

**Unconsolidated 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.

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

## Subsidiaries

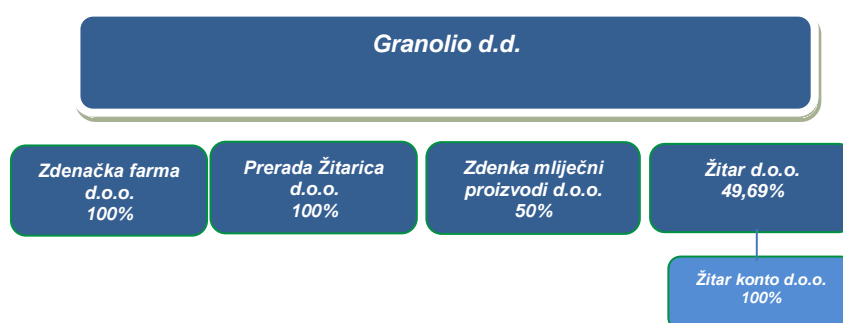
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

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 pekare 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

As at 30 September 2017 the Company's financial assets comprised 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, Company 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 its due liabilities, in July 2017 the Company 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 Company 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 at 31 August 2017, to the company B2 KAPITAL d.o.o.

## Company's financial indicators for the nine months of 2017

In thousands HRK

Granolio d.d.	1-9 2017	1-9 2016	promjena	
<b>Operating income</b>	267.922	395.256	(127.334)	(32%)
<b>Operating expenses</b>	276.530	376.786	(100.257)	(27%)
<b>EBIT</b>	(8.608)	18.470	(27.078)	(147%)
<i>EBIT margin</i>	-3%	5%		
<b>EBITDA</b>	(414)	26.149	(26.563)	(102%)
<i>EBITDA margin</i>	0%	7%		
<b>Net financial result</b>	(17.804)	(19.197)	1.393	(7%)
<b>Net result for the period</b>	(26.412)	(727)	(25.684)	(3531%)

\*EBITDA= EBIT + depreciation + impairment expenses

In the nine months period 2017 more unfavourable operating result (EBIT) has been realised compared to the same period last year. This is the result of lower sales volumes and lower sales margins in segments flour and trading.

Net financial result represents the difference between financial revenues and financial expenses.

In thousands HRK

Granolio d.d.	30.9.2017	31.12.2016	Change	
Net asset (capital and reserves)	147.756	172.138	(24.382)	(14%)
<b>Total debt to financial institutions</b>	<b>393.038</b>	<b>402.444</b>	<b>(9.406)</b>	<b>(2%)</b>
Cash and cash equivalents	1.929	9.300	(7.371)	(79%)
Loans given, deposits etc.*	63.924	47.772	16.152	34%
<b>Net debt</b>	<b>327.185</b>	<b>345.372</b>	<b>(18.187)</b>	<b>(5%)</b>
<b>Net debt/ EBITDA</b>	<b>25,05</b>	<b>8,72</b>	16	187%
EBITDA for the last 12 months	13.062	39.625	(26.563)	(67%)

In the first nine months 2017, total debt to financial institutions is decreased by net 9 million HRK. Liabilities for bank loans are decreased while increase in liabilities to financial institutions refers to issued financial credit notes. Increase in credit notes liabilities is related to regressive liabilities to the companies in Agrokor concern in the amount of 20 million HRK.

Remaining regressive liabilities as at 30 September 2017 amount 65 million HRK and are stated within other current liabilities.

All forementioned regressive liabilities are related to business relations with the Agrokor group and as at 30 September 2017 amount to 85 million HRK.

