

THE PORT OF RIJEKA J. S. C.

**UNAUDITED NONCONSOLIDATED
BUSINESS REPORT
FOR 01.01.-31.12.2018**

The Port of Rijeka j. s. c.

Riva 1, HR-51 000 RIJEKA

Personal identification number: 92590920313

Rijeka, February 2019



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THE BUSINESS PERFORMANCE REPORT FOR THE COMPANY THE PORT OF RIJEKA J. S. C. IN THE PERIOD BETWEEN 01.01.-31.12.2018.

STATEMENT OF RESPONSIBLE PERSONS FOR MAKING OF THE REPORT



LUKARIJEKA
HAFEN RIJEKA AG PORT RIJEKA j.s.c.

Business performance report **2018.**

The Port of Rijeka JSC

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EXECUTIVE SUMMARY

Luka Rijeka d.d. business report for the year 2018 records an important change in trend during the second half of the year. The positive trend reflects in the 8% (eight) rise of cargo throughput in the third quarter of year, compared to the same period of the previous year, and 28% (twenty-eight) in the fourth quarter of year, compared to the same period of the previous year. The dry bulk cargo increased in third quarter by 14%(fourteen), and by 56%(fifty-six) in fourth quarter compared to the same period of the year 2017.

The positive trend is also reflected on the results divided per Terminals, especially Terminal Bakar, with 17% annual growth and Terminal Bršica, with 6% annual growth achieved.

The total throughput index amounts to 99,5 and the total revenues index amounts to 96,5. The revenue from the Company's core business (port services) represents 90% of Luka Rijeka d.d. business revenue.

The total costs in the year 2018 decreased more than revenues, by 9% compared to the same period of 2017 despite the increase of energy costs and communal fee. That leads to more positive result for year 2018. In general, compared to the previous year.

The total investments of Luka Rijeka d.d. in the year 2018 amount to 50,3 million HRK and are constant since the terminal Škrljevo is in the final phase of construction. The total investments in Škrljevo terminal in 2018 amount to 44,5 million HRK while the remaining 5,8 million HRK are related to investments into upgrading and maintenance of mechanization. The commercialization of the Škrljevo terminal is an ongoing process resulting in the expressed interest from the various clients regarding the possibilities of cargo transshipment given its attractive location and expansion.

The investments also include the new personal protective equipment for the Company employees as well as improvements of safety resulting with 28% decrease of work related injuries.

During the year 2018, the Company has employed 64 new workers to improve the operation process and service level. Also, the amount of 1,2 millions HRK was payed for the severances.

Management Board presented the Business Plan of Luka Rijeka d.d. for the year 2019, accepted by the Supervisory Board in November 2018. The plan foresees the Company investments in the total amount of HRK 76,3 million. The planned investments include the purchase of the new equipment, maintenance and improvement of existing equipment and devices, the development of technical and project documentation which provides the basis for further investment and improvement of working conditions.

1. NATURAL THROUGHPUT REPORT

Throughput of Luka Rijeka j.s.c.

In the January to December, throughput amounted to 2.534.422 tons of cargo. Dry bulk cargo increased by 6%, and 1.717.192 tons were transhipped in that period.

