

**Non-consolidated financial results for the  
twelve months period ended  
31 December 2015  
(unaudited)**



**Granolio**

## General information on Granolio d.d.

GRANOLIO d.d. ("The Company") is a joint-stock company registered with the Commercial Court of Zagreb, Croatia.

The Company's tax number (OIB) is 59064993527, and its registration number (MBS) 080111595.

The Company's headquarter is located in Zagreb at Budmanijeva 5.

The Company has General Assembly, Supervisory Board and Management Board.

## Subsidiaries

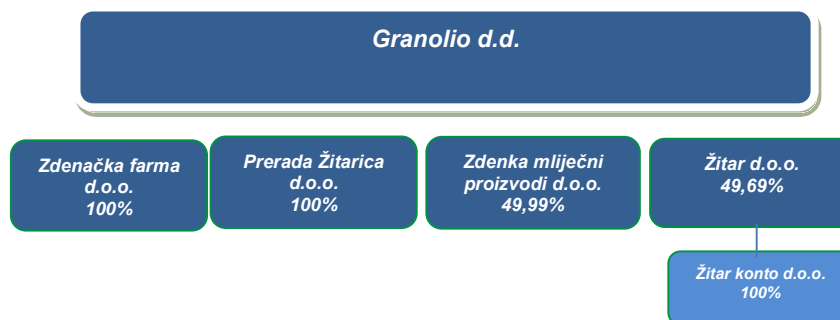
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

It has a controlling influence in the decision-making process in the Zdenka mliječni proizvodi d.o.o. and Žitar d.o.o. companies. The above companies have been consolidated into the Granolio Group since 2011.

Subsidiary Žitar d.o.o. has founded another company, Žitar konto d.o.o., which is fully owned by it. Žitar konto d.o.o. financial statements are part of the consolidated financial statements.

The Company also holds minority interests in the Žitozajednica d.o.o., Zagrebačke pekarnе Klara d.o.o. and Prehrana trgovina d.d. companies.

Ownership in subsidiaries is presented in the organizational chart below:



### **Significant business events in the accounting period**

In August 2015 the Company was granted with the long term syndicated loan in HRK, total value of HRK 300 million. Loan funds were used for financing current loan liabilities.

The dispute between the Company and Osatina grupa d.o.o. was resolved on 17 June 2015 by a final decision of the Commercial Court in Zagreb, which ruled that the claim is considered as withdrawn.

At the same time, PZ Osatina has collected the outstanding debts from Granolio d.d. arising from warehousing and other storage costs through a public sale of wheat owned by Granolio d.d. over which it held a lien (legal warehouseman's lien).

Accounting treatment of all above listed events resulted with the loss amounting to almost HRK 0.5 million.

## Company's financial indicators for the twelve months of 2015

in thousands of HRK

Granolio d.d.	1-12 2015	1-12 2014	change	
<b>Operating income</b>	698,452	605,142	93,310	15%
<b>Operating expenses</b>	669,912	610,204	59,708	10%
<b>EBIT</b>	28,540	(5,062)	33,602	664%
<i>EBIT margin</i>	4%	-1%		
<b>EBITDA*</b>	38,528	17,191	21,337	124%
<i>EBITDA margin</i>	6%	3%		
<b>Net financial result</b>	(15,924)	(37,798)	21,874	58%
<b>Net result for the period</b>	9,073	(42,859)	51,932	121%

\*EBITDA= EBIT + depreciation + value adjustments)

Comparing to the same period in 2014, sales income is 15% higher. In 2015 revenues from sales abroad have significantly increased and amount to 31% of total sales income (in 2014: 8%).

Operating expenses have increased by 10% resulting with increased profit before financial expenses and tax (EBIT) by HRK 33 million, and EBITDA by HRK 21 million (124%).

Net financial result represents the difference between financial income and financial expenses, and in 2015 was more favourable by 58%, when compared to 2014. Financial expenses were higher in 2014 mainly due to value adjustments of financial assets in the amount of HRK 16.5 million.

