

**Unconsolidated 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.

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

## Subsidiaries

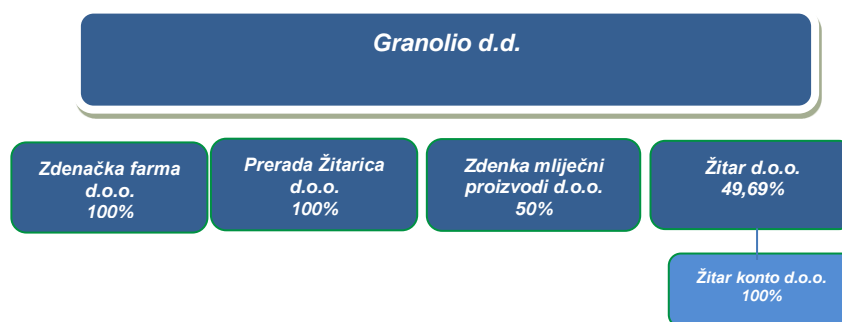
The Company holds 100% of the shares in the Zdenačka farma d.o.o. and Prerada Žitarica d.o.o. companies.

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

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.

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.

The Company expects to successfully end the pre-bankruptcy process during 2018.

## Company's financial indicators for the three months of 2018

In thousands HRK

Granolio d.d.	1-3 2018	1-3 2017	change	
<b>Operating income</b>	60.911	115.524	(54.614)	(47%)
<b>Operating expenses</b>	63.920	121.827	(57.907)	(48%)
<b>EBIT</b>	(3.009)	(6.303)	3.293	(52%)
<i>EBIT margin</i>	-5%	-5%		
<b>EBITDA</b>	(865)	(2.667)	1.802	(68%)
<i>EBITDA margin</i>	-1%	-2%		
<b>Net financial result</b>	137	(6.624)	6.761	(102%)
<b>Net result for the period</b>	(2.872)	(12.926)	10.054	78%

\*EBITDA= EBIT + depreciation + impairment expenses

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

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

In thousands HRK

Granolio d.d.	31.3.2018	31.12.2017	change	
Net asset (capital and reserves)	(26.563)	(23.855)	(2.708)	11%
<b>Total debt to financial institutions</b>	<b>390.944</b>	<b>389.377</b>	<b>1.567</b>	<b>0%</b>
Cash and cash equivalents	865	2.801	(1.936)	(69%)
Loans given, deposits etc.*	40.844	41.619	(775)	(2%)
<b>Net debt</b>	<b>349.235</b>	<b>345.257</b>	<b>3.978</b>	<b>1%</b>
<b>Net debt/EBITDA</b>	<b>40,17</b>	<b>50,10</b>	(10)	(20%)
EBITDA for the last 12 months	8.693	6.891	1.802	26%

\*Loans given, securities and deposits

As at 31 March 2018 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.

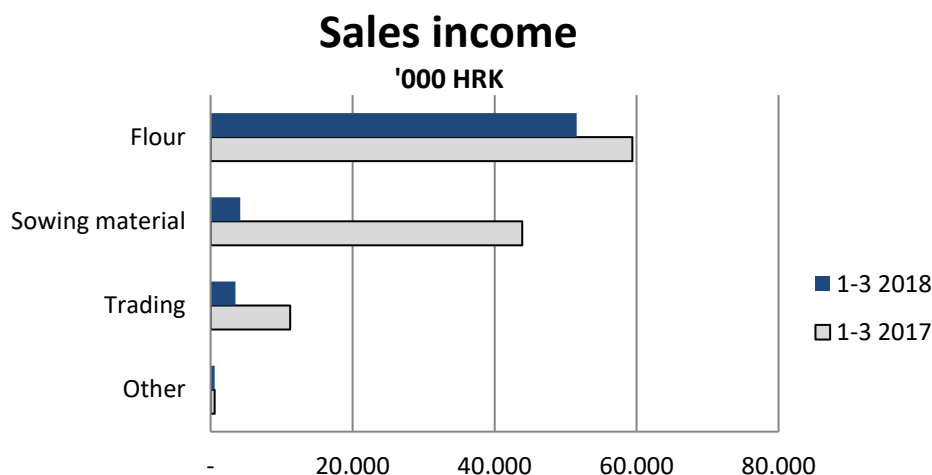
Note: in the calculation of Net debt, total debt comprises only liabilities to financial institutions and not liabilities to companies members of Granolio Group (34 million HRK), while Loans given figure comprises loans given to companies within Granolio group (12,7 million HRK).