Table 1. Total throughput of Luka Rijeka d.d. 01.-12.2017/2018

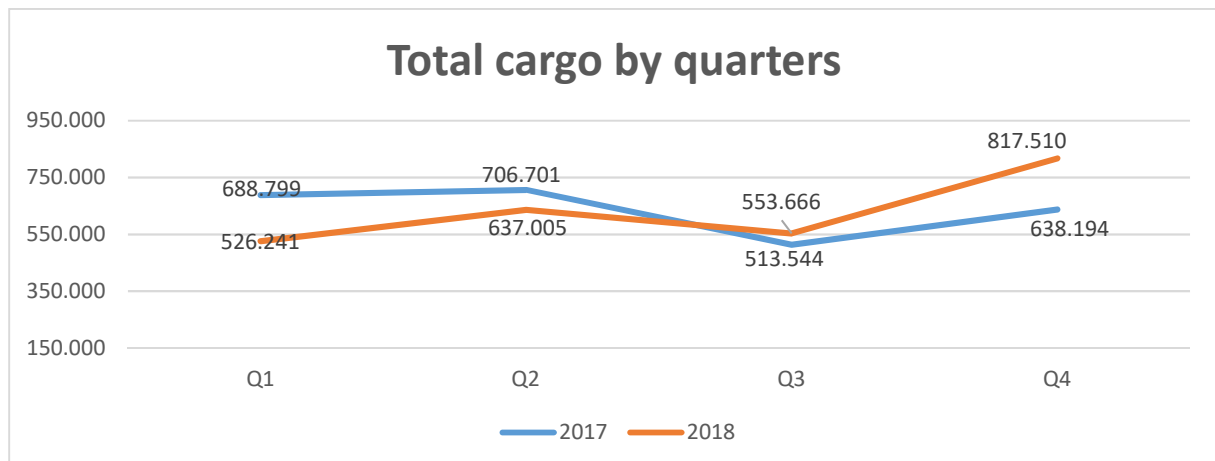
Luka Rijeka j.s.c.	Realization 01.-12.2017.	Plan 2018.	Realization 01.-12.2018.	Index 2018/2017	Index 2018/Plan
General cargo (tons)	857.944	838.500	753.696	88	90
Dry Bulk Cargo (tons)	1.613.388	1.678.150	1.717.192	106	102
Containers (tons)	75.906	80.000	63.534	84	79
TOTAL (tons)	2.547.238	2.596.650	2.534.422	99	98

Looking at the quarters, the **positive trend of growth continues with the fourth quarter of a 28% increase.**

Table 2. Throughput of Luka Rijeka j.s.c.- Quarters 2017/2018

[T]		Q1	Q2	Q3	Q4
1.-General Cargo	2017	214.060	226.643	185.629	231.612
	2018	176.038	193.663	189.310	194.685
	Index	82	85	102	84
2.-Dry Bulk Cargo	2017	455.512	461.975	305.287	390.614
	2018	332.939	425.587	348.196	610.470
	Index	73	92	114	156
3.-Containers	2017	19.227	18.083	22.628	15.968
	2018	17.264	17.755	16.160	12.355
	Index	90	98	71	77
OTAL CARGO	2017	688.799	706.701	513.544	638.194
	2018	526.241	637.005	553.666	817.510
	Index	76	90	108	128

Chart 1. Throughput of Luka Rijeka j.s.c. by quarters



1.1. General cargo

Total throughput of general cargo in 2018 amounts to 753.696 tons. The index is 88 compared to the observed period of 2017.