Net result realised in 2015 is positive, and is by HRK 52 million more favourable than the previous year result.

in thousands of HRK

Granolio d.d.	31.12.2015	31.12.2014	change	
<b>Net assets (Capital and reserves)</b>	169,854	161,246	8,608	5%
<b>Total debt</b>	<b>426,550</b>	<b>449,803</b>	<b>(23,253)</b>	<b>-5%</b>
<b>Cash and cash equivalents</b>	16,973	1,214	15,759	1298%
<b>Financial assets*</b>	42,473	54,478	(12,005)	-22%
<b>Net debt</b>	<b>367,104</b>	<b>394,111</b>	<b>(27,007)</b>	<b>-7%</b>
<b>Net debt/EBITDA</b>	9.5	22.9	(13)	-58%
<b>EBITDA</b>	38,528	17,191	21,337	124%

\* Financial assets are comprised of financial loans, securities and deposits

Lower value of financial assets is the result of conversion of the loan granted to the company Zdenačka farma d.o.o. to investment into the same subsidiary in the amount of HRK 16 million, while loans to other related parties have increased.

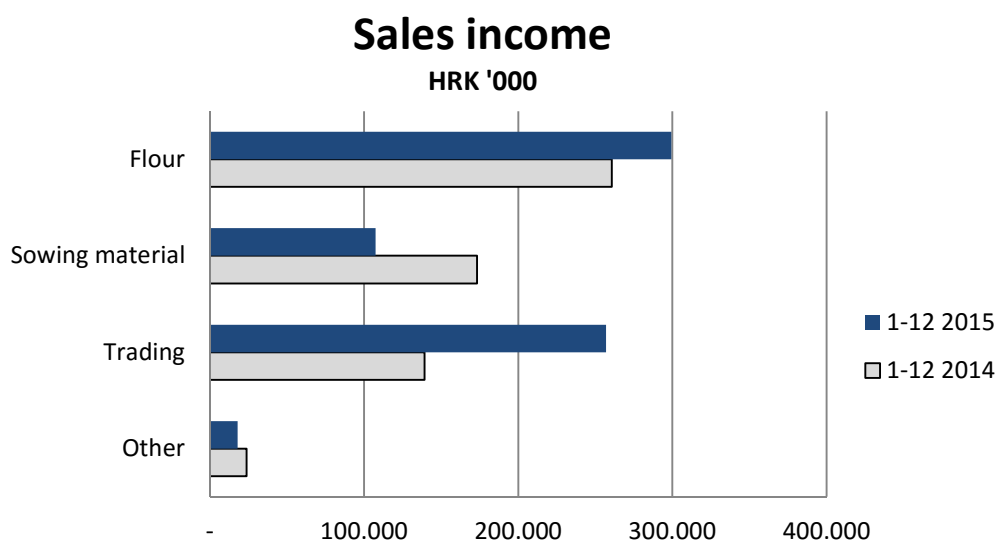
Net debt as on 31 December 2015 is 7% lower than net debt as on 31 December 2014. With the significantly better realised value of EBITDA, Company's financial leverage ratios are significantly more favourable.

## Overview of the business operations for the twelve months of 2015 per business segments

The Company monitors its business operations through four business segments:

1. Flour
2. Sowing material (wholesale of: fertilizers, protective materials and seeds)
3. Trading (wholesale of grains, oil crops and bakery products)
4. Other (rendering services of storage, drying and reception of grains and oil crops at the reception stations, cattle breeding, other)

Sales income per business segments is shown by the following chart:



Sales income in the trading segment has increased by HRK 118 million, what represents 85% increase compared to the sales income realised in 2014 in the same segment. Sales income from the sale of flour has increased by HRK 39 million, i.e. by 15% when compared to the prior year, while in the sales of sowing material decrease in the amount of HRK 66 million (38%) is noted.

## **Flour**

Increase of flour sales income is the result of the increased quantity of the flour sold. In the twelve months of 2015 the Company sold 161 thousand tons of flour (1-12 2014: 137 thousand tons). Average sales price of flour is lower, what is the result of lower market prices of flour in general.

Average value of the basic raw material (wheat) used in production was lower in 2015, compared to the same period last year, by which the difference between the average sales price of flour and the purchase price of wheat used in production (spread) was 15% higher.

