

**Unconsolidated financial results for the  
nine months period ended  
30 Spetember 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

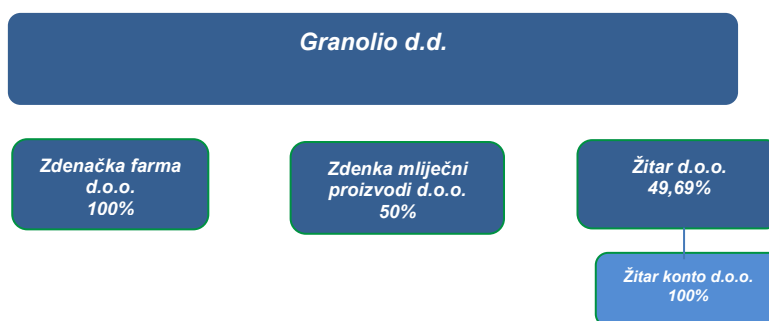
The Company holds 100% of the shares in the Zdenačka farma d.o.o.

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. As at 30 September 2018, company HOK held 19,9% of ownership in Granolio.

As at 14 March 2018, Company and started process of merging it's related party Prerada žitarica into Granolio.

As at 30 April 2018, Commercial court in Zagreb has reached a resolution on the forementioned merger by which the company Prerada žitarica ceased to exist.

As at 17 October 2018, Commercial court in Zagreb has determined that the date of the hearing, on which voting for the restructuring plan should take place, is going to be the 22 November 2018. It is expected that the creditors will accept the restructuring plan and that the Company will continue to operate and repay it's debt according to the proposed settlement.

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

In thousands HRK

Granolio d.d.	1-9 2018	1-9 2017	change	
<b>Operating income</b>	194.771	267.922	(73.151)	(27%)
<b>Operating expenses</b>	205.186	276.530	(71.344)	(26%)
<b>EBIT</b>	(10.415)	(8.608)	(1.807)	21%
<i>EBIT margin</i>	-5%	-3%		
<b>EBITDA</b>	(2.612)	(414)	(2.198)	531%
<i>EBITDA margin</i>	-1%	0%		
<b>Net financial result</b>	319	(17.804)	18.123	(102%)
<b>Net result for the period</b>	(10.096)	(26.412)	16.316	62%

\*EBITDA= EBIT + depreciation + impairment expenses

In the nine months in 2018, Company has made less favorable operating result (EBIT) compared to the same period last year. It was caused by extraordinary one-off costs.

Net financial result represents the difference between financial revenues and financial expenses. In the nine months in 2018, interest expense on loans received were not charged due to the pre-bankruptcy process still ongoing. Therefore, in the first half-year 2018, the Company has made net financial income.

In thousands HRK

Granolio d.d.	30.9.2018	31.12.2017	change	
Net asset (capital and reserves)	(17.548)	(23.855)	6.307	(26%)
<b>Total debt to financial institutions</b>	<b>388.743</b>	<b>389.977</b>	<b>(1.234)</b>	<b>(0%)</b>
Cash and cash equivalents	1.161	2.801	(1.640)	(59%)
Loans given, deposits etc.*	40.812	41.619	(807)	(2%)
<b>Net debt</b>	<b>346.770</b>	<b>345.557</b>	<b>1.213</b>	<b>0%</b>
<b>Net debt/EBITDA</b>	<b>(42,35)</b>	<b>(57,70)</b>	15	(27%)
EBITDA for the last 12 months	(8.187)	(5.989)	(2.198)	37%

\*Loans given, securities and deposits

In the nine months of 2018, total debt toward financial institutions was decreased by repayments of financial lease and bills of exchange that are not part of the pre-bankruptcy settlement.

As at 30 September 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.

