

**Consolidated 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.

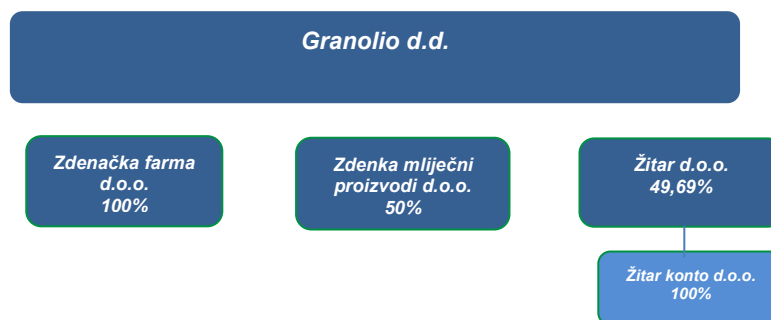
Subsidiaries

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

It has a controlling influence in the decision-making process in the Zdenka mlječni proizvodi d.o.o. (further „Zdenka-m.p. 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.

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 – mlječni proizvodi d.o.o., but also milk production and sale of milk by dairy farms in the companies Zdenačka farma d.o.o. and Žitar d.o.o.

Wholesale trade segment comprises grain and oilseed trade and trade of sowing materials performed by the companies Granolio d.d. and Žitar d.o.o.

The segment Other comprises animal feed production (Žitar d.o.o.), pig farming and beef cattle farming (Žitar d.o.o., beef cattle farming in the company Granolio d.d.), and rendering the silo services and the storage of trade goods (Granolio d.d. and Žitar d.o.o.).

Granolio Group's financial indicators for the twelve months period of 2018

In thousands of HRK

	1-12 2018	1-12 2017	change	
Operating income	538.570	628.276	(89.706)	(14%)
Operating expenses	(536.573)	(809.476)	272.903	34%
EBIT	1.997	(181.200)	183.197	(101%)
<i>EBIT margin</i>	<i>0%</i>	<i>(29%)</i>		
EBITDA	32.611	15.839	16.772	106%
<i>EBITDA margin</i>	<i>6%</i>	<i>3%</i>		
Net financial result	89.888	(21.586)	111.474	516%
Net result for the period	91.885	(202.811)	294.696	145%
<i>Attributable to the Group</i>	<i>88.305</i>	<i>(201.662)</i>	<i>289.967</i>	<i>144%</i>
<i>Non-controlling interest</i>	<i>3.580</i>	<i>(1.149)</i>	<i>4.729</i>	<i>412%</i>

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 in the mother company, according to the prebankruptcy settlement. Along with that, interest expense is lower compared to the previous year since mother company was charged with no interest for the interest bearing debt.

Financial indicators

In thousands of HRK

	31.12.2018	31.12.2017	change	
Net assets (Capital and reserves)*	112.738	20.356	92.382	454%
Total debt	457.466	485.138	(27.672)	(6%)
Cash and cash equivalents	10.340	3.605	6.735	187%
Given loans, deposits and similar**	32.821	28.750	4.071	14%
Net debt	414.305	452.783	(38.478)	(8%)
Net debt/ EBITDA	12,70	28,59		
EBITDA for the last 12 months	32.611	15.839		

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

** Loans given, securities and deposits

In 2018, all companies within the Group have made positive net results, which increased the net asset value of the Group.

Total debt of the Group has decreased partly due to repayment of loans in Zdenka and Žitar, and partly due to financial liabilities write-off in the mother company.

Decreased debt and increased operating profit (not including revenues from liabilities writeoff in the mother company) show better efficacy of the Group in 2018 compared to the previous period.

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. Vourt verdict has become final on 28 December 2018. It is expected that the Company will continue to operate and repay it's debt according to the agreed settlement.

Separate business results for the twelve months period of 2018

Granolio d.d.

In thousands of HRK

	1-12 2018	1-12 2017	change	
Operating income	291.448	397.876	(106.428)	(27%)
EBIT	(7.574)	(180.217)	172.643	96%
<i>margin %</i>	(3%)	(45%)		
EBITDA	2.885	(6.891)	9.776	(142%)
<i>margin %</i>	1%	(2%)		
Net financial result	91.891	(17.970)	109.861	611%
Net result	84.317	(198.187)	282.504	143%
<i>margin %</i>	28,9%	(49,8%)		

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.

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.

Zdenka - mliječni proizvodi d.o.o.

