

**Consolidated financial results for the
three months period ended
31 March 2017
(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.

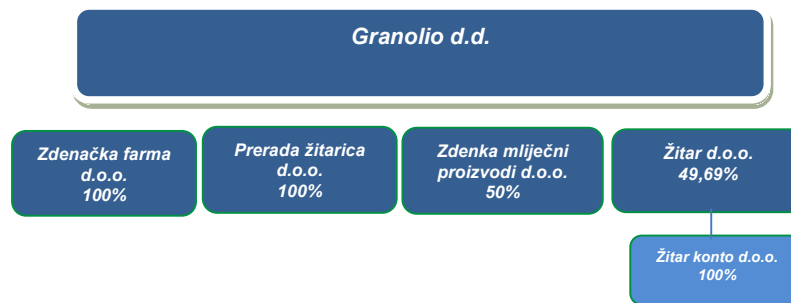
Subsidiaries

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. (further „Zdenka-m.p. 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.

Ownership in subsidiaries is presented in the organizational chart below:



The Group monitors its business operations through four business segments:

- Milling
- Dairy and cheese production
- Wholesale trade
- Other

Milling is the segment that comprises flour production and sale of flour. This business segment is comprised in the holding company exclusively.

Dairy and cheese production („Dairy“) comprises cheese production and cheese sale realized in the company Zdenka – mliječni proizvodi d.o.o., but also milk production and sale of milk by dairy farms in the companies Zdenačka farma d.o.o. and Žitar d.o.o.

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by the companies Granolio d.d. and Žitar d.o.o.

The segment Other comprises animal feed production (Žitar d.o.o.), pig farming and beef cattle farming (Žitar d.o.o., beef cattle farming in the company Granolio d.d.), and rendering the silo services and the storage of trade goods (Granolio d.d., Žitar d.o.o. and Prerada žitarica d.o.o.).

Granolio Group's financial indicators for the three months period of 2017

in thousands of HRK

	1-3 2017	1-3 2016	change	
Operating income	159,452	202,419	(42,966)	(21%)
Operating expenses	(165,878)	(198,371)	32,493	16%
EBIT	(6,425)	4,048	(10,473)	(259%)
<i>EBIT margin</i>	<i>-4%</i>	<i>2%</i>		
EBITDA	1,719	11,759	(10,040)	(85%)
<i>EBITDA margin</i>	<i>1%</i>	<i>6%</i>		
Net financial result	(6,540)	(6,790)	250	4%
Net result for the period	(12,965)	(2,742)	(10,223)	(373%)
<i>Result attributable to the Group</i>	<i>(12,642)</i>	<i>(3,249)</i>	<i>(9,392)</i>	<i>(289%)</i>
<i>Minority interest</i>	<i>(324)</i>	<i>507</i>	<i>(830)</i>	<i>164%</i>

Comparing to the corresponding period last year, Group's business operations were less favourable in the first quarter of 2017 mainly due to lower margins and higher sales costs realised by the parent company.

Financial indicators

in thousands of HRK

	31.03.2017	31.12.2016	change	
Net assets (Capital and reserves)*	225,998	237,208	(11,227)	(5%)
Total debt	512,936	512,313	623	0%
Cash and cash equivalents	1,256	9,729	(8,473)	(87%)
Given loans, deposits and similar**	53,060	34,648	18,412	53%
Net debt	458,620	467,936	(9,316)	(2%)
Net debt/ EBITDA	7.88	6.86		
EBITDA for the last 12 months	58,183	68,223		

* Net assets = capital and reserves attributable to the equity holders of the parent and to the minority interests

** Given loans, securities and deposits

Net debt decreased in the first quarter of 2017 by HRK 9.3 m.

Given loans, deposits and similar comprise also a loan granted to the company Agrokor trgovina which as at 31 March 2017 amounts to HRK 11.9 m.

As at 31 March 2017 the Group has regressive obligations in the amount of HRK 85 million, stated in the statement of financial position on the position of Other short term liabilities, as well as in the position of Other short term receivables in the same amount.

All mentioned is related to business relations with the Agrokor concern.

