

**Consolidated financial results for the  
nine months period ended  
30 September 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.

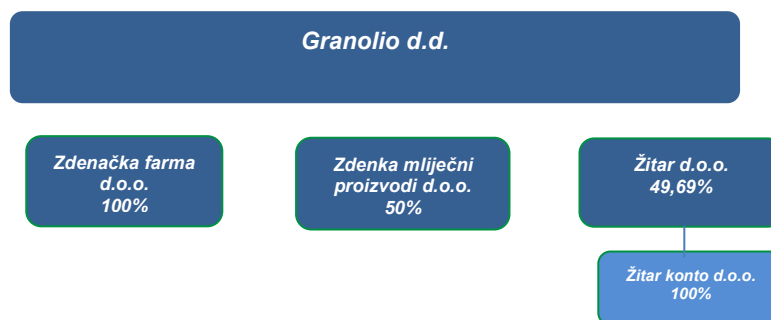
## Subsidiaries

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 nine months period of 2018

In thousands of HRK

	1-9 2018	1-9 2017	change	
<b>Operating income</b>	<b>381.413</b>	<b>426.505</b>	<b>(45.092)</b>	<b>(11%)</b>
<b>Operating expenses</b>	<b>(384.647)</b>	<b>(437.485)</b>	<b>52.838</b>	<b>12%</b>
<b>EBIT</b>	<b>(3.234)</b>	<b>(10.980)</b>	<b>7.746</b>	<b>(71%)</b>
<i>EBIT margin</i>	<i>-1%</i>	<i>(3%)</i>		
<b>EBITDA</b>	<b>19.724</b>	<b>13.128</b>	<b>6.596</b>	<b>50%</b>
<i>EBITDA margin</i>	<i>5%</i>	<i>3%</i>		
<b>Net financial result</b>	<b>(1.199)</b>	<b>(20.334)</b>	<b>19.135</b>	<b>94%</b>
<b>Net result for the period</b>	<b>(4.433)</b>	<b>(31.314)</b>	<b>26.881</b>	<b>86%</b>
<i>Attributable to the Group</i>	<i>(6.789)</i>	<i>(28.987)</i>	<i>22.198</i>	<i>77%</i>
<i>Non-controlling interest</i>	<i>2.356</i>	<i>(2.327)</i>	<i>4.683</i>	<i>201%</i>

In the nine months of 2018, the Group has made more favorable operating result compared to the same period last year. Operating result has improved in almost all companies within the Group besides Granolio. In the observed period, Granolio recorded significant one-off extraordinary expenses and that was the reason for operating result to decrease compared to the same period last year.

Net financial result in the nine months of 2018 is more favorable than in the same period last year due to the fact that mother company was charged with no interest for the interest bearing debt.

### Financial indicators

In thousands of HRK

	30.9.2018	31.12.2017	change	
<b>Net assets (Capital and reserves)*</b>	16.256	20.356	(4.100)	(20%)
<b>Total debt</b>	<b>488.805</b>	<b>485.138</b>	<b>3.667</b>	<b>1%</b>
<b>Cash and cash equivalents</b>	5.329	3.605	1.724	48%
<b>Given loans, deposits and similar**</b>	38.743	28.750	9.993	35%
<b>Net debt</b>	<b>444.733</b>	<b>452.783</b>	<b>(8.050)</b>	<b>(2%)</b>
<b>Net debt/ EBITDA</b>	19,82	-28,59		
EBITDA for the last 12 months	22.435	(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

Compared to 31 December 2017, net assets decreased due to the negative result for the period.

As at 29 January 2018 Company received a notice on the acquisition of 150,000 shares by HOK osiguranje (that represent 7,89% of ownership). HOK acquired shares in OTC transaction with the pension fund PBZ CROATIA OSIGURANJE. As at 30 September 2018, company HOK held 19,9% of ownership in Granolio.

As at 17 October 2018, Commercial court in Zagreb has determined that the date of the hearing, on which voting for the restructuring plan should take place, is going to be the 22 November 2018. It is expected that the creditors will accept the restructuring plan and that the Company will continue to operate and repay its debt according to the proposed settlement.

