

LUKA RIJEKA D.D.
UNAUDITED UNCONSOLIDATED
FINANCIAL REPORT
01.01.-30.09.2017.

MANAGEMENT REPORT

Luka Rijeka d.d.

Riva 1, HR-51 000 RIJEKA

OIB: 92590920313

Rijeka, October 2017

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**MANAGEMENT REPORT ON THE BUSINESS RESULTS OF COMPANY
LUKA RIJEKA D.D. FOR THE PERIOD 01.01.-30.09.2017.**

**UNAUDITED UNCONSOLIDATED FINANCIAL REPORT FOR THE PERIOD
01.01.- 30.09.2017.**

MANAGEMENT STATEMENT OF LIABILITY

MANAGEMENT REPORT ON THE BUSINESS RESULTS OF COMPANY LUKA RIJEKA D.D. FOR THE PERIOD 01.01.-30.09.2017.

KEY FINANCIAL INDICATORS

Indicators (mil HRK)	Realization 01.01.-30.09.2016.	Realization 01.01.-30.09.2017.	Index
Operating revenue	113,454	125,726	111
Revenue from services in domestic and foreign market	104,736	116,494	111
Operating expences	122,081	126,013	103
EBIT	-8,627	-0,287	
EBITDA	-1,623	7,185	
Total income	118,537	138,054	116
Total expences	126,014	133,970	106
Profit before taxation	-7,477	4,084	
Assets/Capital and Liabilites	724,380	727,771	100
Long-term assets	492,382	577,792	117
Capital and reserves	607,399	620,105	102
Indicators	Realization 30.09.2016.	Realization 30.09.2017.	Index
Liquidity ratios			
Working capital	187.013.694	102.157.246	55
Current liquidity	5,56	3,26	59
Debt indicators			
Short-term liabilites/Capital	0,07	0,07	100
Long-term liabilities/Capital	0,11	0,08	73
Loans/Capital	0,06	0,06	100
Total liabilities/Assets	0,15	0,13	87
Profitability ratios			
EBITDA margin	-1,43%	5,71%	
EBIT margin	-7,60%	-0,23%	
NET margin	-6,59%	3,25%	
Productivity indicators			
Number of employees	620	613	99
Revenue per employee (in thousands)	191	225	118

NATURAL INDICATORS

Total cargo traffic of all dry cargo in port of Rijeka, consisting of Luka Rijeka d.d. and associate company Adriatic Gate Container Terminal (AGCT), in the period of nine months of 2017 was 3.458.794 tons of cargo, which presents **26% growth** regarding to the same period of the previous year, when it was transported 2.754.318 tons of cargo.

CARGO TRAFFIC	Realization 01.01.–30.09.2016.	Realization 01.01.–30.09.2017.	Index 2017/2016
Luka Rijeka d.d.	1.502.915	1.909.044	127
General cargo (tons)	744.221	686.270	92
Dry Bulk Cargo (tons)	758.694	1.222.774	161
Jadranska vrata d.d.			
Containers (tons)	1.251.403	1.549.750	124
Containers (TEU)	137.150	157.577	115
TOTAL (tons)	2.754.318	3.458.794	126

Total cargo traffic of Luka Rijeka d.d. in the period of nine months of 2017 was 1.909.044 tons of cargo and presents **27% growth** regarding to the same period of the previous year.

MANAGEMENT BOARD:

Vedran Devčić, President

Linda Sciuca, Member

Nenad Janjić, Member

LUKA RIJEKA d.d.
Rijeka, Riva 1

APPENDIX 1
Reporting period:

01.01.2017.

to

30.09.2017.

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 adresa: www.lukarijeka.hr

Code and name of town: 373 RIJEKA

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees: 613
(at the end of the year)

Consolidated statement: NO

NKD/NWC code: 5224

Subsidiaries subject to consolidation (according to IFRS):

Headquarters:

Registration number:

Subsidiaries subject to consolidation (according to IFRS):	Headquarters:	Registration number:

Book keeping service:

Contact person: Reljac Janja
authorised person for representation

Phone number: 051/496-533

Fascimile: 051/496-008

E-mail address: fin@lukarijeka.hr

Surname and name: Devčić Vedran
(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

LUKA RIJEKA d.d.
Rijeka, Riva 1
M.P.