Separate business results for the three months period of 2017

Granolio d.d.

in thousands of HRK

	1-3 2017	1-3 2016	change	
Operating income	115,524	116,149	(625)	(1%)
EBIT	(6,303)	3,836	(10,139)	264%
<i>margin %</i>	(5%)	3%		
Normalised EBITDA	(3,489)	6,370	(9,859)	(155%)
<i>margin %</i>	(3%)	5%		
Net financial result	(6,624)	(6,774)	151	2%
Net result	(12,926)	(2,938)	(9,988)	(340%)
<i>margin %</i>	(11.2%)	(2.5%)		

Comparing to the corresponding period last year, operating result (EBIT) was less favourable in the first quarter of 2017. This is the result of lower sales margins realised in the milling and trading segments.

Besides lower margins in these two segments, increased mainly sales costs, like transportation of goods, also contributed to the operating result decrease.

Zdenka - mliječni proizvodi d.o.o.

u tisućama kuna

	1-3 2017	1-3 2016	change	
Operating income	33,056	44,175	(11,119)	(25%)
EBIT	412	862	(450)	52%
<i>margin %</i>	1%	2%		
Normalised EBITDA	3,660	3,971	(310)	(8%)
<i>margin %</i>	11%	9%		
Net financial result	(107)	(25)	(82)	(330%)
Net result	305	838	(532)	64%
<i>margin %</i>	1%	2%		

In the first quarter of 2016 significant one-off deal was realised with one domestic customer. The same deal was not realized in the first quarter of 2017, resulting with income decrease in the amount of HRK 6.5 million. The other reason is lower sale of UHT milk in the amount of HRK 5 million.

Žitar d.o.o. (konsolidirani)

u tisućama kuna

	1-3 2017	1-3 2016	change	
Operating income	9,616	43,741	(34,126)	(78%)
EBIT	(1,198)	(38)	(1,160)	3061%
<i>margin %</i>	(12%)	(0%)		
Normalised EBITDA	68	1,240	(1,172)	(95%)
<i>margin %</i>	1%	3%		
Net financial result	251	213	39	(18%)
Net result	(947)	175	(1,121)	642%
<i>margin %</i>	(10%)	0%		

In the first quarter of 2016 significant one-off sale of wheat was realised in the total amount of HRK 26 million. Besides mentioned, income decreased in the first quarter of 2017 also due to exemption of operating segments milling, sale of sowing material and facility for production of animal feed out from the company's business operations. Operating segments were exempted from the Žitar company's business operations and taken over by the company's owners.

Zdenačka farma d.o.o.

u tisućama kuna

	1-3 2017	1-3 2016	change	
Operating income	5,136	4,748	388	8%
EBIT	394	(427)	822	(192%)
<i>margin %</i>	8%	(9%)		
Normalised EBITDA	1,107	258	848	328%
<i>margin %</i>	22%	5%		
Net financial result	(219)	(193)	(26)	(13%)
Net result	176	(620)	796	(128%)
<i>margin %</i>	3%	(13%)		

In the first quarter of 2017 total delivery of milk by Zdenačka farma amounted to 1.2 million kilos (in the first quarter of 2016: 1.2 million kilos). Average sales price realised in 2017 was 19% higher than average sales price realised in the same period last year, which was the main reason for better result realised in the first quarter of 2017.

Prerada žitarica d.o.o.

u tisućama kuna

	1-3 2017	1-3 2016	change	
Operating income	2,845	181	2,664	1470%
EBIT	312	(184)	496	270%
<i>margin %</i>	11%	(101%)		
Normalised EBITDA	417	(77)	495	(639%)
<i>margin %</i>	15%	(43%)		
Net financial result	158	(10)	168	1635%
Net result	471	(194)	665	342%
<i>margin %</i>	17%	(107%)		

Prerada žitarica d.o.o. is the company whose main activities are storage of goods, and storage and drying of grains.

In the first quarter of 2017 the Company also earned income from the wholesale of oil seed to abroad in the total amount of HRK 2.6 million.

Employees

In the first three months period of 2017 the Group employed 456 employees based on man-hour basis (in the first three months period of 2016: 466 employees).

