

THE PORT OF RIJEKA GROUP

UNAUDITED CONSOLIDATED BUSINESS REPORT FOR 01.01.-30.06.2018.

The Port of Rijeka j. s. c.

Riva 1, HR-51 000 RIJEKA

Personal identification number: 92590920313

Rijeka, July 2018



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GENERAL INFORMATION

The Port of Rijeka Group consists of:

THE PORT OF RIJEKA j. s. c. Rijeka, the parent company, the largest concessionaire for the transshipment of dry cargo in the area of the port of Rijeka, which provides the services related to maritime traffic, stevedoring, warehousing of goods and forwarding agents activities.

LUKA - PRIJEVOZ Ltd. Škrljevo, 100% owned by the parent company, the main business activity of which is providing transport services.

STANOVI Ltd. Rijeka, 100% owned by the parent company, the main business activity of which is the management of dwellings owned by the parent company and the activities related to the management of buildings.

The Port of Rijeka j. s. c. owns a 49% share in the company Adriatic Gate j. s. c. Profit/loss of this company is attributed to the Port of Rijeka j. s. c. by applying the ownership share method. The General Assembly of Jadranska vrata d.d. adopted the decision that the profit for the business year 2017 amounting to 23.656.302,87 kn is paid to the shareholders according to their share (49% Luka Rijeka d.d. – 11.591.588,40 kn) with the following dynamics: 50% of the amount in April, 25% in June and 25% in September.

Taking into account that THE PORT OF RIJEKA j. s. c., as the parent company of the Group, realized 99% of operating consolidated revenue of the Group, the short overview of key performance indicators are given below.

KEY FINANCIAL PERFORMANCE INDICATORS

| Indicators (mil HRK) | Realization 01.01.-30.06.2017. | Realization 01.01.-30.06.2018. | Index |
|--|-----------------------------------|-----------------------------------|-------|
| Operating revenue | 87,411 | 77,422 | 89 |
| Revenue from services in domestic and foreign market | 81,125 | 70,109 | 86 |
| Operating expences | 83,724 | 79,950 | 95 |
| EBIT | 3,687 | -2,528 | -69 |
| EBITDA | 9,211 | 2,652 | 29 |
| Total income | 98,261 | 86,377 | 88 |
| Total expences | 90,122 | 82,472 | 92 |
| Profit before taxation | 8,139 | 3,906 | 48 |
| <i>Profitability ratios</i> | | | |
| EBITDA margin | 10,53% | 3,43% | |
| EBIT margin | 4,21% | -3,26% | |
| NETmargin | 9,31% | 5,04% | |
| Indicators | Realizacija 30.06.2017. | Realizacija 30.06.2018. | Index |
| Assets/ liabilites | 818,977 | 793,269 | 97 |
| Long-term assets | 628,266 | 713,652 | 114 |
| Capital and reserves | 704,722 | 699,197 | 99 |
| <i>Liquidity ratios</i> | | | |
| Working capital | 137.217.139 | 43.872.437 | 32 |
| Current liquidity | 3,71 | 2,30 | 62 |
| <i>Debt indicators</i> | | | |
| Short-term liabilites/capital | 0,07 | 0,05 | 71 |
| Long-term liabilities/capital | 0,07 | 0,08 | 114 |
| Borrowinga/capital | 0,06 | 0,06 | 100 |
| Total liabilities/assets | 0,12 | 0,11 | 92 |
| <i>Productivity indicators</i> | | | |
| Number of employees | 630 | 615 | 98 |
| Revenue per employee (in thousands) | 156 | 140 | 90 |

SALES PERFORMANCE INDICATORS

Total turnover of Luka Rijeka j.s.c. and Jadranska vrata j.s.c. in six months 2018 amounts to 2.303.097 tons of cargo. Compared to the stated period of 2017, when 2.434.908 tons of cargo were realized, the total turnover of the reporting period decreased by 5%, due to the decrease of bulk cargo by 17% and general cargo by 15%.