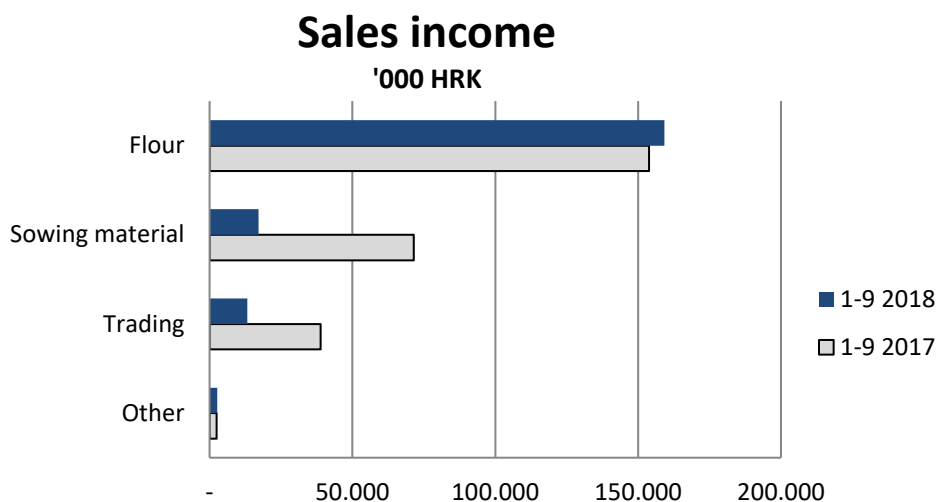
All forementioned regressive liabilities are related to business relations with the Agrokor group.

## Overview of the business operations for the nine 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 almost as equal to the same period last year.

Compared to the same period last year, fewer quantity of flour has been sold but for a higher selling price. Prices of flour have increased due to the increase of prices of raw materials.

### Sowing material

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

### Trading

Trading segment has made decreased sales in thenine months 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 nine months period 2018 the Company employed 152 employees based on man-hour basis (in the nine months period 2017: 178 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 2018.

**Annex 1.**

Reporting period

1.1.2018

to

30.9.2018

**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: 156

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 30.09.2018

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	395.122.305
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	124.361.664	123.113.964
1. Assets development	<b>004</b>		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.331.497	120.333.297
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	2.780.667
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	132.386.401	148.200.100
1. Land	<b>011</b>	8.303.370	9.155.420
2. Buildings	<b>012</b>	108.954.232	116.299.424
3. Plant and equipment	<b>013</b>	14.121.832	12.762.597
4. Tools, working inventory and transportation assets	<b>014</b>	906.703	568.823
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>		
7. Tangible assets in progress	<b>017</b>	24.225	9.334.080
8. Other tangible assets	<b>018</b>	76.039	79.756
9. Investments in buildings	<b>019</b>		
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	<b>020</b>	169.708.484	123.793.241
1. Investments (shares) with related parties within the Group	<b>021</b>	155.964.074	110.048.831
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	157.425.570
I. INVENTORIES (039 do 045)	<b>038</b>	20.566.701	24.104.022
1. Raw materials and supplies	<b>039</b>	11.955.946	7.124.359
2. Work in progress	<b>040</b>	608.463	205.410
3. Finished goods	<b>041</b>	1.629.346	1.960.867
4. Merchandise	<b>042</b>	6.372.946	14.813.386
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	91.606.652
1. Receivables from related parties within the Group	<b>047</b>	3.112.298	5.331.681
2. Receivables from participating parties	<b>048</b>		
3. Accounts receivable	<b>049</b>	55.779.215	58.377.031
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	586.353
6. Other receivables	<b>052</b>	24.251.468	27.311.587
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	<b>053</b>	41.360.548	40.553.435
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	12.974.381
9. Other financial assets	<b>062</b>		
IV. CASH AND CASH EQUIVALENTS	<b>063</b>	2.800.724	1.161.461
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	616.706	592.588
<b>E) TOTAL ASSETS (001+002+037+064)</b>	<b>065</b>	578.295.090	553.140.463
<b>F) OFF-BALANCE RECORDS</b>	<b>066</b>	9.276.687	9.718.413

<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	-17.547.825
I. SUBSCRIBED SHARE CAPITAL	<b>068</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>069</b>	84.186.547	84.195.807
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	58.428.704
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	-170.301.333
1. Retained earnings	<b>082</b>	9.803.142	
2. Accumulated loss	<b>083</b>		170.301.333
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	<b>084</b>	-198.186.628	-10.095.987
1. Profit for the current year	<b>085</b>		
2. Loss for the current year	<b>086</b>	198.186.628	10.095.987
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	13.212.128
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	386.315
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	12.825.813
<b>D) SHORT - TERM LIABILITIES (108 do 121)</b>	<b>107</b>	587.525.457	557.209.421
1. Liabilities to related parties within the Group	<b>108</b>	4.844.028	30.532
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>109</b>	34.319.698	
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	343.036.431
7. Liabilities for received prepayments	<b>114</b>	2.948.210	2.663.921
8. Accounts payable	<b>115</b>	77.240.186	86.645.791
9. Liabilities arising from debt securities	<b>116</b>	47.550.600	45.320.600
10. Liabilities to employees	<b>117</b>	1.012.249	922.642
11. Liabilities for taxes, contributions and similar fees	<b>118</b>	737.771	1.402.238
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	77.187.266
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>122</b>	670.502	266.739
<b>F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)</b>	<b>123</b>	578.295.090	553.140.463
<b>G) OFF-BALANCE RECORDS</b>	<b>124</b>	9.276.687	9.718.413
<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 30.09.2018

