



**TVORNICA ŠEĆERA d.d.**  
ZAGREB, ULICA GRADA VUKOVARA 269 g

**STATEMENT OF PERSON RESPONSIBLE FOR PRODUCTION OF THE  
THREE-MONTH REPORT FOR 4Q 2017**

With this statement, in compliance with article 410 of the Law on capital market, I state that to the best of our knowledge

- the set of financial reports of VIRO TVORNICA ŠEĆERA d.d., Zagreb for the period I-XII 2017, produced by applying International standards of financial reporting and in compliance with the Croatian Law on Accounting, provides an integral and true overview of assets and liabilities, loss and profit, financial position and operations of the company.
- the Management report contains a true overview of business results and position of the company, with a description of the most significant risks and uncertainties to which the company is exposed.

In Virovitica, on February 21, 2018

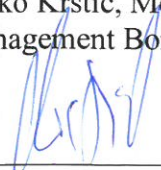
RESPONSIBLE PERSON

PRESIDENT OF THE  
MANAGEMENT BOARD:

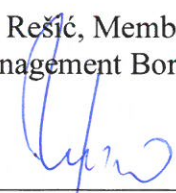


  
Željko Zadro, dipl.oec

Darko Krstić, Member of the  
Management Board

  
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Ivo Rešić, Member of the  
Management Board

  
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**Appendix 1**

Reporting period:

1.1.2017

to

31.12.2017

**Quarterly Financial Report - TFI-POD**Registration number (MB) Identification number of subject (MBS) Personal identification number (OIB) Issuer company: Postal code and place  Street and number E-mail address: Internet address: Code and name of comune/town  Code and county name  Number of employees 

(at quarter end)

Consolidated statement NKD/NWC code: 

Subsidiaries subject to consolidation (according to IFRS):

Registration number:

Subsidiaries subject to consolidation (according to IFRS):	Registration number:

Book keeping service: Contact person: 

(fill in only surname and name of contact person)

Phone number: Fascimile: E-mail address: Surname and name: 

(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement, statement of changes in shareholders' equity and notes to the financial statements)
2. Statement of responsible persons for preparation of financial statements
3. Report of the Management Board on position of the Company

(signed by authorised person for representation)



## BALANCE SHEET

as at 31.12.2017

Item 1	AOP code 2	Last year (net) 3	Current year (net) 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+029+033)</b>	<b>002</b>	749.273.897	694.289.132
<b>I. INTANGIBLE ASSETS (004 to 009)</b>	<b>003</b>	136.740	515.755
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	136.740	515.755
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009		
<b>II. TANGIBLE ASSETS (011 to 019)</b>	<b>010</b>	179.990.028	158.329.860
1. Land	011	5.548.592	5.548.592
2. Buildings	012	68.340.805	62.595.526
3. Plant and equipment	013	66.153.617	49.960.898
4. Tools, facility inventory and transport assets	014		
5. Biological assets	015		
6. Prepayments for tangible assets	016	34.576.964	34.254.275
7. Tangible assets in progress	017	3.286.081	4.036.081
8. Other tangible assets	018	9.300	9.300
9. Investments in buildings	019	2.074.669	1.925.188
<b>III. LONG-TERM FINANCIAL ASSETS (021 to 028)</b>	<b>020</b>	569.147.129	535.443.517
1. Investments (shares) with related parties	021	419.450.043	419.833.409
2. Loans given to related parties	022	149.216.583	115.338.105
3. Participating interest (shares)	023		
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025	3.248	13.848
6. Loans, deposits and similar assets	026	477.255	258.155
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
<b>IV. RECEIVABLES (030 to 032)</b>	<b>029</b>	0	0
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031		
3. Other receivables	032		
<b>V. DEFERRED TAX ASSETS</b>	<b>033</b>		
<b>C) SHORT TERM ASSETS (035+043+050+058)</b>	<b>034</b>	668.453.422	569.937.185
<b>I. INVENTORIES (036 to 042)</b>	<b>035</b>	434.941.674	203.906.899
1. Raw-material and supplies	036	55.191.037	15.746.982
2. Work in progress	037		
3. Finished goods	038	213.847.092	155.199.588
4. Merchandise	039	116.054.925	28.464.973
5. Prepayments for inventories	040	49.848.620	4.495.356
6. Long - term assets held for sales	041		
7. Biological assets	042		
<b>II. RECEIVABLES (044 to 049)</b>	<b>043</b>	184.412.623	139.705.158
1. Receivables from related parties	044	1.259.876	45.106.773
2. Accounts receivable	045	133.612.862	84.776.769
3. Receivables from participating parties	046		
4. Receivables from employees and members of related parties	047	890	759
5. Receivables from government and other institutions	048	49.421.570	9.664.925
6. Other receivables	049	117.425	155.932
<b>III. SHORT TERM FINANCIAL ASSETS (051 to 057)</b>	<b>050</b>	26.687.789	163.641.994
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052	4.681.963	152.546.575
3. Participating interests (shares)	053		
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	12.632.314	10.695.919
7. Other financial assets	057	9.373.512	399.500
<b>IV. CASH AT BANK AND IN CASHIER</b>	<b>058</b>	22.411.336	62.683.134
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>059</b>	5.501.947	1.503.946
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	1.423.229.266	1.265.730.263
<b>F) OFF-BALANCE RECORDS</b>	<b>061</b>	291.648.942	120.241.416