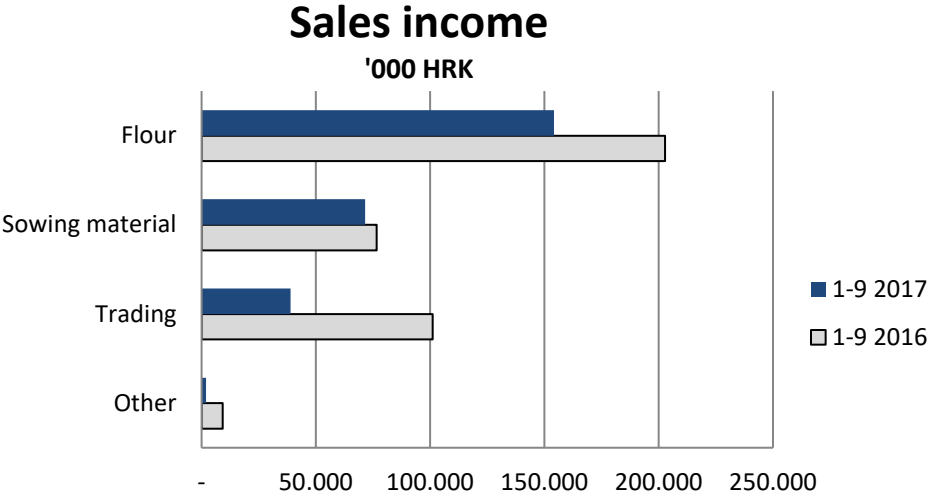
Note: in the calculation of Net debt, total debt comprises only liabilities to financial institutions and not liabilities to companies members of Granolio Group (36 million HRK), while Loans given figure comprises loans given to companies within Granolio group (19 million HRK).

# Overview of the business operations for the nine months of 2017 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:



## **Flour**

Decrease in income from sales of flour is the result of lower sales volume and lower sales prices. Average sales price in the nine months period 2017 is 4% lower than the average sales price of flour in the same period in 2016.

Average value of basic raw material (wheat) used in the production is higher in the nine months period 2017 compared to the same period last year by 1,5%.

Everything above implies that the sales margins made in the flour segment are lower than those made in the same period last year.

## **Sowing material**

Income from sale of sowing material is at almost the same level as in the comparing period.

## **Trading**

Trading segment has made decreased sales in the nine months period 2017 compared to the nine months period 2016 by 60%. The most significant fall is made in sales of wheat.

## **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 cattle breeding. It is important to state that silo is used to meet needs of segments Flour and Trading. Income in the nine months period 2017 is lower compared to the previous period because in 2017 the volume of re-invoicing income is lower. Income generated by drying and goods reception is subjected to seasonality and is mainly realized in the second half of the year. It is also closely related to the segment Trading, i.e. purchase of crops for the purpose of further sales.

## **Employees**

In the nine months period 2017 the Company employed 178 employees based on man-hour basis (in the nine months period 2016: 164 employees)

## **Redemption of treasury shares**

Based on the General Assembly decision as of 9 June 2016 the Company has transferred a portion of the profit earned in 2015 into the equity reserves for treasury shares in the amount of HRK 800 thousand.

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 nine months period of 2017.

**Annex 1.**

Reporting period

1.1.2017

to

30.9.2017

**Quarterly financial report TFI-POD**

Tax number (MB): 01244272

Company registration number  
(MRS): 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

County code and name: 21 GRAD ZAGREB

Number of employees: 179

Consolidated report: NO

(period end)  
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](mailto:jkordic@granolio.hr)

Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

**Documentation for public disclosure:**

1. Financial statements (balance sheet, income statement, cash flow statement, statement of changes in equity, notes to the financial statements)
2. Non-consolidated financial results for the 12 months period ended 31 December 2016,
3. Management Board statement of liability and Statements of responsibility of executives responsible for preparing financial statements.

