

LUKA PLOČE d.d.
Trg kralja Tomislava 21
20 340 Ploče
OIB: 51228874907

LUKA PLOČE GROUP

**UNAUDITED CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01. UNTIL 31.03.2017.**

Ploče, April 2017.



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**BUSINESS REPORT OF LUKA PLOČE GROUP
IN PERIOD 01.01.2017. – 31.03.2017.**

Management Board's Statement on the position of the Luka Ploče Group for the first quarter of year 2017.

Financial results of Luka Ploče Group for the first quarter of year 2017. are:

- In revenues from sales total of 61,56 million kuna, 24,59 million kuna are the revenue from port services and the remaining 36,26 million kuna are from the sales of goods. Revenues from port services had recorded a decrease of 2,25 % in comparison with the same period of the previous year.
- EBITDA (profit before interests, taxation and depreciation): 3,4 million kuna
- EBITDA margin: 5,53 %
- EBIT: 1,26 million kuna
- EBIT margin: 2,04 %
- Net profit 307 thousands kuna

| Indicators | Realized 1-3/2016 | Realized 1-3/2017 | 17/16 |
|-------------------------------------|-------------------|-------------------|---------|
| Liquidity ratios | | | |
| Working capital | 205.798.949 | 245.201.016 | 19,15% |
| Current liquidity | 6,20 | 6,78 | 9,30% |
| Turnover of working capital | 0,25 | 0,25 | 0,61% |
| Days of working capital | 360,64 | 358,46 | -0,60% |
| Days in period | 90 | 90 | |
| Debt indicators | | | |
| Current liabilities / equity | 0,09 | 0,10 | 12,45% |
| Long term liabilities/ equity | 0,13 | 0,09 | -31,58% |
| Borrowings /equity | 0,13 | 0,08 | -36,32% |
| Total liabilities / assetss | 0,21 | 0,18 | -13,21% |
| Profitability ratios | | | |
| EBITDA margin | 5,45% | 5,53% | 1,50% |
| EBIT margin | 0,91% | 2,04% | 123,15% |
| NET margin | 0,84% | 0,50% | -40,61% |
| Productivity Indicators | | | |
| Number of employees | 587 | 549 | -6,47% |
| Revenue per employee (in thousands) | 87.493 | 112.137 | 28,17% |

In Ploče, April 25th 2017.

Capt.Ivan Pavlović dipl.ing.

President of Board

Appendix 1

Reporting period:

01.01.2017.

to

31.03.2017.

Annual financial statement of the entrepreneur - GFI-POD

Registration number (MB) | 03036138 |

Identification number of subject | 0900065233 |

Personal identification number
(OIB) | 5122874907 |

Issueer company: | LUKA PLOČE |

Postal code and place | 20340 |

| PLOČE |

Street and number | TRG KRALJA TOMISLAVA 21 |

E-mail address: | financije@luka-ploce.hr |Internet adress: | www.luka-ploce.hr |

Code and name of comune/town | 335 | PLOČE |

Code and county name | 19 | DUBROVAČKO-NERETVANSKA |

Number of employees | 549 |
(at quarter end)

Consolidated statement | YES |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

POMORSKI SERVIS - LUKA PLOČE d.o.o. | LUČKA BOSANSKA OBALA b.b. PLOČE | 18875024938

LUKA PLOČE - ODRŽAVANJE d.o.o. | LUČKA CESTA b.b. PLOČE | 87501430734

LUKA ŠPED d.o.o. | LUČKA CESTA b.b. PLOČE | 28527523504

PLOČANSKA PLOVIDBA d.o.o. | LUČKA CESTA b.b. PLOČE | 39778257122

LUKA PLOČE ENERGIJA | TRG KRALJA TOMISLAVA 21 | 18309760889

Book keeping service: | |

Contact person: | DODIG ŽELJKA |

Phone number: | 020 603 223 |

Fascimile: | 020 679 170 |

E-mail address: | |

Surname and name | PAVLOVIĆ IVAN |
(authorised person for representation)**Disclosure documents:**

1. Financial report (Balance sheet, profit and loss account, cash flow statement, change in capital statement)
2. Management Bord's Interim Report
3. Statements of the persons responsible for preparation of financial reports

M.P. _____

(signed by authorised person for representation)

BALANCE SHEET
as of 31.03.2017.

