

**Consolidated financial results for the
three months period ended
31 March 2018
(unaudited)**



Granolio

General information on Granolio d.d.

GRANOLIO d.d. ("The Company") is a joint-stock company registered with the Commercial Court of Zagreb, Croatia. The Company's tax number (OIB) is 59064993527, and its registration number (MBS) 080111595.

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

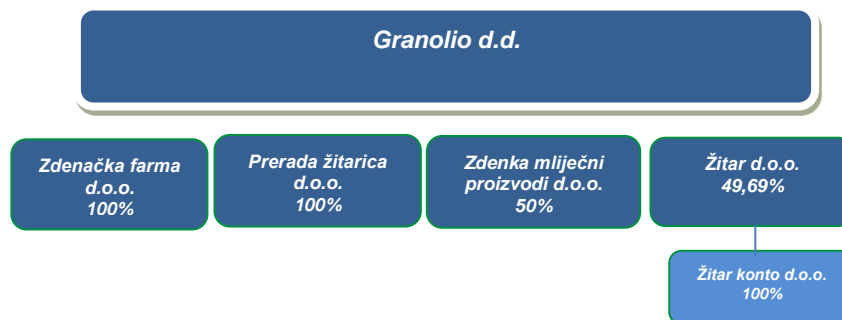
Subsidiaries

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

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

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

Ownership in subsidiaries is presented in the organizational chart below:



The Group monitors its business operations through four business segments:

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

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

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

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

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

Granolio Group's financial indicators for the three months period of 2018

u tisućama kuna

	1-3 2018	1-3 2017	promjena	
Operating income	103.028	159.452	(56.424)	(35%)
Operating expenses	(106.384)	(165.878)	59.494	36%
EBIT	(3.356)	(6.426)	3.070	(48%)
<i>EBIT margin</i>	<i>-3%</i>	<i>(4%)</i>		
EBITDA	4.383	1.719	2.664	155%
<i>EBITDA margin</i>	<i>4%</i>	<i>1%</i>		
Net financial result	159	(6.540)	6.699	102%
Net result for the period	(3.197)	(12.966)	9.769	75%
<i>Attributable to the Group</i>	<i>(2.763)</i>	<i>(12.642)</i>	<i>9.879</i>	<i>78%</i>
<i>Non-controlling interest</i>	<i>(434)</i>	<i>(324)</i>	<i>(110)</i>	<i>(34%)</i>

In the first quarter 2018, the Group has made more favorable operating result (EBIT) compared to the same period last year.

Net financial result in the first quarter 2018 is more favorable than in the same period last year due to the fact that mother company has charged with no interest for the interest bearing debt.

Financial indicators

in thousands of HRK

	31.3.2018	31.12.2017	promjena	
Net assets (Capital and reserves)*	17.298	20.356	(3.058)	(15%)
Total debt	498.911	485.138	13.773	3%
Cash and cash equivalents	2.124	3.605	(1.481)	(41%)
Given loans, deposits and similar**	28.707	28.750	(43)	(0%)
Net debt	468.080	452.783	15.297	3%
Net debt/ EBITDA	-110,71	-26,49		
EBITDA for the last 12 months	(4.228)	(17.969)		

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

** Loans given, securities and deposits

As at 29 January 2018 Company received a notice on the acquisition of 150,000 shares by HOK osiguranje (that represent 7,89% of ownership). HOK acquired shares in OTC transaction with the pension fund PBZ CROATIA OSIGURANJE. With that transaction, HOK osiguranje became the owner of 19,49% of the Company's share capital.

The Group expects to successfully end the pre-bankruptcy process in the mother company during 2018.

Separate business results for the three months period of 2018

Granolio d.d.

in thousands of HRK

	1-3 2018	1-3 2017	change	
Operating income	60.911	115.524	(54.613)	(47%)
EBIT	(3.009)	(6.303)	3.294	52%
<i>margin %</i>	(5%)	(5%)		
EBITDA	(393)	(3.489)	3.096	(89%)
<i>margin %</i>	(1%)	(3%)		
Net financial result	137	(6.624)	6.761	102%
Net result	(2.872)	(12.927)	10.055	78%
<i>margin %</i>	(4,7%)	(11,2%)		

In the first quarter 2018, Company has made more favorable operating result (EBIT) compared to the same period last year.