In thousands of HRK

	1-12 2018	1-12 2017	change	
Operating income	148.587	145.105	3.482	2%
EBIT	7.792	(1.244)	9.036	726%
<i>margin %</i>	5%	(1%)		
EBITDA	20.133	11.389	8.744	77%
<i>margin %</i>	14%	8%		
Net financial result	(780)	(1.504)	724	48%
Net result	7.012	(2.748)	9.760	355%
<i>margin %</i>	5%	(2%)		

In 2018, the company has made better operating result compared to the result in the same period last year due to increased profit margin and better operating efficacy. Financial expenses are lower due to decreased financial debt of the Company.

Žitar d.o.o. (consolidated)

In thousands of HRK

	1-12 2018	1-12 2017	change	
Operating income	80.750	70.207	10.543	15%
EBIT	1.033	1.891	(858)	(45%)
<i>margin %</i>	1%	3%		
EBITDA	5.880	7.042	(1.162)	(17%)
<i>margin %</i>	7%	10%		
Net financial result	(885)	(1.809)	924	51%
Net result	148	82	66	(80%)
<i>margin %</i>	0%	0%		

Žitar's operating activities include agriculture, production of milk on a dairy farms, cattle breeding, rendering services of storing goods and trade in crops.

Zdenačka farma d.o.o.

In thousands of HRK

	1-12 2018	1-12 2017	change	
Operating income	23.460	21.208	2.252	11%
EBIT	850	(1.159)	2.009	(173%)
<i>margin %</i>	4%	(5%)		
EBITDA	3.677	3.079	598	19%
<i>margin %</i>	16%	15%		
Net financial result	(679)	(878)	199	23%
Net result	171	(2.037)	2.208	(108%)
<i>margin %</i>	1%	(10%)		

In 2018 total sales of milk by Zdenačka farma amounted to 4,5 million kilos (2017: 4,5 million kilos). Average sales price realised in 2018 was greater than the average sales price realised in the last year by 1%. In 2018 the income was also made from trade in goods.

Employees

In the twelve months 2018 the Group employed 426 employees based on man-hour basis (in the twelve months 2017: 444 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 twelve months period 2018.

Annex 1.

Reporting period

1.1.2018

to

31.12.2018

Quarterly financial report TFI-PODTax number (MB): **01244272**Company registration number
(MRS): **080111595**Personal 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.hrMunicipality/city code and name: **133**County code and name: **21** **GRAD ZAGREB**Number of employees: **429**Consolidated report: **YES**(period end)
NKD code: **1061**

Companies of the consolidation subject (according to IFRS)

Seat:

MB:

GRANOLIO D.D.**ZAGREB****01244272****ZDENAČKA FARMA D.O.O.****VELIKI ZDENCI****02095777****PRERADA ŽITARICA D.O.O.****GRUBIŠNO POLJE****02095696****ZDENKA - MLIJEČNI PROIZVODI D.O.O.****VELIKI ZDENCI****01623982****ŽITAR D.O.O.****DONJI MIHOLJAC****01443119****ŽITAR KONTO D.O.O.****DONJI MIHOLJAC****04212517**

Bookkeeping service:

Contact person: **JASENKA KORDIĆ**

(only surname and name)

