

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

LUKA PLOČE d.d.

**UNAUDITED NON CONSOLIDATED REPORT
FOR PERIOD
FROM 01.01.2018. UNTIL 31.12.2018.**

Ploče, February 2019.

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MANAGEMENT REPORT FOR YEAR 2018.

Ploče, February 2019.

FINANCIAL RESULTS OF THE LUKA PLOČE d.d. IN 2018:

- Cargo traffic volume through Ploče port: 3,15 million tones of cargoes representing 1,3% decrease in comparison with the same period of the previous year.
- Operating revenues: 201,30 million kuna representing the decrease of 12,64% in comparison with the same period of the previous year.
- Operating expenses: 220,19 million kuna representing 8,60 % decrease in comparison with the same period of the previous year.
- EBITDA: 7,53 million kuna
- EBITDA margin: 3,74%
- EBIT: 1,10 million kuna
- EBIT margin: 0,55%
- Net PROFIT: 1,59 million kuna

LUKA PLOČE d.d. REVENUES

Operating revenues from core business in year 2018. amounted to 103,42 million kuna which is 9,77% increase over the previous period.

Sales revenues have decreased by 28,29% over the same reporting period of the previous year. That has resulted also in the 12,64% decrease in operating revenues in comparison to the same reporting period of the previous year.

Within the structure of reloaded cargo, bulk cargoes increased by 8% over the same period of the last year, general charges increased by 25% over the same period of the previous year, and liquid cargoes decreased by 37% compared to the same period last year .

OPERATING EXPENSES of Luka Ploče d.d.

Operating expenses amounted to 200,19 million kuna which is the decrease of 10,71 % in comparison to the same period of the previous year.

Most significant decrease was reported with the cost of goods sold by 29,08% when compared to the same period of the previous year

EBITDA* (Earnings before interest, taxes and depreciation) Luka Ploče d.d.

EBITDA* amounted to 7,53 million kuna for the year 2018., representing a 5,18 million kuna decrease in comparison to the previous year.

EBIT LUKA PLOČE d.d.

EBIT amounted to 1,10 million kuna representing the decrease of 5,12 million kuna in comparison to the previous year.

NET PROFIT of the LUKA PLOČE d.d.

Luka Ploče d.d. has recorded a net profit of 2,62 million kuna. During the 2018. It has used the recognition of deferred tax assets so net profit amounts to 1,59 million kuna.

FINANCIAL POSITION of Luka Ploče d.d.

Long-term assets recoded an increase of 6,69% in 2018. in comparison to the 2017. due to the increased item of investments: investment towards plant and equipment of the Bulk cargo Terminal.

Short-term assets decreased by 11,54%. The largest decrease has been recorded at the stocks of goods for sales in comparison to the previous year.

Long-term liabilities have increased due to investment from long-term sources to Bulk cargo Terminal.

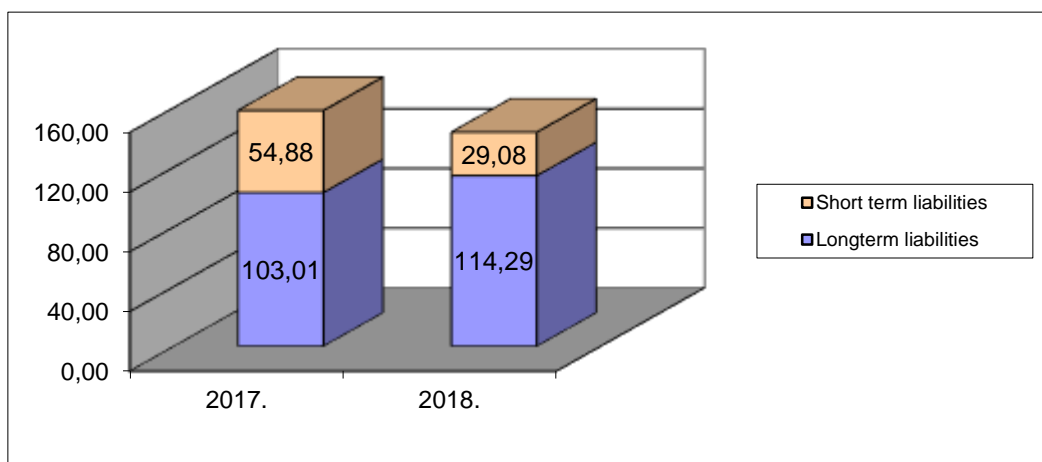
Short term liabilities recorded an decrease in amount of 47,01.