In the first quarter 2018, interest expense on loans received were not charged due to the pre-bankruptcy process still ongoing. Therefore, the financial expense is lower compared to the same period last year.

Zdenka - mliječni proizvodi d.o.o.

in thousands of HRK

	1-3 2018	1-3 2017	change	
Operating income	29.746	33.056	(3.310)	(10%)
EBIT	379	412	(33)	8%
<i>margin %</i>	1%	1%		
EBITDA	3.427	3.660	(233)	(6%)
<i>margin %</i>	12%	11%		
Net financial result	(60)	(107)	47	44%
Net result	319	305	14	(5%)
<i>margin %</i>	1%	1%		

In the first quarter 2018, the company has made almost equal operating result as in the same period last year.

Žitar d.o.o. (konsolidirani)

in thousands of HRK

	1-3 2018	1-3 2017	change	
Operating income	7.797	9.616	(1.819)	(19%)
EBIT	(1.205)	(1.198)	(7)	1%
<i>margin %</i>	(15%)	(12%)		
EBITDA	37	68	(31)	(46%)
<i>margin %</i>	0%	1%		
Net financial result	26	252	(226)	90%
Net result	(1.179)	(946)	(233)	(25%)
<i>margin %</i>	(15%)	(10%)		

Žitar's operating activities include agriculture, production of milk on a dairy farms, cattle breeding, rendering services of storing goods and trade in crops.

Zdenačka farma d.o.o.

in thousands of HRK

	1-3 2018	1-3 2017	change	
Operating income	5.518	5.139	379	7%
EBIT	528	394	134	34%
<i>margin %</i>	10%	8%		
EBITDA	1.255	1.107	148	13%
<i>margin %</i>	23%	22%		
Net financial result	(173)	(219)	46	21%
Net result	355	175	180	103%
<i>margin %</i>	6%	3%		

In the first quarter 2018 total sales of milk by Zdenačka farma amounted to 1,2 million kilos (Q1 2017: 1,2 million kilos). Average sales price realised in the first quarter 2018 was 5% lower than average sales price realised in the same period last year. In the first quarter 2018, income was also made from trade in goods.

Prerada žitarica d.o.o.

in thousands of HRK

	1-3 2018	1-3 2017	change	
Operating income	236	2.845	(2.609)	(92%)
EBIT	(48)	312	(360)	115%
<i>margin %</i>	(20%)	11%		
EBITDA	57	417	(360)	(86%)
<i>margin %</i>	24%	15%		
Net financial result	209	158	51	(32%)
Net result	161	470	(309)	66%
<i>margin %</i>	68%	17%		

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

As at 14 March 2018, Company and started process of merging it's related party Prerada žitarica into Granolio. On 24 April 2018, Trade court in Bjelovar reached a settlement on the forementioned merger and the registration of a merger on the Trade court in Zagreb is currently in progress.

The settlement is expected to be finished latest by 2 May 2018 and with that date, company Prerada žitarica is about to formally cease existing.

Employees

In the three months 2018 the Group employed 416 employees based on man-hour basis (in the three months 2017: 485 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 three months period 2018.

Annex 1.

