatian Offering, the Sale Shares will be recorded in the securities accounts of: (i) the Croatian Retail Investors specified in the purchase orders; and (ii) Institutional Investors who elect to settle through the SKDD. Croatian Retail Investors must pay special attention when completing purchase orders and Institutional Investors must provide the required information in the bookbuilding process or as agreed with the investment firm taking their order to ensure that true and correct data are inserted. Upon receipt of the Sale Shares by the members of the Croatian Retail Syndicate through the SKDD, such members will issue a request to transfer the relevant number of Sale Shares to the securities accounts of Croatian Retail Investors opened with the SKDD. It is the obligation of each Croatian Retail Investor to take all required actions to facilitate due receipt of the Sale Shares to its securities account (including giving the required instructions to its investment firm or credit institution).

After the allotment of the Offer Shares by the Company and the Selling Shareholders and registration in the securities depository maintained by the KDPW and SKDD has been completed, the Offer Shares will be deposited in the investors' securities accounts based on the relevant settlement instructions. If the information provided by an investor (other than Croatian Retail Investor) for the purposes of the deposit of the Offer Shares is incomplete or incorrect, such investor must be aware that the transfer of Offer Shares to such investor's securities account will occur at a later date once such investor has supplemented or corrected the information provided. If the information provided by Croatian Retail Investor for the purposes of deposit of the Sale Shares is incomplete or incorrect, the purchase/subscription order of such Croatian Retail Investor may be declared invalid.

None of the Joint Global Coordinators, the Selling Shareholders nor the Company is responsible for any failed deposit of the Offer Shares resulting from incomplete or incorrect information provided by an investor for the purposes of the deposit of Offer Shares.

#### **15. Public announcement of the results of the Offering**

The Company will announce the results of the Offering on the Pricing Date or the day after in a manner compliant with the applicable regulations, as well as the market practices in Luxembourg, Poland and Croatia. The results of the Offering will be published on the website of the Company (<https://www.studenacgroup.eu>) and on the official website of the Luxembourg Stock Exchange ([www.luxse.com](http://www.luxse.com)).

#### **16. Listing of the Shares**

Prior to the start of the Offering, there has been no public market for the Shares and as at the date of this Prospectus the Shares are not listed on any regulated or equivalent market. However, the Company intends to submit applications to the WSE for the WSE Admission and an application to the ZSE for the ZSE Admission.

#### **17. WSE Admission**

The WSE Admission requires, among other things: (i) the conclusion, upon the Company's request, of agreements to register the Offer Shares with the securities depository maintained by the KDPW and the admission of such Shares to that depository; and (ii) the adoption by the Management Board of the WSE of resolutions to admit and introduce the Shares to trading and to list the Shares on the regulated market of the WSE.

The aforementioned activities may be performed if the Company satisfies all of the legal requirements specified in the applicable laws and the relevant regulations of the KDPW and the WSE (including the Joint position of the Supervisory Board and the Management Board of the Stock Exchange of 17 December 2018 regarding the public nature of stock exchange trading), including the requirement regarding minimum free float and the relevant level of capitalisation as well as the requirement concerning free transferability of shares. Conditions concerning the WSE Admission are set out in detail in the Market and Issuers Regulation and the relevant WSE regulations and refer to, inter alia, providing adequate liquidity of the Shares and an adequate capitalisation level, ensuring that the shares are traded in a reliable, accurate and successful manner and taking into consideration, inter alia, the financial position of the issuer, its development prospects, and the security of stock exchange trading as well as the interests of its participants. According to the Market and Issuers Regulation, liquidity will be sufficient if the shareholders, each of whom holds no more than 5% of the total number of votes at the issuer's general meeting of shareholders, hold: (i) at least 25% of the shares in the company covered by the application; or (ii) at least 500,000 shares in such company with a total value of at least the PLN equivalent of EUR 17,000,000, calculated using the last issue price or sale price of the shares (or in extraordinary cases based on the forecast market price). Pursuant to the WSE Rules, financial instruments may be admitted to trading on the WSE provided that, inter alia: (i) subject to certain exceptions, the capitalisation of the company (understood as the product of the number of all of the issuer's shares and the forecast market price of such shares) is equal to at least PLN 60,000,000 or the PLN equivalent of at least EUR 15,000,000; (ii) the shareholders, each of whom may hold less than 5% of the votes at the issuer's general meeting of the shareholders, hold at least: (a) 15% of shares referred to in the application for admission to trading and (b) 100,000 shares referred to in the application for admission to

trading with a value equal at least to PLN 4,000,000 or the PLN equivalent of at least EUR 1,000,000, calculated on the basis of the last sale or issue price; and (iii) the shares are held by such number of shareholders which is considered sufficient to ensure the development of the liquidity of exchange trading.

In addition, the Management Board of the WSE assesses whether trading in shares will be conducted in a fair, orderly and efficient manner and whether free transferability of shares will be ensured (§3a(1) of the WSE Rules). This assessment is carried out by the Management Board of the WSE in accordance with the requirements of Commission Delegated Regulation (EU) 2017/568 (§ 3a (2) of the WSE Rules). Pursuant to Article 1(1) of Commission Delegated Regulation (EU) 2017/568, transferable securities are considered freely transferable if they can be traded between the parties to a transaction, and subsequently transferred without restriction and if all securities within the same class as the security in question are fungible. In addition, pursuant to paragraph 2, marketable securities that are subject to a restriction on their ability to be sold will not be considered freely negotiable in accordance with the provisions of paragraph 1, unless such restriction is unlikely to cause market disruption. When considering an application for admission and the listing of shares on the WSE, pursuant to § 10 of the WSE Rules, the Management Board of the WSE will take into account the current and anticipated financial condition of the company, its development prospects, the experience and qualifications of its management, the conditions under which the financial instruments were issued and their compliance with the principles referred to in §35 of the WSE Rules (including the “Joint position of the Supervisory Board and the Management Board of the Stock Exchange of 17 December 2018 regarding the public nature of stock exchange trading”) and the safety of stock exchange trading in the interests of its participants.

As at the date of the Prospectus, the Company does not meet the criteria for admission to trading on a regulated market (both the main and parallel markets) of the WSE. The main reason for not meeting the criteria is the non-existence of the minimum free float.

The Company assumes that on the expected day of adoption by the WSE of the resolution on the admission of the Shares to trading on the regulated market of the WSE, and no later than after the completion of the Offering, the Company will meet all of the conditions allowing for the admission of the Shares to trading on the regulated market and, subsequently, for the introduction of the Shares to trading on the regulated market of the WSE. If the admission criteria are not met for admission to trading on the main and parallel markets of the WSE, the Company does not intend to apply for the introduction of the Shares to the alternative trading system (NewConnect) and the Offering may be cancelled. The Offering may be cancelled without cause until the Pricing Annex is executed, and after the Pricing Annex is executed only if there are material reasons to do so. See “—3. *Cancellation of the Offering*” above.

As certain criteria for the WSE Admission are discretionary and depend on the judgment of the WSE, the Company cannot guarantee that such approvals and permits will be obtained or that the Shares will be admitted and introduced to trading on the regulated market of the WSE, in particular if the Selling Shareholders do not sell and/or the Company does not issue within the Offering the number of Offer Shares required to ensure the necessary free float level. The Company cannot entirely exclude that, due to circumstances beyond its control, the WSE Admission will take place at a time other than that originally assumed. In addition, due to the time gap between the time when Investors will place their purchase/subscription orders and the Listing Date (see “—2. *Expected timetable of the Offering*” above), Investors will be exposed to a lack of liquidity during that time.

In the event of a change in the Company’s intentions regarding the WSE Admission, such information will be communicated prior to the Allotment Date in the form of a supplement to the Prospectus in the same manner the Prospectus was published.

The Company will communicate the information on the Admission, registration of the Shares in the securities depository maintained by the KDPW and the SKDD and the first day of listing the Shares on the WSE and after receiving information on the adoption of the applicable resolutions by the Management Board of the WSE and the KDPW, in the form of current reports in accordance with applicable law, as well as market practices in Luxembourg, Poland and Croatia.

## **18. ZSE Admission**

The ZSE Admission requires the consent of the ZSE and the registration of the Offer Shares in the depository of securities maintained by the SKDD. Such consent may be granted if the Company satisfies all of the legal requirements as specified in the relevant regulations of the ZSE and the SKDD, including, inter alia, minimum free float and the condition concerning free transferability of shares. The terms and conditions regarding the admission to trading on the ZSE (and the relevant segment of the ZSE regulated market), which have been specified in detail in the ZSE Rules apply, inter alia, to ensuring the relevant liquidity of the shares, an adequate level of capitalisation, that the shares will be traded in a reliable, correct and efficient manner and in consideration of, inter alia, the financial standing of the issuer, the prospects of the development thereof as well as the security of stock exchange trading and the interests of the participants thereof. According to the applicable rules, the free float requirement for admission of the Shares to

trading on the regulated market (Official Market Segment) operated by the ZSE will be met if, under the Offering, the Selling Shareholders sell and/or the Company issues not less than 39,407,567 Offer Shares, representing 25% of the Issuer's shares subject to application for admission, to at least 30 shareholders, whereas the following are not deemed to be distributed to the public: (i) the Company's treasury shares; and (ii) shares held by a person controlling 5% or more of such shares, except where the shares are held by a collective investment undertaking or pension fund. The expected market capitalization must be at least EUR 1,000,000. If it is not possible to make an estimate of the anticipated market capitalization, capital and reserves of the Company, including the profit or loss of the financial year that precedes the year in which the request for admission has been submitted, must be at least EUR 1,000,000. The ZSE may approve admission to the Official Market Segment even if these conditions are not fulfilled, if it considers that there will be an adequate market for the mentioned shares. Further details and additional requirements for admission of the Shares to trading on the regulated (Official Market Segment) operated by the ZSE are described in section *"The Capital Markets in Luxembourg, Poland and Croatia, and Certain Luxembourg, Croatian and Polish Regulations Related to the Purchase and Sale of Shares—3. Croatian Capital Markets Regulations"* of this Prospectus.

In addition, the ZSE assesses whether trading in shares will be conducted in a fair, orderly and efficient manner and whether free transferability of shares will be ensured. This assessment is carried out by the ZSE in accordance with the requirements of Commission Delegated Regulation (EU) 2017/568. Pursuant to Article 1(1) of Commission Delegated Regulation (EU) 2017/568, transferable securities are considered freely transferable if they can be traded between the parties to a transaction, and subsequently transferred without restriction and if all securities within the same class as the security in question are fungible. In addition, pursuant to paragraph 2, transferable securities that are subject to a restriction on transfer shall not be considered freely negotiable in accordance with the provisions of paragraph 1, unless such restriction is unlikely to cause market disruption.

As at the date of the Prospectus, the Company does not meet the criteria for admission to trading on a regulated market (Official Market Segment) of the ZSE. The main reason for not meeting the criteria is the non-existence of the minimum free float.

The Company assumes that on the expected day of adoption by the ZSE of the resolution on the ZSE Admission, the Company will meet all of the conditions allowing for the admission of the Shares to trading on the regulated market (Official Market Segment) of the ZSE. If the admission criteria are not met for admission to trading on the regulated market of the ZSE, the Offering may be cancelled. For more information on potential cancellation, please see *"—3. Cancellation of the Offering"* above.

As certain criteria for ZSE Admission are discretionary and depend on the judgment of the ZSE, the Company cannot guarantee that such approvals and permits will be obtained or that the Shares will be admitted and introduced to trading on the regulated market (Official Market Segment) of the ZSE, in particular if the Selling Shareholders do not sell and/or the Company does not issue within the Offering the number of shares required to ensure the necessary free float level. The Company cannot entirely exclude that, due to circumstances beyond its control, the ZSE Admission will take place at a time other than that originally assumed. In addition, due to the time gap between the time when investors will place their purchase/subscription orders and the Listing Date (see *"—2. Expected timetable of the Offering"* above), Investors will be exposed to a lack of liquidity during that time.

In the event of a change in the Company's intentions regarding the admission of the Shares to public trading, such information will be communicated prior to the Allotment Date in the form of a supplement to the Prospectus in the same manner the Prospectus was published.

The Company will communicate information on Admission, registration of the Shares in the securities depository maintained by the SKDD and the first day of listing the Shares on the ZSE and after receiving information on the adoption of the applicable resolutions by the ZSE and SKDD, in the form of current reports in accordance with applicable law, as well as market practices in Luxembourg, Poland and Croatia.

## UNDERWRITING AGREEMENT, STABILISATION AND LOCK-UP

### 1. Underwriting Agreement

On the date of this Prospectus, the Company, the Selling Shareholders and the Joint Global Coordinators entered into a conditional underwriting agreement (the “**Underwriting Agreement**”), pursuant to which the Company agreed to issue, offer and sell the New Shares in the Offering and the Selling Shareholders agreed to offer and sell the Sale Shares in the Offering, as indicated in the Underwriting Agreement.

Pursuant to the Underwriting Agreement, the Joint Global Coordinators have agreed, subject to the satisfaction of certain conditions specified in the Underwriting Agreement and the Pricing Annex (as defined below), to procure purchasers for the Offer Shares and, failing which, subject to execution of the Pricing Annex, to acquire or cause their affiliates to purchase and pay for the Offer Shares not otherwise purchased and paid for by the Institutional Investors, including Substitute Investors, on the terms provided in the Underwriting Agreement and the Pricing Annex.

The Underwriting Agreement contains conditions precedent concerning the Joint Global Coordinators’ obligation to procure purchasers for the Offer Shares among Institutional Investors, as well as other obligations of the Joint Global Coordinators under the Underwriting Agreement, typical for underwriting agreements concluded in public offerings similar to the Offering, such as an agreement among the Company, the Selling Shareholders and the Joint Global Coordinators regarding the Pricing Annex specifying, inter alia, the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors, the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of Offer Shares that will be offered to various categories of investors (including the final number of the Sale Shares that will be offered to Retail Investors).

The Underwriting Agreement is governed by English law and is subject to the exclusive jurisdiction of the English courts for the purposes of settling any dispute arising out of or in connection with the Underwriting Agreement. The Underwriting Agreement contains terms customary for offerings similar to the Offering, including customary representations and warranties from the Company and the Selling Shareholders. Pursuant to the Underwriting Agreement, the Company agreed to indemnify the Joint Global Coordinators and other specified persons in respect of certain claims, liabilities or expenses that may be asserted against or incurred by the Joint Global Coordinators or certain persons in connection with the Underwriting Agreement (an “indemnification clause”). The Underwriting Agreement also stipulates the customary situations in which the Joint Global Coordinators may terminate the agreement, in particular if any of the representations or warranties of the Company or the Selling Shareholders should prove to be untrue or incorrect, or if the conditions on the financial markets materially change or in case of *force majeure*.

The Underwriting Agreement contains standard covenants by the Joint Global Coordinators with respect to advertising and promotional activities undertaken by them, including restrictions on undertaking such activities only with particular categories of Institutional Investors and in each case in compliance with the laws of the jurisdiction where such activities are to be conducted.

Information regarding the remuneration of the Joint Global Coordinators in connection with the Offering, including the remuneration for the placement of the Offer Shares with Institutional Investors, is set forth under “*Additional Information —6 Costs of the Offering—6.1 Fees of the Joint Global Coordinators*”.

If an amendment to the terms of the Underwriting Agreement could affect the evaluation of the Offer Shares, such information will be made publicly available according to Article 23 item 1 of the Prospectus Regulation, i.e., in the form of a supplement to the Prospectus in the manner in which the Prospectus was published.

### 2. Stabilisation

In connection with the Offering, stabilisation activities may be conducted as set forth in the Stabilisation Regulation.

Erste Group Bank AG will act as stabilising manager (the “**Stabilising Manager**”). The number of the Offer Shares under the stabilisation shall not exceed 10% of the Final Number of Offer Shares (the “**Number of Stabilisation Shares**”).

The Stabilising Manager will have the right to acquire the Shares on the WSE and/or the ZSE in the total amount not exceeding the Number of Stabilisation Shares in order to stabilise the price of the Shares at a level higher than that which would otherwise prevail. The acquisition of the Shares for the purposes of the stabilisation will be subject to the provisions of the Stabilisation Regulation. The purchase transactions related to the Shares will be effected during a period not longer than 30 days following the Listing Date in Poland or the Listing Date in Croatia (whichever occurs first) (the “**Stabilisation Period**”) at a price not higher than the Final Price of the Offer Shares for Institutional Investors. However, the Stabilising Manager will not be required to take any stabilisation actions. If the Stabilising Manager does take such action, it may be discontinued at any time, in each case not later than before the end of the Stabilisation Period.

In accordance with the Stabilisation Agreement, in connection with the intended stabilisation actions, the Principal Selling Shareholder will grant the Stabilisation Manager a stabilisation option, whereby the Stabilisation Manager will be entitled to sell and transfer to the Principal Selling Shareholder the Offer Shares acquired by the Stabilisation Manager in stabilisation actions at a price equal to the price at which the Stabilisation Manager acquired such Shares in stabilisation transactions on the WSE and/or the ZSE, such price not to be higher than the Final Price for the Offer Shares for Institutional Investors denominated in, respectively, PLN for Shares acquired in stabilisation transactions on the WSE, or EUR for Shares acquired in stabilisation transactions on the ZSE. The stabilisation option will cover no more than 10% of the Final Number of the Offer Shares. The final amount allocated for the stabilisation actions and the final number of Shares covered by the stabilisation option will be determined in the Pricing Annex.

No assurance can be given that if the stabilisation activities are undertaken, the expected results of such activities will be achieved.

The terms and conditions of the Offering do not envisage any over-allotment facility and/or 'green shoe' option.

Information on stabilisation activities will be provided in accordance with the principles set out in the Stabilisation Regulation.

### **3. Lock-up agreements**

It is expected that the following commitments restricting the transferability/issuance of the Shares will be undertaken by the indicated entities.

#### **3.1. Management Board members**

On the date of the execution of the Underwriting Agreement, each Management Board member being the Company's shareholder of the date of the Prospectus, i.e., Michał Seńczuk and Rafał Cieślakowski (acting individually), undertook to the Joint Global Coordinators that from the date of such undertaking until the lapse of 540 days following the Listing Date, without the prior written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed), neither a given Management Board member, nor any other entity over which he exercises management or voting control, nor any person acting on his or their behalf, will, directly or indirectly, offer, sell, encumber or otherwise dispose of or publicly announce the offering, sale or disposal of or the intention to undertake such actions, or undertake actions aimed at or which may result in the offering, sale or disposal of the shares in the Company held as at the date of the Prospectus by a given Management Board member and Offer Shares purchased by a Management Board member in the Offering, including by way of equity swaps, futures contracts and options.

#### **3.2. Company**

In the Underwriting Agreement, the Company undertook to the Joint Global Coordinators that from the date of the Underwriting Agreement until 360 days following the Listing Date, the Company and any person duly authorised to act on its behalf (other than the Joint Global Coordinators) will not, without the prior written (including in the form of email) consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, pledge, offer, issue, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose of any Shares, or any securities convertible into or exercisable or exchangeable for any Shares; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares, whether any such swap or transaction described in point (i) above is to be settled by delivery of the Shares or other securities, in cash or otherwise; or (iii) publicly announce such an intention to effect any such transaction, with the exception of the implementation and execution by the Company of incentive plans for the Group's senior management and/or employees, including the LTIP described in the section "*Management and Corporate Governance- 10. Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board – 10.3. Long-Term Incentive Plan*" and the issuance by the Company of the New Shares in connection with the Offering.

#### **3.3. PEF**

In the Underwriting Agreement, PEF undertook to the Joint Global Coordinators that from the date of the Underwriting Agreement until the lapse of 180 days following the Listing Date, neither PEF, nor any subsidiary or affiliate of PEF over which PEF exercises management or voting control, nor any person acting on its behalf will, without the written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, pledge, offer, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose (or publicly announce the offering) of any other Shares or any securities convertible into or exercisable or exchangeable for any Shares; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly,



the economic consequence of ownership of any Shares, whether any such swap or transaction described in point (i) above is to be settled by delivery of the Shares or other securities, in cash or otherwise; or (iii) propose a general meeting of the Company or convene or take steps (other than internal corporate actions) to convene a general meeting in order to propose a resolution of the Company authorising the issuance of any securities of the Company similar to those offered in the Offering or subscription warrants entitling the holder thereof to subscribe for securities of the Company similar to those offered in the Offering.

The limitations referred to above shall not apply to: (i) disposal of the Company's shares by the Principal Selling Shareholder in response to a tender offer to all shareholders to subscribe for the exchange or sale of all of the Company's shares announced in accordance with the applicable law, (ii) actions related to the introduction and execution of incentive plans for the Group's senior management and/or employees, including the LTIP described in the section "*Management and Corporate Governance- 10. Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board –10.3. Long-Term Incentive Plan*", or (iii) sale, transfer or other disposal of shares through a merger or other form of economic integration a) for the benefit of an entity controlled by PEF (provided that the entity controlled by PEF also makes a commitment not to sell the Company's shares for the period remaining until the expiration of the Principal Selling Shareholder's obligation), or b) for the Company's benefit in connection with a program for the acquisition of the Company's own shares (buy-back) addressed to all of the Company's shareholders on the same terms and conditions.

### **3.4. Other Selling Shareholders**

The Selling Shareholders other than PEF undertook to the Joint Global Coordinators that from the date of the execution of the relevant lock-up undertaking until the lapse of 360 days following the Listing Date, neither such Selling Shareholders (other than PEF), nor any person acting on their behalf will, without the written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, pledge, offer, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose (or publicly announce the offering) of any other Shares or any securities convertible into or exercisable or exchangeable for any Shares; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares, whether any such swap or transaction described in point (i) above is to be settled by delivery of the Shares or other securities, in cash or otherwise; or (iii) propose a general meeting of the Company or convene or take steps (other than internal corporate actions) to convene a general meeting in order to propose a resolution of the Company authorising the issuance of any securities of the Company similar to those offered in the Offering or subscription warrants entitling the holder thereof to subscribe for securities of the Company similar to those offered in the Offering.

The limitations referred to above shall not apply to: (i) disposal of the Company's shares by any of the Selling Shareholders in response to a tender offer to all shareholders to subscribe for the exchange or sale of all of the Company's shares announced in accordance with the applicable law, (ii) actions related to the introduction and execution of incentive plans for the Group's senior management and/or employees, including the LTIP described in the section "*Management and Corporate Governance- 10. Remuneration and Terms of Contracts with Members of the Management Board and the Supervisory Board –10.3. Long-Term Incentive Plan*", or (iii) sale, transfer or other disposal of shares a) for the benefit of an entity controlled by a given Selling Shareholder (provided that the entity controlled by such Selling Shareholder also makes a commitment not to sell the Company's shares for the period remaining until the expiration of such Selling Shareholder's obligation), or b) for the Company's benefit in connection with a program for the acquisition of the Company's own shares (buy-back) addressed to all of the Company's shareholders on the same terms and conditions.

### **3.5. Shareholders other than the Selling Shareholders**

Not later than on the date of the execution of the Underwriting Agreement, each shareholder other than the Selling Shareholders (acting individually) undertook to the Joint Global Coordinators that from the date of such undertaking until the lapse of 360 days following the Listing Date, neither such Shareholders, nor any person acting on their behalf will, without the written consent of the Joint Global Coordinators (such consent not to be unreasonably withheld or delayed): (i) directly or indirectly, pledge, offer, sell, contract to sell, sell or grant any option, right, warrant or contract to purchase, exercise any option to sell, purchase any option or contract to sell, or lend or otherwise transfer or dispose (or publicly announce the offering) of any other Shares or any securities convertible into or exercisable or exchangeable for any Shares; or (ii) enter into any swap or any other agreement or any transaction that transfers, in whole or in part, directly or indirectly, the economic consequence of ownership of any Shares, whether any such swap or transaction described in point (i) above is to be settled by delivery of the Shares or other securities, in cash or otherwise; or (iii) propose a general meeting of the Company or convene or take steps (other than internal corporate actions) to convene a general meeting in order to propose a resolution of the Company authorising the issuance of

any securities of the Company similar to those offered in the Offering or subscription warrants entitling the holder thereof to subscribe for securities of the Company similar to those offered in the Offering.

The limitations referred to above shall not apply to: (i) disposal of the Company's shares by any of the Shareholders in response to a tender offer to all shareholders to subscribe for the exchange or sale of all of the Company's shares announced in accordance with the applicable law, (ii) sale, transfer or other disposal of shares a) for the benefit of an entity controlled by a given Shareholder (provided that the entity controlled by such Shareholder also makes a commitment not to sell the Company's shares for the period remaining until the expiration of such Shareholder's obligation), or b) for the Company's benefit in connection with a program for the acquisition of the Company's own shares (buy-back) addressed to all of the Company's shareholders on the same terms and conditions.

### **3.6. European Bank for Reconstruction and Development**

Pursuant to the Framework Agreement (for more details, see *Terms and Conditions of the Offering—2.2. Information on the execution of the Framework Agreement with the European Bank for Reconstruction and Development*), if the EBRD acquires the Offer Shares in the Offering which amount to at least 5% of the issued share capital of the Company, during the period of 180 days following the Listing Date, the EBRD agrees that, without the written consent of the Joint Bookrunners, the EBRD will not: (i) offer, pledge, sell, contract to sell, grant any option to purchase, lend or otherwise transfer or dispose of (or publicly announce such action), directly or indirectly, any shares of the Company; (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of securities of any shares of the Company; or (iii) submit to any third parties a proposal to effect any of the foregoing.

## **4. Other relationships with the Joint Global Coordinators**

Each of the Joint Global Coordinators or their respective affiliates are financial institutions engaged in various activities, which may include securities trading in line with the relevant permissions, commercial and investment banking, financial advisory, investment management, principal investment, hedging, issuing or creating and trading in securities and financial products, publishing research and exercising voting power over securities on behalf of third parties, financing and brokerage activities, for which they receive customary fees. In the ordinary course of the Joint Global Coordinators' (all or some of them) and their respective affiliates' trading, brokerage, asset management, and financing activities, the Joint Global Coordinators and their respective affiliates may at any time deal as principal or agent for more than one party in, or hold long or short positions, and may trade or otherwise effect transactions, for their own account or the accounts of customers, in debt or equity securities or loans of the Company, the Selling Shareholders, their respective associates or any counterparty.

Each Joint Global Coordinators or its respective affiliates may have and may in the future have investment and commercial banking, trust and other relationships with parties other than the Company and the Selling Shareholders, which parties may have interests with respect to the Company, the Selling Shareholders, their respective affiliates or other persons. The Joint Global Coordinators and their respective affiliates may provide such services for the Company, the Selling Shareholders and their respective affiliates in the future.

### **4.1. Additional information**

In connection with the Offering, each of the Joint Global Coordinators and any of their affiliates acting as investors for their own account, may take up a portion of the Offer Shares in the Offering as a principal position and in that capacity may retain, purchase or sell, for their own account such securities and any securities of the Company or related investments, and may offer or sell such securities or other investments otherwise than in connection with the Offering, in each case in accordance with applicable law. Accordingly, references in the Prospectus to the Offer Shares being offered, sold, or placed should be read as including any offering, sale or placement of the Offer Shares to any of the Joint Global Coordinators and any of their respective affiliates acting as investors for their own account. In addition, certain of the Joint Global Coordinators or their affiliates may enter into financing arrangements (including swaps, warrants and contracts for differences) with investors in connection with which such Joint Global Coordinators (or their affiliates) may from time to time acquire, hold or dispose of the Offer Shares. The Joint Global Coordinators do not intend to disclose the extent of any such investments or transactions otherwise than in performance of a legal or regulatory obligation.

On the basis of the Prospectus, no subsequent resale of the Offer Shares is planned in accordance with the procedure specified in Article 5 of the Prospectus Regulation by any entity. In particular, no subsequent public offering of the Offer Shares acquired by the Joint Global Coordinators in the Offering is planned.

## **5. Expenses charged to Institutional Investors by the Joint Global Coordinators**

Investors may be charged by the Joint Global Coordinators to account for crossing and funding costs in relation to the Offering.

## SELLING RESTRICTIONS

### 1. Public Offer of the Offer Shares in Poland and Croatia

This Prospectus has been prepared on the basis that the advertising of the Offering and the advertisements with respect to the Offer Shares (other than the Polish Offering constituting an offer of the Offer Shares to the public in the territory of Poland in accordance with the Prospectus Regulation and the Croatian Offering constituting an offer of the Offer Shares to the public in the territory of Croatia in accordance with the Prospectus Regulation) will be made pursuant to the relevant exceptions under the Prospectus Regulation from the requirement to prepare and have any prospectus or other offering memorandum for offers of shares approved by or notified to the competent authority and then published. Accordingly, any person making or intending to make any offering, sale or other transfer within the EEA, other than in Poland or Croatia, of the Offer Shares may only do so in circumstances under which no obligation arises for the Company, the Selling Shareholders or the Joint Global Coordinators to present an approved prospectus or other offering memorandum for such offering.

None of the Offer Shares will be offered through any financial intermediary (as that term is used in Article 5(1) of the Prospectus Regulation). None of the Company, the Selling Shareholders or the Joint Global Coordinators has authorised, nor will any of them authorise, the making of any offer of the Offer Shares through any financial intermediary (as that term is used in Article 5(1) of the Prospectus Regulation). Neither the Company, nor the Selling Shareholders, nor the Joint Global Coordinators have authorised, nor will any of them authorise, the making of any offer of the Offer Shares by way of an offer of securities to the public in Poland or Croatia other than under the Prospectus.

The Prospectus has been prepared solely for the purposes of the Offering to be carried out by way of an offer of securities to the public in the territory of Poland and Croatia within the meaning of Article 2 (d) of the Prospectus Regulation and for the purposes of the WSE Admission and the ZSE Admission.

In connection with the Offering, certain limited promotional actions may be taken to provide information about the Offering to QIBs in the United States pursuant to Rule 144A of the U.S. Securities Act and to certain institutional investors outside the United States (excluding Poland and Croatia) pursuant to Regulation S under the US Securities Act as well as the relevant regulations of the law in the jurisdictions where such promotion or advertising of the Offering will be conducted. Such limited promotional actions, which will not be approved by the CSSF, must be in compliance with the applicable provisions of the law in any jurisdiction in which such actions will be taken or with the rules of any other supervisory authority, specifically any authority having jurisdiction in the territory where such limited promotional actions connected with the Offering will be conducted.

The advertising of the Offering within the EEA, but outside of the territory of Poland and Croatia, will be based on this Prospectus, which will be delivered to selected Institutional Investors outside of Poland and Croatia pursuant to the relevant exemptions under the Prospectus Regulation from the requirement to prepare and have any prospectus or other offering memorandum for offers of shares approved by or notified to the competent authority and then published or, if outside the EU, pursuant to other applicable exemptions.

No action has been or will be taken by the Company, the Selling Shareholders or the Joint Global Coordinators in any jurisdiction other than Poland and Croatia that would permit a public offering of the Offer Shares (such public offering being not exempted from an obligation to publish a prospectus or other offering document under the Prospectus Regulation or other applicable laws), or the possession or distribution of the Prospectus or any other offering material relating to the Company or the Offer Shares in any jurisdiction where action for that purpose is required. Accordingly, the Offer Shares may not be offered or sold, directly or indirectly, and neither the Prospectus nor any other offering material or advertisements in connection with the Offering may be distributed or published, in or from any country or jurisdiction, except in compliance with any applicable rules and regulations of any such country or jurisdiction.

### 2. United States of America

Neither the Offer Shares nor any other securities of the Company described in this Prospectus have been or will be registered under the U.S. Securities Act or with any securities regulatory authority of any state or other jurisdiction in the United States, and may not be offered, sold, pledged or otherwise transferred in the United States except to persons reasonably believed to be QIBs in reliance on Rule 144A or another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. The Offer Shares will be offered and sold only: (i) outside of the United States, to certain investors in offshore transactions (as defined in Regulation S); and (ii) in the United States, to persons reasonably believed to be QIBs as defined in and in reliance on Rule 144A or pursuant to another exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act. In addition, until 40 days after the commencement of the Offering, any offer or sale of the Offer Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the

U.S. Securities Act if such offer or sale is made otherwise than in accordance with Rule 144A or another exemption from, or in a transaction not subject to, the registration requirement provided for by the U.S. Securities Act.

Neither the U.S. Securities and Exchange Commission nor any securities regulatory authority of any state or other jurisdiction of the United States nor any non-U.S. securities authority has approved or disapproved of the Offer Shares offered in the Offering or determined that this Prospectus is accurate or complete. Any representation to the contrary is a criminal offence in the United States.

### 3. European Economic Area

The Prospectus has been approved by the CCSF, the financial sector supervisory authority in the Grand Duchy of Luxembourg. No offer of the Offer Shares to the public is being made in any Member State of the European Economic Area (other than Poland and Croatia) (each, a “**Relevant State**”) that would require the publication of a prospectus or any other offering document in such Relevant State. However, the Joint Global Coordinators may decide to advertise the Offering in another Relevant State under certain exemptions from the obligation to publish a prospectus under the Prospectus Regulation, provided that any such offering of the Offer Shares to the public will not result in a requirement on the part of the Company, the Selling Shareholders or any of the Joint Global Coordinators to publish a prospectus or any other offering document under Article 3 of the Prospectus Regulation.

In relation to each Relevant State (other than Poland), no Offer Shares have been offered or will be offered pursuant to the Offering to the public in that Relevant State prior to the publication of a prospectus in relation to the Offer Shares which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Offer Shares may be offered to the public in that Relevant State at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Joint Global Coordinators for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of the Offer Shares shall require the Company, the Selling Shareholders or any Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

Each person in a Relevant State (other than Poland and Croatia, where there is an offering of the Offer Shares to the public on the basis of the Prospectus) who initially acquires any Offer Shares or to whom any offer is made will be deemed to have represented, acknowledged and agreed to and with the Company, the Selling Shareholders and the Joint Global Coordinators that it is a qualified investor within the meaning of the Prospectus Regulation.

Subject to the subsequent sentence, in the case of any Offer Shares being offered to a financial intermediary as that term is used in Article 5(1) of the Prospectus Regulation, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Offer Shares acquired by it in the offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer to the public other than their offer or resale in a Relevant State to qualified investors, in circumstances in which the prior consent of the Joint Global Coordinators has been obtained to each such proposed offer or resale. For the avoidance of doubt, neither this Prospectus, nor the terms and conditions of the Offering provide for the inclusion of any consent for the use thereof by financial intermediaries pursuant to Article 23 of Regulation 2019/980.

The Company, the Selling Shareholders, the Joint Global Coordinators and their affiliates will rely upon the truth and accuracy of the foregoing representations, acknowledgements and agreements.

### 4. United Kingdom

This Prospectus and any other material in relation to the Offer Shares described herein is only being distributed in the United Kingdom to, and is only directed at, persons in the United Kingdom that are qualified investors within the meaning of the assimilated Regulation (EU) 2017/1129 as it forms part of domestic UK law by virtue of the European Union (Withdrawal) Act 2018 (“**qualified investors**”) and that also: (i) have professional experience in matters relating to investments falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended (the “**Order**”); or (ii) who are high net worth bodies corporate, unincorporated associations and partnerships and the trustees of high value trusts, as described in Article 49(2)(a) to (d) of the Order; or (iii) to whom it may otherwise lawfully be communicated (all such persons together being referred to as the “**relevant persons**”). The Offer Shares are only available in the United Kingdom to, and any invitation, offer or agreement to purchase or otherwise acquire the Offer Shares will be engaged in only with, the relevant persons. This Prospectus and its contents



should not be distributed, published or reproduced (in whole or in part) or disclosed by recipients to any other person in the United Kingdom. Any person in the United Kingdom that is not a relevant person should not act or rely on this Prospectus or any of its contents.

## **5. Switzerland**

This document is not intended to constitute an offer or solicitation to purchase or invest in the Offer Shares. The Offer Shares may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (the “**FinSA**”), and no application has or will be made to admit the Offer Shares to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this document nor any other offering or marketing material relating to the Offer Shares constitutes a prospectus pursuant to the FinSA, and neither this document nor any other offering or marketing material relating to the Offer Shares may be publicly distributed or otherwise made publicly available in Switzerland.

## **6. Canada**

The Offer Shares may be sold only to purchasers purchasing, or deemed to be purchasing, as principals that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of common shares must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Prospectus (including any supplement hereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (“**NI 33-105**”), agents are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this Offering.

## **7. Japan**

The Offer Shares have not been and will not be registered under the Financial Instruments and Exchange Law (Law No.25 of 1948, as amended) and, accordingly, will not be offered or sold, directly or indirectly, in Japan, or for the benefit of any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person, except in compliance with all applicable laws, regulations and ministerial guidelines promulgated by relevant Japanese governmental or regulatory authorities in effect at the relevant time. For the purposes of this paragraph, “Japanese Person” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

## **8. DIFC**

This Prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority. The Dubai Financial Services Authority has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The Dubai Financial Services Authority has not approved this Prospectus or taken steps to verify the information set forth herein and has no responsibility for this Prospectus.

The Offer Shares to which this Prospectus relates may not be offered or sold to any person in the Dubai International Financial Centre unless such offer is: (a) an “Exempt Offer” in accordance with the Markets Rules (MKT) Module of the Dubai Financial Services Authority rulebook; and (b) made only to persons who meet the Professional Client criteria set out in Rule 2.3.3 of the Conduct of Business (COB) Module of the Dubai Financial Services Authority rulebook. This Prospectus must not, therefore, be delivered to, or relied on by, any other person.

The Offer Shares to which this Prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Shares should conduct their own due diligence on the Shares. If you do not understand the contents of this Prospectus, you should consult an authorised financial advisor.

## **9. Singapore**

Each Joint Global Coordinator has acknowledged that this Prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each Joint Global Coordinator has represented, warranted and agreed that it has not offered or sold any Offer Shares or caused the Offer Shares to be made the subject of an invitation for subscription or purchase and will not offer or sell any Offer Shares or cause the Offer Shares to be made



the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Prospectus or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Offer Shares, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the "SFA")) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA and (where applicable) Regulation 3 of the Securities and Futures (Classes of Investors) Regulations 2018.

## TRANSFER RESTRICTIONS

Prospective purchasers are advised to contact legal counsel prior to making any resale, pledge or transfer of the Offer Shares.

The Offer Shares have not been and will not be registered under the U.S. Securities Act or the applicable securities laws of any state or other jurisdiction of the United States and may not be offered, sold, pledged or transferred in the United States, except to persons reasonably believed to be QIBs in reliance on Rule 144A or another applicable exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws.

### 1. Investors outside of the United States

Each purchaser of the Offer Shares outside the United States in compliance with Regulation S will be deemed to have represented, acknowledged and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- the Offer Shares have not been and will not be registered under the Securities Act, or with any securities regulatory authority of any state or other jurisdiction of the United States, and, subject to certain exceptions, may not be offered or sold within the United States;
- the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Offer Shares, was located outside the United States at the time the buy order for the Offer Shares was originated and continues to be located outside the United States and has not purchased the Offer Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of the Offer Shares or any economic interest therein to any person in the United States;
- the purchaser is not an affiliate of the Company or a person acting on behalf of such affiliate;
- the Offer Shares have not been offered to it by means of any “directed selling efforts” as defined in Regulation S;
- the Company shall not recognise any offer, sale, pledge or other transfer of the Shares made other than in compliance with the above-stated restrictions;
- if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account; and
- the Company, the Selling Shareholders, the Joint Global Coordinators and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

### 2. Investors in the United States

Each purchaser of the Offer Shares within the United States purchasing pursuant to an exemption from the registration requirements of the U.S. Securities Act will be deemed to have represented, acknowledged and agreed that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- the purchaser is authorised to consummate the purchase of the Offer Shares in compliance with all applicable laws and regulations;
- the Offer Shares have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and are subject to restrictions on transfer;
- the purchaser:
  - is a QIB,
  - is aware that the sale to it is being made pursuant to an exemption from the registration requirements of the Securities Act, and
  - is acquiring such Offer Shares for its own account or for the account of a QIB;
- the purchaser is aware that the Offer Shares are being offered in the United States in a transaction not involving any public offering in the United States within the meaning of the U.S. Securities Act;
- if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Offer Shares, or any economic interest therein, such Offer Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only: (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably

believes is a QIB in a transaction meeting the requirements of Rule 144A; or (ii) in compliance with Regulation S under the Securities Act; in each case in accordance with any applicable securities laws of any state of the United States or any other jurisdiction;

- the Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act, and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any Offer Shares;
- the purchaser will not deposit or cause to be deposited such Offer Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Offer Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;
- the Company shall not recognise any offer, sale, pledge or other transfer of the Offer Shares made other than in compliance with the above-stated restrictions;
- the Company is not and will not be registered under the U.S. Investment Company Act;
- if it is acquiring any of the Offer Shares as a fiduciary or agent for one or more accounts, the purchaser represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account; and
- the Company, the Selling Shareholders, the Joint Global Coordinators and their respective affiliates will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

## THE CAPITAL MARKETS IN LUXEMBOURG, POLAND AND CROATIA, AND CERTAIN LUXEMBOURG, CROATIAN AND POLISH REGULATIONS RELATED TO THE PURCHASE AND SALE OF SHARES

Information included in this section is of a general nature and describes the legal status as at the date of this Prospectus. Therefore, investors should review the relevant regulations and consult their own legal advisor about the laws and regulations concerning the purchase, ownership and sale of the Offer Shares.

### 1. Luxembourg Capital Markets Regulations

#### 1.1. Luxembourg Transparency Law

Holders of the Shares and derivatives or other financial instruments linked to the Shares may be subject to disclosure and notification obligations pursuant to the Luxembourg law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended (the "**Luxembourg Transparency Law**"). The following description summarises these obligations. Shareholders are advised to consult with their own legal advisors to determine whether any disclosure and notification obligations apply to them.

##### 1.1.1. Voting rights held directly or indirectly

The Luxembourg Transparency Law provides that, once the Shares shall have been admitted to trading on the WSE, if a person acquires or disposes of Shares resulting in the proportion of voting rights held by such person to reach, exceed or fall below one of the thresholds of 5%, 10%, 15%, 20%, 25%, 33 1/3%, 50% and 66 2/3% (each, a "**Relevant Threshold**") of the total voting rights existing when the situation giving rise to a declaration occurs, such person must simultaneously notify the Company and the CSSF of the proportion of voting rights held by it, him or her further to such event. The proposal of voting rights held shall be calculated on the basis of all of the Shares in the Company to which voting rights are attached even if the exercise thereof is suspended.

A person must also notify the Company and the CSSF of the proportion of its or his or her voting rights if that proportion reaches, exceeds or falls below the Relevant Thresholds as a result of events changing the breakdown of voting rights and on the basis of the information disclosed by the Company.

The same notification requirements apply to a natural person or legal entity to the extent he, she or it is entitled to acquire, to dispose of, or to exercise voting rights in any of the following cases or a combination of them:

- (a) voting rights held by a third party with whom that person or entity has concluded an agreement that requires them to adopt, by concerted exercise of the voting rights they hold, a lasting common policy towards the management of the Company;
- (b) voting rights held by a third party under an agreement concluded with that person or an entity providing for the temporary transfer for consideration of the voting rights in question;
- (c) voting rights attached to Shares which are pledged as collateral with that person or entity, provided the person or entity controls the voting rights and declares his, her or its intention to exercise them;
- (d) voting rights attached to Shares in which that person or entity has a life interest (usufruct);
- (e) voting rights which are held, or may be exercised within the meaning of points (a) to (d), by an undertaking controlled by that person or entity;
- (f) voting rights attached to Shares deposited with that person or entity which the person or entity can exercise at his, her or its discretion in the absence of specific instructions from the shareholders;
- (g) voting rights held by a third party in its own name on behalf of that person or entity; and
- (h) voting rights which that person or entity may exercise as a proxy where the person or entity can exercise the voting rights at his, her or its discretion in the absence of specific instructions from the shareholders.

##### 1.1.2. Voting rights relating to financial instruments

The above-mentioned notification requirements also apply to a natural person or legal entity that holds, directly or indirectly:

- (i) financial instruments that, on maturity, give the holder, under a formal agreement, either the unconditional right to acquire or the discretion as to their right to acquire Shares to which voting rights are attached and which have already been issued by the Company; or

- (ii) financial instruments that are not included in point (i) but which are referenced to the Shares referred to in that point and with an economic effect similar to that of the financial instruments referred to in that point, whether or not they confer a right to a physical settlement.

The notification required shall include a breakdown by type of the financial instruments held in accordance with point (i) above and the financial instruments held in accordance with point (ii) above, distinguishing between the financial instruments which confer a right to a physical settlement and the financial instruments which confer a right to a cash settlement.

The number of voting rights shall be calculated by reference to the full notional amount of Shares underlying the financial instrument except where the financial instrument provides exclusively for a cash settlement, in which case the number of voting rights shall be calculated on a "delta-adjusted" basis by multiplying the notional amount of the underlying Shares by the delta of the instrument. For this purpose, the holder shall aggregate and notify all financial instruments relating to the Company. Only long positions shall be taken into account for the calculation of voting rights. Long positions in the Company shall not be netted with short positions relating to the Company.

For the purposes of the above, the following shall be considered to be financial instruments, provided they satisfy any of the conditions set out in points (i) or (ii) above:

- (a) transferable securities;
- (b) options;
- (c) futures;
- (d) swaps;
- (e) forward rate agreements;
- (f) contracts for differences; and
- (g) any other contracts or agreements with similar economic effects which may be settled physically or in cash.

The notification requirements described above shall also apply to a person when the number of voting rights held directly or indirectly by it, him or her aggregated with the number of voting rights relating to financial instruments held directly or indirectly, reaches, exceeds or falls below a Relevant Threshold. Any such notification shall include a breakdown of the number of voting rights attached to the Shares held and the number of voting rights relating to the number of Shares underlying such financial instruments.

Voting rights relating to financial instruments that have already been notified to that effect shall be notified again when the person has acquired the Shares underlying such financial instruments and such acquisition results in the total number of voting rights attached to Shares held reaching or exceeding a Relevant Threshold.

The notification to the Company and the CSSF must be effected promptly, but no later than four Luxembourg Stock Exchange trading days after the date on which the person referred to above (i) learns of the acquisition or disposal or of the possibility of exercising voting rights, or on which, having regard to the circumstances, such person should have learned of it, regardless of the date on which the acquisition, disposal or possibility of exercising voting rights takes effect or (ii) is informed by the Company of an event changing the breakdown of voting rights. Upon receipt of the notification, but not later than three Luxembourg Stock Exchange trading days thereafter, the Company must make public all of the information contained in the notification made to it.

As long as required notifications have not been properly made to the Company, the exercise of voting rights relating to the Shares exceeding the fraction that should have been notified is suspended. The suspension of the exercise of voting rights is lifted as of the moment the shareholder makes the notification.

Where within the 15 days preceding the date for which a General Meeting has been convened the Company receives a notification or becomes aware of the fact that a notification has to be or should have been made in accordance with the Luxembourg Transparency Law, the Management Board may postpone the General Meeting for four weeks.

In accordance with Article 8(4) of the Luxembourg Transparency Law, the disclosure requirements do not apply to the acquisition or disposal of a major holding of Shares by a market maker (*teneur de marché*) insofar as the acquisition or disposal is effected in its capacity as a market maker in the Shares and insofar as the market maker does not intervene in the management of the Company and does not exert any influence on the Company to buy such Shares or back the Share price.

In accordance with Article 8(6) of the Luxembourg Transparency Law, the above-mentioned disclosure requirements do not apply to voting rights attached to Shares acquired for stabilisation purposes in accordance with Commission Regulation (EC) 2273/2003 of the Commission of 22 December 2003 implementing Directive 2003/6/EC of the European Parliament and of the Council as regards exemptions for buy-back programmes and the stabilisation of financial



instruments (subsequently repealed and replaced by the MAR), provided that the voting rights attached to these Shares are not exercised or otherwise used to intervene in the management of the Company.

For further details, please refer to the Luxembourg Transparency Law and the Luxembourg Grand Ducal regulation of 11 January 2008 on transparency requirements for issuers of securities, as amended.

### **1.2. Disclosure of Transactions of Persons Holding Management Responsibilities**

Once the requests for WSE Admission and the ZSE Admission have been made, pursuant to Article 19 of the MAR and the Luxembourg Market Abuse Law, persons discharging managerial responsibilities within the Company, as well as persons closely associated with them, must notify the CSSF and the Company of every transaction conducted on their own account relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked thereto. Such obligation applies to any subsequent transaction once the total amount of EUR 5,000 has been reached within a calendar year, calculated by adding without netting all relevant transactions relating to the Shares (the CSSF may decide to increase the threshold to EUR 20,000, in which case such decision would be published on the ESMA's website). The notification must be made promptly and no later than three business days after the date of the transaction. The Company must ensure that any information on relevant transactions notified to it is made public promptly and no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis.

The Company shall (i) notify the person discharging managerial responsibilities of their obligations in writing and (ii) draw up a list of all persons discharging managerial responsibilities and persons closely associated with them.

A person discharging managerial responsibilities within the Company shall not conduct any transactions on its own account or for the account of a third party, directly or indirectly, relating to the Shares or debt instruments of the Company or to derivatives or other financial instruments linked to them during a closed period of 30 calendar days before the announcement of an interim financial report or a year-end report which must be made publicly available. Under the MAR and certain delegated EU Commission regulations, the Company may allow a person discharging managerial responsibilities within it to conduct such transactions during the closed period in certain circumstances and subject to certain conditions.

For the purpose of the MAR, a "person discharging managerial responsibilities" within an entity means a person who is (a) a member of an administrative, management or supervisory body of that entity, or (b) a senior executive who is not a member of the bodies referred to in point (a) but who has regular access to inside information relating directly or indirectly to that entity and the power to take managerial decisions affecting the future developments and business prospects of that entity.

For the purpose of the MAR, a "person closely associated" means (a) a spouse or a partner considered to be equivalent to a spouse in accordance with national law; (b) a dependent child, in accordance with national law; (c) a relative who has shared the same household for at least one year on the date of the transaction concerned; or (d) a legal person, trust or partnership the managerial responsibilities of which are discharged by a person discharging managerial responsibilities or by a person referred to in the preceding letters (a), (b) or (c), which is directly or indirectly controlled by such person, which is set up for the benefit of such person, or the economic interests of which are substantially equivalent to those of such person.

### **1.3. Mandatory Takeover under the Luxembourg Takeover Law**

Directive 2004/25/EC of the European Parliament and the Council of 21 April 2004 on takeover bids (the "**Takeover Directive**") has been implemented in Luxembourg by way of the law of 19 May 2006 on takeover bids (the "**Luxembourg Takeover Law**") and in Polish legislation in the Act on Public Offering and delegated acts. Any mandatory bid which follows, or any voluntary bid which has as its objective, the acquisition of control of the Company, will be subject to shared regulation by the CSSF pursuant to the Luxembourg Takeover Law and the PFSA pursuant to the Act on Public Offering.

