

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

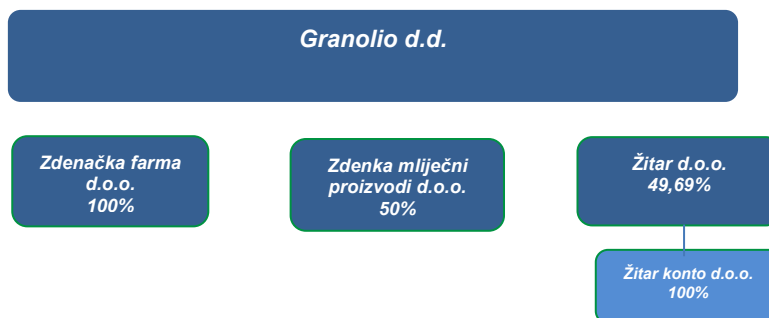
The Company holds 100% of the shares in the Zdenačka farma d.o.o.

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 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 6 December 2018, hearing on voting on the new restructuring plan was held in the Commercial court in Zagreb On that hearing creditors accepted the proposed restructuring plan. It is expected that the Company will continue to operate and repay it's debt according to the agreed settlement.

Company's financial indicators for the twelve months of 2018

In thousands HRK

Granolio d.d.	1-12 2018	1-12 2017	change	
Operating income	291.448	397.876	(106.428)	(27%)
Operating expenses	299.022	578.093	(279.071)	(48%)
EBIT	(7.574)	(180.217)	172.643	(96%)
<i>EBIT margin</i>	-3%	-45%		
EBITDA	2.885	(6.891)	9.776	(142%)
<i>EBITDA margin</i>	1%	-2%		
Net financial result	91.891	(17.970)	109.861	(611%)
Net result for the period	84.317	(198.187)	282.504	143%

*EBITDA= EBIT + depreciation + impairment expenses

In 2018 the Company has made significantly better operating result (EBIT) compared to the last year. Better result is made by business segments Milling and Trading..

Net financial result represents the difference between financial revenues and financial expenses. In 2018 the financial revenue was made mainly as a result of liabilities write-off, according to the prebankruptcy settlement. Along with that, interest expense is lower compared to the previous year since interest on loans received was not charged due to the pre-bankruptcy process.

In thousands HRK

Granolio d.d.	31.12.2018	31.12.2017	change	
Net asset (capital and reserves)	77.030	(23.855)	100.885	(423%)
Total debt to financial institutions	372.690	389.977	(17.287)	(4%)
Cash and cash equivalents	3.574	2.801	773	28%
Loans given, deposits etc.*	36.328	41.619	(5.291)	(13%)
Net debt	332.788	345.557	(12.769)	(4%)
Net debt/EBITDA	115,35	(50,15)	165	(330%)
EBITDA for the last 12 months	2.885	(6.891)	9.776	(142%)

*Loans given, securities and deposits

Net asset increased due to Group's net profit of 84 million HRK and due to the profit generated by acquisition of Prerada žitarica in the amount of approximately 15 million HRK.

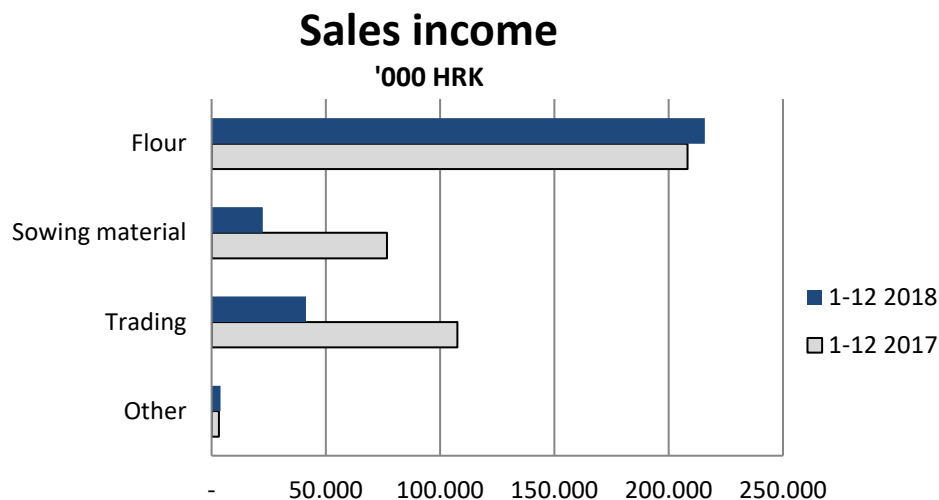
In 2018 total debt toward financial institutions was decreased by the amount of a write-off according to the pre-bankruptcy process and by the repaid amount of financial lease and bills of exchange that are not part of the pre-bankruptcy settlement.

