

**Unconsolidated financial results for the
twelve months period ended
31 December 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

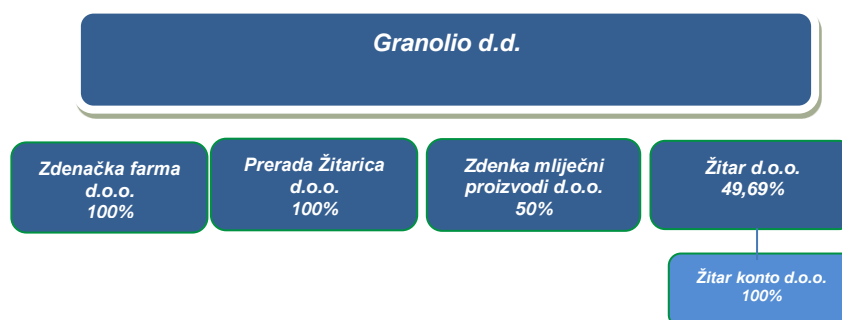
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

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 pekarnice Klara d.o.o. and Prehrana trgovina d.d. companies.

Ownership in subsidiaries is presented in the organizational chart below:



Significant business events in the accounting period

In financial statements as at 31 December 2017, the Company impaired its assets by 163 million HRK, out of which 140 million HRK arose from relations with Agrokor group.

As at 17 July 2017 the Company asked Commercial court to start a process of pre-bankruptcy settlement. On 19 October 2017, Commercial court reached a decision on established and disputed claims. Once the decision becomes valid, the court will schedule hearing for voting on the restructuring plan.

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 and is stated as current liability.

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.

As at 27 November 2017, Company increased its investment into the related company Prerada žitarica d.o.o. by 40,7 million HRK. Increase in equity of Prerada žitarica d.o.o. was done by converting debt to equity.

Company's financial indicators for the twelve months of 2017

In thousands HRK

Granolio d.d.	1-12 2017	1-12 2016	Change	
Operating income	397.875	595.310	(197.435)	(33%)
Operating expenses	489.747	566.237	(76.490)	(14%)
EBIT	(91.872)	29.073	(120.945)	(416%)
<i>EBIT margin</i>	-23%	5%		
EBITDA	(5.989)	39.625	(45.614)	(115%)
<i>EBITDA margin</i>	-2%	7%		
Net financial result	(106.315)	(24.577)	(81.738)	333%
Net result for the period	(198.187)	2.507	(200.694)	8246%

*EBITDA= EBIT + depreciation + impairment expenses

In 2017 less favorable operating result (EBIT) has been realised compared to the 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 2017 financial expenses comprise impairment cost of financial assets by 88 million HRK, while the rest of asset impairment costs is stated within operating expenses in the amount of 75 million HRK.

In thousands HRK

Granolio d.d.	31.12.2017	31.12.2016	Change	
Net asset (capital and reserves)	(23.855)	172.138	(195.993)	(114%)
Total debt to financial institutions	389.677	402.444	(12.767)	(3%)
Cash and cash equivalents	2.801	9.300	(6.499)	(70%)
Loans given, deposits etc.*	41.619	47.772	(6.153)	(13%)
Net debt	345.257	345.372	(115)	(0%)
Net debt/EBITDA	(57,65)	8,72	(66)	(761%)
EBITDA for the last 12 months	(5.989)	39.625	(45.614)	(115%)

*Loans given, securities and deposits

In 2017, total debt to financial institutions is decreased by net 13 million HRK. Liabilities for bank loans are decreased while increase in liabilities to financial institutions refers to issued financial credit notes.

As at 31 December 2017 the Company's regressive liabilities in the amount 85 million HRK out of which 20 million HRK is stated in financial liabilities and remaining 65 million HRK is stated within other current liabilities.

All forementioned regressive liabilities are related to business relations with the Agrokor group.