Telephone: **01/6320-261**Telefax: **01/6320-224**E-mail address: jkordic@granolio.hrFamily 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	468.986.689	453.098.988
I. INTANGIBLE ASSETS (004 do 009)	003	124.767.302	122.816.992
1. Assets development	004	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	005	120.737.135	120.452.825
3. Goodwill	006	0	0
4. Prepayments for purchase of intangible assets	007	0	0
5. Intangible assets in preparation	008	0	0
6. Other intangible assets	009	4.030.167	2.364.167
II. TANGIBLE ASSETS (011 do 019)	010	328.212.154	314.368.792
1. Land	011	23.610.097	23.643.097
2. Buildings	012	223.325.464	214.413.934
3. Plant and equipment	013	56.954.376	47.810.215
4. Tools, working inventory and transportation assets	014	2.906.339	2.108.105
5. Biological assets	015	10.110.573	9.939.065
6. Prepayments for tangible assets	016	355.095	401.922
7. Tangible assets in progress	017	10.437.015	10.926.178
8. Other tangible assets	018	81.195	79.276
9. Investments in buildings	019	432.000	5.047.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	020	13.892.233	13.798.204
1. Investments (shares) with related parties within the Group	021	0	0
2. Investments in other securities of related parties within the Group	022	0	0
3. Loans, deposits and similar assets to related parties within the Group	023	0	0
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	024	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	025	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating interests	026	0	0
7. Investments in securities	027	0	0
8. Loans, deposits and similar assets	028	396.143	302.114
9. Other investments accounted by equity method	029	0	0
10. Other long - term financial assets	030	13.496.090	13.496.090
IV. RECEIVABLES (032 do 035)	031	15.000	15.000
1. Receivables from related parties within the Group	032	0	0
2. Receivables from participating parties	033	0	0
3. Accounts receivable	034	0	0
4. Other receivables	035	15.000	15.000
V. DEFERRED TAX ASSET	036	2.100.000	2.100.000
C) SHORT TERM ASSETS (038+046+053+063)	037	254.673.903	248.262.268
I. INVENTORIES (039 do 045)	038	74.430.389	69.201.573
1. Raw materials and supplies	039	23.586.432	21.261.306
2. Work in progress	040	8.376.188	4.286.553
3. Finished goods	041	33.251.567	37.083.807
4. Merchandise	042	9.130.745	6.531.262
5. Prepayments for inventories	043	85.457	38.645
6. Long term assets held for sale	044	0	0
7. Biological assets	045	0	0
II. RECEIVABLES (047 do 052)	046	148.285.115	136.201.429
1. Receivables from related parties within the Group	047	492.726	743.216
2. Receivables from participating parties	048	0	0
3. Accounts receivable	049	112.470.877	97.425.709
4. Receivables from employees and members of related parties	050	3.526	467
5. Receivables from government and other institutions	051	8.710.729	6.245.642
6. Other receivables	052	26.607.258	31.786.395
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	053	28.353.437	32.519.591
1. Investments (shares) with related parties within the Group	054	0	0
2. Investments in other securities of related parties within the Group	055	0	0
3. Loans, deposits and similar assets to related parties within the Group	056	14.676.132	10.190.819
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	057	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	058	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating interests	059	0	0
7. Investments in securities	060	178.441	178.441
8. Loans, deposits and similar assets	061		
9. Other financial assets	062	13.498.864	22.150.331
IV. CASH AND CASH EQUIVALENTS	063	3.604.962	10.339.675
D) PREPAID EXPENSES AND ACCRUED REVENUE	064	1.278.706	666.549
E) TOTAL ASSETS (001+002+037+064)	065	724.939.298	702.027.805
F) OFF-BALANCE RECORDS	066		

EQUITY AND LIABILITIES			
A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)	067	20.356.307	112.738.384
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	-868.634	-199.603.942
1. Retained earnings	082		
2. Accumulated loss	083	868.634	199.603.942
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	084	-201.662.286	88.304.600
1. Profit for the current year	085		88.304.600
2. Loss for the current year	086	201.662.286	
VII. MINORITY (NON-CONTROLLING) INTEREST	087	58.358.525	61.938.793
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	85.269.845	482.627.825
1. Liabilities to related parties within the Group	096	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	097	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	098	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	099	0	0
5. Liabilities for loans, deposits, etc.	100	11.270	11.126
6. Liabilities to banks and other financial institutions	101	71.876.349	418.048.933
7. Liabilities for received prepayments	102	0	0
8. Accounts payable	103	185.773	51.906.710
9. Liabilities arising from debt securities	104	0	0
10. Other long-term liabilities	105	0	0
11. Deferred tax liability	106	13.196.453	12.661.056
D) SHORT - TERM LIABILITIES (108 do 121)	107	605.933.816	95.520.356
1. Liabilities to related parties within the Group	108	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	109	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	110	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	111	0	0
5. Liabilities for loans, deposits, etc.	112	0	0
6. Liabilities to banks and other financial institutions	113	366.510.252	30.535.522
7. Liabilities for received prepayments	114	2.985.710	668.221
8. Accounts payable	115	102.605.008	48.362.056
9. Liabilities arising from debt securities	116	46.740.600	8.870.000
10. Liabilities to employees	117	2.188.819	2.255.225
11. Liabilities for taxes, contributions and similar fees	118	4.014.406	3.892.620
12. Liabilities to share - holders	119	0	0
13. Liabilities for long-term assets held for sale	120	0	0
14. Other short - term liabilities	121	80.889.021	936.712
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	122	13.379.330	11.141.239
F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)	123	724.939.298	702.027.804
G) OFF-BALANCE RECORDS	124		
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	-38.002.217	50.799.591
2. Attributable to minority interest	126	58.358.525	61.938.793