Overview of the business operations for the twelve 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

Sales revenue in this segment is greater than in previous year by 4%. Operating result of this segment is better due to savings made in selling costs.

Sowing material

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

Trading

Trading segment has made decreased sales 2018 compared to the same period last year. The reason for that is insufficient working capital. Profit margin made in this segment is greater than in the previous year.

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 twelve months period 2018 the Company employed 153 employees based on man-hour basis (in the twelve months period 2017: 175 employees).

Redemption of treasury shares

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

Up to the publication of the Management Board report, the Company was not engaged in any activities relating to the redemption of own shares

Environment

Regarding the environmental protection, the Company has implemented comprehensive and systematic solutions and established environment-friendly production processes

Other

Supervisory Board has approved Company's financial statements for the twelve months period of 2018.

Annex 1.

Reporting period

1.1.2018

to

31.12.2018

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.hrInternet address: www.granolio.hr

Municipality/city code and name: 133

County code and name: 21 GRAD ZAGREB

Number of employees: 157

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

Family name and name: HRVOJE FILIPOVIĆ

(person authorized to represent the company)

Documentation for public disclosure:

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

L.S.

(signature of the person authorized to represent the company)

Balance Sheet
as of 31.12.2018

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	426.471.549	397.476.650
I. INTANGIBLE ASSETS (004 do 009)	003	124.361.664	122.614.230
1. Assets development	004		
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	120.331.497	120.250.063
3. Goodwill	006	0	
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	4.030.167	2.364.167
II. TANGIBLE ASSETS (011 do 019)	010	132.386.401	151.119.937
1. Land	011	8.303.370	9.155.420
2. Buildings	012	108.954.232	115.283.310
3. Plant and equipment	013	14.121.832	12.076.530
4. Tools, working inventory and transportation assets	014	906.703	576.321
5. Biological assets	015		
6. Prepayments for tangible assets	016		
7. Tangible assets in progress	017	24.225	9.334.080
8. Other tangible assets	018	76.039	79.276
9. Investments in buildings	019		4.615.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	169.708.484	123.727.483
1. Investments (shares) with related parties within the Group	021	155.964.074	110.048.831
2. Investments in other securities of related parties within the Group	022		
3. Loans, deposits and similar assets to related parties within the Group	023		
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	024		
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	025		
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	026		
7. Investments in securities	027		
8. Loans, deposits and similar assets	028	258.820	193.062
9. Other investments accounted by equity method	029		
10. Other long - term financial assets	030	13.485.590	13.485.590
IV. RECEIVABLES (032 do 035)	031	15.000	15.000
1. Receivables from related parties within the Group	032		
2. Receivables from participating parties	033		
3. Accounts receivable	034		
4. Other receivables	035	15.000	15.000
V. DEFERRED TAX ASSET	036		
C) SHORT TERM ASSETS (038+046+053+063)	037	151.206.835	143.963.955
I. INVENTORIES (039 do 045)	038	20.566.701	10.075.836
1. Raw materials and supplies	039	11.955.946	5.704.493
2. Work in progress	040	608.463	181.223
3. Finished goods	041	1.629.346	1.608.644
4. Merchandise	042	6.372.946	2.581.476
5. Prepayments for inventories	043		
6. Long term assets held for sale	044		
7. Biological assets	045		
II. RECEIVABLES (047 do 052)	046	86.478.862	94.178.401
1. Receivables from related parties within the Group	047	3.112.298	9.354.096
2. Receivables from participating parties	048		
3. Accounts receivable	049	55.779.215	55.445.200
4. Receivables from employees and members of related parties	050	0	0
5. Receivables from government and other institutions	051	3.335.881	670.540
6. Other receivables	052	24.251.468	28.708.565
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	41.360.548	36.135.368
1. Investments (shares) with related parties within the Group	054		
2. Investments in other securities of related parties within the Group	055		
3. Loans, deposits and similar assets to related parties within the Group	056	28.149.773	22.935.460
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	057		
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	058		
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating	059		
7. Investments in securities	060	178.281	178.281
8. Loans, deposits and similar assets	061	13.032.494	13.021.627
9. Other financial assets	062		
IV. CASH AND CASH EQUIVALENTS	063	2.800.724	3.574.350
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	616.706	504.406
E) TOTAL ASSETS (001+002+037+064)	065	578.295.090	541.945.011
F) OFF-BALANCE RECORDS	066	9.276.687	9.810.363