## Separate business results for the nine months period of 2018

### Granolio d.d.

In thousands of HRK

	1-9 2018	1-9 2017	change	
<b>Operating income</b>	<b>194.771</b>	<b>267.922</b>	<b>(73.151)</b>	<b>(27%)</b>
<b>EBIT</b>	<b>(10.415)</b>	<b>(8.608)</b>	<b>(1.807)</b>	<b>(21%)</b>
<i>margin %</i>	(5%)	(3%)		
<b>EBITDA</b>	<b>(2.612)</b>	<b>(414)</b>	<b>(2.198)</b>	<b>531%</b>
<i>margin %</i>	(1%)	(0%)		
<b>Net financial result</b>	<b>319</b>	<b>(17.804)</b>	<b>18.123</b>	<b>102%</b>
<b>Net result</b>	<b>(10.096)</b>	<b>(26.412)</b>	<b>16.316</b>	<b>62%</b>
<i>margin %</i>	(5,2%)	(9,9%)		

In the nine months in 2018, Company has made less favorable operating result (EBIT) compared to the same period last year. It was caused by extraordinary one-off costs.

In the nine months in 2018, interest expense on loans received were not charged due to the pre-bankruptcy process still ongoing. Therefore, in the first half-year 2018, the Company has made net financial income.

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

	1-9 2018	1-9 2017	change	
<b>Operating income</b>	<b>110.866</b>	<b>110.964</b>	<b>(98)</b>	<b>(0%)</b>
<b>EBIT</b>	<b>5.225</b>	<b>(2.021)</b>	<b>7.246</b>	<b>359%</b>
<i>margin %</i>	5%	(2%)		
<b>EBITDA</b>	<b>14.434</b>	<b>7.550</b>	<b>6.884</b>	<b>91%</b>
<i>margin %</i>	13%	7%		
<b>Net financial result</b>	<b>(577)</b>	<b>(1.144)</b>	<b>567</b>	<b>50%</b>
<b>Net result</b>	<b>4.648</b>	<b>(3.165)</b>	<b>7.813</b>	<b>247%</b>
<i>margin %</i>	4%	(3%)		

In nine months of 2018, the company has made better operating result compared to the result in the same period last year.

**Žitar d.o.o. (consolidated)**

In thousands of HRK

	1-9 2018	1-9 2017	change	
<b>Operating income</b>	<b>62.016</b>	<b>38.090</b>	<b>23.926</b>	<b>63%</b>
<b>EBIT</b>	<b>843</b>	<b>(299)</b>	<b>1.142</b>	<b>(382%)</b>
<i>margin %</i>	1%	(1%)		
<b>EBITDA</b>	<b>4.518</b>	<b>3.574</b>	<b>944</b>	<b>26%</b>
<i>margin %</i>	7%	9%		
<b>Net financial result</b>	<b>(779)</b>	<b>(1.182)</b>	<b>403</b>	<b>34%</b>
<b>Net result</b>	<b>64</b>	<b>(1.481)</b>	<b>1.545</b>	<b>104%</b>
<i>margin %</i>	0%	(4%)		

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

	1-9 2018	1-9 2017	change	
<b>Operating income</b>	<b>17.415</b>	<b>15.197</b>	<b>2.218</b>	<b>15%</b>
<b>EBIT</b>	<b>1.231</b>	<b>500</b>	<b>731</b>	<b>146%</b>
<i>margin %</i>	7%	3%		
<b>EBITDA</b>	<b>3.362</b>	<b>2.655</b>	<b>707</b>	<b>27%</b>
<i>margin %</i>	19%	17%		
<b>Net financial result</b>	<b>(516)</b>	<b>(656)</b>	<b>140</b>	<b>21%</b>
<b>Net result</b>	<b>715</b>	<b>(156)</b>	<b>871</b>	<b>(558%)</b>
<i>margin %</i>	4%	(1%)		

In the nine months of 2018 total sales of milk by Zdenačka farma amounted to 3,4 million kilos (1-9 2017: 3,4 million kilos). Average sales price realised in the nine months of 2018 was almost as equal as the average sales price realised in the same period last year. In 2018 the income was also made from trade in goods.