Chart 2. General cargo by quarters 2017/2018

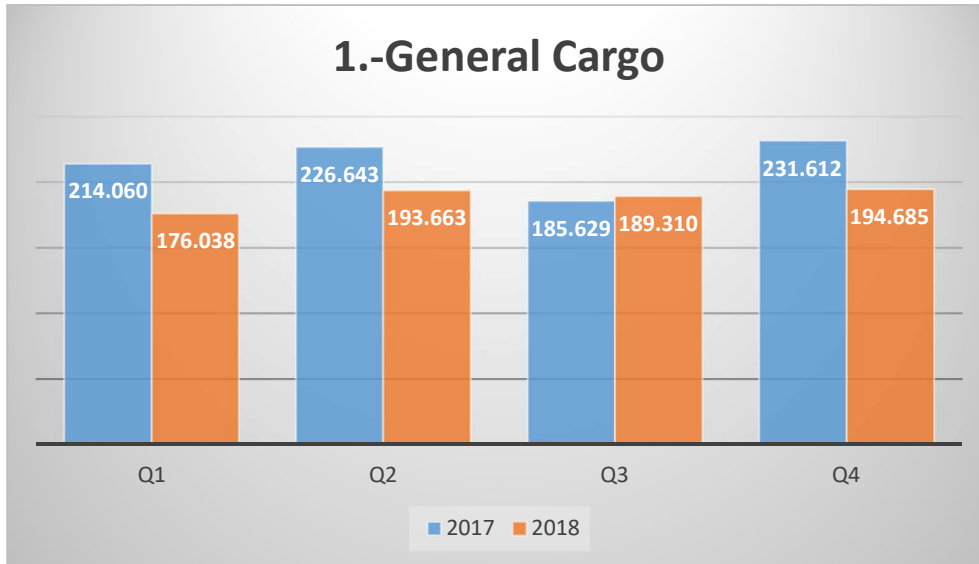
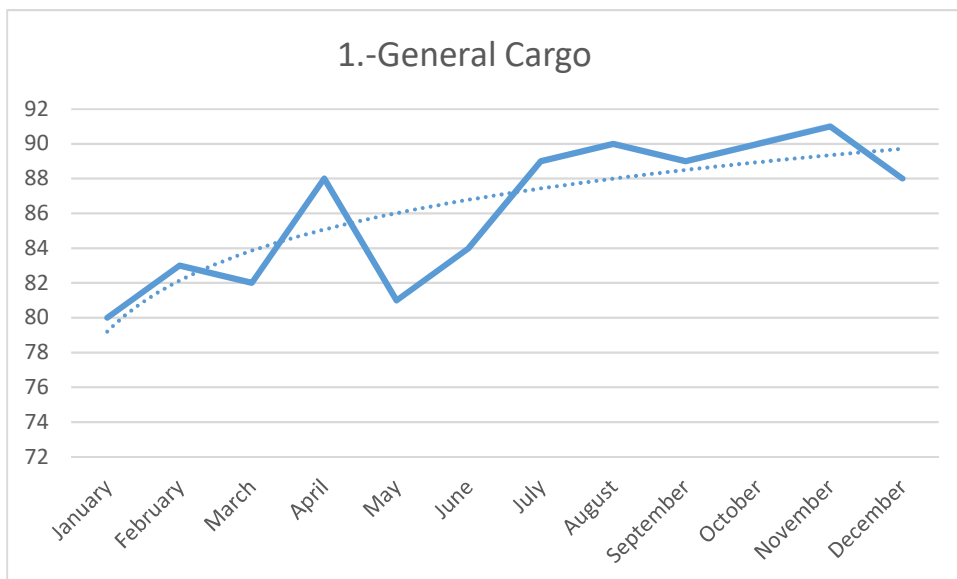


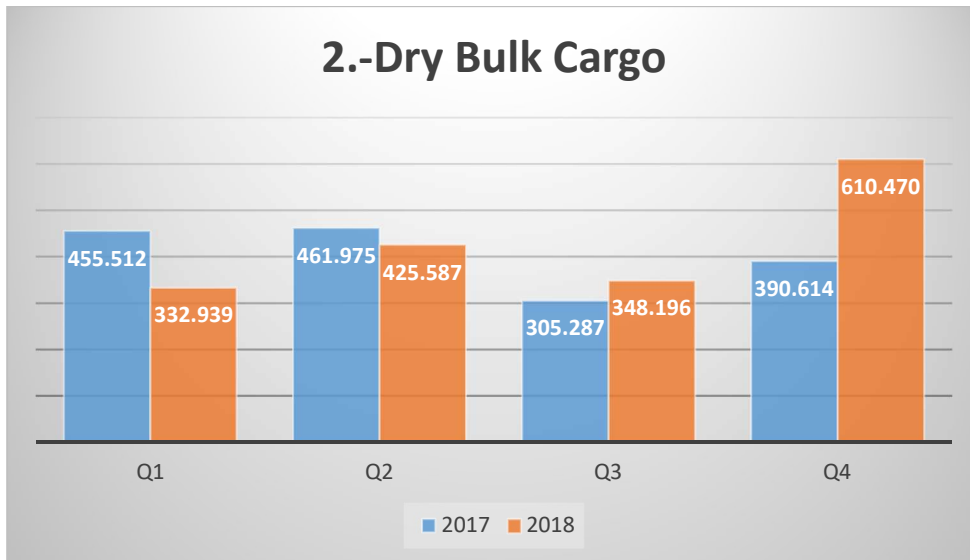
Chart 2. Index – Year to date 2018.