| Luka Ploče Group | | | |
|--|------------|---------------|--------------|
| Position | AOP | Previous year | Current year |
| 1 | 2 | 3 | 4 |
| ASSETS | | | |
| A) RECEIVABLES FOR SUBSCRIBED BUT NOT PAID-IN CAPITAL | 001 | | |
| B) LONG-TERM ASSETS (003+010+020+029+033) | 002 | 200.316.289 | 200.517.404 |
| I. INTANGIBLE ASSETS (004 to 009) | 003 | 1.265.613 | 2.808.309 |
| 1. Assets development | 004 | | |
| 2. Concessions, patents, licences fees, trade and service marks, software and other rights | 005 | 65.976 | 58.576 |
| 3. Goodwill | 006 | | |
| 4. Prepayments for purchase of intangible assets | 007 | | 1.646.248 |
| 5. Intangible assets in preparation | 008 | | |
| 6. Other intangible assets | 009 | 1.199.637 | 1.103.485 |
| II. TANGIBLE ASSETS (011 to 019) | 010 | 196.174.132 | 194.832.551 |
| 1. Land | 011 | 2.138.881 | 2.138.881 |
| 2. Buildings | 012 | 8.906.952 | 8.862.166 |
| 3. Plant and equipment | 013 | 57.823.368 | 54.621.052 |
| 4. Tools, facility inventory and transport assets | 014 | 10.575.218 | 10.122.641 |
| 5. Biological assets | 015 | | |
| 6. Prepayments for tangible assets | 016 | 21.870.479 | 22.146.795 |
| 7. Tangible assets in progress | 017 | 90.088.643 | 92.194.439 |
| 8. Other tangible assets | 018 | | |
| 9. Investments in buildings | 019 | 4.770.591 | 4.746.577 |
| III. LONG-TERM FINANCIAL ASSETS (021 to 028) | 020 | 557.967 | 557.967 |
| 1. Investments (shares) with related parties | 021 | | 0 |
| 2. Loans given to related parties | 022 | | |
| 3. Participating interest (shares) | 023 | 521.406 | 521.406 |
| 4. Loans to entrepreneurs in whom the entity holds participating interests | 024 | | |
| 5. Investments in securities | 025 | | |
| 6. Loans, deposits and similar assets | 026 | 36.561 | 36.561 |
| 7. Other long - term financial assets | 027 | | |
| 8. Investments accounted by equity method | 028 | | |
| IV. RECEIVABLES (030 to 032) | 029 | 2.318.577 | 2.318.577 |
| 1. Receivables from related parties | 030 | | |
| 2. Receivables from based on trade loans | 031 | 2.318.577 | 2.318.577 |
| 3. Other receivables | 032 | | |
| V. DEFERRED TAX ASSETS | 033 | | |
| C) SHORT TERM ASSETS (035+043+050+058) | 034 | 259.932.291 | 286.274.311 |
| I. INVENTORIES (036 to 042) | 035 | 1.861.492 | 25.481.379 |
| 1. Raw-material and supplies | 036 | 1.753.847 | 1.692.974 |
| 2. Work in progress | 037 | | |
| 3. Finished goods | 038 | | |
| 4. Merchandise | 039 | 22.117 | 23.769.190 |
| 5. Prepayments for inventories | 040 | 85.528 | 19.215 |
| 6. Long - term assets held for sales | 041 | | |
| 7. Biological assets | 042 | | |
| II. RECEIVABLES (044 to 049) | 043 | 60.216.964 | 61.117.369 |
| 1. Receivables from related parties | 044 | | 0 |
| 2. Accounts receivable | 045 | 54.135.514 | 58.731.603 |
| 3. Receivables from participating parties | 046 | | 11.243 |
| 4. Receivables from employees and members of related parties | 047 | | 16.496 |
| 5. Receivables from government and other institutions | 048 | 3.577.201 | 1.523.299 |
| 6. Other receivables | 049 | 2.504.249 | 834.728 |
| III. SHORT TERM FINANCIAL ASSETS (051 to 057) | 050 | 156.032.522 | 155.326.956 |
| 1. Shares (stocks) in related parties | 051 | | |
| 2. Loans given to related parties | 052 | | |
| 3. Participating interests (shares) | 053 | 279.577 | 279.577 |
| 4. Loans to entrepreneurs in whom the entity holds participating interests | 054 | | |
| 5. Investments in securities | 055 | | |
| 6. Loans, deposits, etc. | 056 | 155.752.945 | 155.047.379 |
| 7. Other financial assets | 057 | | |
| IV. CASH AT BANK AND IN CASHIER | 058 | 41.821.313 | 44.348.607 |
| D) PREPAID EXPENSES AND ACCRUED REVENUE | 059 | | 1.364.122 |
| E) TOTAL ASSETS (001+002+034+059) | 060 | 460.248.580 | 488.155.837 |
| F) OFF-BALANCE RECORDS | 061 | | |