Total turnover of Luka Rijeka j.s.c. and company Jadranska vrata j.s.c.

| CARGO TRAFFIC | Realization 01.01.–30.06.2017. | Realization 01.01.–30.06.2018. | index 2018/2017 |
|-----------------------------|---|---|----------------------------|
| Luka Rijeka d.d. | 1.395.500 | 1.163.246 | 83 |
| General cargo (tons) | 478.013 | 404.720 | 85 |
| Dry Bulk Cargo (tons) | 917.487 | 758.526 | 83 |
| Jadranska vrata d.d. | | | |
| Containers (tons) | 1.039.408 | 1.139.851 | 110 |
| Containers (TEU) | 103.791 | 110.535 | 106 |
| TOTAL (tons) | 2.434.908 | 2.303.097 | 95 |

APPENDIX 1

Reporting period:

01.01.2018.

to

30.06.2018.

QUARTERLY FINANCIAL REPORT OF ENTREPRENEUR

Registration number (MB): 03330494

Identification number of subject (MBS): 040141664

Personal identification number (OIB): 92590920313

Issuer company: PORT OF RIJEKA j.s.c.

Postal code and place: 51000 RIJEKA

Street and number: Riva 1

E-mail address: uprava@lukarijeka.hr

Internet address: www.lukarijeka.hr

Code and name of town: 373 RIJEKA

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees: 615
(at the end of the year)

Consolidated statement: YES

NKD/NWC code: 5224

Subsidiaries subject to consolidation (according to IFRS):

Headquarters:

Registration number:

| Subsidiaries subject to consolidation (according to IFRS): | Headquarters: | Registration number: |
|--|---------------|----------------------|
| LUKA PRIJEVOZ d.o.o. | ŠKRLJEVO | 01230000 |
| STANOVI d.o.o. | RIJEKA | 01230077 |
| | | |
| | | |
| | | |
| | | |

Book keeping service:

Contact person: Reljac Janja

authorised person for representation

Phone number: 051/496-533

Facsimile: 051/496-008

E-mail address: fin@lukarijeka.hr

Surname and name: Jedrzej M.Mierzewski, Bartlomiej M.Pastwa, Tomislav Kalafatic
(authorised person for representation)

Disclosure documents:

1. Financial statements (balance sheet, profit and loss account, cash flow statement...)
2. Interim management Report
3. Statement of responsible persons for preparation of financial statements

M.P.

(signed by authorised person for representation)

BALANCE SHEET
as of 30.06.2018.