**Employees**

In the nine months 2018 the Group employed 423 employees based on man-hour basis (in the nine months 2017: 452 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 nine months period 2018.

**Annex 1.**

Reporting period

1.1.2018

to

30.9.2018

**Quarterly financial report TFI-POD**Tax 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.hr](mailto:granolio@granolio.hr)Internet address: [www.granolio.hr](http://www.granolio.hr)Municipality/city code and name: **133**County code and name: **21 GRAD ZAGREB**Number of employees: **423**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.hr](mailto:jkordic@granolio.hr)Family name and name: **HRVOJE FILIPOVIĆ**

(person authorized to represent the company)

**Documentation for public disclosure:**

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

L.S.

(signature of the person authorized to represent the company)

**Balance Sheet**  
as of 30.09.2018

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	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+031+036)</b>	<b>002</b>	468.986.689	452.702.893
I. INTANGIBLE ASSETS (004 do 009)	<b>003</b>	124.767.302	123.367.193
1. Assets development	<b>004</b>	0	0
2. Concessions, patents, licenses, trademarks, service marks, software and other rights	<b>005</b>	120.737.135	120.586.526
3. Goodwill	<b>006</b>	0	0
4. Prepayments for purchase of intangible assets	<b>007</b>	0	0
5. Intangible assets in preparation	<b>008</b>	0	0
6. Other intangible assets	<b>009</b>	4.030.167	2.780.667
II. TANGIBLE ASSETS (011 do 019)	<b>010</b>	328.212.154	313.328.466
1. Land	<b>011</b>	23.610.097	23.643.097
2. Buildings	<b>012</b>	223.325.464	216.348.685
3. Plant and equipment	<b>013</b>	56.943.128	49.455.477
4. Tools, working inventory and transportation assets	<b>014</b>	2.917.588	2.131.113
5. Biological assets	<b>015</b>	10.110.572	9.716.952
6. Prepayments for tangible assets	<b>016</b>	355.095	283.777
7. Tangible assets in progress	<b>017</b>	10.437.015	11.237.609
8. Other tangible assets	<b>018</b>	81.195	79.756
9. Investments in buildings	<b>019</b>	432.000	432.000
III. LONG-TERM FINANCIAL ASSETS (021 do 030)	<b>020</b>	13.892.233	13.892.234
1. Investments (shares) with related parties within the Group	<b>021</b>	0	0
2. Investments in other securities of related parties within the Group	<b>022</b>	0	0
3. Loans, deposits and similar assets to related parties within the Group	<b>023</b>	0	0
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	<b>024</b>	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	<b>025</b>	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating interests	<b>026</b>	0	0
7. Investments in securities	<b>027</b>	0	0
8. Loans, deposits and similar assets	<b>028</b>	396.143	396.144
9. Other investments accounted by equity method	<b>029</b>	0	0
10. Other long - term financial assets	<b>030</b>	13.496.090	13.496.090
IV. RECEIVABLES (032 do 035)	<b>031</b>	15.000	15.000
1. Receivables from related parties within the Group	<b>032</b>	0	0
2. Receivables from participating parties	<b>033</b>	0	0
3. Accounts receivable	<b>034</b>	0	0
4. Other receivables	<b>035</b>	15.000	15.000
V. DEFERRED TAX ASSET	<b>036</b>	2.100.000	2.100.000
<b>C) SHORT TERM ASSETS (038+046+053+063)</b>	<b>037</b>	254.673.903	282.385.752
I. INVENTORIES (039 do 045)	<b>038</b>	74.430.389	91.449.874
1. Raw materials and supplies	<b>039</b>	23.586.432	23.976.900
2. Work in progress	<b>040</b>	8.376.188	6.525.847
3. Finished goods	<b>041</b>	33.251.567	37.528.396
4. Merchandise	<b>042</b>	9.130.745	23.403.159
5. Prepayments for inventories	<b>043</b>	85.457	15.572
6. Long term assets held for sale	<b>044</b>	0	0
7. Biological assets	<b>045</b>	0	0
II. RECEIVABLES (047 do 052)	<b>046</b>	148.285.115	147.260.711
1. Receivables from related parties within the Group	<b>047</b>	492.726	492.724
2. Receivables from participating parties	<b>048</b>	0	0
3. Accounts receivable	<b>049</b>	112.470.877	107.839.431
4. Receivables from employees and members of related parties	<b>050</b>	3.526	3.686
5. Receivables from government and other institutions	<b>051</b>	8.710.729	9.691.198
6. Other receivables	<b>052</b>	26.607.258	29.233.672
III. SHORT TERM FINANCIAL ASSETS (054 do 062)	<b>053</b>	28.353.437	38.346.660
1. Investments (shares) with related parties within the Group	<b>054</b>	0	0
2. Investments in other securities of related parties within the Group	<b>055</b>	0	0
3. Loans, deposits and similar assets to related parties within the Group	<b>056</b>	14.676.132	14.656.132
4. Investments (shares) with entrepreneurs in whom the entity holds participating interests	<b>057</b>	0	0
5. Investments in other securities of entrepreneurs in whom the entity holds participating interests	<b>058</b>	0	0
6. Loans, deposits and similar assets to entrepreneurs in whom the entity holds participating interests	<b>059</b>	0	0
7. Investments in securities	<b>060</b>	178.441	179.272
8. Loans, deposits and similar assets	<b>061</b>	13.498.864	23.511.255
9. Other financial assets	<b>062</b>	0	0
IV. CASH AND CASH EQUIVALENTS	<b>063</b>	3.604.962	5.328.507
<b>D) PREPAID EXPENSES AND ACCRUED REVENUE</b>	<b>064</b>	1.278.706	1.442.582
<b>E) TOTAL ASSETS (001+002+037+064)</b>	<b>065</b>	724.939.299	736.531.227
<b>F) OFF-BALANCE RECORDS</b>	<b>066</b>		