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
<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+031+036)</b>	<b>002</b>	462.073.661	455.738.466
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	186.475.266	185.216.483
1. Assets development	<b>004</b>		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.400.027	120.390.744
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>	5.696.167	4.446.667
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	139.189.258	134.115.410
1. Land	<b>011</b>	8.182.140	8.303.370
2. Buildings	<b>012</b>	110.565.819	109.889.334
3. Plant and equipment	<b>013</b>	16.479.891	14.827.996
4. Tools, working inventory and transportation assets	<b>014</b>	1.155.288	994.251
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>		
7. Tangible assets in progress	<b>017</b>	2.729.289	24.225
8. Other tangible assets	<b>018</b>	76.831	76.234
9. Investments in buildings	<b>019</b>		
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	<b>020</b>	136.384.026	136.391.573
1. Investments (shares) with related parties within the Group	<b>021</b>	115.254.813	115.254.813
2. Investments in other securities of related parties within the Group	<b>022</b>		
3. Loans, deposits and similar assets to related parties within the Group	<b>023</b>		
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	<b>024</b>		
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	<b>025</b>		
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	<b>026</b>		
7. Investments in securities	<b>027</b>		
8. Loans, deposits and similar assets	<b>028</b>	667.523	675.070
9. Other investments accounted by equity method	<b>029</b>		
10. Other long - term financial assets	<b>030</b>	20.461.690	20.461.690
IV. RECEIVABLES (032 do 035)	<b>031</b>	25.111	15.000
1. Receivables from related parties within the Group	<b>032</b>		
2. Receivables from participating parties	<b>033</b>		
3. Accounts receivable	<b>034</b>		
4. Other receivables	<b>035</b>	25.111	15.000
V. DEFERRED TAX ASSET	<b>036</b>		
<b>C) SHORT TERM ASSETS (038+046+053+063)</b>	<b>037</b>	323.703.646	312.011.214
I. INVENTORIES (039 do 045)	<b>038</b>	32.553.845	18.538.025
1. Raw materials and supplies	<b>039</b>	8.359.133	7.450.586
2. Work in progress	<b>040</b>	570.661	654.288
3. Finished goods	<b>041</b>	1.783.385	1.814.498
4. Merchandise	<b>042</b>	21.840.666	8.618.653
5. Prepayments for inventories	<b>043</b>		
6. Long term assets held for sale	<b>044</b>		
7. Biological assets	<b>045</b>		
II. RECEIVABLES (047 do 052)	<b>046</b>	234.745.407	228.295.507
1. Receivables from related parties within the Group	<b>047</b>	27.583.830	40.114.898
2. Receivables from participating parties	<b>048</b>		
3. Accounts receivable	<b>049</b>	100.499.078	93.125.821
4. Receivables from employees and members of related parties	<b>050</b>	7.342	972
5. Receivables from government and other institutions	<b>051</b>	1.747.620	2.358.771
6. Other receivables	<b>052</b>	104.907.537	92.695.045
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	<b>053</b>	47.104.112	63.248.733
1. Investments (shares) with related parties within the Group	<b>054</b>		
2. Investments in other securities of related parties within the Group	<b>055</b>		
3. Loans, deposits and similar assets to related parties within the Group	<b>056</b>	39.918.768	39.653.936
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	<b>057</b>		
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	<b>058</b>		
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	<b>059</b>		
7. Investments in securities	<b>060</b>	881.994	178.281
8. Loans, deposits and similar assets	<b>061</b>	6.303.350	23.416.516
9. Other financial assets	<b>062</b>		
IV. CASH AND CASH EQUIVALENTS	<b>063</b>	9.300.282	1.928.949
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	4.370.100	2.964.331
<b>E) TOTAL ASSETS (001+002+037+064)</b>	<b>065</b>	790.147.407	770.714.011
<b>F) OFF-BALANCE RECORDS</b>	<b>066</b>	4.091.915	10.203.918