| PORT OF RIJEKA j.s.c. | | <i>in Kunas</i> | | |
|--|------------|---------------------|--------------------|--|
| Position | AOP | Previous year (net) | Current year (net) | |
| 1 | 2 | 3 | 4 | |
| ASSETS | | | | |
| A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID IN CAPITAL | 001 | 0 | 0 | |
| B) LONG-TERM ASSETS (003+010+020+029+033) | 002 | 712.172.106 | 713.651.689 | |
| I. INTANGIBLE ASSETS (004 to 009) | 003 | 480.873 | 391.700 | |
| 1. Assets development | 004 | 0 | 0 | |
| 2. Concessions, patents, licences fees, trade and service marks, software and other rights | 005 | 480.873 | 391.700 | |
| 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 | 0 | 0 | |
| II. TANGIBLE ASSETS (011 to 019) | 010 | 589.637.149 | 596.084.225 | |
| 1. Land | 011 | 229.075.870 | 228.523.670 | |
| 2. Buildings | 012 | 108.637.611 | 193.286.990 | |
| 3. Plant and equipment | 013 | 2.097.125 | 1.894.828 | |
| 4. Tools, facility inventory and transport assets | 014 | 52.686.786 | 49.842.947 | |
| 5. Biological assets | 015 | 0 | 0 | |
| 6. Prepayments for tangible assets | 016 | 212.500 | 250.000 | |
| 7. Tangible assets in progress | 017 | 190.496.124 | 115.914.319 | |
| 8. Other tangible assets | 018 | 325.736 | 325.736 | |
| 9. Investments in buildings | 019 | 6.105.397 | 6.045.735 | |
| III. LONG-TERM FINANCIAL ASSETS (021 to 028) | 020 | 99.859.133 | 94.971.726 | |
| 1. Investments (shares) with related parties | 021 | 99.569.290 | 94.801.828 | |
| 2. Loans given to related parties | 022 | 0 | 0 | |
| 3. Participating interest (shares) | 023 | 40.000 | 40.000 | |
| 4. Loans to entrepreneurs in whom the entity holds participating interests | 024 | 0 | 0 | |
| 5. Investments in securities | 025 | 249.843 | 129.898 | |
| 6. Loans, deposits and similar assets | 026 | 0 | 0 | |
| 7. Other long-term financial assets | 027 | 0 | 0 | |
| 8. Investments accounted by equity method | 028 | 0 | 0 | |
| IV. RECEIVABLES (030 to 032) | 029 | 4.339.884 | 4.339.884 | |
| 1. Receivables from related parties | 030 | 0 | 0 | |
| 2. Receivables from based on trade loans | 031 | 4.339.884 | 4.339.884 | |
| 3. Other receivables | 032 | 0 | 0 | |
| V. DEFERRED TAX ASSETS | 033 | 17.855.067 | 17.864.134 | |
| C) SHORT TERM ASSETS (035+043+050+058) | 034 | 103.268.325 | 77.496.175 | |
| I. INVENTORIES (036 to 042) | 035 | 531.876 | 1.155.229 | |
| 1. Raw-material and supplies | 036 | 531.876 | 1.155.229 | |
| 2. Work in progress | 037 | 0 | 0 | |
| 3. Finished goods | 038 | 0 | 0 | |
| 4. Merchandise | 039 | 0 | 0 | |
| 5. Prepayments for inventories | 040 | 0 | 0 | |
| 6. Long-term assets held for sales | 041 | 0 | 0 | |
| 7. Biological assets | 042 | 0 | 0 | |
| II. RECEIVABLES (044 to 049) | 043 | 28.733.575 | 24.581.121 | |
| 1. Receivables from related parties | 044 | 398.255 | 0 | |
| 2. Accounts receivable | 045 | 26.312.434 | 19.229.366 | |
| 3. Receivables from participating parties | 046 | 0 | 2.243.013 | |
| 4. Receivables from employees and members of related parties | 047 | 1.643 | 3.483 | |
| 5. Receivables from government and other institutions | 048 | 1.954.442 | 2.273.289 | |
| 6. Other receivables | 049 | 66.801 | 831.970 | |
| III. SHORT TERM FINANCIAL ASSETS (051 to 057) | 050 | 70.249.290 | 43.761.484 | |
| 1. Shares (stocks) in related parties | 051 | 0 | 0 | |
| 2. Loans given to related parties | 052 | 0 | 0 | |
| 3. Participating interest (shares) | 053 | 0 | 2.897.897 | |
| 4. Loans to entrepreneurs in whom the entity holds participating interests | 054 | 0 | 0 | |
| 5. Investments in securities | 055 | 0 | 0 | |
| 6. Loans, deposits, etc. | 056 | 70.249.290 | 40.863.587 | |
| 7. Other financial assets | 057 | 0 | 0 | |
| IV. CASH AT BANK AND IN CASHIER | 058 | 3.753.584 | 7.998.341 | |
| D) PREPAID EXPENSES AND ACCRUED REVENUE | 059 | 1.056.903 | 2.121.098 | |
| E) TOTAL ASSETS (001+002+034+059) | 060 | 816.497.334 | 793.268.942 | |
| F) OFF-BALANCE RECORDS | 061 | 804.016 | 804.016 | |