| Position | AOP | Previous year | Current year |
|--|------------|---------------|--------------|
| 1 | 2 | 3 | 4 |
| LIABILITIES AND CAPITAL | | | |
| A) CAPITAL AND RESERVES (063+064+065+071+072+075+078) | 062 | 409.834.762 | 410.171.285 |
| I. SUBSCRIBED CAPITAL | 063 | 169.186.800 | 169.186.800 |
| II. CAPITAL RESERVES | 064 | 88.107.087 | 88.107.087 |
| III. RESERVES FROM PROFIT (066+067-068+069+070) | 065 | 39.011.478 | 39.011.478 |
| 1. Reserves prescribed by law | 066 | 8.283.449 | 8.283.449 |
| 2. Reserves for treasury shares | 067 | 7.838.243 | 7.838.243 |
| 3. Treasury stocks and shares (deduction) | 068 | | |
| 4. Statutory reserves | 069 | | |
| 5. Other reserves | 070 | 22.889.786 | 22.889.786 |
| IV. REVALUATION RESERVES | 071 | | |
| V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074) | 072 | 133.318.191 | 113.558.794 |
| 1. Retained earnings | 073 | 133.318.191 | 113.558.794 |
| 2. Accumulated loss | 074 | | |
| VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077) | 075 | -19.788.794 | 307.126 |
| 1. Profit for the current year | 076 | | 307.126 |
| 2. Loss for the current year | 077 | 19.788.794 | |
| VII. MINORITY INTERESTS | 078 | | |
| B) PROVISIONS (080 to 082) | 079 | 3.716.659 | 3.710.659 |
| 1. Provisions for pensions, severance pay, and similar liabilities | 080 | 2.137.566 | 2.131.566 |
| 2. Reserves for tax liabilities | 081 | | |
| 3. Other reserves | 082 | 1.579.093 | 1.579.093 |
| C) LONG - TERM LIABILITIES (084 to 092) | 083 | 20.566.612 | 31.836.476 |
| 1. Liabilities to related parties | 084 | | |
| 2. Liabilities for loans, deposits etc. | 085 | | |
| 3. Liabilities to banks and other financial institutions | 086 | 19.055.084 | 30.324.948 |
| 4. Liabilities for received prepayments | 087 | | |
| 5. Accounts payable | 088 | | |
| 6. Liabilities arising from debt securities | 089 | | |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 090 | | |
| 8. Other long-term liabilities | 091 | 1.511.528 | 1.511.528 |
| 9. Deferred tax liability | 092 | | |
| D) SHORT - TERM LIABILITIES (094 to 105) | 093 | 26.130.547 | 41.352.098 |
| 1. Liabilities to related parties | 094 | | 0 |
| 2. Liabilities for loans, deposits etc. | 095 | | |
| 3. Liabilities to banks and other financial institutions | 096 | 3.191.357 | 2.475.506 |
| 4. Liabilities for received prepayments | 097 | 43.062 | 166.930 |
| 5. Accounts payable | 098 | 16.577.030 | 32.653.732 |
| 6. Liabilities arising from debt securities | 099 | | |
| 7. Liabilities to entrepreneurs in whom the entity holds participating interests | 100 | 652.213 | 243.537 |
| 8. Liabilities to employees | 101 | 3.201.982 | 3.351.597 |
| 9. Liabilities for taxes, contributions and similar fees | 102 | 2.100.657 | 2.121.985 |
| 10. Liabilities to share - holders | 103 | | |
| 11. Liabilities for long-term assets held for sale | 104 | | |
| 12. Other short - term liabilities | 105 | 364.246 | 338.811 |
| E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD | 106 | | 1.085.319 |
| F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106) | 107 | 460.248.580 | 488.155.837 |
| G) OFF-BALANCE RECORDS | 108 | | 0 |
| APPENDIX to balance sheet(to be filled in by entrepreneur that prepares consolidated annual financial report) | | | |
| CAPITAL AND RESERVES | | | |
| 1. Attributed to equity holders of parent company | 109 | 409.834.762 | 410.171.285 |
| 2. Attributed to minority interest | 110 | 0 | |

