

**Consolidated financial results for the
six months period ended
30 June 2019
(unaudited)**



Granolio

General information on Granolio d.d.

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

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

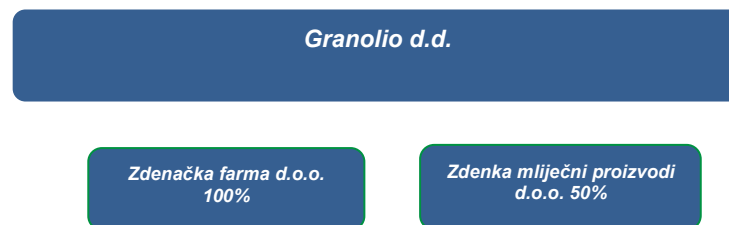
Subsidiaries

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

It has a controlling influence in the decision-making process in Zdenka mliječni proizvodi d.o.o. which has been consolidated into the Granolio Group since 2011.

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:



The Group monitors its business operations through four business segments:

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

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

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

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by holding company Granolio d.d.

The segment Other comprises beef cattle farming and rendering the silo services and the storage of trade goods (Granolio d.d.)

Granolio Group's financial indicators for the six months period of 2019

In thousands of HRK

	1-6 2019	1-6 2018	change	
Operating income	218.414	238.104	(19.690)	(8%)
Operating expenses	(228.697)	(241.241)	12.544	5%
EBIT	(10.283)	(3.137)	(7.146)	228%
<i>EBIT margin</i>	<i>-5%</i>	<i>(1%)</i>		
EBITDA	3.620	12.216	(8.596)	(70%)
<i>EBITDA margin</i>	<i>2%</i>	<i>5%</i>		
Net financial result	(1.482)	(24)	(1.458)	(6075%)
Net result for the period	(11.765)	(3.161)	(8.604)	(272%)
<i>Attributable to the Group</i>	<i>(12.049)</i>	<i>(4.234)</i>	<i>(7.815)</i>	<i>(185%)</i>
<i>Non-controlling interest</i>	<i>284</i>	<i>1.073</i>	<i>(789)</i>	<i>74%</i>

Net financial result represents the difference between financial revenues and financial expenses. In the first half-year 2019, financial expense is greater due to holding company starting to account for an interest on financial debt which is part of the pre-bankruptcy settlement.

Financial indicators

In thousands of HRK

	30.6.2019	31.12.2018	change	
Net assets (Capital and reserves)*	51.159	104.806	(53.647)	(51%)
Total debt	460.033	516.765	(56.732)	(11%)
Cash and cash equivalents	3.989	10.340	(6.351)	(61%)
Given loans, deposits and similar**	26.574	32.821	(6.247)	(19%)
Net debt	429.470	473.604	(44.134)	(9%)
Net debt/ EBITDA	17,89	14,53		
EBITDA for the last 12 months	24.003	32.599		

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

** Loans given, securities and deposits

Net assets of the Group is lower compared to the value stated at 31 December 2018 due to deconsolidation of financial statements of Žitar d.o.o. and its subsidiary Žitar konto d.o.o. As at 4 March 2019 the Company has signed a contract on the sales of investments into Žitar, and on 14 March 2019 this business event has been recorded in the Court register.

Total debt of the Group has decreased mainly due to deconsolidation of financial liabilities of Žitar and, in smaller amount, due to repayment of debt by Zdenka – mliječni proizvodi.

Separate business results for the six months period of 2019

Granolio d.d.

In thousands of HRK

	1-6 2019	1-6 2018	change	
Operating income	130.707	125.933	4.774	4%
EBIT	(11.746)	(6.566)	(5.180)	(79%)
<i>margin %</i>	(9%)	(5%)		
EBITDA	(6.454)	(1.373)	(5.081)	370%
<i>margin %</i>	(5%)	(1%)		
Net financial result	(394)	290	(684)	236%
Net result	(12.140)	(6.276)	(5.864)	(93%)
<i>margin %</i>	(9,3%)	(5,0%)		

In the first half-year 2019 the Company has made lower operating result (EBIT) compared to the same period last year. The reason for that is high prices of wheat that are not followed by equal increase in sales prices of flour. The second reason is that Company does not have enough working capital to increase volume of trading in sowing materials and crops.

Company expects improving it's operating result to improve by the end of the year.

Net financial result represents the difference between financial revenues and financial expenses. In 2019 the Company started to account for an interest on the financial debt which is part of the pre-bankruptcy settlement.