Under the shared regulation regime, the Act on Public Offering and delegated acts apply to matters relating to the considerations offered, the content of the offer document and the procedure of the bid. Matters regarding company law (and related questions), such as, for instance, the question relating to the percentage of voting rights that give control over a company and any derogation from the obligation to launch a bid or regarding information to be provided to employees of the offeree company, and to the extent applicable, any sell-out or squeeze-out procedures further to a voluntary or mandatory takeover bid, will exclusively be governed by Luxembourg law and in particular the Luxembourg Takeover Law.

The Takeover Directive requires each Member State to ensure the protection of minority shareholders by requiring any person that acquires control of a company to make an offer to all holders of that company's voting securities

for all their holdings at an equitable price. The Takeover Directive applies to all companies governed by the laws of a Member State of which all or some of the voting securities are admitted to trading on a regulated market in one or more Member States. The laws of the Member State in which a company has its registered office will determine the percentage of voting rights that is regarded as conferring control over that company.

The Luxembourg Takeover Law will be applicable to the Company once the Shares are admitted to trading on the WSE and/or the ZSE. Under the Luxembourg Takeover Law, if a person, acting alone or in concert, acquires Shares in the Company which, when added to any existing holdings of the Shares in the Company of such person and/or the parties with which it is acting in concert, result in such person, and the persons acting in concert with it, holding voting rights representing at least 33 1/3% of all of the voting rights attached to the issued Shares in the Company, this person is (or these persons are) required to make an offer for the remaining Shares in the Company.

#### **1.4. Squeeze-Out and Sell-Out Rights under the Luxembourg Takeover Law**

The Luxembourg Takeover Law provides that, when as a result of an offer (mandatory or voluntary) addressed to all of the holders of voting securities of the Company the offeror (or offerors, as the case may be, however the description below refers to a single offeror) holds voting securities representing no less than 95% of the share capital that carry voting rights to which the offer relates and 95% of the voting rights of the Company, the offeror may require the holders of the remaining voting securities to sell those securities to the offeror. The price offered for such securities must be a "fair price". The price offered in a voluntary offer would be considered a "fair price" in the squeeze-out proceedings if at least 90% of the securities representing share capital that carry voting rights and which comprised the bid were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price". The consideration paid in the squeeze-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash. The CSSF shall, in any case, ensure that such "fair price" is guaranteed. Moreover, an all-cash option must be offered to the remaining shareholders of the Company. Finally, the right to initiate squeeze-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

The Luxembourg Takeover Law provides that, when as a result of an offer (mandatory or voluntary) addressed to all of the holders of voting securities of the Company the offeror (and any person acting in concert with the offeror) holds voting securities carrying more than 90% of the voting rights in the Company, each of the remaining security holders may require that the offeror purchase their voting securities. The price offered in a voluntary offer would be considered "fair" in the sell-out proceedings if at least 90% of the securities representing share capital that carry voting rights and which comprised the bid were acquired in such voluntary offer. The price paid in a mandatory offer is deemed a "fair price". The consideration paid in the sell-out proceedings must take the same form as the consideration offered in the offer or consist solely of cash.

Moreover, an all-cash option for sell-out proceedings must be offered to the remaining shareholders of the Company. Finally, the right to initiate sell-out proceedings must be exercised within three months following the expiration of the acceptance period of the offer.

#### **1.5. Luxembourg Mandatory Squeeze-Out and Sell-Out Law**

The Company will be under the scope of the Luxembourg law of 21 July 2012 on the mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public (the "**Luxembourg Mandatory Squeeze-Out and Sell-Out Law**"). The Luxembourg Mandatory Squeeze-Out and Sell-Out Law provides that if any person, acting alone or in concert, holds (otherwise than as a result of a voluntary or mandatory takeover bid pursuant to the Takeover Directive) directly or indirectly at least 95% of the Company's capital carrying voting rights and 95% of the Company's voting rights (a "**Majority Shareholder**"): (i) such Majority Shareholder may require the holders of the remaining shares or other voting securities in the Company to sell those remaining securities to it (the "**Mandatory Squeeze-Out**"); and (ii) each of the holders of the remaining shares or securities may require such Majority Shareholder to purchase its remaining shares or other voting securities (the "**Mandatory Sell-Out**").

The Mandatory Squeeze-Out and the Mandatory Sell-Out must be exercised at a fair price, which fair price shall be determined on the basis of objective and adequate methods applying to asset disposals and must be approved by the CSSF. The procedures applicable to the Mandatory Squeeze-Out and the Mandatory Sell-Out must be carried out in accordance with the Luxembourg Mandatory Squeeze-Out and Mandatory Sell-Out Law under the supervision of the CSSF.

Any holder of securities or of other transferable securities concerned by the Mandatory Squeeze-Out may oppose this mandatory squeeze-out project by way of a registered letter with acknowledgement of receipt sent to the CSSF within one (1) month from the date on which the proposed price was made public in accordance with the Luxembourg Mandatory Squeeze-Out and Sell-Out Law. A copy of such letter shall also be sent within the same time period via registered mail with acknowledgement of receipt to the majority shareholder and the company concerned.

### 1.5.1. *Related-party transactions under Luxembourg law*

Pursuant to the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders in general meetings of the shareholders of listed companies, as amended (the “**Luxembourg Shareholder Rights Law**”) any material transaction between the Company and a related party shall be subject to the prior approval of the Management Board under the supervision of the Supervisory Board.

A material transaction means any transaction between the Company and a related party, the publication and disclosure of which could have a significant impact on the economic decisions of the shareholders and which could create a risk for the Company and its shareholders who are not related parties, including minority shareholders.

The Company shall publicly announce material transactions with related parties no later than the time of the conclusion of the transaction. The announcement shall contain at least information on the nature of the relationship with the related party, the name of the related party, the date and value of the transaction and any other information necessary to assess whether the transaction is fair and reasonable from the perspective of the Company and the shareholders who are not related parties, including minority shareholders.

Where the related party transaction involves a director or shareholder, such director or shareholder shall not participate in the approval or vote, as the case may be.

## 2. **Polish Capital Markets Regulations**

### 2.1. **Introduction**

The principle regulations governing the Polish securities market, including the procedure and organisation of supervision over the Polish capital market, are set out in the following acts: (i) the Act on Public Offering; (ii) the Act on Trading in Financial Instruments; and (iii) the Act on Supervision over the Capital Market. Supervision over the capital market is also regulated by the Act on Supervision over the Financial Market. Trading in shares on the regulated (main) market operated by the WSE within the territory of Poland is also subject to EU regulations, which apply directly in Poland, including the MAR, which applies directly throughout the European Union and covers such issues as, in particular: market manipulation, inside information and the acquisition of shares in public companies during closed periods.

On 8 October 2024, the Council of the European Union adopted a legislative package aiming to make EU public capital markets more attractive for EU companies and facilitate the listing of companies of all sizes, including small and medium-sized enterprises (SMEs), on European stock exchanges. The package consists of:

- a regulation amending the Prospectus Regulation, the MAR and the markets in financial instruments regulation (“**Listing Act**”);
- a directive amending the MiFID II and repealing the listing directive; and
- a directive on multiple-vote shares.

The Listing Act was published in the Official Journal of the European Union on 14 November 2024 and will come into force 20 days later, i.e. on 4 December 2024. However, certain amendments to the Prospectus Regulation and the MAR introduced by the Listing Act will become applicable 15 or 18 months after this date.

Furthermore, the Polish capital market is governed by regulations provided for in the secondary legislation adopted on the basis of the above-mentioned laws, as well as certain regulations of the WSE and the KDPW, including the WSE Rules and the KDPW Rules.

### 2.2. **Disclosure Rules**

According to the Act on Public Offering, if the host Member State for the issuer is in Poland, the scope and deadlines of reporting and financial obligations of the issuer should be governed by the home Member State law. Please see “—1. *Luxembourg Capital Markets Regulations*” above.

### 2.3. **Major Holding Notifications**

According to the Act on Public Offering, in the case of a public company for which Poland is the host Member State, the shareholders’ disclosure obligations connected with the acquisition and sale of a significant block of shares should be governed by the home Member State law. Please see “—1. *Luxembourg Capital Markets Regulations*” above.

### 2.4. **Takeover Bids**

The Shares in the Company will be listed on the WSE, but the Company has its registered office in a Member State other than Poland.

According to the Act on Public Offering, when a WSE-listed company has its registered office in a Member State of the EEA other than in Poland whose shares have been admitted to trading on a regulated market solely within the territory of Poland, any mandatory tender offer for the sale or exchange of the shares in a company is required to be announced in accordance with the legislation in force in the Member State where the WSE-listed company has its registered office (i.e. Luxembourg law with respect to the Company). However, if the tender offer obligation is triggered in accordance with the legislation in force in the Member State where the WSE-listed company has its registered office (i.e. Luxembourg with respect to the Company), the Polish provisions will apply to the tender offer announced in the territory of Poland, in particular with respect to the consideration offered in the tender offer and the procedure of conducting the tender offer, including those relating to the content of the tender offer and the procedures governing its announcement.

Please also see “—1. Luxembourg Capital Markets Regulations” above.

The Act on Public Offering contains a specific regulation of voluntary tender offers. Any voluntary tender offer for the sale or exchange of shares in a WSE-listed company that has its registered office in a Member State of the EEA other than in Poland whose shares have been admitted to trading on a regulated market solely within the territory of Poland, is required to be announced in accordance with Polish law, in particular the Act on Public Offering and delegated acts.

#### 2.4.1. Voluntary Tender Offer

Shares in a public company (shares that are admitted to trading on the regulated market) may be acquired as a result of launching a tender offer for the sale or exchange of all of the remaining shares in such company (the “**Voluntary Tender Offer**”).

The Voluntary Tender Offer may include a disclaimer that the tender offer is launched on the condition that, prior to the date stated in such tender offer, however, no later than by the end of accepting subscriptions in response to such tender offer:

- the relevant authority:
  - (i) consents to the merger of business entities;
  - (ii) agrees to or grants a permit for the acquisition of shares being the subject of such tender offer; or
  - (iii) does not object against the acquisition of shares being the subject of such tender offer.
- the general meeting or another governing or supervisory body of the offeror grants its consent, as required by law, to the acquisition of shares;
- the general meeting or the supervisory board of the public company whose shares are the subject of such tender offer adopts a resolution on that matter;
- another tender offer for the sale or exchange of all of the remaining shares in a company that belongs to the same capital group as the public company whose shares are the subject of such Voluntary Tender Offer within the territory of a member state of the Organisation for Economic Cooperation and Development (OECD), is to be completed, with a specified outcome, by the bidder or a company that belongs to the same capital group as the bidder; or
- an agreement specified in the contents of such condition is concluded by the public company whose shares are the subject of that tender offer.

The Voluntary Tender Offer may include a disclaimer determining the minimum number of shares covered by subscriptions upon the satisfaction of which, the entity acquiring the shares undertakes to acquire those shares. The minimum number of shares stated in such tender offer together with the number of shares held by the entities referred to in Article 87 of the Act on Public Offering, whose share in the total number of votes is taken into consideration for the purposes of determining the obligation to launch a tender offer, cannot amount to more than the sum of 50% of the total number of votes.

The offeror may reserve the right to acquire the shares covered by subscriptions submitted in response to the Voluntary Tender Offer despite a specific condition not having been satisfied (this does not apply to a tender offer made on the condition that the relevant authority consents to the merger of business entities, agrees to or grants a permit for the acquisition of shares being the subject of such tender offer or does not object against the acquisition of shares being the subject of such tender offer).

The offeror will be required to immediately notify an information agency of the satisfaction or non-satisfaction of the specific condition within the time set out in the relevant Voluntary Tender Offer, or of the offeror’s decision to acquire shares as a result of such tender offer despite a failure to satisfy the relevant condition. The above-mentioned requirement shall apply respectively to notifying a relevant authority of obtaining or failing to obtain antitrust clearance for a merger of business entities, of consenting to or granting a permit for, or refusing to consent or grant a permit for the acquisition of the shares covered by the Voluntary Tender Offer, or of no objection to or raising an objection against the acquisition of the shares subject to the Voluntary Tender Offer.

#### 2.4.2. *Terms of the Tender Offer*

A tender offer may be launched and executed through an entity conducting brokerage activity in Poland – the intermediary.

A tender offer is launched after establishing security in favour of an intermediary in the amount equal to at least 100% of the value of the shares that are to be the subject of the tender offer. The establishment of such security is documented by way of a certificate issued by a bank or other financial institution providing the collateral or acting as an agent in connection with the provision thereof.

No later than 17 business days prior to the planned announcement of a tender offer, the intermediary will be required to submit to the PFSA a notice of the intention to announce a tender offer. The intermediary will be required to attach to the notice the contents of the announcement and a certificate confirming the establishment of collateral. Subsequently, no later than within 24 hours after providing the above notice to the PFSA, the intermediary is required to provide to the information agencies information containing: (i) the name of the entity launching the tender offer, and in the case of such entity being a natural person, its first and last name; (ii) the number of shares for which the tender offer will be announced; (iii) the details of the intermediary; (iv) the price at which the entity launching the tender offer intends to purchase shares, and the conversion ratio. The information agency will be required to publish the above-mentioned information in a free-of-charge service that is accessible to all investors under non-discriminatory conditions. As soon as one of the information agencies publishes the above-mentioned information, the intermediary will make such information available on its website.

Withdrawal from an already launched tender offer is not permitted, unless after such tender offer has been launched, another entity launches a tender offer for the sale or exchange of all of the remaining shares in the public company at a higher price and such tender offer is not subject to any conditions.

The PFSA may, within ten business days from the date of receipt of the notification of the intention to launch a tender offer, request any necessary changes and supplements to the text of the tender offer or the provision of explanations regarding the text of the tender offer within the period specified in the request; however, such period may not be shorter than two business days. If it is justified, the PFSA may extend the ten-business day deadline by no more than five business days.

Following the acquisition of the shares covered by subscriptions submitted in response to the tender offer, the offeror will be required to announce, in the manner referred to in Article 69 of the Act on Public Offering, the number of shares acquired in the tender offer and the percentage share in the overall number of votes reached as a result of the tender offer. In case of a company the shares of which are listed on the WSE, but the company has its registered office in a Member State other than Poland, the disclosure obligations referred to above shall be carried out in accordance with the legislation in force of the state in which such company has its registered office (i.e. Luxembourg in the case of the Company).

In the period between the announcement of a tender offer and the completion thereof, the offeror and all of its subsidiaries, dominant entities or entities that are party to acting in concert arrangements, i.e. any arrangements therewith concerning: (i) the purchase of (directly or indirectly) or subscriptions for (through an offer not being a public offer) shares in a public company by entities being parties to such arrangements or a third party in its own name, but on behalf of and at the direction of parties to such arrangements; (ii) voting concert at the general meeting of a public company; or (iii) carrying out a long-term policy with respect to a public company (the arrangements referred to in Article 87 Section 1 (5) and (6) of the Act on Public Offering, the “**Acting in Concert Agreement**”):

- may acquire shares in the public company to which the tender offer applies exclusively within the scope of that specific tender offer and in the manner defined therein;
- cannot sell shares in the public company to which the tender offer applies or enter into any agreements which would require them to sell any such shares during the term of the tender offer; and
- cannot indirectly acquire the shares in the public company to which the tender offer relates.

#### *Price of Shares in the Tender Offer*

If any of the shares in the company are subject to trading on the regulated market, the price of the shares proposed in the tender offer may not be lower than:

- the average market price in the three-month period preceding the disclosure of the information about the intention to launch a tender offer during which the shares were traded on the main market;
- the average market price in the six-month period preceding the disclosure of the information about the intention to launch a tender offer during which the shares were traded on the main market; and



- the average market price in a shorter period if the trading of the shares on the main market was shorter than six months preceding the disclosure of the information about the intention to launch a tender offer.

The average market price referred to in the above-mentioned regulations shall be the price that is the arithmetic average of the daily volume-weighted average prices.

In the event that it is not possible to determine the price pursuant to the rules set forth above or in the case of a company subject to restructuring proceedings or which was declared bankrupt, the share price cannot be lower than the fair value of such shares. The fair value of the shares shall be determined by an audit firm selected by the offeror.

The price of the shares proposed in the tender offer may also not be lower than:

- the highest price that the entity required to launch the tender offer, any subsidiaries or parent entities thereof, or any third parties holding shares in their own name, but upon a request or on behalf of an entity required to announce a tender offer, or entities that are parties to an Acting in Concert Agreement with that entity, paid or agreed to pay for the shares subject to the tender offer within the 12-month period preceding the disclosure of the information about the intention to launch the tender offer; or
- the highest value of the assets or rights that the entity required to launch the tender offer, or the entities indicated in the point above, issued or agreed to issue in exchange for the shares subject to the tender offer within the 12-month period preceding the disclosure of the information about the intention to launch the tender offer.

In case during the 12 months preceding the disclosure of the information about the intention to launch a tender offer a tender offer has been preceded by an indirect acquisition of shares in that company by the offeror, any subsidiaries or parent entities thereof, or any third parties holding shares in their own name, but upon a request or on behalf of an entity required to announce a tender offer, or entities that are parties to an Acting in Concert Agreement with that entity, the price of the shares proposed in the tender offer may also not be lower than the price of the indirect acquisition that the offeror or those entities have paid or undertaken to pay.

In certain circumstances, the price proposed in a tender offer may be lower than the price determined in accordance with the above paragraphs. In the case where the average market price of the shares determined in accordance with the above-mentioned rules significantly differs from the fair value of such shares due to:

- the granting to the shareholders of a pre-emptive right, a right to dividend, a right to acquire shares in the surviving company in connection with a demerger of a public company by way of a carve-out or spin-off, or other property rights connected with the possession of shares in a public company;
- a significant deterioration in the financial or proprietary situation of the company as a result of events or circumstances that could not have been predicted or prevented by the company; or
- the company being threatened by permanent insolvency,

the offeror may apply to the PFSA for consent to offer a price in the tender offer which does not comply with the criteria set forth above.

The application shall contain a valuation of the company's shares prepared at fair value, as at a date no earlier than 14 days prior to the application, by an audit firm. The PFSA may grant its consent thereto, provided that the proposed price is not lower than the fair value of these shares and the announcement of the tender offer does not negatively impact the legitimate interests of the shareholders. In the event that the PFSA gives its consent, the price offered in a tender offer may be lower than the price determined in accordance with the rules specified above with respect to shares constituting at least 5% of all of the shares in the company that will be acquired in the tender offer from a person responding to the tender offer, if the offeror so agrees with such person.

The price offered in the tender offer for the exchange of shares is the value of shares of another company the ownership of which will be transferred in exchange for the shares that are the subject of the tender offer. In the case of shares that are traded on a regulated market, the value of those shares is established:

- based on the average market price in the six-month period of trading in such shares on the regulated market preceding the announcement of the tender offer; or
- based on the average price in a shorter period, if the shares were traded on a regulated market for a period shorter than that referred to above.

In the case where it is not possible to determine the price pursuant to the rules set forth above or in the case of a company subject to composition proceedings or bankruptcy proceedings, the share price cannot be lower than the fair value of such shares. The fair value of the shares shall be determined by an audit firm selected by the offeror.

#### 2.4.3. *Entities with Duties with Respect to Tender Offers*

The duties determined in the provisions regarding tender offers are also vested:

- (a) in an entity that achieves or exceeds the threshold of the total number of votes determined under applicable law due to the purchase or sale of depository certificates issued in connection with the shares in such public company;
- (b) in an investment fund – also in the case where the achievement or exceeding of the given threshold of the total number of votes determined in the regulations takes place with regard to the joint holding of shares by other investment funds managed by the same investment fund company or alternative investment funds or other investment funds established outside the territory of Poland and managed by the same entity;
- (c) in an alternative investment company – also in the case where the achievement or exceeding of the given threshold of the total number of votes determined in the regulations takes place with regard to the joint holding of shares by other alternative investment companies managed by the same investment manager of alternative investment companies within the meaning of the act on investment funds or other alternative investment funds established outside the territory of Poland and managed by the same entity;
- (d) in a pension fund – also if attaining or exceeding the threshold of votes specified in these regulations results in relation to the holding of shares jointly with other pension funds managed by the same fund management company;
- (e) in an entity in respect of which the achievement or exceeding of the given threshold of the total number of votes set out in the provisions of the Act on Public Offering takes place in reference to the holding of shares by: (i) a third party in its own name, however, at the instruction or for the benefit of such entity, excluding shares purchased as part of the performance of activities which involve the buying and selling of a broker's financial instruments for the benefit of the person giving the instruction, (ii) within the framework of activities which involve the management of a portfolio that includes one or a greater number of financial instruments determined in the Act on Trading in Financial Instruments and the Act on Investment Funds – in reference to the shares included in the managed securities portfolios in respect of which the entity as a management company may enforce the right to vote at the general meeting on behalf of the instructing parties, and (iii) a third party with which the entity has concluded an agreement the subject of which is the transfer of the right to vote at the general meeting;
- (f) in a proxy who under a power of attorney to represent the shareholder at the general meeting was authorised to vote based on the rights attached to the shares in a public company if the shareholder has not issued any binding instructions as to the manner of voting;
- (g) jointly in all of the entities bound by the Acting in Concert Agreement if at least one of such entities carried out or planned to carry out activities resulting in the establishment of such duties such duties may also arise in the case of a reduction in the share in the total number of votes in a public company in connection with the termination of the Acting in Concert Agreement or in relation to a reduction in the share in the total number of votes in a public company of the party to such Acting in Concert Agreement);
- (h) in entities that conclude the type of arrangement mentioned in the item above (i.e. the Acting in Concert Agreement) which hold shares in a public company in a number ensuring the joint achievement or the exceeding of a given threshold of the total number of votes set out in the regulations; and
- (i) in a proxy other than an investment firm authorised to dispose of and acquire securities held in a securities account.

In the cases mentioned in items (g) and (h) above, the obligations provided in the regulations regarding shareholders' disclosure connected with the acquisition and sale of a significant block of shares may be fulfilled by one of the parties to the Acting in Concert Agreement designated by the parties to such Acting in Concert Agreement.

The obligations set forth in the provisions concerning tender offers arise also in the case where the voting rights are related to securities deposited or registered with the entity that may dispose of them at its own discretion.

## **2.5. Squeeze-Out and Sell-Out**

For information on matters related to a squeeze-out or sell-out following a takeover bid or outside of a takeover bid, see "—1. Luxembourg Capital Markets Regulations" above.

In the case of a squeeze-out or sell-out following a takeover bid or outside of a takeover bid relating to the shares of a WSE listed company with its registered office in a different Member State (e.g., Luxembourg), the law governing these matters will be that of a Member State in which the company has its registered office. Nevertheless, Polish regulations such as KDPW Rules, KDPW Detailed Rules or WSE Rules will apply for certain settlement matters.

## **2.6. MAR**

The following subsections describe specific provisions of the MAR relevant to trading in shares on the regulated

(main) market operated by the WSE in Poland, as well as certain notable changes introduced by the Listing Act.

### 2.6.1. Manipulation

The MAR prohibits manipulation involving financial instruments, which is understood as:

- entering into a transaction, placing an order to trade or any other behaviour which: (i) gives, or is likely to give, false or misleading signals as to the supply of, demand for or the price of a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances, or (ii) secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, unless the person entering into a transaction, placing an order to trade or engaging in any other behaviour establishes that such transaction, order or behaviour has been carried out for legitimate reasons, and conforms with an accepted market practice as established in accordance with Article 13 of the MAR;
- entering into a transaction, placing an order to trade or any other activity or behaviour which affects or is likely to affect the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances which employs a fictitious device or any other form of deception or contrivance;
- disseminating information through the media, including the internet, or by any other means, which gives, or is likely to give, false or misleading signals as to the supply of, demand for or the price of a financial instrument, a related spot commodity contract or an auctioned product based on emission allowances or secures, or is likely to secure, the price of one or several financial instruments, a related spot commodity contract or an auctioned product based on emission allowances at an abnormal or artificial level, including the dissemination of rumours, where the person who made the dissemination knew, or ought to have known, that the information was false or misleading; and
- transmitting false or misleading information or providing false or misleading inputs in relation to a benchmark where the person who made the transmission or provided the input knew or ought to have known that it was false or misleading, or any other behaviour which manipulates the calculation of a benchmark.

Pursuant to the MAR, the following behaviour shall be considered as market manipulation:

- the conduct by a person, or persons acting in collaboration, to secure a dominant position over the supply of or demand for a financial instrument, related spot commodity contracts or auctioned products based on emission allowances which has, or is likely to have, the effect of fixing, directly or indirectly, purchase or sale prices or which creates, or is likely to create, other unfair trading conditions;
- the buying or selling of financial instruments, at the opening or closing of the market, which has or is likely to have the effect of misleading investors acting on the basis of the prices displayed, including the opening or closing prices;
- the placing of orders on a trading venue, including any cancellation or modification thereof, by any available means of trading, including by electronic means, such as algorithmic and high-frequency trading strategies, and which has one of the effects referred to in the first and second bullets above, by: (i) disrupting or delaying the functioning of the trading system of the trading venue or being likely to do so, (ii) making it more difficult for other persons to identify genuine orders on the trading system of the trading venue or being likely to do so, including by entering orders which result in the overloading or destabilisation of the order book, or (iii) creating or being likely to create a false or misleading signal about the supply of, or demand for, or price of, a financial instrument, in particular by entering orders to initiate or exacerbate a trend;
- the taking advantage of occasional or regular access to traditional or electronic media by voicing an opinion about a financial instrument, related spot commodity contract or an auctioned product based on emission allowances (or indirectly about its issuer) while having previously taken positions on that financial instrument, a related spot commodity contract or an auctioned product based on emission allowances and profiting subsequently from the impact of the opinions voiced on the price of that instrument, related spot commodity contract or an auctioned product based on emission allowances, without having simultaneously disclosed such conflict of interest to the public in a proper and effective manner; and
- the buying or selling on the secondary market of emission allowances or related derivatives prior to an auction held pursuant to Commission Regulation (EU) No 1031/2010 with the effect of fixing the auction clearing price for the auctioned products at an abnormal or artificial level or misleading bidders bidding in the auctions.

Under the MAR, market manipulation may apply not only to financial instruments, but also to related spot commodity contracts or auctioned products based on emission allowances.

The MAR provides for maximum administrative pecuniary sanctions for infringements in terms of market manipulation of: (i) EUR 5.0 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of natural persons; and (ii) EUR 15.0 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) or 15% of the total annual turnover of the legal person according to the last available accounts approved by the management body in respect of legal persons, although where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

Although the MAR applies directly throughout the European Union, in terms of the rules for administrative sanctions referred to in the MAR, Member States shall, in accordance with national law, provide for competent authorities to have the power to take appropriate administrative sanctions and other administrative measures. For manipulation, the Act on Trading in Financial Instruments imposes penal sanctions comprising a fine of PLN 5.0 million or imprisonment for three months to five years, or both of these sanctions simultaneously.

The Act on Trading in Financial Instruments also grants the PFSA the power to impose a cash penalty of PLN 2,072,800 on a natural person or PLN 4,145,600 or up to 2% of the total annual revenue as shown in the most recent audited financial statements for a financial year if it is greater than PLN 4,145,600 on other entities for producing or disseminating investment recommendations or other information recommending or suggesting an investment strategy in breach of the MAR, or for the improper performance or a breach of the obligations under the MAR concerning conducting transactions on one's own account by persons discharging managerial responsibilities. The PFSA may impose on such entities a fine of up to three times the benefit obtained or loss avoided if it is possible to determine the amount of such benefit or loss in lieu of the sanctions referred to above.

Pursuant to the Act on Trading in Financial Instruments, failure to comply with specific obligations under the MAR is subject to a cash penalty of up to PLN 4,145,600 or up to the equivalent of 2% of the total annual revenue as shown in the most recent audited financial statements for a financial year if it is greater than PLN 4,145,600.

#### 2.6.2. *Inside information*

According to the MAR, it is prohibited to:

- engage or attempt to engage in insider dealing;
- recommend that another person engage in insider dealing or induce another person to engage in insider dealing; and
- unlawfully disclose inside information.

According to the MAR, inside information includes the following types of information:

- information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments or on the price of related derivative financial instruments;
- in relation to commodity derivatives, information of a precise nature, which has not been made public, relating, directly or indirectly to one or more such derivatives or relating directly to the related spot commodity contract, and which, if it were made public, would be likely to have a significant effect on the prices of such derivatives or related spot commodity contracts, and where this is information which is reasonably expected to be disclosed or is required to be disclosed in accordance with legal or regulatory provisions at the EU or national level, market rules, contract, practice or custom, on the relevant commodity derivatives markets or spot markets;
- in relation to emission allowances or auctioned products based thereon, information of a precise nature, which has not been made public, relating, directly or indirectly, to one or more such instruments, and which, if it were made public, would be likely to have a significant effect on the prices of such instruments or on the prices of related derivative financial instruments; and
- for persons charged with the execution of orders concerning financial instruments, it also means information conveyed by a client and relating to the client's pending orders in financial instruments, which is of a precise nature, relating, directly or indirectly, to one or more issuers or to one or more financial instruments, and which, if it were made public, would be likely to have a significant effect on the prices of those financial instruments, the price of related spot commodity contracts, or on the price of related derivative financial instruments.

Information shall be deemed to be of a precise nature if it indicates a set of circumstances which exists or which may reasonably be expected to come into existence, or an event which has occurred or which may reasonably be expected to occur, where it is specific enough to enable a conclusion to be drawn as to the possible effect of that set

of circumstances or event on the prices of the financial instruments or the related derivative financial instrument, the related spot commodity contracts or the auctioned products based on the emission allowances. Therefore, in the case of a protracted process which aims at or leads to the occurrence of certain circumstances or a certain event, any future circumstances or future events, and also intermediate phases of the process, related to the occurrence or causing of such future circumstances or events may be deemed as information of a precise nature. An intermediate step in a protracted process shall be deemed to be inside information if, by itself, it satisfies the criteria of inside information. Information which, if it were made public, would be likely to have a significant effect on the prices of financial instruments, derivative financial instruments, related spot commodity contracts or auctioned products based on emission allowances shall mean information a reasonable investor would be likely to use as part of the basis of his or her investment decisions.

Pursuant to the MAR, an issuer is required to inform the public as soon as possible of inside information which directly concerns that issuer.

However, according to the Listing Act, the requirement of an immediate disclosure shall not apply to inside information related to intermediate steps in a protracted process. In such case, only the final event or circumstances will need to be disclosed.

The issuer shall ensure that the inside information is made public in a manner which enables fast access and complete, correct and timely assessment of the information by the public and, where applicable, using the officially appointed mechanism. The issuer shall not combine the disclosure of inside information to the public with the marketing of its activities. The issuer shall post and maintain on its website for a period of at least five years all inside information it is required to disclose publicly.

An issuer may, at its own responsibility, delay the public disclosure of confidential information if the following conditions are jointly satisfied:

- immediate disclosure is likely to prejudice the legitimate interests of the issuer or emission allowance market participant;
- delay of disclosure is not likely to mislead the public; and
- the issuer or emission allowance market participant is able to ensure the confidentiality of such information.

The Listing Act introduces an amendment to the second condition for delaying the publication of inside information. The amended provision will require that any delay in such publication does not contradict the latest public announcement or other communication related to the inside information.

Where an issuer has delayed the disclosure of inside information, it shall inform the PFSA that disclosure of the information was delayed and provide a written explanation of how the conditions set out in this paragraph are satisfied, immediately after the information is disclosed to the public.

Issuers or persons acting on their behalf are required to:

- draw up a list of all persons who have access to inside information and who work for the issuer under an employment contract or otherwise perform duties which give them access to inside information, such as advisors, accountants or rating agencies (“a complete list of the persons with access to inside information”);
- keep the list of persons with access to inside information up to date; and
- at the PFSA’s request, promptly provide it with the list of persons with access to inside information.

With respect to insider trading, the Act on Trading in Financial Instruments imposes the following penal and administrative pecuniary sanctions:

- a fine up to PLN 2.0 million or imprisonment for up to four years (or both these sanctions jointly) for unlawfully disclosing inside information;
- a fine up to PLN 5.0 million or imprisonment for three months to up to five years (or both these sanctions jointly) for unlawfully using inside information; and
- a fine up to PLN 2.0 million or imprisonment for up to four years (or both these sanctions jointly) for making recommendations or inducing others to buy or sell financial instruments linked to inside information (or both of these sanctions jointly).

Under the Act on Public Offering, the PFSA may impose for the non-performance or incorrect performance of the issuer’s obligations related to the disclosure or delay of inside information under the MAR an administrative penalty in the form of: (i) excluding the securities from trading on the regulated market; or (ii) an administrative fine of PLN 10,364,000 or an amount equivalent to 2% of the total annual turnover reported in the last audited annual financial statements if it exceeds PLN 10,364,000; or (iii) both sanctions referred to in points (i) and (ii) above jointly; or (iv) a fine



of up to three times the benefit obtained or loss avoided if it is possible to determine the amount of such a benefit or loss in lieu of the sanctions referred to in items (i)-(iii) above.

If the issuer fails to perform or improperly performs its obligations related to the list of persons with access to inside information, the PFSA may, by way of a decision, impose a pecuniary penalty of up to PLN 4,145,600 or an amount equivalent to 2% of the total annual turnover reported in the last audited annual financial statements if it exceeds PLN 4,145,600. For a breach of these obligations, the PFSA may impose a pecuniary penalty on the person who at that time performed the function of a management board member of the issuer a pecuniary penalty of up to PLN 2,072,800. Where the amount of the benefits gained or losses avoided by the entity due to the infringements referred to above can be determined, the PFSA may, instead of the penalty referred to in this paragraph, impose a pecuniary penalty of up to three times the amount of the benefits gained or losses avoided.

### 2.6.3. *Obligations Related to the Purchase or Sale of Shares During Closed Periods*

Under the MAR, during a closed period, persons discharging managerial responsibilities for an issuer may not trade on their own account or for the account of a third party during a closed period, directly or indirectly, in the shares or debt instruments of such issuer or in derivatives or other financial instruments linked thereto.

In addition, under the MAR, a closed period is the period of 30 calendar days before the announcement of an interim financial report or a year-end report which the issuer is required to make public according to: (i) the rules of the trading venue where the issuer's shares are admitted to trading; or (ii) national law.

Under the MAR, persons discharging managerial responsibilities, as well as persons closely associated with them, must notify the issuer and the CSSF of every transaction conducted on their own account relating to the shares or debt instruments of that issuer or to derivatives or other financial instruments linked thereto. Such notifications should be made immediately, but no later than within three working days of the transaction date. The issuer must ensure that the information that is notified in accordance with the rules specified above is made public promptly and no later than three business days after the transaction in a manner which enables fast access to this information on a non-discriminatory basis in accordance with the implementing technical standards regulated under the MAR.

The MAR provides for the maximum administrative pecuniary sanctions for the infringement of the obligations related to:

- closed periods of (i) EUR 0.5 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of natural persons and (ii) EUR 1.0 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of legal persons; and
- notifications of insider dealing of (i) EUR 0.5 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of natural persons and (ii) EUR 1.0 million (or in the Member States the currency of which is not the euro, the corresponding value in the national currency) in respect of legal persons,

although where the legal person is a parent undertaking or a subsidiary undertaking which is required to prepare consolidated financial accounts, the relevant total annual turnover shall be the total annual turnover or the corresponding type of income in accordance with the relevant accounting directives according to the last available consolidated accounts approved by the management body of the ultimate parent undertaking.

## 2.7. **Non-Compliance with MAR**

In accordance with the MAR, the PFSA has the power to take appropriate administrative sanctions, such as the imposition of fines and/or other administrative measures in relation to possible infringements.

Non-compliance with the market abuse rules set out above could also constitute an economic offense and/or a crime and could lead to the imposition of administrative fines by the PFSA. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, it is no longer allowed to impose administrative penalties and vice versa.

The PFSA shall in principle also publish any decision imposing an administrative sanction or measure in relation to an infringement of the MAR.

The Company and any person acting on its behalf or on its account is obligated to draw up an insider list, to promptly update the insider list and provide the insider list to the CSSF or PFSA upon its request. The Company and any person acting on its behalf or on its account is obligated to take all reasonable steps to ensure that any person on the insider list acknowledges in writing the legal and regulatory duties entailed and is aware of the sanctions applicable to insider trading and unlawful disclosure of inside information.

## **2.8. Warsaw Stock Exchange**

The Polish financial instruments exchange market is operated by the WSE. The WSE is a regulated market pursuant to MiFID II. The WSE runs its business pursuant to applicable laws, including the Act on Trading in Financial Instruments and its internal regulations, including the articles of association of the WSE and the WSE Rules.

The exchange market operated by the WSE constitutes a regulated market for the purposes of the relevant regulations of EU law and the Act on Trading in Financial Instruments. Moreover, the WSE organises and operates an Alternative Trading System which is a non-regulated market. The exchange market operated by the WSE includes the main floor (the official stock exchange market) and the parallel market.

According to the WSE's website ([www.gpw.pl](http://www.gpw.pl)), as at 7 November 2024, shares of 411 companies were listed on the WSE, including 43 foreign companies. The total capitalisation of the companies listed on the WSE was PLN 1,571,829.10 million as at 7 November 2024.

As at the date hereof, the Company is not a public company and the rights and obligations listed below shall apply to the Company from the moment it becomes a public company (i.e. from the moment of the admission of at least one share in the Company to trading on the regulated market in Poland or the introduction of at least one share in the Company to trading to the alternative trading system in Poland).

## **2.9. Dematerialisation of Securities**

Securities that are subject to a public offering within the territory of Poland or those subject to admission to trading on the regulated market in Poland upon their registration and thereafter exist in book-entry form pursuant to an agreement with the KDPW, the Polish deposit and clearing institution (dematerialisation of the securities), except for securities offered to the public which will not be subject to admission to trading on the regulated market or introduced exclusively to an alternative trading system, which may keep their certificate form if the issuer so decides.

For the purposes of dematerialisation, an issuer of securities must sign an agreement with the KDPW on the registration of such securities in the depository for securities maintained by the KDPW.

Rights attached to such dematerialised securities arise and are vested upon their recording for the first time in the securities account of the holder of such account. Securities registered in omnibus accounts constitute an exception to the above rule – in such case, the holder of the account is not entitled to those securities. The person entitled to the securities registered in an omnibus account is the person indicated to the entity maintaining such account by the holder thereof as being entitled to a given number of securities. An agreement setting forth the obligation to transfer dematerialised securities conveys the title to such securities when the appropriate entry is made in the relevant securities account. With respect to securities held in an omnibus account, a depository certificate will be a document having identical wording to that of the depository certificate issued in Polish or in English by the holder of such account. If dematerialised securities are acquired on the basis of a legal transaction in which their transfer occurs by operation of law, an entry on the securities account of the transferee is made at the transferee's request.

The entity maintaining the securities account, such as a brokerage house, custodian or custodian bank, will issue, at the request of the account holder, a separate registered depository certificate for each type of securities registered in the account. The depository certificate confirms the powers to exercise the rights attached to the securities indicated therein that are not, or may not be, exercised exclusively on the basis of entries in the securities account, except to participate in the general meeting of the shareholders. Depository certificates may be issued by brokerage houses, banks conducting brokerage activities, trustee banks, foreign investment companies and foreign legal entities conducting brokerage activities in Poland, the KDPW and the NBP, provided that the relevant accounts are designated in a manner sufficient to identify the persons with whom the rights attached to the securities are vested.

From the moment of the issuance of a registered depository certificate, the securities, in the number indicated in the registered depository certificate, may not be traded until the end of the validity period of a registered depository certificate or until the certificate is returned to the issuer, whichever occurs first. During this period, the issuer of the registered depository certificate will lock up the appropriate securities in that account.

The same securities may be indicated in several registered depository certificates, provided that the purpose of the issuance of each of these registered depository certificates is different. In such case, information is also provided in individual registered depository certificates as regards the lock-up of the securities due to an earlier issuance of other registered depository certificates.

### **2.9.1. Withdrawal of the Shares from Trading (Delisting)**

The PFSA, at the request of an issuer, grants consent for withdrawing the shares from organised trading following the satisfaction of the relevant conditions provided for in the Act on Public Offering. The legal consequences of the grant of such consent include no longer being subject to the obligations under, *inter alia*, the Act on Public Offering, the

MAR, the applicable home Member State regulations (in the case of foreign companies listed on the WSE) established in connection with the public offering of shares or the admission thereof to trading on the regulated market within the territory of Poland and the obligations specified in the chapter of the Act on Public Offering regarding significant blocks of shares in public companies (or the corresponding provisions of the laws of the home Member State of the company), and such consequences come into effect upon the lapse of a deadline of no more than one month as stated in the decision pursuant to which the PFSA granted its consent. It is permissible to submit a relevant request to the PFSA if, in the case of a company with its registered seat in Poland, the general meeting of a public company, by a majority of nine-tenths of the votes cast in the presence of shareholders representing at least half of the share capital, adopted a resolution on the delisting of the shares. The request for the convocation of an extraordinary general meeting and including the matter of the adoption of a resolution regarding the delisting of the shares on the agenda thereof may be made by one or several shareholders representing at least one-twentieth of the share capital. In the case of a WSE-listed company that has its registered office in a Member State of the EEA other than Poland, the delisting resolution referred to above may be adopted by a decision-making body other than a general meeting which is competent under the legislation in force in the state in which the company has its registered office.

One or several shareholders demanding the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda are required to first announce a public tender for the subscription for the sale of the shares in such company by all other shareholders. However, in the case of an issuer for which Poland is the host Member State and whose securities are admitted to trading only on the regulated market in Poland, the obligation to announce a public tender applies to the shares of that company which were acquired in transactions executed on such regulated market in Poland and are entered in securities accounts maintained in Poland as at the end of the second day after the announcement of such takeover bid.

One or several shareholders demanding the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda may acquire shares in that company in the period between the submission of the request and the completion of the tender offer only by way of such tender offer. There is no obligation to announce a tender offer if the demand for the inclusion of the matter of the adoption of a resolution regarding the delisting of shares on the agenda is made by all of the shareholders of a public company.

## **2.10. Settlement**

Under the current regulations, all transactions on the regulated market of the WSE are carried out on a delivery versus payment basis, with the transfer of rights to securities occurring upon settlement on a T+2 basis. In principle, each investor must hold a securities account and a cash account with a member of the Polish Retail Syndicate or an entity conducting depository activities in Poland, and each member of the Polish Retail Syndicate and entity conducting depository activities must hold relevant accounts (*konta* and *rachunki*) with the KDPW and a main cash account with a settlement bank. Entities authorised to maintain securities accounts may also maintain, within the scope of a security deposit or a securities registration system maintained by the NBP, what are known as omnibus accounts (i.e. accounts in which it is possible to register dematerialised securities which are not owned by the persons for whom such accounts are maintained, but which are owned by another person or persons). Omnibus accounts may be maintained exclusively for the entities listed in the Act on Trading in Financial Instruments.

In accordance with the rules and regulations of the WSE and the KDPW, KDPW CCP S.A., a subsidiary of the KDPW, is required to arrange, based on a list of transactions provided by the WSE (compiled post-session), the settlement of transactions effected by WSE members. In turn, WSE members coordinate the settlement with the investors on whose account the transactions were executed.

## **2.11. Stock Exchange Trading Mechanisms**

Pursuant to the WSE Rules, WSE sessions are held regularly from Monday to Friday from 8:30 a.m. to 5:05 p.m. CET, unless the Management Board of the WSE decides otherwise.

Depending on the market on which the relevant securities are listed, quotations are made in a continuous trading system (the main floor) or in a single-price system with one or two auctions (the parallel market). In addition, for large blocks of securities, what are referred to as block transactions outside of the public order book in the continuous trading system or a single-price system are possible.

Information as to price, trading volume and any specific rights (pre-emption or dividend rights) attached to the relevant securities is available on the WSE's official website at [www.gpw.pl](http://www.gpw.pl).

Brokerage commissions in Poland are not fixed by the WSE or other regulatory bodies and are set by the brokerage house executing the transaction.

## **2.12. Capitalisation and Dispersion Requirements**

Pursuant to the WSE Rules, financial instruments may be admitted to trading on the stock exchange if:

- (a) appropriate disclosure document has been published or made available in accordance with applicable law;
- (b) their transferability is not restricted;
- (c) no bankruptcy, restructuring or liquidation proceedings are underway with respect to their issuer.

Pursuant to §3.2 of the WSE Rules, shares admitted to trading on the exchange should meet the following conditions:

- (a) the number of all of the issuer's shares multiplied by the projected market price of those shares, or, if it is not possible to determine that price, the issuer's own equity amounts to at least PLN 60,000,000 or the PLN equivalent of at least EUR 15,000,000;
- (b) shareholders, each of whom is entitled to exercise less than 5% of the total number of votes at the issuer's general meeting, hold at least:
  - (i) 15% of the shares covered by the application for admission to trading on the stock exchange; and
  - (ii) 100,000 shares covered by an application for admission to trading on the stock exchange with a value of at least PLN 4,000,000 or the PLN equivalent of at least EUR 1,000,000, calculated according to the last sale or issue price.

Pursuant to the Market and Issuers Regulation referred to in § 3(5) of the WSE Rules, one of the requirements when listing shares on the main market is that shareholders, each of whom is entitled to exercise less than 5% of the total number of votes at the issuer's general meeting, must hold at least:

- (a) 25% of the shares covered by the application for admission to trading on the stock exchange; or
- (b) 500,000 shares covered by an application for admission to trading on the stock exchange with a value of at least EUR 17,000,000, calculated at the last sale or issue price.

Additionally, pursuant to § 10 of the WSE Rules, the WSE Management Board, when considering an application for admission to trading on the exchange of financial instruments, considers:

- (a) the issuer's financial position and its outlook, in particular profitability, liquidity and debt servicing capacity, as well as other factors affecting the issuer's financial performance;
- (b) the prospects for the issuer's development, in particular an assessment of the feasibility of investment projects, including the sources of their funding;
- (c) experience and qualifications of members of the issuer's management and supervisory bodies;
- (d) the terms on which the financial instruments were issued and their compliance with the rules referred to in § 35 of the WSE Rules;
- (e) the safety of stock exchange trading and the interests of its participants.

## **3. Croatian Capital Markets Regulations**

### **3.1. Introduction**

The principal regulations governing the Croatian securities market are set out in the following acts: (i) the Capital Markets Act, (ii) the Takeover Act and (iii) the Obligations Act. Trading in shares on the regulated market operated by the ZSE within the territory of Croatia is also subject to EU regulations, which apply directly in Croatia, including the MAR, which applies directly throughout the EU and covers topics such as market manipulation, inside information and the acquisition of shares in public companies during closed periods.

The regulations included in the recently adopted EU legislative package, as described in "*2 Polish Capital Markets Regulations—2.1 Introduction*" above, in particular the Listing Act, also apply in Croatia. The Listing Act was published in the Official Journal of the European Union on 14 November 2024 and will come into force 20 days later, i.e. on 4 December 2024. However, certain amendments to the Prospectus Regulation and the MAR introduced by the Listing Act will become applicable 15 or 18 months after this date.

Furthermore, the Croatian capital market is governed by regulations contained in secondary legislation adopted on the basis of the aforementioned laws, as well as certain regulations of the ZSE and the SKDD including the ZSE Rules and the SKDD Rules. The competent authority for the supervision of financial services is the CFSSA.

### **3.2. Disclosure Rules**

According to the Capital Markets Act, if the host Member State of an issuer is Croatia, the disclosure obligations of the issuer should be governed by the laws of the home Member State. Please see “—1 Luxembourg Capital Markets Regulations” above.

According to the ZSE Rules, in the case of parallel admissions, i.e. where financial instruments in addition to a listing on the ZSE, are also admitted to trading on another regulated market in a Member State and the issuer is required under the regulations of that Member State and regulations of that regulated market or stock exchange on which the financial instruments are also admitted to trading to disclose certain information, the issuer shall be required to simultaneously disclose the same information on the ZSE.

### **3.3. Application of the Takeover Act**

The Shares in the Company will be listed on the WSE and the ZSE, but the Company has its registered office in a Member State other than Poland and Croatia, i.e. in Luxembourg.

According to the Takeover Act, in the case of a parallel listing, where the CFSSA is not designated as the supervisory body for the takeover process, the provisions of the Takeover Act regulating takeover obligations will not be applicable. For additional considerations regarding the applicable law please see “—1 Luxembourg Capital Markets Regulations—1.3 Mandatory Takeover under the Luxembourg Takeover Law” and “—2 Polish Capital Markets Regulations—2.4 Takeover Bids”.

On the first day of admission of the Shares on the regulated market, the Company must notify all regulated market operators involved (in this case WSE and ZSE) and their regulators which regulatory supervisory body will be competent to supervise possible takeover obligations. Such notification is to be published by ZSE on its website and, upon ZSE Admission, by the Company via Official Gazette (*Narodne novine*).

### **3.4. Takeover Bid**

If the competent authority of a Member State (i.e. Luxembourg or Poland, as the case may be), has approved the publication of the tender offer, such tender offer will be approved in Croatia without any additional approval procedure. However, the CFSSA will have the authority to request the bidder to update the content of the tender offer with appropriate information relating to the instructions on the manner and effects of the storage of shares prior to publication of the tender offer (via the ZSE and the Official Gazette (*Narodne novine*)).

### **3.5. Voluntary Tender Offer**

The Takeover Act regulates voluntary tender offers. However, such provisions shall only be applicable if the CFSSA is designated as the supervisory authority for the takeover process which is not the case for the Company (see “—3. Croatian Capital Markets Regulations—3.3 Application of the Takeover Act”).

### **3.6. Squeeze-Out and Sell-Out**

The Takeover Act regulates squeeze-out and sell-out. However, such provisions shall only be applicable if the CFSSA is designated as the supervisory authority for the takeover process which is not the case for the Company (see “—3. Croatian Capital Markets Regulations—3.3 Application of the Takeover Act”).

### **3.7. MAR**

#### **3.7.1. Manipulation**

Save as specified below, provisions of the MAR from section “—2. Polish Capital Markets Regulations—2.6 MAR—2.6.1 Manipulation” apply to Croatia as well. The competent Croatian authority is the CFSSA.

This section provides details of the sanctions that can be imposed in Croatia. For manipulation involving financial instruments, the Croatian Criminal Act prescribes a term of imprisonment ranging from six months to five years. If the manipulation results in the acquisition of substantial pecuniary gains or causes substantial damages to another, the Croatian Criminal Act prescribes a term of imprisonment ranging from one to eight years. In addition, the Capital Markets Act imposes misdemeanour fines for market manipulation. The following fines can be imposed on legal entities: (i) for serious offences committed as a result of negligence, between 1% up to 10% of total annual turnover as disclosed in the approved financial statements for the financial year in which the breach occurred (ii) for other serious offences (committed intentionally or as a result of negligence) between 2% up to 5% of total annual turnover as disclosed in the approved financial statements for the financial year in which the breach occurred, or (iii) for less serious offences (committed intentionally or as a result of negligence) in an amount of between EUR 13,270 and EUR 1,000,000. Where the amount of the benefits gained or losses avoided by the entity due to the infringements referred to above can be determined, instead of the fine referred to in this paragraph, a fine can be imposed of up to two



times or three times (depending on the breach) the amount of the benefits gained or losses avoided, if such amount is higher than the prescribed maximum fine amount described in this paragraph. The person responsible for the legal entity and other involved persons may also be fined up to EUR 1,327,220 (as for legal entities, the fines differ depending on the seriousness of the offence). Natural person committing market manipulation can receive fines of up to EUR 5,000,000 (fines differ depending on the seriousness of the offence).