<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)</b>	<b>067</b>	172.137.809	147.756.480
I. SUBSCRIBED SHARE CAPITAL	<b>068</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>069</b>	84.186.547	84.186.547
III. RESERVES FROM PROFIT (071+072-073+074+075)	<b>070</b>	1.083.227	1.208.554
1. Reserves prescribed by law	<b>071</b>	283.227	408.554
2. Reserves for treasury shares	<b>072</b>	800.000	800.000
3. Treasury shares (deductible items)	<b>073</b>		
4. Statutory reserves	<b>074</b>		
5. Other reserves	<b>075</b>		
IV. REVALUATION RESERVES	<b>076</b>	61.561.956	60.863.131
V. FAIR VALUE RESERVES(078-080)	<b>077</b>		
1. Fair value of financial assets available for sale	<b>078</b>		
2. Efficient part of cash flow hedging	<b>079</b>		
3. Efficient part of hedging of a net investment in foreign countries	<b>080</b>		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (082-083)	<b>081</b>	3.783.114	8.893.437
1. Retained earnings	<b>082</b>	3.783.114	8.893.437
2. Accumulated loss	<b>083</b>		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	<b>084</b>	2.506.535	-26.411.619
1. Profit for the current year	<b>085</b>	2.506.535	
2. Loss for the current year	<b>086</b>		26.411.619
VII. MINORITY (NON-CONTROLLING) INTEREST	<b>087</b>		
<b>B) PROVISIONS (089 do 094)</b>	<b>088</b>	0	0
1. Provisions for pensions, severance pay and similar liabilities	<b>089</b>		
2. Provisions for tax liabilities	<b>090</b>		
3. Provisions for ongoing legal cases	<b>091</b>		
4. Provisions for costs of natural resources regeneration	<b>092</b>		
5. Provisions for guarantees costs	<b>093</b>		
6. Other provisions	<b>094</b>		
<b>C) LONG - TERM LIABILITIES (096 do 106)</b>	<b>095</b>	283.173.339	277.560.484
1. Liabilities to related parties within the Group	<b>096</b>		
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>097</b>		
3. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>098</b>		
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	<b>099</b>		
5. Liabilities for loans, deposits, etc.	<b>100</b>		
6. Liabilities to banks and other financial institutions	<b>101</b>	267.782.850	264.200.285
7. Liabilities for received prepayments	<b>102</b>		
8. Accounts payable	<b>103</b>		
9. Liabilities arising from debt securities	<b>104</b>		
10. Other long-term liabilities	<b>105</b>		
11. Deferred tax liability	<b>106</b>	15.390.489	13.360.199
<b>D) SHORT - TERM LIABILITIES (108 do 121)</b>	<b>107</b>	334.356.996	345.050.693
1. Liabilities to related parties within the Group	<b>108</b>	2.065.328	7.918.758
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>109</b>	11.903.566	32.222.298
3. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>110</b>		
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	<b>111</b>		
5. Liabilities for loans, deposits, etc.	<b>112</b>		
6. Liabilities to banks and other financial institutions	<b>113</b>	94.891.018	81.287.451
7. Liabilities for received prepayments	<b>114</b>	3.615.967	3.041.585
8. Accounts payable	<b>115</b>	73.823.782	93.903.220
9. Liabilities arising from debt securities	<b>116</b>	39.770.000	47.550.600
10. Liabilities to employees	<b>117</b>	1.172.827	986.799
11. Liabilities for taxes, contributions and similar fees	<b>118</b>	4.145.359	1.115.875
12. Liabilities to share - holders	<b>119</b>		
13. Liabilities for long-term assets held for sale	<b>120</b>		
14. Other short - term liabilities	<b>121</b>	102.969.149	77.024.107
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>122</b>	479.263	346.355
<b>F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)</b>	<b>123</b>	790.147.407	770.714.012
<b>G) OFF-BALANCE RECORDS</b>	<b>124</b>	4.091.915	10.203.918
<b>APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>125</b>		
2. Attributable to minority interest	<b>126</b>		

