

**Consolidated financial results for the
nine months period ended
30 September 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.

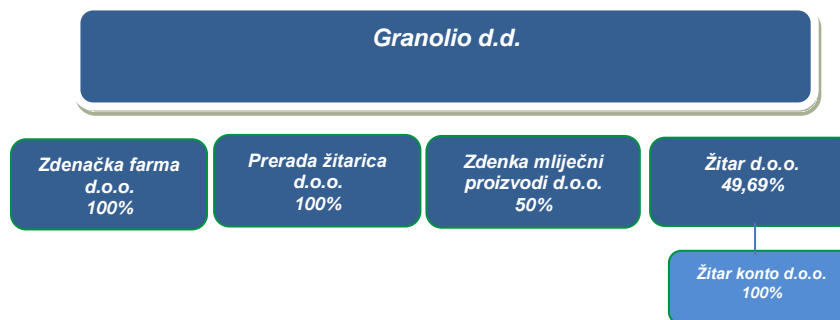
Subsidiaries

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 nine months period of 2017

in thousands of HRK

	1-9 2017	1-9 2016	promjena	
Operating income	426.505	581.204	(154.699)	(27%)
Operating expenses	(437.485)	(561.832)	124.347	22%
EBIT	(10.980)	19.372	(30.352)	(157%)
<i>EBIT margin</i>	<i>-3%</i>	<i>3%</i>		
EBITDA	13.128	42.686	(29.558)	(69%)
<i>EBITDA margin</i>	<i>3%</i>	<i>7%</i>		
Net financial result	(20.334)	(21.260)	926	4%
Net result for the period	(31.314)	(1.887)	(29.427)	(1559%)
<i>Result attributable to the Group</i>	<i>(28.987)</i>	<i>(3.068)</i>	<i>(25.919)</i>	<i>(845%)</i>
<i>Minority interest</i>	<i>(2.327)</i>	<i>1.181</i>	<i>(3.508)</i>	<i>297%</i>

Comparing to the corresponding period last year, Group's business operations were less favourable in the first nine months 2017 mainly due to lower sales volume and lower sales margins.

Financial indicators

in thousands of HRK

	30.9.2017	31.12.2016	change	
Net assets (Capital and reserves)*	207.959	237.208	(29.249)	(12%)
Total debt	500.201	512.313	(12.112)	(2%)
Cash and cash equivalents	2.886	9.729	(6.843)	(70%)
Given loans, deposits and similar**	51.245	34.648	16.597	48%
Net debt	446.070	467.936	(21.866)	(5%)
Net debt/ EBITDA	11,54	6,86		
EBITDA for the last 12 months	38.665	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 including loan given to Agrokor trgovina in the amount od 9,9 million HRK

As at 30 September 2017 the Group's financial assets comprise loan given to Agrokor trgovina d.o.o. in the amount 9,9 million HRK. Total amount is due for payment.

Other than forementioned loan given, Group has liabilities to financial institutions in the amount of 20 million HRK and liabilities to factoring companies in the amount of 65 million HRK, resulting from business relations with Agrokor group.

Due to current inability to settle it's due liabilities, in July 2017 company Granolio d.o.o. asked Commercial court to start a process of pre-bankruptcy settlement. On 27 July 2017, Commercial court reached a decision on beginning of the pre-bankruptcy settlement process over Granolio d.d.

A hearing over examining the claims was held on 19 October 2017 and court is expected to issue a decision on established and disputed claims.

At the beginning of September 2017, Privredna banka Zagreb has sent a Statement on cancellation of a long-term syndicated loan by which total liability for both principal and interest became due 3 working days after the Statement was sent. Total liability for the principal amounted to 278,5 million HRK. Since the pre-bankruptcy process is in progress, the Group did not state total liability as a current loan. Therefore, in the Statement of financial position as at 30 September 2017, syndicated loan was stated in non-current liabilities in the amount of 263 million HRK and in current liabilities in the amount of 15 million HRK.

