

**INVITATION TO THE GENERAL ASSEMBLY
OF GRANOLIO D.D.**

Pursuant to Article 277 of the Companies Act and Article 43 of Granolio d.d. Statute, the Management Board, acting upon the Decision on convening the General Assembly of October 30, 2019, convenes and invites to

The General Assembly of Granolio d.d. Zagreb, Budmanijeva 5,

which will be held on December 09, 2019 at 12.00 hours at the DoubleTree by Hilton Hotel in Zagreb, Olive I Meeting Room, Ulica grada Vukovara 269a, Zagreb.

I.

The following Agenda is proposed for the General Assembly meeting:

A g e n d a :

1. Opening of the General Assembly, establishing the list of participants at the General Assembly,
2. Resolution on the increase of the share capital of the company Granolio d.d. by contribution in rights, by issuing new ordinary shares, with full exclusion of priority rights of the current shareholders, on the approval to the acquirers to acquire the shares with voting rights of the target company without the obligation to publish the take-over bid in accordance with Article 14 par. 1, item 3 of the Law on takeover of joint stock companies and on the amendments of the Statute of Granolio d.d.

II.

Pursuant to Article 280 of the Companies Act, the Management Board and the Supervisory Board of the Company propose to the General Assembly to pass the following resolutions:

Ad 2) The Management Board and the Supervisory Board propose to the General Assembly to pass the following r e s o l u t i o n :

"Resolution on the increase of the share capital of the company Granolio d.d. by contribution in rights, by issuing new ordinary shares, with full exclusion of priority rights of the current shareholders, on the approval to the acquirers to acquire the shares with voting rights of the target company without the obligation to publish the take-over bid in accordance with Article 14 par. 1, item 3 of the Law on takeover of joint stock companies and on the amendments of the Statute of Granolio d.d.

1. The share capital of the company Granolio d.d., with registered seat in Zagreb, Budmanijeva 5, OIB: 59064993527 (hereinafter: the Company) amounts to kn 19.016.430,00 (nineteen million sixteen thousand four hundred thirty kuna) and is divided into 1.901.643 (one million nine hundred and one thousand six hundred forty-three)

ordinary registered shares, of the nominal value kn 10,00 (ten kuna). Share capital of the Company has been paid up in full.

2. The share capital of the Company is increased by issuing new ordinary shares by contribution in rights, in particular by assignment of the part of the claim of the company MP ONE d.o.o., with registered seat in Zagreb, Ulica grada Vukovara 269 d/II, OIB: 71438935973 (hereinafter: New shareholder) against the Company, on the basis of the Agreement on the long term kuna club loan in the amount of up to kn 300.000.000,00 entered into on 31.07.2015. between the companies Zagrebačka banka d.d., Privredna banka Zagreb d.d. and Erste&Steiermärkische bank d.d. as mandate arrangers and lenders, on one side, and the company Granolio d.d. as borrower and pledgor, Hrvoje Filipović and companies Zdenačka farma d.o.o. and Prerada žitarica d.o.o. as pledgors, and the amendment to the agreement dated 28.12.2016., (participation of the assignor Privredna banka Zagreb d.d. in the loan is 100.000.000,00 HRK), Agreement on long term loan no. 5010588957 dated 14.06.2016. and the Agreement on the long term kuna club loan in the amount of up to kn 300.000.000,00 entered into on 31.07.2015. between the companies Zagrebačka banka d.d., Privredna banka Zagreb d.d. and Erste&Steiermärkische bank d.d. as mandate arrangers and lenders, on one side, and the company Granolio d.d. as borrower and pledgor, Hrvoje Filipović and companies Zdenačka farma d.o.o. and Prerada žitarica d.o.o. as pledgors, and the amendment to the agreement dated 28.12.2016., (participation of the assignor Zagrebačka banka d.d. in the loan is 100.000.000,00 HRK); which claims the New shareholder has acquired from company B2 KAPITAL d.o.o. on the basis of the Agreement on assignment of claim dated 21.09.2018., notarized by the notary public Zorka Čavajda from Zagreb under the no. OV-10117/18, and the company B2 KAPITAL d.o.o. has acquired those claims on the basis of the Agreement on assignment of claim entered into on 17.10.2017. with Privredna banka Zagreb d.d., notarized by the notary public Jozo Rotim from Zagreb under no. OV-8179/17 and the Agreement on assignment and transfer of rights and claims entered into on 06.07.2018. with Zagrebačka banka d.d. notarized by the notary public Mladen Matoš from Zagreb under no. OV-10831/18, whereby the part of the claim which is being contributed to the share capital of the Company amounts to 1.500.000,00 kn (one million five hundred thousand kuna), while in the remaining part the claim is being discharged on the day of entry of the increase of the share capital pursuant to this decision, into the court registry of the Commercial Court in Zagreb, all pursuant to the agreement on contribution of the rights into the share capital of the Company which shall be entered into between the Company and the New shareholder before the submission of the application for entry of the increase of the share capital. Pursuant to the Article 305 of the Companies Act, the increase of the share capital pursuant to this decision shall be audited by the auditor of the increase of the share capital, appointed by the Commercial court in Zagreb.