<b>EQUITY AND LIABILITIES</b>			
<b>A) ISSUED CAPITAL AND RESERVES (068 do 070+076+077+081+084+087)</b>	<b>067</b>	20.356.307	16.255.590
I. SUBSCRIBED SHARE CAPITAL	<b>068</b>	19.016.430	19.016.430
II. CAPITAL RESERVES	<b>069</b>	84.186.547	84.195.807
III. RESERVES FROM PROFIT (071+072-073+074+075)	<b>070</b>	1.208.554	1.208.554
1. Reserves prescribed by law	<b>071</b>	408.554	408.554
2. Reserves for treasury shares	<b>072</b>	800.000	800.000
3. Treasury shares (deductible items)	<b>073</b>		
4. Statutory reserves	<b>074</b>		
5. Other reserves	<b>075</b>		
IV. REVALUATION RESERVES	<b>076</b>	60.117.173	58.428.704
V. FAIR VALUE RESERVES(078-080)	<b>077</b>		
1. Fair value of financial assets available for sale	<b>078</b>		
2. Efficient part of cash flow hedging	<b>079</b>		
3. Efficient part of hedging of a net investment in foreign countries	<b>080</b>		
V. RETAINED EARNINGS OR ACCUMULATED LOSS (082-083)	<b>081</b>	-868.634	-200.519.260
1. Retained earnings	<b>082</b>		
2. Accumulated loss	<b>083</b>	868.634	200.519.260
VI. PROFIT/LOSS FOR THE CURRENT YEAR (085-086)	<b>084</b>	-201.662.286	-6.788.765
1. Profit for the current year	<b>085</b>		
2. Loss for the current year	<b>086</b>	201.662.286	6.788.765
VII. MINORITY (NON-CONTROLLING) INTEREST	<b>087</b>	58.358.525	60.714.121
<b>B) PROVISIONS (089 do 094)</b>	<b>088</b>	0	0
1. Provisions for pensions, severance pay and similar liabilities	<b>089</b>		
2. Provisions for tax liabilities	<b>090</b>		
3. Provisions for ongoing legal cases	<b>091</b>		
4. Provisions for costs of natural resources regeneration	<b>092</b>		
5. Provisions for guarantees costs	<b>093</b>		
6. Other provisions	<b>094</b>		
<b>C) LONG - TERM LIABILITIES (096 do 106)</b>	<b>095</b>	85.269.845	71.314.497
1. Liabilities to related parties within the Group	<b>096</b>	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>097</b>	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>098</b>	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	<b>099</b>	0	0
5. Liabilities for loans, deposits, etc.	<b>100</b>	11.270	11.003
6. Liabilities to banks and other financial institutions	<b>101</b>	71.876.349	58.291.909
7. Liabilities for received prepayments	<b>102</b>	0	0
8. Accounts payable	<b>103</b>	185.773	185.772
9. Liabilities arising from debt securities	<b>104</b>	0	0
10. Other long-term liabilities	<b>105</b>	0	0
11. Deferred tax liability	<b>106</b>	13.196.453	12.825.813
<b>D) SHORT - TERM LIABILITIES (108 do 121)</b>	<b>107</b>	605.933.816	634.891.289
1. Liabilities to related parties within the Group	<b>108</b>	0	0
2. Liabilities for loans, deposits, etc. to related parties within the Group	<b>109</b>	0	0
3. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>110</b>	0	0
4. Liabilities for loans, deposits, etc. to entrepreneurs in whom the entity holds participating	<b>111</b>	0	0
5. Liabilities for loans, deposits, etc.	<b>112</b>	0	17.215.500
6. Liabilities to banks and other financial institutions	<b>113</b>	366.510.252	367.965.548
7. Liabilities for received prepayments	<b>114</b>	2.985.710	2.705.021
8. Accounts payable	<b>115</b>	102.605.008	116.844.105
9. Liabilities arising from debt securities	<b>116</b>	46.740.600	45.320.600
10. Liabilities to employees	<b>117</b>	2.188.819	2.211.382
11. Liabilities for taxes, contributions and similar fees	<b>118</b>	4.014.406	3.341.124
12. Liabilities to share - holders	<b>119</b>	0	0
13. Liabilities for long-term assets held for sale	<b>120</b>	0	0
14. Other short - term liabilities	<b>121</b>	80.889.021	79.288.009
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>122</b>	13.379.330	14.069.851
<b>F) TOTAL – CAPITAL AND LIABILITIES (067+088+095+107+122)</b>	<b>123</b>	724.939.298	736.531.227
<b>G) OFF-BALANCE RECORDS</b>	<b>124</b>		
<b>APPENDIX to balance sheet (to be filled in by entrepreneur that prepares consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>125</b>	-38.002.217	-44.458.531
2. Attributable to minority interest	<b>126</b>	58.358.525	60.714.121