Environment

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

Other

Supervisory Board has approved Granolio Group's financial statements for the first three months period of 2017.

Annex 1.

Reporting period

1.1.2017

to

31.3.2017

Quarterly financial report TFI-POD

Tax number (MB): 01244272

Company registration number: 080111595

Personal 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.hrInternet address: www.granolio.hr

Municipality/city code and name: 133

County code and name: 21 GRAD ZAGREB

Number of employees: 492

(period end)

Consolidated report: YES

NKD code: 1061

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

Bookkeeping service:

Contact person: JASENKA KORDIĆ

(only surname and name)

Telephone: 01/6320-261

Telefax: 01/6320-224

E-mail address: 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 31.03.2017

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
ASSETS			
A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL	001		
B) LONG-TERM ASSETS (003+010+020+031+036)	002	578.546.114	572.740.989
I. INTANGIBLE ASSETS (004 do 009)	003	187.085.450	186.555.151
1. Assets development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	121.010.211	120.896.412
3. Goodwill	006	60.379.072	60.379.072
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	0	0
6. Other intangible assets	009	5.696.167	5.279.667
II. TANGIBLE ASSETS (011 do 019)	010	362.311.987	357.119.155
1. Land	011	27.668.452	27.611.234
2. Buildings	012	230.490.380	230.222.865
3. Plant and equipment	013	67.677.246	64.907.005
4. Tools, working inventory and transportation assets	014	3.297.415	3.121.656
5. Biological assets	015	10.626.471	10.501.692
6. Prepayments for tangible assets	016	259.709	260.744
7. Tangible assets in progress	017	21.777.202	19.979.326
8. Other tangible assets	018	83.112	82.633
9. Investments in buildings	019	432.000	432.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	27.023.566	26.941.572
1. Investments (shares) with related parties within the Group	021	0	0
2. Investments in other securities of related parties within the Group	022	0	0
3. Loans, deposits and similar assets to related parties within the Group	023	0	0
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	024	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	025	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	026	0	0
7. Investments in securities	027	0	0
8. Loans, deposits and similar assets	028	6.551.376	6.469.382
9. Other investments accounted by equity method	029	0	0
10. Other long - term financial assets	030	20.472.190	20.472.190
IV. RECEIVABLES (032 do 035)	031	25.111	25.111
1. Receivables from related parties within the Group	032	0	0
2. Receivables from participating parties	033	0	0
3. Accounts receivable	034	0	0
4. Other receivables	035	25.111	25.111
V. DEFERRED TAX ASSET	036	2.100.000	2.100.000
C) SHORT TERM ASSETS (038+046+053+063)	037	414.454.289	417.209.998
I. INVENTORIES (039 do 045)	038	90.701.654	97.120.037
1. Raw materials and supplies	039	24.362.650	19.777.585
2. Work in progress	040	8.917.080	13.127.394
3. Finished goods	041	29.038.079	30.851.356
4. Merchandise	042	28.368.130	33.302.443
5. Prepayments for inventories	043	15.715	61.259
6. Long term assets held for sale	044	0	0
7. Biological assets	045	0	0
II. RECEIVABLES (047 do 052)	046	285.925.497	272.243.517
1. Receivables from related parties within the Group	047	330.668	328.875
2. Receivables from participating parties	048	0	0
3. Accounts receivable	049	167.141.969	175.657.521
4. Receivables from employees and members of related parties	050	10.786	10.858
5. Receivables from government and other institutions	051	10.863.809	6.621.191
6. Other receivables	052	107.578.265	89.625.072
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	28.097.767	46.590.786
1. Investments (shares) with related parties within the Group	054	0	0
2. Investments in other securities of related parties within the Group	055	0	0
3. Loans, deposits and similar assets to related parties within the Group	056	20.558.658	20.518.658
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	057	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	058	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	059	0	0
7. Investments in securities	060	881.994	187.701
8. Loans, deposits and similar assets	061	6.657.115	25.884.427
9. Other financial assets	062	0	0
IV. CASH AND CASH EQUIVALENTS	063	9.729.371	1.255.658
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	4.600.594	5.415.735
E) TOTAL ASSETS (001+002+037+064)	065	997.600.997	995.366.722
F) OFF-BALANCE RECORDS	066	23.560.428	17.505.972