| LIABILITIES AND CAPITAL | | | |
|--|------------|-------------|-------------|
| A) CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 695.331.933 | 699.196.984 |
| I. SUBSCRIBED CAPITAL | 063 | 539.219.000 | 539.219.000 |
| II. CAPITAL RESERVES | 064 | 38.623.828 | 38.623.828 |
| III. RESERVES FROM PROFIT(066+067-068+069+070) | 065 | 0 | 0 |
| 1. Reserves prescribed by law | 066 | 0 | 0 |
| 2. Reserves for treasury shares | 067 | 0 | 0 |
| 3. Treasury stocks and shares (deduction) | 068 | 0 | 0 |
| 4. Statutory reserves | 069 | 0 | 0 |
| 5. Other reserves | 070 | 0 | 0 |
| IV. REVALUATION RESERVES | 071 | 36.713.003 | 36.671.694 |
| V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074) | 072 | 82.070.885 | 80.776.103 |
| 1. Retained earnings | 073 | 82.070.885 | 80.776.103 |
| 2. Accumulated loss | 074 | 0 | 0 |
| VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077) | 075 | -1.294.783 | 3.906.359 |
| 1. Profit for the current year | 076 | 0 | 3.906.359 |
| 2. Loss for the current year | 077 | 1.294.783 | 0 |
| VII. MINORITY INTERESTS | 078 | 0 | 0 |
| B) PROVISIONS (080 to 082) | 079 | 8.907.959 | 4.854.292 |
| 1. Provisions for pensions, severance pay, and similar liabilities | 080 | 2.655.584 | 2.655.584 |
| 2. Reserves for tax liabilities | 081 | 0 | 0 |
| 3. Other reserves | 082 | 6.252.375 | 2.198.708 |
| C) LONG - TERM LIABILITIES (084 to 092) | 083 | 41.731.763 | 53.084.338 |
| 1. Liabilities to related parties | 084 | 0 | 0 |
| 2. Liabilities for loans, deposits etc. | 085 | 0 | 0 |
| 3. Liabilities to banks and other financial institutions | 086 | 20.934.038 | 31.789.753 |
| 4. Liabilities for received prepayments | 087 | 0 | 0 |
| 5. Accounts payable | 088 | 7.700.624 | 8.197.484 |
| 6. Liabilities arising from debt securities | 089 | 0 | 0 |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 090 | 0 | 0 |
| 8. Other long-term liabilities | 091 | 0 | 0 |
| 9. Deferred tax liability | 092 | 13.097.101 | 13.097.101 |
| D) SHORT-TERM LIABILITIES (094 to 105) | 093 | 54.826.129 | 33.623.738 |
| 1. Liabilities to related parties | 094 | 0 | 0 |
| 2. Liabilities for loans, deposits etc. | 095 | 11.173.943 | 6.351.806 |
| 3. Liabilities to banks and other financial institutions | 096 | 5.701.273 | 2.616.029 |
| 4. Liabilities for received prepayments | 097 | 0 | 0 |
| 5. Accounts payable | 098 | 26.109.803 | 14.691.864 |
| 6. Liabilities arising from debt securities | 099 | 0 | 0 |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 100 | 0 | 34.403 |
| 8. Liabilities to employees | 101 | 3.571.389 | 3.419.767 |
| 9. Liabilities for taxes, contributions and similar fees | 102 | 3.997.609 | 4.042.883 |
| 10. Liabilities to share - holders | 103 | 0 | 0 |
| 11. Liabilities for long - term assets held for sale | 104 | 0 | 0 |
| 12. Other short - term liabilities | 105 | 4.272.112 | 2.466.986 |
| E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD | 106 | 15.699.550 | 2.509.590 |
| F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106) | 107 | 816.497.334 | 793.268.942 |
| G) OFF - BALANCE RECORDS | 108 | 804.016 | 804.016 |
| APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report) | | | |
| A) CAPITAL AND RESERVES | | | |
| 1. Attributed to equity holders of parent company | 109 | 695.331.933 | 699.196.984 |
| 2. Attributed to minority interest | 110 | 0 | 0 |

APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report)

PROFIT AND LOSS ACCOUNT

from 01.01.2018. until 30.06.2018.