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

**Income statement**  
period 01.01.2018 to 30.09.2018

Company: GRANOLIO d.d.

Position	AOP	Previous period		Current period	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING REVENUE (125+130)</b>	<b>125</b>	426.504.773	138.732.815	381.412.587	143.308.649
1. Sales revenue with related parties with the Group	126	0	0	0	0
2. Sales revenue (other parties)	127	411.728.634	132.439.521	365.511.774	135.684.175
3. Revenue from the use of own products, goods and services	128	1.443.129	1.443.129	1.452.409	437.141
4. Other operating revenue with related parties with the Group	129	0	0	0	0
5. Other operating revenue (other parties)	130	13.333.010	4.850.165	14.448.404	7.187.333
<b>II. OPERATING COSTS (132+133+137+141+142+143+146+153)</b>	<b>131</b>	437.485.371	137.903.919	384.647.053	143.406.175
<b>1. Changes in value of work in progress and finished products</b>	<b>132</b>	-1.894.911	3.245.425	-2.967.033	3.763.642
<b>2. Material costs (133 do 136)</b>	<b>133</b>	368.774.704	113.046.553	325.244.370	119.159.898
a) Raw material and material costs	134	199.127.782	65.035.409	223.904.766	79.732.490
b) Cost of goods sold	135	137.119.147	37.109.904	70.557.146	26.170.128
c) Other external costs	136	32.527.775	10.901.240	30.782.458	13.257.279
<b>3. Staff costs (138 do 140)</b>	<b>137</b>	31.427.220	9.602.101	28.219.497	9.633.564
a) Net salaries and wages	138	19.702.246	6.133.908	18.189.447	6.227.435
b) Tax and contributions from salary expenses	139	7.084.444	2.047.036	6.050.066	2.051.607
c) Contributions on gross salaries	140	4.640.530	1.421.157	3.979.985	1.354.522
<b>4. Depreciation and amortisation</b>	<b>141</b>	24.107.445	7.933.008	22.958.526	7.605.885
<b>5. Other costs</b>	<b>142</b>	5.608.608	1.676.111	4.920.389	1.446.644
<b>6. Impairment (144+145)</b>	<b>143</b>	1.377	1.377	0	0
a) Impairment of long-term assets (financial assets excluded)	144				
b) Impairment of short - term assets (financial assets excluded)	145	1.377	1.377		
<b>7. Provisions (147 do 152)</b>	<b>146</b>				0
a) Provisions for pensions, severance pay and similar liabilities	147				
b) Provisions for tax liabilities	148				
c) Provisions for ongoing legal cases	149				
d) Provisions for costs of natural resources regeneration	150				
e) Provisions for guarantees costs	151				
f) Other provisions	152				
<b>8. Other operating costs</b>	<b>153</b>	9.460.928	2.399.344	6.271.304	1.796.542
<b>III. FINANCIAL INCOME (155 do 164)</b>	<b>154</b>	4.441.704	728.421	2.449.494	273.817
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	0	0
3. Income from other long-term financial investment and loans granted to related parties	157	0	0	0	0
4. Other income arising from interests with related parties within the Group	158	0	0	0	0
5. Foreign exchange gains and similar financial income with related parties within the Group	159	0	0	0	0
6. Income from other long-term financial investment and loans	160	593.736	0	542.052	189.776
7. Other income arising from interests	161	171.853	0	48.159	28.240