(signed by authorised person for representation)

BALANCE SHEET
as of 30.09.2017.

PORT OF RIJEKA j.s.c.		<i>in Kunas</i>		
Position	AOP	Previous year	Current year	
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	508.324.716	577.791.950	
I. INTANGIBLE ASSETS (004 to 009)	003	743.068	526.179	
1. Assets development	004	0	0	
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	743.068	526.179	
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	471.956.377	541.640.500	
1. Land	011	229.075.870	229.075.870	
2. Buildings	012	108.742.540	107.782.605	
3. Plant and equipment	013	1.710.894	1.933.779	
4. Tools, facility inventory and transport assets	014	52.286.980	48.036.454	
5. Biological assets	015	0	0	
6. Prepayments for tangible assets	016	20.702.110	200.000	
7. Tangible assets in progress	017	52.529.875	148.150.828	
8. Other tangible assets	018	325.736	325.736	
9. Investments in buildings	019	6.582.372	6.135.228	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	12.025.892	12.025.892	
1. Investments (shares) with related parties	021	11.767.170	11.767.170	
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	218.722	218.722	
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	5.640.419	5.640.419	
1. Receivables from related parties	030	0	0	
2. Receivables from based on trade loans	031	5.640.419	5.640.419	
3. Other receivables	032	0	0	
V. DEFERRED TAX ASSETS	033	17.958.960	17.958.960	
C) SHORT TERM ASSETS (035+043+050+058)	034	228.007.798	147.273.420	
I. INVENTORIES (036 to 042)	035	901.345	835.688	
1. Raw-material and supplies	036	826.345	835.688	
2. Work in progress	037	0	0	
3. Finished goods	038	0	0	
4. Merchandise	039	0	0	
5. Prepayments for inventories	040	75.000	0	
6. Long-term assets held for sales	041	0	0	
7. Biological assets	042	0	0	
II. RECEIVABLES (044 to 049)	043	41.497.769	24.548.499	
1. Receivables from related parties	044	325.199	220.584	
2. Accounts receivable	045	24.688.373	22.596.376	
3. Receivables from participating parties	046	0	0	
4. Receivables from employees and members of related parties	047	2.891	18.170	
5. Receivables from government and other institutions	048	16.026.122	786.668	
6. Other receivables	049	455.184	926.701	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	182.209.855	118.752.179	
1. Shares (stocks) in related parties	051	0	0	
2. Loans given to related parties	052	0	0	
3. Participating interest (shares)	053	0	0	
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	182.209.855	118.752.179	
7. Other financial assets	057	0	0	
IV. CASH AT BANK AND IN CASHIER	058	3.398.829	3.137.054	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	680.665	2.706.173	
E) TOTAL ASSETS (001+002+034+059)	060	737.013.179	727.771.543	
F) OFF-BALANCE RECORDS	061	804.016	804.016	

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	616.020.188	620.104.716
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	36.669.177	36.669.177
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	072	1.265.202	1.508.182
1. Retained earnings	073	1.265.202	1.508.182
2. Accumulated loss	074	0	0
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	242.981	4.084.529
1. Profit for the current year	076	242.981	4.084.529
2. Loss for the current year	077	0	0
VII. MINORITY INTERESTS	078	0	0
B) PROVISIONS (080 to 082)	079	10.565.286	2.694.110
1. Provisions for pensions,severance pay,and similar liabilities	080	3.201.648	2.694.110
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	7.363.638	0
C) LONG - TERM LIABILITIES (084 to 092)	083	49.266.034	48.302.442
1. Liabilities to related parties	084	0	0
2. Liabilities for loans,deposits etc.	085	3.104.021	2.751.333
3. Liabilities to banks and other financial institutions	086	26.047.030	25.837.931
4. Liabilities for received prepayments	087	0	0
5. Acconuts payable	088	12.073.361	11.671.556
6. Liabilities arising from debt securities	089	0	0
7. Liabilities to entrepreneurs in whom the enitty holds participating interests	090	0	0
8. Other long-term liabilities	091	0	0
9. Deferred tax liability	092	8.041.622	8.041.622
D) SHORT-TERM LIABILITIES (094 to 105)	093	58.413.688	45.116.174
1. Liabilities to related parties	094	632.951	1.085.516
2. Liabilities for loans,deposits etc.	095	10.738.248	7.245.202
3. Liabilities to banks and other financial institutions	096	6.857.917	1.808.409
4. Liabilities for received prepayments	097	0	0
5. Acconuts payable	098	26.124.912	27.630.286
6. Liabilities arising from debt securities	099	0	0
7. Liabilities to entrepreneurs in whom the enitty holds participating interests	100	0	0
8. Liabilities to employees	101	3.586.459	3.228.704
9. Liabilities for taxes,contributions and similar fees	102	4.754.918	2.357.382
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	5.718.283	1.760.675
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	2.747.983	11.554.101
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	737.013.179	727.771.543
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	0	0
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 01.01.2017. until 30.09.2017.