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	-23.854.782	77.029.966
I. SUBSCRIBED SHARE CAPITAL	068	19.016.430	19.016.430
II. CAPITAL RESERVES	069	84.186.547	84.195.807
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	57.678.142
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	9.803.142	-169.386.014
1. Retained earnings	082	9.803.142	
2. Accumulated loss	083		169.386.014
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	-198.186.628	84.317.047
1. Profit for the current year	085		84.317.047
2. Loss for the current year	086	198.186.628	
VII. MINORITY (NON-CONTROLLING) INTEREST	087		
B) PROVISIONS (089 do 094)	088	0	0
1. Provisions for pensions, severance pay and similar liabilities	089		
2. Provisions for tax liabilities	090		
3. Provisions for ongoing legal cases	091		
4. Provisions for costs of natural resources regeneration	092		
5. Provisions for guarantees costs	093		
6. Other provisions	094		
C) LONG - TERM LIABILITIES (096 do 106)	095	13.953.913	427.778.710
1. Liabilities to related parties within the Group	096		1.566
2. Liabilities for loans, deposits, etc. to related parties within the Group	097		
3. Liabilities to entrepreneurs in whom the entity holds participating interests	098		
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	099		
5. Liabilities for loans, deposits, etc.	100		
6. Liabilities to banks and other financial institutions	101	757.460	363.368.612
7. Liabilities for received prepayments	102		
8. Accounts payable	103		51.747.476
9. Liabilities arising from debt securities	104		
10. Other long-term liabilities	105		
11. Deferred tax liability	106	13.196.453	12.661.056
D) SHORT - TERM LIABILITIES (108 do 121)	107	587.525.457	36.845.034
1. Liabilities to related parties within the Group	108	4.844.028	27.680
2. Liabilities for loans, deposits, etc. to related parties within the Group	109	34.319.698	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	110		
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	111		
5. Liabilities for loans, deposits, etc.	112		
6. Liabilities to banks and other financial institutions	113	341.669.488	451.151
7. Liabilities for received prepayments	114	2.948.210	668.221
8. Accounts payable	115	77.240.186	24.239.401
9. Liabilities arising from debt securities	116	47.550.600	8.870.000
10. Liabilities to employees	117	1.012.249	938.474
11. Liabilities for taxes, contributions and similar fees	118	737.771	1.645.410
12. Liabilities to share - holders	119		
13. Liabilities for long-term assets held for sale	120		
14. Other short - term liabilities	121	77.203.227	4.697
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	670.502	291.301
F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)	123	578.295.090	541.945.011
G) OFF-BALANCE RECORDS	124	9.276.687	9.810.363
APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated financial statements)			
A) CAPITAL AND RESERVES			
1. Attributed to equity holders of parent company	125		
2. Attributable to minority interest	126		