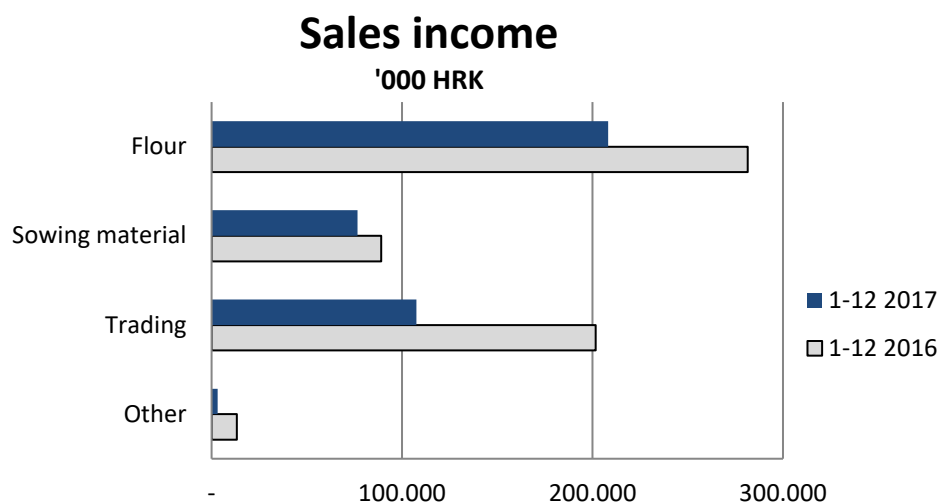
Note: in the calculation of Net debt, total debt comprises only liabilities to financial institutions and not liabilities to companies members of Granolio Group (34 million HRK), while Loans given figure comprises loans given to companies within Granolio group (13,5 million HRK).

Overview of the business operations for the twelve 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. Total sales volume in 2017 is lower by 24% compared to sales volume in 2016.

Average value of basic raw material (wheat) used in the production is higher in 2017 compared to the last year by 5%, while average selling prices are lower by 1,4%. Accordingly, margins in this segment are lower in 2017 than in previous year.

Sowing material

Income from sale of sowing material is lower than income earned in the comparing period. The reason for that is insufficient working capital.

Trading

Trading segment has made decreased sales in 2017 compared to the previous year by 50%. 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 2017 is lower compared to the previous year due to lower volume of re-invoicing income

Employees

In the twelve months period 2017 the Company employed 175 employees based on man-hour basis (in the twelve months period 2016: 169 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 twelve months period of 2017.

Annex 1.

Reporting period

1.1.2017

to

31.12.2017

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.hrInternet address: www.granolio.hr

Municipality/city code and name: 133

County code and name: 21 GRAD ZAGREB

Number of employees: 176

(period end)

Consolidated report: NO

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)

