



Granolio

Granolio d.d.
Budmanijeva 5, HR-10000 Zagreb
tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: granolio@granolio.hr; <http://www.granolio.hr>

Hrvatska agencija za nadzor financijskih usluga (HANFA)
Službeni registar propisanih informacija
Franje Račkoga 6
10000 ZAGREB

Zagrebačka burza d.d.
Ivana Lučića 2a
10000 ZAGREB

HINA – Hrvatska izvještajna novinska agencija
ots@hina.hr

Security: GRNL / ISIN: HRGRNLRA0006 / LEI: 213800O3Z6ZSDBAKG321)
Segment of the Regulated market: Official Market of the Zagreb Stock Exchange
Home Member State: Republic of Croatia

Zagreb, April 30, 2024

Subject: Notice of Convening the General Assembly

- *General Assembly – Notices on Convening, Counterproposals and Decisions*

Pursuant to the Capital Market Act and the Zagreb Stock Exchange Rules, Granolio d.d., Zagreb, Ulica Pere Budmanija 5, Personal Identification Number (PIN): 59064993527, company entered into the Court registry of the Commercial Court in Zagreb under the identification number (MBS) 080111595 (hereinafter: the Company), hereby announces that on April 30, 2024, the Management Board of Granolio d.d. passed on the decision to convene the General Assembly of the Company, which will be held on June 12, 2024, starting at 11:00 AM at the DoubleTree by Hilton Zagreb, Mimosa II Meeting Room, Ulica grada Vukovara 269a, Zagreb.

The invitation to the General Assembly, including the proposed agenda, resolution proposals, and accompanying documents, is attached to this notice.

This notification was delivered to the Officially appointed mechanism for the central storage of regulated information of the Croatian Financial Services Supervisory Agency – HANFA, Zagreb Stock Exchange, Croatian News Agency - HinaOTS and it is available on the Company web site www.granolio.hr.

GRANOLIO d.d.



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka, IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić i Davor Mitrović, predsjednik Nadzornog odbora: Franjo Filipović

**INVITATION TO THE GENERAL ASSEMBLY
OF GRANOLIO D.D.**

Pursuant to Article 277 of the Companies Act and Article 43 of Granolio d.d. Articles of Association, the Management Board, acting upon the Decision on convening the General Assembly of April 30, 2024, adopted with the consent of the Supervisory Board, convenes

**The General Assembly of Granolio d.d.,
Zagreb, Ulica Pere Budmanija 5,**

which will be held on June 12, 2024 at 11:00 hours at the DoubleTree by Hilton Zagreb, Mimosa II Meeting Room, Ulica grada Vukovara 269a, Zagreb.

I.

The following Agenda is proposed for the General Assembly meeting:

A g e n d a :

1. Opening of the General Assembly, establishing the list of participants at the General Assembly,
2. Management Report on the status of the Company and affiliated companies for the year 2023,
3. Report of the Supervisory Board on the supervision of the Company's operations for the year 2023,
4. Consolidated financial statements for the year 2023 and Independent Auditor's Report by BDO Croatia d.o.o. on the audit of the Granolio Group for the year 2023,
5. Financial statements for the year 2023 and Independent Auditor's Report by BDO Croatia d.o.o. on audit of Granolio d.d.,
6. Resolution on remuneration of the Supervisory Board members
7. Approval of the Resolution on remuneration of the Management Board members for the 4-year period 2024. - 2027.
8. Resolution on the proposal for the distribution of the business year 2023 profit,
9. Resolution on grant of the clearance to the members of the Management Board for the year 2023,
10. Resolution on grant of the clearance to the members of the Supervisory Board for the year 2023,
11. Resolution on the appointment of the auditor of the Company for the year 2024.,
12. Election of the President of the General Assembly.

II.

Pursuant to Article 280 of the Companies Act, the Management Board and the Supervisory Board of the Company propose to the General Assembly to pass the following resolutions:

Ad 2) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The Management Report on the status of the Company and affiliated Companies for the year 2023 is hereby adopted.