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	237.208.256	225.998.045
I. SUBSCRIBED SHARE CAPITAL	068	19.016.430	19.016.430
II. CAPITAL RESERVES	069	84.186.547	84.186.547
III. RESERVES FROM PROFIT (071+072-073+074+075)	070	1.083.227	1.083.227
1. Reserves prescribed by law	071	283.227	283.227
2. Reserves for treasury shares	072	800.000	800.000
3. Treasury shares (deductible items)	073		
4. Statutory reserves	074		
5. Other reserves	075		
IV. REVALUATION RESERVES	076	61.561.956	62.355.047
V. FAIR VALUE RESERVES(078-080)	077		
1. Fair value of financial assets available for sale	078		
2. Efficient part of cash flow hedging	079		
3. Efficient part of hedging of a net investment in foreign countries	080		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (082-083)	081	7.812.413	11.180.590
1. Retained earnings	082	7.812.413	11.180.590
2. Accumulated loss	083		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	2.406.268	-12.641.538
1. Profit for the current year	085	2.406.268	
2. Loss for the current year	086		12.641.538
VII. MINORITY (NON-CONTROLLING) INTEREST	087	61.141.415	60.817.742
B) PROVISIONS (089 do 094)	088	0	0
1. Provisions for pensions, severance pay and similar liabilities	089		
2. Provisions for tax liabilities	090		
3. Provisions for ongoing legal cases	091		
4. Provisions for costs of natural resources regeneration	092		
5. Provisions for guarantees costs	093		
6. Other provisions	094		
C) LONG - TERM LIABILITIES (096 do 106)	095	351.567.682	352.661.279
1. Liabilities to related parties within the Group	096	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	097	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	098	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	099	0	0
5. Liabilities for loans, deposits, etc.	100	11.337	11.158
6. Liabilities to banks and other financial institutions	101	335.953.544	338.750.116
7. Liabilities for received prepayments	102	0	0
8. Accounts payable	103	212.312	212.312
9. Liabilities arising from debt securities	104	0	0
10. Other long-term liabilities	105	0	0
11. Deferred tax liability	106	15.390.489	13.687.693
D) SHORT - TERM LIABILITIES (108 do 121)	107	396.020.238	404.027.695
1. Liabilities to related parties within the Group	108	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	109	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	110	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	111	0	0
5. Liabilities for loans, deposits, etc.	112	0	0
6. Liabilities to banks and other financial institutions	113	136.578.173	140.028.107
7. Liabilities for received prepayments	114	3.653.467	3.105.722
8. Accounts payable	115	103.073.841	130.029.696
9. Liabilities arising from debt securities	116	39.770.000	34.146.602
10. Liabilities to employees	117	2.521.343	2.430.315
11. Liabilities for taxes, contributions and similar fees	118	6.830.478	5.408.764
12. Liabilities to share - holders	119	0	0
13. Liabilities for long-term assets held for sale	120	0	0
14. Other short - term liabilities	121	103.592.936	88.878.489
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	12.804.821	12.679.703
F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)	123	997.600.997	995.366.722
G) OFF-BALANCE RECORDS	124	23.560.428	17.505.972
APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	125	176.066.841	165.180.303
2. Attributable to minority interest	126	61.141.415	60.817.742

Note 1.: Appendix to the balance sheet to be filled by entrepreneurs that prepare consolidated financial statements.