Reporting period

1.1.2018

to

31.3.2018

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: **438**

(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 31.3.2018

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	468.986.689	463.331.349
I. INTANGIBLE ASSETS (004 do 009)	003	124.767.302	124.223.476
1. Assets development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	120.737.135	120.609.809
3. Goodwill	006	0	0
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	0	0
6. Other intangible assets	009	4.030.167	3.613.667
II. TANGIBLE ASSETS (011 do 019)	010	328.212.154	323.100.640
1. Land	011	23.610.097	23.643.097
2. Buildings	012	223.325.464	220.793.492
3. Plant and equipment	013	56.943.128	54.981.708
4. Tools, working inventory and transportation assets	014	2.917.588	2.756.065
5. Biological assets	015	10.110.572	9.605.334
6. Prepayments for tangible assets	016	355.095	296.528
7. Tangible assets in progress	017	10.437.015	10.511.701
8. Other tangible assets	018	81.195	80.715
9. Investments in buildings	019	432.000	432.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	13.892.233	13.892.233
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 interests	026	0	0
7. Investments in securities	027	0	0
8. Loans, deposits and similar assets	028	396.143	396.143
9. Other investments accounted by equity method	029	0	0
10. Other long - term financial assets	030	13.496.090	13.496.090
IV. RECEIVABLES (032 do 035)	031	15.000	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	15.000	15.000
V. DEFERRED TAX ASSET	036	2.100.000	2.100.000
C) SHORT TERM ASSETS (038+046+053+063)	037	254.673.903	264.494.913
I. INVENTORIES (039 do 045)	038	74.430.389	92.525.937
1. Raw materials and supplies	039	23.586.432	19.414.628
2. Work in progress	040	8.376.188	11.318.081
3. Finished goods	041	33.251.567	33.034.072
4. Merchandise	042	9.130.745	28.743.890
5. Prepayments for inventories	043	85.457	15.266
6. Long term assets held for sale	044	0	0
7. Biological assets	045	0	0
II. RECEIVABLES (047 do 052)	046	148.285.115	141.533.600
1. Receivables from related parties within the Group	047	492.726	492.722
2. Receivables from participating parties	048	0	0
3. Accounts receivable	049	112.470.877	109.046.236
4. Receivables from employees and members of related parties	050	3.526	4.083
5. Receivables from government and other institutions	051	8.710.729	6.562.170
6. Other receivables	052	26.607.258	25.428.389
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	28.353.437	28.311.652
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	14.676.132	14.656.132
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	178.441	179.272
8. Loans, deposits and similar assets	061	13.498.864	13.476.248
9. Other financial assets	062	0	0
IV. CASH AND CASH EQUIVALENTS	063	3.604.962	2.123.724
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	1.278.706	1.522.560
E) TOTAL ASSETS (001+002+037+064)	065	724.939.299	729.348.822
F) OFF-BALANCE RECORDS	066		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	20.356.308	17.298.500
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	1.208.554	1.208.554
1. Reserves prescribed by law	071	408.554	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	60.117.173	59.371.215
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	-868.634	-201.646.113
1. Retained earnings	082		0
2. Accumulated loss	083	868.634	201.646.113
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	-201.662.286	-2.762.933
1. Profit for the current year	085		
2. Loss for the current year	086	201.662.286	2.762.933
VII. MINORITY (NON-CONTROLLING) INTEREST	087	58.358.525	57.924.801
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	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	85.269.845	80.472.584
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 interests	099	0	0
5. Liabilities for loans, deposits, etc.	100	11.270	11.148
6. Liabilities to banks and other financial institutions	101	71.876.349	67.242.957
7. Liabilities for received prepayments	102	0	0
8. Accounts payable	103	185.773	185.773
9. Liabilities arising from debt securities	104	0	0
10. Other long-term liabilities	105	0	0
11. Deferred tax liability	106	13.196.453	13.032.706
D) SHORT - TERM LIABILITIES (108 do 121)	107	605.933.816	619.066.826
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 interests	111	0	0
5. Liabilities for loans, deposits, etc.	112	0	17.215.500
6. Liabilities to banks and other financial institutions	113	366.510.252	368.090.466
7. Liabilities for received prepayments	114	2.985.710	1.261.823
8. Accounts payable	115	102.605.008	98.590.335
9. Liabilities arising from debt securities	116	46.740.600	46.350.600
10. Liabilities to employees	117	2.188.819	2.095.727
11. Liabilities for taxes, contributions and similar fees	118	4.014.406	5.014.678
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	80.889.021	80.447.697
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	13.379.330	12.510.912
F) TOTAL - CAPITAL AND LIABILITIES (067+088+095+107+122)	123	724.939.299	729.348.822
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	-38.002.217	-40.626.301
2. Attributable to non-controlling interest	126	58.358.525	57.924.801