1.2. Bulk cargo

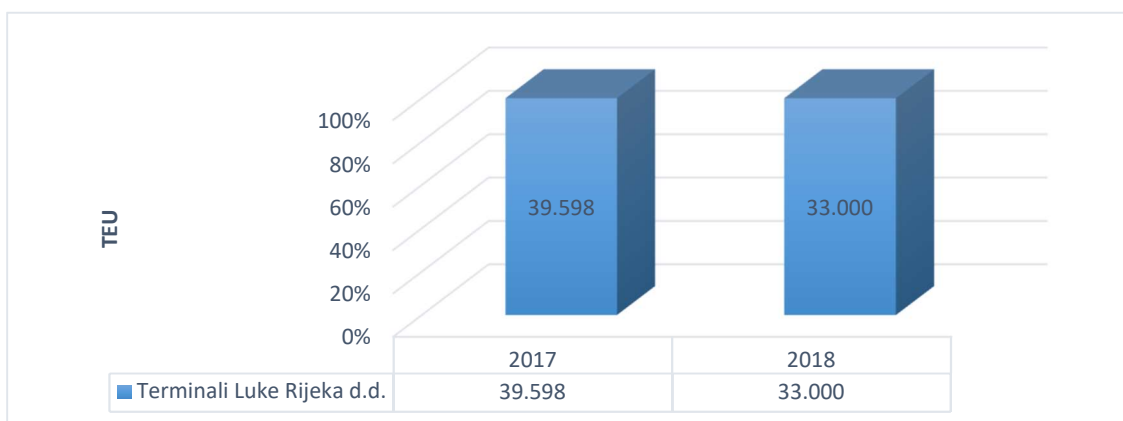
In the observed period 01.-12.2018. a total of 1.717.192 tons were realized compared with the 1.613.388 tons of throughput realized in 2017. We reached an increase of 6% and Plan exceeded with 2%.

Chart 4. Bulk cargo by quarters 2017/2018



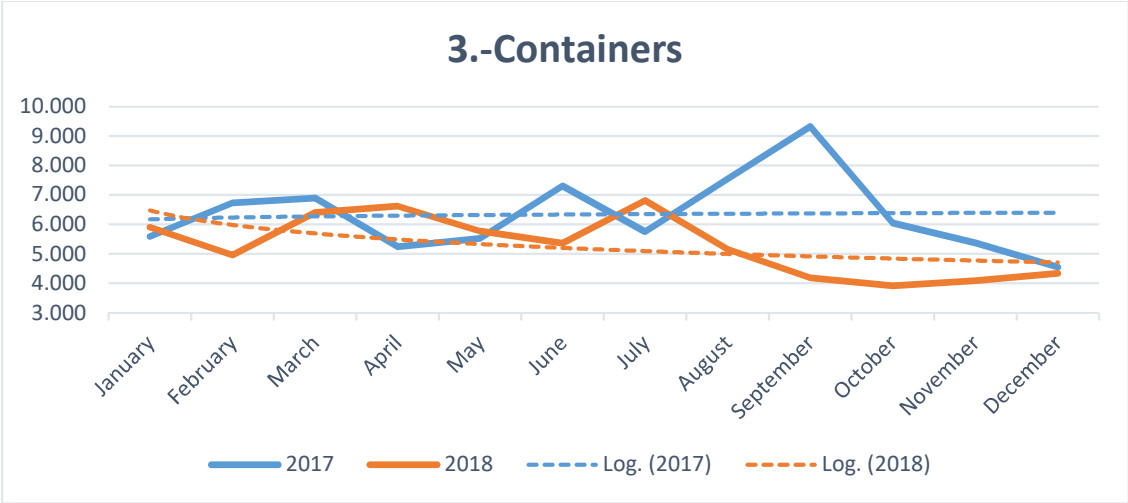
2.2. Container throughput

Chart 5. Container throughput of Luka Rijeka j.s.c. (TEU)



The above data shows a decrease to 33.000 TEU in observed period of 2018. from 2017., since our partner Violeta encountered obstacles in obtaining prime materials on foreign markets. Luka Rijeka d.d. deals with container loading and unloading services, and land-based manipulations of cargo from Terminal Brajdica to Terminal Škrljevo and Terminal Zapad (and vice versa).