## Overview of the business operations for the three months of 2018 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

Income made from sales of flour is slightly lower than in the same period last year.

Average value of basic raw material (wheat) used in the production is higher in the first quarter 2018 compared to the same period last year by 12%. Accordingly, margins in this segment are lower in the first quarter 2018, compared to the same period last year.

### Sowing material

Income from sale of sowing material is lower in the first quarter 2018 than income earned in the comparing period. The reason for that is insufficient working capital.

### Trading

Trading segment has made decreased sales in the first quarter 2018 compared to the same period last year. The reason for that is insufficient working capital.

### Other

Sales income in the Other segment is comprised of cattle breeding, income from storage and drying goods and other services. It is important to state that silo is used to meet needs of segments Flour and Trading

## **Employees**

In the three months period 2018 the Company employed 147 employees based on man-hour basis (in the three months period 2017: 174 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 three months period of 2018.

**Annex 1.**

Reporting period

1.1.2018

to

31.3.2018

**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: 151

(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](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 31.03.2018

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>	426.471.549	424.411.433
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	124.361.664	123.868.683
1. Assets development	<b>004</b>		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.331.497	120.255.016
3. Goodwill	<b>006</b>	0	0
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>	4.030.167	3.613.667
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	132.386.401	130.819.266
1. Land	<b>011</b>	8.303.370	8.303.370
2. Buildings	<b>012</b>	108.954.232	107.997.596
3. Plant and equipment	<b>013</b>	14.121.832	13.543.676
4. Tools, working inventory and transportation assets	<b>014</b>	906.703	874.558
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>		
7. Tangible assets in progress	<b>017</b>	24.225	24.225
8. Other tangible assets	<b>018</b>	76.039	75.841
9. Investments in buildings	<b>019</b>		
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	<b>020</b>	169.708.484	169.708.484
1. Investments (shares) with related parties within the Group	<b>021</b>	155.964.074	155.964.074
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>	258.820	258.820
9. Other investments accounted by equity method	<b>029</b>		
10. Other long - term financial assets	<b>030</b>	13.485.590	13.485.590
IV. RECEIVABLES (032 do 035)	<b>031</b>	15.000	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>	15.000	15.000
V. DEFERRED TAX ASSET	<b>036</b>		
<b>C) SHORT TERM ASSETS (038+046+053+063)</b>	<b>037</b>	151.206.835	150.267.026
I. INVENTORIES (039 do 045)	<b>038</b>	20.566.701	18.967.328
1. Raw materials and supplies	<b>039</b>	11.955.946	6.821.850
2. Work in progress	<b>040</b>	608.463	543.672
3. Finished goods	<b>041</b>	1.629.346	1.974.519
4. Merchandise	<b>042</b>	6.372.946	9.627.287
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>	86.478.862	89.849.213
1. Receivables from related parties within the Group	<b>047</b>	3.112.298	3.806.964
2. Receivables from participating parties	<b>048</b>		
3. Accounts receivable	<b>049</b>	55.779.215	59.091.973
4. Receivables from employees and members of related parties	<b>050</b>	0	0
5. Receivables from government and other institutions	<b>051</b>	3.335.881	2.841.841
6. Other receivables	<b>052</b>	24.251.468	24.108.435
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	<b>053</b>	41.360.548	40.585.330
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>	28.149.773	27.400.773
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>	178.281	178.281
8. Loans, deposits and similar assets	<b>061</b>	13.032.494	13.006.276
9. Other financial assets	<b>062</b>		
IV. CASH AND CASH EQUIVALENTS	<b>063</b>	2.800.724	865.155
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	616.706	612.298
<b>E) TOTAL ASSETS (001+002+037+064)</b>	<b>065</b>	578.295.090	575.290.757
<b>F) OFF-BALANCE RECORDS</b>	<b>066</b>	9.276.687	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>	-23.854.782	-26.563.302
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>	1.208.554	1.208.554
1. Reserves prescribed by law	<b>071</b>	408.554	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>	60.117.173	59.371.215
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>	9.803.142	-187.473.781
1. Retained earnings	<b>082</b>	9.803.142	
2. Accumulated loss	<b>083</b>		187.473.781
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	<b>084</b>	-198.186.628	-2.872.267
1. Profit for the current year	<b>085</b>		
2. Loss for the current year	<b>086</b>	198.186.628	2.872.267
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>	13.953.913	13.653.097
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>	757.460	620.391
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>	13.196.453	13.032.706
<b>D) SHORT - TERM LIABILITIES (108 do 121)</b>	<b>107</b>	587.525.457	587.880.861
1. Liabilities to related parties within the Group	<b>108</b>	4.844.028	5.282.566
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>109</b>	34.319.698	34.370.698
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>	341.669.488	342.772.860
7. Liabilities for received prepayments	<b>114</b>	2.948.210	1.222.173
8. Accounts payable	<b>115</b>	77.240.186	76.619.318
9. Liabilities arising from debt securities	<b>116</b>	47.550.600	47.550.600
10. Liabilities to employees	<b>117</b>	1.012.249	899.749
11. Liabilities for taxes, contributions and similar fees	<b>118</b>	737.771	1.976.317
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>	77.203.227	77.186.580
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>122</b>	670.502	320.101
<b>F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)</b>	<b>123</b>	578.295.090	575.290.757
<b>G) OFF-BALANCE RECORDS</b>	<b>124</b>	9.276.687	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 01.01.2018 to 31.03.2018