8. Foreign exchange gains and similar financial income	162	2.536.858	672.884	1.859.283	55.801
9. Unrealized gains (income) from financial assets	163	0	0	0	0
10. Other financial income	164	1.139.256	55.537	0	0
<b>IV. FINANCIAL EXPENSES (166 do 172)</b>	<b>165</b>	24.775.358	8.632.139	3.648.196	1.448.492
1. Expenses arising from interests and similar expenses with related parties within the Group	166	0	0	0	0
2. Foreign exchange losses and similar financial expenses with related parties within the	167	0	0	0	0
3. Expenses arising from interests and similar expenses	168	22.650.457	6.538.702	2.707.545	835.283
4. Foreign exchange losses and similar financial expenses	169	2.092.173	2.092.173	918.516	612.685
5. Unrealized losses (expenses) on financial assets	170	0	0	0	0
6. Financial assets impairment (net)	171	0	0	0	0
7. Other financial expenses	172	32.728	1.264	22.135	524
<b>V. SHARE IN PARTICIPATING INTERESTS PROFIT</b>	<b>173</b>				
<b>VI. SHARE IN JOINT-VENTURE PROFIT</b>	<b>174</b>				
<b>VII. SHARE IN PARTICIPATING INTERESTS LOSS</b>	<b>175</b>				
<b>VIII. SHARE IN JOINT-VENTURE LOSS</b>	<b>176</b>				
<b>IX. TOTAL INCOME (125+164+173 + 174)</b>	<b>177</b>	430.946.477	139.461.236	383.862.081	143.582.466
<b>X. TOTAL EXPENSES (131+165+175 + 176)</b>	<b>178</b>	462.260.729	146.536.058	388.295.249	144.854.667
<b>XI. PROFIT OR LOSS BEFORE TAXES (177-178)</b>	<b>179</b>	-31.314.252	-7.074.822	-4.433.168	-1.272.201
1. Profit before taxes (177-178)	180	0	0	0	0
2. Loss before taxes (178-177)	181	31.314.252	7.074.822	4.433.168	1.272.201
<b>XII. PROFIT TAX</b>	<b>182</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (179-182)</b>	<b>183</b>	-31.314.252	-7.074.822	-4.433.168	-1.272.201
1. Profit for the period (179-182)	184	0	0	0	0
2. Loss for the period (182-179)	185	31.314.252	7.074.822	4.433.168	1.272.201
<b>APPENDIX to income statement (to be filled in by entrepreneur that prepares consolidated financial statements)</b>					
<b>XIV. PROFIT OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	186	-28.986.676	-5.952.575	-6.788.765	-2.554.892
2. Attributable to minority interest	187	-2.327.576	-1.122.246	2.355.597	1.282.691
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (only for IFRS adopters)</b>					
<b>I. PROFIT OR LOSS FOR THE PERIOD</b>					
<b>II. OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAXES (190 do 197)</b>	<b>188</b>	-31.314.252	-7.074.822	-4.433.168	-1.272.201
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				
<b>III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>198</b>				
<b>IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166)</b>	<b>199</b>	0	0	0	0
<b>V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (188+199)</b>	<b>200</b>	-31.314.252	-7.074.822	-4.433.168	-1.272.201
<b>APPENDIX to other comprehensive income statement (to be filled in by entrepreneur that prepares consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	201	-28.986.676	-5.952.575	-6.788.765	-2.554.892
2. Attributed to minority interest	202	-2.327.576	-1.122.246	2.355.597	1.282.691