As at 10 October 2017, Privredna banka Zagreb transferred its receivables from Granolio d.d., which amounted to 116,6 million HRK as at 31 August 2017, to the company B2 KAPITAL d.o.o.

Separate business results for the nine months period of 2017

Granolio d.d.

in thousands of HRK

	1-9 2017	1-9 2016	change	
Operating income	267.922	395.256	(127.334)	(15%)
EBIT	(8.608)	18.470	(27.078)	(232%)
<i>margin %</i>	(3%)	5%		
EBITDA	(414)	26.149	(26.563)	(137%)
<i>margin %</i>	(0%)	7%		
Net financial result	(17.804)	(19.197)	1.393	6%
Net result	(26.412)	(727)	(25.684)	(354%)
<i>margin %</i>	(9,9%)	(0,2%)		

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

Zdenka - mliječni proizvodi d.o.o.

in thousands of HRK

	1-9 2017	1-9 2016	change	
Operating income	110.964	123.698	(12.734)	(10%)
EBIT	(2.021)	2.167	(4.188)	(193%)
<i>margin %</i>	(2%)	2%		
EBITDA	7.550	11.541	(3.991)	(35%)
<i>margin %</i>	7%	9%		
Net financial result	(1.144)	(778)	(366)	(47%)
Net result	(3.165)	1.389	(4.553)	(328%)
<i>margin %</i>	(3%)	1%		

In the first half of 2016 significant one-off deal was realised with one domestic customer. The same deal was not realized in 2017, resulting with income decrease in the amount of HRK 6.5 million. Other decrease in revenues refers to lower sales of UHT milk.

Due to significant increase in prices of raw materials in 2017, the Company realized lower profit margins than in the same period last year which resulted in lower values of EBITDA and net result.

Žitar d.o.o. (konsolidirani)

in thousands of HRK

	1-9 2017	1-9 2016	change	
Operating income	38.090	97.283	(59.193)	(61%)
EBIT	(299)	1.622	(1.921)	(118%)
<i>margin %</i>	(1%)	2%		
EBITDA	3.574	5.513	(1.939)	(35%)
<i>margin %</i>	9%	6%		
Net financial result	(1.182)	(655)	(527)	(80%)
Net result	(1.481)	966	(2.448)	(253%)
<i>margin %</i>	(4%)	1%		

In the first half of 2016 significant one-off sale of wheat was realised in the total amount of HRK 40 million. Besides mentioned, income decreased in the nine months 2017 also due to exemption of the following operating segments: milling, sale of sowing material, facility for production of animal feed and pig farm out from the company's business operations. Operating segments were exempt from the Žitar company's business operations and taken over by the company's owners.

Zdenačka farma d.o.o.

in thousands of HRK

	1-9 2017	1-9 2016	change	
Operating income	15.197	13.416	1.781	13%
EBIT	500	(2.059)	2.559	124%
<i>margin %</i>	3%	(15%)		
EBITDA	2.655	(10)	2.665	26650%
<i>margin %</i>	17%	(0%)		
Net financial result	(656)	(592)	(64)	(11%)
Net result	(156)	(2.651)	2.495	94%
<i>margin %</i>	(1%)	(20%)		

In the first nine months 2017 total delivery of milk by Zdenačka farma amounted to 3,5 million kilos (in nine months 2016: 3,6 million kilos). Average sales price realised in 2017 was 15% higher than average sales price realised in the same period last year. Higher average sales price of milk and slightly lower operating costs are the main reasons for better result made in the nine months 2017.

Prerada žitarica d.o.o.

in thousands of HRK

	1-9 2017	1-9 2016	change	
Operating income	20.044	445	19.599	4400%
EBIT	(553)	(627)	74	12%
<i>margin %</i>	(3%)	(141%)		
EBITDA	237	(308)	545	177%
<i>margin %</i>	1%	(69%)		
Net financial result	452	(37)	489	1320%
Net result	(101)	(664)	564	85%
<i>margin %</i>	(1%)	(149%)		

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

In the nine months of 2017 the Company also earned income from the wholesale of oil seed and crops in the total amount of 20 million HRK, out of which 6 million HRK refers to export.