Chart 6. Containers throughput- Luka Rijeka j.s.c.



3. FINANCIAL RESULTS

Luka Rijeka is a company whose stocks are listed on the stock exchange market. According to the Accounting and the Audit Act, subjects like these are considered to be subjects of public interest. According to this, Luka Rijeka is liable for the application of International Financial Reporting Standards (IFRS).

Luka Rijeka is required to assess whether the recoverable value of all of its assets is higher or lower than their net book value – i.e. it is required to assess whether impairment of assets exists. This is a requirement of International Accounting Standards and is applicable for all entities which report under International Financial Reporting Standards (IFRS).

At this moment we have indications that part of fixed assets have higher values in the books than it was stated in real estate estimations made in April 2018. The application of this accounting standard can have significant impact on Profit and loss account for 2018, which at this time we can estimate the amount of 20 to 30 million HRK.

2.1. Profit and loss account of Luka Rijeka Group 01.01.-31.12.2018.

Total revenue

In the observed period total revenue amounts to HRK 170.973.905 and is currently on index 95 compared to previous year, and makes 95% of the annual plan.

In the structure of total revenue, the greatest part is business revenue with HRK 156.441.008 that are on index 94 compared to 2017, and 92% of the annual plan's realization.

Natural throughput, which is on index 99 compared to 2017, is key business revenue generator from its core business. Revenue from port business amounted to HRK 140.874.362 accounting for 92% of business revenue.

Table 3. Structure of business revenue

Structure of business revenue	01.-12.2017.	%	01.-12.2018.	%	Indeks
		2017.		2018.	2018/2017
Revenue from port services	152.308.649	91	140.857.362	90,04	92
Parking	2.528.664	1,52	2.592.472	1,66	103
Revenue from leases	9.952.923	5,97	9.590.760	6,13	96
Other revenue	1.928.962	1,16	3.400.414	2,17	176
Total business revenue:	166.719.198	100	156.441.008	100	94

Total costs

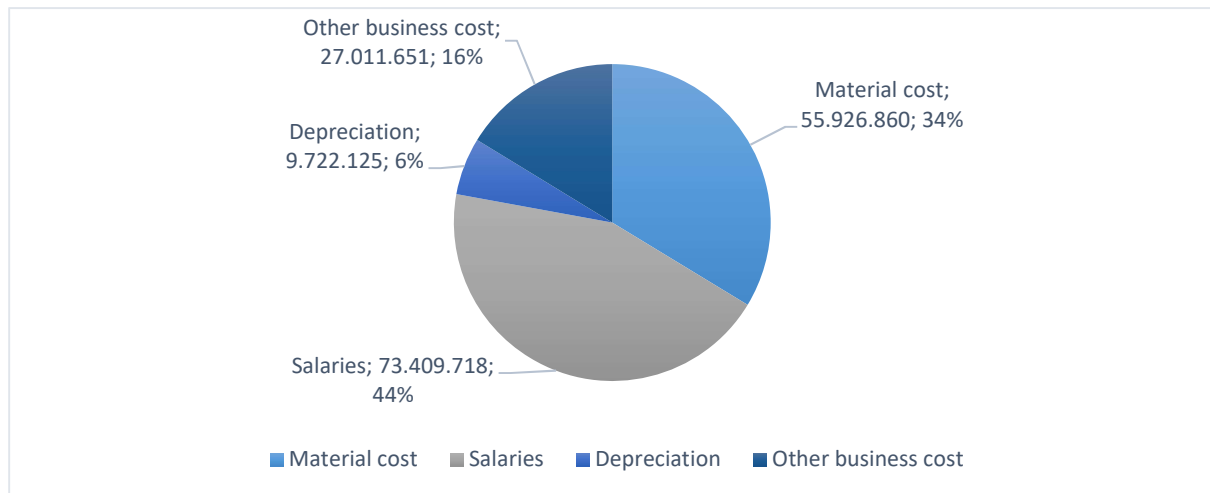
Total costs in 2018 amount to HRK 170,126 million i.e. represent an 9% decrease compared to 2017.