#### 3.7.2. *Inside information*

Save as specified below, provisions of the MAR from Section “2 Polish Capital Markets Regulations—2.6 MAR—2.6.2 Inside Information” apply to Croatia as well. The Croatian competent authority is the CFSSA.

For insider trading, the Croatian Criminal Act prescribes a term of imprisonment ranging from six months to five years. If the insider trading results in the acquisition of substantial pecuniary gains or causes substantial damages to another, the Croatian Criminal Act prescribes a term of imprisonment ranging from one to eight years. The Capital Markets Act imposes the same range of sanctions for insider trading as for market manipulation. Depending on the breach, fines described in the Section “—3Croatian Capital Markets Regulations—3.7 MAR—3.7.1 Manipulation” apply to insider trading as well.

#### 3.7.3. *Obligations Related to the Purchase of Sale of Shares During Closed Periods*

Save as specified below, provisions of the MAR from Section “—2 Polish Capital Markets Regulations—2.6 MAR—2.6.3 Obligations Related to the Purchase of Sale of Shares During Closed Periods” apply to Croatia as well. The Croatian competent authority is the CFSSA.

For a breach of MAR provisions relating to the purchase or sale of shares during closed periods, no special criminal liability is prescribed. The Capital Markets Act imposes the same range of sanctions for the purchase or sale of shares during closed periods as for market manipulation. Depending on the breach, the fines described in “—3Croatian Capital Markets Regulations—3.7 MAR—3.7.1 Manipulation « apply to the purchase or sale during closed periods as well.

#### 3.7.4. *Non-Compliance with MAR*

Save as specified below, provisions of the MAR from Section “—2 Polish Capital Markets Regulations—2.7 Non-Compliance with MAR” apply to Croatia as well. The Croatian competent authority is the CFSSA.

In accordance with the MAR, the CFSSA has the power to take appropriate administrative sanctions, such as the imposition of fines and/or other administrative measures in relation to possible infringements.

Non-compliance with the market abuse rules set out above could also constitute an economic offense and/or a crime and could lead to the imposition of administrative fines by the CFSSA. The public prosecutor could press criminal charges resulting in fines or imprisonment. If criminal charges are pressed, administrative penalties can no longer be imposed and vice versa.

### **3.8. *Zagreb Stock Exchange***

The Croatian financial instruments exchange market is operated by the ZSE. The ZSE is a regulated market pursuant to MiFID II. The ZSE operates its business pursuant to applicable laws, including the Capital Markets Act and its internal regulations, including the ZSE Rules.

The exchange market operated by the ZSE constitutes a regulated market for the purposes of the relevant regulations of EU law and the Capital Markets Act. The ZSE organises and operates three segments of ZSE regulated market, i.e. Regular Market Segment (in Croatian, “Redovito tržište”), Official Market Segment (in Croatian, “Službeno tržište”) and Leading Market Segment (in Croatian, “Vodeće tržište”)

According to the ZSE’s website (*Zagrebačka burza (zse.hr)*), as of 31 October 2024, the shares of 80 companies were listed on the ZSE, and the total capitalisation of the companies listed on the ZSE was EUR 48,263 million.

As at the date hereof, the Company is not a public company and the rights and obligations listed below shall apply to the Company from the moment it becomes a public company (i.e. from the moment of the admission of at least one share in the Company to trading on the regulated market in Croatia).

### **3.9. *Withdrawal of the Shares from Trading (Delisting)***

Generally, shares may be withdrawn from trading for various reasons:

- pursuant to a general meeting decision to withdraw from listing on a regulated market,
- on the basis of a decision issued by the CFSSA, a court, or other public authority,
- upon the maturity or early redemption of a financial instrument,
- in cases specified in a prospectus or other documents related to a listing,

- when an issuer and/or financial instrument no longer meets the conditions for listing on a particular segment of the regulated market and/or when an issuer fails to comply with the post-listing obligations prescribed in the ZSE Rules,
- in the event of the initiation of bankruptcy proceedings against an issuer,
- in the event of the initiation of liquidation proceedings against an issuer,
- if an issuer ceases to exist,
- if a financial instrument ceases to exist,
- at the request of another person, in accordance with the provisions of the regulations governing credit institutions and investment firm recover, or
- in other cases specified in special regulations.

The most common delisting reason is the adoption of a decision on withdrawal by a general meeting. Under the Capital Markets Act, a decision to withdraw the shares of a Croatian company from organized trading is adopted by the shareholders' meeting of the company, with votes representing at least three quarters of the share capital represented at the shareholders' meeting when making a decision (a company's articles of association may prescribe a larger majority). The decision must be registered with the court register and its effectiveness depends on the majority of votes attained. If the decision was reached by the majority of more than nine tenths of the votes it becomes effective on the day of entry of the decision in the court register unless the decision stipulated otherwise. In all other cases, it will become effective after a grace period of six months from the date of entry into the court register. Once the decision is registered, the company must notify the ZSE, which is then required to make a decision on delisting by the next working day. If the decision on delisting was reached by a majority of more than nine tenths, the shares will be delisted the next day (or by the deadline specified in the decision), while in other cases, the shares will be delisted within six months. Shareholders who voted against the decision to delist may demand that the company buys their shares for fair compensation. Such right may also be exercised by a shareholder who did not participate in the relevant general meeting because the general meeting was convened improperly or untimely.

The Capital Markets Act does not stipulate a procedure under which foreign companies (such as the Company) adopt decisions on delisting – the law of the foreign company's registered seat should apply (i.e., the laws of Luxembourg for the Company). The procedural rules of the ZSE should apply accordingly. The procedural details need to be agreed on a case-by-case basis with the CSSFA and the ZSE as there are no explicit rules applicable in such case.

### **3.10. Settlement**

Information about ZSE transactions is delivered by the ZSE to SKDD on the same day a transaction is concluded (T+0), in the form and within the timeframe prescribed by the agreement concluded between SKDD and the ZSE.

All transactions on the regulated market of the ZSE are carried out on a delivery versus payment basis, with the transfer of the rights to securities occurring upon settlement on a T+2 basis, privately arranged transactions excepted.

### **3.11. Stock Exchange Trading Mechanisms**

Securities and the rights arising from them are acquired at the moment when the position is recorded in a securities account in the SKDD system, unless the moment of acquisition is otherwise determined by a special regulation. The change of holder is carried out by transferring the position from the transferor's securities account to the acquirer's securities account, based on a valid legal transaction, decision of a court or other competent authority, inheritance, and by law. For that purpose a person (e.g., investor, custodian, other participant on the market) should have a particular type of securities account (in Croatian: "*Račun vrijednosnih papira*") opened with SKDD.

SKDD enables the market operator (in Croatia this is the ZSE) to access its securities settlement system, which it manages on a non-discriminatory and transparent basis.

Pursuant to the ZSE Rules and the ZSE decision, ZSE sessions are held regularly from Monday to Friday from 8:00 a.m. to 4:25 p.m. CET.

The trading system allows for the following trading modalities: (i) continuous trading, (ii) low-liquid shares or (iii) continuous auctions.

Additional information on the ZSE, stock prices and trading in general is available on the ZSE's official website at <https://zse.hr/>.

### **3.12. Conditions for Inclusion of Securities in SKDD's Services**

The conditions for the inclusion of securities in depository services of SKDD are as follows:

- the securities must be issued in accordance with the law of the country of issuance, the statute of the applicant, and the decision on the issuance of the security;
- the applicant must enable SKDD to apply compliance measures in accordance with the SKDD rules, ensuring the integrity of the securities included in the depository services;
- securities of the same type must grant the holders the same rights;
- the securities must be registered in a name;
- it must be possible to assign a security identifier: ISIN, CFI, and FISN codes;
- after verifying the correctness of the data in a file, the transfer of data from the issuer's register to the SKDD information system must be possible;
- SKDD provides the service of initial recording of such securities in dematerialized form;
- the securities must be entered into the primary depository system if SKDD is the secondary depository for the securities for which inclusion is requested;
- there must be a connection between SKDD and the primary depository if SKDD is the secondary depository for the securities for which inclusion is requested.

The conditions for inclusion of securities in SKDD settlement and clearing services are as follows:

- the securities need to be included in SKDD depository services, which means that they need to fulfil the conditions listed under the points above;
- the inclusion of securities cannot have a negative impact on the securities, stability, and orderly functioning of the securities settlement system and the financial stability and orderliness of the market;
- the securities settlement system operated by SKDD supports the currency of settlement specified in the request.

### **3.13. General Criteria for Admission to Trading on the Regulated Market**

Certain general criteria for admission to trading on the regulated market are:

- financial instruments must be issued in accordance with the EU and Croatian legislation, including the Capital Markets Act, ZSE Rules and other ZSE's acts, Prospectus Regulation (Regulation (EU) no. 2017/1129), MAR (Regulation (EU) 596/2014) and Regulation (EU) 2017/568;
- financial instruments may be admitted to trading on the regulated market if capable of being traded in a fair, orderly and efficient manner;
- the legal position of the issuer must be compliant with the regulations of the Republic of Croatia or of the country of the issuer's registered office (i.e., Luxembourg for the Company);
- the issuer must comply with the obligation to publish the prospectus and/or other information (if such obligation in the matter at hand exists). If such obligation exists, the issuer shall submit the prospectus and/or other information to the ZSE, state when and by which body the prospectus and/or other information has been approved, and when and in which manner the issuer has complied with its obligation to disclose the prospectus to the public;
- the financial instruments must be issued in accordance with the regulations that apply to them and must be freely transferable;
- efficient transaction settlement must be provided in respect of financial instruments, where compliance with that criterion shall be presumed if the financial instrument are issued in book-entry (dematerialised) form and registered in the central depository or central register, and included in the clearing/and or settlement system;
- the issuer shall ensure the existence of an identifying number or identification code in accordance with the provisions contained in Article 3 of Delegated Regulation (EU) No 2017/585;
- the circumstance of pre-bankruptcy, bankruptcy proceedings, extraordinary administration or liquidation procedure being instituted against the issuer shall constitute the grounds for rejection of the application for admission of financial instruments to trading on the regulated market.

### **3.14. Distribution of Shares to the Public**

Distribution to the public (free float) shall be determined on the basis of figures for the total number of all outstanding same-class shares of an issuer registered in the accounts of their holders with the central depository, expressed as a percentage rounded to two decimals. In determining the free-float ratio of shares, the following are not deemed to be distributed to the public:

- issuer's own (treasury) shares; and

- shares held by a person controlling 5% or more of such shares, except where the shares are held by a collective investment undertaking or pension fund.

Where the application for listing / admission to trading is submitted in respect of a new issue of same-class shares, the free float ratio may refer to all shares outstanding and not only to the new issue.

Where the application is submitted in respect of shares listed on another regulated market in the Republic of Croatia or Member State or on a third country exchange, the free float ratio may also refer to the shares distributed to the public in the country in which the shares are listed on the regulated market.

### **3.15. Criteria for Admission to Trading on Different Types of Market (Market Segments)**

#### *3.15.1. Regular Market Segment*

Shares to be admitted to trading on the ZSE Regular Market Segment shall meet the general criteria for admission (see “—3. Croatian Capital Markets Regulations—3.13 General Criteria for Admission to Trading on the Regulated Market”).

At least 15% of the shares referred to in the application for admission to trading must be distributed to the public. In exceptional cases, shares which do not meet the free float requirement may be admitted to trading if, in view of the large number of same class shares and the free float ratio, this does not compromise orderly market functioning.

#### *3.15.2. Official Market Segment*

Shares to be admitted to trading on the ZSE Official Market Segment shall meet the general criteria for admission (see “—3. Croatian Capital Markets Regulations—3.13 General Criteria for Admission to Trading on the Regulated Market”).

At least 25% of the shares referred to in the application for admission to trading must be distributed to the public. Said percentage of shares must be distributed to at least 30 shareholders. In exceptional cases, shares which do not meet the free float requirement may be admitted to trading if, in view of the large number of same class shares and the free float ratio, this does not compromise orderly market functioning. Orderly market functioning is considered not to be compromised if at least 10% of the shares are distributed among at least 50 shareholders.

The expected market capitalization must be at least EUR 1,000,000. If it is not possible to make an estimate of the anticipated market capitalization, capital and reserves of the company, including the profit or loss of the financial year that precedes the year in which the request for admission has been submitted, must be at least EUR 1,000,000. The ZSE may approve admission to the Official Market Segment even if these conditions are not fulfilled, if it considers that there will be an adequate market for the mentioned shares.

The issuer needs to have an investor relations function in place with at least one designated person having the necessary knowledge and skills in the area of investor relations and to maintain the relevant level of expertise of such person.

The issuer must have published or submitted annual financial reports in accordance with the legislation of the country of the issuer’s registered office (i.e., Luxembourg for the Company) for the three financial years preceding the submission of the application for listing on the Official Market Segment. Exceptionally, the ZSE is authorised to approve the listing of shares of an issuer who does not meet the conditions mentioned if the ZSE believes that the investors have the necessary information to assess the issuer and the shares for which the listing is requested, and if doing so is in the interest of the issuer or investors.

If the listing on the Official Market Segment is preceded by a public offering, the initial listing on the Official Market Segment can only occur after the subscription and payment period of the public offering has ended. Before the listing of shares on the Official Market Segment, a sufficient number of shares must be distributed to the public (as explained above). If the shares are distributed to the public through a regulated market, the listing on the Official Market Segment can be approved without fulfilling the conditions mentioned if the ZSE believes that a sufficient number of shares will be distributed through the regulated market within a short period of time.

#### *3.15.3. Prime Market Segment*

Shares to be admitted to trading on the ZSE Prime Market Segment are to meet the general criteria for admission (see “—3. Croatian Capital Markets Regulations—3.13 General Criteria for Admission to Trading on the Regulated Market”).

The issuer needs to have an investor relations function in place with at least one designated person having the necessary knowledge and skills in the area of investor relations and maintain the relevant level of expertise of such person.

At least 35% of the shares referred to in the application for admission to trading must be distributed to the public. The issuer is required to have at least 1,000 shareholders. The anticipated market capitalization of shares in respect of which an application for admission to trading has been submitted must be at least EUR 65,000,000.00.

The issuer of shares in respect of which a listing application has been submitted are to enter into a market making agreement with at least one market maker in respect of the shares being admitted to trading.

The supervisory board of the issuer must have at least one independent member who has no business, family or other relations with the issuer, majority shareholder or group of majority shareholders or members of the management or supervisory board of the issuer or majority shareholder.

At least one member of the audit committee is to be independent of the issuer.

The audit report must not contain modifications of the auditor's opinion (qualified opinion, negative opinion or abstention from opinion) prepared in accordance with the International Standards on Auditing or other globally acceptable standards. This applies even if semi-annual financial statements of the issuer have been audited. If the total fees received by the statutory auditor or audit firm or, where applicable, by the group auditor in the last financial year exceed the threshold set in Article 4(3) of Regulation (EU) No 537/2014, the issuer is required to disclose the outcome of the audit committee discussion of the threats to the independence of the statutory auditor or audit firm or, where applicable, the group auditor and the safeguards applied to mitigate those threats and whether the audit engagement should be subject to an engagement quality control review by another statutory auditor or audit firm prior to the issuance of the audit report. All of these obligations also apply to the issuer, which is required to prepare consolidated financial statements.

If the application for admission to trading on the ZSE Prime Market Segment relates to shares already admitted to trading on the regulated market, the issuer of such shares must not have any market protection measure imposed under the ZSE Rules for a period of 1 (one) year prior to the date of submission of the application for admission to trading on the ZSE Prime Market Segment.

#### **4. Notification Requirements and Other Limitations under Antimonopoly Regulations**

##### **4.1. Concentration Control in Croatia**

The Competition Act stipulates merger clearance rules for the Croatian market. These rules cover concentrations which are established by change of control over an undertaking on a lasting basis that results from: (i) the merger of two or more previously independent undertakings or parts of such undertakings; or (ii) the acquisition of direct or indirect control or predominant influence of one or more undertakings over another, or over several other undertakings, or over part or parts of other undertakings, by acquiring a majority of shares, or by acquiring a majority of voting rights, or by other means in accordance with the provisions of the Companies Act; or (iii) the creation of a joint venture performing on a lasting basis all of the functions of an autonomous economic entity.

A concentration where the participating undertakings exceed specific turnover thresholds requires merger clearance from the AZTN. The Competition Act determines the merger filing obligation if the below thresholds are fulfilled:

- each of at least two participating undertakings achieve aggregate domestic turnover (in Croatia) of at least approx. EUR 13,270,000.00; and
- the combined aggregate worldwide turnover of all participating undertakings is at least approx. EUR 132,700,000.00.

When one undertaking acquires control or predominant influence over all or part of another undertaking, the merger filing obligation rests with the undertaking acquiring control. In all other cases, all participants of the concentration are required to submit a joint filing, as mutually agreed.

The merger filing notification is to be submitted to the AZTN (i) after the conclusion of the agreement by which control or predominant influence over the undertaking or part of the undertaking is acquired, or (ii) after the announcement of a public offer based on which control or predominant influence over the undertaking or part of the undertaking is acquired, but in any case, before the concentration is implemented. Proceeding with the transaction, i.e. implementing the concentration is only allowed after the AZTN has granted merger clearance.

Non-compliance with the obligation to obtain merger clearance carries the risk of the imposition of a fine of up to 1% (e.g., for failure to notify) or even up to 10% (for participating in a prohibited concentration) of the worldwide annual turnover for any undertaking that participates in such concentration. It is possible that other measures for eliminating the breach would be imposed (e.g., an order to sell and transfer the acquired shares).

##### **4.2. EU Concentration Control**

The requirements regarding the control of concentrations also arise from Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the EC Merger Regulation) (the "**Concentration Control Regulation**"). This regulation governs concentrations having an EU dimension and therefore applies to undertakings and their related parties that exceed specific turnover thresholds. The Concentration Control Regulation only covers such concentrations in which a change of control on a lasting basis results from: (i) the merger of two or more previously independent undertakings or parts of undertakings; or (ii) the acquisition, by one or more persons



already controlling at least one undertaking, or by one or more undertakings, whether by purchase of securities or assets, by contract or by any other means, of direct or indirect control of the whole or parts of one or more other undertakings. The creation of a joint venture performing on a lasting basis all of the functions of an autonomous economic entity constitutes a concentration within the meaning of the Concentration Control Regulation.

A concentration having an EU dimension is subject to the notification of the European Commission, which must issue merger clearance before the final implementation of such concentration.

Under the Concentration Control Regulation, a concentration between undertakings has an EU dimension if:

- the combined aggregate worldwide turnover of all of the undertakings concerned amounts to more than EUR 5 billion; and
- the aggregate turnover in the European Union of each of at least two undertakings concerned amounts to more than EUR 250 million,

unless each of the undertakings concerned achieves more than two-thirds of its aggregate turnover in the European Union within one and the same Member State.

A concentration of undertakings that does not satisfy the above criteria also has an EU dimension if:

- the combined aggregate worldwide turnover of all of the undertakings concerned amounts to more than EUR 2.5 billion;
- in each of at least three Member States, the combined aggregate turnover of all of the undertakings concerned amounts to more than EUR 100 million;
- in each of at least three Member States, specified for the purpose of the point above, the aggregate turnover of each of at least two of the undertakings concerned amounts to at least EUR 25 million; and
- the aggregate turnover in the European Union of each of at least two of the undertakings concerned amounts to more than EUR 100 million,

unless each of the undertakings concerned achieves more than two-thirds of its aggregate turnover in the European Union in one and the same Member State.

In specific cases, a concentration not having an EU dimension may be, in accordance with the Concentration Control Regulation, referred to the Commission for merger clearance. Similarly, in specific cases, a concentration that has an EU dimension may be referred by the Commission to a national competition authority.

A concentration of which the European Commission is notified and which is cleared under the Concentration Control Regulation is not subject to clearance from the AZTN or any other national competition authority in the European Union.

## TAXATION

*The following is a discussion of certain Luxembourg, Croatian, Polish and US tax considerations relevant to investors residing in Luxembourg, Croatia or Poland or who are otherwise subject to Luxembourg, Croatian or Polish taxation and of certain U.S. federal income tax consequences for U.S. Holders (as defined below) of owning and disposing of the Shares. Any statements included in this section or in other sections of this Prospectus should not be deemed to be tax advice. It is based on Luxembourg, Croatian, Polish and US tax laws or certain U.S. federal income tax laws, respectively, and, as its interpretation refers to the position as at the date of this Prospectus, it may therefore be subject to change, including changes with retroactive effect. Any change may negatively affect tax treatment, as described below. This description does not purport to be complete regarding all tax information that may be relevant to investors, including U.S. Holders as defined below, due to their personal circumstances.*

*Prospective purchasers of the Offer Shares are advised to consult their professional tax advisor in regard to the tax consequences of the purchase, ownership, disposal, redemption or transfer without remuneration of the Offer Shares and the Shares. The information provided below does not cover tax consequences concerning income tax exemptions applicable to specific taxable items or specific taxpayers (e.g., domestic or foreign investment funds).*

*Tax regulations in Luxembourg, Croatia and Poland are complex and are subject to frequent changes. In the Company's opinion, the tax law practice of the tax authorities is not homogenous and there are rather significant discrepancies between the judicial decisions issued by administrative courts in tax law matters. There can be no assurance given that the tax authorities will not question the accuracy of the tax reporting and tax payments made by Studenac in the scope of tax liabilities not barred by the statute of limitations. It cannot be ruled out that once new tax law regulations are introduced, Studenac will need to take actions to adjust thereto, which may result in greater costs forced by circumstances related to complying with the changed or new regulations.*

*Investors are warned that the tax legislation of their country of incorporation or domicile/residence and of Luxembourg as the Company's country of incorporation may have an impact on the income received from the Shares, including the Offer Shares.*

### 1. Luxembourg Tax Considerations

The following section summarises certain important Luxembourg taxation principles that may be relevant to Investors investing in, owning, holding or disposing of Shares in the Company. Unless otherwise indicated, all information contained in this section is based on laws, regulations, practice and court decisions in effect in Luxembourg as at the date of this Prospectus (as referred to herein, collectively, "**Luxembourg Tax Laws**"), and as such, may be superseded after such date. The reference to a specific law, act or regulation refers to its version as amended and in force as at the date of this Prospectus. Any subsequent changes to Luxembourg Tax Laws could apply retroactively and could affect the continued accuracy of this summary. This summary does not purport to be a comprehensive description of all Luxembourg Tax Laws and Luxembourg tax considerations that may be relevant to a decision to invest in, own, hold or dispose of the Shares in the Company, and is not intended to serve as tax advice to any particular investor or potential investor. Investors should consult their own tax advisors about the tax consequences of investing in, owning, holding or disposing of the Shares in the Company. This summary does not describe any tax consequences arising under the laws of any state, locality or taxing jurisdiction other than Luxembourg.

Where in this summary English terms and expressions are used to refer to Luxembourg tax concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Luxembourg concepts under Luxembourg Tax Laws.

The residence concept used below applies for Luxembourg tax assessment purposes only. Any reference in the present section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Luxembourg Tax Laws and/or concepts only. Any reference to Luxembourg income tax encompasses corporate income tax (*impôt sur le revenu des collectivités*), municipal business tax (*impôt commercial communal*) and the solidarity surcharge (*contribution au fonds pour l'emploi*), as well as personal income tax (*impôt sur le revenu*) generally. Corporate holders of the Shares in the Company may further be subject to net wealth tax (*impôt sur la fortune*) as well as other duties, levies or taxes. Corporate income tax, the solidarity surcharge, the municipal business tax and net wealth tax apply to most corporate taxpayers resident in Luxembourg for tax purposes. Individual taxpayers are generally subject to personal income tax and the solidarity surcharge. Under certain circumstances, where an individual taxpayer acts in the course of the management of a professional or business undertaking, municipal business tax may also apply.

### **1.1. Luxembourg Withholding Tax on Dividends Paid on the Shares**

Any dividends distributed by the Company will in principle be subject to a 15% withholding tax in Luxembourg if levied on the gross dividend amount, or 17.65% if levied on the net dividend amount put at the disposal of the beneficiary, unless an exemption or a reduced treaty rate applies.

#### **Luxembourg Withholding Tax on capital gains and liquidation proceeds**

No Luxembourg withholding tax is levied on capital gains and liquidation proceeds.

##### *1.1.1. Resident and non-resident corporate holders*

An exemption from dividend withholding tax may apply on dividends paid by the Company to a corporate holder which (i) is (a) an undertaking with a collective character which falls within the scope of Article 2 of European Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States (the “**Parent-Subsidiary Directive**”), or a permanent establishment of such an undertaking with a collective character, or (b) a resident joint-stock company (i.e. a fully taxable entity within the meaning of Article 159 of the Luxembourg Income Tax Law) not listed in Article 166 (10) of the Luxembourg Income Tax Law or a non-Luxembourg permanent establishment of such company, or (c) an undertaking with a collective character subject to a tax comparable to corporate income tax as provided by Luxembourg Income Tax Law and resident in a country that has concluded a double taxation treaty with Luxembourg, or its Luxembourg permanent establishment, or (d) a joint-stock company resident in Switzerland subject to corporate income tax in Switzerland without benefiting from an exemption, or (e) a joint-stock company or a cooperative company subject to a tax comparable to corporate income tax as provided by Luxembourg Income Tax Law resident in a State being part of the EEA other than a Member State of the European Union, or (f) the permanent establishment of a joint-stock company or cooperative company resident in a State being part of the EEA other than a Member State of the European Union, and which satisfies the following conditions: (ii) (a) it meets the qualifying participation test of being a shareholding in the share capital of the Company of at least 10% or having an acquisition cost of at least EUR 1.2 million, and (b) its qualifying shareholding has been held for an uninterrupted period of at least 12 months.

##### *1.1.2. Non-resident holders*

For non-resident holders, treaty relief may also be claimed under the conditions and subject to the limitations set forth in the relevant double taxation treaties concluded between Luxembourg and the relevant jurisdiction.

### **1.2. Directors' fees - withholding tax**

Directors' fee (*tantièmes*) paid by the Company (if any) to its directors in consideration for their executive position (i.e., not within the context of an employment agreement or the day-to-day management) are non-deductible for corporate income tax and municipal business tax purposes at the level of the Company and are subject to withholding tax at a rate of 20% on the gross amount of such fees (25% on the net amount).

### **1.3. Luxembourg income tax on dividends paid on the shares and capital gains**

#### *Luxembourg resident individual holders*

For Luxembourg resident individuals, income in the form of dividends or capital gains derived from the Shares will normally be subject to individual income tax at the applicable progressive tax rates plus the solidarity surcharge levied thereon.

Such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law, subject to fulfilment of the conditions set out therein.

Luxembourg withholding tax on dividends paid by the Company to a Luxembourg resident individual holder of Shares will entitle such Luxembourg holder to a tax credit for the tax withheld.

Capital gains will only be taxable (i) if they are realised on a disposal of Shares which takes place prior to or within six months following their acquisition (“**Speculative Gains**”), or (ii) if they are realised on a disposal of Shares which takes place after six months following their acquisition and the relevant holder (alone or together with his/her spouse or registered partner and his/her underage children), directly or indirectly, holds or has held more than 10% of the capital of the Company (“**Substantial Participation**”) at any time during the five years preceding the disposal. A disposal may include a sale, an exchange, a contribution or any other kind of alienation of the participation.

Speculative Gains are subject to income tax as miscellaneous income at ordinary rates. Capital gains realised on a Substantial Participation more than six (6) months after the acquisition thereof are taxed according to the half-global rate method (i.e., the average rate applicable to the total income is calculated according to progressive income tax rates and half of the average rate is applied to the capital gains realised on the Substantial Participation).

#### *Luxembourg resident corporate holders*

For Luxembourg resident corporate holders, income in the form of dividends or capital gains derived from the Shares will be subject to Luxembourg corporate income tax, increased by the solidarity surcharge and Luxembourg municipal business tax at an aggregated rate of 24.94% for financial year 2024 for companies registered in the municipality of Luxembourg city, unless the conditions of the Luxembourg participation exemption regime, as described below, are satisfied (the rate of Luxembourg municipal business tax varies depending on the municipality where the company is registered).

The dividend may benefit from a full tax exemption under Article 166 of the Luxembourg Income Tax Law if the Luxembourg corporate holder has held a shareholding representing at least 10% of the share capital of the Company (or a shareholding having an acquisition cost of at least EUR 1.2 million) for an uninterrupted period of 12 months (or makes the commitment to hold a qualifying shareholding for such period) (the “**Luxembourg Participation Exemption**”).

The Luxembourg Participation Exemption regime may not apply to profit distributions that (i) are tax deductible for the distributing resident entity or (ii) with respect to EU companies, are made in the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances (“**Anti-Abuse Rules**”).

If such exemption does not apply, such dividends may benefit from the 50% exemption set forth in Article 115(15a) of the Luxembourg Income Tax Law, subject to fulfilment of the conditions set out therein.

In addition, a Luxembourg corporate holder may be entitled to a tax credit equal to the amount of the withholding tax levied by the Company.

Capital gains realised on the sale of the Shares in the Company may benefit from a tax exemption under Article 166 of the Luxembourg Income Tax Law and the Grand Ducal Decree of 21 January 2001 if the Luxembourg corporate holder has held a participation representing at least 10% of the share capital of the Company (or a shareholding having an acquisition cost of at least EUR 6 million) for an uninterrupted period of 12 months (or makes the commitment to hold a qualifying shareholding for such period). Tax deductible expenses in economic relation with exempt income (e.g., interest on debt financing the Shares, operating expenses, write-down), will be recaptured at the time of the sale of the participation, up to the amount of the gain. The capital gain will be subject to tax up to the amount of the expenses being recaptured which have decreased the taxable basis of the Company in any prior fiscal year, including the year of the disposal.

Luxembourg corporate resident holders who benefit from a special tax regime such as: (i) undertakings for collective investment subject to the amended law of 21 December 2010 related to undertakings for collective investments; (ii) specialised investment funds subject to the amended law of 13 February 2007 related to specialised investment funds; (iii) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies; or (iv) reserved alternative investment funds subject to the amended law on reserved alternative investment funds of 23 July 2016 (except for those subject to Article 48 of said law) are exempt from income tax in Luxembourg, but instead subject to an annual subscription tax (*taxe d'abonnement*) and thus income derived from the Shares, as well as gains realised thereon, are not subject to Luxembourg corporate income taxes.

#### *Non-Luxembourg resident holders*

Dividends received by a non-resident holder of Luxembourg who does not have a permanent establishment, a permanent representative, or a fixed place of business in Luxembourg with which the holding of the Shares is connected will not be subject to Luxembourg income tax, except for the above-mentioned withholding tax.

Capital gains arising upon a disposal of the Shares by a non-resident individual or corporate holder of the Shares who is a non-Luxembourg resident holder (and who does not have a permanent establishment in Luxembourg to which Shares are attributable) and who is not resident in a country which has concluded a double tax treaty with Luxembourg which allocates the right of taxation of capital gains to the country of residence of the holder, will only be subject to Luxembourg taxation if such holder has (in case of an individual, together with his or her spouse and underage children) directly or indirectly held more than 10% of the capital of the Company and either (1) the disposal of the Shares occurs before their acquisition or within six months of their acquisition, or (2) such holder has been a resident of Luxembourg for tax purposes for at least 15 years and has become a non-resident within the five years preceding the realisation of the gain.

A corporate non-Luxembourg resident holder having a permanent establishment in Luxembourg to which the Shares are attributable will bear corporate income tax and municipal business tax on dividends received and on capital gains realised on a disposal of such Shares at ordinary Luxembourg tax rates for Luxembourg tax purposes, unless it is (a) an undertaking with a collective character which falls within the scope of Article 2 of the Parent-Subsidiary Directive,

or (b) a joint stock company resident in a country that has concluded a double tax treaty with Luxembourg, or (c) a joint-stock company or cooperative company resident in a State being part of the EEA other than a Member State of the European Union, in which case such dividends received or capital gains may be exempt under Article 166 of the Luxembourg Income Tax Law and the Grand Ducal Decree of 21 January 2001, subject to the fulfilment of the conditions set out therein.

#### **1.4. Net wealth tax**

A fully taxable Luxembourg resident company holding Shares of the Company or a non-resident who has a permanent establishment in Luxembourg to which Shares of the Company are attributable are subject to Luxembourg net wealth tax (subject to the application of the participation exemption regime) on such Shares levied at the rate of 0.5% on the unitary value up to EUR 500 million and at the rate of 0.05% on the unitary value exceeding EUR 500 million.

A minimum new wealth tax of EUR 4,815 applies to companies whose sum of fixed financial assets (registered in Lux GAAP accounts no. 23), transferable securities (registered in Lux GAAP accounts no. 41), and cash at bank (registered in Lux GAAP accounts no. 50 and 51) exceeds 90% of their total gross assets and EUR 350,000.

Corporate holders of Shares may be exempt from net wealth tax subject to the conditions set forth in Article 60 of the Law of 16 October 1934 on the valuation of assets (*Bewertungsgesetz*). Specifically, assuming that the holder of a shareholding is a Luxembourg resident fully taxable company, a shareholding is exempt from Luxembourg net wealth tax provided the above conditions of the Luxembourg Participation Exemption are met (except that the minimum holding period that is not applicable).

However, the Shares held by Luxembourg corporate holders who benefit from a special tax regime such as, for example: (i) undertakings for collective investment subject to the amended law of 17 December 2010 related to undertakings for collective investments; (ii) vehicles subject to the amended law of 22 March 2004 on securitisation; (iii) companies subject to the amended law of 15 June 2004 on venture capital vehicles; (iv) specialised investment funds subject to the amended law of 13 February 2007 related to specialised investment funds; (v) family wealth management companies subject to the amended law of 11 May 2007 related to family wealth management companies; or (vi) a company subject to the amended law on reserved alternative investment funds of 23 July 2016 will not be subject to the proportional net wealth tax. Please, however, note that securitisation companies subject to the amended law of 22 March 2004, venture capital vehicles subject to the amended law of 15 June 2004 or reserved alternative investment funds subject to the amended law of 23 July 2016 and which fall under the special tax regime set out under article 48 thereof may, under certain conditions, be subject to minimum net wealth tax.

An individual holder of Shares, whether he/she is a resident of Luxembourg or not, is not subject to Luxembourg net wealth tax on his/her Shares.

#### **1.5. Other tax consideration**

No registration tax will be payable by a holder of the Shares upon the issue, subscription or acquisition of the Shares in the Company or upon a disposal of the Shares by way of a sale or exchange.

Luxembourg inheritance tax may be levied on a transfer of the Shares upon the death of a Luxembourg resident individual for Luxembourg inheritance tax purposes.

Luxembourg gift tax will be levied in the event that a gift of the Shares is made pursuant to a notarial deed signed before a Luxembourg notary or is otherwise registered in Luxembourg.

#### **1.6. Mandatory Disclosure Regime**

The Council Directive 2011/16/EU on administrative cooperation in the field of taxation has been revised to include a set of mandatory disclosure rules ("**MDRs**" or "**DAC6**") for cross-border tax arrangements that contain one or more of the prescribed "hallmarks". An arrangement will be "cross-border" where it concerns more than one EU Member State, or an EU Member State and a third country. Under the MDRs such arrangements will need to be reported to the tax authorities and the information reported will be exchanged automatically amount the EU Member States' tax authorities. DAC6 was implemented in Luxembourg by the law dated 25 March 2020.

Resident and non-resident holders of the Shares should contact their own tax advisers regarding the application of the DAC6 to their particular circumstances and their investment in the Company.

## **2. Certain U.S. Federal Income Tax Considerations**

The following discussion describes certain U.S. federal income tax consequences to U.S. Holders (as defined below) under present law of acquiring, owning and disposing of the Shares. The discussion below applies only to U.S. Holders that purchase Shares in this Offering, hold such Shares as capital assets within the meaning of Section 1221 of the



Internal Revenue Code of 1986, as amended (the “Code”), and that have the U.S. dollar as their functional currency. The discussion below is based on the Code, existing and proposed U.S. Treasury regulations, as well as judicial and administrative interpretations thereof, all as at the date of this Prospectus. Except as expressly described herein, this discussion does not address the U.S. federal income tax consequences that may apply to U.S. Holders under any applicable income tax treaty. All of the foregoing authorities are subject to change or differing interpretation, which change or differing interpretation could apply retroactively and could affect the tax consequences described below. There can be no assurance that the U.S. Internal Revenue Service (the “IRS”) will not assert a different position concerning any of the tax consequences discussed below or that any such position would not be sustained by a court. This summary does not address any alternative minimum tax considerations, any estate or gift tax consequences or any state, local, or non-U.S. tax consequences, or special tax accounting rules that apply to certain accrual basis taxpayers under Section 451(b) of the Code, nor does it address the Medicare contribution tax on net investment income. The following discussion does not deal with all of the tax consequences to any particular investor and does not describe all of the tax consequences to persons in special tax situations such as

- banks;
- certain financial institutions;
- regulated investment companies and real estate investment trusts;
- insurance companies;
- broker-dealers;
- traders that elect to mark to market;
- tax-exempt entities, “individual retirement accounts” or “Roth IRAs”;
- certain U.S. expatriates;
- persons holding Shares as part of a straddle, hedging, constructive sale, conversion or integrated transaction;
- persons that actually or constructively own 10% or more of the Company’s stock (by vote or value);
- persons that are resident or ordinarily resident in or have a permanent establishment in a jurisdiction outside the United States;
- persons holding Shares in connection with a trade or business conducted outside of the United States;
- persons who acquired Shares pursuant to the exercise of any employee share option or otherwise as compensation; or
- persons holding Shares through entities or arrangements classified as partnerships or other pass-through entities.

**The discussion of U.S. federal income tax considerations set out below is for general information only. Prospective purchasers are urged to consult their tax advisors about the application of the U.S. federal tax rules to their particular circumstances, as well as the state, local, non- U.S. and other laws, including under any applicable tax treaty, tax consequences to them of the purchase, ownership and disposition of the shares, as well as the consequences of any change in tax law.**

The discussion below of the U.S. federal income tax consequences to “U.S. Holders” applies to a holder that is a beneficial owner of Shares and is, for U.S. federal income tax purposes,

- an individual who is a citizen or resident of the United States;
- a corporation, or other entity taxable as a corporation, created in or organized under the laws of the United States, any State thereof or the District of Columbia;
- an estate whose income is subject to U.S. federal income taxation regardless of its source; or
- a trust that (i) is subject to the primary supervision of a court within the United States and the control of one (1) or more U.S. persons with respect to all substantial decisions or (ii) has a valid election in effect under applicable U.S. Treasury regulations to be treated as a U.S. person.

If a partnership (or an entity or arrangement treated as a partnership for U.S. federal income tax purposes) holds Shares, the U.S. federal income tax treatment of a partner in such partnership generally will depend on such partner’s status and the activities of the partnership. Such a partnership or partner in such partnership should consult its tax advisor as to its tax consequences of an investment in the Shares.

## **2.1. Distributions**

Subject to the passive foreign investment company rules discussed below, the gross amount of distributions made to a U.S. Holder by the Company with respect to the Shares (including the amount of any non-U.S. taxes withheld

therefrom) will generally be included in a U.S. Holder's gross income as dividend income on the date actually or constructively received to the extent such distribution is paid out of the Company's current or accumulated earnings and profits (as determined under U.S. federal income tax principles). Distributions in excess of the Company's current and accumulated earnings and profits will be treated as a non-taxable return of capital to the extent of the U.S. Holder's basis in the Shares and thereafter as capital gain. The Company does not plan to maintain calculations of its earnings and profits under U.S. federal income tax principles. U.S. Holders should therefore assume that all distributions will be taxable as dividends, and taxable at ordinary income rates.

Dividends paid to U.S. Holders that are corporations will not be eligible for the dividends-received deduction generally allowed to U.S. corporations in respect of dividends received from other U.S. corporations. With respect to certain non-corporate U.S. Holders (including individuals), dividends will be taxed at the lower capital gains rate applicable to "qualified dividend income," provided that (1) the Company is eligible for the benefits of a comprehensive income tax treaty with the United States which the Secretary of Treasury of the United States determines is satisfactory for this purpose and which includes an exchange of information program, (2) the Company is not a PFIC (see also "—2.3 *Passive Foreign Investment Company*") for its taxable year in which the dividend is paid and the preceding taxable year, and (3) certain holding period and other requirements are met.

Dividends paid in a currency other than U.S. dollars will be includable in income in a U.S. dollar amount based on the exchange rate in effect on the date of actual or constructive receipt whether or not the currency is converted into U.S. dollars or otherwise disposed of at that time. A U.S. Holder's tax basis in the non-U.S. currency will equal the U.S. dollar amount included in income. Any gain or loss realised on a subsequent conversion or other disposition of the non-U.S. currency for a different U.S. dollar amount generally will be U.S. source ordinary income or loss. If dividends paid in a currency other than U.S. dollars are converted into U.S. dollars on the day they are received, the U.S. Holder generally will not be required to recognise foreign currency gain or loss in respect of the dividend income. U.S. Holders should consult their own tax advisors regarding the treatment of any foreign currency gain or loss.

A U.S. Holder may be entitled, subject to certain limitations, to a credit against its U.S. federal income tax liability, or to a deduction, if elected, in computing its U.S. federal taxable income, for any non-refundable, non-U.S. taxes withheld from dividends at a rate not exceeding the rate provided in an applicable income tax treaty. For purposes of the foreign tax credit limitation, dividends paid by the Company generally will constitute foreign source income in the "passive category income" basket. There are significant complex limitations on a U.S. Holder's ability to claim such a credit or deduction and U.S. Holders should consult their tax advisors concerning the availability of the U.S. foreign tax credit in their particular circumstances.

## **2.2. Sale or other Disposition**

Subject to the passive foreign investment company rules discussed below, a U.S. Holder generally will recognise capital gain or loss on the sale or other disposition of the Shares in an amount equal to the difference, if any, between the U.S. dollar value of the amount realised from the sale or other disposition and the U.S. Holder's adjusted tax basis in the Shares. Any gain or loss generally will be treated as arising from U.S. sources for foreign tax credit limitation purposes and will be long-term capital gain or loss if the U.S. Holder's holding period exceeds one (1) year. Long-term capital gains of certain non-corporate U.S. Holders (including individuals) are generally eligible for reduced rates of taxation under current law. The deductibility of capital losses is subject to certain limitations.

A U.S. Holder's initial tax basis in the Shares generally will be the U.S. dollar value of the non-U.S. currency paid in the Offering determined on the date of purchase. If the Shares are treated as traded on an "established securities market", a cash basis U.S. Holder (or, if it elects, an accrual basis U.S. Holder) will determine the U.S. dollar value of the cost of such Shares by translating the amount paid at the spot rate of exchange on the settlement date of the purchase. A U.S. Holder that receives a currency other than U.S. dollars on the sale or other disposition of the Shares will realise an amount equal to the U.S. dollar value of the currency received at the spot rate on the date of sale or other disposition (or, if the Shares are traded on an "established securities market" at the time of disposition, in the case of cash basis and electing accrual basis U.S. Holders, the settlement date). Such elections by an accrual method U.S. Holder must be applied consistently from year to year and cannot be revoked without the consent of the IRS. A U.S. Holder that does not determine the amount realised using the spot rate on the settlement date will recognise foreign currency gain or loss if the U.S. dollar value of the currency received at the spot rate on the settlement date differs from the amount realised. A U.S. Holder will have a tax basis in the currency received equal to its U.S. dollar value at the spot rate on the settlement date. Any currency gain or loss realised on the settlement date or on a subsequent conversion of the non-U.S. currency for a different U.S. dollar amount generally will be U.S. source ordinary income or loss for U.S. federal income tax purposes. U.S. Holders should consult their tax advisors as to the U.S. federal income tax consequences of the receipt of non-U.S. currency.

If any non-U.S. tax is imposed on the sale or other disposition of the Shares, a U.S. Holder's amount realised will include the gross amount of the proceeds of the sale or other disposition before deduction of such tax. Because capital gain or loss, if any, will generally be U.S. source gain or loss for foreign tax credit purposes and a U.S. Holder may use foreign tax credits to offset only the portion of U.S. federal income tax liability that is attributable to foreign-source income, a U.S. Holder may not be able to claim a foreign tax credit for any non-U.S. income tax imposed on such gains unless the U.S. Holder has other taxable income from foreign sources in the appropriate foreign tax credit basket. U.S. Holders should consult their own tax advisors concerning the creditability or deductibility of any non-U.S. taxes imposed on the disposition of the Shares in their particular circumstances.

### **2.3. *Passive Foreign Investment Company***

A non-U.S. corporation will be classified as a passive foreign investment company (a "PFIC") for U.S. federal income tax purposes for any taxable year if either: (a) at least 75% of its gross income is "passive income" for purposes of the PFIC rules or (b) at least 50% of the value of its gross assets (determined on the basis of a quarterly average of the fair market value of such assets) produce or are held for the production of passive income. Gross income for this purpose generally includes all sales revenue less the cost of goods sold, plus income from investments and from incidental or outside operations or sources. Passive income for this purpose generally includes dividends, interest, royalties, rents and gains from commodities and securities transactions, and gains from assets that produce passive income. Cash (including net proceeds from the Offering) is generally treated as an asset that produces passive income. If the stock of a non-U.S. corporation is publicly-traded for the taxable year, the asset test is applied using the fair market value of the assets for purposes of measuring such corporation's assets. For purposes of the PFIC income test and asset test described above, if the Company owns, directly or indirectly, 25% or more of the total value of the outstanding shares of another corporation, the Company will be treated as if it (a) held a proportionate share of the assets of such other corporation and (b) received directly a proportionate share of the income of such other corporation. Under the PFIC rules, if the Company were considered a PFIC at any time that a U.S. Holder holds Shares, the Company would continue to be treated as a PFIC with respect to such U.S. Holder's Shares unless (i) the Company ceases to be a PFIC, and (ii) the U.S. Holder makes a "deemed sale" election under the PFIC rules. In addition, pursuant to a start-up exception, a corporation will not be a PFIC for the first taxable year in which the corporation has gross income (the "start-up year"), if in relevant part, (1) it is established to the satisfaction of the IRS that it will not be a PFIC for either of the first two taxable years following the start-up year; and (2) it is not in fact a PFIC for either of those years. The applicability of the start-up exception to the Company will not be known until after the close of its current taxable year and, perhaps, until after the end of its two taxable years following its start-up year.

Based on the nature of the Company's business, the composition of the Company's current gross assets and income and the manner in which the Company expects to operate its business in future years, the value of the Company's assets, the Company's intended use of the proceeds from the Offering, and the expected price of Shares, the Company believes that it was not a PFIC for its most recently ended taxable year, does not expect that it will be a PFIC for its current taxable year and does not expect to be so classified in the foreseeable future. However, because a determination of whether a company is a PFIC must be made annually after the end of each taxable year and the Company's PFIC status for each taxable year will depend on facts, including the composition of Company's income and assets, the manner and rate at which the Company utilises the proceeds of the Offering, and the value of Company's assets (which may be determined in part by reference to the market value of the Shares) from time to time, there can be no assurance that the Company will not be a PFIC for the current or any future taxable year. If the Company is a PFIC for any taxable year during which a U.S. Holder holds Shares and any of the Company's non-U.S. subsidiaries is also a PFIC, such U.S. Holder will be treated as owning a proportionate amount (by value) of the shares of the lower tier PFIC for purposes of the application of these rules. U.S. Holders are urged to consult their tax advisors about the application of the PFIC rules to any of the Company's subsidiaries.

If the Company is considered a PFIC at any time that a U.S. Holder holds Shares, any gain recognised by the U.S. Holder on a sale or other disposition (including, under certain circumstances, a pledge) of such Shares, as well as the amount of any "excess distribution" (defined below) received by the U.S. Holder, would be allocated rateably over the U.S. Holder's holding period for the Shares. The amounts allocated to the taxable year of the sale or other disposition (or the taxable year of receipt, in the case of an excess distribution) and to any year before the Company became a PFIC would be taxed as ordinary income in the current year. The amount allocated to each other taxable year would be subject to tax at the highest rate in effect for individuals or corporations, as appropriate, for that taxable year, and an interest charge at the rate of underpayment of taxes would be imposed. For purposes of these rules, an excess distribution is the amount by which the aggregate distributions received by a U.S. Holder on the Shares during the taxable year exceeds 125% of the average of the annual distributions on such Shares received during the preceding three (3) taxable years or the portion of the U.S. Holder's holding period before such taxable year, whichever is shorter. Certain

elections may be available that would result in alternative treatments (such as modified mark-to-market treatment) of Shares. However, there can be no assurance that any such elections for alternative treatments will be available with respect to the Shares.

If the Company is treated as a PFIC with respect to a U.S. Holder for any taxable year, the U.S. Holder will be deemed to own a proportionate amount (by value) of the Shares in any of the Company's subsidiaries that are also PFICs and generally be subject to the treatment described above with respect to any distribution on or disposition of such Shares, even though such U.S. Holder would not receive the proceeds of those distributions or dispositions. An election for mark-to-market treatment, however, would likely not be available with respect to any such subsidiaries. If the Company is considered a PFIC, a U.S. Holder will also be subject to information reporting requirements on an annual basis. U.S. Holders should consult their own tax advisors about the potential application of the PFIC rules to their acquisition, ownership, and disposition of Shares.

#### **2.4. Information Reporting and Back-up Withholding**

Dividend payments with respect to the Shares and proceeds from the sale or other disposition (including redemption) of the Shares that are made within the United States, by a U.S. payor or through certain U.S.-related financial intermediaries to a U.S. Holder generally are subject to information reporting to the IRS, unless the U.S. Holder is a corporation or other exempt recipient, and if required, demonstrates that fact. In addition, such payments may be subject to back-up withholding. Back-up withholding will not apply, however, to a U.S. Holder who furnishes a correct taxpayer identification number and makes any other required certification or who is otherwise exempt from back-up withholding. U.S. Holders who are required to establish their exempt status may be required to provide such certification on IRS Form W-9. U.S. Holders should consult their tax advisors regarding the application of the U.S. information reporting and back-up withholding rules.

Back-up withholding is not an additional tax. Amounts withheld as back-up withholding may be credited against a U.S. Holder's U.S. federal income tax liability, and such holder may obtain a refund of any excess amounts withheld under the back-up withholding rules by timely filing the appropriate claim for refund with the IRS and furnishing any required information.