Ad 3) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The Supervisory Board Report on the supervision of Company operations for the year 2023 with a proposal for the distribution of profit and results of the review of annual financial statements, and the Report on the status of the Company and affiliated companies for the year 2023 is hereby adopted.

Ad 4) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Consolidated financial statements for the year 2023 together with the Auditor's Report by BDO Croatia d.o.o. on the audit of the Granolio Group for the year 2023 are hereby acknowledged.

Ad 5) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Financial statements for the year 2023 and the Auditor's Report by BDO Croatia d.o.o. on the audit of Granolio d.d. for the year 2023 are hereby acknowledged.

Ad 6) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Pursuant to Art. 269, Para. 3 of the Companies Act (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), the Supervisory Board of Granolio d.d., located at Ulica Pere Budmanija 5, Zagreb (hereinafter: the Company), proposes that the Company's General Assembly, to be held on 12 June 2024, adopts the following:

RESOLUTION ON REMUNERATION OF SUPERVISORY BOARD MEMBERS

I. This Resolution on the Remuneration of the Members of the Supervisory Board of the Company aims to establish balanced, transparent, and sustainable remuneration for the members of the Supervisory Board to encourage the attraction and retention of quality and competent supervisory personnel. By overseeing the management of the Company's business, they will contribute to the sustainable growth and welfare of the Company, thus achieving the strategic goals of the Company and its employees, for the benefit of the shareholders and the Company as a whole.

Members of the Supervisory Board are entitled to remuneration

established by this Resolution from the date of their appointment or election until the termination of their membership or office in the Supervisory Board.

II. To maintain independence and complete objectivity of the supervisory function, the remuneration of the members of the Supervisory Board is set in a fixed amount and does not depend on the results of the Company and does not include a variable portion. Members of the Supervisory Board are not entitled to severance payments, payments of remuneration in the shares of the Company, nor is there a deferred payment of part of the remuneration envisaged.

III. The Chairman of the Supervisory Board of the Company is entitled to a fixed remuneration for each session of the Supervisory Board in which he participated in a net amount of 1,000.00 EUR, but not more than 3,000.00 EUR per month. The Vice-Chairman of the Supervisory Board is entitled to a fixed remuneration for each session of the Supervisory Board in which he participated in a net amount of 1,000.00 EUR, but not more than 3,000.00 EUR per month. A member of the Supervisory Board is entitled to a fixed remuneration for each session of the Supervisory Board in which he participated in a net amount of 500.00 EUR, but not more than 1,500.00 EUR per month.

For the purposes of this Resolution, the term "session" includes also the sessions held via telephone. Documented costs of attendance of the members of the Supervisory Board at the sessions of the Supervisory Board (travel, accommodation, etc.) shall be borne by the Company.

IV. In preparing this Resolution, various external and internal factors were considered such as time commitments and responsibilities, including time commitments and responsibilities in committees of the Supervisory Board, risk-taking propensity, economic conditions, and the economic environment of the Company as well as prevailing salary levels in the industry and the Company. The Supervisory Board of the Company oversees the application of this Resolution and its suitability for achieving the objectives set out in point I. of this Resolution. The Supervisory Board also examines the Remuneration Report under Art. 272.r of the Companies Act.

V. In the event that the Supervisory Board of the Company deems it necessary to amend this Resolution, it shall submit a reasoned proposal to the General Assembly of the Company, in accordance with the law. Any amendment, supplement, or confirmation of this Resolution shall take effect upon the adoption of the appropriate decision by the General Assembly.

Ad 7 The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The Policy of Remuneration of Members of the Management Board for for the 4-year period 2024. - 2027. is approved in the wording attached to the Invitation for the **General Assembly of Granolio d.d.** as Attachment 1 and as shall be attached to the Minutes of the General Assembly also as Attachment 1.

Ad 8) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

The profit of the year 2023 in the amount of EUR 1.970,053,13 (after taxes) is to be distributed as follows:

- loss coverage in the amount of EUR 1.282.375,12,
- legal reserves in the amount of EUR 98.502,65,
- retained earnings in the amount of EUR 589.175,36.

Ad 9) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

Work of members of the Management Board regarding the management of the Company's business for the business year 2023 **is approved** (a clearance is granted).