3. Pursuant to this decision the share capital of the Company shall be increased from the amount of kn 19.016.430,00 (nineteen million sixteen thousand four hundred thirty kuna) for the amount of kn 1.500.000,00 (one million five hundred thousand kuna) to the amount of 20.516.430,00 kn (twenty million five hundred sixteen thousand four hundred thirty kuna), by issuing 150.000,00 (one hundred fifty thousand) new ordinary registered shares, nominal value of 10,00 kuna each (hereinafter: „New shares“) by contribution in rights, by assignment of claims of the New shareholder against the Company in the amount of 1.500.000,00 (one million five hundred thousand kuna).

4. For the implementation of this decision on the increase of the share capital of the company Granolio d.d. pursuant to the Article 308. par. 4. of the Companies Act the priority right of the current shareholders to subscribe and contribute for the New shares to be issued in the increase of the share capital is fully excluded.

5. On the basis of this decision on the increase of the share capital of the Company, the General Assembly of the Company (target company) gives approval to the New shareholder to acquire New shares without the obligation to publish the takeover bid, if by such acquiring the obligation to publish the takeover bid would arise, all in accordance with the provisions of the Article 14. par 1. item 3. of the Law on takeover of the joint stock companies.

6. In accordance with the Article 409. par 1. items 2. and 3. of the Capital Markets Act, the Company issues New shares with the exemption from the obligation to publish the prospectus and the company shall not publish the prospectus for the purpose of issue of the shares.

7. New shares shall not be listed with the Regulated market of Zagreb Stock Exchange, Inc., together with all of the previously issued shares and the Company shall not publish the prospectus for listing of the New shares, until the decision to the contrary, in accordance with the Statute of the Company.

8. New shares shall bear the same rights and rank as all current shares of the Company. They shall be issued in the dematerialized form, as electronic record in the computer system of SKDD, with the code assigned by SKDD. Each share gives right to one vote in the General Assembly of the Company. The shares are issued as registered shares and give all rights to their holders as determined by the law and the Statute of the Company as of the entry of the increase of the share capital into the court registry.

9. If the increase of the share capital is not entered into the court registry within 12 months from the adoption of this decision, the subscription form shall no longer bind the New shareholder. In such case it shall be considered that the increase of the share capital and the issuance of the new shares was not successful.

10. The Statute of the Company is amended so that, after the issuance of the New shares of the Company on the basis of this decision and the increase of the share capital of the Company in accordance with this decision, (i) the amount of the share capital of the Company is amended and in Art. 11 (eleven) par. 2. (second) number and words "19.016.430,00 (nineteen million sixteen thousand four hundred thirty

kuna)" are replaced by the number and words: " 20.516.430,00 kn (twenty million five hundred sixteen thousand four hundred thirty kuna" and (ii) the number of shares of the Company is amended so that in the Art. 14 (fourteen) par. 1. (first) number and words "1.901.643 (one million nine hundred and one thousand six hundred forty-three)" are replaced by the number and words: "2.051.643 (two million fifty-one thousand six hundred forty-three)". The Supervisory Board of the Company is authorised and obligated to establish the restated wording of the Statute. The stated amendment and supplements of the Statute enter into force on the date when entered into the court registry.