Item	AOP code	Last year (net)	Current year (net)
1	2	3	4
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	<b>665.899.638</b>	<b>608.611.105</b>
<b>I. SUBSCRIBED CAPITAL</b>	<b>063</b>	<b>249.600.060</b>	<b>249.600.060</b>
<b>II. CAPITAL RESERVES</b>	<b>064</b>	<b>10.368.101</b>	<b>10.368.101</b>
<b>III. RESERVES FROM PROFIT (066+067-068+069+070)</b>	<b>065</b>	<b>56.346.673</b>	<b>56.346.673</b>
1. Reserves prescribed by law	066	12.480.003	12.480.003
2. Reserves for treasury shares	067	43.866.670	43.866.670
3. Treasury stocks and shares (deduction)	068	0	0
4. Statutory reserves	069		
5. Other reserves	070		
<b>IV. REVALUATION RESERVES</b>	<b>071</b>		
<b>V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)</b>	<b>072</b>	<b>312.352.661</b>	<b>349.584.804</b>
1. Retained earnings	073	312.352.661	349.584.804
2. Accumulated loss	074		
<b>VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)</b>	<b>075</b>	<b>37.232.143</b>	<b>-57.288.533</b>
1. Profit for the current year	076	37.232.143	
2. Loss for the current year	077		57.288.533
<b>IX. MINORITY INTERESTS</b>	<b>078</b>		
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	<b>0</b>	<b>0</b>
1. Provisions for pensions, severance pay, and similar liabilities	080		
2. Reserves for tax liabilities	081		
3. Other reserves	082		
<b>C) LONG - TERM LIABILITIES (084 to 092)</b>	<b>083</b>	<b>229.589.347</b>	<b>157.643.945</b>
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085	1.375.750	572.633
3. Liabilities to banks and other financial institutions	086	228.213.597	157.071.312
4. Liabilities for received prepayments	087		
5. Accounts payable	088		
6. Liabilities arising from debt securities	089		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	090		
8. Other long-term liabilities	091		
9. Deferred tax liability	092		
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	<b>527.558.401</b>	<b>499.168.562</b>
1. Liabilities to related parties	094	30.738.212	5.174.487
2. Liabilities for loans, deposits etc.	095	7.443.244	12.999.841
3. Liabilities to banks and other financial institutions	096	101.174.511	259.345.545
4. Liabilities for received prepayments	097	1.302.698	13.553.903
5. Accounts payable	098	313.719.185	162.866.590
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100		
8. Liabilities to employees	101	1.284.066	1.427.626
9. Liabilities for taxes, contributions and similar fees	102	2.101.273	6.566.560
10. Liabilities to share - holders	103	30.963	30.963
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	69.764.249	37.203.047
<b>E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	<b>181.880</b>	<b>306.651</b>
<b>F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	<b>1.423.229.266</b>	<b>1.265.730.263</b>
<b>G) OFF-BALANCE RECORDS</b>	<b>108</b>	<b>291.648.942</b>	<b>120.241.416</b>
<b>APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)</b>			
<b>CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	109		
2. Attributed to minority interest	110		

**PROFIT AND LOSS ACCOUNT**  
for the period 01.01.2017. do 31.12.2017.

VIRO TVORNICA ŠEĆERA d.d.