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>	115.524.364	115.524.364	60.910.772	60.910.772
1. Sales revenue with related parties with the Group	126	3.048.505	3.048.505	1.009.862	1.009.862
2. Sales revenue (other parties)	127	112.054.894	112.054.894	58.801.146	58.801.146
3. Revenue from the use of own products, goods and services	128	3.300	3.300	2.013	2.013
4. Other operating revenue with related parties with the Group	129				
5. Other operating revenue (other parties)	130	417.665	417.665	1.097.751	1.097.751
<b>II. OPERATING COSTS (132+133+137+141+142+143+146+153)</b>	<b>131</b>	121.826.998	121.826.998	63.920.030	63.920.030
<b>1. Changes in value of work in progress and finished products</b>	<b>132</b>	-364.409	-364.409	-365.420	-365.420
<b>2. Material costs (133 do 136)</b>	<b>133</b>	109.781.051	109.781.051	56.552.038	56.552.038
a) Raw material and material costs	134	45.181.690	45.181.690	44.066.716	44.066.716
b) Cost of goods sold	135	57.188.487	57.188.487	7.816.860	7.816.860
c) Other external costs	136	7.410.874	7.410.874	4.668.462	4.668.462
<b>3. Staff costs (138 do 140)</b>	<b>137</b>	6.204.206	6.204.206	4.087.281	4.087.281
a) Net salaries and wages	138	3.612.164	3.612.164	2.559.215	2.559.215
b) Tax and contributions from salary expenses	139	1.686.999	1.686.999	973.998	973.998
c) Contributions on gross salaries	140	905.043	905.043	554.068	554.068
<b>4. Depreciation and amortisation</b>	<b>141</b>	2.813.879	2.813.879	2.615.875	2.615.875
<b>5. Other costs</b>	<b>142</b>	1.193.449	1.193.449	619.041	619.041
<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>	2.198.822	2.198.822	411.215	411.215
<b>III. FINANCIAL INCOME (155 do 164)</b>	<b>154</b>	1.242.401	1.242.371	628.131	628.131
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	235.480	235.480	150.603	150.603
4. Other income arising from interests with related parties within the Group	158				
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	28.627	28.627	176.026	176.026
7. Other income arising from interests	161	11.363	11.363	12.351	12.351
8. Foreign exchange gains and similar financial income	162	326.573	326.543	289.151	289.151
9. Unrealized gains (income) from financial assets	163				
10. Other financial income	164	640.358	640.358		
<b>IV. FINANCIAL EXPENSES (166 do 172)</b>	<b>165</b>	7.866.039	7.866.039	491.140	491.140
1. Expenses arising from interests and similar expenses with related parties within the Group	166	172.650	172.650	387.124	387.124
2. Foreign exchange losses and similar financial expenses with related parties within the	167				
3. Expenses arising from interests and similar expenses	168	7.335.052	7.335.052	17.392	17.392
4. Foreign exchange losses and similar financial expenses	169	330.928	330.928	86.572	86.572
5. Unrealized losses (expenses) on financial assets	170				
6. Financial assets impairment (net)	171				
7. Other financial expenses	172	27.409	27.409	52	52
<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>	116.766.765	116.766.735	61.538.903	61.538.903
<b>X. TOTAL EXPENSES (131+165+175 + 176)</b>	<b>178</b>	129.693.037	129.693.037	64.411.170	64.411.170
<b>XI. PROFIT OR LOSS BEFORE TAXES (177-178)</b>	<b>179</b>	-12.926.272	-12.926.302	-2.872.267	-2.872.267
1. Profit before taxes (177-178)	180	0	0	0	0
2. Loss before taxes (178-177)	181	12.926.272	12.926.302	2.872.267	2.872.267
<b>XII. PROFIT TAX</b>	<b>182</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)</b>	<b>183</b>	-12.926.272	-12.926.302	-2.872.267	-2.872.267
1. Profit for the period (179-182)	184	0	0	0	0
2. Loss for the period (182-179)	185	12.926.272	12.926.302	2.872.267	2.872.267
<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>	-12.926.272	-12.926.302	-2.872.267	-2.872.267
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>	-12.926.272	-12.926.302	-2.872.267	-2.872.267
<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 01.01.2018 to 31.03.2018**