As at 4 March 2019 The Company has signed a contract on the sales of investments into Žitar, one of its subsidiaries. Since the value of the investment has been impaired to it's net realizable value in financial statements for 2018, no profit nor loss from sale of investment has been recognized in Statement of total comprehensive income.

Zdenka - mliječni proizvodi d.o.o.

In thousands of HRK

	1-6 2019	1-6 2018	change	
Operating income	72.934	67.692	5.242	8%
EBIT	1.726	2.281	(555)	24%
<i>margin %</i>	2%	3%		
EBITDA	8.012	8.400	(388)	(5%)
<i>margin %</i>	11%	12%		
Net financial result	(358)	(183)	(175)	(96%)
Net result	1.368	2.098	(730)	35%
<i>margin %</i>	2%	3%		

In the first half-year 2019 average prices of raw materials increased by 10% compared to the first half-year 2018. Sales prices of finished goods could not rise proportionally and that has caused decrease in sales margins in 2019 compared to the previous period.

Zdenačka farma d.o.o.

In thousands of HRK

	1-6 2019	1-6 2018	change	
Operating income	12.534	11.328	1.206	11%
EBIT	159	1.080	(921)	(85%)
<i>margin %</i>	1%	10%		
EBITDA	1.666	2.509	(843)	(34%)
<i>margin %</i>	13%	22%		
Net financial result	(356)	(348)	(8)	(2%)
Net result	(197)	732	(929)	(127%)
<i>margin %</i>	(2%)	6%		

In the first half-year 2019 total sales of milk by Zdenačka farma amounted to 2,1 million kilos (HY 2018: 2,4 million kilos). Average sales price realised in the first quarter 2019 was lower than the average sales price realised in the same period last year by 2%. Other than by sale of milk, the income was also made from trade in goods.

Employees

In the six months 2019 the Group employed 382 employees based on man-hour basis (in the six months 2018: 416 employees).

Environment

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

Other

Supervisory Board has approved Granolio Group's financial statements for the six months period 2019.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:	1.1.2019	to	30.6.2019
Year:	2019		
Quarter:	2.		

Quarterly financial statements

Registration number (MB):	01244272	Issuer's home Member State code:	Croatia
Entity's registration number (MBS):	080111595		
Personal identification number (OIB):	59064993527	LEI:	21380003Z6ZSDBAKG321
Institution code:	15989		

Name of the issuer: Granolio d.d

Postcode and town: 10000

Zagreb

Street and house number: Budmanijeva 5

E-mail address: granolio@granolio.hr

Web address: www.granolio.hr

Number of employees (end of the reporting): 387

Consolidated report: KD (KN-not consolidated/KD-consolidated)

Audited: RN (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

GRANOLIO D.D.

ZAGREB

1244272

ZDENAČKA FARMA D.O.O.

VELIKI ZDENCI

2095777

ZDENKA - MLIJEČNI PROIZVODI D.O.O.

VELIKI ZDENCI

1623982

ŽITAR D.O.O.

DONJI MIHOLJAC

1443119

ŽITAR KONTO D.O.O.

DONJI MIHOLJAC

4212517

Bookkeeping firm: No (Yes/No)

(name of the bookkeeping firm)

Contact person: JASENKA KORDIĆ

(only name and surname of the contact person)

Telephone: 01/6320-261

E-mail address: jkordic@granolio.hr

Audit firm: BDO Croatia d.o.o.

(name of the audit firm)

Certified auditor: Hrvoje Stipić

(name and surname)

BALANCE SHEET
balance as at 30.06.2019.

