

THE PORT OF RIJEKA J. S. C.
UNAUDITED NONCONSOLIDATED
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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**THE BUSINESS PERFORMANCE REPORT FOR THE COMPANY THE PORT OF
RIJEKA J. S. C.**

IN THE PERIOD BETWEEN 01.01.-30.06.2018.

KEY PERFORMANCE INDICATORS

Indicators (mil HRK)	Realization 01.01.-30.06.2017.	Realization 01.01.-30.06.2018.	Index
Operating revenue	86,625	77,230	89
Revenue from services in domestic and foreign market	80,342	69,907	87
Operating expences	83,132	79,726	96
EBIT	3,493	-2,496	-71
EBITDA	8,676	2,282	26,3
Total income	94,760	91,215	96
Total expences	89,516	82,240	92
Profit before taxation	5,245	8,974	171
<i>Profitability ratios</i>			
EBITDA margin	10,02%	2,95%	
EBIT margin	4,03%	-3,23%	
NET margin	6,05%	11,62%	
Indicators	Realization 30.06.2017.	Realization 30.06.2018.	Index
Assets/ liabilites	729,399	706,673	97
Long-term assets	541,097	628,935	116
Capital and reserves	621,265	618,386	100
<i>Liquidity ratios</i>			
Working capital	135.630.044	42.513.464	31
Current liquidity	3,72	2,28	61
<i>Debt indicators</i>			
Short-term liabilites/capital	0,08	0,05	63
Long-term liabilities/capital	0,08	0,08	100
Borrowinga/capital	0,07	0,07	100
Total liabilities/assets	0,13	0,11	85
<i>Productivity indicators</i>			
Number of employees	615	600	98
Revenue per employee (in thousands)	154	152	99

SALES PERFORMANCE INDICATORS

In the first six months of 2018, there was a decrease in turnover compared to last year's period. Luka Rijeka j.s.c. in the observed period achieved a turnover of 1.163.246 tons of cargo, and a decrease of 17% compared to 2017.

Total turnover of Luka Rijeka 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

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 adresa: www.lukarijeka.hr

Code and name of town: 373 RIJEKA

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees (at the end of the year): 600

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: 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	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	622.394.138	628.935.141	
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	587.661.301	594.402.355	
1. Land	011	229.075.870	228.523.670	
2. Buildings	012	108.637.611	193.286.990	
3. Plant and equipment	013	2.089.174	1.891.349	
4. Tools, facility inventory and transport assets	014	50.718.889	48.164.556	
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	12.057.013	11.937.068	
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	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	101.206.339	75.636.508	
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	28.105.134	23.924.831	
1. Receivables from related parties	044	399.569	2.254.124	
2. Accounts receivable	045	25.794.014	18.683.399	
3. Receivables from participating parties	046	0	0	
4. Receivables from employees and members of related parties	047	1.643	3.483	
5. Receivables from government and other institutions	048	1.843.107	2.151.855	
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	2.320.039	6.794.964	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	1.045.720	2.101.973	
E) TOTAL ASSETS (001+002+034+059)	060	724.646.197	706.673.622	
F) OFF-BALANCE RECORDS	061	804.016	804.016	