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

Income statement
period 01.01.2018 to 31.12.2018

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	397.875.202	129.953.339	291.447.663	96.677.036
1. Sales revenue with related parties with the Group	126	14.681.663	2.912.239	5.604.271	1.974.444
2. Sales revenue (other parties)	127	381.031.001	126.213.892	280.215.756	91.544.263
3. Revenue from the use of own products, goods and services	128	4.517	0	40.239	34.803
4. Other operating revenue with related parties with the Group	129				
5. Other operating revenue (other parties)	130	2.158.021	827.208	5.587.397	3.123.526
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	489.746.890	213.135.036	299.021.752	93.836.082
1. Changes in value of work in progress and finished products	132	10.304	83.484	-214.912	152.531
2. Material costs (133 do 136)	133	371.426.250	125.239.673	268.028.330	85.479.881
a) Raw material and material costs	134	164.062.824	45.105.565	166.961.759	32.530.301
b) Cost of goods sold	135	181.917.515	73.367.907	62.605.402	32.057.618
c) Other external costs	136	25.445.911	6.765.201	38.461.169	20.891.962
3. Staff costs (138 do 140)	137	20.199.967	4.503.794	16.422.734	4.162.165
a) Net salaries and wages	138	12.302.298	2.833.283	10.404.000	2.657.739
b) Tax and contributions from salary expenses	139	4.874.090	1.042.187	3.834.416	956.868
c) Contributions on gross salaries	140	2.923.579	628.324	2.184.318	547.558
4. Depreciation and amortisation	141	10.872.016	2.678.131	10.458.798	2.656.193
5. Other costs	142	5.529.894	2.782.050	2.592.450	880.832
6. Impairment (144+145)	143	75.010.577	75.010.577	0	0
a) Impairment of long-term assets (financial assets excluded)	144	60.379.072	60.379.072		
b) Impairment of short - term assets (financial assets excluded)	145	14.631.505	14.631.505		
7. Provisions (147 do 152)	146				0
a) Provisions for pensions, severance pay and similar liabilities	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for costs of natural resources regeneration	150				
e) Provisions for guarantees costs	151				
f) Other provisions	152				
8. Other operating costs	153	6.897.892	2.837.327	1.734.352	504.480
III. FINANCIAL INCOME (155 do 164)	154	4.000.539	862.087	93.549.832	92.058.372
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 within	157	905.637	212.675	585.911	144.573
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	1.049.793	456.057	985.842	443.790
7. Other income arising from interests	161	181.219	50.594	82.434	34.538
8. Foreign exchange gains and similar financial income	162	718.054	142.761	500.305	40.131
9. Unrealized gains (income) from financial assets	163				
10. Other financial income	164	1.139.256	0	91.395.340	91.395.340
IV. FINANCIAL EXPENSES (166 do 172)	165	110.315.478	89.373.341	1.658.696	486.292
1. Expenses arising from interests and similar expenses with related parties within the Group	166	1.319.635	426.215	515.661	0
2. Foreign exchange losses and similar financial expenses with related parties within the Group	167				
3. Expenses arising from interests and similar expenses	168	19.650.642	359.856	740.884	412.165
4. Foreign exchange losses and similar financial expenses	169	967.874	240.882	380.276	74.077
5. Unrealized losses (expenses) on financial assets	170	6.976.100	6.976.100		
6. Financial assets impairment (net)	171	81.370.283	81.370.283		
7. Other financial expenses	172	30.944	5	21.875	50
V. SHARE IN PARTICIPATING INTERESTS PROFIT	173				
VI. SHARE IN JOINT-VENTURE PROFIT	174				
VII. SHARE IN PARTICIPATING INTERESTS LOSS	175				
VIII. SHARE IN JOINT-VENTURE LOSS	176				
IX. TOTAL INCOME (125+164+173 + 174)	177	401.875.741	130.815.426	384.997.495	188.735.408
X. TOTAL EXPENSES (131+165+175 + 176)	178	600.062.368	302.508.377	300.680.448	94.322.374
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	-198.186.627	-171.692.951	84.317.047	94.413.034
1. Profit before taxes (177-178)	180	0	0	84.317.047	94.413.034
2. Loss before taxes (178-177)	181	198.186.627	171.692.951	0	0
XII. PROFIT TAX	182				
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	-198.186.627	-171.692.951	84.317.047	94.413.034
1. Profit for the period (179-182)	184	0	0	84.317.047	94.413.034
2. Loss for the period (182-179)	185	198.186.627	171.692.951	0	0
APPENDIX to income statement (to be filled in by entrepreneur that prepares consolidated financial statements)					
XIV. PROFIT OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	186				
2. Attributable to minority interest	187				
STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)					
I. PROFIT OR LOSS FOR THE PERIOD					
II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (190 do 197)	188	-198.186.627	-171.692.951	84.317.047	94.413.034
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 of participating interest companies	195				
7. Actuarial gains / losses on defined benefit plans	196				
8. Other changes in equity non related to the owners	197				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	198				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188-198)	199	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188+199)	200	-198.186.627	-171.692.951	84.317.047	94.413.034
APPENDIX to other comprehensive income statement (to be filled in by entrepreneur that prepares consolidated financial statements)					
VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD					
1. Attributed to equity holders of parent company	201				
2. Attributed to minority interest	202				