#### **2.5. Information With Respect to Foreign Financial Assets**

Certain U.S. Holders that own "specified foreign financial assets" with an aggregate value in excess of \$50,000 at the end of the taxable year or U.S.\$75,000 at any time during the taxable year (and in some circumstances, a higher threshold) are generally required to file an information statement along with their U.S. federal tax returns, currently on IRS Form 8938, with respect to such assets. "Specified foreign financial assets" include any financial accounts held at a non-U.S. financial institution, interests in non-U.S. entities, as well as securities issued by a non-U.S. issuer that are not held in accounts maintained by financial institutions. If a U.S. Holder does not include in such holder's gross income an amount relating to one (1) or more specified foreign financial assets, and the amount such U.S. Holder omits is more than \$5,000, any tax such U.S. Holder owes for the tax year can be assessed at any time within six (6) years after the filing of such U.S. Holder's federal tax return. U.S. Holders who fail to report the required information could be subject to substantial penalties. Prospective investors are encouraged to consult with their own tax advisors regarding the possible application of the foregoing to their acquisition, ownership, and disposition of the Shares in light of their particular circumstances.

### **3. Taxation in Croatia**

The following section summarizes certain important Croatian taxation principles that may be relevant to Investors investing in, owning, holding or disposing of Shares in the Company. Unless otherwise indicated, all information contained in this section is based on laws, regulations, practice and court decisions in effect in Croatia as at the date of this Prospectus (as referred to herein, collectively, "**Croatian Tax Laws**"), and as such, may be superseded after such date. Any reference to a specific law, act or regulation refers to its version as amended and in force as at the date of the Prospectus. Any subsequent changes to Croatian Tax Laws could apply retroactively and could affect the continued accuracy of this summary. This summary does not purport to be a comprehensive description of all Croatian Tax Laws and Croatian tax considerations that may be relevant to a decision to invest in, own, hold or dispose of the Shares in the Company, and is not intended to serve as tax advice to any particular investor or potential investor. Investors should consult their own tax advisors about the tax consequences of investing in, owning, holding or disposing of the Shares in the Company. This summary does not describe any tax consequences arising under the laws of any state, locality, or taxing jurisdiction other than Croatia.

Where in this summary English terms and expressions are used to refer to Croatian tax concepts, the meaning to be attributed to such terms and expressions shall be the meaning to be attributed to the equivalent Croatian concepts under Croatian Tax Laws.

The residence concept used below applies for Croatian tax assessment purposes only. Any reference in this section to a tax, duty, levy impost or other charge or withholding of a similar nature refers to Croatian Tax Laws and/or concepts only. Any reference to Croatian income tax encompasses corporate income tax (*porez na dobit*), as well as personal income tax (*porez na dohodak*). Corporate income tax applies to corporate taxpayers residing in Croatia for tax purposes and, under certain circumstances, to individual taxpayers who have opted for corporate income tax. Individual taxpayers are generally subject to personal income tax.

### **3.1. Croatian income tax on dividends paid on the shares and capital gains**

#### **3.1.1. Croatian resident corporate holders**

For Croatian resident corporate holders, income in the form of dividends or capital gains derived from the Shares will be subject to Croatian corporate income tax at the general rate of 18% (or reduced rate of 10% for businesses with annual revenues not exceeding EUR 1 million), unless the conditions of the participation exemption regime, as described below, are satisfied.

The dividend may benefit from a full tax exemption under Article 6 of the Croatian Corporate Income Tax Law if the payer of the dividend: (a) is EU resident, (b) is payer of tax to which the common system of taxation related to parent companies and related companies from different EU Member States applies, (c) has one of the forms to which the common system of taxation related to parent companies and related companies from different EU Member States applies and (d) if the dividend did not represent tax deductible cost for the payer (the "**Participation Exemption**").

The Participation Exemption regime may not apply to profit distributions that are made within the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances ("**Anti-Abuse Rules**").

Investment funds with no legal personality, established and operating in line with special regulations are not subject to corporate income tax in Croatia and thus income derived from the Shares, as well as gains realized thereon, are not subject to Croatian corporate income tax.

#### **3.1.2. Croatian resident individual holders**

For Croatian resident individuals, income in the form of dividends or capital gains derived from the Shares will be subject to personal income tax at the rate of 12%.

Capital gains will only be taxable if they are realized on a disposal of Shares which takes place prior to or within two years following their acquisition. A disposal may include a sale, an exchange, a contribution, or any other kind of alienation of participation. Further exemptions from capital gain tax are available in the case of alienation between spouses and certain family members, in the case of divorce and inheritance.

#### **3.1.3. Croatian non-resident holders**

A corporate holder, non-resident of Croatia, having a permanent establishment in Croatia to which the Shares are attributable will bear (through such permanent establishment) corporate income tax on dividends received and on capital gains realized on a disposal of such Shares at general Croatian tax rates of 18% (or reduced rate of 10% for businesses with annual revenues not exceeding EUR 1 million).

### **3.2. Other tax consideration**

Croatian inheritance tax may be levied on a transfer of the Shares upon the death of a Croatian resident.

Croatian gift tax will be levied in the event that a gift of the Shares is made pursuant to a notarial deed signed before a Croatian notary or is otherwise registered in Croatia.

### **3.3. Mandatory Disclosure Regime**

The Council Directive 2011/16/EU on administrative cooperation in the field of taxation has been revised to include a set of mandatory disclosure rules (MDRs or DAC6) for cross-border tax arrangements that contain one or more of the prescribed "hallmarks". An arrangement will be "cross-border" if it concerns more than one EU Member State, or an EU Member State and a third country. Under the MDRs, such arrangements will need to be reported to the tax authorities and the information reported will be exchanged automatically among the EU Member States' tax authorities. DAC6 was implemented in Croatia by a law published on 11 December 2019.

Resident and non-resident holders of the Shares should contact their own tax advisers regarding the application of the DAC6 to their circumstances and their investment in the Company.



#### 4. Taxation in Poland

The following is a discussion of certain Polish tax considerations relevant to an investor residing in Poland or which is otherwise subject to Polish taxation. This information should not be deemed to be tax advice. It is based on Polish tax laws and, as its interpretation refers to the position as at the date of this Prospectus, it may thus be subject to change, including a change with retroactive effect. Any change may negatively affect the tax treatment described below. This description does not purport to be complete with respect to all tax information that may be relevant to investors due to their personal circumstances. Prospective purchasers of the Shares are advised to consult their professional tax advisor regarding the tax consequences of the purchase, ownership, disposal or other circumstances related to the Shares. The information provided below does not cover tax consequences concerning income tax exemptions applicable to specific taxable items or specific taxpayers (e.g., domestic or foreign investment funds).

The reference to “dividend” as well as to any other terms in the paragraphs below means “dividend” or any such other term being understood as dividend in Polish tax law.

##### 4.1. Taxation of income from the disposal of securities for consideration

###### 4.1.1. Taxation of natural persons' income

###### (a) Taxation of the income of natural persons who are subject to unlimited tax liability in Poland (i.e. persons whose place of residence for tax purposes is in Poland)

In Poland, natural persons are subject to tax liability affecting all of their income (revenue) regardless of the location of the source of such revenues (unlimited tax liability) if they have their place of residence in the territory of the Republic of Poland (Article 3 Section 1 of the PIT Act).

A person whose place of residence is in the Republic of Poland is a natural person who:

- has his/her centre of personal or economic interests (centre of life interests) within the territory of the Republic of Poland; or
- remains within the territory of the Republic of Poland longer than 183 days in a fiscal year (Article 3 Section 1a of the PIT Act).

These rules apply without prejudice to double taxation conventions signed by the Republic of Poland (Article 4a of the PIT Act). In particular, these conventions may define a natural person's “place of residence” in a different manner or further clarify the notion of the “centre of life interests”.

Income generated by natural persons subject to unlimited tax liability in Poland earned on the disposal of securities for consideration (including shares) is taxed with personal income tax pursuant to the PIT Act.

Income on the disposal of securities for consideration is the positive difference between the total revenues earned on such activity and the costs of generating those revenues, calculated pursuant to the PIT Act, generated in a fiscal year (Article 30b Section 2 item 1 in conjunction with Section 6 of the PIT Act).

The revenue from the disposal of securities for consideration is the value expressed as the price in the relevant agreement. However, if without a valid reason the price set out in the agreement significantly deviates from the market value of the transferred securities, the revenue from the disposal of securities for consideration will be assessed by the relevant tax authority or tax inspection authority at the level of the market value of these securities (Article 19 Section 1 in conjunction with Article 17 Section 2 of the PIT Act).

The revenue from the disposal of securities for consideration is recognised at the time when the ownership of securities is transferred to the buyer (Article 17 Section 1ab item 1 of the PIT Act).

The tax-deductible costs of generating revenue from the disposal of securities for consideration are the expenses incurred on acquiring or otherwise taking up the securities. These costs can only be taken into account when revenue is generated on the disposal of the relevant securities for consideration (Article 23 Section 1 item 38 of the PIT Act).

As regards the disposal of securities for consideration or the issuer's redemption of securities that were acquired by a taxpayer through inheritance, the tax-deductible cost is the cost incurred by the testator in order to take up or acquire the securities (Article 22 Section 1m of the PIT Act).

Income earned on the disposal of securities acquired through donation is tax-exempt up to the amount of the inheritance and donation tax paid (Article 21 Section 1 item 105 of the PIT Act).

Income earned on a disposal of shares acquired by a taxpayer (or a taxpayer's successor) in an initial public offering under the provisions of the Act on Public Offering is tax exempt if: (i) such shares were disposed of at least three years after having been admitted to trading on a regulated market or having been introduced to an alternative trading system; and (ii) the taxpayer (or the taxpayer's successor) who acquired those shares was not a related party of the company during the two years preceding the day of acquiring such securities by the taxpayer (or the taxpayer's successor) (Article 21 Section

1 item 105a of the PIT Act). If, in connection with a disposal of shares for remuneration as referred to in Article 21 Section 1 item 105a of the PIT Act, a surplus of expenses related to the acquisition of shares over revenues related to their disposal arises, such surplus constitutes a tax deductible cost attributable to the source referred to in Article 17 Section 1 item 6 letter a of the PIT Act in the tax year in which such disposal took place (Article 22 Section 1u of the PIT Act).

For Polish income tax purposes, "related parties" are understood as (Article 23m Section 1 item 4 of the PIT Act and Article 11a Section 1 item 4 of the CIT Act) (i) entities in the case of which one entity exercises a significant influence on at least one other entity or (ii) entities on which a significant influence is exercised by a) the same other entity or b) the spouse or a relative by consanguinity or affinity up to the second degree of a natural person exercising a significant influence on at least one entity, or c) partnership and its partner or d) limited partnership or limited joint-stock partnership and its general partner or e) general partnership being a corporate income tax taxpayer and its partner or f) taxpayer and their permanent establishment (or in case of a tax capital group – a company being part of such group and its permanent establishment).

Exercising significant influence is understood as (Article 23m Section 2 of the PIT Act and Article 11a Section 2 of the CIT Act) (i) holding directly or indirectly at least 25 per cent of a) the shares in the capital or b) the voting rights in the supervisory, decision-making or managing bodies or c) the shares in or rights to participate in profits, losses or property or expectancy thereof, including participation units and investment certificates or (ii) the actual ability of a natural person to influence key economic decisions made by a legal person or an organizational unit without legal personality, or being the spouse or a relative by consanguinity or by affinity up to the second degree.

If a taxpayer disposes of securities for consideration and such securities were acquired at various prices and it is not possible to determine a uniform purchase price for the securities so transferred, then for the purpose of determining income on such a disposal, each disposal shall be deemed to concern the securities which had been acquired first (the oldest of the securities transferred). The presumption referred to in the preceding sentence is applied separately to each securities account (Article 24 Section 10 of the PIT Act).

The personal income tax rate applicable to natural persons having their tax residence in Poland in relation to the disposal of securities for consideration is 19% of the income earned (Article 30b Section 1 of the PIT Act).

Where income is generated on a disposal of securities for consideration, such income is not combined with income generated from other sources of revenues (Article 30b Section 5 of the PIT Act).

Losses incurred on disposing of securities for consideration in one fiscal year can: (i) be deducted from income generated from the same source of revenues in the following five consecutive fiscal years, provided that the deduction amount in any of these years does not exceed 50% of the amount of the loss; or (ii) be used one time only to reduce income generated from the same source of revenues in any of the following five consecutive fiscal years, by an amount not exceeding PLN 5,000,000, with the balance of the loss not used for such one-time deduction to be deducted over the remainder of that five-year period, provided that the amount deducted in any of these years must not exceed 50% of the amount of the loss (Article 9 Section 3 in conjunction with Section 6 of the PIT Act).

The above-mentioned principles do not apply if securities are transferred for consideration as part of professional business activity conducted by the taxpayer (Article 30b Section 4 of the PIT Act). In such case, these revenues will qualify as regular revenues on business activity, subject to progressive or flat tax, depending on the taxpayer's chosen taxation method and the satisfaction of certain additional criteria by the taxpayer.

Nonetheless, regardless of the chosen taxation method (progressive tax scale / flat tax rate), according to Article 30h Section 1 of the PIT Act, natural persons are also required to pay the solidarity levy (see "*—4.1.1(c) Solidarity levy on income from a disposal of securities for consideration generated by natural persons subject to either unlimited or limited tax liability in Poland (i.e. notwithstanding their tax residence)*" below).

The rules governing the payment and remittance of tax are presented in the section: "*—4.4.1 Remittance and payment of tax on income from the disposal of securities for consideration*".

(b) *Taxation of the income of natural persons who are subject to limited tax liability in Poland (i.e. persons whose place of residence for tax purposes is not in Poland)*

Generally, rules governing the taxation of income on the disposal of securities for consideration that are discussed above also apply to income generated within the territory of the Republic of Poland by persons who have no place of residence in the Republic of Poland. Such persons are subject to tax liability only with respect to the income (revenue) generated within the territory of the Republic of Poland (limited tax liability – Article 3 Section 2a of the PIT Act).

Income (revenue) generated in the territory of the Republic of Poland by taxpayers who have no place of residence in the Republic of Poland includes, in particular, income (revenue) from, among others: (i) securities and derivative financial instruments (other than securities) admitted to public trading in the territory of the Republic of Poland on a regulated stock exchange market, including income (revenue) from a disposal of such securities or instruments as well as the

exercise of the rights attached thereto (Article 3 Section 2b item 5 of the PIT Act); (ii) the transfer of the ownership of shares in a company, all of the rights and obligations in a company that is not a legal entity or shares in an investment fund, mutual fund institution or other legal entity and rights of a similar character, or receivables being the result of holding such shares, and all of the rights and obligations, participation titles or rights if at least 50% of the assets of such company, company that is not a legal entity, such investment fund, such mutual fund institution or other legal entity, directly or indirectly, constitutes real estate located in the territory of the Republic of Poland or rights to such property (Article 3 Section 2b item 6 of the PIT Act); and (iii) the transfer of the ownership of shares, all of the rights and obligations, shares in an investment fund or rights of a similar character in a real estate company (Article 3 Section 2b item 6a of the PIT Act).

The taxation principles discussed above apply to income generated in the territory of the Republic of Poland on a disposal of securities for consideration by persons who are not Polish tax residents without prejudice to the double taxation conventions signed by the Republic of Poland (Article 4a of the PIT Act). However, a tax rate set out in the relevant double taxation convention can only apply, or such payment of tax can only be avoided (if permitted under the convention), if the taxpayer proves his/her tax residency by presenting an appropriate tax residency certificate (Article 30b Section 3 of the PIT Act).

The rules governing the payment and remittance of tax are presented in the section: “—4.4.1 Remittance and payment of tax on income from the disposal of securities for consideration”.

Solidarity levy may also apply; please see “—4.1.1(c) Solidarity levy on income from a disposal of securities for consideration generated by natural persons subject to either unlimited or limited tax liability in Poland (i.e. notwithstanding their tax residence)” below.

(c) *Solidarity levy on income from a disposal of securities for consideration generated by natural persons subject to either unlimited or limited tax liability in Poland (i.e. notwithstanding their tax residence)*

According to Article 30h Section 1 of the PIT Act, natural persons are required to pay a solidarity levy at the rate of 4% of the base amount for its calculation. The base amount for the calculation of the solidarity levy is the amount in excess of PLN 1,000,000 of the sum of the income subject to taxation pursuant to Article 27 Sections 1, 9 and 9a, Article 30b (i.e. in particular income from a disposal of securities for consideration), Article 30c and Article 30f of the PIT Act, decreased by the premiums referred to in Article 26 Section 1 item 2 and 2a of the PIT Act and the premiums referred to in Article 30c Section 2 item 2 of the PIT Act and the amounts referred to in Article 30f Section 5 of the PIT Act deducted from such income.

In calculating the base amount of the solidarity levy for a given calendar year, one should include the income and the income deductions as described above as reported in:

- the annual tax calculation referred to in Article 34 Section 7 of the PIT Act (the annual tax calculation prepared and sent by social allowance authorities to the taxpayers receiving income, in particular, from age and disability allowance) if such a reconciliation shows a payable tax; and
- the tax returns referred to in Article 45 Section 1, Section 1a item 1 and 2 and Section 1aa of the PIT Act;

for which the filing deadline falls within the period starting on the day following the lapse of the time period for filing of the solidarity levy amount statement in the year preceding that calendar year until the last day for the submission of the solidarity levy amount statement.

Natural persons are required to file the solidarity levy amount statements on the official forms provided by 30 April of the calendar year and pay the levy by the same day.

## **4.2. Taxation of the income of legal (corporate) persons and organisational units without legal personality**

4.2.1. *Taxation of corporate income taxpayers which are subject to unlimited tax liability in Poland (i.e. those having their registered office or place of management in Poland)*

The taxpayers subject to corporate income tax in the Republic of Poland are legal persons, companies under organisation and organisational units without legal personality (other than enterprises in estate and companies/partnerships not having legal personality) (Article 1 Section 1 and 2 of the CIT Act).

Simultaneously, the provisions of the CIT Act also apply to limited partnerships (*spółka komandytowa*) and limited joint-stock partnerships (*spółka komandytowo-akcyjna*) having their registered office or place of management in the Republic of Poland (Article 1 Section 3 item 1 of the CIT Act) as well as to some general partnerships (*spółka jawna*) having their registered office or place of management in the Republic of Poland, if their shareholders are not exclusively natural persons and if such general partnerships do not file relevant notifications with the tax authorities (Article 1 Section 3 item 1a of the CIT Act).

Taxpayers that have their registered office or place of management in the Republic of Poland are subject to tax liability with respect to all of their income, wherever generated (unlimited tax liability – Article 3 Section 1 of the CIT Act).

On the basis of Article 3 Section 1a of the CIT Act, a taxpayer has its place of management in the Republic of Poland, *inter alia*, in the case where the current affairs of that taxpayer are conducted in an organised and continuous manner within the territory of the Republic of Poland, in particular on the basis of: (i) agreements, decisions, court decisions or other documents regulating the establishment or functioning of that taxpayer; (ii) granted powers of attorney; and (iii) relationships within the meaning of Article 11a Section 1 item 5 of the CIT Act.

Income generated on a disposal of securities for consideration (including shares) by taxpayers that are subject to unlimited tax liability in Poland is subject to corporate income tax on the terms set out in the CIT Act under the source of revenue which are capital gains.

Corporate income tax is charged on income calculated as the sum of all income on capital gains and income from other sources of revenue; in certain cases (referred to in Article 21, Article 22 and Article 24b of the CIT Act), the corporate income tax is charged on revenue (Article 7 Section 1 of the CIT Act).

Revenues from capital gains include, among other things, revenue from disposals of shares, including disposals for the purpose of their redemption (Article 7b Section 1 item 3 letter a of the CIT Act), and revenues from securities and their disposal (Article 7b Section 1 item 6 letter b and e of the CIT Act). However, with respect to certain categories of entities listed in Article 7b Section 2 and 3 of the CIT Act, these revenues are included in revenues other than those obtained from capital gains.

Income from a source of revenue is, in principle, the surplus of the sum of revenues earned from that source of revenue in the fiscal year over the costs of generating these revenues. If the costs of generating the revenues exceed the total revenues, the difference is a loss from the source of revenue (Article 7 Section 2 of the CIT Act).

The revenue from the disposal of securities for consideration is the value expressed as the price in the relevant agreement. However, if for no valid economic reason the price set out in the agreement significantly deviates from the market value of the transferred securities, the revenue from the disposal of securities for consideration is assessed by the relevant tax authority at the level of the market value of these securities (Article 14 Section 1 of the CIT Act).

The tax-deductible costs of generating revenue from the disposal of securities for consideration are the expenses incurred on acquiring or otherwise taking up the securities. These costs can only be taken into account when revenue is generated on the disposal of the relevant securities for consideration (Article 16 Section 1 item 8 of the CIT Act).

The revenues on the disposal of securities for consideration and the corresponding tax-deductible costs are combined with other revenues and tax-deductible costs relevant to the same fiscal period generated from the same source of revenues. The tax rate applicable to income (revenue) generated by corporate income taxpayers from capital gains is 19% of the tax base (Article 19 Section 1 item 1 of the CIT Act). A loss from the given source of revenues incurred in a fiscal year may: (i) be deducted from the income generated from that source of revenues in the following five consecutive fiscal years, provided that the deduction amount in any of these years does not exceed 50% of the amount of the loss; or (ii) be used one time only to reduce the income generated from the same source of revenues in any of the following five consecutive fiscal years, by an amount not exceeding PLN 5,000,000, with the balance of the loss not used for such one-time deduction to be deducted over the remainder of that five-year period, provided that the amount deducted in any of these years must not exceed 50% of the amount of the loss (Article 7 Section 5 of the CIT Act). The rules governing the payment and remittance of tax are presented in the section: “—4.4.1 Remittance and payment of tax on income from the disposal of securities for consideration”.

#### 4.2.2. *Taxation of corporate income taxpayers that are subject to limited tax liability in Poland (i.e. those not having their registered office or place of management in Poland)*

Generally, the rules governing the taxation of income on the disposal of securities for consideration that are discussed above also apply to income generated within the territory of the Republic of Poland on the disposal of securities for consideration by legal persons that have no registered office or place of management in the Republic of Poland. The provisions of the CIT Act also apply to income generated within the territory of the Republic of Poland by companies/partnerships not having legal personality and having their registered office or place of management in another state, provided that pursuant to the relevant tax regulations of such state these companies are treated as legal persons and are subject to taxation on all of their income, irrespective of the place where it is earned (Article 1 Section 3 item 2 of the CIT Act).

Such persons are subject to tax liability only with respect to the income earned within the territory of the Republic of Poland (limited tax liability – Article 3 Section 2 of the CIT Act).

Pursuant to Article 3 Section 3 items 3-4a of the CIT Act, income (revenue) generated in the territory of the Republic of Poland by taxpayers who have no registered office or management in the territory of the Republic of Poland includes, in particular, income (revenue) from: (i) securities and derivative financial instruments (other than securities) admitted to public trading in the territory of the Republic of Poland on a regulated stock exchange market, including income (revenue) on a disposal of such securities or instruments, as well as the exercise of the rights attached thereto; (ii) the transfer of the ownership of shares in a company, all of the rights and obligations in a company that is not a legal entity or shares in an investment fund, mutual fund institution or other legal entity or rights of a similar character, or receivables being the result of holding such shares, and all of the rights and obligations, participation titles or rights, if at least 50% of the assets of such company, company that is not a legal entity, such investment fund, such mutual fund institution or other legal entity, directly or indirectly, constitutes real estate located in the territory of the Republic of Poland or rights to such property; and (iii) the transfer of the ownership of shares, all of the rights and obligations, shares in an investment fund or rights of a similar character in a real estate company.

The above-mentioned principles of taxation of income generated in the Republic of Poland on the disposal of securities for consideration by corporate income taxpayers who have no registered office or place of management in the Republic of Poland apply without prejudice to double taxation conventions signed by the Republic of Poland. If the taxpayer is required to settle the income tax itself, it may be requested to present a valid certificate of tax residence to the tax authorities.

If tax is payable in Poland in respect to disposal of securities by a taxpayer subject to limited tax liability in Poland, that taxpayer may be required to register for taxation purposes in Poland and may be responsible for paying such tax and for meeting any applicable filing requirements.

The rules governing the payment and remittance of tax are presented in the section: “—4.4.1 Remittance and payment of tax on income from the disposal of securities for consideration”.

### **4.3. Taxation of dividends and other revenues from a share in the profits of legal persons**

#### *4.3.1. Taxation of income (revenue) of natural persons*

(a) *Taxation of income (revenue) of natural persons who are subject to unlimited tax liability in Poland (i.e. persons whose place of residence for tax purposes is in Poland)*

Income (revenue) from dividends and other revenues earned from a share in the profits of legal persons, earned by natural persons subject to unlimited tax liability in the territory of the Republic of Poland, is subject to a flat 19% income tax on the revenue earned (Article 30a Section 1 item 4 of the PIT Act).

The income (revenue) from a share in the profits of legal persons is the income (revenue) actually received on such share (Article 24 Section 5 of the PIT Act). This category includes income (revenue) from dividends and other revenues from a share in the profits of legal persons (e.g., distributions resulting from a redemption of shares or assets received in relation to the liquidation of a legal person or a company being a taxpayer of corporate income tax).

The abovementioned rules apply without prejudice to double taxation conventions signed by the Republic of Poland (Article 4a of the PIT Act) and regardless if the source of such income (revenue) is located in Poland or abroad. Therefore, if the dividend payer has its tax residence abroad (e.g., in the Luxembourg), dividends may still be subject to taxation in Poland. The rules governing the payment and remittance of tax are presented in the section: “—4.4 Remittance and payment of tax”, subsection: “—4.4.2 Remittance and payment of tax on income of natural persons who are subject to unlimited tax liability in Poland (i.e. persons whose place of residence for tax purposes is in Poland)”

(b) *Taxation of income (revenue) of natural persons who are subject to limited tax liability in Poland (i.e. persons whose place of residence for tax purposes is not in Poland)*

Generally, the above rules governing the taxation of dividend income (revenue) and other revenues from a share in the profits of legal persons also apply to income earned by natural persons subject to taxation only on the income (revenue) generated in the territory of the Republic of Poland (limited tax liability).

Pursuant to Article 3 Section 2b item 5 of the PIT Act, income (revenue) generated in the territory of the Republic of Poland by natural persons who have no place of residence in the territory of the Republic of Poland includes, in particular, income (revenue) from securities and derivative financial instruments (other than securities) admitted to public trading in the territory of the Republic of Poland on a regulated stock exchange market, including income (revenue) on a disposal of such securities or instruments as well as the exercise of the rights attached thereto. The rules governing the payment and remittance of tax are presented in the section: “—4.4 Remittance and payment of tax”, subsection: “—4.4.3 Remittance and payment of tax on income of natural persons who are subject to limited tax liability in Poland (i.e. persons whose place of residence for tax purposes is not in Poland)”.



4.3.2. *Taxation of the income (revenue) of legal (corporate) persons and organisational units without legal personality*

(a) *Taxation of the income (revenue) of corporate income taxpayers subject to unlimited tax liability in Poland (i.e. those having their registered office or place of management in Poland)*

According to Article 7b Section 1 item 1 of the CIT Act, revenues from capital gains include, without limitation, the revenues from a share in the profits of legal persons (without prejudice to Article 12 Section 1 item 4b of the CIT Act), which constitute revenue actually obtained from such share, including, among others: (a) dividends; (b) revenue from a redemption of shares or decreasing their value; (c) the value of proceeds obtained in relation to the liquidation of a legal person; (d) an equivalent of profits of a legal person transferred to its share capital in order to increase it and an equivalent of any proceeds transferred to share capital from other capitals of such legal person. However, with respect to some categories of taxpayers, as referred to in Article 7b Section 2 of the CIT Act, such revenues, except for those referred to in (a) and (d) above, are classified as revenues other than capital gains; and in case of taxpayers referred to in Article 7b Section 3 of the CIT Act, revenues referred to in (d) above are classified as revenues other than capital gains.

As a rule, income (revenue) from dividends and other revenue from a share in the profits of legal persons is subject to taxation at a flat rate 19% of the income earned. However, this rule could be modified by the provisions of the relevant double tax treaty by applying tax exemption or method of elimination of double taxation.

Pursuant to Article 20 Section 3 of the CIT Act, income (revenues) from dividends and other revenues from participation in profits generated by legal persons that have their registered office or place of management outside the Republic of Poland are tax exempt in Poland if all of the following conditions are satisfied jointly: (i) the payer of dividends and other revenue from a share in the profits of legal persons is a company whose entire income, irrespective of where it is earned, is subject to income tax in a Member State of the European Union or another Member State of the European Economic Area other than the Republic of Poland; (ii) the recipient of income (revenue) from dividends and other revenue from a share in the profits of legal persons as referred to in section (i) is a company that is an income tax payer and has its seat or management board in the territory of the Republic of Poland; (iii) the company referred to in section (ii) directly holds no less than 10% of the shares in the equity of a company as referred to in section (i); and (iv) the company referred to in section (ii) does not enjoy an exemption from income tax on its entire income, irrespective of the sources from which the income is earned.

The exemption referred to above applies if the company gaining income (revenues) from dividends and other revenues from participation in profits generated by legal persons holds at least a 10% shareholding in the company paying out dividends continuously for two years (Article 20 Section 9 of the CIT Act). The exemption also applies if the two-year period of continuous holding of shares in the required amount by a company generating income (revenues) from participation in profits generated by a legal person ends after the date of obtaining such income (Article 20 Section 10 of the CIT Act).

In the case of failure to satisfy the condition of holding shares in the required amount continuously for two years, the taxpayer will be required to pay 19% tax, including default interest, on the income (revenue), by the 20th day of the month following the month in which it was deprived of the right to the exemption. Default interest amount is calculated as of the day following the day on which the taxpayer first exercised the right to the exemption.

The exemption does not apply if dividends or other amounts due on account of a share in the profits of legal persons are paid as a result of the paying company's liquidation (Article 20 Section 11 of the CIT Act).

The abovementioned rules governing exemption apply accordingly, inter alia, to company whose entire income, irrespective of where it is earned, is subject to income tax in a Member State of the European Union or in another Member State of the European Economic Area, other than the Republic of Poland, operating via a foreign establishment located in the territory of the Republic of Poland, provided such deduction must not exceed that part of the tax paid in a foreign state that proportionately corresponds to the income earned from that source attributed to the foreign establishment (Article 20 Section 12 item 3 of the CIT Act).

In accordance with Article 20 Section 15 of the CIT Act, the tax exemption referred to above applies provided that: (i) the shareholding referred to in Article 20 Section 3 item 3 of the CIT Act is based on a title of ownership; and (ii) with respect to income earned from shares held on the basis of (a) a title of ownership or (b) other ownership, provided that the exemption would apply to such income (revenue) if the shares were not transferred. Moreover, the exemption based on Article 20 Section 3 of the CIT Act does not apply to dividends and other income (revenue) derived from share in the profits of legal persons to the extent in which in the country of the company making the payment the amounts paid are subject in any way to inclusion in tax-deductible expenses, deduction from income, the taxable base, or the tax of the company paying them (Article 20 Section 16 of the CIT Act).

The rules governing the payment and remittance of tax are presented in the section: "—4.4 Remittance and payment of tax", subsection: "—4.4.5 Remittance and payment of tax on income of corporate income taxpayers subject to unlimited tax liability in Poland (i.e. those having their registered office or place of management in Poland)".

(b) *Taxation of the income (revenue) of corporate income taxpayers subject to limited tax liability in Poland (i.e. those not having their registered office or place of management in Poland)*

Generally, the principles of taxation discussed above also apply to income (revenue) from dividend and other revenues from a share in the profits of legal persons earned by corporate income taxpayers that are subject to taxation only with respect to income (revenue) generated in the territory of the Republic of Poland (limited tax liability).

Pursuant to Article 3 Section 3 items 3 of the CIT Act, income (revenue) generated in the territory of the Republic of Poland by corporate income taxpayers who do not have their registered office or place of management in the territory of the Republic of Poland includes, in particular, income (revenue) from securities and derivative financial instruments (other than securities) admitted to public trading in the territory of the Republic of Poland on a regulated stock exchange market, including income (revenue) on a disposal of such securities or instruments as well as the exercise of the rights attached thereto.

The rules governing the payment and remittance of tax are presented in the section: “—4.4 Remittance and payment of tax”, subsection: “—4.4.6 Remittance and payment of tax on income of corporate income taxpayers subject to limited tax liability in Poland (i.e. those not having their registered office or place of management in Poland)”.

**4.4. Remittance and payment of tax**

**4.4.1. Remittance and payment of tax on income from the disposal of securities for consideration**

(a) *Personal Income Taxpayers*

General rules

Income earned on the disposal of securities for consideration does not trigger an obligation of the tax remitter to deduct the tax nor does it trigger the obligation to remit tax advances during the fiscal year. After the end of the fiscal year, the taxpayer, generally on the basis of personalised information on the amount of income generated provided by natural persons carrying out business operations, legal persons and their business units and organisational units without legal personality by the end of February of the year following the fiscal year (however, the lack of receipt of such information has no effect on the obligations mentioned below), is required to report the income generated during the fiscal year on the disposal of securities for consideration and – where taxable income was generated – calculate the relevant income tax charge in a tax return reporting his/her income earned (loss incurred) during the fiscal year (Article 30b Section 6 in conjunction with Article 45 Section 1a item 1 of the PIT Act). The return referred to in the preceding paragraph should be filed no earlier than on 15 February and no later than on 30 April of the year following the fiscal year in which the revenues on the disposal of securities for consideration were earned. All returns filed earlier will be deemed as filed on 15 February of the year following the fiscal year in which the revenues on the disposal of securities for consideration were earned. By the deadline for the submission of this return, the taxpayer should pay the due tax as disclosed in the tax return.

If tax is payable in Poland in respect of disposal of securities by a natural person subject to limited tax liability in Poland, such natural person may be required to register for taxation purposes in Poland and may be responsible for paying such tax and for meeting any applicable filing requirements. In such case, above regulations relating to reporting such income would apply accordingly.

Separate rules may apply in the case of a disposal of shares in a “real property company”<sup>3</sup> within the meaning of Article 5a item 49 of the PIT Act. As at the Prospectus date, the Company is not qualifying as a real property company.

(b) *Corporate Income Taxpayers*

<sup>3</sup> Real property company should be understood as an entity other than a natural person (individual) that is obliged to prepare a balance sheet in accordance with accounting regulations, where:

- (a) in the case of entities that commence their business activity – as at the first day of the tax year (and if the real property company is not an income taxpayer – as at the first day of the financial year) at least 50% of the market value of assets equals, directly or indirectly, to the market value of real properties located in the territory of the Republic of Poland or rights to such real properties and the market value of those real properties exceeds PLN 10,000,000 or an equivalent of such an amount converted at an average exchange rate for foreign currencies published by the National Bank of Poland on the last business day preceding the first day of the tax year,
- (b) in the case of entities other than entities that commence their business activity – as at the last day of the year preceding the tax year (and if the real property company is not an income taxpayer – as at the last day of the year preceding the financial year) at least 50% of the carrying amount of assets equals, directly or indirectly, to the carrying amount of real properties located in the territory of the Republic of Poland or rights to such real properties and the carrying amount of those real properties exceeds PLN 10,000,000 or an equivalent of such an amount converted at an average exchange rate for foreign currencies published by the National Bank of Poland as at the last business day preceding the last day of the tax year or the financial year, respectively, and in the year preceding the tax year or the financial year, respectively, taxable revenue (and if the real property company is not an income taxpayer - revenue recognised in the net financial result) from rental, subrental, lease, sublease, or other similar agreements or from the transfer of ownership in relation to real properties or rights to real properties referred to in Article 3 Section 2b item 6 of the PIT Act, and from shares in other real property companies, constitute at least 60% of total taxable revenues or revenues recognised in the net financial result, respectively (Article 5a item 49 of the PIT Act).

### General rules

With respect to income on the disposal of securities for consideration, the corporate income taxpayer is required to settle the tax due on the disposal of the securities, and the entity making the payment does not withhold any tax (subject to reservation below). The taxpayer should settle the due tax in its tax return on the amount of the tax income or loss generated in the relevant fiscal year (Article 27 Section 1 of the CIT Act). The deadline for filing the return is the end of the third month of the year following the fiscal year. The taxpayer is required to pay the due tax disclosed in such return by the same deadline.

If tax is payable in Poland in respect of disposal of securities by corporate income taxpayer subject to limited tax liability in Poland, such entity may be required to register for taxation purposes in Poland and may be responsible for paying such tax and for meeting any applicable filing requirements. In such case, above regulations relating to reporting such income would apply accordingly.

However, pursuant to Article 26 Section 1m of the CIT Act, if legal persons, organisational entities that have no legal personality, and natural persons who are also business entities, make any payments on account of any proceeds referred to in Article 7b Section 1 items 3-6 of the CIT Act (i.e., *inter alia*, proceeds from the sale of shares or proceeds from the sale of securities) to an entity which has its registered seat or management in a territory or country specified in the regulations issued on the basis of Article 11j Section 2 of the CIT Act (i.e., in a country or territory applying harmful tax competition in terms of corporate income tax), they are required, as tax remitters, to withhold a flat rate tax of 19% from the payment made thereby. In such case, Article 26 Section 1 of the CIT Act shall apply accordingly.

### Separate rules may apply in the case of disposal of shares in a "real property company"

Within the meaning of Article 4a item 35 of the CIT Act, as at the Prospectus date, the Company is not qualifying as a real property company.

#### *4.4.2. Remittance and payment of tax on income of natural persons who are subject to unlimited tax liability in Poland (i.e. persons whose place of residence for tax purposes is in Poland)*

Generally, the tax should be settled and disclosed by the taxpayer in the annual tax return referred to in Article 45 Section 1 or Article 45 Section 1a of the PIT Act (Article 30a Section 11 of the PIT Act). According to Article 45 Section 3b in conjunction with Article 45 Section 1 of the PIT Act, if the tax is not withheld by the remitter, the taxpayer is required to settle and disclose the income tax due in its annual tax return by the end of April of the year following the given tax year.

In order to avoid double taxation on income (revenue) from dividends and other income (revenue) from a share in the profits of legal persons derived in other countries, the resident in Poland is allowed to deduct tax levied on the income paid in such other country in accordance with the relevant double tax treaty with the restrictions provided therein (if applicable).

If there is a Polish entity acting as a tax remitter with regard to the aforesaid income (revenue) to the taxpayer by making a disbursement or making cash or cash equivalents available to the taxpayer, then that tax remitter is required to withhold a flat rate income tax on the disbursements made (benefits delivered) (Article 41 Section 4 of the PIT Act).

There is a specific situation regarding income from securities kept in securities accounts or omnibus accounts, as defined in the Act on Trading in Financial Instruments. Under Article 41 Section 4d of the PIT Act, tax on dividends (and redeemed shares, liquidation proceeds) is withheld by entities keeping securities accounts for taxpayers, in their capacity as tax remitters, if the income (revenue) is earned in the territory of Poland and is associated with the securities registered in these accounts and, further, if the relevant payments are made to the taxpayers through these entities. This obligation also applies to Polish non-resident entities maintaining securities accounts for taxpayers to the extent such entities conduct business activities via a permanent establishment located in Poland if the account on which the securities are registered is related to the activities of that permanent establishment. The tax is withheld on the date of the distribution of the relevant funds to the holder of the securities account or omnibus account (Article 41 Section 10 of the PIT Act).

The tax remitter is required to file an annual return with the relevant tax office on an appropriate form by the end of January of the year following the relevant fiscal year (Article 42 Section 1a of the PIT Act). By the end of February of the year following the relevant fiscal year, the tax remitter is required to send to the taxpayer and to the relevant tax office (here, the deadline is the end of January of the year following the relevant fiscal year) personalised information on the amount of income on an appropriate form (Article 42 Section 2 item 1 in conjunction with Article 42g Section 1 of the PIT Act). If the tax remitter discontinues its business before the lapse of the aforesaid deadlines, the tax remitter should submit the personalised information on or before the date of the discontinuation of its business (Article 42g Section 2 of the PIT Act).

If dividend income (revenue) and other revenues from a share in the profits of legal persons are distributed to taxpayers that own rights to securities recorded in omnibus accounts and the identity of such taxpayers was not disclosed to the tax remitter pursuant to the procedure set out in the Act on Trading in Financial Instruments, the tax is withheld at the rate of 19% of the total income (revenue) remitted by the tax remitter to all of the taxpayers through the holder of the omnibus account (Article 30a Section 2a of the PIT Act). If the remitter makes a distribution pursuant to the above procedure, he is not obligated to prepare personalised information on the amount of income with respect to such taxpayers (Article 42 Section 8 of the PIT Act), whereas the taxpayers are obligated to disclose the amount of such income in their annual tax returns (Article 45 Section 3c of the PIT Act).

The tax remitter is required to act with due diligence in verifying the conditions for the application of a lower tax rate or an exemption or refraining from withholding the tax under the provisions of the tax law. When assessing whether due diligence has been exercised, the nature and the scale of the tax remitter's activity, as well as the tax remitter's relationship with the taxpayer (within the meaning of Article 23m Section 1 item 5 of the PIT Act) shall be taken into account (Article 41 Section 4aa of the PIT Act). Moreover, the PIT Act sets out certain limitations on applying tax rates, exemptions or refraining from withholding tax under special provisions of the law or double taxation conventions (see "*4.4.4 Limitations on applying tax rates, exemptions or refraining from withholding tax under special provisions of the law or double taxation conventions afforded to personal income taxpayers subject to either limited or unlimited tax liability, and the refund of tax paid on disbursements made*" below).

In accordance with Article 75 § 1 of the Tax Ordinance, if a taxpayer is uncertain as to whether a tax collected by a tax remitter is due or whether the amount of the collected tax is adequate, he may submit a request to confirm a tax overpayment.

#### *4.4.3. Remittance and payment of tax on income of natural persons who are subject to limited tax liability in Poland (i.e. persons whose place of residence for tax purposes is not in Poland)*

Generally, the above rules governing the remittance and payment of tax on dividend income (revenue) and other revenues from a share in the profits of legal persons also apply to income earned by natural persons subject to taxation only on the income (revenue) generated in the territory of the Republic of Poland (limited tax liability).

If the tax is paid by the taxpayer, such natural person may be required to register for taxation purposes in Poland and may be responsible for paying such tax and for meeting any applicable filing requirements.

If the tax is paid by tax remitter, the abovementioned rules governing the remittance and payment of tax - as in case of disbursements for the benefit of natural persons subject to unlimited tax liability (concerning *inter alia* applying regulations resulting from double taxation conventions, acting with due diligence in verifying the preferential rules, filing annual tax returns, limitations on applying preferential rules etc.) - are applied accordingly.

There are certain formal differences in terms of information provided to non-resident natural persons by tax remitters. Generally, the tax remitter is required to prepare and send to the non-resident taxpayer and to the relevant tax office personalised information on the amount of income on an appropriate form until the end of February for the previous year (Article 42 Section 2 item 2 of the PIT Act), unless the tax remitter ceases its business activities before that deadline, in which case the tax remitter files such information no later than on the day of ceasing its business activities (Article 42 Section 3 of the PIT Act).

The tax remitter is also obliged to prepare and send to the non-resident taxpayer and the relevant tax office such personalised information referred to in the Article 42 Section 2 item 2 of the PIT Act upon a written request from the non-resident taxpayer, within 14 days of such request (Article 42 Section 4 of the PIT Act). Information provided by the tax remitter in this procedure does not relieve the tax remitter from the obligation to prepare the annual information referred to in the Article 42 Section 2 item 2 of the PIT Act.

In principle, the information referred to in Article 42 Section 2 item 2 of the PIT Act should be prepared and sent by the tax remitter even if the tax remitter is not obliged to withhold the tax on the basis of the provisions of the relevant double taxation treaty or PIT Act regulations (Article 42 Section 6 of the PIT Act).

#### *4.4.4. Limitations on applying tax rates, exemptions or refraining from withholding tax under special provisions of the law or double taxation conventions afforded to personal income taxpayers subject to either limited or unlimited tax liability, and the refund of tax paid on disbursements made*

The PIT Act imposes certain limitations on applying tax rates, exemptions or refraining from withholding tax under special provisions of the law or double taxation conventions.

According to Article 41 Section 12 of the PIT Act, if the total amount of disbursements (benefits) paid or made available to a related taxpayer in relation to the titles referred to in Article 30a Section 1 item 1-5a of the PIT Act (in particular from dividends and other revenue from a share in the profits of legal persons), and with respect to a taxpayer being subject to limited tax liability in the territory of Poland – also in relation to the titles referred to in Article 29



Section 1 item 1 of the PIT Act (*inter alia*, certain revenues from personally performed activities, interest, other than as stipulated in Article 30a Section 1, or copyrights), exceeds in the fiscal year the amount of PLN 2,000,000, the tax remitter is required to withhold income tax at the tax rates referred to in Article 29 Section 1 and Article 30a Section 1 of the PIT Act in respect of any excess above the amount of PLN 2,000,000 (i.e. with respect to dividends and other revenue from a share in the profits of legal persons – the 19% tax rate), and any tax rates, exemptions or the refraining from withholding tax under special provisions of the law or double taxation conventions are disallowed. However, the above does not apply to dividends and other revenues from a share in profits of legal persons (set out in Article 30a Section 1 item 4 of the PIT Act) paid for the benefit of taxpayers being Polish tax residents.

The above-mentioned mechanism will also apply to payments that have not been recognised as the payments specified in Article 29 Section 1 item 1 and Article 30a Section 1 items 1-5a of the PIT Act without justified economic reasons.

A tax remitter, when verifying the conditions for applying a preferential tax rate, an exemption or refraining from withholding must act with due diligence and take into account the nature and the scale of the taxpayer's activity as well as the existence of relations (within the meaning of the transfer pricing regulations) between the taxpayer and the tax remitter (Article 41 Section 4aa of the PIT Act).

This limitation does not apply if the tax remitter makes a statement(s), on the terms and in accordance with the procedure set out in the PIT Act, confirming that the tax remitter has in place the documents required by tax law for the application of a tax rate or an exemption or not withholding the tax based on special provisions of the law or double taxation conventions, and that after an appropriate enquiry, the tax remitter is not aware of any reason to believe that any circumstances exist precluding the application of such tax rate or exemption or not withholding the tax (Article 41 Section 15 of the PIT Act).

As it stems from Article 41 Section 4da of the PIT Act, entities making disbursements via securities accounts or omnibus accounts are required to inform the entities keeping such securities accounts or omnibus accounts about: (i) existing relations (within the meaning of the transfer pricing provisions) between the entities making the disbursements and the taxpayers (obtaining such payments); as well as (ii) exceeding the amount of PLN 2,000,000 at least 7 days prior to the disbursement. The entity providing this information is required to update it, in the event of a change in the circumstances covered by this information (Article 41 Section 4da of the PIT Act). The entities keeping the securities or omnibus accounts are required to determine whether the amount of PLN 2,000,000 has been exceeded (without already taxed payments in accordance with Article 30a Section 2a of the PIT Act) as well as whether a relation (within the meaning of the transfer pricing regulations) between the entities making the disbursements and the taxpayers exists (Article 41 Section 12d of the PIT Act).

The PIT Act also provides for a procedure in which the obligation to remit tax does not apply in view of an existing binding opinion on a preference with respect to the application of WHT at a reduced rate/an exemption (opinion on preference) obtained by the taxpayer, tax remitter or an entity making disbursement of receivables through entities keeping security accounts or omnibus accounts in accordance with the PIT Act (Article 41 Section 12b of the PIT Act).

The PIT Act also describes the procedure pursuant to which a taxpayer or – in certain situations – a tax remitter, may obtain a refund of tax withheld due to the limitation set out in Article 41 Section 12 of the PIT Act.

An application for a tax refund can be filed by:

- a taxpayer, including a taxpayer subject to limited tax liability in the territory of Poland, who generates revenue taxable in accordance with the provisions of the PIT Act in connection with the receipt of the amount due on which the tax was withheld;
- a tax remitter if the tax remitter paid the tax from its own proceeds and incurred the economic burden of such tax (Article 44f Section 2 of the PIT Act).

The PIT Act specifies in detail the scope of documents that should accompany the application in order to enable its verification, as well as the actions that the tax authority may take in order to verify whether the application for a tax refund is justified.

A decree issued by the Minister of Finance currently in force provides that Article 41 Section 12 of the PIT Act does not apply to payments made from 1 January 2023 until 31 December 2024 in the cases referred to in Article 41 Section 4d and Section 10 of the PIT Act. Please note that the decree is of a temporary nature and may not be extended to cover subsequent years.

#### 4.4.5. *Remittance and payment of tax on income of corporate income taxpayers subject to unlimited tax liability in Poland (i.e. those having their registered office or place of management in Poland)*

Generally, the tax should be settled and disclosed by the taxpayer in the annual tax return referred to in Article 27 Section 1 of the CIT Act by the end of the third month of the year following the given fiscal year.



In order to avoid double taxation on income (revenue) from dividends and other income (revenue) from a share in the profits of legal persons derived in other countries, the corporate income taxpayer is allowed to deduct tax levied on the income paid in such other country in accordance with the relevant double tax treaty with the restrictions provided therein (if applicable) or to apply tax exemption resulting from Article 20 Section 3 of the CIT Act.

Separate rules might apply to income from securities held in securities or omnibus accounts with the remitter being obliged to pay the withholding tax. In such cases, investors should seek advice from their tax advisors.

If there is a Polish entity acting as a tax remitter with regard to the income (revenue) from dividends and other income (revenue) from a share in the profits of legal persons, then that tax remitter is required to withhold a flat rate income tax on the disbursements made. The tax remitter is required to act with due diligence in verifying the conditions for the application of a lower tax rate or an exemption or refraining from withholding the tax under special provisions of the law or double taxation conventions. In the assessment of whether due diligence has been exercised, the character and the scale of the tax remitter's activity, as well as the tax remitter's relationship with the taxpayer (within the meaning of Article 11a Section 1 item 5 of the CIT Act), should be taken into account.

However, for the limitations on the ability to refrain from withholding the tax under the relevant double taxation convention, or on the application of exemptions or rates under special provisions of the law or double taxation conventions (see "*4.4.4 Limitations on applying tax rates, exemptions or refraining from withholding tax under special provisions of the law or double taxation conventions afforded to personal income taxpayers subject to either limited or unlimited tax liability, and the refund of tax paid on disbursements made*" below).

Pursuant to Article 26 Section 2c item 2 of the CIT Act, with respect to the revenues referred to in Article 7b Section 1 item 1 letter a, b, e and g of the CIT Act (including among others: dividends, balance sheet surpluses in cooperatives, revenue from the redemption of shares or from decreasing their value, revenue received in connection with the liquidation of a legal person or a partnership referred to in Article 1 Section 3 of the CIT Act, and additional payments received in the case of the merger or division of companies) from securities recorded in securities accounts or omnibus accounts, the obligation to collect the flat rate tax referred to in Article 26 Section 1 of the CIT Act applies to the entities keeping the securities or omnibus accounts where the disbursement is effected through such entity. Those entities, acting as tax remitters, collect the flat rate tax on the date of making the funds available to the holder of the securities account or omnibus account.

As it stems from Article 26 Section 2ca of the CIT Act, entities making disbursements via securities or omnibus accounts are required to inform the entities keeping such securities accounts or omnibus accounts about: (i) existing relations (within the meaning of the transfer pricing provisions) between the entities making the disbursements and the taxpayers (obtaining such payments); as well as (ii) exceeding the amount of PLN 2,000,000 at least 7 days prior to the disbursement.