Employees

In the first nine months 2017 the Group employed 453 employees based on man-hour basis (in the first nine months 2016: 473 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 nine months period 2017.

Annex 1.

Reporting period

1.1.2017

to

30.9.2017

Quarterly financial report TFI-PODTax number (MB): **01244272**Company registration number
(MRS): **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.hrMunicipality/city code and name: **133**County code and name: **21 GRAD ZAGREB**Number of employees: **464**

(period end)

Consolidated report: **YES**NKD code: **1061**

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

GRANOLIO D.D.**ZAGREB****01244272****ZDENAČKA FARMA D.O.O.****VELIKI ZDENCI****02095777****PRERADA ŽITARICA D.O.O.****GRUBIŠNO POLJE****02095696****ZDENKA - MLIJEČNI PROIZVODI D.O.O.****VELIKI ZDENCI****01623982****ŽITAR D.O.O.****DONJI MIHOLJAC****01443119****ŽITAR KONTO D.O.O.****DONJI MIHOLJAC****04212517**

Bookkeeping service:

Contact person: **JASENKA KORDIĆ**

(only surname and name)

Telephone: **01/6320-261**Telefax: **01/6320-224**E-mail address: jkordic@granolio.hrFamily 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 30.09.2017

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	561.276.294
I. INTANGIBLE ASSETS (004 do 009)	003	187.085.450	185.673.856
1. Assets development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	121.010.211	120.848.117
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	4.446.667
II. TANGIBLE ASSETS (011 do 019)	010	362.311.987	346.501.826
1. Land	011	27.668.452	27.723.875
2. Buildings	012	230.490.380	225.404.412
3. Plant and equipment	013	67.677.246	59.733.805
4. Tools, working inventory and transportation assets	014	3.297.415	3.156.802
5. Biological assets	015	10.626.471	10.232.564
6. Prepayments for tangible assets	016	259.709	283.777
7. Tangible assets in progress	017	21.777.202	19.452.920
8. Other tangible assets	018	83.112	81.671
9. Investments in buildings	019	432.000	432.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	27.023.566	26.985.612
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	6.513.422
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	15.000
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	15.000
V. DEFERRED TAX ASSET	036	2.100.000	2.100.000
C) SHORT TERM ASSETS (038+046+053+063)	037	414.454.289	380.975.893
I. INVENTORIES (039 do 045)	038	90.701.654	72.091.840
1. Raw materials and supplies	039	24.362.650	18.638.233
2. Work in progress	040	8.917.080	11.480.093
3. Finished goods	041	29.038.079	28.088.432
4. Merchandise	042	28.368.130	13.831.625
5. Prepayments for inventories	043	15.715	53.457
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	261.266.638
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	156.805.208
4. Receivables from employees and members of related parties	050	10.786	55.589
5. Receivables from government and other institutions	051	10.863.809	9.187.394
6. Other receivables	052	107.578.265	94.889.572
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	28.097.767	44.731.508
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	20.437.098
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	178.642
8. Loans, deposits and similar assets	061	6.657.115	24.115.768
9. Other financial assets	062	0	0
IV. CASH AND CASH EQUIVALENTS	063	9.729.371	2.885.907
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	4.600.594	3.967.895
E) TOTAL ASSETS (001+002+037+064)	065	997.600.997	946.220.082
F) OFF-BALANCE RECORDS	066	23.560.428	32.285.922