Ad 10) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

Work of members of the Supervisory Board regarding the supervision of the Company's business for the business year 2023 **is approved** (a clearance is granted).

Ad 11) The Company's Supervisory Board proposes to the General Assembly to pass the following r e s o l u t i o n :

BDO Croatia d.o.o., Radnička cesta 180, 10000 Zagreb, OIB: 76394522236 is appointed auditor of the Company for the year 2024.

Ad 12) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

I/ It is hereby established that the term of Mr. Davor Lončarić, the President of the General Assembly, residing at Kalabarovo vrelo 10, Zagreb, Personal Identification Number (OIB): 61870167336, will expire on July 3, 2024.

II/ Mr. Davor Lončarić, with Personal Identification Number (OIB): 61870167336, residing at Kalabarovo vrelo 10, Zagreb, is hereby elected as the President of the General Assembly for a further period of four years, starting from July 3, 2024, as the date of expiration of the term of the previously elected President of the General Assembly.

III.

Shareholders of the Company are hereby invited to participate in the General Assembly convened as per Decision on convening the General Assembly.

Shareholders, i.e. their proxies, have voting rights and the right to participate in the General Assembly if they are registered with the Central Depository and Clearing Company as shareholders on the beginning of the 21st (twenty first) day before the General Assembly is held. (Article 48 of the Company's Articles of Association), and if they submit the application for participation at the General Assembly no later than 6 (six) days before the General Assembly meeting is held (Article 46 of the Company's Articles of Association).

The General Assembly cannot pass valid resolutions unless attended by shareholders representing 50% of shares carrying voting rights - a quorum (Article 53 of the Company's Articles of Association) while all resolutions under the proposed items of the Agenda are passed by a majority vote (Article 47 of the Company's Articles of Association). Each share carries one vote in the Company's General Assembly (Article 47 of the Company's Articles of Association).

The application for participation (application form available on the Company website: <http://www.granolio.hr/hr/investitori/>) is submitted in writing, to the Company's Management Board at the Company's registered address.

Voting rights at the General Assembly may also be exercised by proxy. The Power of Attorney must be made in writing (form available on the Company website), it must be certified by a notary public and must explicitly grant the proxy the right to vote at the General Assembly. Unless already submitted, the Power of Attorney is to be submitted to the Company along with the application for participation at the General Assembly meeting prior to its commencement. The Power of Attorney is retained in the Company archives. A copy of the signed Power of Attorney may also be e-mailed to: granolio-pk@granolio.hr

Shareholders who are legal persons must along with the application and/or Power of Attorney submit also a copy or excerpt from the relevant register.

Annual financial statements, the Report on the state of the Company and affiliated companies for 2023, the Report of the Supervisory Board, proposal of the decision on distribution of profit and other written materials pertaining to individual items of the Agenda, as well as application form and power-of-attorney templates required for participation at the General Assembly meeting may be obtained on business days between 10 am and 12 pm at the Company's seat after the Invitation to the General Assembly is released. At their request, shareholders will receive copies of the said documents.

Shareholders who jointly hold at least a twentieth part of the Company's share capital may request that items be added to the General Assembly meeting Agenda, with the explanation and respective resolution proposal. The Company has to receive the request at least 30 days prior to the General Assembly meeting. The day of receipt of the request is not included in the 30-day period.

The counterproposals to the proposals made by the Management Board and/or Supervisory Board, with the name and surname of the shareholders and the explanation, as well as proposals of the shareholders on the appointment of the auditors of the Company, must be received by the Company no later than 14 days prior to the General Assembly meeting. The day of receipt of the counterproposal is not included in the 14-day period. In case the shareholder does not exercise this right, this will not result in the loss of the right to file counterproposals at the General Assembly.

At the General Assembly, the Management Board is obliged to provide information about Company operations to any shareholder at their request if this is necessary for consideration of the items of the Agenda. This information may be withheld for reasons provided for by


the Companies Act.