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 31.12.2017

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	462.073.661	426.471.549
I. INTANGIBLE ASSETS (004 do 009)	003	186.475.266	124.361.664
1. Assets development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	120.400.027	120.331.497
3. Goodwill	006	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	4.030.167
II. TANGIBLE ASSETS (011 do 019)	010	139.189.258	132.386.401
1. Land	011	8.182.140	8.303.370
2. Buildings	012	110.565.819	108.954.232
3. Plant and equipment	013	16.479.891	14.121.832
4. Tools, working inventory and transportation assets	014	1.155.288	906.703
5. Biological assets	015		0
6. Prepayments for tangible assets	016		0
7. Tangible assets in progress	017	2.729.289	24.225
8. Other tangible assets	018	76.831	76.039
9. Investments in buildings	019		0
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	136.384.026	169.708.484
1. Investments (shares) with related parties within the Group	021	115.254.813	155.964.074
2. Investments in other securities of related parties within the Group	022		0
3. Loans, deposits and similar assets to related parties within the Group	023		0
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	024		0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	025		0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating interests	026		0
7. Investments in securities	027		0
8. Loans, deposits and similar assets	028	667.523	258.820
9. Other investments accounted by equity method	029	0	0
10. Other long - term financial assets	030	20.461.690	13.485.590
IV. RECEIVABLES (032 do 035)	031	25.111	15.000
1. Receivables from related parties within the Group	032		
2. Receivables from participating parties	033		
3. Accounts receivable	034		
4. Other receivables	035	25.111	15.000
V. DEFERRED TAX ASSET	036		
C) SHORT TERM ASSETS (038+046+053+063)	037	323.703.645	151.206.835
I. INVENTORIES (039 do 045)	038	32.553.845	20.566.701
1. Raw materials and supplies	039	8.359.133	11.955.946
2. Work in progress	040	570.661	608.463
3. Finished goods	041	1.783.385	1.629.346
4. Merchandise	042	21.840.666	6.372.946
5. Prepayments for inventories	043		0
6. Long term assets held for sale	044		0
7. Biological assets	045		0
II. RECEIVABLES (047 do 052)	046	234.745.407	86.478.862
1. Receivables from related parties within the Group	047	27.583.830	3.112.298
2. Receivables from participating parties	048		
3. Accounts receivable	049	100.499.078	55.779.215
4. Receivables from employees and members of related parties	050	7.342	0
5. Receivables from government and other institutions	051	1.747.620	3.335.881
6. Other receivables	052	104.907.537	24.251.468
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	47.104.111	41.360.548
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	39.918.768	28.149.773
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 interests	059	0	0
7. Investments in securities	060	881.994	178.281
8. Loans, deposits and similar assets	061	6.303.350	13.032.494
9. Other financial assets	062	0	0
IV. CASH AND CASH EQUIVALENTS	063	9.300.282	2.800.724
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	4.370.100	616.706
E) TOTAL ASSETS (001+002+037+064)	065	790.147.406	578.295.090
F) OFF-BALANCE RECORDS	066		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	172.137.809	-23.854.782
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	60.117.173
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	3.783.114	9.803.142
1. Retained earnings	082	3.783.114	9.803.142
2. Accumulated loss	083		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	2.506.535	-198.186.628
1. Profit for the current year	085	2.506.535	
2. Loss for the current year	086	0	198.186.628
VII. MINORITY (NON-CONTROLLING) INTEREST	087		
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	283.173.339	13.953.913
1. Liabilities to related parties within the Group	096		
2. Liabilities for loans, deposits, etc. to related parties within the Group	097		
3. Liabilities to entrepreneurs in whom the entity holds participating interests	098		
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating interests	099		
5. Liabilities for loans, deposits, etc.	100		
6. Liabilities to banks and other financial institutions	101	267.782.850	757.460
7. Liabilities for received prepayments	102		
8. Accounts payable	103		
9. Liabilities arising from debt securities	104		
10. Other long-term liabilities	105		
11. Deferred tax liability	106	15.390.489	13.196.453
D) SHORT - TERM LIABILITIES (108 do 121)	107	334.356.996	587.525.457
1. Liabilities to related parties within the Group	108	13.968.894	4.844.028
2. Liabilities for loans, deposits, etc. to related parties within the Group	109	0	34.319.698
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 interests	111	0	0
5. Liabilities for loans, deposits, etc.	112	0	0
6. Liabilities to banks and other financial institutions	113	94.891.018	341.369.183
7. Liabilities for received prepayments	114	3.615.967	2.948.210
8. Accounts payable	115	73.823.782	77.540.491
9. Liabilities arising from debt securities	116	39.770.000	47.550.600
10. Liabilities to employees	117	1.172.827	1.012.249
11. Liabilities for taxes, contributions and similar fees	118	4.145.359	737.771
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	102.969.148	77.203.227
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	479.263	670.503
F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)	123	790.147.407	578.295.091
G) OFF-BALANCE RECORDS	124		
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		
2. Attributable to minority interest	126		