Business costs for the aforementioned period amount to HRK 166,246 million and have been reduced by 6% compared to 2017. The category of financial costs have been reduced by 56% due to much lower interest cost and exchange rate cost.

Table 4. Structure of business costs

Structure of business costs	01.-12.2017.	%	01.-12.2018.	%	Index
		2017.		2018.	2018/2017
Material cost	59.412.037	33	55.678.820	34	94
Staff costs	72.326.705	40,76	73.409.718	44	100
Depreciation	9.767.498	5,50	9.923.146	6	98
Other business cost	35.925.001	20,25	27.234.594	16	93
Total business costs:	177.431.241	100	166.246.279	100	94

Chart 11. Structure of business costs 2018.



In the structure of operating costs, the largest share is by material costs and staff costs. Staff costs - salaries account for 44% of the total operating costs structure with HRK 73,409 million, which is on the level of the past year.

The total cost of work, own workers increased by workforce hiring, in the operating costs structure in 2018, amounts to 52%, while in the 2017 it was on the same level. Material costs amount to HRK 55,678 million or 34% of total operating costs, and account for 6% decrease compared to last year's observed period.

2.2. Key performance indicators

Table 5. Key performance indicators

Indicators	31.12.2017.	31.12.2018.	index 2018/2017
1	2	3	4=3/2
Liquidity ratios			
Working capital hrk	47.014.473	39.855.670	85
Current liquidity	1,87	1,81	97
Debt indicators			
Short-term liabilities/capital	0,09	0,08	91
Long-term liabilities/capital	0,06	0,10	170
Borrowing/capital	0,06	0,10	172
Total liabilities/assets	0,13	0,15	118
Profitability ratios			
EBIT hrk	-10.712.043	-9.805.271	
EBITDA hrk	-563.060	117.875	
EBITDA margin	-0,34%	0,08%	
EBIT margin	-6,43%	-6,27%	
NETmargin	-3,91%	0,54%	
Productivity indicators			
Number of employees	605	572	95
Revenue per employee hrk	297.195	298.905	101

APPENDIX 1

Reporting period:

01.01.2018.

to

31.12.2018.

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.hrInternet adresa: www.lukarijeka.hr

Code and name of town: 373 RIJEKA

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees: 572
(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: **Mirta Bačić Vidović**
(contact person)

Phone number: 051/496 533

Facsimile: 051/496 008

E-mail address: mirta.vidovic@lukarijeka.hrSurname and name: **Jedrzej Mirosław Mierzewski president, Tomislav Kalafatić member, Bartłomiej Michał Pastwa member**
(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 31.12.2018.