Pursuant to Article 26 Section 2ed of the CIT Act, entities keeping securities accounts or omnibus accounts are required to determine whether the amount of PLN 2,000,000 has been exceeded as well as whether a relation (withing the meaning of the transfer pricing regulations) between the entities making the disbursements and the taxpayers exists. Entities keeping securities accounts or omnibus accounts do not have to take into account disbursements that were subject to taxation on the basis of Article 26 Section 2a of the CIT Act.

In accordance with Article 75 § 1 of the Tax Ordinance, if a taxpayer is uncertain as to whether a tax collected by a tax remitter is due or whether the amount of the collected tax is adequate, such taxpayer may submit a request to confirm tax overpayment.

#### *4.4.6. Remittance and payment of tax on income of corporate income taxpayers subject to limited tax liability in Poland (i.e. those not having their registered office or place of management in Poland)*

Generally, the above rules governing the remittance and payment of tax on dividend income (revenue) and other revenues from a share in the profits of legal persons also apply to income earned by corporate income taxpayers subject to taxation only on the income (revenue) generated in the territory of the Republic of Poland (limited tax liability).

In case the tax is paid by the taxpayer, such taxpayer may be required to register for taxation purposes in Poland and may be responsible for paying such tax and for meeting any applicable filing requirements.

If the tax is paid by tax remitter, the abovementioned rules governing the remittance and payment of tax - as in case of disbursements for the benefit of corporate income taxpayers subject to unlimited tax liability (concerning *inter alia* applying regulations resulting from double taxation conventions, acting with due diligence in verifying the preferential rules, filing annual tax returns, limitations on applying preferential rules etc.) - are applied accordingly.

***Limitations on the ability to refrain from withholding tax under a relevant double taxation convention and applying exemptions or rates under special provisions of the law or double taxation conventions afforded to corporate income taxpayers subject to either limited or unlimited tax liability, and the refund of tax paid on disbursements made***

The CIT Act imposes certain limitations on refraining from withholding tax under a relevant double taxation convention and on applying exemptions or rates under special provisions of the law or double taxation conventions.

Pursuant to Article 26 Section 2e of the CIT Act, if the total amount of disbursements – made for the benefit of related parties (within the meaning of the transfer pricing regulations) being non-Polish tax residents, in relation to income (revenue) from dividends and other revenue from a share in the profits of legal persons, and in relation to the titles referred to in Article 21 Section 1 item 1 of the CIT Act (i.e. revenues related to interest, copyright and neighbouring rights, rights to inventions, trademarks and ornamental designs, as well as the sale of these rights, receivables due for access to confidential recipes or production processes, for the right to use an industrial facility, including a vehicle, a commercial or scientific device, for information related to the obtained expertise in a branch of industry, trade or science (know-how))

– exceeds PLN 2,000,000 (or such other limit determined by applying the principles referred to in Article 26 Section 2i and 2j of the CIT Act), the tax remitter is required to withhold, on the date of the disbursement, a flat rate income tax on such disbursement at the rate set out in Article 22 Section 1 of the CIT Act (or Article 21 Section 1 item 1 respectively), without the ability to refrain from withholding such tax on the basis of the relevant double taxation convention being excluded, and without applying any exemptions or rates under special provisions of the law or double taxation conventions.

The above-mentioned mechanism will also apply to payments that have not been recognised as the payments specified in Article 21 Section 1 item 1 and Article 22 Section 1 of the CIT Act without justified economic reasons.

This limitation does not apply if the tax remitter makes a statement(s), on the terms and in accordance with the procedure set out in the CIT Act, confirming that the tax remitter has in place the documents required by tax law for the application of a tax rate or exemption or not withholding tax based on special provisions of the law or double taxation conventions, and that after an appropriate enquiry the tax remitter is not aware of any reason to believe that any circumstance exists precluding the application of such tax rate, exemption or not withholding the tax (Article 26 Section 7a of the CIT Act).

The CIT Act also provides for a procedure in which the obligation to remit tax does not apply in view of an existing binding opinion on a preference with respect to the application of WHT at a reduced rate/an exemption (opinion on preference) obtained by the taxpayer, tax remitter or an entity making disbursement of receivables through entities keeping security accounts or omnibus accounts in accordance with the CIT Act (Article 26 Section 2g of the CIT Act).

The provisions of the CIT Act also provide for a procedure pursuant to which the taxpayer or – in certain cases – the tax remitter, may obtain a refund of the tax withheld due to the limitation set out in Article 26 Section 2e of the CIT Act.

An application for a tax refund can be filed by:

- the taxpayer, including a taxpayer subject to limited tax liability in the territory of Poland, who generates revenue taxable in accordance with the provisions of the CIT Act in connection with the receipt of the amount due on which the tax was withheld; and
- the tax remitter, if the tax remitter paid the tax from its own proceeds and incurred the economic burden of such tax

(Article 28b Section 2 of the CIT Act).

The CIT Act specifies in detail the scope of documents that should accompany the application in order to enable its verification, and the actions that the tax authority may take in order to verify whether the application for a tax refund is justified.

A decree issued by the Minister of Finance currently in force provides that Article 26 Section 2e of the CIT Act does not apply to payments made from 1 January 2023 until 31 December 2024 in the cases referred to in Article 26 Section 2c of the CIT Act. Please note that the decree is of a temporary nature and may not be extended to cover subsequent years.

#### **4.5. Transfer tax (tax on civil law transactions) payable on the sale of securities**

Transfer tax is payable on agreements concerning the sale or exchange of property or property rights (including securities) if the subject of such agreements is property situated in the territory of the Republic of Poland, or the property rights are exercised within the territory of the Republic of Poland (Article 1 Section 1 item 1 letter a in conjunction with Article 1 Section 4 of the Transfer Tax Act). An exchange agreement is also subject to taxation if at least one of the things being exchanged is located in the territory of Poland, or one of the property rights is exercised in the territory of Poland (Article 1 Section 4a of the Transfer Tax Act).

As a rule, the sale of shares and rights to shares of foreign (non-Polish) company are considered as rights exercisable outside of Poland. These rights are considered to be subject to the Transfer Tax Act only if the buyer has its place of residence or registered office in Poland, and the transaction is performed in Poland (Article 1 Section 4 item 2 of the Transfer Tax Act). Such transactions are subject to transfer tax at the rate of 1%.

The tax base is the market value of the property or the property rights (Article 6 Section 1 item 1 of the Transfer Tax Act). The tax liability resulting from a sale agreement is borne by the buyer and arises upon the finalisation of the civil law transaction (Article 3 Section 1 item 1 and Article 4 item 1 of the Transfer Tax Act). Taxpayers are required to file, without any additional request from the tax office, a transfer tax return and calculate and remit the due tax within 14 days following the day on which the tax liability arose. This obligation does not apply if the transaction is executed in the form of a notarial deed where the transfer tax is collected by the notary who, in this case, acts as the tax remitter (Article 10 Section 1 and 2 of the Transfer Tax Act). A taxpayer may file a collective transfer tax return on an official form and calculate and pay the tax by the seventh day of the month following the month in which the tax obligation arose if in the month concerned the taxpayer effected at least three civil law transactions involving a sale of property rights and the last of these transactions is completed no later than 14 days after the first one (Article 10 Section 1a of the Transfer Tax Act).

An exemption from the transfer tax applies to a sale of property rights constituting financial instruments: (i) to investment companies and foreign investment companies; (ii) executed through investment companies and foreign investment companies; (iii) executed in organised trading; or (iv) executed outside organised trading by investment companies and foreign investment companies which acquired such property rights in organised trading, (v) to state banks conducting brokerage activities, (f) effected through state banks engaged in brokerage activities or (g) effected outside organised trading by state banks engaged in brokerage activities, if the rights have been acquired by such banks within the framework of organised trading, as defined in the Act on Trading in Financial Instruments (Article 9 item 9 of the Transfer Tax Act).

#### **4.6. Inheritance and donation tax on the acquisition of securities by natural persons**

Inheritance and donation tax is charged on the acquisition by natural persons of property located and property rights exercised within the territory of the Republic of Poland (including securities) by way of, among others, inheritance, ordinary legacy, further legacy, *legacy per vindicationem*, bequest, donation or donor's order (Article 1 Section 1 of the Inheritance and Donation Tax Act). The tax liability is borne by the person acquiring the property or property rights (Article 5 of the Inheritance and Donation Tax Act), and it may arise at different times, depending on the manner of such acquisition (Article 6 of the Inheritance and Donation Tax Act).

Pursuant to Article 7 Section 1 of the Inheritance and Donation Tax Act, the tax base is, usually, the value of the acquired things and property rights, after the deduction of any debts and encumbrances (net value), determined as at the date of acquisition and the market prices prevailing on the date on which the tax obligation arises.

The amount of tax depends on the degree of kinship or other legal relationship between the donor and the recipient or bequeathed and heir. The tax rates grow progressively from 3% to 20% of the tax base, depending on the tax group in which the transferee qualifies. There is a tax-free amount defined for each of these groups.

Unless the tax is collected by the tax remitter, taxpayers are required to file, within one month of the date on which the tax liability arose, a tax return disclosing the acquisition of property or property rights on an appropriate form with the head of the relevant tax office (Article 17a Section 1 and 2 of the Inheritance and Donation Tax Act). The tax is payable within 14 days of delivering a decision assessing the amount of the head of the tax office on the tax liability.

Securities acquired by the closest relatives (a spouse, descendants, ascendants, stepchildren, siblings, stepparents) are tax-exempt subject to filing an appropriate notice with the head of the relevant tax office in due time (Article 4a Section 1 item 1 of the Inheritance and Donation Tax Act). The aforementioned exemption applies if, at the time of acquisition, the acquirer was a citizen of the Republic of Poland, or an EU Member State or a European Free Trade Association member state being a party to the EEA Agreement or was a resident of the Republic of Poland or such state (Article 4 Section 4 of the Inheritance and Donation Tax Act).

#### **4.7. Provisions on tax remitter liability**

Pursuant to Article 30 § 1 and § 3 of the Tax Ordinance, a tax remitter who fails to exercise the obligation to compute, collect or pay any tax to the appropriate tax authority has unlimited liability for the tax which has not been withheld or for the amount of withheld tax which has not been paid. The above-mentioned provision does not apply when separate legal provisions provide otherwise or when the tax was not withheld at the fault of the taxpayer. In such cases, the appropriate tax authority issues a decision about the taxpayer's liability. The taxpayer's liability can be established in a decision assessing the amount of the tax liability (Article 30 § 5 of the Tax Ordinance). On the basis of Article 30 § 5b of the Tax Ordinance, if the tax has not been remitted due to the failure to fulfil obligations set out in Article 41 Section 4da of the PIT Act and Article 26 Section 2ca of the CIT Act due to the inconsistency of the information provided on the basis of these provisions with reality, the entity that made the payment through the entities keeping the securities accounts or omnibus accounts shall be responsible for the unremitted tax. The taxpayer's liability cannot be excluded or limited pursuant to Article 30 § 5 of the Tax Ordinance if: (i) the taxpayer and the tax remitter were related parties within the meaning of Article 23m Section 1 item 4 of the PIT Act or Article 11a Section 1 item 4 of the CIT Act;

(ii) the tax remitter or the taxpayer was a controlled or controlling entity as regards control as defined in Article 30f Section 3 item 3 of the PIT Act or Article 24a Section 3 item 3 of the CIT Act; (iii) the tax remitter or the taxpayer has a tax residence, place of registration, registered office or management in a country or territory practicing harmful tax competition in terms of personal income tax and corporate income tax; (iv) the tax remitter or the taxpayer has a tax residence, place of registration, registered office or management in a country or territory which has not signed any ratified international convention with Poland, in particular a double taxation convention, and for which the European Union has not ratified any international convention which would give a basis for obtaining tax information from the tax authorities of that state; (v) the tax remitter or the taxpayer was managed or controlled, directly or indirectly, or had contractual or actual relations, including as the founder, sponsor or beneficiary, with any foundation or trust or other entity or title of fiduciary nature; or (vi) the tax remitter failed to fulfil the obligation with respect to an entity for which no sufficient information is publicly available to establish the shareholder, stockholder or entity with similar rights which holds at least 10% of the capital or at least 10% of the votes in its supervisory bodies, governing bodies or managing bodies, or at least a 10% share of the profits; (vii) the tax remitter is a real property company within the meaning of Article 5a item 49 of the PIT Act or Article 4a item 35 of the CIT Act.

## **5. Provisions on Mandatory Disclosure Rules**

DAC6 provides for mandatory disclosure of cross-border arrangements by intermediaries or taxpayers to the tax authorities and mandates automatic exchange of this information among the EU Member States. The stated purpose of DAC6 is to enhance transparency, reduce uncertainty over beneficial ownership and dissuade intermediaries from designing, marketing and implementing harmful tax structures.

In Poland the mandatory disclosure rules (MDR) for both domestic and cross-border tax-planning arrangements (schemes) were introduced as at 1 January 2019 (with a retroactive effect based on grandfathering rules; generally, the Polish MDR legislation requires the reporting of cross-border tax arrangements in relation to which the first implementation step was made after 25 June 2018). With respect to cross-border arrangements, the MDR law in Poland implements the above-mentioned DAC6.

The Polish MDR legislation has a much wider scope in comparison to the DAC6 and includes an extended definition of reportable tax arrangements so that it comprises not only cross-border, but also domestic tax arrangements.

## ADDITIONAL INFORMATION

### 1. Authorisations

As at the date of the Prospectus, the Sale Shares have been duly issued and are held by the Selling Shareholders. In addition, the issuance of up to 24,066,667 New Shares by the Company has been approved by the resolution of the Supervisory Board taken on 18 November 2024 and will be approved by the resolution of the Management Board taken on or prior to the Settlement Date in accordance with Luxembourg Company Law and pursuant to the authorised share capital provided under the Articles of Association in accordance with the minutes of the extraordinary general meeting of the Company dated 18 November 2024.

### 2. Documents Available for Inspection

The following documents will be available to the public on the website of the Company (<https://www.studenacgroup.eu>) throughout the validity of the Prospectus (which is twelve months from the date of this Prospectus): (i) the Articles of Association (in French and English); and (ii) the Consolidated Financial Statements.

Additionally, from the date of its publication, and throughout the time it remains valid, the Prospectus (in English), with all of the supplements approved by the CSSF and update communications (in English) related thereto, if any, as well as the information regarding the Final Price for the Offer Shares for the Retail Investors, Final Price for the Offer Shares for the Institutional Investors, the Final Number of the Offer Shares and the final number of the Offer Shares offered to each category of investors, will be available electronically on the Company's website (<https://www.studenacgroup.eu>). Such publication on the Company's website will be made in accordance with Article 21(2), (3) and (7) of the Prospectus Regulation.

### 3. Independent Auditors

The Company appointed KPMG Audit S.à r.l., with its registered office at 39, Avenue John F. Kennedy, L-1855 Luxembourg, registered with the Luxembourg Trade and Companies Register under number B149133, as its independent auditor (*réviseur d'entreprises agréé*). KPMG is a member of the Institute of Registered Auditors (*Institut des Réviseurs d'Entreprises*), which is the Luxembourg member of the International Federation of Accountants and is registered in the public register of approved audit firms held by the *Commission de Surveillance du Secteur Financier* as the competent authority for public oversight of approved statutory auditors and audit firms.

The Audited Financial Statements included in this Prospectus have been audited by KPMG, as independent auditors, as stated in their report included herein. KPMG issued its audit report on the Audited Financial Statements as included herein (see "*Historical Financial Information - 1. Audited Financial Statements (together with the Independent Auditors' Report)*"). The report contains the *Emphasis of Matter* section to emphasize that the Audited Financial Statements have been prepared for the purpose of the Offering.

The Interim Financial Statements included in this Prospectus have been reviewed by KPMG, as independent auditors, as stated in their report appearing herein. KPMG issued its review report on the Interim Financial Statements as included herein (see "*Historical Financial Information - 2. Interim Financial Statements (together with the Independent Auditors' Review Report)*"). With respect to the Interim Financial Statements, KPMG, as the independent auditor, has reported that it applied limited procedures in accordance with professional standards for review of such information. However, KPMG's separate report included herein, states that KPMG did not audit and does not express an opinion on the Interim Financial Statements. Accordingly, the degree of reliance on the report of KPMG on such information should be restricted in light of the limited nature of the review procedures applied.

Apart from the Consolidated Financial Statements, no information set forth in this Prospectus has been audited, reviewed or reported on by an independent audit firm.

During the period covered by the Consolidated Financial Statements, there were no instances of the resignation of an independent audit firm/independent auditor and no independent audit firm/independent auditor was dismissed. During the period covered by the Consolidated Financial Statements, there were no instances of a failure to appoint an independent audit firm/independent auditor for the next financial year.

### 4. Entities Involved in the Offering

There are no conflicts of interest between the natural and legal persons involved in the Offering that could materially affect the Offering.

The entities referred to below are involved in the Offering.



#### **4.1. Joint Global Coordinators**

The joint global coordinators and the joint bookrunners are: (i) Erste Group Bank AG, with its registered office in Vienna; Erste Securities Polska S.A. with its registered office in Warsaw, ERSTE&STEIERMÄRKISCHE BANK d.d. with its registered office in Zagreb (ii) Jefferies GmbH, with its registered office in Frankfurt am Main, (iii) J.P. Morgan SE, with its registered office in Frankfurt am Main and (iv) Santander Bank Polska S.A. – Santander Biuro Maklerskie with its registered office in Warsaw, Banco Santander, S.A. with its registered office in Santander.

Santander Bank Polska S.A. – Santander Biuro Maklerskie with its registered office in Warsaw also acts as the Polish Offering Agent in relation to the Offering in Poland.

ERSTE&STEIERMÄRKISCHE BANK d.d. with its registered office in Rijeka also acts as the Croatian Offering Agent in relation to the Offering in Croatia.

The Joint Global Coordinators are providing services to the Selling Shareholders and the Company in connection with the Offering, including services related to the preparation, management and execution of the Offering. The Joint Global Coordinators are responsible for coordinating the marketing efforts with respect to the Offering, coordinating contacts and arranging meetings with Institutional Investors, organising the book-building process, as well as other tasks that are typically performed by investment companies acting as managers in public share offerings.

The Offering Agents' services include the provision of assistance with respect to the settlement of the Offering, the registration of the Shares with the securities depository operated by the KDPW and SKDD respectively, and the WSE Admission and ZSE Admission.

None of the Joint Global Coordinators hold any Shares.

The remuneration of the Joint Global Coordinators is closely related to the proceeds from the sale of the Offer Shares (see "—6 Costs of the Offering—6.1 Fees of the Joint Global Coordinators").

#### **4.2. Legal Counsel to the Company and the Principal Selling Shareholder**

Legal services to the Company and the Principal Selling Shareholder are provided by: Baker McKenzie Krzyżowski i Wspólnicy sp. k. (with its registered office in Warsaw, address: Rondo ONZ 1, 00-124 Warsaw, Poland) as to matters of Polish law; Baker & McKenzie LLP (with its registered office in London, address: 280 Bishopsgate, London EC2M 4RB, United Kingdom) as to matters of U.S. and English law; Baker & McKenzie Luxembourg (with its registered office in Luxembourg, address: 10-12 Bd Franklin Delano Roosevelt, 2450 Ville-Haute Luxembourg, Luxembourg) as to matters of Luxembourg law; and Savoric & Partners (with its registered office in Zagreb, Ilica 1/A, HR-10000 Zagreb, Croatia) as to matters of Croatian law (jointly, the "**Company's Counsel**").

Additionally, the Company's Counsel has rendered and may render in the future other legal services in favour of the Company, Studenac, the Selling Shareholders or the Joint Global Coordinators within the scope of the activities conducted by the Company and Studenac, the Selling Shareholders or the Joint Global Coordinators on the basis of legal services agreements.

The remuneration of the Company's Counsel does not depend on the proceeds from the Offering. The Company's Counsel does not hold any material interests in the Company and, specifically, as at the date of this Prospectus, it does not hold any Shares.

#### **4.3. Legal Counsel to the Joint Global Coordinators**

In connection with the Offering, legal services to the Joint Global Coordinators are provided by: White & Case M. Studniarek i Wspólnicy - Kancelaria Prawna sp.k. (with its registered office in Warsaw, address: al. Jana Pawła II 22, 00-133 Warsaw) as to matters of Polish law and White & Case LLP (with its registered office in London, address: 5 Old Broad St, London EC2N 1DW, United Kingdom), as to matters of U.S. and English law; and Odvjetničko društvo Bardek, Lisac, Mušec, Skoko i partneri d.o.o. (with its registered office in Zagreb, address: Ilica 1, Zagreb, Croatia) as to matters of Croatian law (jointly, the "**Joint Global Coordinators' Counsels**").

Additionally, the Joint Global Coordinators' Counsels may render in the future legal services in favour of the Company, Studenac or the Selling Shareholders within the scope of the activities conducted by the Company, Studenac or the Selling Shareholders on the basis of legal services agreements.

The remuneration of the Joint Global Coordinators' Counsels does not depend on the proceeds from the Offering. The Joint Global Coordinators' Counsels do not hold any material interests in the Company and, specifically, as at the date of this Prospectus, they do not hold any Shares.

## **5. Public Takeover Bids**

In the financial year ended 31 December 2023 and in the period after that date and until the date of this Prospectus, the Shares have not been subject to any public takeover bids.

## **6. Costs of the Offering**

### **6.1. Fees of the Joint Global Coordinators**

In exchange for the services rendered in connection with the Offering, each of the Selling Shareholders and the Company will be required to pay to the Joint Global Coordinators on a *pro rata basis* a fee in the amount of 2.77% (assuming payment in full of any discretionary fee) calculated on the basis of a fixed percentage of the gross proceeds from the Offering (that is collectively: (i) gross proceeds from the sale of the Sale Shares received by each of the Selling Shareholders and (ii) gross proceeds from the offering of the New Shares received by the Company).

### **6.2. Other Costs**

The Company estimates that the total costs and expenses related to the Offering (other than the fees to be paid out to the Joint Global Coordinators with respect to the sale of the Sale Shares which are to be paid by the Selling Shareholders) that will be incurred by the Company will be in the range of approximately EUR 3.5 million and EUR 4.0 million, which will comprise, among others: (i) the cost of drafting the Prospectus; (ii) translations into Polish/Croatian/English; (iii) the costs and expenses related to the organisation of meetings with investors (early-look meetings and investor education), pilot fishing and the roadshow; (iv) the costs of the printing and distribution of the documentation related to the Offering (including the Prospectus), presentations or other Offering-related documents, and any documents related to advertising, including costs related to virtual distribution; (v) the fees and the costs and expenses of the legal counsel to the Company and the Joint Global Coordinators as well as any other advisors providing services in relation to the Offering, including the costs of travelling and accommodation; (vi) the costs of auditing and reviewing the Consolidated Financial Statements as well as the costs of the provision of the comfort letter; (vii) the costs of PR services pertaining to the Offering, as well as the costs of advertising and promoting the Offering; (viii) the costs of the development of the corporate website of the Company in relation to the Offering; (ix) the costs regarding the preparation and/or update of the OC&C Analysis; (x) the costs of the settlement of the Offering in connection with the KDPW, the WSE and KDPW\_CCP; (xi) the costs of the pre-Offering restructuring of the Company, (xii) costs related to settlement agents and (xiii) any fees payable to the CSSF, the KDPW, the WSE, SKDD and the ZSE.

The above-mentioned costs and expenses will be covered by the Company.

Neither the Selling Shareholders, nor the Company will collect any fees from investors placing purchase orders for the Offer Shares. Nonetheless, the amount paid by an investor subscribing for the Offer Shares may be increased by a potential commission of the member of the Polish Retail Syndicate accepting their purchase order in accordance with the rules in place in such member of the Polish Retail Syndicate.

## ABBREVIATIONS AND DEFINITIONS

The following list of defined terms is not intended to be an exhaustive list of definitions, but provides a list of the defined terms used in this Prospectus.

<b>Act on Exceptional Price Control Measures</b>	the Act on Exceptional Price Control Measures (in Croatian: <i>Zakon o iznimnim mjerama kontrole cijena</i> ), Official Gazette 73/1997, 128/1999, 66/2001.
<b>Act on Investment Funds</b>	the Polish Act dated 27 May 2004 on Investment Funds and the Management of Alternative Investment Funds, as amended.
<b>Act on Protection from Light Pollution</b>	the Act on Protection from Light Pollution (in Croatian: <i>Zakon o zaštiti od svjetlosnog onečišćenja</i> ), Official Gazette 14/2019.
<b>Act on Public Offering</b>	the Polish Act dated 29 July 2005 on Public Offering, the Conditions Governing the Introduction of Financial Instruments to Organised Trading, and Public Companies, as amended.
<b>Act on Representative Actions for the Protection of the Collective Interests of Consumers</b>	the Act on Representative Actions for the Protection of the Collective Interests of Consumers (in Croatian: <i>Zakon o predstavničkim tužbama za zaštitu kolektivnih interesa i prava potrošača</i> ), Official Gazette no. 59/2003.
<b>Act on Supervision over the Capital Market</b>	the Polish Act dated 29 July 2005 on Supervision over the Capital Market, as amended.
<b>Act on Technical Requirements for Products and Assessment of Conformity</b>	the Act on Technical Requirements for Products and Assessment of Conformity (in Croatian: <i>Zakon o tehničkim zahtjevima za proizvode i ocjenjivanju sukladnosti</i> ), Official Gazette 126/2021.
<b>Act on Trading in Financial Instruments</b>	the Polish Act dated 29 July 2005 on Trading in Financial Instruments, as amended.
<b>Acting in Concert Agreement</b>	the arrangements referred to in Article 87 Section 1 (5) and (6) of the Act on Public Offering.
<b>Admission</b>	the admission and introduction of the Shares to trading on the regulated (main) market operated by the WSE and their admission to trading on the regulated market (Official Market Segment) operated by the ZSE.
<b>Allotment Date</b>	the date of the allotment of the Offer Shares.
<b>Alternative Trading System</b>	an off-exchange trading venue organised by an Investment Firm or a company operating a regulated market.
<b>Annual Price Increase</b>	the attainment of the relevant level of the annual increase in the share price of the Company.
<b>Anti-Abuse Rules</b>	the rules pursuant to which the Luxembourg Participation Exemption regime may not apply to profit distributions that (i) are tax deductible for the distributing resident entity or (ii) with respect to EU companies, are made in the framework of an arrangement which, having been put in place with the (or one of the) main purpose(s) of obtaining a tax advantage defeating the objects and purposes of the Parent-Subsidiary Directive, is not genuine having regard to all its relevant facts and circumstances.
<b>APM, Alternative Performance Measure</b>	alternative performance measure within the meaning of the ESMA Guidelines on Alternative Performance Measures.
<b>Articles of Association</b>	the articles of association of the Company as they shall read as at the date of the Admission.
<b>Audit Committee</b>	the audit committee of the Company.
<b>Audited Financial Statements</b>	the audited consolidated financial statements of the Company and its Subsidiaries as of and for the years ended 31 December 2023, 2022 and 2021 prepared for the purposes of the Offering and the Prospectus in compliance with the IFRS.
<b>Authorised Capital</b>	the authorised capital of the Company.
<b>Award Shares</b>	a specified number of shares of the Company to which a Participant becomes conditionally entitled under the LTIP.

<b>AZTN</b>	the Croatian Competition Agency (in Croatian: <i>Agencija za zaštitu tržišnog natjecanja</i> ).
<b>Bad Leaver</b>	a Leaver whose employment has been terminated for negative cause by the employer (e.g. due to a material breach of the Leaver's service contract or of any other contract of employment as well as of any confidentiality or non-competition agreement, the commission of any act involving dishonesty or fraud or similar misconduct, wilful misfeasance or wilful conduct or any other act or omission which has been detrimental to the businesses of the Shareholders Group or has brought the Shareholders Group into disgrace or disrepute, the commission of a felony, crime or criminal offence under applicable law) and, in principle, also when the employment has been terminated at the initiative of the Leaver.
<b>Banco Santander</b>	Banco Santander, S.A.
<b>Bank Pekao</b>	Bank Polska Kasa Opieki S.A.
<b>Beragua</b>	Beragua Capital Advisory S.L.
<b>Bure</b>	Bure Trgovina d.o.o.
<b>Bylaw on the Method of Displaying the Retail Price and the Unit Price</b>	the Bylaw on the Method of Displaying the Retail Price and the Unit Price (in Croatian: <i>Pravilnik o načinu isticanja maloprodajne cijene i cijene za jedinicu mjere proizvoda</i> ), Official Gazette 117/2022.
<b>Capex Facility Stage 2</b>	a term loan facility in the aggregate amount of EUR 35,000,000 under the Facilities Agreement.
<b>Capital Commitment</b>	one or multiple capital commitment drawdown(s) such as the Limited Partner may be requested to make by the general partner managing the Partnership.
<b>Capital Markets Act</b>	the Capital Markets Act (in Croatian: <i>Zakon o tržištu kapitala</i> ), Official Gazette no. 65/2018, 17/2020, 83/2021, 151/2022, 85/2024.
<b>Cessation Date</b>	the date on which the Limited Partner becomes a Leaver.
<b>CFSSA</b>	the Croatian Financial Services Supervisory Agency ( <i>Hrvatska agencija za nadzor financijskih usluga (HANFA)</i> ).
<b>CIT Act</b>	the Polish Act dated 15 February 1992 on Corporate Income Tax, as amended.
<b>Companies Act</b>	the Companies Act (in Croatian: <i>Zakon o trgovačkim društvima</i> ), Official Gazette 111/1993, 34/1999, 121/1999, 52/2000, 118/2003, 107/2007, 146/2008, 137/2009, 111/2012, 125/2011, 68/2013, 110/2015, 40/2019, 34/2022, 114/2022, 18/2023, 130/2023.
<b>Company, Issuer</b>	Studenac Group S.A., a limited liability company ( <i>société anonyme</i> ), incorporated and existing under Luxembourg law, with its registered address in the Grand Duchy of Luxembourg, rue Jean Piret 1, 2350 Luxembourg, registered in the Luxembourg Trade and Companies Register) under number B218210.
<b>Company's Counsel</b>	Baker McKenzie Krzyżowski i Wspólnicy sp. k. (with its registered office in Warsaw, address: Rondo 1, rondo ONZ 1, 00-124 Warsaw, Poland) as to matters of Polish law; Baker & McKenzie LLP (with its registered office in London, address: 280 Bishopsgate, London EC2M 4RB, United Kingdom) as to matters of U.S. and English law; Baker & McKenzie Luxembourg (with its registered office in Luxembourg, address: 10-12 Bd Franklin Delano Roosevelt, 2450 Ville-Haute Luxembourg, Luxembourg) as to matters of Luxembourg law; and Savoric & Partners (with its registered office in Zagreb, Ilica 1/A, HR-10000 Zagreb, Croatia) as to matters of Croatian law.
<b>Competition Act</b>	the Competition Act (in Croatian: <i>Zakon o zaštiti tržišnog natjecanja</i> ), Official Gazette 79/2009, 80/2013, 41/2021, 155/2023.
<b>Completion Date</b>	the sixth anniversary of the Start Date.
<b>Concentration Control Regulation</b>	Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings (the FC Merger Regulation)
<b>Consolidated Financial Statements</b>	the Audited Financial Statements and the Interim Financial Statements.

<b>Corporate Income Tax Law</b>	the Corporate Income Tax Law (in Croatian: <i>Zakon o porezu na dobit</i> ), Official Gazette 177/2004, 90/2005, 57/2006, 80/2010, 22/2012, 146/2008, 148/2013, 143/2014, 50/2016, 115/2016, 106/2018, 121/2019, 32/2020, 138/2020, 114/2022, 114/2023.
<b>CPA</b>	the Consumer Protection Act (in Croatian: <i>Zakon o zaštiti potrošača</i> ), Official Gazette 19/2022, 59/2023.
<b>Croatia</b>	the Republic of Croatia.
<b>Croatian Criminal Act</b>	the Criminal Act (in Croatian: <i>Kazneni zakon</i> ), Official Gazette 125/2011, 144/2012, 56/2015, 61/2015, 101/2017, 118/2018, 126/2019, 84/2021, 114/2022, 114/2023, 36/2024.
<b>Croatian Institutional Investors</b>	persons who qualify as a qualified investor (in Croatian: „kvalificirani ulagatelj”) under the Capital Markets Act.
<b>Croatian Offering</b>	the offering to Retail Investors and Institutional Investors in Croatia.
<b>Croatian Offering Agent</b>	ERSTE&STEIERMÄRKISCHE BANK d.d. with its registered office in Zagreb acting as the Offering Agent in relation to the Offering in Croatia.
<b>Croatian Retail Investors</b>	Croatian investors authorised to subscribe for the Sale Shares pursuant to this Prospectus who do not qualify as a qualified investor (in Croatian: „kvalificirani ulagatelj”) under the Capital Markets Act and are (i) natural persons (individuals) who are at least eighteen years old and have a Croatian citizenship or have a foreign citizenship but reside in the Republic of Croatia or (ii) corporate entities (legal persons) with their registered office in the Republic of Croatia.
<b>Croatian Retail Syndicate</b>	the Croatian Offering Agent, Zagrebačka banka d.d., with registered seat at Trg bana Josipa Jelačića 10, Croatian personal identification number: 92963223473, and, if appointed, other investment firms and authorised banks authorised in Croatia to accept subscriptions for the Sale Shares from the Croatian Retail Investors in the Croatian Offering.
<b>Croatian Tax Laws</b>	any tax laws, regulations, practice and court decisions in effect in Croatia as at the date of this Prospectus.
<b>CSSF</b>	the Luxembourg Financial Supervision Authority ( <i>Commission de Surveillance du Secteur Financier</i> ).
<b>DAC6/MDRs</b>	Council Directive (EU) 2018/822 amending Directive 2011/16/EU as regards mandatory automatic exchange of information in the field of taxation in relation to reportable cross-border arrangements.
<b>Decentia</b>	Decentia Trgovine d.o.o.
<b>Delivery Dates</b>	the delivery of Award Shares under the LTIP in six annual tranches, starting from the first anniversary of the Start Date, i.e. (i) by the end of 2025, (ii) by the end of 2026, (iii) by the end of 2027, (iv) by the end of 2028, (v) by the end of 2029 and (vi) by the end of 2030.
<b>DZIV</b>	Croatian State Intellectual Property Office (in Croatian: <i>Državni zavod za intelektualno vlasništvo</i> ).
<b>EBRD</b>	the European Bank for Reconstruction and Development.
<b>EBRD Shares</b>	the Offer Shares that, pursuant to the Framework Agreement, EBRD may acquire in the Offering, not exceeding 10% of the Company’s share capital immediately after the issuance of the New Shares in connection with the Offering.
<b>EC Merger Regulation</b>	Council Regulation (EC) No. 139/2004 of 20 January 2004 on the control of concentrations between undertakings, as amended.
<b>EEA</b>	the European Economic Area, the area of free trading comprising the countries of the European Union and the European Free Trade Association (excluding Switzerland).
<b>Elisario</b>	Elisario Limited.
<b>ESMA</b>	the European Securities and Market Authority.
<b>EU</b>	the European Union.



<b>euro or EUR</b>	the currency introduced upon the commencement of the third stage of the European Economic and Monetary Union pursuant to the Treaty establishing the European Community.
<b>European Commission</b>	the executive authority of the EU that also represents the interests of the EU as a whole.
<b>European Parliament</b>	a representative authority of the EU, an equivalent of a single-chamber parliament, the members of which are elected by the citizens of the EU Member States for a five-year term.
<b>Event</b>	the occurrence of a liquidity event for the Principal Selling Shareholder.
<b>Existing Facility A</b>	a term loan facility in the aggregate amount of EUR 50,547,200 under the Facilities Agreement.
<b>Existing Facility B</b>	a term loan facility in the aggregate amount of EUR 75,820,800 under the Facilities Agreement.
<b>Facilities Agreement</b>	an English law governed facilities agreement entered into on 26 July 2018 (as amended) by Studenac Croatia, as original borrower and original guarantor, with Bank Pekao as mandated lead arranger, lender, hedge counterparty, agent and security agent, the EBRD as lender and certain other parties.
<b>Facility A 2024</b>	a term loan facility in the aggregate amount of EUR 36,000,000.
<b>Facility B 2024</b>	a term loan facility in the aggregate amount of EUR 44,000,000.
<b>Final Number of Offer Shares</b>	the final number of Offer Shares to be offered in the Offering, which will not exceed 55,170,594 shares in the Company.
<b>Final Price of the Offer Shares for Institutional Investors</b>	the final offer price per Offer Share for Institutional Investors in PLN and EUR, respectively.
<b>Final Price of the Sale Shares for Retail Investors</b>	the final offer price per Sale Share for Retail Investors in PLN and EUR, respectively.
<b>Food Act</b>	the Food Act (in Croatian: <i>Zakon o hrani</i> ), Official Gazette 18/2023.
<b>Food Information Act</b>	Act on Provision of Food Information to Consumers (in Croatian: <i>Zakon o informiranju potrošača o hrani</i> ), Official Gazette 56/2013, 14/2014, 56/2016, 32/2019.
<b>Food Information Regulation</b>	Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers.
<b>Framework Agreement</b>	a framework agreement entered into on 7 November 2024 by the Company, the Principal Selling Shareholder and EBRD.
<b>GDPR</b>	the Regulation (EU) 2016/679 of the European Parliament and of the Council of 27 April 2016 on the protection of natural persons with regard to the processing of personal data and on the free movement of such data, and repealing Directive 95/46/EC, 2016 OJ L 119/1.
<b>GDPR Implementation Act</b>	the GDPR Implementation Act (in Croatian: " <i>Zakon o provedbi Opće Uredbe o zaštiti podataka</i> ") (Official Gazette 42/2018).
<b>General Meeting</b>	the ordinary (annual) or extraordinary General Meeting of the Company.
<b>Heunadel</b>	Heunadel Retail Invest GmbH.
<b>IAS</b>	the International Accounting Standards adopted and approved by the EU.
<b>IAS 34</b>	International Accounting Standard 34 „Interim Financial Reporting“ adopted by the EU.
<b>IFRS</b>	the International Financial and Reporting Standards, the IAS and their interpretations adopted and approved by the European Union.
<b>Inadmissible Advertising Act</b>	the Inadmissible Advertising Act (in Croatian: <i>Zakon o nedopuštenom oglašavanju</i> ), Official Gazette 43/2009).
<b>Inheritance and Donation Tax Act</b>	Inheritance and Donation Tax Act dated 28 July 1983 (unified text Official Journal 2024 position no 596).

<b>Institutional Investors</b>	(i) in the EEA, qualified investors within the meaning of Article 2(e) of the Prospectus Regulation; (ii) in the United Kingdom, qualified investors within the meaning of Article 2(e) of the Prospectus Regulation as it forms part of domestic law in the United Kingdom by virtue of the European Union (Withdrawal) Act 2018, or (iii) other persons invited by any of the Joint Global Coordinators to take a part in the book-building process.
<b>Intercreditor Agreement</b>	an English law intercreditor agreement entered into on 3 August 2018 by Studenac Croatia, Bank Pekao, the EBRD and certain other parties.
<b>Interim Financial Statements</b>	the reviewed interim condensed consolidated financial statements of the Company and its Subsidiaries as at and for the eight months ended 31 August 2024 prepared for the purposes of the Offering and the Prospectus in compliance with IAS 34.
<b>International Institutional Investors</b>	certain Institutional Investors outside of the United States of America, Poland and Croatia to whom the Offer Shares are offered in accordance with Regulation S under the U.S. Securities Act.
<b>International Offering</b>	an international placement to certain institutional investors outside of the United States of America, Poland and Croatia in accordance with Regulation S under the U.S. Securities Act and exempted from the obligation to publish a prospectus under the Prospectus Regulation.
<b>Investment Firms</b>	Santander Bank Polska S.A. – Santander Biuro Maklerskie with respect to Poland and ERSTE&STEIERMÄRKISCHE BANK d.d. with respect to Croatia.
<b>Investors</b>	Retail Investors and Institutional Investors.
<b>Istarski Supermarketi</b>	Istarski Supermarketi društvo s ograničenom odgovornošću za trgovinu.
<b>Joint Global Coordinators' Counsels</b>	White & Case M. Studniarek i Wspólnicy - Kancelaria Prawna sp.k. (with its registered office in Warsaw, address: al. Jana Pawła II 22, 00-133 Warsaw) as to matters of Polish law and White & Case LLP (with its registered office in London, address: 5 Old Broad St, London EC2N 1DW, United Kingdom), as to matters of U.S. and English law; and Odvjetničko društvo Bardek, Lisac, Mušec, Skoko i partneri d.o.o. (with its registered office in Zagreb, address: Ilica 1, Zagreb, Croatia) as to matters of Croatian law.
<b>Joint Global Coordinators</b>	Erste Group Bank AG, Erste Securities Polska S.A., ERSTE&STEIERMÄRKISCHE BANK d.d., Jefferies GmbH, J.P. Morgan SE, Banco Santander, S.A. and Santander Bank Polska S.A. – Santander Biuro Maklerskie.
<b>KDPW</b>	the National Depository of Securities in Poland ( <i>Krajowy Depozyt Papierów Wartościowych S.A.</i> ), and, unless the context requires otherwise, the depository system operated by such company.
<b>KDPW Detailed Rules</b>	the detailed rules of the operation of the National Depository of Securities effective as at the date of this Prospectus.
<b>KDPW Rules</b>	the rules of the National Depository of Securities valid as at the date of this Prospectus.
<b>Kea</b>	Kea d.o.o.
<b>KPMG</b>	KPMG Audit S.à r.l., with its registered office at 39, Avenue John F. Kennedy, L-1855 Luxembourg.
<b>LA-VOR</b>	La-Vor Trade d.o.o.
<b>Leaver</b>	a Limited Partner when he ceases for any reason to be an employee or director or, or consultant to, a member of the Shareholders Group and does not continue as an employee or director of, or consultant to, any other member of the Shareholders Group.
<b>LEI number</b>	a 20-character code based on the ISO 17442 standard developed by the International Organisation for Standardisation (ISO); an LEI number references important information that offers transparency when participating in financial transactions.
<b>Limited Partners</b>	<i>associés commanditaires</i> , members of the Company's management team participating in the Plan by virtue of becoming limited partners in the Partnership.

<b>Listing Act</b>	Regulation (EU) 2024/2809 of the European Parliament and of the Council of 23 October 2024 amending Regulations (EU) 2017/1129, (EU) No 596/2014 and (EU) No 600/2014 to make public capital markets in the Union more attractive for companies and to facilitate access to capital for small and medium-sized enterprises.
<b>Listing Date</b>	the Listing Date in Croatia and Listing Date in Poland.
<b>Listing Date in Croatia</b>	the expected first day of trading of the Shares on the ZSE.
<b>Listing Date in Poland</b>	the expected first day of trading of the Shares on the WSE.
<b>Lonia</b>	Lonia Trgovina društvo s ograničenom odgovornošću za trgovinu i usluge.
<b>LTIP</b>	a long-term incentive plan, conditional on WSE Admission, introduced by the Company.
<b>LTIP Rules</b>	LTIP rules adopted by resolutions of the general meeting of the Company's shareholders, the Supervisory Board and the Management Board on 18 November 2024.
<b>Luxembourg</b>	the Grand Duchy of Luxembourg.
<b>Luxembourg Company Law</b>	the Luxembourg law of 10 August 1915 on commercial companies, as amended.
<b>Luxembourg Income Tax Law</b>	the Luxembourg income tax law of 4 December 1967, as amended ( <i>loi concernant l'impôt sur le revenu</i> ).
<b>Luxembourg Mandatory Squeeze-Out and Sell-Out Law</b>	the Luxembourg law of 21 July 2012 on the mandatory squeeze-out and sell-out of securities of companies currently admitted or previously admitted to trading on a regulated market or having been offered to the public, as amended.
<b>Luxembourg New Code of Civil Procedure</b>	the Luxembourg new code of civil procedure ( <i>Nouveau Code de Procédure Civile</i> ).
<b>Luxembourg Participation Exemption</b>	the exemption regime provided under Article 166 of the Luxembourg Income Tax Law.
<b>Luxembourg Prospectus Law</b>	the Luxembourg law of 16 July 2019 on prospectuses for securities ( <i>Loi du 16 juillet 2019 relative aux prospectus pour valeurs mobilières</i> ), as amended.
<b>Luxembourg Shareholder Rights Law</b>	the Luxembourg law of 24 May 2011 on the exercise of certain rights of shareholders at general meetings of the shareholders of listed companies, as amended.
<b>Luxembourg Takeover Law</b>	the Luxembourg law of 19 May 2006 on takeover bids, as amended.
<b>Luxembourg Tax Laws</b>	any tax laws, regulations, practice and court decisions in effect in Luxembourg as at the date of this Prospectus.
<b>Luxembourg Trade and Companies Register, RCS</b>	the commercial register of Luxembourg, <i>Registre de Commerce et des Sociétés, Luxembourg</i>
<b>Luxembourg Transparency Law</b>	the Luxembourg law of 11 January 2008 on transparency requirements regarding information about issuers whose securities are admitted to trading on a regulated market, as amended.
<b>Majority Shareholder</b>	a person who, acting alone or in concert, holds (otherwise than as a result of a voluntary or mandatory takeover bid pursuant to the Takeover Directive) directly or indirectly at least 95% of the Company's capital carrying voting rights and 95% of the Company's voting rights.
<b>Management, Management Board</b>	the management board of the Company.
<b>Management Board of the KDPW</b>	the management board of the National Depository of Securities ( <i>Krajowy Depozyt Papierów Wartościowych S.A.</i> ) in Warsaw.
<b>Management Board of the WSE</b>	the management board of the Warsaw Stock Exchange ( <i>Giełda Papierów Wartościowych w Warszawie S.A.</i> ).
<b>Mandate Letter</b>	a mandate letter concluded on 17 October 2024 by Studenac Croatia with Bank Pekao as mandated lead arranger, bookrunner, agent and underwriter.

<b>Mandatory Sell-Out</b>	under the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, a situation in which each of the holders of the remaining shares or securities in the Company may require the Majority Shareholder to purchase its remaining shares or other voting securities.
<b>Mandatory Squeeze-Out</b>	under the Luxembourg Mandatory Squeeze-Out and Sell-Out Law, a situation in which the Majority Shareholder may require the holders of the remaining shares or other voting securities in the Company to sell such remaining securities to it.
<b>Market Abuse Regulation, the MAR</b>	Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse (market abuse regulation) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC and 2004/72/EC. Text with EEA relevance, as amended.
<b>Market and Issuers Regulation</b>	the regulation of the Minister of Finance of Poland of 25 April 2019 regarding the detailed requirements that must be satisfied by a market of official stock exchange quotations and the issuers of securities admitted to trading on such market.
<b>Maximum Price</b>	the maximum price per one Offer Share at which Retail Investors will subscribe for the Sale Shares in the Offering.
<b>Member State</b>	a Member State of the EU.
<b>MiFID II</b>	Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 on markets in financial instruments and amending directive 2002/92/EC and Directive 2011/61/EU.
<b>MiFID II Product Governance Requirements</b>	MiFID II, Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 and local implementing measures.
<b>New Facilities</b>	Term Facility A, Term Facility B and New Revolving Credit Facility.
<b>New Facilities Agreement</b>	an English law governed facilities agreement to be entered on or around the completion of the Offering by Studenac Croatia with Bank Pekao as mandated lead arranger, lender, hedge counterparty, agent and security agent.
<b>New Facility A</b>	a term loan facility in the aggregate amount of EUR 10,000,000 under the Facilities Agreement.
<b>New Facility B</b>	a term loan facility in the aggregate amount of EUR 15,000,000 under the Facilities Agreement.
<b>New Revolving Credit Facility</b>	a revolving loan facility in the aggregate amount of EUR 50,000,000.
<b>New Shares</b>	up to 24,066,667 shares in the Company with a nominal value of EUR 0.01 each to be issued by the Company and offered in the Offering.
<b>NBP</b>	the National Bank of Poland ( <i>Narodowy Bank Polski</i> ).
<b>NDSs</b>	the National Depository of Securities in Poland (KDPW) and Croatia (SKDD), and, unless the context requires otherwise, the depository system operated by such company.
<b>NI 33-105</b>	The Canadian National Instrument 33-105 Underwriting Conflicts.
<b>Noise Protection Act</b>	the Noise Protection Act (in Croatian: <i>Zakon o zaštiti od buke</i> ), Official Gazette 30/2009, 55/2013, 153/2013, 41/2016, 114/2018, 14/2021.
<b>NTL</b>	Narodni Trgovacki Lanac, a purchasing alliance.
<b>Number of Stabilisation Shares</b>	not more than 10% of the Final Number of Offer Shares that may be purchased by the Stabilising Manager through stabilisation activities.
<b>Obligations Act</b>	the Obligations Act (in Croatian: <i>Zakon o obveznim odnosima</i> ), Official Gazette no. 35/2005, 41/2008, 125/2011, 78/2015, 29/2018, 126/2021, 114/2022, 156/2022, 145/2023, 155/2023.
<b>OC&amp;C</b>	OC&C Strategy Consultants SP.

<b>OC&amp;C Analysis</b>	Commercial and market analysis carried out by OC&C on behalf of the Company on 4 April 2024. The OC&C Analysis is based on information supplied to OC&C by the Company or which is otherwise derived from third-party reports and consumer research. OC&C has not undertaken to confirm the accuracy of any information provided by the Company or contained in any third-party report. OC&C makes no representation or warranty as to the accuracy or completeness of any information contained in the OC&C report, which should not be taken as the basis for any investment decision.
<b>Offer Price Range</b>	offer price range of PLN 13.60-14.40 and EUR 3.14-3.32 per one Offer Share determined for the purpose of the book-building process.
<b>Offer Shares</b>	the Sale Shares and the New Shares.
<b>Offering</b>	the Polish Offering, the Croatian Offering and the International Offering.
<b>Order</b>	the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended.
<b>Ordinance on Minimum Technical Standards</b>	the Ordinance on minimum technical standards and other conditions related to sales premises, equipment and means in sales premises and conditions for the sale of goods outside stores (in Croatian: <i>Pravilnik o minimalnim tehničkim uvjetima i drugim uvjetima koji se odnose na prodajne objekte, opremu i sredstva u prodajnim objektima i uvjetima za prodaju robe izvan prodavaonica</i> ), Official Gazette 66/2009, 108/2009, 8/2010, 108/2014.
<b>OTP Bank</b>	OTP Bank d.d.
<b>OTP Reverse Factoring Agreement</b>	a reverse factoring agreement concluded between Studenac Croatia and OTP Bank.
<b>Participants</b>	any current and future Management Board member of the Company and key employees of the Company, as defined in the LTIP Rules.
<b>Partnership</b>	PEF Managers SCSp, a Luxembourg-based limited partnership ( <i>société en commandite spéciale</i> ) acting as an investment holding partnership for the members' investment in the Company.
<b>Parent-Subsidiary Directive</b>	European Council Directive 2011/96/EU on the common system of taxation applicable in the case of parent companies and subsidiaries of different Member States.
<b>PEF, Principal Selling Shareholder</b>	Polish Enterprise Funds SCA acting for compartment (subfund) PEF VIII.
<b>Pemo</b>	Pemo d.o.o.
<b>Performance Measure</b>	the Annual Price Increase, which is calculated and confirmed by the Supervisory Board following the end of each Performance Period on the basis of the five-day average price of the Company's shares.
<b>Performance Period</b>	each period commencing on the Start Date and terminating at the end of each anniversary of the Start Date.
<b>PFSA</b>	the Polish Financial Supervision Authority ( <i>Komisja Nadzoru Finansowego</i> ).
<b>PIT Act</b>	the Polish Act dated 26 July 1991 on Personal Income Tax act, as amended.
<b>Plan</b>	the portfolio company manager co-investment and profit-sharing plan applicable to the Company.
<b>PLN, zł or Polish złoty</b>	the Polish złoty, the lawful currency of Poland.
<b>Poland</b>	the Republic of Poland.
<b>Polish Institutional Investors</b>	institutional investors in Poland, being professional clients, as defined in MiFID II.
<b>Polish Offering</b>	the offering to Retail Investors and Institutional Investors in Poland.
<b>Polish Offering Agent</b>	Santander Bank Polska S.A. – Santander Biuro Maklerskie, acting as the Offering Agent in connection with the Offering in Poland.