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

Income statement
period 01.01.2018 to 31.3.2018

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	159.452.265	159.452.265	103.028.002	103.028.002
1. Sales revenue with related parties within the Group	126	0	0	0	0
2. Sales revenue (third parties)	127	154.546.117	154.546.117	98.784.956	98.784.956
3. Revenue from the use of own products, goods and services	128	547.972	547.972	367.521	367.521
4. Other operating revenue with related parties within the Group	129	0	0	0	0
5. Other operating revenue (third parties)	130	4.358.176	4.358.176	3.875.525	3.875.525
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	165.877.589	165.877.589	106.383.908	106.383.908
1. Changes in value of work in progress and finished products	132	-5.929.197	-5.929.197	-2.885.176	-2.885.176
2. Material costs (133 do 136)	133	145.586.911	145.586.911	89.071.448	89.071.448
a) Raw material and material costs	134	73.199.169	73.199.169	70.933.477	70.933.477
b) Cost of goods sold	135	61.606.762	61.606.762	10.273.600	10.273.600
c) Other external costs	136	10.780.980	10.780.980	7.864.371	7.864.371
3. Staff costs (138 do 140)	137	11.540.864	11.540.864	9.114.750	9.114.750
a) Net salaries and wages	138	7.078.257	7.078.257	5.846.982	5.846.982
b) Tax and contributions from salary expenses	139	2.761.828	2.761.828	1.974.152	1.974.152
c) Contributions on gross salaries	140	1.700.779	1.700.779	1.293.616	1.293.616
4. Depreciation and amortisation	141	8.144.741	8.144.741	7.739.290	7.739.290
5. Other costs	142	2.420.775	2.420.775	1.628.047	1.628.047
6. Impairment (144+145)	143	0	0	0	0
a) Impairment of long-term assets (financial assets excluded)	144	0	0	0	0
b) Impairment of short - term assets (financial assets excluded)	145	0	0	0	0
7. Provisions (147 do 152)	146	0	0	0	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	4.113.495	4.113.495	1.715.549	1.715.549
III. FINANCIAL INCOME (155 do 164)	154	2.254.410	2.254.411	1.253.291	1.253.291
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	0	0	0	0
3. Income from other long-term financial investments and loans granted to related parties within the Group	157	0	0	0	0
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	28.627	28.627	176.026	176.026
7. Other income arising from interest	161	20.104	20.104	12.401	12.401
8. Foreign exchange gains and similar financial income	162	1.565.322	1.565.322	1.064.864	1.064.864
9. Unrealized gains (income) from financial assets	163	0	0	0	0
10. Other financial income	164	640.358	640.358	0	0
IV. FINANCIAL EXPENSES (166 do 172)	165	8.794.261	8.794.261	1.094.040	1.094.040
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	8.337.848	8.337.848	972.753	972.753
4. Foreign exchange losses and similar financial expenses	169	428.604	428.604	121.192	121.192
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	27.809	27.809	95	95
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	161.706.675	161.706.676	104.281.293	104.281.293
X. TOTAL EXPENSES (131+165+175 + 176)	178	174.671.850	174.671.850	107.477.948	107.477.948
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	-12.965.175	-12.965.174	-3.196.655	-3.196.655
1. Profit before taxes (177-178)	180	0	0	0	0
2. Loss before taxes (178-177)	181	12.965.175	12.965.174	3.196.655	3.196.655
XII. PROFIT TAX	182			0	0
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	-12.965.175	-12.965.174	-3.196.655	-3.196.655
1. Profit for the period (179-182)	184	0	0	0	0
2. Loss for the period (182-179)	185	12.965.175	12.965.174	3.196.655	3.196.655
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	-12.641.538	-12.641.538	-2.762.933	-2.762.933
2. Attributable to non-controlling interest	187	-323.636	-323.636	-433.722	-433.722
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD					
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (190 do 197)	188	-12.965.175	-12.965.174	-3.196.655	-3.196.655
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	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	-12.965.175	-12.965.174	-3.196.655	-3.196.655
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	-12.641.538	-12.641.538	-2.762.933	-2.762.933
2. Attributed to non-controlling interest	202	-323.636	-323.636	-433.722	-433.722

Cash flow statement - indirect method
period 01.01.2018 to 31.3.2018.