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	628.276.093	201.771.320	538.570.457	157.157.870
1. Sales revenue with related parties with the Group	126	0	0	0	0
2. Sales revenue (other parties)	127	608.570.231	196.841.597	515.407.461	149.895.687
3. Revenue from the use of own products, goods and services	128	2.050.000	606.871	2.011.489	559.060
4. Other operating revenue with related parties with the Group	129	0		0	
5. Other operating revenue (other parties)	130	17.655.862	4.322.852	21.151.528	6.703.124
II. OPERATING COSTS (132+133+137+141+142+143+146+153)	131	809.476.124	371.990.755	536.572.674	151.925.621
1. Changes in value of work in progress and finished products	132	-4.105.679	-2.210.768	-788.671	2.178.362
2. Material costs (133 do 136)	133	550.650.667	181.875.963	453.146.148	127.901.779
a) Raw material and material costs	134	277.258.592	78.130.810	302.750.151	78.845.385
b) Cost of goods sold	135	228.917.688	91.798.541	107.701.731	37.144.585
c) Other external costs	136	44.474.387	11.946.612	42.694.267	11.911.809
3. Staff costs (138 do 140)	137	40.955.079	9.527.859	37.889.329	9.669.832
a) Net salaries and wages	138	25.807.844	6.105.598	24.492.300	6.302.853
b) Tax and contributions from salary expenses	139	9.130.405	2.045.961	8.068.778	2.018.712
c) Contributions on gross salaries	140	6.016.830	1.376.300	5.328.252	1.348.267
4. Depreciation and amortisation	141	31.937.329	7.829.885	30.584.835	7.626.309
5. Other costs	142	10.295.875	4.687.267	7.733.020	2.812.631
6. Impairment (144+145)	143	165.102.114	165.100.737	29.374	29.374
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	104.723.042	104.721.665	29.374	29.374
7. Provisions (147 do 152)	146		0		0
a) Provisions for pensions, severance pay and similar liabilities	147		0		
b) Provisions for tax liabilities	148		0		
c) Provisions for ongoing legal cases	149		0		
d) Provisions for costs of natural resources regeneration	150		0		
e) Provisions for guarantees costs	151		0		
f) Other provisions	152		0		
8. Other operating costs	153	14.640.739	5.179.811	7.978.638	1.707.335
III. FINANCIAL INCOME (155 do 164)	154	5.130.197	688.494	94.708.648	92.259.154
1. Income from investment in shares in related parties within the Group	155	0	0	0	0
2. Income from investment in shares of entrepreneurs in whom the entity holds participating	156			0	0
3. Income from other long-term financial investment and loans granted to related parties	157			0	0
4. Other income arising from interests with related parties within the Group	158			0	0
5. Foreign exchange gains and similar financial income with related parties within the Group	159			0	0
6. Income from other long-term financial investment and loans	160			987.426	445.374
7. Other income arising from interests	161			352.086	303.927
8. Foreign exchange gains and similar financial income	162	3.990.941	688.494	1.989.039	129.756
9. Unrealized gains (income) from financial assets	163		0	0	0
10. Other financial income	164	1.139.256	0	91.380.097	91.380.097
IV. FINANCIAL EXPENSES (166 do 172)	165	26.716.561	1.941.201	4.821.562	1.173.366
1. Expenses arising from interests and similar expenses with related parties within the Group	166	0		0	0
2. Foreign exchange losses and similar financial expenses with related parties within the	167	0		0	0
3. Expenses arising from interests and similar expenses	168	26.683.404	1.940.774	3.774.645	1.067.100
4. Foreign exchange losses and similar financial expenses	169			1.024.732	106.216
5. Unrealized losses (expenses) on financial assets	170			0	0
6. Financial assets impairment (net)	171			0	0
7. Other financial expenses	172	33.157	427	22.185	50
V. SHARE IN PARTICIPATING INTERESTS PROFIT	173		0		0
VI. SHARE IN JOINT-VENTURE PROFIT	174		0		
VII. SHARE IN PARTICIPATING INTERESTS LOSS	175		0		
VIII. SHARE IN JOINT-VENTURE LOSS	176		0		
IX. TOTAL INCOME (125+164+173 + 174)	177	633.406.290	202.459.814	633.279.106	249.417.025
X. TOTAL EXPENSES (131+165+175 + 176)	178	836.192.685	373.931.956	541.394.236	153.098.987
XI. PROFIT OR LOSS BEFORE TAXES (177-178)	179	-202.786.396	-171.472.142	91.884.870	96.318.038
1. Profit before taxes (177-178)	180	0	0	91.884.870	96.318.038
2. Loss before taxes (178-177)	181	202.786.396	171.472.142	0	0
XII. PROFIT TAX	182	24.500	0		
XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)	183	-202.810.896	-171.472.142	91.884.870	96.318.038
1. Profit for the period (179-182)	184	0	0	91.884.870	96.318.038
2. Loss for the period (182-179)	185	202.810.896	171.472.142	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	-201.662.286	-172.838.792	88.304.600	95.093.366
2. Attributable to minority interest	187	-1.148.610	1.366.649	3.580.269	1.224.672
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	-202.810.896	-171.472.142	91.884.870	96.318.038
1. Exchange differences on translation of foreign operations	189	0	0	0	0
2. Movements in revaluation reserves of long - term tangible and intangible assets	190				
3. Profit or loss arising from re-evaluation of financial assets available for sale	191				
4. Gains or losses arising on efficient cash flow hedging	192				
5. Gains or losses arising on efficient hedge of a net investment in foreign countries	193				
6. Share in other comprehensive income / loss of participating interest companies	194				
7. Actuarial gains / losses on defined benefit plans	195				
8. Other changes in equity non related to the owners	196				
9. Other changes in equity non related to the owners	197				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	198				
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)	199	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188+199)	200	-202.810.896	-171.472.142	91.884.870	96.318.038
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	-201.662.286	-172.838.792	88.304.600	95.093.366
2. Attributed to minority interest	202	-1.148.610	1.366.649	3.580.269	1.224.672