Within the other operating costs it is important to single out one-off costs which emerged during 2015, like rent costs (rent costs of mills Belje and Vinkovci in the amount of HRK 0.7 million) and severance payments paid out to the employees of mills Belje and Vinkovci in the amount of HRK 2 million.

The value of subsequently collected receivables for the sale of flour, which have been value adjusted in prior periods amounts to HRK 0.2 million (2014: HRK 0.1 million).

## **Sowing material**

At the beginning of 2014 one-off sale of sowing material was realised in the amount of HRK 40 million, what is the main reason sale of sowing material was significantly higher in the corresponding period.

Other than the effect of the one-off business transaction in the prior year, decrease in sales of sowing material in 2015 was impacted by the agricultural producers' efforts to decrease their production costs by decreasing their investment in the sowing material.

The value of subsequently collected receivables for the sale of sowing material, which have been value adjusted in prior periods amounts to HRK 0.7 million (2014: HRK 1.1 million).

## **Trading**

In the trading segment, significant sales levels are noted in trading with corn, sunflower and wheat, with significantly higher sales margins realized when compared to 2014. The most significant costs are selling costs, like goods transportation costs, quality control costs and similar.

## **Other**

Sales income in the Other segment is comprised of re-invoiced transportation and fuel costs, income from rendering the service of goods reception at the reception stations, income from storage and drying goods, and income from sale of cattle. Income from reception, storage and drying are impacted by outstanding seasonality, i.e. they are largely realized in the last quarter of the year, while costs are largely fixed. It is important to note that silo is used for internal usage of Flour and Trading segments as well.

The value of subsequently collected receivables, which have been value adjusted in prior periods amounts to HRK 0.3 million (2014: HRK 0.1 million).

**Employees**

In the twelve months period of 2015 the Company employed 169 employees based on man-hour basis (in the twelve months period of 2014: 167 employees).

**Redemption of treasury shares**

Up to the publication of the Management Board report, the Company was not engaged in any activities relating to the redemption of own shares.

**Environment**

Regarding the environmental protection, the Company has implemented comprehensive and systematic solutions and established environment-friendly production processes.

**Other**

Supervisory Board has approved Company's financial statements for the twelve months period of 2015.

**Annex 1.**

Reporting period

1.1.2015

to

31.12.2015

**Quarterly financial report TFI-POD**

Tax number (MB): 01244272

Company registration number  
(MBS): 080111595Personal identification  
number (OIB): 59064993527

Issuing company: GRANOLIO d.d.

Postal code and place: 10000

Zagreb

Street and house number: BUDMANIJEVA 5

E-mail address: [granolio@granolio.hr](mailto:granolio@granolio.hr)Internet address: [www.granolio.hr](http://www.granolio.hr)

Municipality/city code and name: 133 ZAGREB

County code and name: 21 GRAD ZAGREB

Number of employees: 169  
(period end)

Consolidated report: NO

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Companies of the consolidation subject (according to IFRS)	Seat:	MB:

Bookkeeping service:

Contact person: JASENKA KORDIĆ  
(only surname and name)

Telephone: 01/6320261

Telefaks: 01/6320224

E-mail address: [jkordic@granolio.hr](mailto:jkordic@granolio.hr)

Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

L.S.

(signature of the person authorized to represent the company)