in HRK

Submitter: Granolio d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001		
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	449.163.043	370.806.805
I INTANGIBLE ASSETS (ADP 004 to 009)	003	122.816.990	125.755.101
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	120.452.823	120.515.371
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	2.364.167	5.239.730
II TANGIBLE ASSETS (ADP 011 to 019)	010	315.055.569	233.819.511
1 Land	011	23.643.099	14.295.423
2 Buildings	012	214.789.139	158.912.157
3 Plant and equipment	013	47.911.643	36.405.513
4 Tools, working inventory and transportation assets	014	2.230.274	1.085.350
5 Biological assets	015	9.939.064	6.023.809
6 Advances for the purchase of tangible assets	016	401.922	0
7 Tangible assets in preparation	017	79.651	11.946.961
8 Other tangible assets	018	11.013.777	103.298
9 Investment property	019	5.047.000	5.047.000
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	10.172.484	10.129.193
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	0	0
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	0	0
8 Loans, deposits, etc. given	028	302.114	269.323
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	9.870.370	9.859.870
IV RECEIVABLES (ADP 032 to 035)	031	15.000	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	15.000	0
V DEFERRED TAX ASSETS	036	1.103.000	1.103.000
C) CURRENT ASSETS (ADP 038+046+053+063)	037	244.282.874	211.098.905
I INVENTORIES (ADP 039 to 045)	038	68.515.150	36.380.574
1 Raw materials and consumables	039	21.261.304	16.046.392
2 Work in progress	040	6.808.217	4.283.113
3 Finished goods	041	33.875.722	11.110.713
4 Merchandise	042	6.531.262	4.940.356
5 Advances for inventories	043	38.645	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	132.908.459	144.425.417
1 Receivables from undertakings within the group	047	664.746	664.741
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	95.436.009	102.503.962
4 Receivables from employees and members of the undertaking	050	467	2.301
5 Receivables from government and other institutions	051	5.687.313	2.495.465
6 Other receivables	052	31.119.924	38.758.948
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	32.519.590	26.304.319
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	10.190.819	10.190.819
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	178.441	178.281
8 Loans, deposits, etc. given	061	22.150.330	15.935.219
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	10.339.675	3.988.595
D) PREPAID EXPENSES AND ACCRUED INCOME	064	666.551	608.838
E) TOTAL ASSETS (ADP 001+002+037+064)	065	694.112.468	582.514.548
OFF-BALANCE SHEET ITEMS	066		

LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	104.806.286	51.158.752
I INITIAL (SUBSCRIBED) CAPITAL	068	19.016.430	19.016.430
II CAPITAL RESERVES	069	84.195.807	84.195.807
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	1.208.227	4.296.923
1 Legal reserves	071	408.227	3.496.923
2 Reserves for treasury shares	072	800.000	800.000
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
IV REVALUATION RESERVES	076	57.678.142	56.177.018
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078		
2 Cash flow hedge - effective portion	079		
3 Hedge of a net investment in a foreign operation - effective portion	080		
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-199.590.747	-128.887.669
1 Retained profit	082	0	0
2 Loss brought forward	083	199.590.747	128.887.669
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	81.861.224	-12.048.604
1 Profit for the business year	085	81.861.224	0
2 Loss for the business year	086	0	12.048.604
VIII MINORITY (NON-CONTROLLING) INTEREST	087	60.437.203	28.408.847
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089		
2 Provisions for tax liabilities	090		
3 Provisions for ongoing legal cases	091		
4 Provisions for renewal of natural resources	092		
5 Provisions for warranty obligations	093		
6 Other provisions	094		
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	482.627.602	438.125.383
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	11.126	0
6 Liabilities to banks and other financial institutions	101	418.048.934	381.573.812
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	51.906.486	44.220.030
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	12.661.056	12.331.541
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	95.537.341	87.898.020
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	0	3.000.000
6 Liabilities to banks and other financial institutions	113	30.535.530	8.781.933
7 Liabilities for advance payments	114	668.221	52.728
8 Liabilities to suppliers	115	48.362.280	62.597.458
9 Liabilities for securities	116	8.870.000	7.830.000
10 Liabilities to employees	117	2.255.225	2.342.114
11 Taxes, contributions and similar liabilities	118	3.908.720	3.104.025
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	937.365	189.762
E) ACCRUALS AND DEFERRED INCOME	122	11.141.240	5.332.393
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	694.112.469	582.514.548
G) OFF-BALANCE SHEET ITEMS	124		