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
<b>I. OPERATING REVENUE (125+130)</b>	<b>125</b>	395.255.925	173.554.826	267.921.760	80.275.040
1. Sales revenue with related parties with the Group	126	20.275.933	16.021.815	11.769.424	4.726.127
2. Sales revenue (other parties)	127	369.449.047	155.763.475	254.817.111	75.103.391
3. Revenue from the use of own products, goods and services	128	8.383	4.894	4.412	1.112
4. Other operating revenue with related parties with the Group	129				
5. Other operating revenue (other parties)	130	5.522.562	1.764.642	1.330.813	444.410
<b>II. OPERATING COSTS (132+133+137+141+142+143+146+153)</b>	<b>131</b>	376.786.308	162.945.148	276.529.695	78.535.284
<b>1. Changes in value of work in progress and finished products</b>	<b>132</b>	1.084.519	332.699	-155.339	-1.193.661
<b>2. Material costs (133 do 136)</b>	<b>133</b>	343.950.867	152.012.856	246.186.577	71.161.708
a) Raw material and material costs	134	161.103.551	58.096.913	118.956.259	40.536.279
b) Cost of goods sold	135	159.749.115	82.374.830	108.549.608	24.588.930
c) Other external costs	136	23.098.201	11.541.113	18.680.710	6.036.499
<b>3. Staff costs (138 do 140)</b>	<b>137</b>	16.489.014	5.600.509	15.696.173	4.463.379
a) Net salaries and wages	138	9.375.974	3.176.293	9.469.015	2.782.463
b) Tax and contributions from salary expenses	139	4.723.401	1.610.506	3.931.903	1.025.709
c) Contributions on gross salaries	140	2.389.639	813.710	2.295.255	655.207
<b>4. Depreciation and amortisation</b>	<b>141</b>	7.679.741	2.586.187	8.193.885	2.659.010
<b>5. Other costs</b>	<b>142</b>	3.091.329	1.132.676	2.547.834	747.232
<b>6. Impairment (144+145)</b>	<b>143</b>	0	0	0	0
a) Impairment of long-term assets (financial assets excluded)	144				0
b) Impairment of short - term assets (financial assets excluded)	145				
<b>7. Provisions (147 do 152)</b>	<b>146</b>				0
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				
<b>8. Other operating costs</b>	<b>153</b>	4.490.838	1.280.221	4.060.565	697.616
<b>III. FINANCIAL INCOME (155 do 164)</b>	<b>154</b>	2.000.888	1.028.296	3.138.452	734.935
1. Income from investment in shares in related parties within the Group	155				
2. Income from investment in shares of entrepreneurs in whom the entity holds participating	156				
3. Income from other long-term financial investment and loans granted to related parties	157	600.107	208.417	692.962	247.302
4. Other income arising from interests with related parties within the Group	158			6.580	
5. Foreign exchange gains and similar financial income with related parties within the Group	159				
6. Income from other long-term financial investment and loans	160	160.786	66.440	593.736	179.941
7. Other income arising from interests	161	331.596	230.148	130.625	108.228
8. Foreign exchange gains and similar financial income	162	236.818	116.491	575.293	143.927
9. Unrealized gains (income) from financial assets	163				
10. Other financial income	164	671.581	406.800	1.139.256	55.537
<b>IV. FINANCIAL EXPENSES (166 do 172)</b>	<b>165</b>	21.197.816	7.439.269	20.942.137	6.559.854