**Balance Sheet**  
as of 31.12.2015.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>ASSETS</b>			
<b>A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL</b>	<b>001</b>		
<b>B) LONG-TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	<b>459.457.934</b>	<b>469.938.257</b>
<b>I. INTANGIBLE ASSETS (004 do 009)</b>	<b>003</b>	189.501.298	188.142.343
1. Assets development	<b>004</b>		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.094.059	120.401.104
3. Goodwill	<b>006</b>	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		
6. Other intangible assets	<b>009</b>	9.028.167	7.362.167
<b>II. TANGIBLE ASSETS (011 do 019)</b>	<b>010</b>	148.433.387	143.815.327
1. Land	<b>011</b>	8.182.140	8.182.140
2. Buildings	<b>012</b>	116.824.540	113.392.162
3. Plant and equipment	<b>013</b>	21.189.304	19.406.193
4. Tools, working inventory and transportation assets	<b>014</b>	565.791	391.307
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>		
7. Tangible assets in progress	<b>017</b>	1.590.810	2.365.901
8. Other tangible assets	<b>018</b>	80.802	77.624
9. Investments in buildings	<b>019</b>		
<b>III. LONG-TERM FINANCIAL ASSETS (021 do 028)</b>	<b>020</b>	120.159.808	136.617.146
1. Investments (shares) with related parties	<b>021</b>	98.952.813	115.254.813
2. Loans given to related parties	<b>022</b>		
3. Participating interest (shares)	<b>023</b>	20.461.690	20.461.690
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>024</b>		
5. Investments in securities	<b>025</b>		
6. Loans, deposits and similar assets	<b>026</b>	745.305	900.643
7. Other long - term financial assets	<b>027</b>		
8. Investments accounted by equity method	<b>028</b>		
<b>IV. RECEIVABLES (030 do 032)</b>	<b>029</b>	1.363.441	1.363.441
1. Receivables from related parties	<b>030</b>		
2. Receivables from based on trade loans	<b>031</b>		
3. Other receivables	<b>032</b>	1.363.441	1.363.441
<b>V. DEFERRED TAX ASSET</b>	<b>033</b>		
<b>C) SHORT TERM ASSETS (035+043+050+058)</b>	<b>034</b>	<b>311.452.223</b>	<b>251.219.610</b>
<b>I. INVENTORIES (036 do 042)</b>	<b>035</b>	97.911.835	54.699.131
1. Raw materials and supplies	<b>036</b>	11.433.117	42.652.245
2. Work in progress	<b>037</b>	857.040	748.544
3. Finished goods	<b>038</b>	3.169.954	3.412.663
4. Merchandise	<b>039</b>	82.451.724	7.885.680
5. Prepayments for inventories	<b>040</b>		
6. Long term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
<b>II. RECEIVABLES (044 do 049)</b>	<b>043</b>	111.382.131	105.417.498
1. Receivables from related parties	<b>044</b>	5.137.735	2.063.530
2. Accounts receivable	<b>045</b>	100.831.972	93.168.378
3. Receivables from participating parties	<b>046</b>		
4. Receivables from employees and members of related parties	<b>047</b>	7.342	7.342
5. Receivables from government and other institutions	<b>048</b>	1.810.766	5.473.744
6. Other receivables	<b>049</b>	3.594.316	4.704.504
<b>III. SHORT TERM FINANCIAL ASSETS (051 do 057)</b>	<b>050</b>	100.944.420	74.130.435
1. Shares (stocks) in related parties	<b>051</b>		
2. Loans given to related parties	<b>052</b>	51.316.732	42.210.778
3. Participating interests (shares)	<b>053</b>		
4. Loans to entrepreneurs in whom the entity holds participating interests	<b>054</b>		
5. Investments in securities	<b>055</b>	875.279	695.738
6. Loans, deposits, etc.	<b>056</b>	48.752.409	31.223.919
7. Other financial assets	<b>057</b>		
<b>IV. CASH AND CASH EQUIVALENTS</b>	<b>058</b>	1.213.837	16.972.547
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>059</b>	1.373.823	5.053.063
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	<b>772.283.980</b>	<b>726.210.930</b>
<b>F) OFF-BALANCE RECORDS</b>	<b>061</b>	3.424.637	4.398.007