LIABILITIES AND CAPITAL			
A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)	062	609.452.742	618.386.179
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	1.508.182	-5.103.089
1. Retained earnings	073	1.508.182	0
2. Accumulated loss	074	0	5.103.089
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	-6.611.271	8.974.746
1. Profit for the current year	076	0	8.974.746
2. Loss for the current year	077	6.611.271	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	36.394.081	47.800.517
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	20.651.835	31.561.411
4. Liabilities for received prepayments	087	0	0
5. Accounuts 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	8.041.622	8.041.622
D) SHORT-TERM LIABILITIES (094 to 105)	093	54.191.865	33.123.044
1. Liabilities to related parties	094	897.286	825.597
2. Liabilities for loans,deposits etc.	095	11.037.543	6.351.806
3. Liabilities to banks and other financial institutions	096	5.407.461	2.367.814
4. Liabilities for received prepayments	097	0	0
5. Accounuts payable	098	25.965.834	14.586.682
6. Liabilities arising from debt securities	099	0	0
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	0	0
8. Liabilities to employees	101	3.461.160	3.309.227
9. Liabilities for taxes,contributions and similar fees	102	3.905.421	3.979.568
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	3.517.160	1.702.350
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	724.646.197	706.673.622
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 01.01.2018. 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	86.624.630	45.338.359	77.230.527	41.407.626
1. Sales revenue	112	80.342.259	42.179.449	69.907.973	36.948.354
2. Other operating revenues	113	6.282.371	3.158.910	7.322.554	4.459.272
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	83.131.698	42.969.430	79.726.755	41.473.044
1. Changes in value of work in progress and finished products	115	0	0	0	0
2. Material costs (117 to 119)	116	32.307.659	16.305.751	30.459.149	15.833.263
a) Raw material and material costs	117	9.192.727	4.494.308	8.575.658	4.079.099
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	23.114.932	11.811.443	21.883.491	11.754.164
3. Staff costs (121 to 123)	120	32.832.314	16.498.912	33.298.872	17.245.832
a) Net salaries and wages	121	20.580.213	10.325.746	20.541.076	10.527.048
b) Cost for taxes and contributions from salaries	122	7.439.549	3.754.714	7.876.261	4.190.949
c) Contributions on gross salaries	123	4.812.552	2.418.452	4.881.535	2.527.835
4. Depreciation	124	5.182.740	2.575.945	4.779.225	2.337.225
5. Other costs	125	10.988.290	6.137.489	10.654.057	5.793.782
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	1.820.695	1.451.333	535.452	262.942
III. FINANCIAL INCOME (132 to 136)	131	8.135.796	7.647.771	13.984.575	1.321.985
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	4.867.635	4.379.610	2.131.764	1.060.762
3. Share in income from affiliated entrepreneurs and participating	134	3.268.161	3.268.161	11.852.811	261.223
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	6.384.127	6.041.284	2.513.601	1.304.309
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	5.811.390	5.468.547	2.033.648	1.029.549
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	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	94.760.426	52.986.130	91.215.102	42.729.611
X. TOTAL EXPENSES (114+137+143+145)	147	89.515.825	49.010.714	82.240.356	42.777.353
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	5.244.601	3.975.416	8.974.746	-47.742
1. Profit before taxation (146-147)	149	5.244.601	3.975.416	8.974.746	0
2. Loss before taxation (147-146)	150	0	0	0	47.742
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151)	152	5.244.601	3.975.416	8.974.746	-47.742
1. Profit for the period (149-151)	153	5.244.601	3.975.416	8.974.746	0
2. Loss for the period (151-148)	154	0	0	0	47.742

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	5.244.601	3.975.416	8.974.746	-47.742
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	5.244.601	3.975.416	8.933.437	-89.051

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 01.01.2018. 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	5.244.601	8.974.746
2. Depreciation	002	5.182.740	4.779.225
3. Increase in short term liabilities	003	1.119.730	0
4. Decrease in short term receivables	004	3.421.510	2.623.637
5. Decrease in inventories	005	41.282	0
6. Other increase in cash flow	006	0	0
I. Total increase in cash flow operating activities (001 to 006)	007	15.009.863	16.377.608
1. Decrease in short term liabilities	008	0	27.651.556
2. Increase in short term receivables	009	0	0
3. Increase in inventories	010	0	623.353
4. Other decrease in cash flow	011	11.963.717	15.481.758
II. Total decrease in cash flow from operating activities (008 to 011)	012	11.963.717	43.756.667
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	3.046.146	0
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	27.379.059
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	38.143.759	11.983.305
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	38.143.759	11.983.305
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	2.157.959	28.291.423
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	6.161.516	5.665.528
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	592.354	560.986
VI. Total cash outflow for financial activities (031 to 035)	036	8.187.515	7.725.718
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	3.562.561
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	8.187.515	0
Total increase in cash flow (013-014+025-026+037-038)	039	0	4.474.925
Total decrease in cash flow (014-013+026-025+038-037)	040	2.983.410	0
Cash and cash equivalents at the beginning of the period	041	3.398.829	2.320.039
Increase of cash and cash equivalents	042	0	4.474.925
Decrease of cash and cash equivalents	043	2.983.410	0
Cash and cash equivalents at the end of the period	044	415.419	6.794.964

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	1.508.182	-5.103.089
	5. Profit or loss for the current year	005	5.244.601	8.974.746
	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	621.264.788	618.386.179
	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.

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

THE PORT OF RIJEKA d.d.
Rijeka, Riva 1