| PORT OF RIJEKA j.s.c. | | <i>in Kunas</i> | | | |
|--|------------|----------------------------------|-------------------------------|---------------------------------|------------------------------|
| Position | AOP | Previous period cumulative | Previous period quarter | Current period cumulative | Current period quarter |
| 1 | 2 | 3 | 4 | 5 | 6 |
| I. OPERATING REVENUE (112+113) | 111 | 87.411.019 | 45.479.247 | 77.422.478 | 41.517.900 |
| 1. Sales revenue | 112 | 81.124.852 | 42.335.036 | 70.109.404 | 37.078.800 |
| 2. Other operating revenues | 113 | 6.286.167 | 3.144.211 | 7.313.074 | 4.439.100 |
| II. OPERATING EXPENSES (115+116+120+124+125+126+129+130) | 114 | 83.724.365 | 43.066.318 | 79.950.392 | 41.595.989 |
| 1. Changes in value of work in progress and finished products | 115 | 0 | 0 | 0 | 0 |
| 2. Material costs (117 to 119) | 116 | 31.401.584 | 15.668.103 | 29.069.709 | 15.162.818 |
| a) Raw material and material costs | 117 | 9.506.457 | 4.656.697 | 8.880.587 | 4.247.166 |
| b) Costs of goods sold | 118 | 0 | 0 | 0 | 0 |
| c) Other external costs | 119 | 21.895.107 | 11.011.406 | 20.189.122 | 10.915.652 |
| 3. Staff costs (121 to 123) | 120 | 33.872.892 | 17.010.129 | 34.405.052 | 17.796.775 |
| a) Net salaries and wages | 121 | 21.196.881 | 10.629.557 | 21.188.045 | 10.849.018 |
| b) Cost for taxes and contributions from salaries | 122 | 7.683.514 | 3.873.707 | 8.144.504 | 4.324.803 |
| c) Contributions on gross salaries | 123 | 4.992.497 | 2.506.865 | 5.072.503 | 2.622.954 |
| 4. Depreciation | 124 | 5.524.637 | 2.744.690 | 5.176.673 | 2.535.720 |
| 5. Other costs | 125 | 11.104.577 | 6.192.063 | 10.759.965 | 5.834.193 |
| 6. Impairment (127+128) | 126 | 0 | 0 | 3.541 | 3.541 |
| a) Impairment of long - term assets (financial assets excluded) | 127 | 0 | 0 | 3.541 | 3.541 |
| b) Impairment of short - term assets (financial assets excluded) | 128 | 0 | 0 | 0 | 0 |
| 7. Provisions | 129 | 0 | 0 | 0 | 0 |
| 8. Other operating costs | 130 | 1.820.695 | 1.451.333 | 535.452 | 262.942 |
| III. FINANCIAL INCOME (132 to 136) | 131 | 4.867.903 | 4.379.797 | 2.132.067 | 1.061.014 |
| 1. Interest income,foreing exchange gains,dividends and similar income from related parties | 132 | 0 | 0 | 0 | 0 |
| 2. Interest income,foreing exchange losses,dividends and similar expenses from non related parties | 133 | 4.867.903 | 4.379.797 | 2.132.067 | 1.061.014 |
| 3. Share in income from affiliated entrepreneurs and participating | 134 | 0 | 0 | 0 | 0 |
| 4. Unrealized losses (expenses) on financial assets | 135 | 0 | 0 | 0 | 0 |
| 5. Other financial income | 136 | 0 | 0 | 0 | 0 |
| IV. FINANCIAL EXPENSES (138 to 141) | 137 | 6.398.151 | 6.047.541 | 2.521.921 | 1.308.069 |
| 1. Interest expenses,foreing exchange losses,dividends and similar expenses from related parties | 138 | 0 | 0 | 0 | 0 |
| 2. Interest expenses,foreing exchange losses,dividends and similar expenses from non related parties | 139 | 6.825.414 | 5.474.804 | 2.041.968 | 1.033.309 |
| 3. Unrealized losses (expenses) on financial assets | 140 | 0 | 0 | 0 | 0 |
| 4. Other financial expenses | 141 | 572.737 | 572.737 | 479.953 | 274.760 |
| V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED | 142 | 5.982.272 | 3.606.234 | 6.824.127 | 3.018.346 |
| VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED | 143 | 0 | 0 | 0 | 0 |
| VII. EXTRAORDINARY- OTHER INCOME | 144 | 0 | 0 | 0 | 0 |
| VIII.EXTRAORDINARY - OTHER EXPENSES | 145 | 0 | 0 | 0 | 0 |
| IX. TOTAL INCOME (111+131+142+144) | 146 | 98.261.194 | 53.465.278 | 86.378.672 | 45.597.260 |
| X. TOTAL EXPENSES (114+137+143+145) | 147 | 90.122.516 | 49.113.859 | 82.472.313 | 42.904.058 |
| XI. PROFIT OR LOSS BEFORE TAXATION (146-147) | 148 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| 1. Profit before taxation (146-147) | 149 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| 2. Loss before taxation (147-146) | 150 | 0 | 0 | 0 | 0 |
| XII. PROFIT TAX | 151 | 0 | 0 | 0 | 0 |
| XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151) | 152 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| 1. Profit for the period (149-151) | 153 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| 2. Loss for the period (151-148) | 154 | 0 | 0 | 0 | 0 |

APPENDIX to P&I account (to be filled in by entrepreneur that prepares consolidated financial report)

| | | | | | |
|---|-----|-----------|-----------|-----------|-----------|
| XIV. PROFIT OR LOSS FOR THE PERIOD | | | | | |
| 1. Attributed to equity holders of parent company | 155 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| 2. Attributed to minority interest | 156 | 0 | 0 | 0 | 0 |

STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)

| | | | | | |
|--|-----|-----------|-----------|-----------|-----------|
| I. PROFIT OR LOSS FOR THE PERIOD (= 152) | 157 | 8.138.678 | 4.351.419 | 3.906.359 | 2.693.202 |
| II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165) | 158 | 0 | 0 | -50.377 | -50.377 |
| 1. Exchange differences on translation of foreign operations | 159 | 0 | 0 | 0 | 0 |
| 2. Movements in revaluation reserves of long - term tangible and intangible assets | 160 | 0 | 0 | 0 | 0 |
| 3. Profit or loss from reevaluation of financial assets available for sale | 161 | 0 | 0 | -50.377 | -50.377 |
| 4. Gains or losses on efficient cash flow hedging | 162 | 0 | 0 | 0 | 0 |
| 5. Gains or losses on efficient hedge of a net investment in foreign | 163 | 0 | 0 | 0 | 0 |
| 6. Share in other comprehensive income/loss of associated companies | 164 | 0 | 0 | 0 | 0 |
| 7. Actuarial gains /losses on defined benefit plans | 165 | 0 | 0 | 0 | 0 |
| III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD | 166 | 0 | 0 | -9.068 | -9.068 |
| IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE | 167 | 0 | 0 | -41.309 | -41.309 |
| V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167) | 168 | 8.138.678 | 4.351.419 | 3.865.050 | 2.651.893 |

APPENDIX to Statement of other comprehensive income (to be filled in by entrepreneur that prepares consolidated financial report)

| | | | | | |
|--|-----|-----------|-----------|-----------|-----------|
| VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD | | | | | |
| 1. Attributed to equity holders of parent company | 169 | 8.138.678 | 4.351.419 | 3.865.050 | 2.651.893 |
| 2. Attributed to minority interest | 170 | 0 | 0 | 0 | 0 |

STATEMENT OF CASH FLOWS - Indirect method
from 01.01.2018. until 30.06.2018.

| PORT OF RIJEKA j.s.c. | <i>in Kunas</i> | | |
|---|-----------------|-------------------|-------------------|
| Position | AOP | Previous year | Current year |
| 1 | 2 | 3 | 4 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 001 | 8.138.678 | 3.906.359 |
| 2. Depreciation | 002 | 5.524.637 | 5.176.673 |
| 3. Increase in short term liabilities | 003 | 0 | 0 |
| 4. Decrease in short term receivables | 004 | 3.614.698 | 2.533.882 |
| 5. Decrease in inventories | 005 | 41.282 | 0 |
| 6. Other increase in cash flow | 006 | 9.961.195 | 0 |
| I. Total increase in cash flow operating activities (001 to 006) | 007 | 27.280.490 | 11.616.914 |
| 1. Decrease in short term liabilities | 008 | 8.581.925 | 29.576.317 |
| 2. Increase in short term receivables | 009 | 0 | 0 |
| 3. Increase in inventories | 010 | 0 | 623.353 |
| 4. Other decrease in cash flow | 011 | 14.882.392 | 8.812.625 |
| II. Total decrease in cash flow from operating activities (008 to 011) | 012 | 23.464.317 | 39.012.295 |
| A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012) | 013 | 3.816.173 | 0 |
| A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES | 014 | 0 | 27.395.381 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| 1. Cash inflows from sales of long - term tangible and intangible assets | 015 | 1.705.035 | 1.618.572 |
| 2. Cash inflows from sales of equity and debt instruments | 016 | 0 | 0 |
| 3. Interests receipts | 017 | 984.893 | 315.540 |
| 4. Dividend receipts | 018 | 3.268.161 | 8.954.913 |
| 5. Other cash inflows from investing activities | 019 | 34.343.629 | 29.385.703 |
| III. Total cash inflows from investing activities (015 to 019) | 020 | 40.301.718 | 40.274.728 |
| 1. Cash outflow for purchase of long - term tangible and intangible assets | 021 | 38.519.759 | 12.090.315 |
| 2. Cash outflow for acquisition of equity and debt financial instruments | 022 | 0 | 0 |
| 3. Other cash outflow for investing activities | 023 | 0 | 0 |
| IV. Total cash outflow for investing activities (021 to 023) | 024 | 38.519.759 | 12.090.315 |
| B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024) | 025 | 1.781.959 | 28.184.413 |
| B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES(024-020) | 026 | 0 | 0 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | | | |
| 1. Cash inflow from issuing property and debt financial instruments | 027 | 0 | 0 |
| 2. Proceeds from the credit principal, promissory notes, borrowings and other loans | 028 | 0 | 11.288.279 |
| 3. Other proceeds from financial activities | 029 | 0 | 0 |
| V. Total cash inflows from financial activities (027 to 029) | 030 | 0 | 11.288.279 |
| 1. Cash outflow for repayment of credit principal and bonds | 031 | 6.308.437 | 5.764.986 |
| 2. Cash outflow for dividends paid | 032 | 0 | 0 |
| 3. Cash outflow for financial lease | 033 | 1.433.645 | 1.499.204 |
| 4. Cash outflow for purchase of treasury shares | 034 | 0 | 0 |
| 5. Other cash outflow for financial activities | 035 | 605.301 | 568.364 |
| VI. Total cash outflow for financial activities (031 to 035) | 036 | 8.347.383 | 7.832.554 |
| C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036) | 037 | 0 | 3.455.725 |
| C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030) | 038 | 8.347.383 | 0 |
| Total increase in cash flow (013-014+025-026+037-038) | 039 | 0 | 4.244.757 |
| Total decrease in cash flow (014-013+026-025+038-037) | 040 | 2.749.251 | 0 |
| Cash and cash equivalents at the beginning of the period | 041 | 4.870.245 | 3.753.584 |
| Increase of cash and cash equivalents | 042 | 0 | 4.244.757 |
| Decrease of cash and cash equivalents | 043 | 2.749.251 | 0 |
| Cash and cash equivalents at the end of the period | 044 | 2.120.994 | 7.998.341 |