**Cash flow statement - indirect method**  
**period 01.01.2018 to 30.09.2018**

Company: GRANOLIO d.d.			
Position	AOP	Previous period	Current period
1	2	3	4
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	<b>001</b>	(31.314.250)	(4.433.169)
2. Adjustments (003 do 010)	<b>002</b>	47.393.179	21.068.252
a.) Depreciation and amortisation	<b>003</b>	24.107.445	22.958.527
b.) Gains and losses from the sale and impairment of long-term tangible and intangible assets	<b>004</b>	3.086.935	2.465.398
c.) Gains and losses from the sale and unrealised gains and losses and impairment of financial assets	<b>005</b>	(926.192)	
d.) Interests and dividends income	<b>006</b>	0	(589.947)
e.) Interests expense	<b>007</b>	21.525.275	2.567.460
f.) Provisions	<b>008</b>		
g.) Foreign exchange differences (unrealised)	<b>009</b>	-	(1.035.612)
h.) Other adjustments for non-cash transactions and unrealised gains and losses	<b>010</b>	(400.285)	(5.297.573)
<b>I. Cash flow increase or decrease before changes in the working capital (001 do 002)</b>	<b>011</b>	<b>16.078.929</b>	<b>16.635.083</b>
3. Working capital changes ( 013 do 016)	<b>012</b>	<b>50.978.054</b>	<b>1.288.502</b>
a.) Increase or decrease in short term liabilities	<b>013</b>	22.800.707	13.487.803
b.) Increase or decrease in short term receivables	<b>014</b>	14.161.618	4.870.927
c.) Increase or decrease in inventories	<b>015</b>	18.843.226	(17.070.228)
d.) Other increase or decrease in the working capital	<b>016</b>	(4.827.497)	
<b>II. Cash from operations (011+012)</b>	<b>017</b>	<b>67.056.983</b>	<b>17.923.585</b>
4. Interests paid	<b>018</b>	0	(2.619.238)
5. Income tax paid	<b>019</b>	(1.500.633)	(490.000)
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (017 do 019)</b>	<b>020</b>	<b>65.556.350</b>	<b>14.814.347</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash inflows from sales of long-term tangible and intangible assets	<b>021</b>	80.917	-
2. Cash inflow from the sale of financial instruments	<b>022</b>	-	-
3. Interests receipts	<b>023</b>	929.629	83.945
4. Dividends receipts	<b>024</b>	0	
5. Cash inflow from repayment of given loans and other borrowings	<b>025</b>	4.807.320	153.498
6. Other cash inflows from investing activities	<b>026</b>	795.584	(9.786)
<b>III. Total cash inflows from investing activities (021 do 026)</b>	<b>027</b>	<b>6.613.450</b>	<b>227.657</b>
1. Cash outflow for purchase of long-term tangible and intangible assets	<b>028</b>	(6.719.086)	(5.990.004)
2. Cash outflow for acquisition of financial instruments	<b>029</b>		
3. Cash outflow for granting loans and other borrowings in the given period	<b>030</b>	(21.937.319)	(10.136.103)
4. Aquisition of associates decreased by the acquired cash	<b>031</b>		
5. Other cash outflow for investing activities	<b>032</b>	0	
<b>IV. Total cash outflow for investing activities (028 do 032)</b>	<b>033</b>	<b>(28.656.405)</b>	<b>(16.126.107)</b>