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	237.208.256	207.959.239
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	1.208.554
1. Reserves prescribed by law	071	283.227	408.554
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	60.863.131
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	12.857.413
1. Retained earnings	082	7.812.413	12.857.413
2. Accumulated loss	083		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	2.406.268	-28.986.676
1. Profit for the current year	085	2.406.268	
2. Loss for the current year	086		28.986.676
VII. MINORITY (NON-CONTROLLING) INTEREST	087	61.141.415	58.813.840
B) PROVISIONS (089 do 094)	088	0	0
1. Provisions for pensions, severance pay and similar liabilities	089	0	0
2. Provisions for tax liabilities	090	0	0
3. Provisions for ongoing legal cases	091		0
4. Provisions for costs of natural resources regeneration	092	0	0
5. Provisions for guarantees costs	093	0	0
6. Other provisions	094	0	0
C) LONG - TERM LIABILITIES (096 do 106)	095	351.567.682	353.056.089
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	11.246
6. Liabilities to banks and other financial institutions	101	335.953.544	339.472.332
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	13.360.199
D) SHORT - TERM LIABILITIES (108 do 121)	107	396.020.238	373.203.335
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	113.592.318
7. Liabilities for received prepayments	114	3.653.467	3.079.085
8. Accounts payable	115	103.073.841	122.151.980
9. Liabilities arising from debt securities	116	39.770.000	47.125.600
10. Liabilities to employees	117	2.521.343	2.181.025
11. Liabilities for taxes, contributions and similar fees	118	6.830.478	3.350.489
12. Liabilities to shareholders	119	0	0
13. Liabilities for long-term assets held for sale	120	0	0
14. Other short - term liabilities	121	103.592.936	81.722.838
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	12.804.821	12.001.419
F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)	123	997.600.997	946.220.082
G) OFF-BALANCE RECORDS	124	16.245.585	23.560.428
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	154.934.227
2. Attributable to non-controlling interest	126	61.141.415	59.936.085