As of the date of convening the General Assembly, the Invitation to the General Assembly, documents of relevance to the General Assembly meeting, the total number of shares and voting rights at the time the General Assembly is convened as well as application form and power of attorney templates necessary for participation, will be available on the Company website (<http://www.granolio.hr/hr/investitori/>).


IV.

If the General Assembly to be held on June 12, 2024 fails to meet quorum requirements or cannot be held for any other reason, a new General Assembly meeting with the same agenda will be held on **July 16, 2024** at the Company's premises in Zagreb, Ulica Pere Budmanija 5, at 10:00 hours. The new General Assembly will be held regardless of the number of shareholders attending and the resolutions will be passed by a majority of votes cast.

GRANOLIO d.d.
President of the Management Board


Hrvoje Filipović

Board Member:


Vladimir Kalčić

Board Member:


Davor Mitrović

Pursuant to Art. 247.a of the Companies Act (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), the Supervisory Board of Granolio d.d., located at Ulica Pere Budmanija 5, Zagreb (hereinafter referred to as the Company), proposes that the Company's General Assembly, to be held on 12 June 2024, approve the following:

**MANAGEMENT BOARD MEMBERS' REMUNERATION POLICY FOR THE FOUR-YEAR
PERIOD 2024 - 2027**

1. BASIC PROVISIONS

The Remuneration Policy for the members of the Management Board of the Company for the four-year period 2024 - 2027 (hereinafter referred to as the Policy) aims to contribute to the business strategy and long-term interests of the Company and its shareholders, by ensuring balanced, transparent, and sustainable remuneration for the members of the Management Board.

Furthermore, the Policy aims to create conditions to attract and retain professional managerial personnel who, appreciating the total remuneration and a stimulating work environment, will be more inclined to take on entrepreneurial responsibility and identify with the Company and who will, through their work and commitment, contribute to the sustainable growth and well-being of the Company, thereby achieving the strategic goals of the Company and its employees, for the benefit of the shareholders and the Company as a whole. All these lead to better alignment of the interests of management and the Company's shareholders.

The term "members of the Management Board" in this Policy includes the President and the members of the Management Board unless expressly stated otherwise.

2. MANAGEMENT BOARD MEMBERS' REMUNERATION

The remuneration of the Management Board members is determined by contract as stated in point 3 of this Policy and is fixed in a gross amount not to exceed 15,000.00 EUR per month.

For fulfilling their duties, a Management Board member is entitled to a basic monthly gross salary determined by contract as stated in point 3 of this Policy, which is paid in the manner and within the deadlines set by the Company's Work Regulations.

An Management Board member is insured at the Company's expense with a policy for death and disability, covering all Company employees.

An Management Board member is entitled to the use of a car for private and business purposes and to the use of a mobile phone and IT equipment of the Company for business purposes.

An Management Board member is not entitled to overtime pay, and compensation for annual leave, paid leave, sick leave, holidays, non-working days, and other similar compensations are paid to the Management Board member in accordance with the provisions of the relevant general acts of the Company.

An Management Board member is not entitled to variable remuneration nor is any part of the remuneration given in shares of the Company. Deferred payment of part of the remuneration is not envisaged.

3. CONTRACTS WITH MANAGEMENT BOARD MEMBERS

Contracts with Management Board members, on behalf of and for the account of the Company, are concluded by the President of the Supervisory Board of the Company, based on a decision of the Supervisory Board. Management Board members are employed by the Company under an indefinite term contract that outlines their rights, obligations, and authorities. This contract terminates upon the cessation of their membership in the Executive Board. However, if an Executive Board member is reappointed to the same position after their term has expired, the existing contract remains in force.

The responsibilities of the President of the Management Board and the members of the Management Board are determined by their contracts and the Work Regulations of the Management board. Unless expressly determined otherwise by the contract, an Management Board member has the same rights and obligations from the employment relationship as other employees of the Company.

The contract expressly excludes the application of the provisions of the Labor Law regarding the termination or cancellation of this contract, and the legal consequences of termination or cancellation of the contract, except for provisions related to severance pay.

An Management Board member may resign from the position of Management Board member, and each contractual party may terminate the contract for any reason and without explanation with written notice, with a notice period of 30 days.