PROFIT AND LOSS ACCOUNT
in period from 01.01.2017. until 31.03.2017.

| Luka Ploče Group | | | | | | | in Kunas | | | | |
|--|--|--|--|--|--|--|------------|---------------|------------|--------------|------------|
| Position | | | | | | | AOP | Previous year | | Current year | |
| | | | | | | | | Cummulative | Quarter | Cummulative | Quarter |
| 1 | | | | | | | 2 | 3 | 4 | 5 | 6 |
| I. OPERATING REVENUE (112+113) | | | | | | | 111 | 51.358.638 | 51.358.638 | 61.563.387 | 61.563.387 |
| 1. Sales revenue | | | | | | | 112 | 50.298.579 | 50.298.579 | 60.853.374 | 60.853.374 |
| 2. Other operating revenues | | | | | | | 113 | 1.060.059 | 1.060.059 | 710.013 | 710.013 |
| II. OPERATING EXPENSES (115+116+120+124+125+126+129+130) | | | | | | | 114 | 50.889.007 | 50.889.007 | 60.307.178 | 60.307.178 |
| 1. Changes in value of work in progress and finished products | | | | | | | 115 | | | | |
| 2. Material costs (117 to 119) | | | | | | | 116 | 30.845.074 | 30.845.074 | 41.088.569 | 41.088.569 |
| a) Raw material and material costs | | | | | | | 117 | 2.683.448 | 2.683.448 | 3.218.719 | 3.218.719 |
| b) Costs of goods sold | | | | | | | 118 | 24.016.017 | 24.016.017 | 33.946.100 | 33.946.100 |
| c) Other external costs | | | | | | | 119 | 4.145.609 | 4.145.609 | 3.923.750 | 3.923.750 |
| 3. Staff costs (121 to 123) | | | | | | | 120 | 14.724.205 | 14.724.205 | 14.354.911 | 14.354.911 |
| a) Net salaries and wages | | | | | | | 121 | 9.306.632 | 9.306.632 | 9.109.131 | 9.109.131 |
| b) Cost for taxes and contributions from salaries | | | | | | | 122 | 3.264.201 | 3.264.201 | 3.141.476 | 3.141.476 |
| c) Contributions on gross salaries | | | | | | | 123 | 2.153.372 | 2.153.372 | 2.104.304 | 2.104.304 |
| 4. Depreciation | | | | | | | 124 | 2.328.972 | 2.328.972 | 2.148.646 | 2.148.646 |
| 5. Other costs | | | | | | | 125 | 2.990.756 | 2.990.756 | 2.715.052 | 2.715.052 |
| 6. Impairment (127+128) | | | | | | | 126 | 0 | 0 | 0 | 0 |
| a) Impairment of long-term assets (financial assets excluded) | | | | | | | 127 | | | | |
| b) Impairment of short - term assets (financial assets excluded) | | | | | | | 128 | | | 0 | 0 |
| 7. Provisions | | | | | | | 129 | | | | |
| 8. Other operating costs | | | | | | | 130 | | | | |
| III. FINANCIAL INCOME (132 to 136) | | | | | | | 131 | 0 | 0 | 0 | 0 |
| 1. Interest income, foreign exchange gains, dividends and similar income from related | | | | | | | 132 | | | | |
| 2. Interest income, foreign exchange gains, dividends and similar income from non - | | | | | | | 133 | | | | |
| 3. Share in income from affiliated entrepreneurs and participating interests | | | | | | | 134 | | | | |
| 4. Unrealized gains (income) from financial assets | | | | | | | 135 | | | | |
| 5. Other financial income | | | | | | | 136 | | | | |
| IV. FINANCIAL EXPENSES (138 to 141) | | | | | | | 137 | 38.213 | 38.213 | 949.083 | 949.083 |
| 1. Interest expenses, foreign exchange losses, dividends and similar expenses from related | | | | | | | 138 | | | | |