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

Income statement
period 01.01.2017 to 30.09.2017

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	581.203.955	221.915.933	426.504.773	138.732.815
1. Sales revenue with related parties within the Group	126	0	0	0	0
2. Sales revenue (third parties)	127	562.550.069	214.367.277	411.728.634	132.439.521
3. Revenue from the use of own products, goods and services	128			1.443.129	1.443.129
4. Other operating revenue with related parties within the Group	129	0	0	0	0
5. Other operating revenue (third parties)	130	18.653.886	7.548.656	13.333.010	4.850.165
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	561.831.602	210.782.785	437.485.371	137.903.919
1. Changes in value of work in progress and finished products	132	-2.270.528	-1.458.024	-1.894.911	3.245.425
2. Material costs (133 do 136)	133	491.218.833	187.267.309	368.774.704	113.046.553
a) Raw material and material costs	134	250.940.587	99.287.530	199.127.782	65.035.409
b) Cost of goods sold	135	201.155.282	71.921.348	137.119.147	37.109.904
c) Other external costs	136	39.122.964	16.058.431	32.527.775	10.901.240
3. Staff costs (138 do 140)	137	33.784.235	11.759.144	31.427.220	9.602.101
a) Net salaries and wages	138	20.525.672	7.135.727	19.702.246	6.133.908
b) Tax and contributions from salary expenses	139	8.292.779	2.894.380	7.084.444	2.047.036
c) Contributions on gross salaries	140	4.965.784	1.729.037	4.640.530	1.421.157
4. Depreciation and amortisation	141	23.294.506	7.861.300	24.107.445	7.933.008
5. Other costs	142	6.555.651	2.475.246	5.608.608	1.676.111
6. Impairment (144+145)	143	19.331	0	1.377	1.377
a) Impairment of long-term assets (financial assets excluded)	144	0	0	0	0
b) Impairment of short - term assets (financial assets excluded)	145	19.331		1.377	1.377
7. Provisions (147 do 152)	146				0
a) Provisions for pensions, severance payments and similar liabilities	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for costs of natural resources refurbishment	150	0	0	0	0
e) Provisions for guarantees costs	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8. Other operating costs	153	9.229.574	2.877.810	9.460.928	2.399.344
III. FINANCIAL INCOME (155 do 164)	154	3.432.594	1.043.625	4.441.703	728.421
1. Income from investment in shares of related parties within the Group	155	0	0	0	0
2. Income from investment in shares of entrepreneurs in whom the entity holds participating interest	156	19.794	0	0	0
3. Income from other long-term financial investments and loans granted to related parties within the	157				
4. Other income arising from interest 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 investments and loans	160	0	0	593.736	0
7. Other income arising from interest	161	0	0	171.853	0
8. Foreign exchange gains and similar financial income	162	2.761.014	636.824	2.536.858	672.884
9. Unrealized gains (income) from financial assets	163	0	0	0	0
10. Other financial income	164	651.787	406.801	1.139.256	55.537
IV. FINANCIAL EXPENSES (166 do 172)	165	24.692.193	8.496.662	24.775.358	8.632.139
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 Group	167	0	0	0	0
3. Expenses arising from interest and similar expenses	168	24.595.917	8.495.254	22.650.457	6.538.702
4. Foreign exchange losses and similar financial expenses	169	0	0	2.092.173	2.092.173
5. Unrealized losses (expenses) on financial assets	170	0	0	0	0
6. Financial assets impairment (net)	171	0	0	0	0
7. Other financial expenses	172	96.276	1.408	32.728	1.264
V. PROFIT SHARE IN PARTICIPATING INTERESTS	173				
VI. PROFIT SHARE IN JOINT-VENTURE	174				
VII. LOSS SHARE IN PARTICIPATING INTERESTS	175				
VIII. LOSS SHARE IN JOINT-VENTURE	176				
IX. TOTAL INCOME (125+164+173 + 174)	177	584.636.549	222.959.558	430.946.476	139.461.236
X. TOTAL EXPENSES (131+165+175 + 176)	178	586.523.795	219.279.447	462.260.729	146.536.058
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	-1.887.246	3.680.111	-31.314.253	-7.074.822
1. Profit before taxes (177-178)	180	0	3.680.111	0	0
2. Loss before taxes (178-177)	181	1.887.246	0	31.314.253	7.074.822
XII. PROFIT TAX	182				
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	-1.887.246	3.680.111	-31.314.253	-7.074.822
1. Profit for the period (179-182)	184	0	3.680.111	0	0
2. Loss for the period (182-179)	185	1.887.246	0	31.314.253	7.074.822
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	11.149.793	13.515.169	2.452.044	5.520.100
2. Attributable to non-controlling interest	187	4.919.003	2.451.632	2.635.861	1.455.050
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD	188	-1.887.246	3.680.111	-31.314.253	-7.074.822
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 in participating interests	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	-1.887.246	3.680.111	-31.314.253	-7.074.822
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	-6.224.762	-2.975.612	-23.034.100	-10.392.562
2. Attributed to non-controlling interest	202	4.919.003	2.451.632	-1.205.330	-881.695