STATEMENT OF CHANGES IN EQUITY
for the period 01.01.2018. to 30.06.2018.

| | | <i>in Kunas</i> | | |
|---|------------|--------------------|--------------------|--|
| Position | AOP | Previous year | Current year | |
| 1 | 2 | 3 | 4 | |
| 1. Subscribed capital | 001 | 539.219.000 | 539.219.000 | |
| 2. Capital reserves | 002 | 38.623.828 | 38.623.828 | |
| 3. Reserves from profit | 003 | 0 | 0 | |
| 4. Retained earnings or accumulated loss | 004 | 82.070.886 | 80.776.103 | |
| 5. Profit or loss for the current year | 005 | 8.138.678 | 3.906.359 | |
| 6. Revaluation of long - term tangible assets | 006 | 36.634.056 | 36.634.056 | |
| 7. Revaluation of intangible assets | 007 | 0 | 0 | |
| 8. Revaluation of financial assets available for sale | 008 | 35.121 | 37.638 | |
| 9. Other revaluation | 009 | 0 | 0 | |
| 10. Total capital and reserves (AOP 001 to 009) | 010 | 704.721.569 | 699.196.984 | |
| 11. Currency gains and losses arising from net investment in foreign operations | 011 | 0 | 0 | |
| 12. Current and deferred taxes (part) | 012 | 0 | 0 | |
| 13. Cash flow hedging | 013 | 0 | 0 | |
| 14. Changes in accounting policy | 014 | 0 | 0 | |
| 15. Correction of significant errors in prior period | 015 | 0 | 0 | |
| 16. Other changes of capital | 016 | 0 | 0 | |
| 17. Total increase or decrease in capital (AOP 011 to 016) | 017 | 0 | 0 | |
| 17 a. Attributed to equity holders of parent company | 018 | 704.721.569 | 699.196.984 | |
| 17 b. Attributed to minority interest | 019 | 0 | 0 | |

Items which decrease capital are given with the negative prefix.

In Rijeka, July 2018.

Pursuant to the Capital Market Act, Vesna Juretić, the director of the Financial and Accounting Sector and Janja Reljac, Assistant to the Director of the Financial and Accounting Sector, as persons responsible for preparing quarterly statements of the company The Port of Rijeka j. s. c., from Rijeka, Riva 1, personal identification number 92590920313 (hereinafter: the Company), hereby give the following

STATEMENT

According to our best knowledge

- The summarized set of consolidated and non-consolidated business reports for the second quarter of 2018, prepared by applying the relevant financial reporting standards, provides a comprehensive and true account of the assets and liabilities, the profit and loss, the financial position and the business performance of the Company and the companies included in consolidation.

Janja Reljac
Assistant to the Director of the Sector



Vesna Juretić
Director of the Sector



LUKA RIJEKA d.d.
Rijeka, Riva 1