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	001	(12.926.302)	(2.872.267)
2. Adjustments (003 do 010)	002	9.400.430	2.014.368
a.) Depreciation and amortisation	003	2.813.879	2.615.875
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	004	(27.890)	(113.597)
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	005	(325.748)	-
d.) Interests and dividends income	006	(275.471)	(338.979)
e.) Interests expense	007	7.507.701	404.515
f.) Provisions	008	-	-
g.) Foreign exchange differences (unrealised)	009	(282.815)	(553.446)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	(9.226)	-
<b>I. Cash flow increase or decrease before changes in the working capital (001 do 002)</b>	<b>011</b>	<b>(3.525.872)</b>	<b>(857.899)</b>
3. Working capital changes ( 013 do 016)	012	21.079.999	(1.912.935)
a.) Increase or decrease in short term liabilities	013	31.967.508	(1.528.951)
b.) Increase or decrease in short term receivables	014	(13.734.256)	(1.983.358)
c.) Increase or decrease in inventories	015	2.846.747	1.599.374
d.) Other increase or decrease in the working capital	016	-	-
<b>II. Cash from operations (011+012)</b>	<b>017</b>	<b>17.554.127</b>	<b>(2.770.834)</b>
4. Interests paid	018	(7.444.624)	(24.934)
5. Income tax paid	019	(886.231)	494.040
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)</b>	<b>020</b>	<b>9.223.272</b>	<b>(2.301.727)</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	021	-	80.917
2. Cash inflow from the sale of financial instruments	022	694.794	-
3. Interests receipts	023	736.827	35.254
4. Dividends receipts	024	-	-
5. Cash inflow from repayment of given loans and other borrowings	025	5.875.699	(765.003)
6. Other cash inflows from investing activities	026	296.687	-
<b>III. Total cash inflows from investing activities (021 do 026)</b>	<b>027</b>	<b>7.604.007</b>	<b>(648.832)</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(441.756)	(555.759)
2. Cash outflow for acquisition of financial instruments	029	-	-
3. Cash outflow for granting loans and other borrowings in the given period	030	(24.125.284)	-
4. Aquisition of associates decreased by the acquired cash	031	-	-
5. Other cash outflow for investing activities	032	(30.448)	-
<b>IV. Total cash outflow for investing activities (028 do 032)</b>	<b>033</b>	<b>(24.597.488)</b>	<b>(555.759)</b>
<b>B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)</b>	<b>034</b>	<b>(16.993.481)</b>	<b>(1.204.591)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
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	68.166.544	2.424.491
4. Other proceeds from financial activities	038	-	-
<b>V. Total cash inflows from financial activities (027 do 029)</b>	<b>039</b>	<b>68.166.544</b>	<b>2.424.491</b>
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	040	(63.028.266)	(729.000)
2. Cash outflow for dividends paid	041	-	-
3. Cash outflow for financial lease	042	(198.555)	(124.741)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043	-	-
5. Other cash outflow for financial activities	044	(5.591.729)	-
<b>VI. Total cash outflow for financial activities (031 do 035)</b>	<b>045</b>	<b>(68.818.550)</b>	<b>(853.741)</b>
<b>C) NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>046</b>	<b>(652.006)</b>	<b>1.570.749</b>
1. Unrealised foreign exchange differences in cash and cash equivalents	047	-	-
<b>D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)</b>	<b>048</b>	<b>(8.422.215)</b>	<b>(1.935.569)</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>9.300.282</b>	<b>2.800.724</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>050</b>	<b>878.067</b>	<b>865.155</b>







# Granolio

Granolio d.d.  
Budmanijeva 5, HR-10000 Zagreb  
tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: [granolio@granolio.hr](mailto: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

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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  
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