1. Expenses arising from interests and similar expenses with related parties within the Group	166	983	0	893.420	381.288
2. Foreign exchange losses and similar financial expenses with related parties within the	167				
3. Expenses arising from interests and similar expenses	168	20.581.063	7.345.005	19.290.786	5.801.853
4. Foreign exchange losses and similar financial expenses	169	519.995	93.127	726.992	376.068
5. Unrealized losses (expenses) on financial assets	170				
6. Financial assets impairment (net)	171	60.000	0	0	0
7. Other financial expenses	172	35.775	1.137	30.939	645
<b>V. SHARE IN PARTICIPATING INTERESTS PROFIT</b>	<b>173</b>				
<b>VI. SHARE IN JOINT-VENTURE PROFIT</b>	<b>174</b>				
<b>VII. SHARE IN PARTICIPATING INTERESTS LOSS</b>	<b>175</b>				
<b>VIII. SHARE IN JOINT-VENTURE LOSS</b>	<b>176</b>				
<b>IX. TOTAL INCOME (125+164+173 + 174)</b>	<b>177</b>	397.256.813	174.583.122	271.060.212	81.009.975
<b>X. TOTAL EXPENSES (131+165+175 + 176)</b>	<b>178</b>	397.984.124	170.384.417	297.471.832	85.095.138
<b>XI. PROFIT OR LOSS BEFORE TAXES (177-178)</b>	<b>179</b>	-727.311	4.198.705	-26.411.620	-4.085.163
1. Profit before taxes (177-178)	180	0	4.198.705	0	0
2. Loss before taxes (178-177)	181	727.311	0	26.411.620	4.085.163
<b>XII. PROFIT TAX</b>	<b>182</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)</b>	<b>183</b>	-727.311	4.198.705	-26.411.620	-4.085.163
1. Profit for the period (179-182)	184	0	4.198.705	0	0
2. Loss for the period (182-179)	185	727.311	0	26.411.620	4.085.163
<b>APPENDIX to income statement (to be filled in by entrepreneur that prepares consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	186				
2. Attributable to minority interest	187				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD</b>					
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (190 do 197)</b>	<b>188</b>	-727.311	4.198.705	-26.411.620	-4.085.163
1. Exchange differences on translation of foreign operations	189	0	0	0	0
2. Movements in revaluation reserves of long - term tangible and intangible assets	190				
3. Profit or loss arising from re-evaluation of financial assets available for sale	191				
4. Gains or losses arising on efficient cash flow hedging	192				
5. Gains or losses arising on efficient hedge of a net investment in foreign countries	193				
6. Share in other comprehensive income / loss of participating interest companies	194				
7. Actuarial gains / losses on defined benefit plans	195				
8. Other changes in equity non related to the owners	196				
9. Other changes in equity non related to the owners	197				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>198</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>199</b>	0	0	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188+199)</b>	<b>200</b>	-727.311	4.198.705	-26.411.620	-4.085.163
<b>APPENDIX to other comprehensive income statement (to be filled in by entrepreneur that prepares consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	201				
2. Attributed to minority interest	202				