Cash flow statement - indirect method
period 01.01.2018 to 31.12.2018

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
CASH FLOWS FROM OPERATING ACTIVITIES			
1. Profit before tax	001	(198.186.628)	84.317.047
2. Adjustments (003 do 010)	002	193.793.844	(84.052.387)
a.) Depreciation and amortisation	003	10.872.016	10.458.798
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	004	60.285.893	(8.874)
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	005	102.076.261	(91.395.340)
d.) Interests and dividends income	006	(2.143.229)	(1.654.188)
e.) Interests expense	007	20.970.277	1.256.544
f.) Provisions	008		
g.) Foreign exchange differences (unrealised)	009	-	-
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	1.732.628	(2.709.328)
I. Cash flow increase or decrease before changes in the working capital (001 do 002)	011	(4.392.784)	264.660
3. Working capital changes (013 do 016)	012	32.133.194	4.337.899
a.) Increase or decrease in short term liabilities	013	1.408.604	(856.332)
b.) Increase or decrease in short term receivables	014	18.197.272	(7.878.301)
c.) Increase or decrease in inventories	015	12.527.318	13.072.532
d.) Other increase or decrease in the working capital	016		
II. Cash from operations (011+012)	017	27.740.410	4.602.559
4. Interests paid	018	(8.745.375)	(709.459)
5. Income tax paid	019	(2.003.063)	(447.639)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	16.991.972	3.445.461
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	113.597	
2. Cash inflow from the sale of financial instruments	022		
3. Interests receipts	023	1.446.464	322.331
4. Dividends receipts	024		
5. Cash inflow from repayment of given loans and other borrowings	025	15.901.225	841.181
6. Other cash inflows from investing activities	026	1.475.012	10.215
III. Total cash inflows from investing activities (021 do 026)	027	18.936.298	1.173.727
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(2.355.046)	(2.361.002)
2. Cash outflow for acquisition of financial instruments	029		
3. Cash outflow for granting loans and other borrowings in the given period	030	(29.829.373)	
4. Aquisition of associates decreased by the acquired cash	031		
5. Other cash outflow for investing activities	032	-	
IV. Total cash outflow for investing activities (028 do 032)	033	(32.184.419)	(2.361.002)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(13.248.121)	(1.187.275)
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from increase of the share (subscribed) capital	035		
2. Cash inflow from issuing property and debt financial instruments	036		
3. Cash proceeds from the credit principals, promissory notes, borrowings and other loans	037	101.151.667	780.000
4. Other proceeds from financial activities	038		
V. Total cash inflows from financial activities (027 do 029)	039	101.151.667	780.000
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	040	(98.271.680)	(729.000)
2. Cash outflow for dividends paid	041		
3. Cash outflow for financial lease	042	(904.018)	(505.561)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financial activities	044	(12.219.400)	(1.030.000)
VI. Total cash outflow for financial activities (031 do 035)	045	(111.395.098)	(2.264.561)
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES	046	(10.243.431)	(1.484.561)
1. Unrealised foreign exchange differences in cash and cash equivalents	047		
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(6.499.580)	773.625
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	9.300.282	2.800.724
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	050	2.800.702	3.574.349



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, 28 February 2019

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 Decemberr 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 twelve months period ended 31 December 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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Hrvatska

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



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Zagreb 28 February 2019

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

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

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

Reports prepared by:


Jasenka Kordić
Accounting Director

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



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