Income statement
period 01.01.2017 to 31.03.2017

Company: GRANOLIO d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUE (125+130)	125	202.418.578	202.418.578	159.452.265	159.452.265
1. Sales revenue with related parties with the Group	126	0	0	0	0
2. Sales revenue (other parties)	127	197.580.899	197.580.899	154.546.117	154.546.117
3. Revenue from the use of own products, goods and services	128	578.201	578.201	547.972	547.972
4. Other operating revenue with related parties with the Group	129	0	0	0	0
5. Other operating revenue (other parties)	130	4.259.478	4.259.478	4.358.176	4.358.176
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	198.371.072	198.371.072	165.877.589	165.877.589
1. Changes in value of work in progress and finished products	132	6.585.426	6.585.426	-5.929.197	-5.929.197
2. Material costs (133 do 136)	133	167.739.665	167.739.665	145.586.911	145.586.911
a) Raw material and material costs	134	82.616.788	82.616.788	73.199.169	73.199.169
b) Cost of goods sold	135	74.167.928	74.167.928	61.606.762	61.606.762
c) Other external costs	136	10.954.949	10.954.949	10.780.980	10.780.980
3. Staff costs (138 do 140)	137	10.890.548	10.890.548	11.540.864	11.540.864
a) Net salaries and wages	138	6.628.380	6.628.380	7.078.257	7.078.257
b) Tax and contributions from salary expenses	139	2.668.448	2.668.448	2.761.828	2.761.828
c) Contributions on gross salaries	140	1.593.720	1.593.720	1.700.779	1.700.779
4. Depreciation and amortisation	141	7.693.834	7.693.834	8.144.741	8.144.741
5. Other costs	142	1.766.427	1.766.427	2.420.775	2.420.775
6. Impairment (144+145)	143	18.081	18.081	0	0
a) Impairment of long-term assets (financial assets excluded)	144	0	0		
b) Impairment of short-term assets (financial assets excluded)	145	18.081	18.081		
7. Provisions (147 do 152)	146				
a) Provisions for pensions, severance pay and similar liabilities	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for costs of natural resources regeneration	150				
e) Provisions for guarantees costs	151				
f) Other provisions	152				
8. Other operating costs	153	3.677.091	3.677.091	4.113.495	4.113.495
III. FINANCIAL INCOME (155 do 164)	154	1.682.451	1.682.451	2.254.411	2.254.411
1. Income from investment in shares in related parties within the Group	155	0	0	0	0
2. Income from investment in shares of entrepreneurs in whom the entity holds participating	156	0	0	0	0
3. Income from other long-term financial investment and loans granted to related parties	157	0	0	0	0
4. Other income arising from interests with related parties within the Group	158	0	0	0	0
5. Foreign exchange gains and similar financial income with related parties within the Group	159	0	0	0	0
6. Income from other long-term financial investment and loans	160	83.225	83.225	28.627	28.627
7. Other income arising from interests	161	254.028	254.028	20.104	20.104
8. Foreign exchange gains and similar financial income	162	1.345.198	1.345.198	1.565.322	1.565.322
9. Unrealized gains (income) from financial assets	163	0	0	0	0
10. Other financial income	164	0	0	640.358	640.358
IV. FINANCIAL EXPENSES (166 do 172)	165	8.472.293	8.472.293	8.794.261	8.794.261
1. Expenses arising from interests and similar expenses with related parties within the Group	166	0	0	0	0
2. Foreign exchange losses and similar financial expenses with related parties within the	167	0	0	0	0
3. Expenses arising from interests and similar expenses	168	7.736.724	7.736.724	8.337.848	8.337.848
4. Foreign exchange losses and similar financial expenses	169	647.225	647.225	428.604	428.604
5. Unrealized losses (expenses) on financial assets	170	0	0	0	0
6. Financial assets impairment (net)	171	60.000	60.000	0	0
7. Other financial expenses	172	28.344	28.344	27.809	27.809
V. SHARE IN PARTICIPATING INTERESTS PROFIT	173				
VI. SHARE IN JOINT-VENTURE PROFIT	174				
VII. SHARE IN PARTICIPATING INTERESTS LOSS	175				
VIII. SHARE IN JOINT-VENTURE LOSS	176				
IX. TOTAL INCOME (125+164+173 + 174)	177	204.101.029	204.101.029	161.706.676	161.706.676
X. TOTAL EXPENSES (131+165+175 + 176)	178	206.843.365	206.843.365	174.671.850	174.671.850
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	-2.742.336	-2.742.336	-12.965.174	-12.965.174
1. Profit before taxes (177-178)	180	0	0	0	0
2. Loss before taxes (178-177)	181	2.742.336	2.742.336	12.965.174	12.965.174
XII. PROFIT TAX	182				
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	-2.742.336	-2.742.336	-12.965.174	-12.965.174
1. Profit for the period (179-182)	184	0	0	0	0
2. Loss for the period (182-179)	185	2.742.336	2.742.336	12.965.174	12.965.174
APPENDIX to income statement (to be filled in by entrepreneur that prepares consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	186	-3.249.153	-3.249.153	-12.641.538	-12.641.538
2. Attributable to minority interest	187	506.817	506.817	-323.636	-323.636
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD	188	-2.742.336	-2.742.336	-12.965.174	-12.965.174
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (190 do 197)	189	0	0	0	0
1. Exchange differences on translation of foreign operations	190				
2. Movements in revaluation reserves of long-term tangible and intangible assets	191				
3. Profit or loss arising from re-evaluation of financial assets available for sale	192				
4. Gains or losses arising on efficient cash flow hedging	193				
5. Gains or losses arising on efficient hedge of a net investment in foreign countries	194				
6. Share in other comprehensive income / loss of participating interest companies	195				
7. Actuarial gains / losses on defined benefit plans	196				
8. Other changes in equity non related to the owners	197				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	198				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	199	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188+199)	200	-2.742.336	-2.742.336	-12.965.174	-12.965.174
APPENDIX to other comprehensive income statement (to be filled in by entrepreneur that prepares consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	201	-3.249.153	-3.249.153	-12.641.538	-12.641.538
2. Attributed to minority interest	202	506.817	506.817	-323.636	-323.636