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	113.453.981	39.925.742	125.725.683	39.101.053
1. Sales revenue	112	104.736.082	37.290.537	116.423.958	36.081.699
2. Other operating revenues	113	8.717.899	2.635.205	9.301.725	3.019.354
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	122.081.377	41.714.527	126.012.521	42.880.823
1. Changes in value of work in progress and finished products	115	0	0	0	0
2. Material costs (117 to 119)	116	45.301.835	15.932.199	48.948.513	16.640.854
a) Raw material and material costs	117	13.614.380	4.424.270	13.379.454	4.186.727
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	31.687.455	11.507.929	35.569.059	12.454.127
3. Staff costs (121 to 123)	120	50.665.379	16.953.920	48.813.960	15.981.646
a) Net salaries and wages	121	31.371.327	10.438.468	30.570.896	9.990.683
b) Cost for taxes and contributions from salaries	122	11.857.813	4.027.117	11.087.711	3.648.162
c) Contributions on gross salaries	123	7.436.239	2.488.335	7.155.353	2.342.801
4. Depreciation	124	7.004.720	1.733.312	7.471.750	2.289.010
5. Other costs	125	17.819.210	6.735.343	18.714.833	7.726.543
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long - term assets (financial assets excluded)	127	0	0	0	0
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	1.290.233	359.753	2.063.465	242.770
III. FINANCIAL INCOME (132 to 136)	131	5.082.622	1.617.604	12.328.618	4.192.822
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	0	0	0	0
2. Interest income, foreign exchange losses, dividends and similar expenses from non related parties	133	4.934.867	1.605.929	5.792.296	924.661
3. Share in income from affiliated entrepreneurs and participating	134	0	0	6.536.322	3.268.161
4. Unrealized losses (expenses) on financial assets	135	0	0	0	0
5. Other financial income	136	147.755	11.675	0	0
IV. FINANCIAL EXPENSES (138 to 141)	137	3.932.181	1.645.304	7.957.251	1.573.124
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related parties	138	0	0	0	0
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non related parties	139	2.999.824	1.368.526	6.911.953	1.100.563
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0
4. Other financial expenses	141	932.357	276.778	1.045.298	472.561
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED	142	0	0	0	0
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	118.536.603	41.543.346	138.054.301	43.293.875
X. TOTAL EXPENSES (114+137+143+145)	147	126.013.558	43.359.831	133.969.772	44.453.947
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-7.476.955	-1.816.485	4.084.529	-1.160.072
1. Profit before taxation (146-147)	149	0	0	4.084.529	0
2. Loss before taxation (147-146)	150	7.476.955	1.816.485	0	1.160.072
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151)	152	-7.476.955	-1.816.485	4.084.529	-1.160.072
1. Profit for the period (149-151)	153	0	0	4.084.529	0
2. Loss for the period (151-148)	154	7.476.955	1.816.485	0	1.160.072

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	0	0	0	0
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	-7.476.955	-1.816.485	4.084.529	-1.160.072
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
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	0	0
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	0	0
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-7.476.955	-1.816.485	4.084.529	-1.160.072

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	0	0	0	0
2. Attributed to minority interest	170	0	0	0	0

STATEMENT OF CASH FLOWS - Indirect method
from 01.01.2017. until 30.09.2017.