Cash flow statement - indirect method
period 01.01.2017 to 30.09.2017

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	(1.887.246)	(31.314.250)
2. Adjustments (003 do 010)	002	43.820.118	47.393.179
a.) Depreciation and amortisation	003	23.294.506	24.107.445
b.) Gains and losses from sale and impairment of long-term tangible and intangible assets	004	2.174.764	3.086.935
c.) Gains and losses from sale and unrealised gains or losses and impairment of financial assets	005	(1.390.255)	(926.192)
d.) Interest and dividend income	006	-	-
e.) Interest expense	007	22.649.853	21.525.275
f.) Provisions	008		
g.) Foreign exchange differences (unrealised)	009		
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	(2.908.749)	(400.285)
I. Cash flow increase or decrease before changes in working capital (001 do 002)	011	41.932.872	16.078.929
3. Working capital changes (013 do 016)	012	(73.847.053)	50.978.054
a.) Increase or decrease in short term liabilities	013	25.649.523	22.800.707
b.) Increase or decrease in short term receivables	014	(65.255.100)	14.161.618
c.) Increase or decrease in inventories	015	(24.800.052)	18.843.226
d.) Other increase or decrease in working capital	016	(9.441.424)	(4.827.497)
II. Cash from operations (011+012)	017	(31.914.181)	67.056.983
4. Interest paid	018		
5. Income tax paid	019	(4.662.970)	(1.500.633)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	(36.577.151)	65.556.350
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	326.478	80.917
2. Cash inflow from sale of financial instruments	022	(73.568)	
3. Interest received	023	925.381	929.629
4. Dividend received	024	19.794	
5. Cash inflow from repayment of loans given and savings deposits	025	30.515.237	4.807.320
6. Other cash inflows from investing activities	026		795.584
III. Total cash inflows from investing activities (021 do 026)	027	31.713.322	6.613.450
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(12.225.410)	(6.719.086)
2. Cash outflow for acquisition of financial instruments	029		
3. Cash outflow for granting loans and other borrowings in the given period	030	(52.728.694)	(21.937.319)
4. Aquisition of subsidiaries net of cash acquired	031		
5. Other cash outflow for investing activities	032	131.027	
IV. Total cash outflow for investing activities (028 do 032)	033	(64.823.077)	(28.656.405)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(33.109.755)	(22.042.955)
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from increase of the share (subscribed) capital	035		
2. Cash inflow from issuing equity and debt financial instruments	036		
3. Cash proceeds from loan principals, promissory notes and other borrowings	037	269.677.153	87.540.589
4. Other proceeds from financial activities	038		
V. Total cash inflows from financial activities (027 do 029)	039	269.677.153	87.540.589
1. Cash outflow for repayment of loan principals, promissory notes and other borrowings	040	(221.956.143)	(113.540.558)
2. Cash outflow for dividend paid	041	(950.822)	
3. Cash outflow for financial lease	042	(2.697.144)	(1.577.583)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financing activities	044	5.390.050	(22.779.309)
VI. Total cash outflow for financing activities (031 do 035)	045	(220.214.059)	(137.897.450)
C) NET CASH FLOW FROM FINANCING ACTIVITIES	046	49.463.094	(50.356.861)
1. Unrealised foreign exchange differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(20.223.812)	(6.843.466)
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 (048+049)	050	2.202.119	2.885.905

Statement of changes in equity
01.01.2017-30.09.2017

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 sale	Efficient part of cash flow hedging	Efficient part of hedging of a net investment	Retained earnings / accumulated loss	Profit / loss for the current year	Total attributable to the equity holders of the parent (4 to 7 - 8 + 9 to 16)		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 (4 to 7 - 8 + 9 to 16)	18	19 (17+18)
Prior period																		
1. Balance as at 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 as at 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														-3.068.057	-3.068.057	1.180.811	-1.887.246
6. Exchange differences on translation of foreign operations	06															0		0
7. Changes in revaluation reserves of long-term tangible and intangible assets	07									-2.183.292				2.183.292		0		0
8. Profit or loss from re-evaluation of financial assets available for sale	08															0		0
9. Gains or losses arising from efficient cash flow hedging	09															0		0
10. Gains or losses arising from efficient hedge of a net investments abroad	10															0		0
11. Share in other comprehensive income / loss in participating interest	11															0		0
12. Actuarial gains / losses on defined benefit plans	12															0		0
13. Other changes in equity non related to ownership	13													-10.480		-10.480	-173	-10.653
14. Tax recognised directly in equity	14													545.823		545.823		545.823
15. Increase/decrease in share (subscribed) capital (other than reinvesting profit and from 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 settlements	17															0		0
18. Redemption of own (treasury) shares	18															0		0
19. Payment of share in profit / dividends	19													-950.822		-950.822		-950.822
20. Other distribution of profits to the owners	20															0		0
21. Transfer to reserves by annual schedule	21				99.743	800.000								10.250.050	-11.149.793	0		0
22. Increase in reserves arising from pre-bankruptcy settlements	22															0		0
23. Balance as at 30 September of the prior period (04 do 22)	23		19.016.430	84.186.547	283.227	800.000	0	0	0	62.289.720	0	0	0	6.892.227	-3.068.057	170.400.094	59.811.324	230.211.418
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																		
I. OTHER COMPREHENSIVE INCOME OF THE PRIOR PERIOD, NET OF TAX (AOP 06 to 14)	24		0	0	0	0	0	0	0	-2.183.292	0	0	0	2.718.635	0	535.343	-173	535.170
II. COMPREHENSIVE INCOME OR LOSS OF THE PRIOR PERIOD (AOP 05+24)	25		0	0	0	0	0	0	0	-2.183.292	0	0	0	2.718.635	-3.068.057	-2.532.714	1.180.638	-1.352.076
III. TRANSACTIONS WITH THE OWNERS OF THE PRIOR PERIOD RECOGNISED DIRECTLY IN EQUITY (AOP 15 to 22)	26		0	0	99.743	800.000	0	0	0	0	0	0	0	9.299.228	-11.149.793	-950.822	0	-950.822