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>	267.921.760	80.271.539	194.770.627	68.837.912
1. Sales revenue with related parties with the Group	126	11.769.424	4.726.127	3.629.827	1.480.905
2. Sales revenue (other parties)	127	254.817.111	75.104.503	188.671.493	66.713.299
3. Revenue from the use of own products, goods and services	128	4.412	1.112	5.436	508
4. Other operating revenue with related parties with the Group	129				
5. Other operating revenue (other parties)	130	1.330.813	439.797	2.463.871	643.200
<b>II. OPERATING COSTS (132+133+137+141+142+143+146+153)</b>	<b>131</b>	276.529.245	78.549.219	205.185.670	72.686.956
<b>1. Changes in value of work in progress and finished products</b>	<b>132</b>	-155.339	-1.193.661	-367.443	-921.562
<b>2. Material costs (133 do 136)</b>	<b>133</b>	246.186.577	71.179.144	182.548.449	66.016.051
a) Raw material and material costs	134	118.956.259	40.536.279	134.431.458	48.025.402
b) Cost of goods sold	135	108.549.608	24.606.366	30.547.784	10.006.698
c) Other external costs	136	18.680.710	6.036.499	17.569.207	7.983.951
<b>3. Staff costs (138 do 140)</b>	<b>137</b>	15.696.173	4.463.379	12.260.569	4.123.153
a) Net salaries and wages	138	9.469.015	2.782.463	7.746.261	2.618.687
b) Tax and contributions from salary expenses	139	3.931.903	1.025.709	2.877.548	958.350
c) Contributions on gross salaries	140	2.295.255	655.207	1.636.760	546.116
<b>4. Depreciation and amortisation</b>	<b>141</b>	8.193.885	2.659.010	7.802.605	2.610.080
<b>5. Other costs</b>	<b>142</b>	2.547.384	747.232	1.711.618	447.653
<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>	4.060.565	694.115	1.229.872	411.581
<b>III. FINANCIAL INCOME (155 do 164)</b>	<b>154</b>	3.138.452	734.371	1.491.460	366.035
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	692.962	247.302	441.338	146.162
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	593.736	179.923	542.052	189.776
7. Other income arising from interests	161	130.625	107.682	47.896	28.091
8. Foreign exchange gains and similar financial income	162	575.293	143.927	460.174	2.006
9. Unrealized gains (income) from financial assets	163				
10. Other financial income	164	1.139.256	55.537		
<b>IV. FINANCIAL EXPENSES (166 do 172)</b>	<b>165</b>	20.942.137	6.559.290	1.172.404	336.751
1. Expenses arising from interests and similar expenses with related parties within the Group	166	893.420	381.288	515.661	0
2. Foreign exchange losses and similar financial expenses with related parties within the	167				
3. Expenses arising from interests and similar expenses	168	19.290.786	5.801.289	328.719	166.818
4. Foreign exchange losses and similar financial expenses	169	726.992	376.068	306.199	169.669
5. Unrealized losses (expenses) on financial assets	170				
6. Financial assets impairment (net)	171				
7. Other financial expenses	172	30.939	645	21.825	264
<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>	271.060.212	81.005.910	196.262.087	69.203.947
<b>X. TOTAL EXPENSES (131+165+175 + 176)</b>	<b>178</b>	297.471.382	85.108.509	206.358.074	73.023.707
<b>XI. PROFIT OR LOSS BEFORE TAXES (177-178)</b>	<b>179</b>	-26.411.170	-4.102.599	-10.095.987	-3.819.760
1. Profit before taxes (177-178)	180	0	0	0	0
2. Loss before taxes (178-177)	181	26.411.170	4.102.599	10.095.987	3.819.760
<b>XII. PROFIT TAX</b>	<b>182</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)</b>	<b>183</b>	-26.411.170	-4.102.599	-10.095.987	-3.819.760
1. Profit for the period (179-182)	184	0	0	0	0
2. Loss for the period (182-179)	185	26.411.170	4.102.599	10.095.987	3.819.760
<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>	-26.411.170	-4.102.599	-10.095.987	-3.819.760
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>	-26.411.170	-4.102.599	-10.095.987	-3.819.760
<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 30.09.2018**