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

Income statement
period 01.01.2017 to 31.12.2017

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	595.309.665	200.053.739	397.875.202	129.953.444
1. Sales revenue with related parties with the Group	126	41.825.909	21.440.578	14.681.663	2.912.239
2. Sales revenue (other parties)	127	543.831.579	174.491.930	381.031.001	126.213.892
3. Revenue from the use of own products, goods and services	128	21.809	13.425	4.517	105
4. Other operating revenue with related parties with the Group	129	0	0		0
5. Other operating revenue (other parties)	130	9.630.368	4.107.806	2.158.021	827.208
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	566.236.831	189.450.521	489.746.890	213.135.036
1. Changes in value of work in progress and finished products	132	1.447.049	362.530	10.304	83.484
2. Material costs (133 do 136)	133	520.821.355	176.870.488	371.426.250	125.239.673
a) Raw material and material costs	134	216.100.074	54.996.523	164.062.824	45.106.565
b) Cost of goods sold	135	264.905.015	105.155.900	181.917.515	73.367.907
c) Other external costs	136	39.816.266	16.718.065	25.445.911	6.765.201
3. Staff costs (138 do 140)	137	22.359.364	5.870.349	20.199.967	4.503.794
a) Net salaries and wages	138	12.724.662	3.348.688	12.302.298	2.833.283
b) Tax and contributions from salary expenses	139	6.391.447	1.668.045	4.974.090	1.042.187
c) Contributions on gross salaries	140	3.243.255	853.616	2.923.579	628.324
4. Depreciation and amortisation	141	10.305.986	2.626.245	10.872.016	2.678.131
5. Other costs	142	4.291.498	1.200.168	5.329.884	2.782.050
6. Impairment (144+145)	143	246.607	246.607	75.010.577	75.010.577
a) Impairment of long-term assets (financial assets excluded)	144	0	0	60.379.072	60.379.072
b) Impairment of short - term assets (financial assets excluded)	145	246.607	246.607	14.631.505	14.631.505
7. Provisions (147 do 152)	146				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				
8. Other operating costs	153	6.764.972	2.274.134	6.897.892	2.837.327
III. FINANCIAL INCOME (155 do 164)	154	3.699.641	2.658.709	4.000.539	862.087
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 interest	156	0	0	0	0
3. Income from other long-term financial investment and loans granted to related parties within the Group	157	1.083.920	483.814	905.637	212.675
4. Other income arising from interests with related parties within the Group	158	3.508	3.508	6.580	0
5. Foreign exchange gains and similar financial income with related parties within the Group	159	0	0		0
6. Income from other long-term financial investment and loans	160	1.401.778	1.240.993	1.049.793	456.057
7. Other income arising from interests	161	464.618	133.022	181.219	50.594
8. Foreign exchange gains and similar financial income	162	566.474	329.656	718.054	142.761
9. Unrealized gains (income) from financial assets	163				0
10. Other financial income	164	179.343	467.716	1.139.256	0
IV. FINANCIAL EXPENSES (166 do 172)	165	28.276.449	8.038.587	110.315.478	89.373.341
1. Expenses arising from interests and similar expenses with related parties within the Group	166	91.297	90.314	1.319.635	426.215
2. Foreign exchange losses and similar financial expenses with related parties within the Group	167		0		0
3. Expenses arising from interests and similar expenses	168	27.270.407	7.649.298	19.650.642	359.856
4. Foreign exchange losses and similar financial expenses	169	808.352	288.357	967.874	240.882
5. Unrealized losses (expenses) on financial assets	170		0	6.976.100	6.976.100
6. Financial assets impairment (net)	171	60.000	0	81.370.283	81.370.283
7. Other financial expenses	172	46.393	10.618	30.944	5
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	599.009.306	202.712.448	401.875.741	130.815.531
X. TOTAL EXPENSES (131+165+175 + 176)	178	594.513.280	197.489.108	600.062.368	302.508.377
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	4.496.026	5.223.340	-198.186.627	-171.692.846
1. Profit before taxes (177-178)	180	4.496.026	5.223.340	0	0
2. Loss before taxes (178-177)	181	0	0	198.186.627	171.692.846
XII. PROFIT TAX	182	1.989.493	1.989.493	0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	2.506.533	3.233.847	-198.186.627	-171.692.846
1. Profit for the period (179-182)	184	2.506.533	3.233.847	0	0
2. Loss for the period (182-179)	185	0	0	198.186.627	171.692.846
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				
2. Attributable to minority interest	187				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD	188	2.506.533	3.233.847	-198.186.627	-171.692.846
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	2.506.533	3.233.847	-198.186.627	-171.692.846
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				
2. Attributed to minority interest	202				