<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>161.245.921</b>	<b>169.854.331</b>
I. SUBSCRIBED SHARE CAPITAL	<b>063</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>064</b>	85.379.031	84.186.547
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	183.484	183.484
1. Reserves prescribed by law	<b>066</b>	183.484	183.484
2. Reserve for own shares	<b>067</b>		
3. Treasury shares and shares (deductible items)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>		
IV. REVALUATION RESERVES	<b>071</b>	67.384.068	64.473.012
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	32.142.333	-7.078.272
1. Retained earnings	<b>073</b>	32.142.333	
2. Accumulated loss	<b>074</b>		7.078.272
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	<b>075</b>	-42.859.425	9.073.131
1. Profit for the current year	<b>076</b>		9.073.131
2. Loss for the current year	<b>077</b>	42.859.425	
VII. MINORITY INTEREST	<b>078</b>		
<b>B) PROVISIONS (080 do 082)</b>	<b>079</b>	<b>0</b>	<b>0</b>
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>		
2. Provisions for tax liabilities	<b>081</b>		
3. Other provisions	<b>082</b>		
<b>C) LONG - TERM LIABILITIES (084 do 092)</b>	<b>083</b>	<b>79.362.283</b>	<b>296.593.101</b>
1. Liabilities to related parties	<b>084</b>	10.852.931	
2. Liabilities for loans, deposits, etc.	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	51.663.335	280.474.848
4. Liabilities for received prepayments	<b>087</b>		
5. Accounts payable	<b>088</b>		
6. Liabilities arising from debt securities	<b>089</b>		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>090</b>		
8. Other long-term liabilities	<b>091</b>		
9. Deferred tax liability	<b>092</b>	16.846.017	16.118.253
<b>D) SHORT - TERM LIABILITIES (094 do 105)</b>	<b>093</b>	<b>531.675.776</b>	<b>259.218.655</b>
1. Liabilities to related parties	<b>094</b>	5.303.932	591.129
2. Liabilities for loans, deposits, etc.	<b>095</b>	0	
3. Liabilities to banks and other financial institutions	<b>096</b>	288.337.259	65.187.130
4. Liabilities for received prepayments	<b>097</b>	2.713.586	2.845.263
5. Accounts payable	<b>098</b>	115.320.681	97.020.024
6. Liabilities arising from debt securities	<b>099</b>	109.802.352	80.887.770
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>100</b>		
8. Liabilities to employees	<b>101</b>	995.667	1.093.562
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	4.300.847	8.540.805
10. Liabilities to share - holders	<b>103</b>		
11. Liabilities for long-term assets held for sale	<b>104</b>		
12. Other short - term liabilities	<b>105</b>	4.901.452	3.052.971
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>		544.842
<b>F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>772.283.980</b>	<b>726.210.930</b>
<b>G) OFF-BALANCE RECORDS</b>	<b>108</b>	3.424.637	4.398.007
<b>APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated annual financial report)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>109</b>		
2. Attributable to minority interest	<b>110</b>		