The highest item within the liabilities is the capital and reserves with a share of 74,05% of the total liabilities.

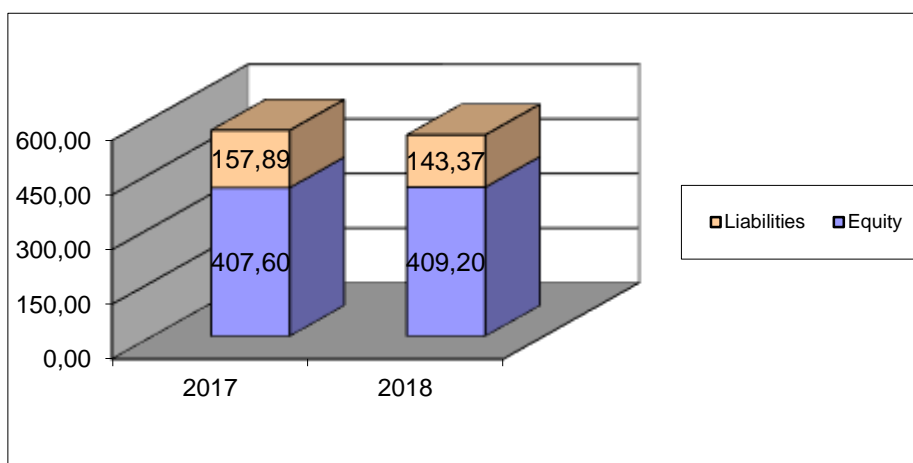
Long-term and short-term financial liabilities constitute 25,95% of the total liabilities and capital.

- EBITDA includes interest income on short-term deposits being treated by the Group and the Company treat as operating revenues

The structure of financial liabilities of Luka Ploče d.d. (in mill kuna)



Structure of the sources of funding of Luka Ploče d.d. (in mill kuna)



Key indicators Luka Ploče d.d.

Indicators		
	REALIZED 2017	REALIZED 2018
Liquidity ratios		
Working Capital (in kuna)	223.627.771	217.287.846
Current liquidity	5,07	8,47
Turnover of working capital	1,03	0,93
Days of working capital	354,23	394,00
Days in period	365	365
Debt indicators		
Short term liabilities / equity	0,13	0,07
Long term liabilities/ equity	0,25	0,28
Loans /equity	0,27	0,29
Total liabilities / assetss	0,38	0,34
Profitability ratios		
	2017.	2018.
EBITDA margin	5,52	3,74
EBIT margin	2,70	0,55
Net margin	0,23	0,79
Number of employees	493	485
Revenue per employee (in kuna)	467.397	415.044
Profit per employee	1.052	3.291

FINANCIAL RESULTS OF THE LUKA PLOČE GROUP IN 2018:

Luka Ploče Group monitors and presents operating revenues, operating profit, capital investments , total assets and total liabilities for the following activities :

- Cargo handling (loading, unloading, transshipment, finishing, weighing general cargo , bulk and liquid cargo) and represents the parent company.
- freight forwarding services, maritime services (mooring , unmooring of cargo and passenger ships)
- secondary activities (catering and similar activities)

Results of above stated activities for the year ending on December 31st 2018. are as given below:

- Operating Revenues: 212,99 million kuna representing the decrease of 11,59 % in comparison with the same period of the previous year.
- Operating expenses : 210,56 million kuna representing 9,85 % decrease in comparison with the same period of the previous year.
- EBITDA : 9,31 million kuna
- EBITDA margin: 4,4%
- EBIT: 2,43 million kuna
- EBIT margin: 1,15%
- Net PROFIT : 2,78 million kuna

Key indicators Luka Ploče Group

Indicators		
	REALIZED 2017	REALIZED 2018
Liquidity ratios		
Working Capital (in kuna)	230.954.516	223.685.632
Current liquidity	5,25	8,73
Turnover of working capital	1,04	0,95
Days of working capital	350	383
Days in period	365	365
Debt indicators		
Short term liabilities / equity	0,13	0,07
Long term liabilities/ equity	0,26	0,28
Loans /equity	0,27	0,29
Total liabilities / assetss	0,27	0,25
Profitability ratios		
EBITDA margin	6,0	4,4
EBIT margin	3,1	1,1
Net margin	0,5	1,3
Productivity Indicators		
Number of employees	552	550
Revenue per employee (in kuna)	436.514	387.257

Appendix 1

Reporting period:

01.01.2018.

to

31.12.2018

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 d.d. |

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 | 485 |
(at quarter end)

Consolidated statement | NO |

NKD/NWC code: | 5224 |

Subsidiaries subject to consolidation (according to IFRS):

Personal identification number (OIB)

Book keeping service:

Contact person: | DODIG ŽELJKA |

Phone number: | 020 603 223 |

Fascimile: | 020 679 170 |

E-mail address: |

Surname and name | LIVAJA HRVOJE |

(authorised person for representation)

Disclosure documents:

1. Financial report (Balance sheet, profit and loss account, cash flow statement, change in capital statement)
2. Management Board'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 31.12.2018.