Cash flow statement - indirect method
period 01.01.2017 to 31.12.2017

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	4.496.029	(198.186.628)
2. Adjustments (003 do 010)	002	32.509.478	89.043.774
a.) Depreciation and amortisation	003	10.305.986	10.872.016
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	004	(187.190)	60.285.892
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	005	168.927	(770.584)
d.) Interests and dividends income	006	-2973619	0
e.) Interests expense	007	27.361.704	20.970.277
f.) Provisions	008		28.593.503
g.) Foreign exchange differences (unrealised)	009	-	(7.995)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	(2.166.331)	(30.899.335)
I. Cash flow increase or decrease before changes in the working capital (001 do 002)	011	37.005.507	(109.142.854)
3. Working capital changes (013 do 016)	012	7.405.185	137.895.636
a.) Increase or decrease in short term liabilities	013	(24.806.314)	(172.646)
b.) Increase or decrease in short term receivables	014	6.945.597	126.081.140
c.) Increase or decrease in inventories	015	25.265.902	11.987.143
d.) Other increase or decrease in the working capital	016		
II. Cash from operations (011+012)	017	44.410.692	28.752.782
4. Interests paid	018	(27.324.985)	(8.745.375)
5. Income tax paid	019	(5.200.077)	(2.189.036)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	11.885.630	17.818.371
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	187.190	80.917
2. Cash inflow from the sale of financial instruments	022		-
3. Interests receipts	023	2.435.167	1.446.464
4. Dividends receipts	024	19.794	-
5. Cash inflow from repayment of given loans and other borrowings	025	91.910.773	15.897.861
6. Other cash inflows from investing activities	026	152.601	-
III. Total cash inflows from investing activities (021 do 026)	027	94.705.525	17.425.242
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(4.607.233)	(2.355.046)
2. Cash outflow for acquisition of financial instruments	029	(27.137)	
3. Cash outflow for granting loans and other borrowings in the given period	030	(96.221.857)	(29.829.373)
4. Aquisition of associates decreased by the acquired cash	031		
5. Other cash outflow for investing activities	032		480.075
IV. Total cash outflow for investing activities (028 do 032)	033	(100.856.227)	(31.704.343)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(6.150.702)	(14.279.101)
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	362.603.866	58.266.408
4. Other proceeds from financial activities	038		-
V. Total cash inflows from financial activities (027 do 029)	039	362.603.866	58.266.408
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	040	(333.073.438)	(55.181.818)
2. Cash outflow for dividends paid	041	(950.822)	-
3. Cash outflow for financial lease	042	(735.923)	(904.019)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financial activities	044	(41.250.876)	(12.219.400)
VI. Total cash outflow for financial activities (031 do 035)	045	(376.011.059)	(68.305.237)
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES	046	(13.407.193)	(10.038.828)
1. Unrealised foreign exchange differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(7.672.264)	(6.499.557)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	16.972.547	9.300.282
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	050	9.300.283	2.800.725



Granolio

Granolio d.d.
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In Zagreb, 28 February 2018

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 December 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 twelve months period ended 31 December 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

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 i Drago Šurina, predsjednik Nadzornog odbora: Franjo Filipović



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Zagreb, 28 February 2018

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



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

To the best of our knowledge, the complete shorten set of unaudited financial statements for the twelve months period give a true presentation of the Company's position as at 31 December 2017.

Reports prepared by:



Jasenka Kordić
Accounting Director

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