An Management Board member may be recalled from office by a decision of the Supervisory Board of the Company in accordance with the law, the Statute, and other general acts of the Company, especially if they consistently fail to achieve planned and expected results in their work, in all other cases in which they in any way harm the interests of the Company, and for other significant reasons.

A recall from office of an Management Board member by the Supervisory Board of the Company is grounds for unilateral termination of the contract by the Company and for termination of the employment relationship of the Management Board member of the Company.

By a decision of the Company, an Management Board member must be offered work at another job within the Company or a related company. In this case, the parties will re-regulate their mutual relations by an appropriate contract.

Management Board members are entitled to severance pay under the conditions and in the amount determined by the Labor Law.

The Company does not make voluntary pension and health insurance contributions for an Management Board member nor is it obligated to buy back pension years if the Management Board member goes into early retirement upon termination of the contract with the Company.

4. MEASURES TO PREVENT CONFLICTS OF INTEREST

The rules that Management Board members must follow to prevent conflicts of interest are determined by law, the Corporate Governance Code established by the Zagreb Stock Exchange d.d. and the Croatian Financial Services Supervisory Agency, the Work Regulations of the Management Board, and contracts from point 3 of this Policy, and include, among other things:

- prohibition of voting on an Management Board decision relating to the conclusion of contracts, or undertaking any other legal transaction, under which an Management Board member and/or a member of their immediate family or a related person would have any legal, material, or other interest, directly or indirectly,
- prohibition, without the consent of the Supervisory Board of the Company, for an Management Board member to conduct business on their own or another's account that falls within the scope of the Company's business in other companies and organizations, to be a founder or co-owner of a company, a member of the Management Board or Supervisory Board in another company engaged in the business of the Company, and to conduct business for their own or another's account in the premises of the Company.

Contracts from point 3 of this Policy contain provisions on the prohibition of competition, contractual prohibition of competing with the Company after the end of the employment relationship, provisions on limiting the participation of Management Board members in other companies, both in membership and in the bodies of other companies, as well as provisions on the confidentiality of business secrets.

5. ADOPTION, IMPLEMENTATION, AND SUPERVISION OF THE POLICY

The Policy is established by the Supervisory Board and submitted for approval to the General Assembly at least every four years.

In preparing the Policy, the conditions of workers' remuneration established by the general acts of the Company, the agreed strategy, risk-taking propensity, economic environment, and working conditions in the Company were also considered. The level of remuneration of the members of the Management Board of the Company reflects their time commitments and responsibilities. The adoption of the Policy involved employees of the Finance, Accounting, and Controlling Sector of the Company and the Legal and Human Resources Services of the Company who provided the necessary assistance to the Supervisory Board.

The Supervisory Board oversees the implementation of the Policy and examines the Remuneration Report under Art. 272.r of the Companies Act.

The Supervisory Board is authorized to temporarily deviate from this Policy if required for the long-term welfare of the Company, particularly in cases where the condition of the Company and/or changes in market circumstances require it. The proposal for deviation from the Policy, stating the reasons and scope of the deviation, is submitted by the Supervisory Board to the General Assembly for approval.

In the event of submitting a revised Policy to the General Assembly in accordance with Art. 276.a of the Companies Act, an explanation of all significant changes and a review of the extent to which the results of the voting and the positions of the shareholders on the previous remuneration policy and the remuneration report have been considered in the new revised Remuneration Policy will also be submitted.

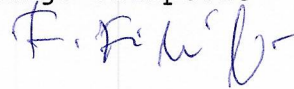
6. FINAL PROVISIONS

This Policy is established for a period of four years, from 2024 to 2027.

This Policy is submitted for approval to the General Assembly in accordance with Art. 247.a of the Companies Act and comes into effect on the day it is approved by the General Assembly of the Company.