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	-7.476.955	4.084.529	
2. Depreciation	002	7.004.720	7.471.750	
3. Increase in short term liabilities	003	0	0	
4. Decrease in short term receivables	004	766.330	14.730.419	
5. Decrease in inventories	005	57.887	65.657	
6. Other increase in cash flow	006	0	0	
I. Total increase in cash flow operating activities (001 to 006)	007	351.982	26.352.355	
1. Decrease in short term liabilities	008	4.695.027	4.754.960	
2. Increase in short term receivables	009	0	0	
3. Increase in inventories	010	0	0	
4. Other decrease in cash flow	011	7.003.840	6.435.116	
II. Total decrease in cash flow from operating activities (008 to 011)	012	11.698.867	11.190.076	
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	15.162.279	
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	014	11.346.885	0	
CASH FLOW FROM INVESTING ACTIVITIES				
1. Cash inflows from sales of long - term tangible and intangible assets	015	0	0	
2. Cash inflows from sales of equity and debt instruments	016	0	0	
3. Interests receipts	017	2.850.044	1.393.256	
4. Dividend receipts	018	8.396	6.537.330	
5. Other cash inflows from investing activities	019	2.276.703	2.218.851	
III. Total cash inflows from investing activities (015 to 019)	020	5.135.143	10.149.437	
1. Cash outflow for purchase of long - term tangible and intangible assets	021	28.713.704	77.293.246	
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	28.713.704	77.293.246	
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0	
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	23.578.561	67.143.809	
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	0	
3. Other proceeds from financial activities	029	43.702.094	60.322.011	
V. Total cash inflows from financial activities (027 to 029)	030	43.702.094	60.322.011	
1. Cash outflow for repayment of credit principal and bonds	031	8.557.315	7.772.672	
2. Cash outflow for dividends paid	032	0	0	
3. Cash outflow for financial lease	033	66.985	0	
4. Cash outflow for purchase of treasury shares	034	0	0	
5. Other cash outflow for financial activities	035	1.080.616	829.584	
VI. Total cash outflow for financial activities (031 to 035)	036	9.704.916	8.602.256	
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	33.997.178	51.719.755	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	0	0	
Total increase in cash flow (013-014+025-026+037-038)	039	0	0	
Total decrease in cash flow (014-013+026-025+038-037)	040	928.268	261.775	
Cash and cash equivalents at the beginning of the period	041	2.583.384	3.398.829	
Increase of cash and cash equivalents	042	0	0	
Decrease of cash and cash equivalents	043	928.268	261.775	
Cash and cash equivalents at the end of the period	044	1.655.116	3.137.054	

STATEMENT OF CHANGES IN EQUITY
for the period 01.01.2017. to 30.09.2017.

in Kunas

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	1.265.202	1.508.182
5. Profit or loss for the current year	005	-7.476.955	4.084.529
6. Revaluation of long - term tangible assets	006	35.740.542	36.634.056
7. Revaluation of intangible assets	007	0	0
8. Revaluation of financial assets available for sale	008	27.017	35.121
9. Other revaluation	009	0	0
10. Total capital and reserves (AOP 001 to 009)	010	607.398.634	620.104.716
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	0	0
17 b. Attributed to minority interest	019	0	0

Items which decrease capital are given with the negative prefix.

October 2017, Rijeka

Pursuant to Article 410, Paragraph 2, and Article 407, Paragraph 2, Point 3 of the Act on the Capital Market, individuals accountable for making financial statements: President of the Management Board Vedran Devčić, Member of the Management Board Linda Sciucca and Member of the Management Board Nenad Janjić hereby issue a

STATEMENT

Which, conscientiously and according to their best knowledge, confirms their liability for realistic and objective display of unaudited unconsolidated financial statement for the 9 months period 01/01 - 30/09/2017 of the Luka Rijeka d.d in accordance with the Act of Accounting (Official Gazette of the Republic of Croatia 109/2007), International Accounting Standards (IAS) of financial reporting recognized by the European Commission and published in the Official Journal of the European Commission and the accounting policies of the Company, including appropriate publishing of all information in accordance with the Act and above Standards.

With applying above-mentioned Standards, financial statements provide an overall and authentic review of assets and liabilities, as well as business results of the Company.

Management Board:

Vedran Devčić, President

Linda Sciucca, Member

Nenad Janjić, Member

LUKA RIJEKA d.d.
Rijeka, Riva 1