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 30.06.2019

in HRK

Submitter: Granolio d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	238.103.938	135.075.936	218.414.257	119.919.487
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	229.827.599	131.042.643	209.849.732	114.946.682
3 Income from the use of own products, goods and services	128	1.015.268	647.747	872.473	184.428
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	7.261.071	3.385.546	7.692.052	4.788.377
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	241.240.878	134.856.971	228.697.297	123.036.631
1 Changes in inventories of work in progress and finished goods	132	-6.730.675	-3.845.499	-3.010.269	2.858.291
2 Material costs (ADP 134 to 136)	133	206.084.472	117.013.024	193.578.292	102.049.582
a) Costs of raw materials and consumables	134	144.172.275	73.238.798	148.974.956	76.890.325
b) Costs of goods sold	135	44.387.018	34.113.418	30.771.891	18.057.029
c) Other external costs	136	17.525.179	9.660.808	13.831.445	7.102.228
3 Staff costs (ADP 138 to 140)	137	18.585.933	9.471.184	18.385.714	8.878.679
a) Net salaries and wages	138	11.962.012	6.115.030	11.897.680	5.750.700
b) Tax and contributions from salary costs	139	3.998.459	2.024.307	4.049.643	1.957.365
c) Contributions on salaries	140	2.625.462	1.331.847	2.438.391	1.170.614
4 Depreciation	141	15.352.641	7.613.351	13.885.597	6.543.986
5 Other costs	142	3.473.745	1.845.698	3.198.134	1.670.237
6 Value adjustments (ADP 144+145)	143	0	0	17.767	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	17.767	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for renewal of natural resources	150				
e) Provisions for warranty obligations	151				
f) Other provisions	152				
8 Other operating expenses	153	4.474.762	2.759.213	2.642.062	1.035.856
III FINANCIAL INCOME (ADP 155 to 164)	154	2.175.677	922.386	990.219	963.198
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	352.276	176.250	67.641	67.641
7 Other interest income	161	19.919	7.518	588.377	585.519
8 Exchange rate differences and other financial income	162	1.803.482	738.618	146.384	122.221
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	187.817	187.817
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	2.199.704	1.105.664	2.472.296	1.128.076
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	1.872.262	899.509	2.247.701	998.394
4 Exchange rate differences and other expenses	169	305.831	184.639	199.340	104.554
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	21.611	21.516	25.255	25.128
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	240.279.615	135.998.322	219.404.476	120.882.685
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	243.440.582	135.962.635	231.169.593	124.164.707
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-3.160.967	35.687	-11.765.117	-3.282.022
1 Pre-tax profit (ADP 177-178)	180	0	35.687	0	0

2 Pre-tax loss (ADP 178-177)	181	-3.160.967	0	-11.765.117	-3.282.022
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-3.160.967	35.687	-11.765.117	-3.282.022
1 Profit for the period (ADP 179-182)	184	0	35.687	0	0
2 Loss for the period (ADP 182-179)	185	-3.160.967	0	-11.765.117	-3.282.022
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187				
2 Pre-tax loss on discontinued operations	188				
XV INCOME TAX OF DISCONTINUED OPERATIONS	189				
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193				
2 Pre-tax loss (ADP 192)	194				
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	-3.193.967	35.687	-11.765.117	-3.282.022
1 Attributable to owners of the parent	200	-4.266.874	-1.470.940	-12.048.604	-3.370.652
2 Attributable to minority (non-controlling) interest	201	1.072.907	1.506.627	283.487	88.630
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	-3.160.967	35.687	-11.765.117	-3.282.022
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204				
2 Changes in revaluation reserves of fixed tangible and intangible assets	205				
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206				
4 Profit or loss arising from effective cash flow hedging	207				
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208				
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209				
7 Actuarial gains/losses on the defined benefit obligation	210				
8 Other changes in equity unrelated to owners	211				
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212				
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-3.160.967	35.687	-11.765.117	-3.282.022
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-3.193.967	35.687	-11.765.117	-3.282.022
1 Attributable to owners of the parent	216	-4.266.874	-1.470.940	-12.048.604	-3.370.652
2 Attributable to minority (non-controlling) interest	217	1.072.907	1.506.627	283.487	88.630

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019. . to 30.06.2019.

in HRK

Submitter: Granolio d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	-3.160.967	-11.765.117
2 Adjustments (ADP 003 to 010):	002	13.338.367	14.036.728
a) Depreciation	003	15.352.643	13.885.597
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	1.990.817	1.138.081
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	-172.817
d) Interest and dividend income	006	-372.081	-583.615
e) Interest expenses	007	1.733.324	2.247.699
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-1.521.732	-6.642
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-3.844.604	-2.471.575
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	10.177.400	2.271.611
3 Changes in the working capital (ADP 013 to 016)	012	-12.564.304	9.478.457
a) Increase or decrease in short-term liabilities	013	-1.731.141	10.322.212
b) Increase or decrease in short-term receivables	014	2.388.245	192.859
c) Increase or decrease in inventories	015	-13.221.408	-1.036.614
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	-2.386.904	11.750.068
4 Interest paid	018	-1.784.381	-2.112.617
5 Income tax paid	019	-490.000	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	-4.661.285	9.637.451
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	43.482	589.487
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	54.811	3.085.171
6 Other cash receipts from investment activities	026	10.215	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	108.508	3.674.658
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-4.350.185	-5.893.563
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-9.840.004	-145.000
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-14.190.189	-6.038.563
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-14.081.681	-2.363.905
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	35.551.515	6.000.000
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	35.551.515	6.000.000
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-7.769.741	-17.921.505
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	-862.413	-663.121
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	-910.000	-1.040.000
VI Total cash payments from financing activities (ADP 040 to 044)	045	-9.542.154	-19.624.626
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	26.009.361	-13.624.626
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	7.266.395	-6.351.080
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	3.604.962	10.339.675
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	10.871.357	3.988.595