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	661.227.027	
I. INTANGIBLE ASSETS (004 to 009)	003	480.873	325.643	
1. Assets development	004	0	0	
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	480.873	325.643	
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	627.947.999	
1. Land	011	229.075.870	228.523.670	
2. Buildings	012	108.637.611	232.076.708	
3. Plant and equipment	013	2.089.174	2.119.151	
4. Tools, facility inventory and transport assets	014	50.718.889	46.426.417	
5. Biological assets	015	0	0	
6. Prepayments for tangible assets	016	212.500	480.590	
7. Tangible assets in progress	017	190.496.124	112.009.654	
8. Other tangible assets	018	325.736	325.736	
9. Investments in buildings	019	6.105.397	5.986.073	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	12.057.013	11.985.336	
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	93.640	
4. Loans to entrepreneurs in whom the entity holds participating interests	024	0	0	
5. Investments in securities	025	249.843	124.526	
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	3.096.861	
1. Receivables from related parties	030	0	0	
2. Receivables from based on trade loans	031	4.339.884	3.096.861	
3. Other receivables	032	0	0	
V. DEFERRED TAX ASSETS	033	17.855.067	17.871.188	
C) SHORT TERM ASSETS (035+043+050+058)	034	101.206.339	88.928.595	
I. INVENTORIES (036 to 042)	035	531.876	1.789.049	
1. Raw-material and supplies	036	531.876	1.789.049	
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	26.445.999	
1. Receivables from related parties	044	399.569	545.412	
2. Accounts receivable	045	25.794.014	24.869.512	
3. Receivables from participating parties	046	0	0	
4. Receivables from employees and members of related parties	047	1.643	893	
5. Receivables from government and other institutions	048	1.843.107	608.003	
6. Other receivables	049	66.801	422.179	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	70.249.290	9.992.658	
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	70.249.290	9.992.658	
7. Other financial assets	057	0	0	
IV. CASH AT BANK AND IN CASHIER	058	2.320.039	50.700.889	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	1.045.720	776.855	
E) TOTAL ASSETS (001+002+034+059)	060	724.646.197	750.932.477	
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	610.270.706
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	36.683.549
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	847.418
1. Profit for the current year	076	0	847.418
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	4.516.503
1. Provisions for pensions,severance pay,and similar liabilities	080	2.655.584	2.477.663
2. Reserves for tax liabilities	081	0	0
3. Other reserves	082	6.252.375	2.038.840
C) LONG - TERM LIABILITIES (084 to 092)	083	36.394.081	61.870.262
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	48.492.125
4. Liabilities for received prepayments	087	0	0
5. Acconuts payable	088	7.700.624	5.326.860
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	8.051.277
D) SHORT-TERM LIABILITIES (094 to 105)	093	54.191.865	49.072.926
1. Liabilities to related parties	094	897.286	879.893
2. Liabilities for loans,deposits etc.	095	11.037.543	7.770.423
3. Liabilities to banks and other financial institutions	096	5.407.461	7.534.025
4. Liabilities for received prepayments	097	0	0
5. Acconuts payable	098	25.965.834	22.355.831
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	3.476.354
9. Liabilities for taxes,contributions and similar fees	102	3.905.421	3.513.261
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	3.543.139
E) DEFFERED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	15.699.550	25.202.080
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	724.646.197	750.932.477
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 31.12.2018.

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	166.719.198	40.993.515	156.441.008	42.201.300
1. Sales revenue	112	154.837.313	38.413.355	143.449.834	39.693.478
2. Other operating revenues	113	11.881.885	2.580.160	12.991.174	2.507.822
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	177.431.241	45.244.110	166.246.279	44.948.429
1. Changes in value of work in progress and finished products	115	0	0	0	0
2. Material costs (117 to 119)	116	66.270.570	17.322.057	62.326.120	16.464.567
a) Raw material and material costs	117	18.718.779	5.339.325	17.377.343	5.130.376
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	47.551.791	11.982.732	44.948.777	11.334.191
3. Staff costs (121 to 123)	120	65.196.104	16.382.144	66.468.919	16.781.582
a) Net salaries and wages	121	40.918.663	10.347.767	41.250.083	10.548.741
b) Cost for taxes and contributions from salaries	122	14.720.486	3.632.775	15.471.699	3.769.186
c) Contributions on gross salaries	123	9.556.955	2.401.602	9.747.137	2.463.655
4. Depreciation	124	9.767.498	2.295.748	9.923.146	2.674.208
5. Other costs	125	26.220.674	7.505.841	25.428.485	8.211.379
6. Impairment (127+128)	126	381.485	381.485	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	381.485	381.485	0	0
7. Provisions	129	6.252.375	77.765	0	0
8. Other operating costs	130	3.342.535	1.279.070	2.099.609	816.693
III. FINANCIAL INCOME (132 to 136)	131	13.083.648	755.030	14.532.897	372.028
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	6.546.318	754.022	2.680.086	372.028
3. Share in income from affiliated entrepreneurs and participating	134	6.537.330	1.008	11.852.811	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	8.890.115	932.864	3.880.208	659.787
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	7.527.960	616.007	2.943.312	352.674
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0
4. Other financial expenses	141	1.362.155	316.857	936.896	307.113
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	179.802.846	41.748.545	170.973.905	42.573.328
X. TOTAL EXPENSES (114+137+143+145)	147	186.321.356	46.176.974	170.126.487	45.608.216
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-6.518.510	-4.428.429	847.418	-3.034.888
1. Profit before taxation (146-147)	149	0	0	847.418	0
2. Loss before taxation (147-146)	150	6.518.510	4.428.429	0	3.034.888
XII. PROFIT TAX	151	92.761	92.759	0	0
XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151)	152	-6.611.271	-4.521.188	847.418	-3.034.888
1. Profit for the period (149-151)	153	0	0	847.418	0
2. Loss for the period (151-148)	154	6.611.271	4.521.188	0	3.034.888