Cash flow statement - indirect method
period 01.01.2017 to 31.03.2017

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	(2.742.334)	(12.965.173)
2. Adjustments (003 do 010)	002	15.794.161	12.057.422
a.) Depreciation and amortisation	003	7.693.834	8.144.742
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	004	(450.564)	(715.962)
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	005	378.133	(332.156)
d.) Interests and dividends income	006	(337.259)	(48.731)
e.) Interests expense	007	7.736.724	8.337.847
f.) Provisions	008		
g.) Foreign exchange differences (unrealised)	009	(987.757)	(1.417.111)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.761.051	(1.911.207)
I. Cash flow increase or decrease before changes in the working capital (001 do 002)	011	13.051.827	(907.751)
3. Working capital changes (013 do 016)	012	7.903.383	19.033.722
a.) Increase or decrease in short term liabilities	013	3.263.657	25.495.106
b.) Increase or decrease in short term receivables	014	(25.366.372)	(146.088)
c.) Increase or decrease in inventories	015	30.006.098	(6.315.296)
d.) Other increase or decrease in the working capital	016		
II. Cash from operations (011+012)	017	20.955.210	18.125.971
4. Interests paid	018	(6.827.018)	(8.375.932)
5. Income tax paid	019	(5.764)	(898.796)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	14.122.428	8.851.243
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	151.281	154.711
2. Cash inflow from the sale of financial instruments	022	-	992.490
3. Interests receipts	023	332.050	738.859
4. Dividends receipts	024	-	-
5. Cash inflow from repayment of given loans and other borrowings	025	679.767	2.671.399
6. Other cash inflows from investing activities	026	34.946	
III. Total cash inflows from investing activities (021 do 026)	027	1.198.044	4.557.459
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(3.379.767)	(2.179.698)
2. Cash outflow for acquisition of financial instruments	029		
3. Cash outflow for granting loans and other borrowings in the given period	030	(8.918)	(21.837.319)
4. Aquisition of associates decreased by the acquired cash	031		
5. Other cash outflow for investing activities	032	(25.000)	(30.448)
IV. Total cash outflow for investing activities (028 do 032)	033	(3.413.685)	(24.047.465)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(2.215.642)	(19.490.006)
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from increase of the share (subscribed) capital	035		
2. Cash inflow from issuing property and debt financial instruments	036		
3. Cash proceeds from the credit principals, promissory notes, borrowings and other loans	037	42.897.452	72.826.984
4. Other proceeds from financial activities	038	7.858	36.980
V. Total cash inflows from financial activities (027 do 029)	039	42.905.310	72.863.964
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	040	(56.471.752)	(64.498.049)
2. Cash outflow for dividends paid	041	-	-
3. Cash outflow for financial lease	042	(667.294)	(577.467)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financial activities	044	(18.931.725)	(5.623.398)
VI. Total cash outflow for financial activities (031 do 035)	045	(76.070.771)	(70.698.914)
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES	046	(33.165.461)	2.165.050
1. Unrealised foreign exchange differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(21.258.674)	(8.473.713)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	22.425.931	9.729.371
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	050	1.167.257	1.255.658