Luka Ploče d.d.			
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	340.465.342	306.199.134
I. INTANGIBLE ASSETS (004 to 009)	003	999.573	673.568
1. Assets development	004		
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005		
3. Goodwill	006		
4. Prepayments for purchase of intangible assets	007		
5. Intangible assets in preparation	008		
6. Other intangible assets	009	999.573	673.568
II. TANGIBLE ASSETS (011 to 019)	010	274.517.729	295.250.432
1. Land	011	2.138.881	2.138.881
2. Buildings	012	8.512.501	8.339.373
3. Plant and equipment	013	50.680.813	49.580.148
4. Tools, facility inventory and transport assets	014	8.559.323	14.424.442
5. Biological assets	015		
6. Prepayments for tangible assets	016	22.498.309	10.785.563
7. Tangible assets in progress	017	177.453.369	205.403.551
8. Other tangible assets	018		
9. Investments in buildings	019	4.674.533	4.578.474
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	61.056.692	7.716.224
1. Investments (shares) with related parties	021	7.501.939	7.501.939
2. Loans given to related parties	022		
3. Participating interest (shares)	023	79.500	79.500
4. Loans to entrepreneurs in whom the entity holds participating interests	024		
5. Investments in securities	025		
6. Loans, deposits and similar assets	026	53.475.253	134.785
7. Other long - term financial assets	027		
8. Investments accounted by equity method	028		
IV. RECEIVABLES (030 to 032)	029	1.996.062	1.694.079
1. Receivables from related parties	030		
2. Receivables from based on trade loans	031	1.996.062	1.694.079
3. Other receivables	032		
V. DEFERRED TAX ASSETS	033	1.895.286	864.831
C) SHORT TERM ASSETS (035+043+050+058)	034	225.040.245	246.370.520
I. INVENTORIES (036 to 042)	035	31.431.970	4.086.210
1. Raw-material and supplies	036	2.755.348	4.056.005
2. Work in progress	037		
3. Finished goods	038		
4. Merchandise	039	28.655.457	
5. Prepayments for inventories	040	21.165	30.205
6. Long - term assets held for sales	041		
7. Biological assets	042		
II. RECEIVABLES (044 to 049)	043	73.634.279	33.552.754
1. Receivables from related parties	044	1.957.518	1.385.136
2. Accounts receivable	045	67.416.010	27.761.366
3. Receivables from participating parties	046	13.497	101.170
4. Receivables from employees and members of related parties	047	3.378	11.835
5. Receivables from government and other institutions	048	1.913.089	2.935.369
6. Other receivables	049	2.330.787	1.357.878
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	81.496.846	934.122
1. Shares (stocks) in related parties	051		
2. Loans given to related parties	052		
3. Participating interests (shares)	053	350.875	294.334
4. Loans to entrepreneurs in whom the entity holds participating interests	054		
5. Investments in securities	055		
6. Loans, deposits, etc.	056	81.145.971	639.788
7. Other financial assets	057		
IV. CASH AT BANK AND IN CASHIER	058	38.477.150	207.797.434
D) PREPAID EXPENSES AND ACCRUED REVENUE	059		
E) TOTAL ASSETS (001+002+034+059)	060	565.505.587	552.569.654
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	407.603.471	409.199.480
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	39.187.369	39.187.370
1. Reserves prescribed by law	066	8.459.340	8.459.340
2. Reserves for treasury shares	067	8.904.560	8.904.560
3. Treasury stocks and shares (deduction)	068	1.066.317	1.066.316
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	110.603.727	111.122.215
1. Retained earnings	073	110.603.727	111.122.215
2. Accumulated loss	074		
VI. PROFIT/LOSS FOR THE CURRENT YEAR (076-077)	075	518.488	1.596.008
1. Profit for the current year	076	518.488	1.596.008
2. Loss for the current year	077		
VII. MINORITY INTERESTS	078		
B) PROVISIONS (080 to 082)	079	2.244.578	3.218.967
1. Provisions for pensions, severance pay, and similar liabilities	080	1.474.391	2.688.846
2. Reserves for tax liabilities	081		
3. Other reserves	082	770.187	530.121
C) LONG - TERM LIABILITIES (084 to 092)	083	100.769.809	111.068.533
1. Liabilities to related parties	084		
2. Liabilities for loans, deposits etc.	085		
3. Liabilities to banks and other financial institutions	086	99.467.312	109.962.325
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	1.302.497	1.106.208
9. Deferred tax liability	092		
D) SHORT - TERM LIABILITIES (094 to 105)	093	54.887.729	29.082.674
1. Liabilities to related parties	094	2.046.190	1.935.038
2. Liabilities for loans, deposits etc.	095		
3. Liabilities to banks and other financial institutions	096	8.705.113	10.154.046
4. Liabilities for received prepayments	097		
5. Accounts payable	098	37.972.062	8.951.659
6. Liabilities arising from debt securities	099		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	100	1.009.642	944.496
8. Liabilities to employees	101	2.868.643	3.305.094
9. Liabilities for taxes, contributions and similar fees	102	1.680.257	1.902.738
10. Liabilities to share - holders	103		
11. Liabilities for long-term assets held for sale	104		
12. Other short - term liabilities	105	607.852	1.889.603
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106		
F) TOTAL – CAPITAL AND LIABILITIES (062+079+083+093+106)	107	565.505.587	552.569.654
G) OFF-BALANCE RECORDS	108		
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		
2. Attributed to minority interest	110		