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	(202.786.395)	91.884.868
2. Adjustments (003 do 010)	002	215.701.633	(66.576.251)
a.) Depreciation and amortisation	003	63.611.113	3.052.704
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	004	87.314.665	(91.395.340)
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	005	(1.298.266)	(1.591.185)
d.) Interests and dividends income	006	23936806	3.663.482
e.) Interests expense	007		
f.) Provisions	008		
g.) Foreign exchange differences (unrealised)	009	10.199.987	(10.890.747)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	010	(400.285)	(5.297.573)
I. Cash flow increase or decrease before changes in the working capital (001 do 002)	011	12.915.238	25.308.618
3. Working capital changes (013 do 016)	012	60.296.872	15.470.095
a.) Increase or decrease in short term liabilities	013	36.380	(4.809.861)
b.) Increase or decrease in short term receivables	014	43.124.052	12.208.432
c.) Increase or decrease in inventories	015	17.136.440	8.071.524
d.) Other increase or decrease in the working capital	016		
II. Cash from operations (011+012)	017	73.212.110	40.778.713
4. Interests paid	018	(13.298.922)	(3.659.221)
5. Income tax paid	019	(2.151.341)	(490.000)
A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)	020	57.761.847	36.629.492
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long-term tangible and intangible assets	021	289.362	176.784
2. Cash inflow from the sale of financial instruments	022	-	-
3. Interests receipts	023	284.453	146.327
4. Dividends receipts	024	0	
5. Cash inflow from repayment of given loans and other borrowings	025	10.389.614	7.437.230
6. Other cash inflows from investing activities	026	1.553.630	38.488
III. Total cash inflows from investing activities (021 do 026)	027	12.517.059	7.798.828
1. Cash outflow for purchase of long-term tangible and intangible assets	028	(7.856.596)	(9.161.044)
2. Cash outflow for acquisition of financial instruments	029	0	
3. Cash outflow for granting loans and other borrowings in the given period	030	(21.937.319)	(15.987.384)
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	(29.793.915)	(25.148.428)
B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)	034	(17.276.855)	(17.349.599)
CASH FLOW FROM FINANCING ACTIVITIES			
1. Cash inflow from increase of the share (subscribed) capital	035	0	
2. Cash inflow from issuing property and debt financial instruments	036	0	
3. Cash proceeds from the credit principals, promissory notes, borrowings and other loans	037	42.830.965	43.551.515
4. Other proceeds from financial activities	038		
V. Total cash inflows from financial activities (027 do 029)	039	42.830.965	43.551.515
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	040	(74.094.778)	(53.211.686)
2. Cash outflow for dividends paid	041		
3. Cash outflow for financial lease	042	(2.316.187)	(1.465.009)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	043		
5. Other cash outflow for financial activities	044	(13.029.400)	(1.420.000)
VI. Total cash outflow for financial activities (031 do 035)	045	(89.440.365)	(56.096.695)
C) NET CASH FLOW FROM FINANCIAL ACTIVITIES	046	(46.609.400)	(12.545.180)
1. Unrealised foreign exchange differences in cash and cash equivalents	047	0	
D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)	048	(6.124.409)	6.734.713
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	9.729.371	3.604.962
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	050	3.604.962	10.339.675



Granolio

Granolio d.d.
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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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10 000 Zagreb
Hrvatska

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



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



Granolio

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Zagreb 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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tvrтка 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