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	<b>001</b>	(26.411.619)	(10.095.987)
2. Adjustments (003 do 010)	<b>002</b>	27.098.060	7.562.315
a.) Depreciation and amortisation	<b>003</b>	8.193.886	7.802.605
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	<b>004</b>	(93.597)	8.874
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	<b>005</b>	(926.192)	
d.) Interests and dividends income	<b>006</b>	(1.423.903)	(1.031.285)
e.) Interests expense	<b>007</b>	20.184.206	844.380
f.) Provisions	<b>008</b>		
g.) Foreign exchange differences (unrealised)	<b>009</b>	(157.560)	(220.356)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	<b>010</b>	1.321.220	158.097
<b>I. Cash flow increase or decrease before changes in the working capital (001 do 002)</b>	<b>011</b>	<b>686.441</b>	<b>(2.533.672)</b>
3. Working capital changes ( 013 do 016)	<b>012</b>	<b>23.592.634</b>	<b>3.661.742</b>
a.) Increase or decrease in short term liabilities	<b>013</b>	15.260.864	13.125.942
b.) Increase or decrease in short term receivables	<b>014</b>	(5.884.782)	(5.993.201)
c.) Increase or decrease in inventories	<b>015</b>	14.216.552	(3.470.999)
d.) Other increase or decrease in the working capital	<b>016</b>		
<b>II. Cash from operations (011+012)</b>	<b>017</b>	<b>24.279.075</b>	<b>1.128.070</b>
4. Interests paid	<b>018</b>	(8.244.652)	(328.719)
5. Income tax paid	<b>019</b>	(1.555.336)	(447.639)
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)</b>	<b>020</b>	<b>14.479.087</b>	<b>351.712</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	<b>021</b>	80.917	
2. Cash inflow from the sale of financial instruments	<b>022</b>		
3. Interests receipts	<b>023</b>	1.081.315	280.147
4. Dividends receipts	<b>024</b>		
5. Cash inflow from repayment of given loans and other borrowings	<b>025</b>	13.003.940	796.898
6. Other cash inflows from investing activities	<b>026</b>	795.584	10.215
<b>III. Total cash inflows from investing activities (021 do 026)</b>	<b>027</b>	<b>14.961.756</b>	<b>1.087.260</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	<b>028</b>	(1.881.255)	(1.722.204)
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>	(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>	(14.747)	
<b>IV. Total cash outflow for investing activities (028 do 032)</b>	<b>033</b>	<b>(31.725.375)</b>	<b>(1.722.204)</b>
<b>B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)</b>	<b>034</b>	<b>(16.763.619)</b>	<b>(634.944)</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>	98.403.467	780.000
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>98.403.467</b>	<b>780.000</b>
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	<b>040</b>	(90.493.518)	(729.000)
2. Cash outflow for dividends paid	<b>041</b>		
3. Cash outflow for financial lease	<b>042</b>	(729.948)	(377.031)
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>	(12.266.801)	(1.030.000)
<b>VI. Total cash outflow for financial activities (031 do 035)</b>	<b>045</b>	<b>(103.490.267)</b>	<b>(2.136.031)</b>
<b>C) NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>046</b>	<b>(5.086.800)</b>	<b>(1.356.031)</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>(7.371.332)</b>	<b>(1.639.263)</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>1.928.950</b>	<b>1.161.461</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; http://www.granolio.hr

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



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Granolio

d.d., Budmanijeva 5  
Zagreb

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

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



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka, IBAN HR1423400091110416692 Privredna banka Zagreb, IBAN HR5123900011100014261 Hrvatska poštanska banka Zagreb; temeljni kapital: 19.016.430,00 kn uplaćen u cijelosti podijeljen na 1.901.643 redovnih dionica serije A nominalnog iznosa 10,00 kn; tvrtka je upisana u Trgovačkom sudu u Zagrebu, MBS: 080111595; predsjednik Uprave: Hrvoje Filipović, članovi Uprave: Vladimir Kalčić i Drago Šurina, predsjednik Nadzornog odbora: Franjo Filipović



# Granolio

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Zagreb, 30 October 2018


## 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 2018.

Reports prepared by:

  
Jasenka Kordić  
Accounting Director

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**Granolio**  
d.d., Budmanijeva 5  
Zagreb



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Kalčić i Drago Šurina, predsjednik Nadzornog odbora: Franjo Filipović