PROFIT AND LOSS ACCOUNT
in period from 01.01.2018. until 31.12.2018.

Luka Ploče d.d.

in Kunas

Position	AOP	Previous year		Current year	
		Cummulative	Quarter	Cummulative	Quarter
1	2	3	4	5	6
I. OPERATING REVENUE (112+113)	111	230.426.537	72.465.199	201.296.520	32.133.409
1. Sales revenue	112	228.337.621	71.201.377	199.591.209	31.276.598
2. Other operating revenues	113	2.088.916	1.263.822	1.705.311	856.811
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	224.198.907	69.800.383	200.191.977	33.822.178
1. Changes in value of work in progress and finished products	115				
2. Material costs (117 to 119)	116	156.906.179	52.804.044	120.735.351	9.227.051
a) Raw material and material costs	117	10.394.445	2.966.579	13.408.742	4.133.237
b) Costs of goods sold	118	126.356.014	46.054.669	89.616.311	
c) Other external costs	119	20.155.720	3.782.796	17.710.298	5.093.814
3. Staff costs (121 to 123)	120	49.398.753	13.124.889	55.764.942	16.053.642
a) Net salaries and wages	121	31.222.919	8.345.570	34.846.213	9.937.235
b) Cost for taxes and contributions from salaries	122	10.925.282	2.852.876	12.818.970	3.799.898
c) Contributions on gross salaries	123	7.250.552	1.926.443	8.099.759	2.316.509
4. Depreciation	124	6.488.647	376.928	6.429.331	1.632.502
5. Other costs	125	10.805.388	2.894.582	13.425.305	3.071.935
6. Impairment (127+128)	126	82.197	82.197	2.678.399	2.678.399
a) Impairment of long-term assets (financial assets excluded)	127			1.862.578	1.862.578
b) Impairment of short - term assets (financial assets excluded)	128	82.197	82.197	815.821	815.821
7. Provisions	129	517.743	517.743	1.158.649	1.158.649
8. Other operating costs	130				0
III. FINANCIAL INCOME (132 to 136)	131	554.916	554.916	2.846.623	2.655.125
1. Interest income, foreign exchange gains, dividends and similar income from related	132				0
2. Interest income, foreign exchange gains, dividends and similar income from non -	133	554.916	554.916		-191.498
3. Share in income from affiliated entrepreneurs and participating interests	134				0
4. Unrealized gains (income) from financial assets	135			2.846.623	2.846.623
5. Other financial income	136				0
IV. FINANCIAL EXPENSES (138 to 141)	137	8.159.344	6.591.274	1.324.703	1.282.805
1. Interest expenses, foreign exchange losses, dividends and similar expenses from related	138				0
2. Interest expenses, foreign exchange losses, dividends and similar expenses from non -	139	90.646	12.380	50.788	8.890
3. Unrealized losses (expenses) on financial assets	140	8.068.698	6.578.894	1.217.374	1.217.374
4. Other financial expenses	141			56.541	56.541
V. INCOME FROM INVESTMENT - SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS	142				0
VI. LOSS FROM INVESTMENT - SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS	143				0
VII. EXTRAORDINARY - OTHER INCOME	144				0
VIII. EXTRAORDINARY - OTHER EXPENSES	145				0
IX. TOTAL INCOME (111+131+142 + 144)	146	230.981.453	73.020.115	204.143.143	34.788.534
X. TOTAL EXPENSES (114+137+143 + 145)	147	232.358.251	76.391.657	201.516.680	35.104.983
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	-1.376.798	-3.371.542	2.626.463	-316.449
1. Profit before taxation (146-147)	149	0	0	2.626.463	0
2. Loss before taxation (147-146)	150	1.376.798	3.371.542	0	316.449
XII. PROFIT TAX	151	-1.895.286	-1.895.286	1.030.455	1.030.455
XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)	152	518.488	-1.476.256	1.596.008	-1.346.904
1. Profit for the period (149-151)	153	518.488	0	1.596.008	0
2. Loss for the period (151-148)	154	0	1.476.256	0	1.346.904
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				
2. Attributed to minority interest	156				
STATEMENT OF OTHER COMPREHENSIVE INCOME (IFRS)					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157	518.488	-1.476.256	1.596.008	-1.346.904
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	518.488	-1.476.256	1.596.008	-1.346.904
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 01.01.2018 until 31.12.2018.