Statement of changes in equity
01.01.2017-31.03.2017

Obrazac
POD-PK

Obrazac
POD-PK

Company: GRANOLIO D.D., OIB 59064993527

Position	AOP	Note no.	Attributable to the equity holders of the parent													Minority (non-controlling) interest	Total capital and reserves		
			Share (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves	Other reserves	Revaluation reserve	Fair value of financial assets available for	Efficient part of cash flow hedging	Efficient part of hedging of a net	Retained earnings / accumulated loss	Profit / loss for the current year			Total attributable to the equity	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 (4 do 7 - 8)	18	19 (17+18)	
Prior period																			
1. Balance 1 January of the prior period	01		19.016.430	84.186.547	183.484					64.473.012					-5.125.636	11.149.793	173.883.630	58.630.686	232.514.316
2. Changes in accounting policies	02																0		0
3. Correction of errors	03																0		0
4. Balance 1 January of the prior period (AOP 01 do 03)	04		19.016.430	84.186.547	183.484	0	0	0	0	64.473.012	0	0	0	-5.125.636	11.149.793	173.883.630	58.630.686	232.514.316	
5. Profit / loss for the period	05														-3.249.152	-3.249.152	0	506.817	-2.742.335
6. Exchange differences on translation of foreign operations	06																0		0
7. Changes in revaluation reserves of long-term tangible and intangible assets	07									-727.764				727.764			0		0
8. Profit or loss from re-evaluation of financial assets available for sale	08																0		0
9. Gains or losses arising on efficient cash flow hedging	09																0		0
10. Gains or losses arising on efficient hedge of a net investment in foreign countries	10																0		0
11. Share in other comprehensive income / loss of participating interest companies	11																0		0
12. Actuarial gains / losses on defined benefit plans	12																0		0
13. Other changes in equity non related to the owners	13													-4.615			-4.615	6.462	1.847
14. Taxation recognised directly in equity	14																0		0
15. Increase/decrease in share (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15																0		0
16. Increase of share (subscribed) capital by reinvesting profit	16																0		0
17. Increase of share (subscribed) capital arising from the pre-bankruptcy settlement procedure	17																0		0
18. Redemption of own (treasury) shares	18																0		0
19. Payment of share in profit / dividends	19																0		0
20. Other distribution of profits to the owners	20																0		0
21. Transfer to reserves by annual schedule	21				99.743									11.050.050	-11.149.793		0		0
22. Increase in reserves arising from the pre-bankruptcy settlement procedure	22																0		0
23. Balance 31 March of the prior period (04 do 22)	23		19.016.430	84.186.547	283.227	0	0	0	0	63.745.248	0	0	0	6.647.563	-3.249.152	170.629.863	59.143.965	229.773.828	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by entrepreneur that prepares financial statements in accordance to IFRS)																			
I. OTHER COMPREHENSIVE INCOME OF THE PRIOR PERIOD, NET OF TAX (AOP 06 to 14)	24		0	0	0	0	0	0	0	-727.764	0	0	0	723.149	0		-4.615	6.462	1.847
II. COMPREHENSIVE INCOME OR LOSS OF THE PRIOR PERIOD (AOP 05+24)	25		0	0	0	0	0	0	0	-727.764	0	0	0	723.149	-3.249.152		-3.253.767	513.279	-2.740.488
III. TRANSACTIONS WITH THE OWNERS OF THE PRIOR PERIOD RECOGNISED DIRECTLY IN EQUITY (AOP 15 to 22)	26		0	0	99.743	0	0	0	0	0	0	0	0	11.050.050	-11.149.793		0	0	0