<b>Polish Retail Investors</b>	Polish investors authorised to subscribe for the Sale Shares pursuant to this Prospectus who are natural persons (individuals), both residents and non-residents within the meaning of Polish foreign exchange regulations, corporate entities (legal persons) and non-corporate entities other than individuals (organisational units without legal personality).
<b>Polish Retail Syndicate</b>	the Polish Offering Agent and other investment firms, including authorised banks in Poland, which will join the retail syndicate and accept purchase orders for Sale Shares from Polish Retail Investors.
<b>Price Control Decision</b>	the Decision on Direct Price Control Measures for Certain Products in Retail (in Croatian: <i>Odluka o izravnim mjerama kontrole cijena određenih proizvoda u trgovini na malo</i> ), Official Gazette 107/2023.
<b>Pricing Annex</b>	the pricing agreement in respect of the Underwriting Agreement setting forth, inter alia, Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors (each in EUR and PLN), the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors).
<b>Pricing Date</b>	the date on which the Final Price of the Sale Shares for Retail Investors, the Final Price of the Offer Shares for Institutional Investors (each in EUR and PLN), the Final Number of Offer Shares (including the final number of New Shares and the final number of Sale Shares) and the final number of Offer Shares to be offered to various categories of investors (including the final number of the Sale Shares offered to Retail Investors) are determined.
<b>Prospectus</b>	this document, which constitutes a prospectus in a form of a single document within the meaning of the Prospectus Regulation on the basis of which upon its approval by the CSSF and publication, the Company will conduct the Offering and seek the Admission.
<b>Prospectus Guidelines</b>	Croatian Guidelines on Prospectus Check and Approval and on the Performance of Other Obligations in Connection with the Public Offering and Listing of Securities on the Regulated Market (in Croatian: <i>Smjernice o provjeri i odobrenju prospekta te o izvršavanju ostalih obveza u vezi s javnom ponudom i izvršenjem vrijednosnih papira na uređeno tržište</i> ) issued by the Croatian Financial Services Supervisory Agency in 2023.
<b>Prospectus Regulation</b>	Regulation (EU) 2017/1129 of the European Parliament and of the Council of 14 June 2017 on the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Directive 2003/71/EC.
<b>Public Invitation</b>	Public invitation for participation in the Croatian Offering to Croatian Retail Investors.
<b>PwC</b>	PricewaterhouseCoopers.
<b>QIBs</b>	qualified institutional buyers as defined in Rule 144A.
<b>Recast Brussels Regulation 1215/2012</b>	Regulation No. 1215/2012 of the European Parliament and of the Council of 12 December 2012 on the jurisdiction and the recognition and enforcement of judgments in civil and commercial matters.
<b>Record Date</b>	A date falling at 24:00 hours (midnight) 14 days prior to (and excluding) the date of the relevant General Meeting used for determination of which shareholders shall be admitted to the relevant General Meeting.
<b>Regulation 1013/2006</b>	Regulation (EC) No 1013/2006 of the European Parliament and of the Council of 14 June 2006 on shipments of waste.
<b>Regulation 2019/980</b>	Commission Delegated Regulation (EU) 2019/980 of 14 March 2019 supplementing Regulation (EU) 2017/1129 of the European Parliament and of the Council as regards the format, content, scrutiny and approval of the prospectus to be published when securities are offered to the public or admitted to trading on a regulated market, and repealing Commission Regulation (EC) No 809/2004.
<b>Regulation S</b>	Regulation S under the U.S. Securities Act.

<b>Regulation S-X</b>	Regulation S-X under the Securities Act.
<b>Relevant State</b>	any member state of the European Economic Area.
<b>RESA</b>	the official gazette of Luxembourg ( <i>Recueil Électronique des Sociétés et Associations</i> ).
<b>Retail Investors</b>	Polish Retail Investors and Croatian Retail Investors.
<b>Revolving Credit Facility Agreement</b>	a revolving credit facility concluded between Studenac Croatia and ZABA.
<b>Reverse Factoring Agreements</b>	the ZABA Reverse Factoring Agreement and OTP Reverse Factoring Agreement.
<b>Rule 144A</b>	Rule 144A under the U.S. Securities Act.
<b>Sale Shares</b>	up to 31,103,927 shares in the Company with a nominal value of EUR 0.01 each to be sold in the Offering by the Selling Shareholders.
<b>Selling Shareholders</b>	PEF, Beragua, Elisario, Heunadel, and Vladimir Bosiljevac.
<b>Shareholders Group</b>	the Partnership and the direct and indirect subsidiaries of the Partnership and the Principal Selling Shareholder, e.g. the Company.
<b>Shareholder Rights Law</b>	the Luxembourg law of 1 August 2019 on the exercise of certain rights of shareholders at general meetings of listed companies, as amended.
<b>Share Pledge Agreement</b>	the agreement for a pledge over the shares in Studenac Croatia securing the obligations of Studenac Croatia under the Facilities Agreement.
<b>Shares</b>	all shares in the share capital of the Company (including the New Shares upon their issuance), i.e. up to 157,630,267 shares, each with a nominal value of EUR 0.01, covered by the application for the admission and introduction to trading on the regulated market operated by the WSE and by the application for the admission to trading on the regulated market (Official Market Segment) operated by the ZSE.
<b>Sixth Delivery Date</b>	Sixth tranche of the LTIP ending by the end of 2030.
<b>SKDD</b>	the Central Depository & Clearing Company Inc in Croatia (in Croatian: <i>Sredinšnje klirinško depozitarno društvo, dioničko društvo</i> ), and, unless the context requires otherwise, the depository system operated by such company.
<b>SKDD Rules</b>	(in Croatian: <i>Pravila SKDD-a</i> ), adopted by SKDD on 17 December 2021 (as amended).
<b>Sonik</b>	Sonik Trgovina d.o.o.
<b>Špar Trgovina</b>	Špar Trgovina d.o.o.
<b>Stabilisation Period</b>	a period of no more than 30 days following the initial listing of the Shares on the WSE and the ZSE during which stabilisation activities (purchase transactions) may be engaged in.
<b>Stabilisation Regulation</b>	Commission (EU) Delegated Regulation 2016/1052 of 8 March 2016.
<b>Stabilising Manager</b>	Erste Group Bank AG.
<b>Start Date</b>	Start of the LTIP immediately after the commencement of trading of the Company's shares on the WSE.
<b>Strahinjčica</b>	Strahinjčica d.o.o.
<b>Strategic Committee</b>	the strategic committee of the Company.
<b>Studenac, Group</b>	the Company and its Subsidiaries.
<b>Studenac Croatia</b>	Studenac d.o.o. with its registered seat in Omiš (Grad Omiš), Četvrt Ribnjak 17.
<b>Subscription Period for Retail Investors</b>	the Subscription Period for the Croatian Retail Investors and the Subscription Period for the Polish Retail Investors.
<b>Subscription Period for the Croatian Retail Investors</b>	the period for the acceptance of purchase orders for the Sale Shares from the Croatian Retail Investors in the Offering.
<b>Subscription Period for the Polish Retail Investors</b>	the period for the acceptance of purchase orders for the Sale Shares from the Polish Retail Investors in the Offering.
<b>Subsidiaries</b>	the direct and indirect subsidiaries of the Company from time to time.

<b>Substitute Investors</b>	Institutional Investors, both those that participated in the bookbuilding process, and to which any Offer Shares with respect to which the Retail Investors and Institutional Investors withdrew their consent for the acquisition of the shares in the Offering pursuant to Article 23 section 2 of the Prospectus Regulation or, in case of Institutional Investors in the Polish Offering have not submitted their purchase/subscription orders in response to the invitation or have not made timely payments for the subscription, that may be allotted to in the Offering.
<b>Supervisory Board</b>	the supervisory board of the Company.
<b>Takeover Act</b>	the Takeover Act (in Croatian: <i>Zakon o preuzimanju dioničkih društava</i> ), Official Gazette no. 109/2007, 36/2009, 108/2012, 90/2013, 99/2013, 148/2013.
<b>Takeover Directive</b>	Directive 2004/25/EC of the European Parliament and the Council of 21 April 2004 on takeover bids.
<b>Target Market Assessment</b>	A product approval process aimed at determining that shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II.
<b>Tax Ordinance</b>	the Polish Act dated 29 August 1997 – the Tax Ordinance, as amended.
<b>Term Facility A</b>	an amortised term loan facility in the aggregate amount of EUR 56,250,000.
<b>Term Facility B</b>	a bullet term loan facility in the aggregate amount of EUR 168,750,000.
<b>Term Sheet</b>	subscription form and term sheet signed by members of the management team in order to accede to the Partnership and become ordinary Limited Partners.
<b>Term Sheet (New Facilities)</b>	a term sheet concluded on 17 October 2024 by Studenac Croatia with Bank Pekao as lender, hedge counterparty, agent and security agent.
<b>Tobacco Usage Limitation Act</b>	the Act on Limitation of Usage of Tobacco and Related Products (in Croatian: <i>Zakon o ograničavanju uporabe duhanskih i srodnih proizvoda</i> ), Official Gazette 45/2017, 114/2018).
<b>Trade Act</b>	the Trade Act (in Croatian: <i>Zakon o trgovini</i> ) (Official Gazette no. 87/2008, 96/2008, 116/2008, 116/2008, 76/2009, 114/2011, 68/2013, 30/2014, 32/2019, 98/2019, 32/2020, 33/2023).
<b>U.S. Exchange Act</b>	the United States Securities Exchange Act of 1934, as amended.
<b>U.S. GAAP</b>	the United States Generally Accepted Accounting Principles.
<b>U.S. Holder</b>	a beneficial owner of Offer Shares that is or is treated as, for U.S. federal income tax purposes: (i) a citizen or individual resident of the United States; (ii) a corporation, or other entity taxable as a corporation, created or organised in or under the laws of the United States, any state thereof or the District of Columbia; (iii) a trust that (1) is subject to the primary supervision of a U.S. court and the control of one or more „U.S. persons“ (within the meaning of Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended or (2) was in existence on August 20, 1996, and has a valid election in effect to be treated as a U.S. person for U.S. federal income tax purposes; or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.
<b>U.S. Investment Company Act</b>	the United States Investment Company Act of 1940, as amended.
<b>U.S. Securities Act</b>	the United States Securities Act of 1933, as amended.
<b>UK</b>	the United Kingdom.
<b>Underwriting Agreement</b>	the conditional underwriting agreement executed in connection with the Offering between the Company, the Selling Shareholders and the Joint Global Coordinators on the date of the Prospectus.
<b>United States of America, United States or USA</b>	the United States of America, its territories and possessions, any State of the United States of America and the District of Columbia.
<b>USD, U.S. Dollar or \$</b>	the lawful currency of the United States of America.

<b>UTP Act</b>	the Act on the Prohibition of Unfair Trading Practices in Business-to-business Relationships in the Food Supply Chain (in Croatian: <i>Zakona o zabrani nepoštenih trgovačkih praksi u lancu opskrbe hranom</i> ), Official Gazette 117/2017, 52/2021, 27/2024).
<b>Voluntary Tender Offer</b>	a tender offer for the sale or exchange of all of the shares in a public company that are admitted to trading on the regulated market.
<b>Waste Management Act</b>	the Waste Management Act (in Croatian: <i>Zakon o gospodarenju otpadom</i> ), Official Gazette 84/2021, 142/2023.
<b>WSE</b>	the Warsaw Stock Exchange ( <i>Giełda Papierów Wartościowych w Warszawie S.A.</i> ) and, unless the context requires otherwise, the regulated market operated by such company.
<b>WSE Admission</b>	the admission and introduction of the Shares to trading on the regulated (main) market operated by the WSE.
<b>WSE Best Practices</b>	„Code of Best Practices for WSE Listed Companies 2021”, which constitutes a set of rules and recommendations regarding corporate governance applicable to companies listed on the WSE.
<b>WSE Rules</b>	the Warsaw Stock Exchange regulations in the wording established by Resolution No 1/110/2006 of the WSE supervisory board of 4 January 2006, as amended.
<b>ZABA</b>	Zagrebačka banka d.d.
<b>ZABA Reverse Factoring Agreement</b>	a reverse factoring agreement concluded between Studenac Croatia and ZABA.
<b>ZSE</b>	the Zagreb Stock Exchange ( <i>Zagrebačka burza d.d.</i> ) and, unless the context requires otherwise, the regulated market operated by such company.
<b>ZSE Admission</b>	the admission of the Shares to trading on the regulated market (Official Market Segment) operated by the ZSE.
<b>ZSE Best Practices</b>	the Corporate Governance Code of the ZSE.
<b>ZSE Rules</b>	Stock Exchange Rules ( <i>Pravila burze</i> ) adopted by the Management Board of the of the Zagreb Stock Exchange ( <i>Zagrebačka burza d.d.</i> ) on 20 November 2019 (as amended).

## GLOSSARY OF INDUSTRY TERMS

Capitalised industry terms not defined in this Prospectus have the meanings given below unless the context indicates otherwise.

<b>AI</b>	Artificial intelligence.
<b>ATL</b>	Above the line.
<b>BI</b>	Business intelligence.
<b>BTL</b>	Below the line.
<b>BVC</b>	Brand value creator.
<b>CAGR</b>	Compound annual growth rate.
<b>CEE</b>	Central and Eastern Europe.
<b>CPI</b>	Consumer price index.
<b>CSR</b>	Corporate social responsibility.
<b>DDD</b>	Disinfection, disinfestation and deratting.
<b>EDI</b>	Electronic data interchange.
<b>ERP</b>	Enterprise resource planning.
<b>ESG</b>	Environmental, social and governance.
<b>FMCG</b>	Fast moving consumer goods.
<b>GDP</b>	Gross domestic product.
<b>HACCP</b>	Hazard analysis critical control point.
<b>HoReCa</b>	Hotel, restaurant and café.
<b>HR</b>	Human Resources Department.
<b>ICT</b>	Information and communications technology.
<b>IPIS+</b>	Integralni Poslovni Informacijski Sustav+.
<b>IT</b>	Information technology.
<b>KPIs</b>	Key performance indicators.
<b>LfL</b>	Like-for-like.
<b>M&amp;A</b>	Mergers and acquisitions.
<b>MobileBoom</b>	Mobile back office operations management.
<b>NGOs</b>	Non-governmental organisations.
<b>NPS</b>	Net promoter score.
<b>OOH</b>	Out-of-home.
<b>OSB</b>	Oracle Service Bus.
<b>PDTs</b>	Personal device terminals.
<b>POS</b>	Point of sale.
<b>ROI</b>	Return on investment.
<b>RPA</b>	Robotic process automation.
<b>SKUs</b>	Stock-keeping units.
<b>SOA</b>	Service-oriented architecture.
<b>SoV</b>	Share of voice.
<b>SSOP</b>	Sanitation standard operating procedures.
<b>UGC</b>	User generated content.
<b>WE</b>	Western Europe.
<b>WMS</b>	Warehouse management system.



## **HISTORICAL FINANCIAL INFORMATION**

- 1. Audited Financial Statements (together with the Independent Auditors' Report)**
- 2. Interim Financial Statements (together with the Independent Auditors' Review Report)**

**Studenac Group S.A.**

**Consolidated financial statements for the years ended  
31 December 2023, 31 December 2022 and 31 December 2021**

**(together with the Independent Auditors' report)**

**CONTENT**

	Page
Independent Auditors' report on the consolidated financial statements	1-3
Consolidated financial statements	4-8
Notes to the consolidated financial statements	9-71



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## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### ***Opinion***

We have audited the consolidated financial statements of Studenac Group S.A. (formerly known as Spatium CEE Holding S.à r.l.) and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023, 31 December 2022 and 31 December 2021, and the consolidated statement of profit and loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, 31 December 2022 and 31 December 2021 and of its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with IFRS Accounting Standards as adopted by the European Union.

### ***Basis for opinion***

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the « Responsibilities of "réviseur d'entreprises agréé" for the audit of the consolidated financial statements » section of our report. We are also independent of the Group in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### ***Emphasis of Matter***

We draw attention to Note 2 "Basis of preparation" which describes the basis of accounting. The consolidated financial statements for the years ended 31 December 2023, 31 December 2022 and 31 December 2021 have been prepared for the purpose of the Initial Public Offering.



### ***Responsibilities of the Management Board and Those Charged with Governance for the consolidated financial statements***

The Management Board is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as adopted by the European Union, and for such internal control as the Management Board determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management Board is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management Board either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those Charged with Governance are responsible for overseeing the Group's financial reporting process.

### ***Responsibilities of the réviseur d'entreprises agréé for the audit of the consolidated financial statements***

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the "réviseur d'entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Board.





- Conclude on the appropriateness of the Management Board's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities and business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Luxembourg, 15 July 2024

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Rhenie de Vries

**Consolidated statement of profit and loss and other comprehensive income**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021  
(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

	Note	2023	2022	2021
<b>Operating income</b>				
Sales revenue	5	668,127	502,511	309,469
Other operating income	6	3,256	2,850	1,625
<b>Total operating income</b>		<b>671,383</b>	<b>505,361</b>	<b>311,094</b>
<b>Operating expenses</b>				
Cost of goods sold	13	(464,796)	(356,564)	(216,609)
Personnel expenses	7	(89,532)	(65,783)	(40,083)
Depreciation and amortisation	11, 12, 22	(43,266)	(31,801)	(24,881)
Provisions		(79)	(95)	(48)
Other operating expenses	8	(54,513)	(42,696)	(24,183)
<b>Total operating expenses</b>		<b>(652,186)</b>	<b>(496,939)</b>	<b>(305,804)</b>
<b>Operating profit</b>		<b>19,197</b>	<b>8,422</b>	<b>5,290</b>
Finance income	9	70	256	1,427
Finance costs	9	(14,779)	(7,700)	(5,680)
<b>Net finance costs</b>		<b>(14,709)</b>	<b>(7,444)</b>	<b>(4,253)</b>
<b>Profit before tax</b>		<b>4,488</b>	<b>978</b>	<b>1,037</b>
Income tax	10	(3,212)	(1,113)	(1,003)
<b>Profit/(loss) for the year</b>		<b>1,276</b>	<b>(135)</b>	<b>34</b>
Other comprehensive income				
Changes in translation reserve		-	(11)	(4)
<b>Total comprehensive income/(loss)</b>		<b>1,276</b>	<b>(146)</b>	<b>30</b>
<b>Earnings per share</b>	<b>17</b>	<b>0.96</b>	<b>(0.1)</b>	<b>0.03</b>

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of financial position**

As at 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.**

	Note	31 Dec 2023	31 Dec 2022	31 Dec 2021
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	11	59,582	41,345	23,613
Intangible assets and goodwill	12	243,929	199,509	132,767
Right-of-use assets	22	130,645	88,301	56,949
Other financial assets		48	6	-
Deferred tax assets	10	2,433	420	101
		<b>436,637</b>	<b>329,581</b>	<b>213,430</b>
<b>Current assets</b>				
Inventories	13	61,097	47,354	28,457
Trade and other receivables	14	26,043	17,159	12,263
Prepaid expenses		3,873	2,414	1,933
Other financial assets	15	10,110	106	21
Income tax receivable		-	278	-
Cash and cash equivalents	16	39,005	30,953	8,726
		<b>140,128</b>	<b>98,264</b>	<b>51,400</b>
<b>Total assets</b>		<b>576,765</b>	<b>427,845</b>	<b>264,830</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity and reserves</b>				
Issued capital	17	1,336	1,336	1,336
Translation reserve		-	(877)	(865)
Share premium		77,585	77,585	66,383
Retained earnings		1,279	880	1,014
		<b>80,200</b>	<b>78,924</b>	<b>67,868</b>
<b>Non-current liabilities</b>				
Loans and borrowings	18	157,375	111,623	58,809
Provisions	21	1,035	714	565
Lease liabilities	18	109,180	73,417	46,398
Derivative instruments		-	-	101
Deferred tax liabilities	10	2,873	1,437	806
		<b>270,463</b>	<b>187,191</b>	<b>106,679</b>
<b>Current liabilities</b>				
Loans and borrowings	18	30,360	24,000	12,148
Trade and other payables	19	141,418	102,301	63,565
Lease liabilities	18	21,607	17,530	12,152
Current tax liabilities		3,067	-	83
Other liabilities	20	29,650	17,899	2,335
		<b>226,102</b>	<b>161,730</b>	<b>90,283</b>
<b>Total liabilities</b>		<b>496,565</b>	<b>348,921</b>	<b>196,962</b>
<b>Total equity and liabilities</b>		<b>576,765</b>	<b>427,845</b>	<b>264,830</b>

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of changes in equity**

For the years ended 31 December 2023, 31 December 2022,

31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

	<b>Issued capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Translation reserve</b>	<b>Total</b>
<b>Note</b>	17	17	17	17	17
<b>As at 31 December 2020</b>	<b>1,336</b>	<b>66,383</b>	<b>980</b>	<b>(862)</b>	<b>67,837</b>
Changes in translation reserve	-	-	-	(4)	(4)
Profit for the period	-	-	35	-	35
<b>As at 31 December 2021</b>	<b>1,336</b>	<b>66,383</b>	<b>1,015</b>	<b>(866)</b>	<b>67,868</b>
Changes in translation reserve	-	-	-	(11)	(11)
Loss for the period	-	-	(135)	-	(135)
Paid in share premium	-	11,202	-	-	11,202
<b>As at 31 December 2022</b>	<b>1,336</b>	<b>77,585</b>	<b>880</b>	<b>(877)</b>	<b>78,924</b>
Profit for the period	-	-	1,276	-	1,276
Translation reserve transfer	-	-	(877)	877	-
<b>As at 31 December 2023</b>	<b>1,336</b>	<b>77,585</b>	<b>1,279</b>	<b>-</b>	<b>80,200</b>

The accompanying notes form an integral part of these consolidated financial statements.

**Consolidated statement of cash flow**

For the years ended 31 December 2023, 31 December 2022,  
31 December 2021

(all amounts are stated in thousands of euro)

**Studenac Group S.A.**

	<i>Note</i>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities</b>				
Profit/(loss) for the year		<b>1,276</b>	<b>(135)</b>	<b>34</b>
<i>Adjustments for:</i>				
Income tax expenses	<i>10</i>	3,216	1,114	1,004
Depreciation and amortisation	<i>11,12,2 2</i>	43,266	31,801	24,881
Unwind of discount		(394)	(101)	(1,344)
Interest expense		12,869	5,760	4,393
Other adjustments		467	917	880
<b>Operating cash before changes in working capital</b>		<b>60,700</b>	<b>39,356</b>	<b>29,848</b>
<i>Changes in:</i>				
Inventories		(8,175)	(4,943)	(5,544)
Trade and other receivables		(7,747)	6,666	10,473
Trade and other payables		49,983	25,488	9,208
Provisions		292	95	(104)
<b>Cash generated from operating activities</b>		<b>95,053</b>	<b>66,662</b>	<b>43,881</b>
Interest paid		(16,185)	(8,427)	(4,113)
Income tax paid		(927)	(2,443)	(1,753)
<b>Net cash generated from operating activities</b>		<b>77,941</b>	<b>55,792</b>	<b>38,015</b>



**Consolidated statement of cash flow**

For the years ended 31 December 2023, 31 December 2022,  
31 December 2021

*(all amounts are stated in thousands of euro)*

**Studenac Group S.A.**

	<b>Note</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Acquisition of PPE and intangible assets	13,14	(37,268)	(21,584)	(13,747)
Deferred payments-acquisition of subsidiaries		(12,342)	-	(4,804)
Acquisition of subsidiaries, net of cash	25	(49,872)	(70,516)	(3,377)
Receipts of sales of assets		228	-	-
Interest received		29	4	-
Given deposits received		-	6	-
<b>Net cash outflow from investing activities</b>		<b>(99,225)</b>	<b>(92,090)</b>	<b>(21,928)</b>
<b>Cash flow from financing activities</b>				
Proceeds from issue of new shares		-	1	-
Proceeds from share premium		-	11,201	-
Proceeds from loans and borrowings	18	75,647	85,203	5,336
Loans repayment	18	(24,035)	(20,749)	(17,901)
Payment of leases	18	(22,276)	(17,131)	(12,504)
<b>Net cash generated from financing activities</b>		<b>29,336</b>	<b>58,525</b>	<b>(25,069)</b>
<b>Cash and cash equivalents</b>				
At the beginning of the period	16	30,953	8,726	17,708
At the end of the period	16	39,005	30,953	8,726
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>8,052</b>	<b>22,227</b>	<b>(8,982)</b>

The accompanying notes form an integral part of these consolidated financial statements.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**1. GENERAL INFORMATION****Reporting Group**

Spatium CEE Holding S.à r.l. (the "Company") was incorporated on September 20, 2017 in Luxembourg. The Company changed the name and the legal status to Studenac Group S.A. (public limited company) on 22 May 2024.

Studenac Group S.A. ("the Company") is a public limited company registered and located in Luxembourg, rue Jean Piret, 2350 Luxembourg. Studenac Group S.A. together with its subsidiaries forms the group of Studenac Group S.A. ("the Group"). Headquarter of the Company is in the city of Luxembourg, while its retail network is in Croatia, covering the majority of the country's territory, and where the Group is one of the leading retail chains.

The principal activity of the Group is retail and wholesale of grocery products and consumer goods.

As at 31 December 2023 the Studenac Group S.A. Group comprised of mother company Studenac Group S.A., Luxembourg (the Company), Studenac d.o.o., Croatia and its fully owned subsidiary La-vor Trade d.o.o. (2022: Pemo d.o.o. Sezonko d.o.o., and Lonia Trgovina d.o.o.; 2021: Studenac d.o.o., Croatia and its fully owned subsidiary Sezonko d.o.o.). Consolidated financial statements of the Group are prepared on 3 years bases for the purpose of including consolidated financial statements as attachment to Initial public offer Prospectus. The direct parent of the Group is Polish Enterprise Funds SCA PEF VIII and ultimate parent is Polish Enterprise Fund VIII, L.p., Cayman Island.

During the period from 2021 to 2023 the Group has acquired and subsequently merged to Studenac d.o.o. following business units:

	<b>Acquisition date</b>	<b>Merger date</b>
Bure Trgovina d.o.o.	1.5.2021	31.8.2021
Pemo d.o.o.	7.2.2022	28.2.2023
Kordun business unit	25.3.2022	31.5.2022
Duravit Trgovina d.o.o.	30.4.2022	17.5.2022
Lonia Trgovina d.o.o.	3.6.2022	31.3.2023
Princeza Korina d.o.o.	30.11.2022	1.12.2022
Strahinjčica d.o.o.	15.5.2023	31.8.2023
Špar trgovina d.o.o.	2.8.2023	31.10.2023
Tehno-ron maloprodaja d.o.o.	30.8.2023	30.8.2023
Formalis-teh maloprodaja d.o.o.	29.11.2023	30.11.2023
Cedekap trgovina d.o.o.	15.12.2023	15.12.2023
La-vor Trade d.o.o.	28.12.2023	-

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

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**2. BASIS OF PREPARATION**

**Statement of compliance**

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards, as adopted by the European Union ("EU IFRS").

These consolidated financial statements for the years ended December 31, 2023, 2022 and 2021 are prepared to be included in a prospectus in the context of a potential Initial Public Offering in Croatia and in Poland.

The Management Board authorised The Groups' consolidated financial statements on 15 July 2024.

**Basis of preparation**

The consolidated financial statements have been prepared on a historical cost basis.

**Functional and presentation currency**

Presentational currency of the Group is EUR, generally rounded to the nearest thousand. As for subsidiary Studenac d.o.o., functional and presentational currency for 2023 is EUR since the Government of the Republic of Croatia has adopted a Decision on the publication of the introduction of the euro as the official currency in the Republic of Croatia (published in the Official Gazette no. 85/22.) With this decision, the euro became the official currency and legal tender in the Republic of Croatia on 1 January 2023. The fixed conversion rate was set at HRK 7.53450 per euro, which was used for recalculation of comparative data for 2022 and 2021, due to the stable exchange rate HRK/EUR in the last few years and the change in the functional currency does not have a material impact on the Company's financial statements

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.**

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**2. BASIS OF PREPARATION (continuing)****Use of estimates and professional judgements**

Preparation of consolidated financial statements requires of Management to make judgements, estimates and assumptions that affect the implementation of policies and amounts disclosed regarding assets, liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The Management Board has made the following judgements, apart from those involving estimates, which have the most material impact on the amounts presented in the financial statements:

*Impairment of inventories*

The Group has evaluated whether it is necessary to make an adjustment to the value of inventories with irrecoverable value, an obsolete and/or damaged stock, taking into account the nature of inventories and stock turnover in previous years.

*Useful life of property, plant and equipment and intangible assets*

The Group reviews the estimated useful lifetime of property, plant and equipment and intangible assets at the end of each reporting period.

The Group estimated the expected useful lives of property, plant and equipment and intangible assets in a way that, according to the best estimate, the depreciation and amortisation rates reflect the useful lives of the stated non-current assets.

*Impairment of tangible assets*

At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets in order to ascertain whether there are any indications of losses due to the impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of losses due to the impairment. Under the terms when the amount presented is greater than the recoverable amount, the amount of the impairment is recognized in profit and loss.

*Legal cases*

The Management Board uses the estimate upon the valuation of most likely consequences of the Group's activities on the basis of which the court proceedings have been initiated and when the provisions are to be recognized on a consistent basis.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****2. BASIS OF PREPARATION (CONTINUED)****Use of estimates and professional judgements (continued)***Business combinations and goodwill*

The Group accounts for all business combinations by applying the acquisition method. All acquisition-related costs are expensed.

On acquisition, the assets (including intangible assets), liabilities and contingent liabilities of an acquired business are measured at their fair values.

Goodwill represents the difference between the fair value of the acquisition cost and the fair value of the Group's share in the net identifiable assets of the acquired subsidiary at the acquisition date. Goodwill arising from the acquisition of a subsidiary is recognized as an intangible asset. It is reviewed annually for impairment and whenever there is an indicator of impairment and is stated at cost less accumulated impairment losses. The recoverable amount of the CGUs, which is based on the higher of the value in use or fair value less costs of disposal, has been derived from discounted forecasted cash flow models. These models use several key assumptions, including estimates of future sales volumes and prices, operating costs, terminal value growth rates and the weighted-average cost of capital discount rate.

*Going concern*

In the year ended 31 December 2023 the Group realised a profit in the amount of EUR 1,276 thousand (31 December 2022: loss in the amount of EUR 135 thousand, 31 December 2021: profit in amount of EUR 34 thousand). As at 31 December 2023, the Group's current liabilities exceed current assets in the amount of EUR 85,974 thousand (2022: EUR 63,466 thousand, 2021: EUR 38.883 thousand). Negative working capital is typical for the grocery retail industry and additionally, most of the Group's positive cash flows are generated during the tourist season which are used for servicing current liabilities.

Additionally, in order to ensure the necessary liquidity, the Group has agreed factoring and revolving financing with financial institutions in the amount of EUR 40,580 thousand which were fully utilised as of 31 December 2023. The maturity of factoring is 60 days which will be renewed after repayment. Maturity of revolving facility is September 2024 which will be renewed after the settlement.

The maturity of the short-term part of the loan of EUR 14,632 thousand the Group plans to cover from its own liquidity - EUR 3,946 thousand has already been repaid in Q1 2024 and the remaining part of EUR 10,686 thousand will be repaid in Q3 2024 after the summer season. As explained in note 23, the Group utilized additional EUR 75,615 thousand for capital investments and other acquisitions. For further details regarding liquidity risk management please refer to note 23.

Management believes that planned free cash flows from operations and existing level of financing is adequate and that the Group will be able to service current liabilities over the next twelve months. Based on this, Management believes that it remains appropriate to prepare these financial statements on a going concern basis.



**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The principal accounting policies adopted in the preparation of these consolidated financial statements are set out below. These accounting policies have been consistently applied to all periods presented, unless otherwise stated.

**3.1. Changes in accounting policies and disclosures****Standards that became effective during 2023**

- Amendments to IAS 12 Income taxes: International Tax reform – Pillar 2 model rules
- Amendments to IFRS 17 – Insurance contracts – Initial application of IFRS 17 and IFRS 9 – Comparative information
- Amendments to IAS 12 Income taxes: Deferred tax related to Assets and liabilities arising from a single transaction
- Amendments to IAS 1 presentation of financial statements and IFRS 16 practice statement 2: Disclosure of Accounting policies
- Amendments to IAS 8 Accounting policies – Changes in accounting estimates and errors: Definition of accounting estimates
- IFRS 17 insurance contracts, including amendments to IFRS 17

The adoption of the above standards did not have a material impact on the Group's consolidated financial statements.

**Standards issued but not yet effective**

A number of amendments to standards and interpretations are adopted by the EU but not mandatory for application for annual periods beginning before 1 January 2024 and have not been applied in preparing these consolidated financial statements:

- Non-current Liabilities with Covenants – Amendments to IAS 1 and Classification of Liabilities as Current or Non-current – Amendments to IAS 1
- Lease liability in Sale and Leaseback – Amendments to IFRS 16
- Suppliers Finance Arrangements – Amendments to IAS 7 and IFRS 7
- Amendments to IAS 21 The effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The Group does not plan an early adoption of these amendments to standards, since no material impact on the consolidated Group financial statements is expected. In the moment of adoption, the Group will evaluate the effectiveness of these amendments on the financial statements.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (continuing)**

**3.1. Changes in accounting policies and disclosures (continuing)**

**3.2 Consolidation**

Consolidated financial statements include the financial statements of the Company and companies controlled by the Company and its subsidiaries (together "the Group").

*Business Combinations*

The Group applies IFRS 3 "*Business Combinations*" for accounting for business combinations, and the accounting policies applied to these acquisitions are described below. Business combinations are accounted for using the acquisition method as at the acquisition date, which is the date on which control is transferred to the Group.

The Group controls an investee when it is exposed to, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

The Group reassesses whether it has control if there are changes in one or more of the elements of control. This includes circumstances in which protective rights held by the Group (for example, those resulting from lending activity) become substantive and lead to the Group having power over an investee.

*Goodwill*

The Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognized amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognized amount (generally fair value) of the identifiable assets acquired and liabilities.

When this total is negative, a bargain purchase gain is recognized immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. These amounts are regularly recognized in profit or loss.

Acquisition-related costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred. Any contingent consideration payable is recognized at fair value at the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration are recognized in profit or loss.

Goodwill arising on the acquisition of a subsidiary is recognized as an intangible asset. Separate goodwill is tested annually for impairment or whenever there are any impairment indicators and is recognized at cost less accumulated impairment losses. Goodwill impairment losses are not eliminated. Goodwill is allocated to cash-generating units for impairment testing purposes. Allocation is carried out on those cash-generating units that are expected to benefit from the business combination in which goodwill is generated.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

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*Subsidiaries*

Subsidiaries are all entities (including special purpose entities) over which the Group has the power to govern the financial and operating policies. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

Intra-group transactions, balances and unrealized gains on transactions among the Group companies are eliminated. Unrealized losses are also eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

*Changes in ownership interests in subsidiaries without change of control*

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions - that is, as transactions with owners in their capacity as owners. For purchases from non-controlling interests, the difference between any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December  
2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.3. Foreign currencies**

Transactions in currencies other than the functional currency of the Group, i.e. in foreign currencies, are recorded by applying the exchange rates effective at the transaction date. Monetary items in foreign currencies are recalculated at the end of each reporting period at the exchange rate prevailing at the end of that period. Non-monetary items at fair value, denominated in foreign currencies, are recalculated at the rate prevailing at the date of determining their fair value. Non-monetary items in foreign currency, documented at historical cost, are not recalculated.

**3.4. Intangible assets**

Intangible assets are carried at cost less accumulated amortisation and impairment by applying the linear amortisation method. The amortisation expense is charged as expense in the statement of profit and loss and is calculated by applying the linear method during the estimated useful life of individual items of intangible assets unless the expected useful life is unlimited.

Estimated useful life of intangible assets is as follows:

Loyalty and Other intangible assets	4 years
Software	2 years
Trademark	5 years

*Software*

Costs associated with maintaining software programmes are recognised as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognised as intangible assets where the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software
- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December

2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

*Software (continuing)*

Directly attributable costs that are capitalised as part of the software include employee costs and an appropriate portion of relevant overheads.

The recoverable amount of intangible assets with unlimited useful lives and intangible assets not yet in use is to be estimated annually and when there is an impairment indicator. Other intangible assets are to be amortised from the date when they were made available for use using amortisation rates which reflect useful life. Useful life is subject to review on annual basis and when there is impairment indicator.

Costs arising from the acquisition of intangible assets by third parties are capitalised to the amounts that are likely to become future economic benefits to the Group. Estimated useful life is reviewed annually. Impairment estimates are made if there is an indication of impairment.

Intangible assets, acquired through a business combination and recognized separately from goodwill, are initially stated at fair value at the acquisition date (which is considered the acquisition value, i.e., the purchase cost of the assets).

The intangible assets that were acquired as part of a business combination relate to (i) customer relationships associated with loyalty card programmes and (ii) wholesale customer contracts (note 25).

Customer relationship associated with loyalty card programmes is recognised at its fair value at the date of acquisition and is subsequently amortised on a straight line basis based on estimated duration of a customer relationship.

Wholesale customer contracts are recognised at their fair value at the date of acquisition and are subsequently amortised on a straight-line basis based on the timing of projected cash flows of the contracts over their estimated useful lives. The fair values of the intangible assets associated with loyalty card programmes and wholesale customer contracts were calculated by using a multi-period excess earnings approach which determines market value of intangible assets based on cash flows that are exclusively generated by the asset being estimated. The market value is equal to the present value of the residual cash flows.

*Subsequent costs*

Subsequent costs related to capitalised intangible assets are recognized as the carrying value of items only if they increase the future economic benefits associated with the assets. All other costs represent the cost in the statement of profit and loss in the period in which they were incurred.

*Goodwill impairment*

Goodwill arises on the acquisition of subsidiaries. The excess of the consideration transferred, amount of any non-controlling interest in the acquired entity, and acquisition-date fair value of any previous equity interest in the acquired entity over the fair value of the net identifiable assets acquired is recorded as goodwill. If those amounts



**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

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are less than the fair value of the net identifiable assets of the business acquired, the difference is recognised directly in profit or loss as a bargain purchase.

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortised but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes. An impairment loss is recognised for the amount by which the CGU asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.5. Property, plant and equipment**

*Assets owned*

Items of property, plant and equipment are carried at cost less accumulated depreciation and impairment of assets. The cost of purchase includes all direct costs related to bringing the asset into working condition for intended use, including borrowing costs for property, plant and equipment during the period of construction.

*Subsequent costs*

Subsequent costs related to capitalised property, plant and equipment are recognized as the carrying value of items only if they increase the future economic benefits associated with the assets. All other costs represent the cost in the statement of profit and loss in the period in which they were incurred.

*Derecognition*

Items of property, plant and equipment are derecognised on sale or when future economic benefits are no longer expected from their continued use. The gain or loss on the sale or disposal of a property, plant and equipment item is determined as the difference between proceeds from sales and the carrying amount of the asset recognized in profit and loss as incurred.

*Depreciation*

The depreciation expense is charged as expense in profit or loss and is calculated by applying the linear method during the estimated useful life of individual items of property, plant and equipment unless the expected useful life is unlimited. Land and assets under construction are not to be depreciated.

Expected useful life of items of property, plant and equipment is as follows:

Leasehold improvements	2-25 years
Buildings	20 years
Plant and equipment	4 years
Tools and furniture	4 years
Transport vehicles	4 years

Depreciation methods and useful lives are reviewed annually.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.6. Impairment**

The carrying amount of the property, plant and equipment and intangible assets of the Group is reviewed on each date of the financial statements in order to determine whether there is any impairment indication of their value. If there are impairment indications, the recoverable amount of the asset is estimated.

The recoverable amount of intangible assets with unlimited useful lives and intangible assets not yet in use is estimated at each reporting date.

The assets subject to depreciation/amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

An impairment loss is recognized when the carrying amount of the cash generating asset or unit exceeds its recoverable amount. Impairment losses are recognized in the statement of profit and loss.

Recognized impairment losses relating to individual cash generating units are allocated by first reducing the carrying amount of goodwill allocated to the cash generating unit (or group of units) and subsequently proportionally reducing the carrying amount of other assets within the unit (or group of units).

*Reversal of impairment loss*

Impairment losses on property, plant and equipment and intangible assets (excluding Goodwill) are reversed if there is a change in the estimates used to determine the recoverable amount.

The reversal of the impairment loss is recognized up to an amount not exceeding the carrying amount of the asset that would have been determined after depreciation or impairment, if no impairment loss had been recognized.

**3.7. Leases***i. As a lessee*

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.7. Leases (continued)**

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- the exercise price under a purchase option that the Group is reasonably certain to exercise, lease payments in an optional renewal period if the Group is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.7. Leases (continued)***Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

*ii. As a lessor*

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative standalone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately.

The Group assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Group applies IFRS 15 to allocate the consideration in the contract.

The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue.



**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.8. Inventories**

Inventories are valued at the lower of cost and net realisable value using the weighted average cost basis.

The purchase costs of the merchandise goods include the purchase price, import duties and other costs that can be directly attributed to the procurement (purchase) of the goods. Trade discounts and similar items are deducted when determining the purchase cost.

- The inventory of merchandise goods (inventory) in the stores are monitored at retail prices with value adjustments (margin and value added tax).
- The inventory of merchandise goods (inventory) in the warehouses are monitored at wholesale prices with a value adjustment (margin).
- The costs of goods sold are calculated by applying the weighted average cost basis for each item individually.
- Small inventory includes tools, operating and office inventory and similar assets for work that are expected to be used for up to one year and assets not considered to be non-current assets.
- The charge, that is, putting into use of small inventory, tires and spare parts is included in the costs by applying one-off write-off method.

After the sale, the Group recognizes the carrying amount of these inventories as an expense in the period in which the respective income was recognized. Also, the amount of any write-down to net realisable value and all shrinkage of inventories are recognized as an expense in the period of write-off or shortage.

The amount of any write-off reversal of inventories as a result of the increase in net realisable value may be recognized as a decrease in the amount of inventories recognized as an expense in the period in which the reversal occurred.

**3.9. Employee benefits***Mandatory contributions to pension and health insurance funds*

The Group has no defined compensation plans after retirement for its employees and management in Croatia. Accordingly, there are no indicators for these costs. Under the domestic legislation, the Group has a liability to pay contributions to pension and health insurance funds. This liability applies to all employees on employment contracts, and according to it, the employer is obliged to pay the contributions at a certain percentage determined on the basis of gross salary. The Group has the obligation to deduct the pension insurance contribution from the gross salaries of its employees. The contributions on behalf of the employees and on behalf of the employer are calculated as the expense of the period in which they were incurred.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.10. Sales revenue***Sales of products and services provided*

Revenue consists of the fair value of the consideration received or receivable for sold products, goods or services in the ordinary course of Group's activities. Revenue is stated as the transaction price less the amounts deducted for value added tax, volume rebates and sales discounts. Revenue is recognised when performance obligations are satisfied, and control has transferred to the customer. For the majority of revenue, there is a low level of judgement applied in determining the transaction price or the timing of transfer of control. The sale of goods represents the vast majority of the Group's revenue. For goods sold in retail stores, revenue is recognised at the point of sale because material risks and rewards of ownership have been transferred to the buyer. Collection of receivables usually happens immediately, because customer pays in cash or in credit cards.

The Group recognizes revenue when the amount of revenue can be measured reliably, when the Group has future economic benefits and when specific criteria for all the Group's activities are met.

Wholesale revenues are recognized when the Group makes supplies to a wholesaler, when it no longer affects the management of the goods and when there is no outstanding performance obligation that could affect the acceptance of the product by a wholesaler.

Revenue from services is recognized in the period in which the services are performed according to the degree of completion of the transaction at the date of the consolidated financial statements.

Revenues, costs and assets are recognized in amounts net of value added tax (VAT) unless the amount of VAT paid by the Group cannot be refunded by the state. In that case, the amount of VAT is recognized as part of the cost of the purchase of the assets or as part of the cost of the acquisition of the assets.

**3.11. Value added tax (VAT)**

The Tax Authorities require the settlement of VAT on a net basis. VAT related to sales and purchases is recognised and disclosed in the statement of financial position on a net basis. Where a provision has been made for impairment of receivables, impairment loss is recorded for the gross amount receivable, including VAT.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.12. Income tax**

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

*Current tax*

Current tax liability is based on taxable profit for the current year. Taxable profit differs from profit before tax in the statement of profit and loss, as it excludes items of income and expense that are taxable or deductible in other years, as well as items that are never taxable or deductible. The Group's current tax liability is calculated by applying tax rates being effective at the end of the reporting period.

*Deferred taxes*

Deferred taxes are recognized on the basis of the difference between the carrying amounts of assets and liabilities disclosed in the consolidated financial statements and the related tax bases used to calculate the taxable profit. Deferred tax liabilities are generally recognized under all temporary tax differences and deferred tax assets are recognized up to the probable amount of taxable profits available for the use of deductible temporary differences. Deferred tax liabilities and deferred tax assets are not recognized when the temporary difference arise from the initial recognition of other assets and other liabilities (except in the case of a business combination) from a transaction that affects neither the taxable profit nor the carrying amount. Deferred tax liabilities are also not recognized on the basis of temporary differences upon the first recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and deducted for the amount that is no longer likely to be available as sufficient taxable profit that would allow the reimbursement of all or part of the tax asset. Deferred tax assets and deferred tax liabilities are calculated at the tax rates that are expected to be applied in the period in which the liability will be settled, i.e., the period of the realisation of the asset, based on the tax rates and tax laws being effective at the end of the reporting period or in the process of being adopted. The determination of deferred tax liabilities and deferred tax assets reflects the tax consequences that would arise from the manner in which the Group expects to recover the carrying amount of its assets at the end of the reporting period or to settle the carrying amount of its liabilities.

**3.13. Finance income and costs**

Finance income consists of interest income, changes in fair value on financial instruments and income from exchange rate differences.

Interest income is recognized at the time it is incurred, by applying the effective interest method.

The finance cost consists of the cost of interest charged on borrowings, unwind of discount for deferred payments, the exchange rate losses and other financial costs.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

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**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.14. Financial instruments***Recognition and initial measurement*

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual indicator of the instrument.

A financial asset (unless it is a trade receivable without a material financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a material financing component is initially measured at the transaction price.

*Classification and subsequent measurement*

On initial recognition, a financial asset is classified as measured at: amortised cost or fair value through profit or loss. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

*Financial liabilities – Classification, subsequent measurement and profit or loss*

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.14. Financial instruments (continued)***Derecognition*Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

*Netting*

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

*Effective interest method*

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that discounts estimated future cash receipts, including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts, through the expected life of the financial asset, or, where appropriate, a shorter period.

Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.14. Financial instruments (continued)**Impairment - Non-derivative financial assetsFinancial instruments and contract assets

The Group recognises loss allowances for expected credit loss ("ECL") on financial assets measured at amortised cost.

Loss allowances are measured on either of the following:

- 12-month ECLs: these are ECLs that result from possible default events within 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instruments.

Loss allowance for the Group's financial assets measured at amortised cost are always measured at an amount equal to lifetime ECL.

Impairment provision for financial assets carried at amortised cost is always measured at the amount of the total expected credit loss over the total economic life of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due, based on the Croatian market practice.

The Group considers a financial asset to be in default when the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held). The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset. The Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment and including forward-looking information. The Group performs the calculation of expected credit losses separately for each customer group. The balances involved are immaterial for further disclosure.



**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December  
2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)****3.14. Financial instruments (continued)***Credit-impaired financial assets*

For trade receivables, contract assets, and lease receivables, the Group applies the simplified approach permitted by IFRS 9, with lifetime ECLs recognised from initial recognition of the receivable. These assets are grouped, based on shared credit risk characteristics and days past due, with ECLs for each grouping determined based on the Group's historical credit loss experience, adjusted for factors specific to each receivable, general economic conditions, and expected changes in forecast conditions.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Events that indicate that financial assets are credit-impaired include the following:

- It is probable that the borrower will enter bankruptcy or any other type of reorganisation or restructuring; or
- Specific financial difficulty of the borrower.

The gross carrying amount of financial asset is written off when the Group has no reasonable expectations of recovering a financial asset. For individual customers, the group has a policy of writing of the gross carrying amount if customer has gone bankrupt or legal claim was not made in the timing prescribed by local legislator.

*Presentation of allowance for ECL in the consolidated statement of financial position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

*Cash and cash equivalents*

Cash and cash equivalents for the purposes of the statement of financial position and the cash flow statement include cash in hand, bank accounts and deposits with banks with a maturity of up to three months.

*Loans given and trade receivables*

Loans given and trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Receivables from customers, loans and other fixed or determinable payments are measured at amortised cost by applying the effective interest method, less any impairment losses.

Interest income is calculated by applying the effective interest rate, except for short-term receivables, in which the recognition of interest would not be materially significant.

*Borrowings and trade and other payables*

Borrowings and trade and other payables are initially recognized at fair value, and subsequently measured at amortised cost by applying the effective interest method. The effective interest method is the method by which the amortised cost of financial liabilities is calculated and the interest expense is allocated over the relevant period. The effective interest rate is the rate at which the estimated future cash outflows, including all fees paid

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

or received by percentage points which are an integral part of the effective interest rate, transaction costs and other premiums and discounts, are decreased to the initially recognized net carrying amount over the expected life of the financial liability or any other period if shorter.

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

**3.15. Accrued expenses**

Accrued expenses are items of liabilities for which the criteria for recognition of expense are not met in the accounting period, but the fulfilment of these criteria is expected in future periods, or expense recognized in the accounting period on the basis of the occurrence of the events, that did not meet the criteria for recognition of liabilities but the fulfilment of these criteria is expected in future periods.