Item	AOP code	Last year		Current year	
		Comulative	Quarterly	Comulative	Quarterly
1	2	3	4	5	6
<b>I. OPERATING REVENUE (112+113)</b>	<b>111</b>	<b>700.509.756</b>	<b>357.913.815</b>	<b>853.347.037</b>	<b>205.538.709</b>
1. Sales revenue	112	696.989.106	356.312.911	847.561.040	202.655.000
2. Other operating revenues	113	3.520.650	1.600.904	5.785.997	2.883.709
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	<b>656.350.120</b>	<b>320.602.802</b>	<b>924.868.139</b>	<b>266.172.797</b>
1. Changes in value of work in progress and finished products i and finished products	115	-138.523.037	-82.897.367	51.579.918	-17.504.955
2. Material costs (117 to 119)	116	725.178.607	382.045.364	792.713.851	252.312.858
a) Raw material and material costs	117	510.624.754	335.806.332	445.959.970	196.407.734
b) Costs of goods sold	118	181.160.920	37.442.516	299.118.195	41.939.572
c) Other external costs	119	33.392.933	8.796.516	47.635.686	13.965.552
3. Staff costs (121 to 123)	120	21.966.324	6.185.503	24.927.334	7.178.735
a) Net salaries and wages	121	13.578.823	3.850.366	15.630.214	4.529.475
b) Cost for taxes and contributions from salaries	122	5.194.585	1.439.383	5.792.476	1.652.205
c) Contributions on gross salaries	123	3.192.916	895.754	3.504.644	997.055
4. Depreciation	124	28.759.248	6.574.580	26.285.861	6.558.995
5. Other costs	125	10.773.515	2.736.376	11.454.070	2.689.103
6. Impairment (127+128)	126	0	0	8.306.520	8.306.520
a) Impairment of long-term assets (financial assets excluded)	127				
b) Impairment of short - term assets (financial assets excluded)	128			8.306.520	8.306.520
7. Provisions	129				
8. Other operating costs	130	8.195.463	5.958.346	9.600.585	6.631.541
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	<b>13.825.221</b>	<b>4.127.499</b>	<b>45.085.414</b>	<b>18.280.477</b>
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	2.804.648	2.105.806	8.405.017	2.664.121
2. Interest income, foreign exchange gains, dividends and similar income from non - related parties and other entities	133	10.520.573	2.021.693	13.296.540	323.766
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135	500.000		49.500	49.500
5. Other financial income	136			23.334.357	15.243.090
<b>IV. FINANCIAL EXPENSES (138 do 141)</b>	<b>137</b>	<b>20.752.714</b>	<b>7.063.143</b>	<b>30.852.845</b>	<b>6.847.715</b>
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	2.957.899	1	3.833.794	104.223
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - related parties and other entities	139	17.292.315	6.933.142	25.605.471	6.743.492
3. Unrealized losses (expenses) on financial assets	140	502.500	130.000		
4. Other financial expenses	141			1.413.580	
<b>V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>				
<b>VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	<b>714.334.977</b>	<b>362.041.314</b>	<b>898.432.451</b>	<b>223.819.186</b>
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	<b>677.102.834</b>	<b>327.665.945</b>	<b>955.720.984</b>	<b>273.020.512</b>
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	<b>37.232.143</b>	<b>34.375.369</b>	<b>-57.288.533</b>	<b>-49.201.326</b>
1. Profit before taxation (146-147)	149	37.232.143	34.375.369	0	0
2. Loss before taxation (147-146)	150	0	0	57.288.533	49.201.326
<b>XII. PROFIT TAX</b>	<b>151</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	<b>37.232.143</b>	<b>34.375.369</b>	<b>-57.288.533</b>	<b>-49.201.326</b>
1. Profit for the period (149-151)	153	37.232.143	34.375.369	0	0
2. Loss for the period (151-148)	154	0	0	57.288.533	49.201.326
<b>APPENDIX to P&amp;L account (to be filled in by entrepreneur that prepares consolidated financial report)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	155				
2. Attributed to minority interest	156				
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD (= 152)</b>	<b>157</b>	<b>37.232.143</b>	<b>34.375.369</b>	<b>-57.288.533</b>	<b>-49.201.326</b>
<b>II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 do 165)</b>	<b>158</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long - term tangible and intangible assets	160				
3. Profit or loss from reevaluation of financial assets available for sale	161				
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>166</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>167</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)</b>	<b>168</b>	<b>37.232.143</b>	<b>34.375.369</b>	<b>-57.288.533</b>	<b>-49.201.326</b>
<b>APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interest	170				