| 2. Interest expenses, foreign exchange losses, dividends and similar expenses from non - | | | | | | | 139 | 38.213 | 38.213 | 949.083 | 949.083 |
| 3. Unrealized losses (expenses) on financial assets | | | | | | | 140 | | | | |
| 4. Other financial expenses | | | | | | | 141 | | | | |
| V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS | | | | | | | 142 | | | | |
| VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS | | | | | | | 143 | | | | |
| VII. EXTRAORDINARY - OTHER INCOME | | | | | | | 144 | | | | |
| VIII. EXTRAORDINARY - OTHER EXPENSES | | | | | | | 145 | | | | |
| IX. TOTAL INCOME (111+131+142 + 144) | | | | | | | 146 | 51.358.638 | 51.358.638 | 61.563.387 | 61.563.387 |
| X. TOTAL EXPENSES (114+137+143 + 145) | | | | | | | 147 | 50.927.220 | 50.927.220 | 61.256.261 | 61.256.261 |
| XI. PROFIT OR LOSS BEFORE TAXATION (146-147) | | | | | | | 148 | 431.418 | 431.418 | 307.126 | 307.126 |
| 1. Profit before taxation (146-147) | | | | | | | 149 | 431.418 | 431.418 | 307.126 | 307.126 |
| 2. Loss before taxation (147-146) | | | | | | | 150 | 0 | 0 | 0 | 0 |
| XII. PROFIT TAX | | | | | | | 151 | | | | |
| XIII. PROFIT OR LOSS FOR THE PERIOD (148-151) | | | | | | | 152 | 431.418 | 431.418 | 307.126 | 307.126 |
| 1. Profit for the period (149-151) | | | | | | | 153 | 431.418 | 431.418 | 307.126 | 307.126 |
| 2. Loss for the period (151-148) | | | | | | | 154 | 0 | 0 | 0 | 0 |
| APPENDIX to P&L 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 | 431.418 | 431.418 | 307.126 | 307.126 |
| 2. Attributed to minority interest | | | | | | | 156 | | | | |
| STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS) | | | | | | | | | | | |
| I. PROFIT OR LOSS FOR THE PERIOD (= 152) | | | | | | | 157 | 431.418 | 431.418 | 307.126 | 307.126 |
| II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165) | | | | | | | 158 | 0 | 0 | 0 | 0 |
| 1. Exchange differences on translation of foreign operations | | | | | | | 159 | | | | |
| 2. Movements in revaluation reserves of long - term tangible and intangible assets | | | | | | | 160 | | | | |
| 3. Profit or loss from reevaluation of financial assets available for sale | | | | | | | 161 | | | | |
| 4. Gains or losses on efficient cash flow hedging | | | | | | | 162 | | | | |
| 5. Gains or losses on efficient hedge of a net investment in foreign countries | | | | | | | 163 | | | | |
| 6. Share in other comprehensive income / loss of associated companies | | | | | | | 164 | | | | |
| 7. Actuarial gains / losses on defined benefit plans | | | | | | | 165 | | | | |
| III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD | | | | | | | 166 | | | | |
| IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (158-166) | | | | | | | 167 | 0 | 0 | 0 | 0 |
| V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167) | | | | | | | 168 | 431.418 | 431.418 | 307.126 | 307.126 |
| 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 | | | | |
| 2. Attributed to minority interest | | | | | | | 170 | | | | |