**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
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	<b>001</b>	(727.312)	(26.411.620)
2. Adjustments (003 do 010)	<b>002</b>	24.147.337	27.357.124
a.) Depreciation and amortisation	<b>003</b>	7.679.741	8.193.886
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	<b>004</b>	(187.190)	(93.597)
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	<b>005</b>	(292.623)	(926.192)
d.) Interests and dividends income	<b>006</b>		
e.) Interests expense	<b>007</b>	19.489.551	20.184.206
f.) Provisions	<b>008</b>		
g.) Foreign exchange differences (unrealised)	<b>009</b>	(20.867)	
h.) Other adjustments for non-cash transactions and unrealised gains and losses	<b>010</b>	(2.542.143)	(1.179)
<b>I. Cash flow increase or decrease before changes in the working capital (001 do 002)</b>	<b>011</b>	<b>23.420.025</b>	<b>945.504</b>
3. Working capital changes ( 013 do 016)	<b>012</b>	<b>(62.852.181)</b>	<b>23.732.676</b>
a.) Increase or decrease in short term liabilities	<b>013</b>	17.488.475	15.260.864
b.) Increase or decrease in short term receivables	<b>014</b>	(59.499.848)	(5.744.740)
c.) Increase or decrease in inventories	<b>015</b>	(20.840.808)	14.216.552
d.) Other increase or decrease in the working capital	<b>016</b>		
<b>II. Cash from operations (011+012)</b>	<b>017</b>	<b>(39.432.156)</b>	<b>24.678.180</b>
4. Interests paid	<b>018</b>		
5. Income tax paid	<b>019</b>	(4.608.029)	(1.555.336)
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)</b>	<b>020</b>	<b>(44.040.185)</b>	<b>23.122.844</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	<b>021</b>	187.190	80.917
2. Cash inflow from the sale of financial instruments	<b>022</b>	(73.568)	
3. Interests receipts	<b>023</b>	1.478.372	1.081.315
4. Dividends receipts	<b>024</b>	19.794	
5. Cash inflow from repayment of given loans and other borrowings	<b>025</b>	37.254.126	13.003.940
6. Other cash inflows from investing activities	<b>026</b>	-	795.584
<b>III. Total cash inflows from investing activities (021 do 026)</b>	<b>027</b>	<b>38.865.914</b>	<b>14.961.756</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	<b>028</b>	(3.135.090)	(1.881.255)
2. Cash outflow for acquisition of financial instruments	<b>029</b>		
3. Cash outflow for granting loans and other borrowings in the given period	<b>030</b>	(63.392.056)	(29.829.373)
4. Aquisition of associates decreased by the acquired cash	<b>031</b>		
5. Other cash outflow for investing activities	<b>032</b>	162.712	(14.747)
<b>IV. Total cash outflow for investing activities (028 do 032)</b>	<b>033</b>	<b>(66.364.434)</b>	<b>(31.725.375)</b>
<b>B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)</b>	<b>034</b>	<b>(27.498.520)</b>	<b>(16.763.619)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash inflow from increase of the share (subscribed) capital	<b>035</b>		
2. Cash inflow from issuing property and debt financial instruments	<b>036</b>		
3. Cash proceeds from the credit principals, promissory notes, borrowings and other loans	<b>037</b>	254.653.512	98.403.467
4. Other proceeds from financial activities	<b>038</b>		
<b>V. Total cash inflows from financial activities (027 do 029)</b>	<b>039</b>	<b>254.653.512</b>	<b>98.403.467</b>
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	<b>040</b>	(205.420.131)	(90.493.518)
2. Cash outflow for dividends paid	<b>041</b>	(950.822)	-
3. Cash outflow for financial lease	<b>042</b>	(488.256)	(729.948)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	<b>043</b>		
5. Other cash outflow for financial activities	<b>044</b>	8.174.890	(20.910.559)
<b>VI. Total cash outflow for financial activities (031 do 035)</b>	<b>045</b>	<b>(198.684.319)</b>	<b>(112.134.025)</b>
<b>C) NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>046</b>	<b>55.969.193</b>	<b>(13.730.558)</b>
1. Unrealised foreign exchange differences in cash and cash equivalents	<b>047</b>		
<b>D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)</b>	<b>048</b>	<b>(15.569.512)</b>	<b>(7.371.333)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>16.972.547</b>	<b>9.300.282</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>050</b>	<b>1.403.035</b>	<b>1.928.949</b>

Statement of changes in equity  
01.01.2017-30.06.2017

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 do 7 - 8)		
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)
<b>Prior period</b>																		
1. Balance 1 January of the prior period	01		19.016.430	84.186.547	183.484					64.473.012				-7.078.272	9.073.131	169.854.332		169.854.332
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	-7.078.272	9.073.131	169.854.332	0	169.854.332
5. Profit / loss for the period	05														-727.311	-727.311		-727.311
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 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															0		0
14. Taxation recognised directly in equity	14													545.823		545.823		545.823
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													-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								8.173.388	-9.073.131	0		0
22. Increase in reserves arising from the pre-bankruptcy settlement procedure	22															0		0
23. Balance 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	2.873.409	-727.311	168.722.022	0	168.722.022
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by entrepreneur that prepares financial statements in accordance with IFRS)</b>																		
I. OTHER COMPREHENSIVE INCOME OF THE PRIOR PERIOD, NET OF TAX (AOP 06 to 14)	24		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II. COMPREHENSIVE INCOME OR LOSS OF THE PRIOR PERIOD (AOP 05+24)	25		0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	0	0	899.743	0	899.743





# Granolio

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tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: [granolio@granolio.hr](mailto: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



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**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

Granolio d.d.  
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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

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**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