GRANOLIO d.d.
Chairman of the Supervisory Board

Franjo Filipović





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Granolio d.d.
Supervisory Board
Number: 30-04-02/2024

Pursuant to Article 263. of the Companies Act and Article 39. of the Statute of the Company Granolio d.d. (hereon in the text: the Company), the Supervisory Board at its meeting held on April 30, 2024, adopted

THE DECISION ON ESTABLISHING THE FINANCIAL STATEMENTS FOR 2023

Pursuant to Article 300.c of the Companies Act the Supervisory Board has examined the Company's Annual financial statements for 2023 together with the Audit Report, the consolidated Annual financial statements of the Granolio Group for 2023 together with the Audit Report, the Management Report for the Company and affiliated Companies for 2023 as well as the proposal of the decision on distribution of profit made in 2023.

It is the opinion of the Supervisory Board that the Company's Annual financial statements for 2023 have been prepared in line with the Company's business books and that they reflect the true financial and business standing of the Company. Also, the Supervisory Board does not have any objections regarding the consolidated Annual financial statements of the Granolio Group for 2023. Therefore, the Supervisory Board approves the Company's Annual financial statements for 2023 and the consolidated Annual financial statements of the Granolio Group for 2023 which are thereby established by the Management Board and Supervisory Board in line with Article 300d of the Companies Act.

The Supervisory Board has no objections concerning the Auditor's Audit Report regarding the Company's Annual financial statements for 2023 and the Auditor's Report regarding the consolidated Annual financial statements of the Granolio Group for 2023.

Article 2.

This Decision enters into force on the date of its adoption.

Franjo Filipović
(the president of the Supervisory Board)



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Granolio d.d.
Supervisory Board
Number: 30-04-04/2024

Pursuant to Article 263. of the Companies Act and Article 39. of the Statute of the Company Granolio d.d. (hereon in the text: the Company), the Supervisory Board at its meeting held on April 30, 2024, adopted

THE DECISION **ON PROPOSAL FOR DISTRIBUTION OF BUSINESS YEAR 2023 PROFIT**

Article 1.

Pursuant to Article 300.c of the Companies Act the Supervisory Board has examined the Company's Annual financial statements for 2022 together with the Audit Report, the consolidated Annual financial statements of the Granolio Group for 2023 together with the Audit Report, the Management Report for the Company and affiliated Companies for 2023, as well as the proposal of the decision on distribution of business year 2023 profit.

The Supervisory Board agrees with the Management Board's proposal that the 2023 business year profit in the amount of EUR 1.970,053,13 (after taxes) is to be distributed as follows:

-	loss coverage in the amount of EUR	1.282.375,12,
-	legal reserves in the amount of EUR	98.502,65,
-	retained earnings in the amount of EUR	589.175,36.

Article 2.

This Decision enters into force on the day of its adoption.

Franjo Filipović
(the president of the Supervisory Board)



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Pursuant to Article 263 of the Companies Act and Article 39 of the European Trade Agreement statute of GRANOLIO d.d. (hereth following: Company), the Supervisory Board of the Company submits to the general meeting the following

R E P O R T **on the supervision of the management of the Company's operations in 2023.**

I.

The Supervisory Board complies with the provisions of Article 263 of the Companies Act and Article 39 of the Granolio d.d. statute supervised the conduct of the Company's operations, with special supervision of the legality of its work, and analyzed the achievement of planned results and implementation of the basic goals of the Company's established business policy.

In 2023, the Supervisory Board acted in the composition of:

- Franjo Filipović, President of the Supervisory Board,
- Jurij Detiček, Deputy Chairman of the Supervisory Board,
- Davor Štefan, Member of the Supervisory Board,
- Tihomir Osmak, Member of the Supervisory Board

Within the Supervisory Board of the Company, in accordance with the Audit Act, the Audit Committee operates. The Audit Committee has three members. The members of the Audit Committee are Mr. Jurij Detiček, Deputy Chairman of the Supervisory Board and Mr. Tihomir Osmak, Member of the Supervisory Board, and the President of the Audit Committee is Mr. Franjo Filipović, President of the Supervisory Board.

II.

In accordance with its obligations, the Supervisory Board audited and examined the Company's documentation. Examining the submitted business documentation, the Supervisory Board found that the Company acts in accordance with the positive regulations, statute and other acts of the Company, as well as decisions of the General Assembly of the Company.

III.