STATEMENT OF CASH FLOWS - INDIRECT METHOD
in period from 01.01.2017 until 31.03.2017.

| Luka Ploče Group | in Kunas | | |
|---|------------|--------------------|-------------------|
| Position | AOP | Previous year | Current year |
| 1 | 2 | 3 | 4 |
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| 1. Profit before tax | 001 | -19.788.794 | 307.126 |
| 2. Depreciation | 002 | 8.850.954 | 2.148.646 |
| 3. Increase in short term liabilities | 003 | | 15.668.026 |
| 4. Decrease in short term receivables | 004 | | |
| 5. Decrease in inventories | 005 | 59.875 | |
| 6. Other increase in cash flow | 006 | 23.023.268 | 708.116 |
| I. Total increase in cash flow from operating activities (001 to 006) | 007 | 12.145.303 | 18.831.914 |
| 1. Decrease in short term liabilities | 008 | 16.144.376 | |
| 2. Increase in short term receivables | 009 | 3.245.668 | 900.405 |
| 3. Increase in inventories | 010 | | 23.619.887 |
| 4. Other decrease in cash flow | 011 | | |
| II. Total decrease in cash flow from operating activities (008 to 011) | 012 | 19.390.044 | 24.520.292 |
| A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES | 013 | 0 | 0 |
| A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES | 014 | 7.244.741 | 5.688.378 |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| 1. Cash inflows from sales of long-term tangible and intangible assets | 015 | 27.493.252 | |
| 2. Cash inflows from sales of equity and debt instruments | 016 | 1.500.000 | |
| 3. Interests receipts | 017 | 0 | |
| 4. Dividend receipts | 018 | | |
| 5. Other cash inflows from investing activities | 019 | 251.362.157 | |
| III. Total cash inflows from investing activities (015 to 019) | 020 | 280.355.409 | 0 |
| 1. Cash outflow for purchase of long-term tangible and intangible assets | 021 | 105.112.328 | 2.646.590 |
| 2. Cash outflow for acquisition of equity and debt financial instruments | 022 | | |
| 3. Other cash outflow for investing activities | 023 | 214.390.000 | |
| IV. Total cash outflow for investing activities (021 to 023) | 024 | 319.502.328 | 2.646.590 |
| B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024) | 025 | 0 | 0 |
| B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES | 026 | 39.146.919 | 2.646.590 |
| CASH FLOW FROM FINANCIAL ACTIVITIES | | | |
| 1. Cash inflow from issuing property and debt financial instruments | 027 | | |
| 2. Proceeds from the credit principal, promissory notes, borrowings and other loans | 028 | 78.633.201 | 11.380.052 |
| 3. Other proceeds from financial activities | 029 | | |
| V. Total cash inflows from financial activities (027 to 029) | 030 | 78.633.201 | 11.380.052 |
| 1. Cash outflow for repayment of credit principal and bonds | 031 | 6.187.428 | 517.790 |
| 2. Cash outflow for dividends paid | 032 | | |
| 3. Cash outflow for financial lease | 033 | | |
| 4. Cash outflow for purchase of treasury shares | 034 | | |
| 5. Other cash outflow for financial activities | 035 | | |
| VI. Total cash outflow for financial activities (031 to 035) | 036 | 6.187.428 | 517.790 |
| C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES | 037 | 72.445.773 | 10.862.262 |
| C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES | 038 | 0 | 0 |
| Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038) | 039 | 26.054.113 | 2.527.294 |
| Total decrease in cash flow (014 – 013 + 026 – 025 + 038 – 037) | 040 | 0 | 0 |
| Cash and cash equivalents at the beginning of the period | 041 | 15.767.200 | 41.821.313 |
| Increase of cash and cash equivalents | 042 | 26.054.113 | 2.527.294 |
| Decrease of cash and cash equivalents | 043 | | 0 |
| Cash and cash equivalents at the end of the period | 044 | 41.821.313 | 44.348.607 |

STATEMENT OF CHANGES IN EQUITY

for the period **1.1.2017** to **31.3.2017**

| Position | AOP | Previous year | Current year |
|--|------------|---------------|--------------|
| 1 | 2 | 3 | 4 |
| 1. Subscribed capital | 001 | 169.186.800 | 169.186.800 |
| 2. Capital reserves | 002 | 88.107.087 | 88.107.087 |
| 3. Reserves from profit | 003 | 39.011.478 | 39.011.478 |
| 4. Retained earnings or accumulated loss | 004 | 133.318.191 | 113.558.794 |
| 5. Profit or loss for the current year | 005 | -19.788.794 | 307.126 |
| 6. Revaluation of long - term tangible assets | 006 | | |
| 7. Revaluation of intangible assets | 007 | | |
| 8. Revaluation of financial assets available for sale | 008 | | |
| 9. Other revaluation | 009 | | |
| 10. Total capital and reserves (AOP 001 to 009) | 010 | 409.834.762 | 410.171.285 |
| 11. Currency gains and losses arising from net investement in foreign operations | 011 | | |
| 12. Current and deferred taxes (part) | 012 | | |
| 13. Cash flow hedging | 013 | | |
| 14. Changes in accounting policy | 014 | | |
| 15. Correction of significant errors in prior period | 015 | | |
| 16. Other changes of capital | 016 | | |
| 17. Total increase or decrease in capital (AOP 011 to 016) | 017 | 0 | 0 |
| 17 a. Attributed to equity holders of parent company | 018 | 409.834.762 | 410.171.285 |
| 17 b. Attributed to minority interest | 019 | 0 | |

Items which decrease capital are given with the negative prefix

MANAGEMENT LIABILITY STATEMENT

Hereby , pursuant to the Article 410. of the Capital Market Act we declare that according to our best knowledge, financial reports for the reporting period are prepared in accordance with applicable financial reporting standards.

Consolidated financial Statements for the first quarter of year 2017. give a complete and true representation of assets and obligations, profit and loss, financial position and business activities of the Company and of the companies being consolidated therein.

Željka Dodig

Capt. Ivan Pavlović

Member of the Board ,
Financial affairs

President of the board