Statement of changes in equity
01.01.2017-31.03.2017

Obrazac
POD-PK

Obrazac
POD-PK

Company: GRANOLIO D.D., OIB 59064993527																			
Position	AOP	Note no.	Attributable to the equity holders of the parent														Minority (non-controlling) interest	Total capital and reserves	
			Share (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares (deductible)	Statutory reserves	Other reserves	Revaluation reserve	Fair value of financial assets available for	Efficient part of cash flow hedging	Efficient part of hedging of a net	Retained earnings / accumulated loss	Profit / loss for the current year	Total attributable to the equity			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 (4 do 7 - 8)	18	19 (17+18)	
Current period																			
1. Balance 1 January of the current period	27		19.016.430	84.186.547	283.227	800.000					61.561.956				7.812.413	2.406.269	176.066.842	61.141.415	237.208.257
2. Changes in accounting policies	28																0		0
3. Correction of errors	29																0		0
4. Balance 1 January of the current period (AOP 27 do 29)	30		19.016.430	84.186.547	283.227	800.000	0	0	0	61.561.956	0	0	0	7.812.413	2.406.269	176.066.842	61.141.415	237.208.257	
5. Profit / loss for the period	31															-12.641.538	-12.641.538	-323.635	-12.965.173
6. Exchange differences on translation of foreign operations	32																0		0
7. Changes in revaluation reserves of long-term tangible and intangible assets	33										-745.958				745.958		0		0
8. Profit or loss from re-evaluation of financial assets available for sale	34																0		0
9. Gains or losses arising on efficient cash flow hedging	35																0		0
10. Gains or losses arising on efficient hedge of a net investment in foreign countries	36																0		0
11. Share in other comprehensive income / loss of participating interest companies	37																0		0
12. Actuarial gains / losses on defined benefit plans	38																0		0
13. Other changes in equity non related to the owners	39														52.203		52.203	-38	52.165
14. Taxation recognised directly in equity	40										1.539.049				163.747		1.702.796		1.702.796
15. Increase/decrease in share (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41																0		0
16. Increase of share (subscribed) capital by reinvesting profit	42																0		0
17. Increase of share (subscribed) capital arising from the pre-bankruptcy settlement procedure	43																0		0
18. Redemption of own (treasury) shares	44																0		0
19. Payment of share in profit / dividends	45																0		0
20. Other distribution of profits to the owners	46																0		0
21. Transfer to reserves by annual schedule	47														2.406.269	-2.406.269	0		0
22. Increase in reserves arising from the pre-bankruptcy settlement procedure	48																0		0
23. Balance 31 March of the current period (04 do 22)	49		19.016.430	84.186.547	283.227	800.000	0	0	0	62.355.047	0	0	0	11.180.590	-12.641.538	165.180.303	60.817.742	225.998.045	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by entrepreneur that prepares financial statements in accordance to IFRS)																			
I. OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)	50		0	0	0	0	0	0	0	793.091	0	0	0	961.908	0	1.754.999	-38	1.754.961	
II. COMPREHENSIVE INCOME OR LOSS OF THE CURRENT PERIOD (AOP 31 + 50)	51		0	0	0	0	0	0	0	793.091	0	0	0	961.908	-12.641.538	-10.886.539	-323.673	-11.210.212	
III. TRANSACTIONS WITH THE OWNERS OF THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (AOP 41 to 48)	52		0	0	0	0	0	0	0	0	0	0	0	2.406.269	-2.406.269	0	0	0	



Granolio

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In Zagreb, 28 April 2017

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 2017 till 31 March 2017 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the three months period ended 31 March 2017 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



2

Granolio

d.d., Budmanijeva 5
Zagreb

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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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Zagreb, 28 April 2017


Statement of Executives responsible for preparing financial statements for the three 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 three months period give a true presentation of the Company's position as at 31 March 2017.

Reports prepared by:


Jasenka Kordić
Accounting Director

 2

Granolio
d.d., Budmanijeva 5
Zagreb



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka.
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