Luka Ploče d.d.		in Kunas		
Position	AOP	Previous year	Current year	
1	2	3	4	
CASH FLOW FROM OPERATING ACTIVITIES				
1. Profit before tax	001	-1.376.798	2.626.463	
2. Depreciation	002	6.488.647	6.429.331	
3. Increase in short term liabilities	003	22.581.425		
4. Decrease in short term receivables	004		39.412.084	
5. Decrease in inventories	005		27.345.760	
6. Other increase in cash flow	006	6.553.306	5.664.279	
I. Total increase in cash flow from operating activities (001 to 006)	007	34.246.580	81.477.917	
1. Decrease in short term liabilities	008		29.189.090	
2. Increase in short term receivables	009	10.718.215		
3. Increase in inventories	010	30.298.633		
4. Other decrease in cash flow	011			
II. Total decrease in cash flow from operating activities (008 to 011)	012	41.016.848	29.189.090	
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES	013	0	52.288.827	
A2) NET DECREASE IN IN CASH FLOW FROM OPERATING ACTIVITIES	014	6.770.268	0	
CASH FLOW FROM INVESTING ACTIVITIES				
1. Cash inflows from sales of long-term tangible and intangible assets	015	59.806	59.000	
2. Cash inflows from sales of equity and debt instruments	016			
3. Interests receipts	017			
4. Dividend receipts	018			
5. Other cash inflows from investing activities	019	20.407.291	133.689.616	
III. Total cash inflows from investing activities (015 to 019)	020	20.467.097	133.748.616	
1. Cash outflow for purchase of long-term tangible and intangible assets	021	7.496.128	14.706.213	
2. Cash outflow for acquisition of equity and debt financial instruments	022			
3. Other cash outflow for investing activities	023			
IV. Total cash outflow for investing activities (021 to 023)	024	7.496.128	14.706.213	
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	12.970.969	119.042.403	
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES	026	0	0	
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	393.827	450.815	
3. Other proceeds from financial activities	029			
V. Total cash inflows from financial activities (027 to 029)	030	393.827	450.815	
1. Cash outflow for repayment of credit principal and bonds	031	2.456.680	2.461.762	
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	2.456.680	2.461.762	
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	037	0	0	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES	038	2.062.853	2.010.947	
Total increase in cash flow (013 – 014 + 025 – 026 + 037 – 038)	039	4.137.848	169.320.283	
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	35.497.302	38.477.151	
Increase of cash and cash equivalents	042	2.979.848	169.320.283	
Decrease of cash and cash equivalents	043			
Cash and cash equivalents at the end of the period	044	38.477.150	207.797.434	

STATEMENT OF CHANGES IN EQUITY
for the period **1.1.2018** to **31.12.2018**

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	39.187.369	39.187.370
4. Retained earnings or accumulated loss	004	110.603.727	111.122.215
5. Profit or loss for the current year	005	518.488	1.596.008
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	407.603.471	409.199.480
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		
17 b. Attributed to minority interest	019		

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.

Financial Statements for the fourth quarter of year 2018. give a complete and true representation of assets and obligations, profit and loss, financial position and business activities of the Company.

Željka Dodig

Hrvoje Livaja

Member of the Board ,
Financial affairs

President of the Board