STATEMENT OF CHANGES IN EQUITY
for the period from **1.1.2018** to **30.6.2019**

Item	ADP code	Attributable to owners of the parent														in HRK	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent	Minority (non-controlling) interest	Total capital and reserves
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 + 8 to 15)	17	18 (16+17)
Previous period																	
1 Balance on the first day of the previous business year	01	19.016.430	84.186.547	408.227	800.000	0	0	0	60.117.173	0	0	0	-868.308	-201.658.850	-37.998.781	58.358.525	20.359.744
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	19.016.430	84.186.547	408.227	800.000	0	0	0	60.117.173	0	0	0	-868.308	-201.658.850	-37.998.781	58.358.525	20.359.744
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	81.861.224	81.861.224	0	81.861.224
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	-2.996.109	0	0	0	2.996.109	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	9.280	0	0	0	0	0	679.363	0	0	0	-717.381	0	-28.758	0	-28.758
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	-122.285	0	0	0	657.682	0	535.397	0	535.397
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	-201.658.850	201.658.850	0	2.078.678	2.078.678
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	19.016.430	84.195.807	408.227	800.000	0	0	0	57.678.142	0	0	0	-199.590.748	81.861.224	44.369.082	60.437.203	104.806.285
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	9.280	0	0	0	0	0	-2.439.031	0	0	0	2.936.410	0	506.639	0	506.639
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	9.280	0	0	0	0	0	-2.439.031	0	0	0	2.936.410	81.861.224	82.367.863	0	82.367.863
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	-201.658.850	201.658.850	0	2.078.678	2.078.678
Current period																	
1 Balance on the first day of the current business year	27	19.016.430	84.195.807	408.227	800.000	0	0	0	57.678.142	0	0	0	-199.590.748	81.861.224	44.369.082	60.437.203	104.806.285
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	327	0	0	0	0	0	0	0	0	0	0	327	0	327
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	19.016.430	84.195.807	408.554	800.000	0	0	0	57.678.142	0	0	0	-199.590.748	81.861.224	44.369.409	60.437.203	104.806.612
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-12.048.604	-12.048.604	0	-12.048.604
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	-1.501.123	0	0	0	1.501.123	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	-8.900.415	0	-9.900.415	-32.311.843	-42.212.258
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	329.515	0	329.515	0	329.515
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	3.088.369	0	0	0	0	0	0	0	0	78.772.855	-81.861.224	0	283.487	283.487
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	19.016.430	84.195.807	3.496.923	800.000	0	0	0	56.177.019	0	0	0	-128.887.670	-12.048.604	22.749.905	28.408.847	51.158.752
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
I OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	-1.501.123	0	0	0	-8.069.777	0	-9.570.900	-32.311.843	-41.882.743
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	-1,501,123	0	0	0	-8,069,777	-12,048,604	-21,619,504	-32,311,843	-53,931,347
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	3,088,369	0	0	0	0	0	0	0	0	78,772,855	-81,861,224	0	283,487	283,487

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: Granolio d.d.
Personal identification number (OIB): 59064993527

Reporting period:01.01.2019. -30.06.2019.

Notes to financial statements for quarterly periods include:

The same accounting policies are applied while drawing up financial statements for the six month reporting period as in the latest annual financial statements except for IFRS 16 that applies to the financial statements starting on 1 January 2019. The effect of applying IFRS 16 on lease contracts concluded prior to January 1, 2019 is reported in the position Loss brought forward.

As at March 4, 2019 the Group carried out the deconsolidation of Žitar d.o.o. and its subsidiary Žitar konto d.o.o.

Deconsolidation caused decrease in value of assets and liabilities as at June 30, 2019 compared to December 31, 2018.

The result of deconsolidation is shown in the value of Capital and reserves and the value of Non-controlling Interest.



Granolio

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Budmanijeva 5, HR-10000 Zagreb
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In Zagreb, 31 July 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 2019 till 30 June 2019 present complete and fair view of assets and liabilities, profit and loss, financial position and operations of the Company.

The management report for the six months period ended 30 June 2019 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



Granolio

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Zagreb, 31 July 2019

Statement of Executives responsible for preparing financial statements for the six 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 six months period give a true presentation of the Company's position as at 30 June 2019.

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