The Company's Management Board regularly and in a timely basis, according to the established standard form and content, informed the Supervisory Board about the Company's operations, as well as about organizational and other changes related to the management of the Company's operations.

During the business year 2023, the Supervisory Board held 6 sessions, at which was informed by the Management Board about significant business events and business development of the



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka,
IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić i Davor Mitrović, predsjednik Nadzornog odbora: Franjo Filipović

Company and all sessions were attended by all members of the Supervisory Board. The Supervisory Board has set out a timetable for regular sessions.

IV

In accordance with the provisions of Article 300.b of the Companies Act, the Management Board submitted to the Supervisory Board the Annual Financial Statements of the Company within the legal deadline together with the audit report, Annual consolidated financial statements of Granolio group together with audit report, Management Report on the state of the Company and related companies for 2023, as well as proposal of the decision on the profits distribution made by the Company during the business year 2023 in the total amount of EUR 1.970.053,13.

V.

In accordance with the provisions of Article 300.c of the Companies Act, the Supervisory Board has examined the Company's Annual Financial Statements for 2023, together with the Audit Report, the Annual Consolidated Financial Statements of the Granolio Group for 2023, together with the audit report, the Company's State of the Company and related companies Report for 2023, as well as the proposal of the decision for business year 2023 profit distribution at a session held on 30.04.2024. Also, at the same session, he considered the report of the Audit Committee for the year 2023.

The Supervisory Board considers that the Company's annual financial statements for 2023 are compiled in accordance with the state of the Company's books and show the correct property and business status of the Company. The Supervisory Board also has no objection to Granolio group's annual consolidated financial statements for 2023. Consequently, at the aforementioned session held on April 30, 2024, the Supervisory Board approved to the Company's Annual Financial Statements for 2023 and the Annual Consolidated Financial Statements of the Granolio Group for 2023, thus establishing them by the Management board and the Supervisory Board, pursuant to Art. 300. d of the Companies Act.

The Supervisory Board has no objection to the auditors' report submitted on the audit of the Company's Annual Financial Statements for 2023 and the auditor's report on the audit of Granolio group's annual consolidated financial statements for 2023.

The Supervisory Board agrees with the proposal of the Management Board decision that the profits made in the business year 2023 in the amount of EUR 1.970.053,13 be distributed in the amount of EUR 1.282.375,12 to cover the loss of previous periods, the amount of EUR 98.502,64 to legal reserves and the amount of EUR 589.175,36 to retained earnings.

VI.

Analyzing the information obtained during the conduct of business supervision during 2023, as well as analyzing the report of the Company's Management Board, and monitoring the trends of financial indicators in the Company, it was established that the Company in 2023 was successful and the following is singled out:

- In 2023, the company made a profit in the amount of EUR 1.970.053,13, mostly from regular operations..
- The Company achieved a positive EBITDA value in the amount of EUR 3.268.573.

Granolio Group achieved a positive net result of EUR 2.441.892 and a positive EBITDA value in the amount of EUR 7.182.332.

The Net debt of the Company (total debt minus cash and cash equivalents) as of on December 31, 2023 year was EUR 7.500.690 and compared to December 31, 2022 was reduced by EUR EUR 1.969.419. Granolio Group's net debt as of December 31, 2023. was EUR 14.217.216, which represents an decrease in relation to the net debt as of December 31, 2021. year for EUR 605.053.

Several large and very demanding projects in terms of financing, complexity, business coverage and human resources (investments in production and warehousing facilities and equipment and investements in energy facilities and equipment) were successfully implemented.

Despite unfavorable economic trends, the Supervisory Board estimates that operations in 2023 were stable, which together with investments to production and energy segment of the business rappsents the basis for the increase in competitive abilities, savings and partial energy independence of production locations and the basis for successful further growth and development of the operations.

VII.

Consequently, the Supervisory Board shall refer this report on the supervision of the management of the Company's operations in 2023 to the General Assembly of the Company, and proposes that the General Assembly of the Company adopts the proposed decision on the distribution of profits from the business year 2023.

President of the Supervisory Board



Franjo Filipović

Zagreb, April 30, 2024