<b>B) NET CASH FLOW FROM INVESTING ACTIVITIES (027+033)</b>	<b>034</b>	<b>(22.042.955)</b>	<b>(15.898.450)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash inflow from increase of the share (subscribed) capital	<b>035</b>	0	
2. Cash inflow from issuing property and debt financial instruments	<b>036</b>	0	
3. Cash proceeds from the credit principals, promissory notes, borrowings and other loans	<b>037</b>	87.540.589	35.551.515
4. Other proceeds from financial activities	<b>038</b>		
<b>V. Total cash inflows from financial activities (027 do 029)</b>	<b>039</b>	<b>87.540.589</b>	<b>35.551.515</b>
1. Cash outflow for repayment of credit principals, promissory notes, borrowings and other loans	<b>040</b>	(113.540.558)	(30.187.042)
2. Cash outflow for dividends paid	<b>041</b>	-	
3. Cash outflow for financial lease	<b>042</b>	(1.577.583)	(1.136.826)
4. Cash outflow for purchase of treasury shares and decrease of share (subscribed) capital	<b>043</b>		
5. Other cash outflow for financial activities	<b>044</b>	(22.779.309)	(1.420.000)
<b>VI. Total cash outflow for financial activities (031 do 035)</b>	<b>045</b>	<b>(137.897.450)</b>	<b>(32.743.868)</b>
<b>C) NET CASH FLOW FROM FINANCIAL ACTIVITIES</b>	<b>046</b>	<b>(50.356.861)</b>	<b>2.807.647</b>
1. Unrealised foreign exchange differences in cash and cash equivalents	<b>047</b>	0	
<b>D) NET INCREASE OR DECREASE IN CASH FLOW (020+034+046+047)</b>	<b>048</b>	<b>(6.843.465)</b>	<b>1.723.545</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>9.729.371</b>	<b>3.604.962</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<b>050</b>	<b>2.885.905</b>	<b>5.328.507</b>







# Granolio

Granolio d.d.  
Budmanijeva 5, HR-10000 Zagreb  
tel.: +385 1 6320 200; faks: +385 1 6320 222; e-mail: granolio@granolio.hr; http://www.granolio.hr

In Zagreb, 30 October 2018

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 30 September 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 nine months period ended 30 September 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



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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



# Granolio

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Zagreb, 30 October 2018


## Statement of Executives responsible for preparing financial statements for the nine 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 nine months period give a true presentation of the Company's position as at 30 September 2018.

Reports prepared by:

  
\_\_\_\_\_  
Jasenka Kordić 2  
Accounting Director

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



MB: 1244272; OIB: 59064993527; IBAN HR6024020061100063532 Erste&Steiermarkische bank d.d. Rijeka,  
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Kalčić i Drago Šurina, predsjednik Nadzornog odbora: Franjo Filipović