## STATEMENT OF CASH FLOWS - INDIRECT METHOD

for the period 1.1.2017 do 31.12.2017

Item	AOP code	Last year	Current year
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	37.232.143	-57.288.533
2. Depreciation	002	28.759.248	26.285.861
3. Increase in short term liabilities	003	218.992.477	
4. Decrease in short term receivables	004	19.807.017	44.707.465
5. Decrease in inventories	005		231.034.775
6. Other increase in cash flow	006	20.666.901	4.122.772
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>325.457.786</b>	<b>248.862.340</b>
1. Decrease in short term liabilities	008		197.286.293
2. Increase in short term receivables	009		
3. Increase in inventories	010	255.419.802	
4. Other decrease in cash flow	011	6.114.639	143.167.576
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>261.534.441</b>	<b>340.453.869</b>
<b>A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES</b> AKTIVNOSTI (007-012)	<b>013</b>	<b>63.923.345</b>	
<b>A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES</b> AKTIVNOSTI (012-007)	<b>014</b>		<b>91.591.529</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	015	217.805	116.182
2. Cash inflows from sales of equity and debt instruments	016		
3. Interests receipts	017	1.679.568	3.913.878
4. Dividend receipts	018	56.703	77.328
5. Other cash inflows from investing activities	019	34.039.033	39.199.285
<b>III. Total cash inflows from investing activities (015 to 019)</b>	<b>020</b>	<b>35.993.109</b>	<b>43.306.673</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	021	40.711.291	5.120.890
2. Cash outflow for acquisition of equity and debt financial instruments	022		
3. Other cash outflow for investing activities	023	5.777.533	5.495.673
<b>IV. Total cash outflow for investing activities (021 do 023)</b>	<b>024</b>	<b>46.488.824</b>	<b>10.616.563</b>
<b>B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>		<b>32.690.110</b>
<b>B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES</b> AKTIVNOSTI (024-020)	<b>026</b>	<b>10.495.715</b>	
<b>CASH FLOW FROM FINANCIAL ACTIVITIES</b>			
1. Cash inflow from issuing property and debt financial instruments	027		
2. Proceeds from the credit principal, promissory notes, borrowings and other loans	028	177.339.572	319.727.993
3. Other proceeds from financial activities	029	247.628.278	8.000.000
<b>V. Total cash inflows from financial activities (027 to 029)</b>	<b>030</b>	<b>424.967.850</b>	<b>327.727.993</b>
1. Cash outflow for repayment of credit principal and bonds	031	212.228.499	225.326.141
2. Cash outflow for dividends paid	032		
3. Cash outflow for financial lease	033	5.977.777	2.728.635
4. Cash outflow for purchase of treasury shares	034		
5. Other cash outflow for financial activities	035	244.780.147	500.000
<b>VI. Total cash outflow for financial activities (031 to 035)</b>	<b>036</b>	<b>462.986.423</b>	<b>228.554.776</b>
<b>C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</b> AKTIVNOSTI (030-036)	<b>037</b>		<b>99.173.217</b>
<b>C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES</b> AKTIVNOSTI (036-030)	<b>038</b>	<b>38.018.573</b>	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	<b>039</b>	15.409.057	40.271.798
Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037)	<b>040</b>		
Cash and cash equivalents at the beginning of the period	<b>041</b>	7.002.279	22.411.336
Increase of cash and cash equivalents	<b>042</b>	15.409.057	40.271.798
Decrease of cash and cash equivalents	<b>043</b>	0	0
Cash and cash equivalents at the end of the period	<b>044</b>	22.411.336	62.683.134

**STATEMENT OF CHANGES IN EQUITY**  
for the period **1.1.2017** do **31.12.2017**

Item	AOP code	Last year	Current year
1	2	3	4
1. Subscribed capital	001	249.600.060	249.600.060
2. Capital reserves	002	10.368.101	10.368.101
3. Reserves from profit	003	56.346.673	56.346.673
4. Retained earnings or accumulated loss	004	312.352.661	349.584.804
5. Profit or loss for the current year	005	37.232.143	-57.288.533
6. Revaluation of long - term tangible assets	006		
7. Revaluation of intangible assets	007		
8. Revaluation of financial assets available for sale	008		
9. Other revaluation	009		
<b>10. Total capital and reserves (AOP 001 do 009)</b>	<b>010</b>	<b>665.899.638</b>	<b>608.611.105</b>
11. Currency gains and losses arising from net investement in foreign operations	011		
12. Current and deferred taxes (part)	012		
13. Cash flow hedging	013		
14. Changes in accounting policy	014		
15. Correction of significant errors in prior period	015		
16. Other changes of capital	016		
<b>17. Total increase or decrease in capital (AOP 011 do 016)</b>	<b>017</b>	<b>0</b>	<b>0</b>
17 a. Attributed to equity holders of parent company	018		
17 b. Attributed to minority interest	019		

## Notes

THERE WERE NO ACCOUNTING POLICY CHANGES IN RELATION TO HTE ANNUAL FINANCIAL REPORT FOR YEAR 2016.