Statement of changes in equity
01.01.2017-30.09.2017

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 sale	Efficient part of cash flow hedging	Efficient part of hedging of a net investment	Retained earnings / accumulated loss	Profit / loss for the current year	Total attributable to the equity holders of the parent (17 (4 to 7 - 8 + 9 to 16))		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17 (4 to 7 - 8 + 9 to 16)	18	19 (17+18)
Current period																		
1. Balance as at 1 January of the current period	27		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
2. Changes in accounting policies	28															0		0
3. Correction of errors	29															0		0
4. Balance as at 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														-28.986.676	-28.986.676	-2.327.576	-31.314.252
6. Exchange differences on translation of foreign operations	32															0		0
7. Changes in revaluation reserves of long-term tangible and intangible assets	33									-2.237.874				2.237.874		0		0
8. Profit or loss from re-evaluation of financial assets available for sale	34															0		0
9. Gains or losses arising from efficient cash flow hedging	35															0		0
10. Gains or losses arising from efficient hedge of a net investments abroad	36															0		0
11. Share in other comprehensive income / loss in participating interest	37															0		0
12. Actuarial gains / losses on defined benefit plans	38															0		0
13. Other changes in equity non related to ownership	39													34.944		34.944		34.944
14. Tax recognised directly in equity	40									1.539.049				491.241		2.030.290		2.030.290
15. Increase/decrease in share (subscribed) capital (other than reinvesting profit and from 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 settlements	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				125.327									2.280.942	-2.406.269	0		0
22. Increase in reserves arising from pre-bankruptcy settlements	48															0		0
23. Balance as at 30 September of the current period (04 do 22)	49		19.016.430	84.186.547	408.554	800.000	0	0	0	60.863.131	0	0	0	12.857.414	-28.986.676	149.145.400	58.813.839	207.959.239
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (only for IFRS adopters)																		
I. OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (AOP 32 to 40)	50		0	0	0	0	0	0	0	-698.825	0	0	0	2.764.059	0	2.065.234	0	2.065.234
II. COMPREHENSIVE INCOME OR LOSS OF THE CURRENT PERIOD (AOP 31 + 50)	51		0	0	0	0	0	0	0	-698.825	0	0	0	2.764.059	-28.986.676	-26.921.442	-2.327.576	-29.249.018
III. TRANSACTIONS WITH THE OWNERS OF THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (AOP 41 to 48)	52		0	0	125.327	0	0	0	0	0	0	0	0	2.280.942	-2.406.269	0	0	0



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>

In Zagreb, 30 October 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 30 September 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 nine months period ended 30 September 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

Contact:
Granolio d.d.
Budmanijeva 5
10 000 Zagreb
Hrvatska

Tel: +385 1 6320 200
e-mail: trzistekapitala@granolio.hr



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

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


Zagreb, 30 October 2017


Statement of Executives responsible for preparing financial statements for the nine 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 nine months period give a true presentation of the Company's position as at 30 September 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, 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