**Income statement**  
period 01.01.2015. to 31.12.2015.

Company: GRANOLIO d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING REVENUE (112 do 113)</b>	<b>111</b>	605.142.118	199.759.671	698.452.264	277.388.378
1. Sales revenue	112	597.087.294	194.144.596	681.787.471	270.321.610
2. Other operating revenues	113	8.054.824	5.615.075	16.664.793	7.066.768
<b>II. OPERATING COSTS (115+116+120+124+125+126+129+130)</b>	<b>114</b>	610.203.519	193.192.687	669.911.979	257.488.223
1. Changes in value of work in progress and finished products	115	-3.979.665	1.922.529	-342.637	-507.082
2. Material costs (117 do 119)	116	563.913.975	180.082.916	620.684.452	246.280.550
a) Raw material and material costs	117	220.771.234	61.421.256	249.219.868	61.957.069
b) Cost of goods sold	118	301.387.713	100.555.996	326.949.479	164.006.695
c) Other external costs	119	41.755.028	18.105.663	44.515.105	20.316.786
3. Staff costs (121 do 123)	120	16.528.753	4.463.798	22.073.689	5.459.238
a) Net salaries and wages	121	10.107.166	2.741.625	12.660.142	3.161.510
b) Tax and contributions from salary expenses	122	4.069.190	1.071.860	6.220.376	1.510.782
c) Contributions on gross salaries	123	2.352.398	650.313	3.193.172	786.946
4. Depreciation and amortisation	124	9.251.764	2.495.296	9.987.562	2.476.578
5. Other costs	125	5.035.990	1.007.044	6.373.390	1.390.989
6. Impairment (127+128)	126	13.000.555	590.817	0	0
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short - term assets (financial assets excluded)	128	13.000.555	590.817	0	0
7. Provisions	129				
8. Other operating costs	130	6.452.148	2.630.288	11.135.523	2.387.951
<b>III. FINANCIAL INCOME (132 do 136)</b>	<b>131</b>	15.100.691	4.450.838	12.365.367	1.958.690
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	2.264.056	686.198	1.518.185	163.506
2. Interest income, foreign exchange gains, dividends and similar income from non - related parties and other entities	133	4.195.629	1.496.512	5.889.589	1.363.336
3. Share in income from affiliated entrepreneurs and participating interests	134	10.951	134	0	0
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136	8.630.055	2.267.994	4.957.593	431.848
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	52.898.713	16.575.977	28.289.586	7.739.287
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138				
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - related parties and other entities	139	34.802.751	11.069.267	28.172.087	7.710.180
3. Unrealized losses (expenses) on financial assets	140	16.453.262	4.927.081	28.932	28.932
4. Other financial expenses	141	1.642.700	579.628	88.567	174
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>				
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+144)</b>	<b>146</b>	620.242.808	204.210.509	710.817.630	279.347.068
<b>X. TOTAL EXPENSES (114+137+143+145)</b>	<b>147</b>	663.102.233	209.768.664	698.201.565	265.227.510
<b>XI. PROFIT OR LOSS BEFORE TAXES (146-147)</b>	<b>148</b>	-42.859.424	-5.558.155	12.616.065	14.119.558
1. Profit before taxes (146-147)	149	0	0	12.616.065	14.119.558
2. Loss before taxes (147-146)	150	42.859.424	5.558.155	0	0
<b>XII. PROFIT TAX</b>	<b>151</b>			3.542.934	3.542.934
<b>XII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-42.859.424	-5.558.155	9.073.131	10.576.623
1. Profit for the period (149-151)	153	0	0	9.073.131	10.576.623
2. Loss for the period (151-148)	154	42.859.424	5.558.155	0	0
<b>ADDITION TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	155				
2. Attributable to minority interest	156				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (=152)</b>	<b>157</b>	-42.859.424	-5.558.155	9.073.131	10.576.623
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (159 TO 165)</b>	<b>158</b>	3.204.919	0	0	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long - term tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161	3.204.919			
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	3.204.919	0	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	-39.654.505	-5.558.155	9.073.131	10.576.623
<b>ADDITION TO STATEMENT OF OTHER COMPREHENSIVE INCOME (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interest	170				

**Cash flow statement - indirect method**  
**period 01.01.2015. to 31.12.2015.**

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-42.859.425	9.073.131
2. Depreciation and amortisation	002	9.251.764	9.987.562
3. Increase in short term liabilities	003	13.871.112	
4. Decrease in short term receivables	004		10.350.143
5. Decrease in inventories	005		45.470.244
6. Other increase in cash flow	006	29.431.333	16.967.156
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>9.694.784</b>	<b>91.848.236</b>
1. Decrease in short term liabilities	008		13.766.338
2. Increase in short term receivables	009	7.956.827	
3. Increase in inventories	010	12.479.577	
4. Other decrease in cash flow	011	522.875	3.062.439
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>20.959.279</b>	<b>16.828.778</b>
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>0</b>	<b>75.019.458</b>
<b>A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>11.264.495</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	015		33.308
2. Cash inflows from sales of equity and debt instruments	016	460.971.769	369.631.634
3. Interests receipts	017	2.705.818	4.640.042
4. Dividend receipts	018		0
5. Other cash inflows from investing activities	019		875.814
<b>III. Total cash inflows from investing activities (015 to 019)</b>	<b>020</b>	<b>463.677.587</b>	<b>375.180.799</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	021	201.063.214	4.037.169
2. Cash outflow for acquisition of equity and debt financial instruments	022	468.924.198	353.499.508
3. Other cash outflow for investing activities	023		16.302.000
<b>IV. Total cash outflow for investing activities (021 do 023)</b>	<b>024</b>	<b>669.987.412</b>	<b>373.838.677</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>1.342.122</b>
<b>B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>206.309.825</b>	<b>0</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash inflow from issuing property and debt financial instruments	027	94.020.073	
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	1.015.876.110	842.401.914
3. Other proceeds from financial activities	029	97.749.598	
<b>V. Total cash inflows from financial activities (027 to 029)</b>	<b>030</b>	<b>1.207.645.781</b>	<b>842.401.914</b>
1. Cash outflow for repayment of credit principal and bonds	031	990.268.199	848.957.467
2. Cash outflow for dividends paid	032	2.398.715	0
3. Cash outflow for financial lease	033	1.476.218	1.200.389
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	1.624.701	52.846.929
<b>VI. Total cash outflow for financial activities (031 to 035)</b>	<b>036</b>	<b>995.767.833</b>	<b>903.004.785</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)</b>	<b>037</b>	<b>211.877.948</b>	<b>0</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>60.602.871</b>
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	0	15.758.709
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	040	5.696.372	0
Cash and cash equivalents at the beginning of the period	041	6.910.209	1.213.837
Increase of cash and cash equivalents	042	0	15.758.709
Decrease of cash and cash equivalents	043	5.696.372	0
Cash and cash equivalents at the end of the period	044	1.213.837	16.972.546