11. The provision of applicable laws and the Statute of the Company shall apply to all matters not regulated by this decision.

12. The Management Board of the Company is authorised to submit the application for entry of the decision into the court registry of the Commercial Court in Zagreb."

III.

Shareholders of the Company are hereby invited to participate in the General Assembly convened as per Decision on convening the General Assembly.

Shareholders, i.e. their proxies, have voting rights and the right to participate in the General Assembly if they are registered with the Central Depository and Clearing Company as shareholders on the beginning of the 21st (twenty first) day before the General Assembly is held. (Article 48 of the Company's Statute), and if they submit the application for participation at the General Assembly no later than 6 (six) days before the General Assembly meeting is held (Article 46 of the Company's Statute).

The General Assembly cannot pass valid resolutions unless attended by shareholders representing 50% of shares carrying voting rights - a quorum (Article 53 of the Company's Statute) while resolution under the proposed item 2 of the Agenda can be passed by a majority of $\frac{3}{4}$ of the share capital present at the General Assembly (Article 47 of the Company's Statute and Art. 304 and 308 of the Companies Act). Each share with a nominal value of HRK 10.00 carries one vote in the Company's General Assembly (Article 47 of the Company's Statute).

The application for participation (application form available on the Company website: <http://www.granolio.hr/hr/investitori/>) is submitted in writing, to the Company's Management Board at the Company's registered address.

Voting rights at the General Assembly may also be exercised by proxy. The Power of Attorney must be made in writing (form available on the Company website), it must be certified by a notary public and must explicitly grant the proxy the right to vote at the General Assembly. Unless already submitted, the Power of Attorney is to be submitted to the Company along with the application for participation at the General Assembly meeting prior to its commencement. The Power of Attorney is retained in the Company archives. A copy of the signed Power of Attorney may also be e-mailed to: granolio-pk@granolio.hr

Shareholders who are legal persons must along with the application

and/or Power of Attorney submit also a copy or excerpt from the relevant register.

The Report of the Management Board on the reasons for full exclusion of the priority rights of current shareholders, as well as application form and power-of-attorney templates required for participation at the General Assembly meeting may be obtained on business days between 10 am and 12 pm at the Company's seat after the Invitation to the General Assembly is released. At their request, shareholders will receive copies of the said documents.

Shareholders who jointly hold at least a twentieth part of the Company's share capital may request that items be added to the General Assembly meeting Agenda, with the explanation and respective resolution proposal. The Company has to receive the request at least 30 days prior to the General Assembly meeting. The day of receipt of the request is not included in the 30-day period.

The counterproposals to the proposals made by the Management Board and/or Supervisory Board, with the name and surname of the shareholders and the explanation, as well as proposals of the shareholders on the appointment of the auditors of the Company, must be received by the Company no later than 14 days prior to the General Assembly meeting. The day of receipt of the counterproposal is not included in the 14-day period. In case the shareholder does not exercise this right, this will not result in the loss of the right to file counterproposals at the General Assembly.

At the General Assembly, the Management Board is obliged to provide information about Company operations to any shareholder at their request if this is necessary for consideration of the items of the Agenda. This information may be withheld for reasons provided for by the Companies Act.

As of the date of convening the General Assembly, the Invitation to the General Assembly, documents of relevance to the General Assembly meeting, the total number of shares and voting rights at the time the General Assembly is convened as well as application form and power of attorney templates necessary for participation, will be available on the Company website (<http://www.granolio.hr/hr/investitori/>).

IV.

If the General Assembly to be held on December 09, 2019 fails to meet quorum requirements or cannot be held for any other reason, a new General Assembly meeting with the same agenda will be held at the Company's premises in Zagreb, Budmanijeva 5 on December 10, 2019 at 09:00 hours. The new General Assembly will be held regardless of the number of shareholders attending and the resolutions will be passed by a majority of votes cast.

GRANOLIO d.d.
President of the Management Board



Granolio
d.d., Budmanijeva 5
Zagreb

Hrvoje Filipović