**3.16. Provisions**

Provisions are recognized when the Group has a present obligation (legal or derived) as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The stated amount of the provision reflects the best possible estimate of the consideration that will be required to pay to settle the present liability at the end of the reporting period, taking into account the risks and uncertainties associated with the liability. If the provision is measured by applying an estimate of the cash outflow required to settle the current liability, the carrying amount of the liability is the present value of those cash outflows (when the timing of the cash value is material).

When a third party is expected to recover some of the economic benefits that are required to cover the provision, the related claim is recognized as an asset if it is almost entirely certain that the fee will be received and if the amount of the claim can be reliably determined.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**4. THE GROUP OPERATING SEGMENTS**

The Group has analysed its operations in order to identify segments that would meet the criteria for separate reporting. During the periods included in the financial statements the operating activities of the Group were carried out in a single geographical region - Croatia.

The Group carried out two main types of operating activities, retail sales and wholesale sales. As the sales revenue of the wholesale operations reached only 1% of the total sales in 2023, it has been considered immaterial from the Group's perspective, and it is not included as a separate reportable operating segment.

**5. SALES REVENUE**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Sales revenue from retail	613,598	472,347	289,225
Sales revenue from wholesale	7,284	1,069	759
Revenue from services	47,196	29,074	19,310
Other revenue	49	21	175
	<b>668,127</b>	<b>502,511</b>	<b>309,469</b>

The Group only operates in Croatia, where the total amount of revenue is generated.

**6. OTHER OPERATING INCOME**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Out of court settlement /i/	1,200	-	-
Income from insurance claims	368	435	196
Income from early payment discount and compensations	671	920	924
Other income /ii/	1,017	1,495	505
	<b>3,256</b>	<b>2,850</b>	<b>1,625</b>

/i/ Compensation for inability to use space under lease agreement.

/ii/ Sublease of space for ATM machines or to other retailers.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December

2022, 31 December 2021

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****7. PERSONNEL EXPENSES**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net salaries	54,542	38,850	24,613
Taxes on salaries	4,373	2,413	887
Mandatory pension payment	13,329	9,924	6,162
Social security contributions on salaries	10,255	7,499	4,634
	<b>82,499</b>	<b>58,686</b>	<b>36,296</b>
Employee transportation costs	2,616	2,096	1,455
Employee remunerations and rewards <i>/i/</i>	3,652	2,599	1,124
Other employee costs and outsourced employees	765	2,402	1,208
	<b>7,033</b>	<b>7,097</b>	<b>3,787</b>
<b>Cost of employees and outsourced employees</b>	<b>89,532</b>	<b>65,783</b>	<b>40,083</b>

*/i/* Payments to employees not directly related to salaries.

The number of employees as at 31 December 2023 was 6,509 (2022: 5,833, 2021: 3,724). The Group has capitalised EUR 2,995 thousand of cost of employees (2022: EUR 2,231 thousand, 2021: EUR 1,665 thousand). Capitalization of cost of employees are detailed in note 11 and 12.

Personal expenses include the one-off bonuses paid to employees engaged in Company's sell-side process during 2023 (EUR 485 thousand), as well as bonuses and other costs related to M&A and the process of integration of acquired companies (EUR 939 thousand in 2023, EUR 1,696 thousand in 2022 and EUR 552 thousand in 2021).

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**8. OTHER OPERATING EXPENSES**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Electricity and other energy resources	10,790	9,044	5,687
Costs of students	5,883	3,444	1,443
Distribution costs	5,943	4,311	1,917
Marketing costs	5,796	4,543	3,525
Intellectual services	3,988	3,384	1,661
Utilities	3,228	2,446	1,804
Material and small inventory used	3,055	2,432	904
Maintenance	3,987	2,587	1,245
Credit card fees and bank transactional charges	2,347	1,822	1,054
Security	1,562	923	524
Commissions	1,323	580	532
Franchising costs and operating leases	1,023	2,075	1,111
Telecommunication costs	844	550	389
Municipal fees and contributions	721	537	333
Insurance	570	475	214
Health and sanitary licences	521	402	242
Travel	509	367	197
Employee recruitment fees	316	221	61
Expected credit loss on receivables	257	429	180
Other expenses	1,850	2,124	1,160
	<b>54,513</b>	<b>42,696</b>	<b>24,183</b>

Other Operating expenses include the one-off expenses related to Company's sell-side process incurred in 2023 (EUR 1,044 thousand), as well as costs related to M&A and the process of integration of acquired companies including legal, financial and other advisor costs (EUR 1,020 thousand in 2023, EUR 1,733 thousand in 2022 and EUR 596 thousand in 2021). The Company presents these costs primarily in the Intellectual services.

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December

2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**9. FINANCE INCOME AND COSTS**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Finance income</b>			
Interest rate swap fair value change	-	-	1,340
Interest income	29	4	-
Income from adjustment of hedge	-	100	-
Positive exchange rate differences	-	4	86
Other finance income	41	148	1
<b>Total finance income</b>	<b>70</b>	<b>256</b>	<b>1,427</b>
<b>Finance costs</b>			
Negative exchange rate differences	(14)	(283)	(362)
Interest expense	(12,869)	(5,763)	(4,415)
Unwind of discount on deferred consideration on acquisition	(670)	(488)	(427)
Other finance costs	(1,226)	(1,166)	(476)
<b>Total finance costs</b>	<b>(14,779)</b>	<b>(7,700)</b>	<b>(5,680)</b>
<b>Net finance cost</b>	<b>(14,709)</b>	<b>(7,444)</b>	<b>(4,253)</b>

**10. INCOME TAX**

Effective income tax rate is calculated on the bases of the standard income tax rate on the main place of operations i.e. Croatia. The income tax rate in Croatia amounts to 18%.

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Current tax	3,844	1,831	1,494
Tax authorities' inspection	-	256	-
Deferred tax income	(632)	(974)	(491)
<b>Income tax</b>	<b>3,212</b>	<b>1,113</b>	<b>1,003</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Profit before taxation	4,488	978	1,037
Income tax rate at 18%	833	168	242
Effect of tax non-deductible expenses //	2,379	945	761
<b>Income tax expense</b>	<b>3,212</b>	<b>1,113</b>	<b>1,003</b>
<b>Effective tax rate</b>	<b>72%</b>	<b>114%</b>	<b>97%</b>



**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December

2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**10. INCOME TAX (CONTINUED)**

/i/ Non-deductible expenses mostly relate to inventory shrinkages not recognised as tax deductible expenses at above prescribed rates, depreciation of PPA uplifts recognised at acquisition date and non-tax deductible interest expenses.

Tax expense and tax income include deferred tax expense and deferred tax income incurred by the use of temporary tax differences.

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>
Intangible assets	-	(837)	(837)
Property, plant and equipment	12	(406)	(394)
Inventory	-	(25)	(25)
Trade receivables	5	-	5
Lease liabilities	23,661	-	23,661
Right of use assets	-	(23,006)	(23,006)
Provisions	156	-	156
Deferred tax assets/(liabilities)- before netting	<u>23,834</u>	<u>(24,274)</u>	<u>(440)</u>
Netting	<u>(21,401)</u>	<u>21,401</u>	<u>-</u>
<b>Net deferred tax assets/(liabilities)</b>	<b><u>2,433</u></b>	<b><u>(2,873)</u></b>	<b><u>(440)</u></b>
	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>
Intangible assets	11	(726)	(715)
Property, plant and equipment	12	(493)	(481)
Payables	97	(4)	93
Right of use assets	-	(15,864)	(15,864)
Provisions	27	-	27
Lease liabilities	15,923	-	15,923
Deferred tax assets/(liabilities)- before netting	<u>16,007</u>	<u>(17,025)</u>	<u>(1,018)</u>
Netting	<u>(15,650)</u>	<u>15,650</u>	<u>-</u>
<b>Net deferred tax assets/(liabilities)</b>	<b><u>420</u></b>	<b><u>(1,437)</u></b>	<b><u>(1,017)</u></b>

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December

2022, 31 December 2021

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**10. INCOME TAX (CONTINUED)**

	<b>Assets</b>	<b>Liabilities</b>	<b>Net</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>
Intangible assets	15	(406)	(391)
Trade receivables	1	-	1
Property, plant and equipment	52	(394)	(342)
Right of use assets	7	(6)	1
Provisions	26	-	26
<b>Net deferred tax assets/(liabilities)</b>	<b>101</b>	<b>(806)</b>	<b>(705)</b>

	<b>1 January</b>	<b>Business</b>	<b>Transfer to</b>	<b>Recognized</b>	<b>31</b>
	<b>2023</b>	<b>combinations</b>	<b>current tax</b>	<b>in profit or</b>	<b>December</b>
			<b>liability</b>	<b>loss</b>	<b>2023</b>
Intangible assets	(715)	(454)	137	195	(837)
Trade receivables	-	-	-	5	5
Property, plant and equipment	(481)	(51)	349	(211)	(394)
Right of use assets	(15,802)	(2,514)	-	(4,414)	(22,730)
Inventory	-	(47)	-	22	(25)
Provisions	27	-	-	129	156
Lease liabilities	15,860	2,514	-	5,007	23,381
Payables	93	12	-	(105)	-
<b>Total</b>	<b>(1,018)</b>	<b>(540)</b>	<b>486</b>	<b>628</b>	<b>(444)</b>

	<b>1 January</b>	<b>Business</b>	<b>Recognized in</b>	<b>31 December</b>
	<b>2022</b>	<b>combinations</b>	<b>profit or loss</b>	<b>2022</b>
Intangible assets	(370)	(721)	376	(715)
Trade receivables	1	2	(3)	-
Property, plant and equipment	(343)	(360)	222	(481)
Right of use assets	(15,866)	(45)	109	(15,802)
Inventory	-	(247)	247	-
Provisions	12	-	15	27
Lease liabilities	15,860	-	-	15,860
Payables	-	85	8	93
<b>Total</b>	<b>(706)</b>	<b>(1,286)</b>	<b>974</b>	<b>(1,018)</b>

**Notes to consolidated financial statements (continued)**

For the years ended 31 December 2023, 31 December 2022, 31 December 2021

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**10. INCOME TAX (CONTINUED)**

	<b>1 January 2022</b>	<b>Business combinations</b>	<b>Recognized in profit or loss</b>	<b>31 December 2022</b>
Intangible assets	(666)	-	296	(370)
Trade receivables	1	-	-	1
Property, plant and equipment	(340)	-	(3)	(343)
Right of use assets	(17)	-	11	(6)
Provisions	-	-	12	12
<b>Total</b>	<b>(1,022)</b>	<b>-</b>	<b>316</b>	<b>(706)</b>

The Group has no deductible temporary differences, material unused tax losses, and unused tax credits for which no deferred tax asset was recognised.

Pursuant to the tax regulations in the Republic of Croatia, the Croatian tax authorities may, at any time, review the ledgers and records of the Group for a year in which the tax liability is reported going back 3 years in the past. The Management Board of the Group is not aware of any circumstances that could lead to potential significant liabilities in this respect.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**11. PROPERTY, PLANT AND EQUIPMENT**

	Leasehold improvements	Land	Buildings	Plant, equipment, other tangible assets and vehicles	Assets under construction	Total
<b>Cost</b>						
<b>As at 1 January 2021</b>	<b>7,770</b>	<b>411</b>	<b>2,379</b>	<b>17,671</b>	<b>209</b>	<b>28,440</b>
Business combination (Note 25)	-	-	-	93	-	93
Additions	5,177	-	-	7,281	292	12,750
Disposals	(144)	-	-	-	-	(144)
Transfers	-	-	-	187	(187)	-
<b>As at 31 December 2021</b>	<b>12,803</b>	<b>411</b>	<b>2,379</b>	<b>25,232</b>	<b>314</b>	<b>41,139</b>
Business combination (Note 25)	193	2,407	1,376	1,789	-	5,765
Additions	7,634	-	-	12,553	2,098	22,285
Disposals	(542)	-	-	(216)	-	(758)
Transfers	-	-	-	314	(314)	-
<b>As at 31 December 2022</b>	<b>20,088</b>	<b>2,818</b>	<b>3,755</b>	<b>39,672</b>	<b>2,098</b>	<b>68,431</b>
Business combinations (Note 25)	116	-	-	484	-	600
Capitalisation of expenses	1,829	-	-	266	544	2,639
Additions	10,620	-	-	20,741	-	31,361
Disposals	(62)	-	-	(482)	-	(544)
Transfer to intangibles	-	-	-	(41)	-	(41)
Transfers	-	-	-	2,293	(2,293)	-
<b>As at 31 December 2023</b>	<b>32,591</b>	<b>2,818</b>	<b>3,755</b>	<b>62,933</b>	<b>349</b>	<b>102,446</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

	Leasehold improvements	Land	Buildings	Plant, equipment, other tangible assets and vehicles	Assets under construction	Total
<b>Accumulated depreciation</b>						
<b>As at 1 January 2021</b>	<b>2,406</b>	-	<b>179</b>	<b>5,279</b>	-	<b>7,864</b>
Depreciation for the year	3,364	-	151	6,189	-	9,704
Disposals	(42)	-	-	-	-	(42)
<b>As at 31 December 2021</b>	<b>5,728</b>	-	<b>330</b>	<b>11,468</b>	-	<b>17,526</b>
Depreciation for the year	2,998	-	207	7,549	-	10,754
Transfer from intangibles /i/	(854)	-	-	285	-	(569)
Disposals	(476)	-	-	(149)	-	(625)
<b>As at 31 December 2022</b>	<b>7,396</b>	-	<b>537</b>	<b>19,153</b>	-	<b>27,086</b>
Depreciation for the year	4,446	-	234	11,468	-	16,148
Transfer to intangibles	-	-	-	(41)	-	(41)
Disposals	(22)	-	-	(307)	-	(329)
<b>As at 31 December 2023</b>	<b>11,820</b>	-	<b>771</b>	<b>30,273</b>	-	<b>42,864</b>
<b>As at 31 December 2021</b>	<b>7,075</b>	<b>411</b>	<b>2,049</b>	<b>13,764</b>	<b>314</b>	<b>23,613</b>
<b>As at 31 December 2022</b>	<b>12,692</b>	<b>2,818</b>	<b>3,218</b>	<b>20,519</b>	<b>2,098</b>	<b>41,345</b>
<b>As at 31 December 2023</b>	<b>20,771</b>	<b>2,818</b>	<b>2,984</b>	<b>32,660</b>	<b>349</b>	<b>59,582</b>

Assets under construction relate to investments in equipment.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A.,  
Luxembourg****12. INTANGIBLE ASSETS AND GOODWILL**

<b>Cost</b>	<b>Software</b>	<b>Assets under construction</b>	<b>Trademark</b>	<b>Loyalty</b>	<b>Goodwill</b>	<b>Total</b>
<b>As of 1 January 2021</b>	<b>948</b>	<b>1,452</b>	<b>6,284</b>	<b>-</b>	<b>124,908</b>	<b>133,592</b>
Business combinations ( <i>Note 25</i> )	137	-	-	-	3,322	3,459
Additions from internal development	503	-	-	-	-	503
Additions	476	-	17	-	-	493
Disposals	(24)	-	-	-	-	(24)
Transfer	1,431	(1,431)	-	-	-	-
<b>As of 31 December 2021</b>	<b>3,471</b>	<b>21</b>	<b>6,301</b>	<b>-</b>	<b>128,230</b>	<b>138,023</b>
Business combinations ( <i>Note 25</i> )	5	-	-	4,006	64,862	68,873
Additions from internal development	725	-	-	-	-	725
Additions	600	-	3	-	-	603
Disposals	-	-	-	-	-	-
Transfer	21	(21)	-	-	-	-
<b>As of 31 December 2022</b>	<b>4,822</b>	<b>-</b>	<b>6,304</b>	<b>4,006</b>	<b>193,092</b>	<b>208,224</b>
Business combinations ( <i>Note 25</i> )	60	-	-	2,505	42,191	44,756
Additions from internal development	402	-	-	-	-	402
Additions	2,901	-	49	-	-	2,950
Disposals	-	-	-	-	-	-
Transfer	51	-	-	-	-	51
<b>As of 31 December 2023</b>	<b>8,236</b>	<b>-</b>	<b>6,353</b>	<b>6,511</b>	<b>235,283</b>	<b>256,383</b>



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A.,  
Luxembourg****12. INTANGIBLE ASSETS AND GOODWILL(CONTINUED)**

<b>Accumulated amortisation</b>	<b>Software</b>	<b>Assets under construction</b>	<b>Trademark</b>	<b>Loyalty</b>	<b>Goodwill</b>	<b>Total</b>
<b>As of 1 January 2021</b>	<b>166</b>	-	<b>2,917</b>	-	-	<b>3,083</b>
Amortisation for the year	912	-	1,263	-	-	2,175
Transfer from PPE	-	-	-	-	-	-
Disposals	(2)	-	-	-	-	(2)
<b>As of 31 December 2021</b>	<b>1,076</b>	-	<b>4,180</b>	-	-	<b>5,256</b>
Amortisation for the year	962	-	1,262	874	-	3,098
Transfer from PPE /i/	559	-	-	-	-	559
Disposals	-	-	-	-	-	-
<b>As of 31 December 2022</b>	<b>2,597</b>	-	<b>5,442</b>	<b>874</b>	-	<b>8,913</b>
Amortisation for the year	1,801	-	889	1,001	-	3,691
Transfer from PPE	52	-	-	-	-	52
Disposals	(4)	-	-	-	-	(4)
<b>As of 31 December 2023</b>	<b>4,446</b>	-	<b>6,331</b>	<b>1,875</b>	-	<b>12,652</b>
<b>As of 31 December 2021</b>	<b>2,396</b>	<b>21</b>	<b>2,121</b>	-	<b>128,230</b>	<b>132,767</b>
<b>As of 31 December 2022</b>	<b>2,216</b>	-	<b>862</b>	<b>3,132</b>	<b>193,092</b>	<b>199,302</b>
<b>As of 31 December 2023</b>	<b>3,792</b>	-	<b>22</b>	<b>4,636</b>	<b>235,283</b>	<b>243,733</b>

/i/ Transfer relates to correction of presentation of accumulated depreciation from tangibles to intangibles.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****12. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)****Trademark**

The trademark refers to the acquired right to use the brand, stamp and brand names that the Group allocates to segments of business in accordance with the internal product categorization. The calculation of the recoverable amount is the value in use derived from a discounted cash flow model based on the five-year product sales plans. The calculation of the recoverable amount implies a terminal rate of growth of cash flows after a five-year period of 1.90%. The growth rate was assumed based on the expected long term growth rate for Croatia for 2027 to 2050 period. The cash flows generated from such plans are discounted using a discount rate of 13.95% reflecting the risk associated with the primary sales market and the industry.

The trademark is accounted for at historical cost. The brand has a limited useful life and is stated at cost less accumulated amortisation. Amortisation is calculated using the straight-line method to allocate the cost of the item over its estimated useful life (5 years).

**Goodwill**

	<b>Acquisition date</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Studenac trgovina d.o.o.	31.8.2018	89,393	89,393	89,195
Istarski Supermarketi d.o.o.	30.6.2019	22,488	22,488	22,488
Sonik Trgovina d.o.o.	23.12.2019	13,032	13,032	13,032
Tanja Trgovina j.d.o.o.	31.1.2020	193	193	193
Bure Trgovina d.o.o.	31.5.2021	3,323	3,323	3,322
Duravit Trgovina d.o.o.	30.4.2022	2,180	2,180	-
Kordun poslovna jedinica	25.3.2022	2,796	2,796	-
Princeza Korina d.o.o.	30.11.2022	1,438	1,438	-
Pemo d.o.o.	7.2.2022	28,292	28,292	-
Lonia Trgovina d.o.o.	3.6.2022	30,155	30,155	-
Tehno-ron maloprodaja d.o.o.	30.8.2023	1,144	-	-
Strahinjčica d.o.o.	15.5.2023	6,311	-	-
Špar trgovina d.o.o.	2.8.2023	4,656	-	-
Formalis-teh maloprodaja d.o.o.	29.11.2023	1,608	-	-
Cedekap trgovina d.o.o.	15.12.2023	672	-	-
La-vor d.o.o.	28.12.2023	26,785	-	-
Other acquisitions	2023	1,015	-	-
<b>Carrying amounts</b>		<b>235,481</b>	<b>193,290</b>	<b>128,230</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****12. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)*****Goodwill (continuing)***

Impairment test of goodwill have been performed at 31 December 2023, 2022 and 2021 using cash flow projections to ensure discounted cash flows support to the carrying amount of goodwill. Goodwill is allocated to cash-generating units for impairment testing purposes. Allocation is carried out on those cash-generating units ("CGU") that are expected to benefit from the business combination in which goodwill is generated. CGU relates to the stores that were previously operated by each of the acquired companies: Studenac d.o.o., Istarski Supermarketi d.o.o, Sonik d.o.o., Bure trgovina d.o.o., Pemo d.o.o., Lonia trgovina d.o.o. The recoverable amount based on value in use for cash generating units exceeded their carrying amount hence no impairment loss was recognised in 2023, 2022 and 2021.

Key assumptions per CGU for 2023 used in the estimation of the recoverable amount were:

- WACC (pre-tax) discount rate of 11.1-11.4% (2022: 11.3-11.6%, 2021: 8.6-8.7%)
- Terminal growth rate of 2% (2022: 2%, 2021: 1.9%).
- Average projected EBITDA margin in range from 4.9-12.3% (2022: 3.6-11.3%, 2021: 3.5-11.2%).
- Projected average annual revenue growth was 5.0-6.8% (2022: 10.2-20.3%; 2021: 20.7-21.6%).

Terminal growth rate of 2.0% was assumed based on the expected long term inflation growth rate for Croatia for 2028 to 2050 period. WACC reflects the expected return of the best alternative investment. In other words, this discount rate indicates the minimum return that investors demand for the investment in the company so that the investor is indifferent to the best alternative investment. WACC is calculated by using the Capital Asset Pricing Model.

EBITDA assumption is built on:

- revenue growth across all CGU levels, which is attributed to a combination of factors: the growth of the tourism sector in Croatia, driven by the significant number of stores located in Croatia's coastal region, and the implemented improvements within the stores themselves. Additionally, the Company has increased profit margins through improved trade terms and the integration of a data science tool to refine retail pricing strategies. Furthermore, centralization of deliveries, facilitating improved purchasing conditions, along with an automated order proposal system, provides better control over the availability of goods in the stores.
- back margin refers to the margin achieved beyond the goods purchase invoices, including improved supplier agreements that dictate marketing and promotional activities, bonuses based on achieved quantities, and specific arrangements supporting the suppliers. The back margin is expected to continue increasing due to the rising volumes and the numerical expansion of the network.

In the sensitivity analysis the following variables were increased/decreased by 0.5%: revenue growth, operating expenses, WACC and growth rate, however the recoverable amount in each scenario remains greater than carrying amount, i.e. the change in key variables does not trigger an impairment. Based on the past performance and current market expectations, 0.5% of change used in the sensitivity analysis is considered reasonable.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

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Based on sensitivity analysis performed no reasonably possible change of variables would trigger an impairment loss in the last 3 years.

Value in use was determined by using the discounted cash flows technique. In order to determine the present value of free cash flows available to investors (enterprise value) and, ultimately, the value in use, individual cash flow streams are discounted to the testing date using an appropriate discount rate which is derived from the expected return of the best alternative investment.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

**13. INVENTORIES**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Merchandise	60,670	46,584	27,698
Advances for inventories	13	-	-
Materials	414	770	759
	<u>61,097</u>	<u>47,354</u>	<u>28,457</u>

Value adjustment of inventory is included in note 8 as part of other expenses.

**Cost of goods sold**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Inventory recognised as an expense	456,801	351,602	213,550
Net inventory losses, surpluses and write-offs	7,995	4,962	3,059
	<u>464,796</u>	<u>356,564</u>	<u>216,609</u>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****14. TRADE AND OTHER RECEIVABLES**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Trade receivables (net)	21,665	13,045	9,937
Receivables from credit card companies	2,604	2,272	938
Other receivables	1,774	1,842	1,388
	<b>26,043</b>	<b>17,159</b>	<b>12,263</b>

Trade receivables consist mainly of suppliers' back-bonuses.



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**14. TRADE AND OTHER RECEIVABLES (continuing)**

Changes in the impairment allowance of receivables are as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
As at 1 January	1,100	827	698
Merger effect of subsidiary	254	-	-
Collected impaired receivables	-	(156)	-
Value adjustment of receivables towards employees	-	-	129
Increase	123	429	-
<b>As at 31 December</b>	<b>1,477</b>	<b>1,100</b>	<b>827</b>

Ageing analysis of trade and other receivables:

	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Not due	22,549	15,957	9,632
Until 90 days	3,158	716	1,831
91-180 days	269	311	199
181-360 days	44	175	82
Over 361 days	23	-	519
<b>As at 31 December</b>	<b>26,043</b>	<b>17,159</b>	<b>12,263</b>

**15. OTHER CURRENT FINANCIAL ASSETS**

	<b>31 December 2023</b>	<b>31 December 2022</b>	<b>31 December 2021</b>
Loans given	110	106	21
Deposits up to 3 months maturity	10,000	-	-
	<b>10,110</b>	<b>106</b>	<b>21</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****16. CASH AND CASH EQUIVALENTS**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Cash in bank	34,598	26,212	6,119
Cash on hand	4,406	3,123	1,492
Cash in bank – foreign currency accounts	1	1,618	1,115
	<b>39,005</b>	<b>30,953</b>	<b>8,726</b>

**17. ISSUED CAPITAL**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Issued capital	1,336	1,336	1,336
Share premium	77,585	77,585	66,383
Retained earnings	1,279	880	1,015
Translation reserve	-	(877)	(866)
	<b>80,200</b>	<b>78,924</b>	<b>67,868</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Profit (loss) of the year	1,276	(135)	34
Number of shares	1,335,636	1,335,636	1,334,719
<b>Earnings per share in EUR</b>	<b>0.96</b>	<b>(0.1)</b>	<b>0.03</b>

The share capital amount contributed in total is equal to EUR 1,335,636. As of December 31, 2023, the share capital is divided by 1,335,636 shares with a nominal value of EUR 1 each. The same applies for 2022. In 2021 the share capital amount contributed in total is equal to EUR 1,334,719. As of December 31, 2021, the share capital is divided by 1,334,719 shares with a nominal value of EUR 1 each.

All shares generally participate pro-rata in the profits and losses of the Company and have same rights as to dividends and distributions upon liquidation of the Company in accordance with the Company's organizational documents.

Studenac Group S.A. Luxembourg (previously Spatium CEE Holding S.A R.L.) with a registered seat in

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

Luxembourg is 100% owner of the Group, while the ultimate parent company is Polish Enterprise Fund VIII, I.p., Cayman Island.

**18. LOANS AND BORROWINGS**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Non-current loans and borrowings	157,375	111,623	58,809
Current loans and borrowings	30,360	24,000	12,148
	<b>187,735</b>	<b>135,623</b>	<b>70,957</b>
Non-current lease liabilities	109,180	73,417	46,398
Current lease liabilities	21,607	17,530	12,152
	<b>130,787</b>	<b>90,947</b>	<b>58,550</b>
Non-current loans and borrowings and lease liabilities	266,555	185,040	105,207
Current loans and borrowings and lease liabilities	51,967	41,530	24,300
	<b>318,522</b>	<b>226,570</b>	<b>129,507</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**18. LOANS AND BORROWINGS (CONTINUED)**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Loans and borrowings as at 1 January</b>	<b>135,623</b>	<b>70,957</b>	<b>83,483</b>
Business combination (Note 25)	531	-	9
Loans received	75,616	85,203	5,336
Loans repayment	(24,035)	(20,749)	(17,901)
Foreign exchange rate differences	-	211	30
<b>Loans and borrowings as at 31 December</b>	<b>187,735</b>	<b>135,623</b>	<b>70,957</b>
<b>Lease liabilities as at 1 January</b>	<b>90,947</b>	<b>58,549</b>	<b>42,784</b>
Increase	48,405	27,139	28,906
Business combination	13,970	23,276	1,701
Interest increase	3,357	2,370	1,711
Derecognition	(223)	(1,073)	(2,330)
Lease payments interest	(3,357)	(2,370)	(1,711)
Lease payments principal	(22,312)	(16,943)	(12,511)
<b>Lease liabilities as at 31 December</b>	<b>130,787</b>	<b>90,947</b>	<b>58,550</b>
<b>Total loans and borrowings and leases as at 31 December</b>	<b>318,522</b>	<b>226,570</b>	<b>129,507</b>

Loans refer to:

	<b>2023</b>		<b>2022</b>		<b>2021</b>
	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>	<b>Interest</b>	<b>Principal</b>
Bank Pekao S.A. i EBRD	171,624	6.18%	120,042	2.93%	67,615
Zagrebačka Banka d.d. (ZABA)	15,580	5.06%	15,581	1.95% - 2.40%	3,342
Individual person - Igor Bodrožić	500	12.00%	-	-	-
Raiffeisen Leasing d.o.o.	31	-	-	-	-
	<b>187,735</b>	-	<b>135,623</b>	-	<b>70,957</b>

Most loans bear variable interest based on 3-month EURIBOR. The rates indicated above are rates at year-end.

ZABA loan is per nature revolving facility with due date in September 2024. The maturity of the loan of Bank Pekao S.A. i EBRD is March 2028. Loans are denominated in EUR. Maturity from the loan from private person is February 2024.

The Group has issued guarantees under the form of promissory notes of EUR 3,607 thousand (2022: EUR 3,709 thousand, 2021: EUR 2,691 thousand) to its suppliers and lessors (see note 26).

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

**19. TRADE AND OTHER PAYABLES**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Trade payables	129,974	94,319	59,819
Liabilities to employees	6,567	5,397	3,176
Liabilities for taxes, contributions and similar charges	4,877	2,576	570
Liabilities for received advances	-	9	-
	<b>141,418</b>	<b>102,301</b>	<b>63,565</b>

**20. OTHER LIABILITIES**

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Deferred payment for the acquisition of subsidiaries	18,265	11,746	-
Liabilities for unused holidays	3,050	2,858	1,332
Accrued expenses	6,727	2,088	624
Other	1,608	1,207	379
	<b>29,650</b>	<b>17,899</b>	<b>2,335</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****21. PROVISIONS**

	<b>Legal cases</b>	<b>Other provisions</b>	<b>Total</b>
<b>As at 1 January 2021</b>	<b>199</b>	<b>470</b>	<b>669</b>
Increase during the period	-	40	40
Decrease during the period	-	(145)	(145)
<b>As at 31 December 2021</b>	<b>199</b>	<b>365</b>	<b>564</b>
Increase during the period	-	95	95
Business combination	-	55	55
<b>As at 31 December 2022</b>	<b>199</b>	<b>515</b>	<b>714</b>
Utilisation during the period	(95)	(214)	(309)
Business combination	-	29	29
Increase during the period	-	601	601
<b>As at 31 December 2023</b>	<b>104</b>	<b>931</b>	<b>1,035</b>

Provisions for court disputes are based on certain legal actions against the Group. Other provisions relate to costs of disputable rents and provisions for severance payments included in cost of employees.



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****22. RIGHT-OF-USE ASSETS****Company as a lessee**

As a lessee, the Group has contracts mainly for the lease of business premises. Lease of business premises is for the period from 2 to 10 years.

Right-of-use assets and movement during the year:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>As at 1 January</b>	<b>88,301</b>	<b>56,949</b>	<b>41,741</b>
Business combination	13,969	23,225	1,701
Additions to right-of-use assets	52,023	27,130	28,898
Depreciation charge for the year	(23,427)	(17,948)	(13,003)
Derecognition	(221)	(1,055)	(2,388)
<b>As at 31 December</b>	<b>130,645</b>	<b>88,301</b>	<b>56,949</b>

IFRS 16 in the statement of profit and loss:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Depreciation	23,427	17,948	13,003
Interest expense on lease liabilities	3,357	2,370	1,711
<b>Total</b>	<b>26,784</b>	<b>20,318</b>	<b>14,714</b>

Depreciation expense of the right-of-use assets is included in the statement of profit and loss within depreciation and amortisation expense, while interest expense on lease liabilities is included as interest expense. The Group applies short-term lease and low value asset leases recognition exemption. Value of short term lease is included in the statement of profit and loss within Other operating expenses (Other expenses) in amount of EUR 515 thousands (2022: EUR 1,437 thousand, 2021: EUR 675 thousand). In 2023, total cash outflows for leases amounted to EUR 25,669 thousand (2022: EUR 19,313 thousand, 2021: 14,222 thousand).

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

***Capital risk management***

The Group manages its capital in order to ensure going concern assumption, while simultaneously generating greatest possible return for stakeholders through optimising the balance between debt and equity. The capital structure of the Group consists of a debt component, which includes received loans and borrowings, cash and cash equivalents and equity held by the owners of the Group and which includes issued capital, reserves and retained earnings.

***Gearing ratio***

The Group continuously reviews the capital structure. As part of the review, the Group monitors the costs of capital and risks associated with each class of capital.

Gearing ratio at the end of the year:

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Total liabilities	496,565	348,921	196,962
Less: Cash and cash equivalents	(39,005)	(30,953)	(8,726)
<b>Net debt</b>	<b>457,560</b>	<b>317,968</b>	<b>188,236</b>
<b>Equity</b>	<b>80,200</b>	<b>78,924</b>	<b>67,868</b>
<b>Net debt and equity ratio - gearing</b>	<b>570.52%</b>	<b>402.88%</b>	<b>277.36%</b>

Total liabilities include lease liability per IFRS 16 *Leases*. Equity includes the Group's issued capital, share premium, translation reserve and retained earnings.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*****Financial instrument categories***

	<b>31</b>	<b>31</b>	<b>31</b>
	<b>December</b>	<b>December</b>	<b>December</b>
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Financial assets held at amortised cost</b>			
Cash and cash equivalents	39,005	30,953	8,726
Receivables	26,043	17,159	12,263
Loans and deposits granted	10,110	106	21
	<b>75,158</b>	<b>48,218</b>	<b>21,010</b>
<b>Financial liabilities held at amortised cost</b>			
Loans and borrowings	187,735	135,623	70,957
Deferred payment on acquisitions	18,265	11,746	642
Trade payables	129,974	94,319	59,819
	<b>335,974</b>	<b>241,688</b>	<b>131,400</b>

Receivables include trade receivables, receivables from employees, receivables from state and other institutions, receivables from card holders and other receivables.

***Financial risk management objectives***

The Group's Management Board reviews the financial risk associated with the Group's operations and manages them by analysing exposure by degree and size of the risk. The Group analyses market risk, which includes currency risk, fair value of interest rate risk, price risk, credit risk, liquidity risk.

The Group seeks to reduce the effects of these risks to the lowest possible extent.

***Market risk***

The Group conducts business activities on the market of the Republic of Croatia. The Group's Management Board determines the prices of its products on the basis of market prices. The purchase function is centralised and this helps to achieve the status of a respectable customer with a good starting point in negotiations.

***Currency risk***

The company is not exposed to currency risks because all Group companies report in EUR. On 1 January 2023, the Republic of Croatia introduced the euro as the official currency. The fixed exchange rate is HRK 7.5345 for one euro. This eliminates currency risks in relation to transactions of the Company denominated in euro.

***Interest rate risk management***

Exposure of the Group to interest rates on financial assets and liabilities is described in more detail in part of this note relating to liquidity risk management.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*****Financial risk management objectives (continued)****Interest rate risk sensitivity analysis*

The Group is exposed to interest rate risk as it borrows funds at both fixed and floating interest rates. A part of the Group's borrowings are at variable rates.

Exposure to changes in interest rates on borrowings and loans is in accordance with the agreed dates of changes in interest rates is as presented below.

The sensitivity analysis presented below is determined on the basis of the interest rate exposure at the date of the report on financial position. The sensitivity analysis for liabilities with variable rate was prepared assuming that the outstanding amount of the liability at the reporting date of the financial position was open all year. To calculate the sensitivity of interest rate, the Group uses an increase or decrease of for 1 percentage point and it represents the management's estimate of the possible changes in interest rates.

If the interest rates were 1 percentage point higher or lower and all other variables were at a constant level effect would be as follows:

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Influence of interest rate change by 1 p.p.			
In thousands of EUR	1,617	1,033	772

*Credit risk management*

Credit risk is the risk of the Group's financial loss if the buyer or counter party of the financial instrument does not fulfil its contractual right. Credit risk is caused solely by receivables from customers and other receivables.

*Credit risk exposure*

The Group has no material credit risk concentrations with any other party or companies of other parties having similar characteristics. The carrying amounts of financial assets presented in the financial statements that are deducted from impairment losses represent the highest exposure of the Group to credit risk, without taking into account the value of the collaterals received.

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Trade receivables (net)	21,665	13,045	9,937
Receivables from credit card companies	2,604	2,272	938
Other receivables	1,774	1,842	1,388
<b>Total</b>	<b>26,043</b>	<b>17,159</b>	<b>12,263</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*****Financial risk management objectives (continued)****Liquidity risk management*

The ultimate responsibility for liquidity risk management is borne by the Management, which has set a quality framework for liquidity risk management at short, medium and long positions of the Group and defined requirements related to liquidity management. The Group prepares detailed monthly budgets which are used to monitor the performance and financial position and to manage its liquidity by maintaining adequate reserves, using appropriate banking credit products and through continuous monitoring of foretold and realized cash flows and adjusting the maturity of financial assets and financial liabilities.

During 2023, the Group utilized an additional tranche of EUR 75,615 thousand of long-term bank financing (capital expenditure and M&A facility). The Group is in the process of securing another tranche of financing, with a purpose of financing and refinancing M&A transactions and planned capital expenditure. The Group is also planning to renew all the active revolving facilities, as well as to maintain reverse factoring at the budgeted level during the course of 2024. Reverse factoring limit has been increased in 2023 for the amount of EUR 10 million. The Group has also received approvals from finance institutions to further extend the financing to finance and refinance capital expenditure and M&A activities, which should release the cash devoted so far to those needs. The Group is in the process of negotiating with finance institutions to further extend the financing to finance and refinance capital expenditure and M&A activities, which should release the cash devoted so far to those needs.

As at 31 December 2023, the Group's current liabilities exceed current assets by EUR 86,175 thousand (2022: EUR 63,904 thousand). Negative working capital is typical for the grocery retail industry and for the Group as most of the positive cash flows are generated during the tourist season. Long term initiatives are financed with more dedicated sources/funds.

As one of the tools aimed at managing the liquidity, the Group has agreed factoring and revolving loan facilities with a financial institution in the total amount of EUR 40,580 thousand (2022: EUR 30,574 thousand). The maturity of factoring is 60 days, maturity of revolving loan is in September 2024. The maturity of the short-term part of the loan of EUR 14,632 thousand the Group plans to cover from its own liquidity - EUR 3,946 thousand has already been repaid in Q1 2024 and the remaining part of EUR 10,686 thousand will be repaid in Q3 2024 after the summer season. The Group utilized additional EUR 75,615 thousand for capital investments and other acquisitions.

The Group complied with all the covenants included in the agreements with the banks during the period and until the approval of these financial statements.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**Financial risk management objectives (continued)**

*Liquidity risk management (continued)*

The following tables analyse the remaining period until the contractual maturity of the non-derivative financial liabilities of the Group.

<b>2023</b>	<b>Weighted average interest rate</b>	<b>Up to 1 year</b>	<b>1 to 5 years</b>	<b>After 5 years</b>	<b>Total</b>
Loans and borrowings	5.62%	30,360	157,375	0	187,735
Trade payables	-	129,974	0	0	129,974
Lease liabilities (IFRS 16)	3.00%-3.50%	21,607	73,839	35,341	130,787
<b>31 December 2023</b>		<b>181,941</b>	<b>231,214</b>	<b>35,341</b>	<b>448,496</b>
<b>2022</b>					
Loans and borrowings	2.67%	24,000	33,691	77,932	135,623
Trade payables	-	94,319	0	0	94,319
Lease liabilities (IFRS 16)	3.00%	17,530	48,388	25,029	90,947
<b>31 December 2022</b>		<b>135,849</b>	<b>82,079</b>	<b>102,961</b>	<b>320,889</b>
<b>2021</b>					
Loans and borrowings	2.67%	12,148	58,809	0	70,957
Trade payables	-	59,819	0	0	59,819
Deferred liability for acquisition		624	0	0	624
SWAP	0,08%	101	0	0	101
Lease liabilities (IFRS 16)	3.00%	12,152	26,745	19,653	58,550
<b>31 December 2021</b>		<b>84,844</b>	<b>85,554</b>	<b>19,653</b>	<b>190,051</b>

Proper liquidity risk management implies maintaining a sufficient amount of cash, ensuring the availability of financial resources by an adequate amount of agreed credit lines and the ability to settle all liabilities. The Group's goal is to maintain the flexibility of financing in a way that contractual credit lines are available. Management monitors the level of available funds every day by preparing reports on the status of funds and liabilities.



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**Financial risk management objectives (continued)**

*Liquidity risk management (continued)*

The table below shows the financial assets of the Group at the balance sheet date with the agreed maturities. The amounts shown in the table represent contractual non-discounted cash flows including interest payment.

<b>As of 31 December 2023</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest-bearing assets</b>						
Other receivables	4,378	4,378	4,378	-	-	-
Trade receivables	21,665	21,665	21,665	-	-	-
Other financial assets	10,110	10,110	10,110	-	-	-
Cash and cash equivalents	39,005	39,005	39,005	-	-	-
	<b>75,158</b>	<b>75,158</b>	<b>75,158</b>	-	-	-

<b>As of 31 December 2022</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest-bearing assets</b>						
Other receivables	4,114	4,114	4,114	-	-	-
Trade receivables	13,045	13,045	13,045	-	-	-
Deposits	106	106	106	-	-	-
Cash and cash equivalents	30,953	30,953	30,953	-	-	-
	<b>48,218</b>	<b>48,218</b>	<b>48,218</b>	-	-	-

<b>As of 31 December 2021</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest-bearing assets</b>						
Other receivables	2,326	2,326	2,326	-	-	-
Trade receivables	9,937	9,937	9,937	-	-	-
Deposits	21	21	21	-	-	-
Cash and cash equivalents	8,726	8,726	8,726	-	-	-
	<b>21,010</b>	<b>21,010</b>	<b>21,010</b>	-	-	-

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

**Financial risk management objectives (continued)**

*Liquidity risk management (continued)*

<b>As of 31 December 2023</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest bearing liabilities</b>						
Other payables	41,094	41,094	41,094	-	-	-
Trade payables	129,974	129,974	129,974	-	-	-
	<b>171,068</b>	<b>171,068</b>	<b>171,068</b>	-	-	-
<b>Interest bearing liabilities</b>						
Loans and borrowings	187,735	225,611	34,199	28,046	163,366	-
Lease liabilities	130,787	175,595	25,454	22,141	95,368	32,632
	<b>318,522</b>	<b>401,206</b>	<b>59,653</b>	<b>50,187</b>	<b>258,734</b>	<b>32,632</b>
	<b>489,590</b>	<b>572,274</b>	<b>230,721</b>	<b>50,187</b>	<b>258,734</b>	<b>32,632</b>

The table below analyses the Group's financial liabilities on the basis of the remaining period until the contractual maturity date.

<b>As of 31 December 2022</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest bearing liabilities</b>						
Other payables	25,881	25,881	25,881	-	-	-
Trade payables	94,319	94,319	94,319	-	-	-
	<b>120,200</b>	<b>120,200</b>	<b>120,200</b>	-	-	-
<b>Interest bearing liabilities</b>						
Loans and borrowings	135,623	165,237	28,788	12,874	35,468	88,107
Lease liabilities	90,947	100,162	19,578	16,145	37,955	26,485
	<b>226,570</b>	<b>265,399</b>	<b>48,366</b>	<b>29,019</b>	<b>73,423</b>	<b>114,592</b>
	<b>346,770</b>	<b>385,599</b>	<b>168,566</b>	<b>29,019</b>	<b>73,423</b>	<b>114,592</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)**

***Financial risk management objectives (continued)***

***Liquidity risk management (continued)***

<b>As of 31 December 2021</b>	<b>Net carrying value</b>	<b>Contracted cash flows</b>	<b>Up to 1 year</b>	<b>1-2 years</b>	<b>2-5 years</b>	<b>Over 5 years</b>
<b>Non-interest bearing liabilities</b>						
Other payables	6,081	6,081	6,081	-	-	-
Trade payables	59,819	59,819	59,819	-	-	-
	<b>65,900</b>	<b>65,900</b>	<b>65,900</b>	-	-	-
<b>Interest bearing liabilities</b>						
Loans and borrowings	70,957	75,477	15,692	11,771	48,014	-
Lease liabilities	58,550	65,082	13,946	10,730	21,308	19,099
SWAP	101	101	101	-	-	-
	<b>129,608</b>	<b>140,660</b>	<b>29,739</b>	<b>22,501</b>	<b>69,322</b>	<b>19,099</b>
	<b>195,508</b>	<b>206,560</b>	<b>95,639</b>	<b>22,501</b>	<b>69,322</b>	<b>19,099</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg**

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**23. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*****Financial risk management objectives (continued)******Fair value measurement***

The carrying amounts of cash and cash equivalents are close to their fair values due to the short-term nature of these financial instruments.

Similarly, the carrying amount of receivables and liabilities stated at historical cost to which the normal commercial loan conditions apply also approximate to their fair values.

The long-term loans are initially measured at their fair value based on current rates applied to the loans with similar maturities and similar loan risks. The long-term loans are subsequently measured at amortised cost using the effective interest rate method. Fair value of the long-term loans approximates the amortised cost.

The fair value of interest rate swaps is based on projections of discontinued cash flows based on terms and maturities of underlying contracts and with market interest rate for a similar instrument at a measurement date. Fair values reflect the credit risk of the instrument and include adjustments to take account of the credit risk of the Group and counterparty when appropriate. According to inputs used, fair value measurement is classified as level 2 in the fair value hierarchy.

***Fair value hierarchy***

IFRS 7 establishes the hierarchy of valuation techniques based on observable or unobservable inputs. Observable inputs reflect market data from independent sources; unobservable inputs reflect the market assumptions of the Group.

These two input types create the next fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included in level 1, that are observable for the asset or liability either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Input variables for assets or liabilities that are not based on observable market data (unobservable inputs).

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****24. TRANSACTIONS WITH RELATED PARTIES***(all amounts in thousands EUR)*

	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Trade and other payables</b>	<b>(1,145)</b>	<b>(1,362)</b>	<b>(145)</b>
Pan-Pek d.o.o.	(1,000)	(1,362)	(145)
Solvoyo Co	(60)	-	-
Odvijetničko društvo Šavorić i partneri	(85)	-	-
<b>Trade and other receivables</b>	<b>620</b>	<b>393</b>	<b>-</b>
Pan-Pek d.o.o.	620	393	-
<b>Purchase of inventory</b>	<b>6,259</b>	<b>7,547</b>	<b>2,517</b>
Pan-Pek d.o.o.	6,259	7,547	2,517
<b>Revenues</b>	<b>20</b>	<b>-</b>	<b>-</b>
Pan-Pek d.o.o.	20	-	-
<b>Other costs</b>	<b>145</b>	<b>468</b>	<b>53</b>
Odvijetničko društvo Šavorić i partneri	145	129	-
Adria Capital d.o.o.	-	332	49
Solutions Lab	-	7	4
<b>Software</b>	<b>570</b>	<b>188</b>	<b>-</b>
Solvoyo Co	570	188	-

For the purposes of financial reporting, the parties are deemed to be related if one of the parties has the ability to control the other party, if they are under joint control or may have material influence on the other party in making financial and business decisions. When considering any possible relationship between related parties, attention should be focused on the essence of this relationship, not just on the legal form.

Transactions with related parties specified above relate to purchase and sales of goods (Pan-Pek d.o.o.), lawyer fees (Odvijetničko društvo Šavorić i partneri), merger and acquisition activities (Adria Capital), software implementation (Solvoyo Co) and IT services (Solutions Lab).

Pan-pek d.o.o. and Odvijetničko društvo Šavorić i partneri are not subsidiaries of the Group but these companies share members of Supervisory Board. In addition to that Pan-pek d.o.o. and Studenac d.o.o. are owned by different companies which are managed by same Fund Management Corporation (Enterprise Investors). Adria Capital is owned by one of the shareholders. Solvoyo is related through supervisory board member.

The additional remuneration to the companies related to members of the Supervisory Board or Supervisory Board members was EUR 145 thousand (2022: EUR 121 thousand, 2021: 175 thousand). Remuneration relates to consultancy services from Ronny Gottschlich, Uvert Doradztwo (Krzysztof Łukasz Andrzejewski), Beragua Advisory S.L. (Javier Fernandez Rozado), Gordan Kolak and Boris Šavorić.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****24. TRANSACTIONS WITH RELATED PARTIES (continuing)**

All balances with subsidiaries of Studenac Group S.A. have been eliminated upon consolidation and thus are not further disclosed here.

**Key management remuneration**

	<b>2023</b>	<b>2022</b>	<b>2021</b>
Management Board remuneration	1,566	1,245	999

The number of key Management members as of 31 December 2023 was 6 (31 December 2022:6, 31 December 2021: 5).

**25. ACQUISITION OF SUBSIDIARIES**

During 2023 the Group acquired 100% which presents 100% of voting rights, of the following subsidiaries to enhance the core business - retail, presented in tables below. All subsidiaries were merged during the year except La-vor Trade d.o.o. which as at 31 December 2023 operated as an independent company. Accounting for the business combination is complete. Transaction costs in amount of EUR 3,488 thousand are recognised in Profit and loss statement under Other operating expenses (EUR 2,064) and Cost of employees (EUR 1,424 thousand). Fair value of consideration transferred in amount of EUR 56,121 consists of cash paid in amount of EUR 49,872 thousand and discounted deferred liability in amount of EUR 6,249 thousand. Goodwill recognised is result of synergies expected to arise after the Group acquisition of the new business as well as specific locations acquired.

Amortisation of the goodwill is not tax-deductible expense.

	<b>Acquisition date</b>	<b>Merger date</b>
Tehno-ron maloprodaja d.o.o.	30.8.2023	30.8.2023
Strahinjčica d.o.o.	15.5.2023	31.8.2023
Špar trgovina d.o.o.	2.8.2023	31.10.2023
Formalis-teh maloprodaja d.o.o.	29.11.2023	30.11.2023
Cedekap trgovina d.o.o.	15.12.2023	15.12.2023
La-vor Trade d.o.o.	28.12.2023	-



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

**25. ACQUISITION OF SUBSIDIARIES (continuing)**

If the business combinations occurred on 1 January 2023, management estimates that the acquired companies would contribute to the Group results, as follows:

	<b>Consolidated results of Studenac Group</b>	<b>Contribution of acquired companies to the Group results, on a proforma basis /i/</b>	<b>Combined results of Studenac Group on proforma basis</b>
Sales revenue	668,127	34,251	702,378
Operating profit	19,197	3,662	22,853
Depreciation and amortisation	(43,266)	(1,140)	(44,406)
Profit/(loss) for the year	1,276	3,963	5,233

/i/ The data presented reflects intercompany eliminations and accounting policy adjustments.