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	-6.611.271	-4.521.188	847.418	-3.034.888
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158	54.959	54.959	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	54.959	54.959	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	11.132	11.132	0	0
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE	167	43.827	43.827	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	-6.567.444	-4.477.361	847.418	-3.034.888

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 31.12.2018.

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	-6.518.510	847.418
2. Depreciation	002	9.767.498	9.923.146
3. Increase in short term liabilities	003	9.880.905	0
4. Decrease in short term receivables	004	13.099.680	3.208.716
5. Decrease in inventories	005	294.469	0
6. Other increase in cash flow	006	0	0
I. Total increase in cash flow operating activities (001 to 006)	007	26.524.042	13.979.280
1. Decrease in short term liabilities	008	0	3.754.068
2. Increase in short term receivables	009	0	0
3. Increase in inventories	010	0	1.257.173
4. Other decrease in cash flow	011	912.923	139.454
II. Total decrease in cash flow from operating activities (008 to 011)	012	912.923	5.150.695
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	25.611.119	8.828.585
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	014	0	0
CASH FLOW FROM INVESTING ACTIVITIES			
1. Cash inflows from sales of long - term tangible and intangible assets	015	354.005	66.202
2. Cash inflows from sales of equity and debt instruments	016	0	0
3. Interests receipts	017	1.913.031	583.464
4. Dividend receipts	018	0	11.852.810
5. Other cash inflows from investing activities	019	111.823.565	90.589.075
III. Total cash inflows from investing activities (015 to 019)	020	114.090.601	103.091.551
1. Cash outflow for purchase of long - term tangible and intangible assets	021	125.564.488	50.610.088
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	125.564.488	50.610.088
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	52.481.463
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	11.473.887	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	0
3. Other proceeds from financial activities	029	0	0
V. Total cash inflows from financial activities (027 to 029)	030	0	0
1. Cash outflow for repayment of credit principal and bonds	031	12.212.000	7.912.362
2. Cash outflow for dividends paid	032	0	0
3. Cash outflow for financial lease	033	3.004.022	3.888.322
4. Cash outflow for purchase of treasury shares	034	0	0
5. Other cash outflow for financial activities	035	0	1.128.514
VI. Total cash outflow for financial activities (031 to 035)	036	15.216.022	12.929.198
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	0	0
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	15.216.022	12.929.198
Total increase in cash flow (013-014+025-026+037-038)	039	0	48.380.850
Total decrease in cash flow (014-013+026-025+038-037)	040	1.078.790	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	48.380.850
Decrease of cash and cash equivalents	043	1.078.790	0
Cash and cash equivalents at the end of the period	044	2.320.039	50.700.889

STATEMENT OF CHANGES IN EQUITY
for the period 01.01.2018. to 31.12.2018.

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	1.508.182	-5.103.089
5. Profit or loss for the current year	005	-6.611.271	847.418
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	78.947	49.493
9. Other revaluation	009	0	0
10. Total capital and reserves (AOP 001 to 009)	010	609.452.742	610.270.706
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, February 2019.

Pursuant to the Capital Market Act, Jędrzej M. Mierzewski - president of Management Board, Bartłomiej Pastwa – member of Management Board and Tomislav Kalafatić – member of Management Board, 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 fourth 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.

Jędrzej Mierzewski, president of Management Board _____

Bartłomiej M. Pastwa, member of Management Board _____

Tomislav Kalafatić, member of Management Board _____