## STATEMENT OF CHANGES IN EQUITY

period            1.1.2015            to            31.12.2015

<b>Company: GRANOLIO d.d.</b>			
Position	AOP	Previous year	Current year
1	2	3	4
1. Subscribed capital	<b>001</b>	19.016.430	19.016.430
2. Capital reserves	<b>002</b>	85.379.031	84.186.547
3. Reserves from profit	<b>003</b>	183.484	183.484
4. Retained earnings or accumulated loss	<b>004</b>	32.142.333	-7.078.272
5. Profit or loss for the current year	<b>005</b>	-42.859.425	9.073.131
6. Revaluation of long - term tangible assets	<b>006</b>	67.384.068	64.473.012
7. Revaluation of intangible assets	<b>007</b>		
8. Revaluation of financial assets available for sale	<b>008</b>		
9. Other revaluation	<b>009</b>		
<b>10. Total capital and reserves (AOP 001 to 009)</b>	<b>010</b>	<b>161.245.921</b>	<b>169.854.332</b>
11. Currency gains and losses arising from net investement in foreign operations	<b>011</b>		
12. Current and deferred taxes (part)	<b>012</b>	4.930.010	727.764
13. Cash flow hedging	<b>013</b>		
14. Changes in accounting policy	<b>014</b>		
15. Correction of significant errors in prior period	<b>015</b>		
16. Other changes of capital	<b>016</b>	50.341.178	7.880.647
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>	<b>017</b>	<b>55.271.188</b>	<b>8.608.411</b>
17 a. Attributed to equity holders of parent company	<b>018</b>		
17 b. Attributed to minority interest	<b>019</b>		



# Granolio

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


Zagreb, 25 February 2016



## Statement of Executives responsible for preparing financial statements for twelve months period

Pursuant to the current Croatian Accounting Act (Official Gazette 109/07), the Management Board is required to ensure that the financial statements of Granolio d.d. for each financial period are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) and that they give a true and fair view of the financial position and results of the Company's operations in the given period.

To the best of our knowledge, the complete shorten set of unaudited financial statements for the twelve months period give a true presentation of the Company's position as at 31 December 2015.

Reports prepared by:

  
Jasenka Kordić  
Accounting Director

 2   
d.d., Budmanijeva 5  
Zagreb



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 10,00 kn;  
tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir  
Kalčić, Drago Šurina i Tomislav Kalafatić, predsjednik Nadzornog odbora: Franjo Filipović



# Granolio

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In Zagreb, 25 February 2016

Pursuant to the article 407. to 410. of the Capital market Law (Official Gazette 88/08, 146/08 and 74/09) the President of the Management Board of the Company Granolio d.d., Budmanijeva 5, Zagreb provides:

## MANAGEMENT BOARD'S STATEMENT OF LIABILITY

The separate and consolidated financial statements of Granolio d.d. have been prepared pursuant to the International Financial Reporting Standards (IFRS) and Croatian Accounting Law.

The non-consolidated and consolidated financial statements for the period from 1 January 2015 till 31 December 2015 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the twelve months period ended 31 December 2015 presents true and fair presentation of development and results of the Company's operations with description of significant risks and uncertainties the Company is facing.

President of the Management Board

Hrvoje Filipović

**Granolio**

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Zagreb

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