<b>List of subsidiaries</b>	<b>Country</b>	<b>Ownership %</b>		
		<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2021</b>
Studenac d.o.o.	Croatia	100.00	100.00	100.00
Pemo d.o.o.	Croatia	-	100.00	
Lonia d.o.o.	Croatia	-	100.00	
Sezonko d.o.o.	Croatia	100.00	100.00	100.00
La-vor Trade d.o.o.	Croatia	100.00	-	

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****25. ACQUISITION OF SUBSIDIARIES (continued)**

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

<i>(all amounts in thousands)</i>	<u>Strahiničica</u> <u>d.o.o.</u>	<u>Špar trgovina</u> <u>d.o.o.</u>	<u>Tehno-ron</u> <u>maloprodaja</u> <u>d.o.o.</u>	<u>Cedekap</u> <u>trgovina</u> <u>d.o.o.</u>	<u>Formalis-teh</u> <u>maloprodaja</u> <u>d.o.o.</u>	<u>La-vor</u> <u>Trade d.o.o</u>	Other acquisitions	Total
<b>ASSETS</b>								
<b>Non-current assets</b>	<b>15.5.2023</b>	<b>2.8.2023</b>	<b>30.8.2023</b>	<b>15.12.2023</b>	<b>29.11.2023</b>	<b>28.12.2023</b>		
Property, plant and equipment	256	40	6	19	59	104		484
Intangible assets /i/	57	-	-	-	-	2,624		2,681
Right-of-use assets	3,642	1,516	422	650	356	7,383		13,969
Other financial assets	-	-	-	-	-	47		47
Deferred tax assets	660	273	76	117	64	1,329		2,519
	<b>4,615</b>	<b>1,829</b>	<b>504</b>	<b>786</b>	<b>479</b>	<b>11,487</b>		<b>19,700</b>
<b>Current assets</b>								
Inventories	1,657	1,551	120	114	251	2,105		5,798
Trade and other receivables	461	-	-	-	-	1,773		2,234
Other financial assets	40	-	-	-	-	10,049		10,089
Cash and cash equivalents	577	112	163	1	99	520		1,472
	<b>2,735</b>	<b>1,663</b>	<b>283</b>	<b>115</b>	<b>350</b>	<b>14,447</b>		<b>19,593</b>
<b>Total assets</b>	<b>7,350</b>	<b>3,492</b>	<b>787</b>	<b>901</b>	<b>829</b>	<b>25,934</b>		<b>39,293</b>
<b>Non-current liabilities</b>								
Provisions	-	-	-	-	-	29		29
Lease liabilities	2,732	1,137	353	591	260	7,383		12,456
Deferred tax liabilities	695	300	76	117	64	1,807		3,059
	<b>3,427</b>	<b>1,437</b>	<b>429</b>	<b>708</b>	<b>324</b>	<b>9,219</b>		<b>15,544</b>
<b>Current liabilities</b>								
Loans and borrowings	-	-	-	-	-	500		500
Other payables	2,716	227	-	-	-	2,600		5,543
Lease liabilities	911	379	69	59	96	-		1,514
Income tax liabilities	-	-	-	-	-	155		155
Other liabilities	303	53	-	-	-	278		634
<b>Total liabilities</b>	<b>3,930</b>	<b>659</b>	<b>69</b>	<b>59</b>	<b>96</b>	<b>3,533</b>		<b>8,346</b>
<b>Total liabilities</b>	<b>7,357</b>	<b>2,096</b>	<b>498</b>	<b>767</b>	<b>420</b>	<b>12,752</b>		<b>23,890</b>
<b>Net asset</b>	<b>(7)</b>	<b>1,396</b>	<b>289</b>	<b>134</b>	<b>409</b>	<b>13,182</b>		<b>15,403</b>
Fair value of consideration transferred	6,304	6,052	1,433	807	2,017	39,966	1,014	57,593
Fair value of purchased assets	(7)	1,396	289	135	409	13,181	-	15,402
<b>Goodwill</b>	<b>6,311</b>	<b>4,656</b>	<b>1,144</b>	<b>672</b>	<b>1,608</b>	<b>26,785</b>	<b>1,014</b>	<b>42,191</b>
<b>Fair value of consideration transferred</b>								<b>57,593</b>
Consideration, net of cash	<b>5,727</b>	<b>5,940</b>	<b>1,270</b>	<b>806</b>	<b>1,918</b>	<b>39,446</b>	<b>1,014</b>	<b>56,121</b>
Deferred consideration								(6,249)
Cash flow effect								49,872

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

**25. ACQUISITION OF SUBSIDIARIES (continued)**

/i/ Intangible assets in amount of EUR 2,624 thousand relate to customer relations.

During 2022 the Group acquired 100% which presents 100% of voting rights, of the following subsidiaries presented in tables below. All subsidiaries were merged during the year except Pemo d.o.o. and Lonja Trgovina d.o.o. which as of 31 December 2022 operated as an independent company. Transaction costs in amount of EUR 3,428 thousand are recognised in Profit and loss statement under Other operating expenses (EUR 1,732) and Cost of employees (EUR 1,696 thousand).

Fair value of consideration transferred in amount of EUR 81,773 thousand consists of cash paid in amount of EUR 70,516 thousand and discounted deferred liability in amount of EUR 11,258 thousand.

Amortisation of the goodwill is not tax-deductible expense.

	<b>Acquisition date</b>	<b>Merger date</b>
Pemo d.o.o.	7.2.2022	28.2.2023
Lonja trgovina d.o.o.	3.6.2022	31.3.2023
Duravit Trgovina d.o.o.	30.4.2022	30.4.2022
Princeza Korina d.o.o.	30.11.2022	30.11.2022
Kordun d.o.o.	25.3.2022	25.3.2022

If the business combinations occurred on 1 January 2022, combined revenue would amount to EUR 559,120 thousand and net profit to EUR 2,218 thousand. Net profit is generated by following business:

	<b>Operating income</b>	<b>Net profit/(loss)</b>
Studenac d.o.o.	414,793	(1,318)
Pemo d.o.o.	40,049	2,297
Lonja Trgovina d.o.o.	104,278	1,364
Studenac Group S.A:	-	(125)
	<b>559,120</b>	<b>2,218</b>

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

<i>(all amounts in thousands of euro)</i>	<b>Duravit Trgovina d.o.o.</b>	<b>Princeza Korina d.o.o.</b>	<b>Lonja Trgovina d.o.o.</b>	<b>Pemo d.o.o.</b>	<b>Kordun</b>	<b>Total</b>
<b>ASSETS</b>						
<b>Non-current assets</b>						
Property, plant and equipment	4	47	1,123	4,398	48	5,620
Intangible assets /i/	-	-	616	3,587	-	4,203
Right-of-use assets	851	444	14,314	5,690	1,926	23,225
Other financial assets	-	-	32	-	-	32
Deferred tax assets	153	-	-	150	-	303
	<b>1,008</b>	<b>491</b>	<b>16,085</b>	<b>13,825</b>	<b>1,974</b>	<b>33,383</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

(All amounts are stated in thousands of euro)

**Studenac Group S.A., Luxembourg**

<b>Current assets</b>						
Inventories	316	-	11,009	2,264	619	14,208
Trade and other receivables	-	-	3,679	953	-	4,632
Other financial assets	-	-	109	7,698	-	7,807
Prepaid corporate profit tax	-	1	13	-	-	14
Cash and cash equivalents	1,711	3	5,360	1,040	-	8,114
	<b>2,027</b>	<b>4</b>	<b>20,170</b>	<b>11,955</b>	<b>619</b>	<b>34,775</b>
<b>Total assets</b>	<b>3,035</b>	<b>495</b>	<b>36,255</b>	<b>25,780</b>	<b>2,593</b>	<b>68,158</b>
<b>Non-current liabilities</b>						
Provisions	-	-	55	-	-	55
Lease liabilities	851	444	14,314	5,741	1,926	23,276
Deferred tax liabilities	153	-	393	1,042	-	1,588
	<b>1,004</b>	<b>444</b>	<b>14,762</b>	<b>6,783</b>	<b>1,926</b>	<b>24,919</b>
<b>Current liabilities</b>						
Trade and other payables	-	-	12,966	5,251	-	18,217
					-	
<b>Total liabilities</b>	<b>1,004</b>	<b>444</b>	<b>27,728</b>	<b>12,034</b>	<b>1,926</b>	<b>43,136</b>
<b>Net asset</b>	<b>2,031</b>	<b>51</b>	<b>8,527</b>	<b>13,746</b>	<b>667</b>	<b>25,022</b>
Fair value of consideration transferred	4,211	1,490	38,684	42,039	3,464	89,888
Fair value of purchased assets	2,031	51	8,529	13,747	668	25,026
<b>Goodwill</b>	<b>2,180</b>	<b>1,439</b>	<b>30,155</b>	<b>28,292</b>	<b>2,796</b>	<b>64,862</b>
<b>Fair value of consideration transferred</b>						
Cash – net of cash acquired	2,500	1,487	33,323	40,999	3,464	<b>81,773</b>
Deferred consideration						(11,258)
Cash flow effect						70,516

/i/ The fair value of the intangible assets in the amount of EUR 4,203 thousand relates to loyalty card programmes was calculated by using a multi-period excess earnings approach which determines market value of intangible assets based on cash flows that are exclusively generated by the asset being estimated. The market value is equal to the present value of the residual cash flows.

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)***Studenac Group S.A., Luxembourg****25. ACQUISITION OF SUBSIDIARIES (continued)**

During 2021 the Group acquired 100% the subsidiary Bure Trgovina d.o.o. Bure Trgovina d.o.o. was acquired on 31 May 2021 and merged on 31 August 2021. Transaction costs in amount of EUR 1,148 thousand are recognised in Profit and loss statement under Other operating expenses (EUR 596 thousand) and Cost of employees (EUR 552 thousand).

Fair value of consideration transferred in amount of EUR 3,377 thousand was paid in full in cash.

Amortisation of the goodwill is not tax-deductible expense.

The fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were:

	<b>Fair value at acquisition date</b>
<b>ASSETS</b>	
<b>Non-current assets</b>	
Property, plant, equipment	101
Intangible assets	122
Right of use assets	1,701
<b>Total non-current assets</b>	<b>1,924</b>
<b>Current assets</b>	
Inventories	754
Trade and other receivables	79
Cash and cash equivalents	708
<b>Total current assets</b>	<b>1,541</b>
<b>Total assets</b>	<b>3,465</b>
<b>LIABILITIES</b>	
<b>Long-term liabilities</b>	
Provisions	40
Right of use assets	1,701
<b>Total long-term liabilities</b>	<b>1,741</b>
<b>Short-term liabilities</b>	
Trade and other payables	952
Borrowings	9
<b>Total short-term liabilities</b>	<b>961</b>
<b>Total liabilities</b>	<b>2,702</b>
Fair value of consideration transferred	4,086
Fair value of purchased assets	763
<b>Goodwill</b>	<b>3,323</b>
<b>Fair value of consideration transferred</b>	<b>-</b>
Cash – net of cash acquired	<b>3,377</b>

**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

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**26. CONTINGENT LIABILITIES AND ASSETS AND CAPITAL COMMITMENTS**

**Legal cases**

The Group made an estimate of provision for potential liabilities. There are several court cases and potential court cases currently led against the Group. According to the lawyer's reports, the probability of a liability is unlikely, i.e. it is not possible to assess with certainty whether there is, and if so, the extent to which the potential liability for the Group exists, so the Management did not consider it necessary to record additional provision apart from the already recorded provision as disclosed in *Note 21 Provisions*.

**Liens**

When securing additional financing by the lender, the Group pledged the following: receivables, movable property in stores, business shares, bank accounts, insurance policies and the trademark.

**Promissory notes**

The Group has issued promissory notes of EUR 3,607 thousand (2022: EUR 3,709 thousand, 2021: EUR 2,691 thousand) to its suppliers and lessors.



**Notes to consolidated financial statements (continued)**

For the year ended 31 December 2023

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A., Luxembourg**

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**28. EVENTS AFTER BALANCE SHEET DATE**

After the balance sheet date Group repaid EUR 3,946 thousand of the loan to the bank and EUR 500 thousand to natural person. Amount of EUR 10,000 thousand was repaid to the former owner of one of the acquired companies.

***Purchase of a subsidiary***

In June 2024, the Company purchased retail company Fiba-prom d.o.o. for amount of EUR 450 thousand. With Fiba-Prom d.o.o. the Group continued its strategy to increase number of stores in area of interest – city of Zagreb. Acquisition is purchased and merged on the same day.

**Studenac Group S.A.**

**Interim Condensed Consolidated Financial Statements for the  
8 month period ended 31 August 2024**

**(together with the Independent Auditors' review report)**

**CONTENT**

	Page
Independent Auditors' review report on the Interim Condensed Consolidated Financial Statements	1
Interim Condensed Consolidated financial statements	2-8
Notes to the Interim Condensed Consolidated Financial Statements	9-27



Studenac Group S.A.

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To the Management Board of  
Studenac Group S.A.  
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## **REPORT ON THE REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

### ***Introduction***

We have reviewed the accompanying interim condensed consolidated statement of financial position of Studenac Group S.A. as at 31 August 2024, the interim condensed consolidated statements of profit or loss and other comprehensive income, changes in equity and cash flows for the eight month period then ended, and notes to the interim financial information (“the interim condensed consolidated financial information”). The Management Board is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, ‘Interim Financial Reporting’ (“IAS 34”) as adopted by European Union. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.

### ***Scope of Review***

We conducted our review in accordance with the International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity” as adopted, for Luxembourg, by the Institut des Réviseurs d’Entreprises. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### ***Conclusion***

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared in all material respects, in accordance with IAS 34 “Interim Financial Reporting” as adopted by European Union.

Luxembourg, 24 September 2024

KPMG Audit S.à r.l.  
Cabinet de révision agréé

Rhenie de Vries

**Interim Condensed Consolidated Statement of profit or loss and other comprehensive income**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

	Note	Jan-Aug 2024	Jan-Aug 2023
<b>Operating income</b>			
Sales revenue	5	556,527	465,114
Other operating income		1,407	2,571
<b>Total operating income</b>		<b>557,934</b>	<b>467,685</b>
<b>Operating expenses</b>			
Cost of goods sold	6	(377,387)	(319,871)
Personnel expenses	7	(72,537)	(59,446)
Depreciation and amortisation		(28,914)	(28,621)
Provisions		(47)	(47)
Other operating expenses	8	(44,909)	(36,366)
<b>Total operating expenses</b>		<b>(523,794)</b>	<b>(444,351)</b>
<b>Operating profit</b>		<b>34,140</b>	<b>23,334</b>
Finance income	9	58	69
Finance costs	9	(13,106)	(9,366)
<b>Net finance costs</b>		<b>(13,048)</b>	<b>(9,297)</b>
<b>Profit before tax</b>		<b>21,092</b>	<b>14,037</b>
Income tax		(4,747)	(3,918)
<b>Profit for the period</b>		<b>16,345</b>	<b>10,119</b>
<b>Total comprehensive income/(loss) for the period</b>		<b>16,345</b>	<b>10,119</b>
<b>Earnings per share /i/</b>		<b>0.12</b>	<b>0.08</b>

/i/ Basic and diluted Earnings per share are equal. Number of shares has increased during 2024 to 133,563,600 (2023: 1,355,636 shares). 2023 Earnings per share has been restated accordingly.

Signed on behalf of the Management board on 23<sup>rd</sup> of September 2024

The above Interim Condensed Consolidated Statement of profit or loss should be read in conjunction with the accompanying notes

**Interim Condensed Consolidated Statement of financial position**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.**

	Note	31 Aug 2024	31 Dec 2023
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment		71,142	59,582
Intangible assets and goodwill	10	283,568	243,929
Right-of-use assets	13	134,622	130,645
Other financial assets		28	48
Deferred tax assets		980	2,433
		<b>490,340</b>	<b>436,637</b>
<b>Current assets</b>			
Inventories		75,993	61,097
Trade and other receivables	11	18,034	26,043
Prepaid expenses		19,292	3,873
Other financial assets	12	36	10,110
Cash and cash equivalents		77,918	39,005
		<b>191,273</b>	<b>140,128</b>
<b>Total assets</b>		<b>681,613</b>	<b>576,765</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity and reserves</b>			
Issued capital		1,336	1,336
Share premium		77,585	77,585
Retained earnings		17,624	1,279
		<b>96,545</b>	<b>80,200</b>
<b>Non-current liabilities</b>			
Loans and borrowings	13	188,304	157,375
Provisions		738	1,035
Lease liabilities	13	109,780	109,180
Deferred tax liabilities		861	2,873
		<b>299,683</b>	<b>270,463</b>
<b>Current liabilities</b>			
Loans and borrowings	13	18,340	30,360
Trade and other payables		215,581	141,418
Lease liabilities	13	25,745	21,607
Current tax liabilities		4,153	3,067
Other liabilities		21,566	29,650
		<b>285,385</b>	<b>226,102</b>
<b>Total liabilities</b>		<b>585,068</b>	<b>496,565</b>
<b>Total equity and liabilities</b>		<b>681,613</b>	<b>576,765</b>

Signed on behalf of the Management board on 23 September 2024.



**Interim Condensed Consolidated Statement of changes in equity**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.**

	<b>Issued capital</b>	<b>Share premium</b>	<b>Retained earnings</b>	<b>Translation reserve</b>	<b>Total</b>
<b>As at 31 December 2022</b>	<b>1,336</b>	<b>77,585</b>	<b>880</b>	<b>(877)</b>	<b>78,924</b>
Changes in reserve	-	-	(877)	877	-
Profit for the period	-	-	10,119	-	10,119
<b>As at 31 August 2023</b>	<b>1,336</b>	<b>77,585</b>	<b>10,122</b>	<b>-</b>	<b>89,043</b>
<b>As at 31 December 2023</b>	<b>1,336</b>	<b>77,585</b>	<b>1,279</b>	<b>-</b>	<b>80,200</b>
Profit for the period	-	-	16,345	-	16,345
<b>As at 31 August 2024</b>	<b>1,336</b>	<b>77,585</b>	<b>17,624</b>	<b>-</b>	<b>96,545</b>

Signed on behalf of Management board on 23 September 2024

The above Interim Condensed Consolidated Statement of profit or loss should be read in conjunction with the accompanying notes

**Interim Condensed Consolidated Statement of Cash flow**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

	<i>Note</i>	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
<b>Cash flows from operating activities</b>			
Profit for the year		<b>16,345</b>	<b>10,119</b>
<i>Adjustments for:</i>			
Income tax expenses		4,747	3,918
Depreciation and amortisation		28,914	28,621
Loss on sale of fixed assets	8	863	-
Unwind of discount		390	675
Interest expense		11,461	7,990
Other adjustments		543	355
<b>Operating cash before changes in working capital</b>		<b>63,263</b>	<b>51,678</b>
<i>Changes in:</i>			
Inventories		(13,792)	(10,359)
Trade and other receivables /i/		(7,512)	(19,185)
Trade and other payables		81,324	19,954
Provisions		(323)	274
<b>Cash generated from operating activities</b>		<b>122,960</b>	<b>42,362</b>
Interest paid		(9,526)	(7,990)
Income tax paid		(4,224)	(836)
<b>Net cash generated from operating activities</b>		<b>109,210</b>	<b>33,536</b>

/i/ Trade and other receivables include Prepaid expenses for the purposes of the cash flow statement.

**Interim Condensed Consolidated Statement of Cash flow**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.**

	<b>Note</b>	<b>31 Aug 2024</b>	<b>31 Aug 2023</b>
Acquisition of PPE and intangible assets		(31,811)	(19,273)
Acquisition of subsidiaries, net of cash		(35,777)	(13,444)
Deferred payments-acquisition of subsidiaries		(18,249)	(10,557)
Receipts of sales of assets		3,201	-
Interest received		6	29
Maturity of short term deposit		10,000	-
<b>Net cash outflow from investing activities</b>		<b>(72,630)</b>	<b>(43,245)</b>
<b>Cash flow from financing activities</b>			
Proceeds from loans and borrowings	13	38,900	19,980
Loans repayment	13	(19,991)	(4,117)
Payment of leases	13	(16,575)	(13,978)
<b>Net cash generated from financing activities</b>		<b>2,334</b>	<b>1,885</b>
<b>Cash and cash equivalents</b>			
At the beginning of the period		39,005	30,953
At the end of the period		77,918	23,131
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>38,913</b>	<b>(7,822)</b>

The above Interim Condensed Consolidated Statement of profit or loss should be read in conjunction with the accompanying notes

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****1. GENERAL INFORMATION****Reporting Group**

Studenac Group S.A. was incorporated as Spatium CEE Holding S.à r.l. (the "Company") on September 20, 2017 in Luxembourg. The Company changed the name and the legal status to Studenac Group S.A. (public limited company) on 22 May 2024.

Studenac Group S.A. ("the Company") is a public limited company registered and located in Luxembourg, rue Jean Piret, 2350 Luxembourg. Studenac Group S.A. together with its subsidiaries forms the group of Studenac Group S.A. ("the Group"). Headquarter of the Company is in the city of Luxembourg, while its retail network is in Croatia and since September 2024 Slovenia, covering the majority of the country's territory, and where the Group is one of the leading retail chains.

The principal activity of the Group is retail and wholesale of grocery products and consumer goods.

As at 31 August 2024 the Studenac Group S.A. Group is comprised of mother company Studenac Group S.A., Luxembourg (the Company), Studenac d.o.o., Croatia and its fully owned subsidiaries La-vor Trade d.o.o., Sezonko d.o.o. and Decentia Trgovina d.o.o.. These Interim Condensed Consolidated Financial Statements were prepared to be filed together with the prospectus concerning the initial public offering of shares. The direct parent of the Group is Polish Enterprise Funds SCA PEF VIII and ultimate parent is Polish Enterprise Fund VIII, L.p., Cayman Island.

The Group has acquired and subsequently merged to Studenac d.o.o. following business units:

	<b>Acquisition date</b>	<b>Merger date</b>
Bure Trgovina d.o.o.	1.5.2021	31.8.2021
Pemo d.o.o.	7.2.2022	28.2.2023
Kordun business unit	25.3.2022	31.5.2022
Duravit Trgovina d.o.o.	30.4.2022	17.5.2022
Lonia Trgovina d.o.o.	3.6.2022	31.3.2023
Princeza Korina d.o.o.	30.11.2022	1.12.2022
Strahinjčica d.o.o.	15.5.2023	31.8.2023
Špar trgovina d.o.o.	2.8.2023	31.10.2023
Tehno-ron maloprodaja d.o.o.	30.8.2023	30.8.2023
Formalis-teh maloprodaja d.o.o.	29.11.2023	30.11.2023
Cedekap trgovina d.o.o.	15.12.2023	15.12.2023
La-vor Trade d.o.o.	28.12.2023	-
Fiba-Prom d.o.o.	31.5.2024	31.5.2024
Decentia Trgovine d.o.o.	31.7.2024	-

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**2. BASIS OF PREPARATION**

**Statement of compliance**

These Interim Condensed Consolidated Financial Statements have been prepared in accordance with the International Accounting Standard 34 "Interim Financial Reporting" as endorsed by the European Union ("IAS 34").

These Interim Condensed Consolidated Financial Statements for the period ended 31 August 2024 are prepared to be included in a prospectus in the context of a potential Initial Public Offering in Croatia and in Poland.

The Management Board authorised The Groups' consolidated financial statements on 23 September 2024.

**Basis of preparation**

These Interim Condensed Consolidated Financial Statements do not include all the information and disclosures required for a complete set of financial statements prepared in accordance with IFRS Accounting Standards as adopted in the EU and should be read in conjunction with the Group's Consolidated Financial Statements for the year ended December 31, 2023, December 31, 2022 and December 31, 2021 authorised for issue on 15<sup>th</sup> of July 2024. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last annual financial statements.

**Functional and presentation currency**

These Interim Condensed Consolidated Financial Statements are presented in EUR, and all values, unless otherwise stated, are given in thousands of EUR.

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**2. BASIS OF PREPARATION (continuing)**

**Use of estimates and professional judgements**

Preparation of these interim condensed consolidated financial statements requires of Management to make judgements, estimates and assumptions that affect the implementation of policies and amounts disclosed regarding assets, liabilities, income and expenses. Actual results may differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those described in the last annual financial statements, except as described below:

*Useful life of property, plant and equipment and intangible assets*

Management reviewed the useful lives of certain assets and consequently the useful lives were adjusted to reflect management's new best estimate. Change in estimate is applied prospectively.

Expected useful life of items of property, plant and equipment is as follows:

Leasehold improvements	2-25 years
Buildings	20 years
Plant and equipment	6 years (2023: 4 years)
Tools and furniture	6 years (2023: 4 years)
Transport vehicles	6 years (2023: 4 years)



**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**3. SUMMARY OF MATERIAL ACCOUNTING POLICIES**

The accounting principles (policies) applied to prepare these Interim Condensed Consolidated Financial Statements for the eight-month period ended August 31, 2024 are consistent with those applied in the preparation of the Group's Consolidated Financial Statements for the years ended December 31, 2023, December 31, 2022 and December 31, 2021 except for the application of new or amended standards and interpretations applicable to financial years beginning on or after January 1, 2024, described below. The new or amended standards and interpretations that were applicable for the first time in 2024 did not have a material impact on the Group's Interim Condensed Consolidated Financial Statements. These include:

**3.1. Changes in accounting policies and disclosures**

**Standards that became effective for 2024**

- Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants - Amendments to IAS 1 *Presentation of Financial Statements*
- Lease Liability in a Sale and Leaseback - Amendments to IFRS 16 *Leases*
- Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* – *Supplier Finance Arrangements*

The adoption of the above standards did not have a material impact on the Group's interim condensed consolidated financial statements.

**Standards issued but not yet effective**

A number of amendments to standards and interpretations are adopted by the EU but not mandatory for application for annual periods beginning before 1 January 2025 and have not been applied in preparing these interim condensed consolidated financial statements:

- Lack of Exchangeability - Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates*

The Group does not plan an early adoption of these amendments to standards, since no material impact on the consolidated Group financial statements is expected. In the moment of adoption, the Group will evaluate the impact of these amendments on the financial statements.

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**4. THE GROUP OPERATING SEGMENTS**

The Group has analysed its operations in order to identify segments that would meet the criteria for separate reporting. During the periods included in the financial statements the operating activities of the Group were carried out in a single geographical region - Croatia.

The Group carried out two main types of operating activities, retail sales and wholesale sales. The sales revenue of the wholesale operations has been considered immaterial from the Group's perspective, and it is not included as a separate reportable operating segment.

**5. SALES REVENUE**

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
Sales revenue from retail	503,846	427,476
Sales revenue from wholesale	9,254	4,829
Revenue from services	43,389	32,776
Other revenue	38	33
	<b>556,527</b>	<b>465,114</b>

The Group only operates in Croatia, where the total amount of revenue is generated. The Group's revenues can be characterised partially as seasonal since significant portion is generated throughout summer season on the coast and islands of Croatia. Influence of seasonal stores is expected to slightly decrease with acquisitions of Lonja Trgovina d.o.o. and Decentia Trgovina d.o.o., based on the inner land of Croatia.

**6. COSTS OF GOODS SOLD**

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
Inventory recognised as an expense	371,136	314,325
Net inventory losses, surpluses and write-offs	6,251	5,546
	<b>377,387</b>	<b>319,871</b>

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****7. PERSONNEL EXPENSES**

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
Net salaries	45,997	36,159
Taxes on salaries	3,861	2,990
Mandatory pension payment	10,199	8,793
Social security contributions on salaries	8,272	6,732
	<b>68,329</b>	<b>54,674</b>
Employee transportation costs	2,110	1,721
Employee remunerations and rewards /i/	1,840	2,709
Other employee costs and outsourced employees	258	344
	<b>4,208</b>	<b>4,774</b>
<b>Cost of employees and outsourced employees</b>	<b>72,537</b>	<b>59,446</b>

/i/ Payments to employees not directly related to salaries.

The number of employees as at 31 August 2024 was 6,739 (31.08.2023: 6,191). The Group has capitalised EUR 1,824 thousand of cost of employees (31 August 2023: EUR 1,552 thousand). Capitalization relates to software implementations and fixed assets development projects conducted by the Company employees.

Personal expenses include the bonuses paid to employees engaged in Company's sell-side process and other sell-side process related personnel expenses until 31 August 2024 in amount of EUR 244 thousand (31 August 2023: EUR 485 thousand), as well as bonuses and other costs related to M&A and the process of integration of acquired companies EUR 197 thousand (31 August 2023: EUR 883 thousand).

Total cost of salary for the period ended 31 August 2023 was EUR 59,446 thousand, while total cost of salary for period ended 31 August 2024 is 72,537 EUR. Increase of salaries is mostly generated by increased number of employees predominately due to opening of the new stores, mergers and acquisitions, adjustment to remuneration policy of the company, as well as increase of minimum salary imposed by government from 1 January 2024.

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**8. OTHER OPERATING EXPENSES**

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
Electricity and other energy resources	7,219	7,115
Costs of students	6,113	4,782
Distribution costs	5,305	3,527
Marketing costs	4,868	3,802
Intellectual services /i/	2,548	2,230
Other utilities	2,438	2,131
Material and small inventory used	1,676	2,013
Maintenance	2,682	2,727
Credit card fees and bank transactional charges	2,053	1,615
Security	1,338	948
Franchising costs and operating leases	1,375	838
Contractual penalties /ii/	1,000	107
Loss from sale of non-current assets /iii/	863	(19)
Other operating expenses /iv/	5,431	4,549
	<b>44,909</b>	<b>36,365</b>

/i/ Intellectual services include the expenses related to Company's sell-side process incurred for the period ended 31 August 2024 in amount of EUR 677 thousand (31 August 2023: EUR 590 thousand), as well as costs related to M&A and the process of integration of acquired companies (legal, financial and other advisory costs) in amount of EUR 836 thousand (31 August 2023: EUR 782 thousand).

/ii/ Contractual penalties relate to expenses for acquisition of Decentia Trgovine d.o.o. as an exit penalty from Ultra purchase alliance.

/iii/ Loss from sale of non-current assets relate to property and plant purchased during acquisition and merger of Pemo d.o.o.

/iv/ Other expenses include value adjustment of inventory in amount of EUR 373 thousand (31 August 2023: EUR 230 thousand).

**Selected notes to Interim Condensed Consolidated Financial Statements for**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**9. FINANCE INCOME AND COSTS**

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
<b>Finance income</b>		
Interest income	6	29
Other finance income	52	40
<b>Total finance income</b>	<b>58</b>	<b>69</b>
<b>Finance costs</b>		
Negative exchange rate differences	-	(12)
Unwind of discount on deferred consideration on acquisition	(391)	(675)
Interest expense	(11,461)	(7,990)
Other finance costs	(1,256)	(689)
<b>Total finance costs</b>	<b>(13,106)</b>	<b>(9,366)</b>
<b>Net finance cost</b>	<b>(13,048)</b>	<b>(9,297)</b>

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****10. GOODWILL**

	<b>Acquisition date</b>	<b>31 August 2024</b>	<b>31 December 2023</b>
Studenac trgovina d.o.o.	31.8.2018	89,393	89,393
Istarski Supermarketi d.o.o.	30.6.2019	22,488	22,488
Sonik Trgovina d.o.o.	23.12.2019	13,032	13,032
Tanja Trgovina j.d.o.o.	31.1.2020	193	193
Bure Trgovina d.o.o.	31.5.2021	3,323	3,323
Duravit Trgovina d.o.o.	30.4.2022	2,180	2,180
Kordun poslovna jedinica	25.3.2022	2,796	2,796
Princeza Korina d.o.o.	30.11.2022	1,440	1,440
Pemo d.o.o.	7.2.2022	28,292	28,292
Lonia Trgovina d.o.o.	3.6.2022	30,155	30,155
Tehno-ron maloprodaja d.o.o.	30.8.2023	1,144	1,144
Strahinjčica d.o.o.	15.5.2023	6,311	6,311
Špar trgovina d.o.o.	2.8.2023	4,656	4,656
Formalis-teh maloprodaja d.o.o.	29.11.2023	1,607	1,607
Cedekap trgovina d.o.o.	15.12.2023	672	672
La-vor d.o.o.	28.12.2023	26,786	26,786
Fiba Prom d.o.o.	31.5.2024	447	-
Decentia Trgovina d.o.o.	31.8.2024	33,954	-
Other acquisitions /i/	2023, 2024	2,424	1,013
<b>Carrying amounts</b>		<b>271,293</b>	<b>235,481</b>

/i/ Other acquisitions relate to purchase of various smaller businesses, largest being Milano d.o.o. in amount of EUR 600 thousand and Marketi Iris d.o.o. in amount of EUR 426 thousand.



**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****10. INTANGIBLE ASSETS AND GOODWILL (CONTINUED)*****Goodwill (continuing)***

Impairment test of goodwill have been performed at 31 December 2023 using cash flow projections to ensure discounted cash flows support to the carrying amount of goodwill. Goodwill is allocated to cash-generating units for impairment testing purposes. Allocation is carried out on those cash-generating units ("CGU") that are expected to benefit from the business combination in which goodwill is generated. CGU relates to the stores that were previously operated by each of the acquired companies: Studenac d.o.o., Istarski Supermarketi d.o.o., Sonik d.o.o., Bure trgovina d.o.o., Pemo d.o.o., Lonia trgovina d.o.o. The recoverable amount based on value in use for cash generating units exceeded their carrying amount hence no impairment loss was recognised in 2023. Management is assessing whether material newly acquired companies are going to be treated as separate CGU's while smaller acquisitions will be added to Studenac d.o.o. CGU.

Based on sensitivity analysis performed as at 31 December 2023, no reasonably possible change of variables would trigger an impairment loss. Management has not identified any triggering events that would necessitate reperformance of the impairment test at the interim date. For further information on the acquisitions, refer to the note 17.

**11. TRADE AND OTHER RECEIVABLES**

	<b>31 August 2024</b>	<b>31 December 2023</b>
Trade receivables (net of allowances)	12,108	21,665
Receivables from credit card companies	4,164	2,604
Other receivables	1,762	1,774
	<b>18,034</b>	<b>26,043</b>

Trade receivables consist mainly of suppliers' back-bonuses.

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**12. OTHER CURRENT FINANCIAL ASSETS**

	<b>31 August 2024</b>	<b>31 December 2023</b>
Loans given	36	110
Deposits up to 3 months maturity /i/	-	10,000
	<b>36</b>	<b>10,110</b>

/i/ Deposit in amount of EUR 10,000 thousand matured in 2024 and used for payment of deferred liabilities for acquisitions.

**13. LOANS AND BORROWINGS AND LEASE LIABILITIES**

	<b>31 August 2024</b>	<b>31 December 2023</b>
Non-current loans and borrowings	188,304	157,375
Current loans and borrowings	18,340	30,360
	<b>206,644</b>	<b>187,735</b>
Non-current lease liabilities	109,780	109,180
Current lease liabilities	25,745	21,607
	<b>135,525</b>	<b>130,787</b>
Non-current loans and borrowings and lease liabilities	298,084	266,555
Current loans and borrowings and lease liabilities	44,085	51,967
	<b>342,169</b>	<b>318,522</b>

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**13. LOANS AND BORROWINGS (CONTINUED)**

	31 August 2024	31 December 2023
<b>Loans and borrowings as at 1 January</b>	<b>187,735</b>	<b>135,623</b>
Business combination (Note 17)	-	531
Loans received	38,900	75,616
Loans repayment	(19,991)	(24,035)
<b>Loans and borrowings as at 31 August/December</b>	<b>206,644</b>	<b>187,735</b>
<b>Lease liabilities as at 1 January</b>	<b>130,787</b>	<b>90,947</b>
Increase	17,138	48,405
Business combination	4,175	13,970
Interest increase	3,104	3,357
Derecognition	-	(223)
Lease payments interest	(3,104)	(3,357)
Lease payments principal	(16,575)	(22,312)
<b>Lease liabilities as at 31 August/31 December</b>	<b>135,525</b>	<b>130,787</b>
<b>Total loans and borrowings and leases as at 31 August/ December</b>	<b>342,169</b>	<b>318,522</b>

Loans refer to:

	2024		2023	
	Principal	Interest	Principal	Interest
Bank Pekao S.A. and EBRD	205,678	3m EURIBOR + margin	171,624	6.18%
Zagrebačka Banka d.d. (ZABA)	935	3m EURIBOR + margin	15,580	5.06%
Individual person - Igor Bodrožić	-	-	500	12.00%
Raiffeisen Leasing d.o.o.	31	-	31	-
	<b>206,644</b>	<b>-</b>	<b>187,735</b>	<b>-</b>

Most loans bear variable interest based on 3-month EURIBOR. The rates indicated for 2023 above are rates as at 31 December 2023. Margin for Pekao S.A. and EBRD varies on quarterly bases. Margin for third quarter was depending on the loan tranche between 2.75% and 3.25%.

ZABA loan is per nature revolving facility with due date in September 2024. The maturity of the loan of Bank Pekao S.A. i EBRD is March 2028. Loans are denominated in EUR.

The Group has issued guarantees under the form of promissory notes of on 31 December 2023 EUR 3,607 thousand to its suppliers and lessors.

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**14. RIGHT-OF-USE ASSETS**

**Company as a lessee**

As a lessee, the Group has contracts mainly for the lease of business premises. Lease of business premises is for the period from 2 to 10 years (2023: 2 to 10 years).

Right-of-use assets and movement during the year:

	<b>31 August 2024</b>	<b>31 December 2023</b>
<b>As at 1 January</b>	<b>130,645</b>	<b>88,301</b>
Business combination	4,175	13,969
Additions to right-of-use assets	17,741	52,023
Depreciation charge for the period	(17,939)	(23,427)
Derecognition	-	(221)
<b>As at 31 August/December</b>	<b>134,622</b>	<b>130,645</b>

IFRS 16 in the statement of profit and loss:

	<b>Jan-Aug 2024</b>	<b>Jan-Aug 2023</b>
Depreciation	17,939	15,409
Interest expense on lease liabilities	3,104	2,097
<b>Total</b>	<b>21,043</b>	<b>17,506</b>

Depreciation expense of the right-of-use assets is included in the statement of profit and loss within depreciation and amortisation expense, while interest expense on lease liabilities is included as interest expense. The Group applies short-term lease and low value asset leases recognition exemption. Value of short term lease is included in the statement of profit and loss within Other operating expenses (Other expenses) in amount of EUR 1,375 thousands (31 August 2023: EUR 838 thousand,). In 2024, total cash outflows for leases amounted to EUR 21,054 thousand (31 August 2023: EUR 16,913 thousand).

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT**

***Capital risk management***

The Group manages its capital in order to ensure going concern assumption, while simultaneously generating greatest possible return for stakeholders through optimising the balance between debt and equity. The capital structure of the Group consists of a debt component, which includes received loans and borrowings, cash and cash equivalents and equity held by the owners of the Group and which includes issued capital, reserves and retained earnings.

***Gearing ratio***

The Group continuously reviews the capital structure. As part of the review, the Group monitors the costs of capital and risks associated with each class of capital.

Gearing ratio at the end of the year:

	<b>31 August 2024</b>	<b>31 December 2023</b>
Total liabilities	585,069	496,565
Less: Cash and cash equivalents	(77,918)	(39,005)
<b>Net debt</b>	<b>507,151</b>	<b>457,560</b>
<b>Equity</b>	<b>96,545</b>	<b>80,200</b>
<b>Net debt to equity ratio - gearing</b>	<b>525.30%</b>	<b>570.52%</b>

Total liabilities include lease liability per IFRS 16 *Leases*. Equity includes the Group's issued capital, share premium, translation reserve and retained earnings.

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****15. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT (CONTINUED)*****Financial risk management objectives******Liquidity risk management***

The Group's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. These interim condensed consolidated financial statements do not include all financial risk management information and disclosures required in the consolidated financial statements, and should, therefore, be read in conjunction with the Group's consolidated financial statements for the years ended 31 December 2023, 2022 and 2021.

During 2024, the Group utilized an additional tranche of EUR 38,000 thousand of long-term bank financing (capital expenditure and M&A facility). The Group also renewed all the active revolving facilities, as well as increased reverse factoring during the course of 2024. Reverse factoring limit has been increased in 2024 for the amount of EUR 15,370 thousand. The Group has also received approvals from finance institutions to further extend the financing to finance and refinance capital expenditure and M&A activities, which should release the cash devoted so far to those needs.

As at 31 August 2024, the Group's current liabilities exceed current assets by EUR 94,112 thousand (31 December 2023: EUR 85,974 thousand). Negative working capital is typical for the grocery retail industry and for the Group as most of the positive cash flows are generated during the tourist season. Long term initiatives are financed with more dedicated sources/funds.

As one of the tools aimed at managing the liquidity, the Group has agreed factoring and revolving loan facilities with a financial institution in the total amount of EUR 56,370 thousand (31 December 2023: EUR 40,580 thousand). The maturity of factoring is 60-100 days, due revolving loan in amount of EUR 15,065 thousand has been repaid in September 2024 and renewed.

The maturity of the short-term part of the loan of EUR 17,404 thousand the Group plans to cover from its own liquidity. Due date is September 2024 in amount of EUR 10,333 thousand and the remaining part of EUR 7,071 thousand will be repaid in March 2025. The Group utilized additional EUR 38,000 thousand of loans for capital investments and other acquisitions.

The Group complied with all the covenants included in the agreements with the banks during the period and until the approval of these financial statements.



**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****16. TRANSACTIONS WITH RELATED PARTIES**

<i>(all amounts in thousands EUR)</i>	<b>31 August 2024</b>	<b>31 December 2023</b>
<b>Trade and other payables</b>	<b>(2,338)</b>	<b>(1,145)</b>
Pan-Pek d.o.o.	(1,913)	(1,000)
Adria Capital d.o.o.	(378)	-
Solvoyo Co	-	(60)
Odvijetničko društvo Šavorić i partneri	-	(85)
<b>Trade and other receivables</b>	<b>3</b>	<b>620</b>
Pan-Pek d.o.o.	3	620
<b>Purchase of inventory</b>	<b>5,494</b>	<b>6,259</b>
Pan-Pek d.o.o.	5,494	6,259
<b>Revenues</b>	<b>7</b>	<b>20</b>
Pan-Pek d.o.o.	7	20
<b>Other costs</b>	<b>355</b>	<b>145</b>
Odvijetničko društvo Šavorić i partneri	32	145
Adria Capital d.o.o.	323	-
<b>Software</b>	<b>189</b>	<b>570</b>
Solvoyo Co	189	570

Transactions with related parties specified above relate to purchase and sales of goods (Pan-Pek d.o.o.), lawyer fees (Odvijetničko društvo Šavorić i partneri), merger and acquisition activities (Adria Capital), software implementation (Solvoyo Co) and IT services (Solutions Lab).

Pan-pek d.o.o. and Odvijetničko društvo Šavorić i partneri are not subsidiaries of the Group but these companies share members of Supervisory Board. In addition to that Pan-pek d.o.o. and Studenac d.o.o. are owned by different companies which are managed by same Fund Management Corporation (Enterprise Investors). Adria Capital is owned by one of the shareholders. Solvoyo is related through supervisory board member.

The additional remuneration to the companies related to members of the Supervisory Board or Supervisory Board members was EUR 93 thousand (2023: EUR 145 thousand). Remuneration relates to consultancy services from Ronny Gottschlich, Uvert Doradztwo (Krzysztof Łukasz Andrzejewski), Beragua Advisory S.L. (Javier Fernandez Rozado), Gordan Kolak and Boris Šavorić.

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)***Studenac Group S.A.****17. ACQUISITION OF SUBSIDIARIES**

During 2024 the Group acquired 100%, which presents 100% of voting rights, of the following subsidiaries to enhance the core business: Decentia Trgovina d.o.o. and Fiba-prom d.o.o. Fiba-prom d.o.o. was merged during the 2024 year, and Decentia Trgovina d.o.o. operate as an independent company.

Given the close proximity of the acquisition dates to period end, the accounting for the business combination is not complete. The valuations have not yet been finalised, therefore the fair values of identifiable assets and liabilities acquired have only been determined provisionally and have been recognised accordingly. The accounting for the acquisition will be revised within the 12 month measurement period in accordance with IFRS 3. Preliminary result of revaluation was uplift of value of Right of use assets and liabilities and accordingly deferred tax assets and liabilities.

Transaction costs in amount of EUR 836 thousand are recognised in Profit and loss statement under Other operating expenses (31 August 2023: EUR 782 thousand) and Cost of employees in amount of EUR 197 thousand (31 August 2023: EUR 485 thousand).

Fair value of consideration transferred in amount of EUR 36,597 consists of cash paid in amount of EUR 31,946 thousand and discounted deferred liability in amount of EUR 4,651 thousand. The preliminary goodwill recognised is result of synergies expected to arise after the Group acquisition of the new business as well as specific locations acquired. Amortisation of the goodwill is not tax-deductible expense.

	<b>Acquisition date</b>	<b>Merger date</b>
Fiba Prom d.o.o.	31 May 2024	31 May 2024
Decentia d.o.o.	31 July 2024	n/a

Management is assessing that Decentia d.o.o. going to be treated as separate CGU's while Fiba-Prom d.o.o. will be added to Studenac d.o.o. CGU.

From date of acquisition, Decentia has contributed EUR 2,509 thousand to Sales revenue and EUR 188 thousand to Profit for the year. The contribution of Fiba Prom is considered immaterial.

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**17. ACQUISITION OF SUBSIDIARIES (continuing)**

If the business combinations occurred on 1 January 2024, management estimates that the acquired companies would contribute to the Group results, as follows:

	<b>Consolidated results of Studenac Group</b>	<b>Contribution of acquired companies to the Group results, on a proforma basis /i/</b>	<b>Combined results of Studenac Group on proforma basis</b>
Sales revenue	556,527	19,544	576,071
Operating profit	34,140	2,931	37,071
Depreciation and amortisation	(28,914)	(469)	(29,383)
Profit/(loss) for the year	16,345	2,918	19,263

/i/ The data presented reflects intercompany eliminations and accounting policy adjustments and excludes Fibaprom d.o.o. as its considered immaterial.

<b>List of subsidiaries</b>	<b>Country</b>	<b>Ownership %</b>	
		<b>31 August 2024</b>	<b>31.12.2023</b>
Studenac d.o.o.	Croatia	100.00	100.00
Decentia trgovina d.o.o.	Croatia	100.00	-
Sezonko d.o.o.	Croatia	100.00	100.00
La-vor Trade d.o.o.	Croatia	100.00	100.00

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**17. ACQUISITION OF SUBSIDIARIES (continued)**

The preliminary fair values of the identifiable assets and liabilities of the acquired entities as at the date of acquisition were as follows:

<i>(all amounts in thousands )</i>	<b>Decentia Trgovina d.o.o.</b>	<b>Fiba-Prom d.o.o.</b>	<b>Total</b>
	<b>31 July 2024</b>	<b>31 May 2024</b>	
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	23	2	25
Right-of-use assets	4,175	-	4,175
Other financial assets	27	-	27
Deferred tax assets	751	-	751
	<b>4,976</b>	<b>2</b>	<b>4,978</b>
<b>Current assets</b>			
Inventories	1,446	32	1,478
Cash and cash equivalents	820	-	820
	<b>2,266</b>	<b>32</b>	<b>2,298</b>
<b>Total assets</b>	<b>7,242</b>	<b>34</b>	<b>7,276</b>
<b>Non-current liabilities</b>			
Provisions	26	-	26
Lease liabilities	3,625	-	3,625
Deferred tax liabilities	751	-	751
	<b>4,402</b>	<b>-</b>	<b>4,402</b>
<b>Current liabilities</b>			
Lease liabilities	550	-	550
Other liabilities	97	31	128
<b>Total liabilities</b>	<b>647</b>	<b>31</b>	<b>678</b>
<b>Total liabilities</b>	<b>5,049</b>	<b>31</b>	<b>5,080</b>
<b>Net asset</b>	<b>2,193</b>	<b>3</b>	<b>2,196</b>
Fair value of consideration transferred net of cash	36,147	450	36,597
Fair value of purchased assets	2,193	3	2,196
<b>Goodwill</b>	<b>33,954</b>	<b>447</b>	<b>34,401</b>
<b>Fair value of consideration transferred</b>			
Consideration, net of cash	36,147	450	36,597
Deferred consideration	(4,651)		(4,651)
Cash flow effect	31,496	450	31,946

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

(All amounts are stated in thousands of euro)

**Studenac Group S.A.**

**18. EVENTS AFTER BALANCE SHEET DATE**

Events that have occurred after the end of the interim period that have not been reflected in the interim financial report:

***Purchase of a subsidiary***

On 4<sup>th</sup> of September 2024, Studenac d.o.o. purchased retail company Kea d.o.o. (32 stores) in Slovenia for amount of EUR 16,150 thousand. For the 8 months up to 31st August 2024 Kea d.o.o. had the following results */i/*:

Sales revenue	32,703
Operating profit	1,117
Depreciation and amortisation	(680)
Profit/(loss) for the year	1,047

*/i/* Kea d.o.o. is reporting according to Slovenian accounting standards, which are in essence similar to IFRS Accounting Standards.

The preliminary fair values of the identifiable assets and liabilities of the acquired entity as at the date of acquisition were as follows:

<b>ASSETS</b>	31 August 2024
<b>Non-current assets</b>	
Property, plant and equipment	845
Intangible assets and goodwill	43
Right-of-use assets	2,529
Deferred tax assets	46
	<b>3,463</b>
<b>Current assets</b>	
Inventories	4,866
Trade and other receivables	1,499
Prepaid expenses	1,065
Other financial assets	22
Cash and cash equivalents	1,757
	<b>9,209</b>
<b>Total assets</b>	<b>12,672</b>
<b>Non-current liabilities</b>	
Loans and borrowings	10
Provisions	506
Lease liabilities	1,880
	<b>2,396</b>
<b>Current liabilities</b>	
Trade and other payables	5,339
Lease liabilities	715
Other liabilities	718
	<b>6,772</b>
<b>Total liabilities</b>	<b>9,168</b>
Fair value of consideration transferred net of cash	16,150
Fair value of purchased assets	3,504
<b>Indicative goodwill</b>	<b>12,646</b>

**Selected notes to Interim Condensed Consolidated Financial Statements**

For the 8 months period ended 31 August 2024

*(All amounts are stated in thousands of euro)*

**Studenac Group S.A.**

**18. EVENTS AFTER BALANCE SHEET DATE (continuing)**

Given the close proximity of the acquisition date to period end, the accounting for the business combination is not complete. The valuations have not yet been finalised, therefore the fair values of identifiable assets and liabilities acquired have only been determined provisionally and have been recognised accordingly. Based on the nature of the net assets acquired and the Company's experience with acquisitions, no material fair value changes are expected.

With acquisition of Kea d.o.o. the Group started a strategy to expand to markets outside of Croatia.



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