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	(12.965.173)	(3.196.655)
2. Adjustments (003 do 010)	002	12.057.422	9.408.324
a.) Depreciation and amortisation	003	8.144.742	7.739.291
b.) Gains and losses from sale and impairment of long-term tangible and intangible assets	004	(715.962)	1.162.724
c.) Gains and losses from sale and unrealised gains or losses and impairment of financial assets	005	(332.156)	(946.097)
d.) Interest and dividend income	006	(48.731)	-
e.) Interest expense	007	8.337.847	1.452.407
f.) Provisions	008		
g.) Foreign exchange differences (unrealised)	009	(1.417.111)	-
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	(1.911.207)	-
I. Cash flow increase or decrease before changes in working capital (001 do 002)	011	(907.751)	6.211.669
3. Working capital changes (013 do 016)	012	19.033.722	(21.558.326)
a.) Increase or decrease in short term liabilities	013	25.495.106	(6.694.658)
b.) Increase or decrease in short term receivables	014	(146.088)	4.314.543
c.) Increase or decrease in inventories	015	(6.315.296)	(18.095.548)
d.) Other increase or decrease in working capital	016		(1.082.663)
II. Cash from operations (011+012)	017	18.125.971	(15.346.657)
4. Interest paid	018	(8.375.932)	(898.872)
5. Income tax paid	019	(898.796)	2.148.559
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	8.851.243	(14.096.970)
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	154.711	-
2. Cash inflow from sale of financial instruments	022	992.490	-
3. Interest received	023	738.859	44.560
4. Dividend received	024	-	-
5. Cash inflow from repayment of loans given and savings deposits	025	2.671.399	46.785
6. Other cash inflows from investing activities	026		-
III. Total cash inflows from investing activities (021 do 026)	027	4.557.459	91.345
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(2.179.698)	(2.188.910)
2. Cash outflow for acquisition of financial instruments	029		
3. Cash outflow for granting loans and other borrowings in the given period	030	(21.837.319)	(5.000)
4. Aquisition of subsidiaries net of cash acquired	031		
5. Other cash outflow for investing activities	032	(30.448)	-
IV. Total cash outflow for investing activities (028 do 032)	033	(24.047.465)	(2.193.910)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(19.490.006)	(2.102.566)
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	72.826.984	19.176.073
4. Other proceeds from financial activities	038	36.980	-
V. Total cash inflows from financial activities (027 do 029)	039	72.863.964	19.176.073
1. Cash outflow for repayment of loan principals, promissory notes and other borrowings	040	(64.498.049)	(3.951.595)
2. Cash outflow for dividend paid	041	-	-
3. Cash outflow for financial lease	042	(577.467)	(116.180)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financing activities	044	(5.623.398)	(390.000)
VI. Total cash outflow for financing activities (031 do 035)	045	(70.698.914)	(4.457.775)
C) NET CASH FLOW FROM FINANCING ACTIVITIES	046	2.165.050	14.718.298
1. Unrealised foreign exchange differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(8.473.713)	(1.481.237)
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	9.729.371	3.604.962
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD (048+049)	050	1.255.658	2.123.725



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 April 2018

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

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

To the best of our knowledge, the complete shorten set of unaudited financial statements for the three months period give a true presentation of the Company's position as at 31 March 2018.

Reports prepared by:



Jasenka Kordić
Accounting Director
 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



Granolio

Granolio d.d.
Budmanijeva 5, HR-10000 Zagreb
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In Zagreb, 30 April 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 2018 till 31 March 2018 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the three months period ended 31 March 2018 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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Contact:
Granolio d.d.
Budmanijeva 5
10 000 Zagreb
Hrvatska

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



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