

THE PORT OF RIJEKA J. S. C.

**UNAUDITED NONCONSOLIDATED
BUSINESS REPORT
FOR 1st JANUARY-31st MARCH 2018**

The Port of Rijeka j. s. c.

Riva 1, HR-51 000 RIJEKA

Personal identification number: 92590920313

Rijeka, April 2018



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

IN THE PERIOD BETWEEN 1ST JANUARY AND 31ST MARCH 2018

KEY PERFORMANCE INDICATORS

Indicators (mil HRK)	Realization 01.01.-31.03.2017.	Realization 01.01.-31.03.2018.	Index
Operating revenue	41,286	35,823	87
Revenue from services in domestic and foreign market	38,163	32,96	86
Operating expences	40,162	38,254	95
EBIT	1,124	-2,431	-216
EBITDA	3,731	0,011	0,3
Total income	41,774	48,485	116
Total expences	40,505	39,463	97
Profit before taxation	1,269	9,022	711
Assets/ liabilites	732,223	724,29	99
Long-term assets	516,169	628,342	122
Capital and reserves	617,289	618,475	100
Indicators	Realization 01.01.-31.03.2017.	Realization 01.01.-31.03.2018.	Index
<i>Liquidity rations</i>			
Working capital	161.502.393	51.360.317	32
Current liquidity	4,12	2,25	55
<i>Debt indicators</i>			
Short-term liabilites/capital	0,08	0,07	88
Long-term liabilites/capital	0,08	0,06	75
Borrowinga/capital	0,05	0,06	120
Total liabilites/assets	0,14	0,11	79
<i>Profitability rations</i>			
EBITDA margin	9,04%	0,03%	
EBIT margin	2,72%	-6,80%	
NET margin	3,07%	25,19%	
<i>Productivity indicators</i>			
Number of employees	624	606	97
Revenue per employee (in thousands)	67	80	119

SALES PERFORMANCE INDICATORS

This year's quarterly activity is characterized by traffic decrease compared to last year's period. Luka Rijeka j.s.c. in 1Q2018 realized a turnover of 526.241 tons of cargo, which is a 24% decrease compared to 1Q2017.

Total turnover of Luka Rijeka j.s.c.

TOTAL TURNOVER	01.-03.2017.	Plan 2018.	01.-03.2018.	Index 2018/2017	Index 2018/Plan
Luka Rijeka j.s.c.	688.799	648.862	526.241	76	81
General cargo (tons)	233.287	247.356	193.302	83	78
Bulk cargo (tons)	455.512	401.506	332.939	73	83

APPENDIX 1

Reporting period:

01.01.2018.

to

31.03.2018.

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 address: www.lukarijeka.hr

Code and name of town: 373 RIJEKA

Code and county name: 8 PRIMORSKO-GORANSKA

Number of employees: 606

(at the end of the year)

Consolidated statement: NO

NKD/NWC code: 5224

Subsidiaries subject to consolidation (according to IFRS):

Headquarters:

Registration number:

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

Book keeping service:

Contact person: Reljac Janja

authorised person for representation

Phone number: 051/496-533

Fascimile: 051/496-008

E-mail address: fin@lukarijeka.hr

Surname and name:

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.



LUKA RIJEKA d.o.o.
Rijeka, Riva 1

BALANCE SHEET
as of 31.03.2018.

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	626.011.191	
I. INTANGIBLE ASSETS (004 to 009)	003	480.873	435.979	
1. Assets development	004	0	0	
2. Concessions, patents, licences fees, trade and service marks, software and other rights	005	480.873	435.979	
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	591.323.248	
1. Land	011	229.075.870	229.075.870	
2. Buildings	012	108.637.611	107.892.551	
3. Plant and equipment	013	2.089.174	2.005.179	
4. Tools, facility inventory and transport assets	014	50.718.889	49.382.959	
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	196.315.387	
8. Other tangible assets	018	325.736	325.736	
9. Investments in buildings	019	6.105.397	6.075.566	
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	020	12.057.013	12.057.013	
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	249.843	
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	17.855.067	
C) SHORT TERM ASSETS (035+043+050+058)	034	101.206.339	92.608.592	
I. INVENTORIES (036 to 042)	035	531.876	604.612	
1. Raw-material and supplies	036	531.876	604.612	
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	23.131.964	
1. Receivables from related parties	044	399.569	264.001	
2. Accounts receivable	045	25.794.014	20.221.685	
3. Receivables from participating parties	046	0	0	
4. Receivables from employees and members of related parties	047	1.643	1.170	
5. Receivables from government and other institutions	048	1.843.107	2.541.927	
6. Other receivables	049	66.801	103.181	
III. SHORT TERM FINANCIAL ASSETS (051 to 057)	050	70.249.290	66.956.922	
1. Shares (stocks) in related parties	051	0	0	
2. Loans given to related parties	052	0	0	
3. Participating interest (shares)	053	0	11.591.588	
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	55.365.334	
7. Other financial assets	057	0	0	
IV. CASH AT BANK AND IN CASHIER	058	2.320.039	1.915.094	
D) PREPAID EXPENSES AND ACCRUED REVENUE	059	1.045.720	3.452.014	
E) TOTAL ASSETS (001+002+034+059)	060	724.646.197	722.071.797	
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	618.475.230
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	36.713.003
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	9.022.488
1. Profit for the current year	076	0	9.022.488
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	8.907.959
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	6.252.375
C) LONG - TERM LIABILITIES (084 to 092)	083	36.394.081	36.239.387
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	20.651.635	20.427.491
4. Liabilities for received prepayments	087	0	0
5. Accounuts payable	088	7.700.624	7.770.274
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	42.095.695
1. Liabilities to related parties	094	897.286	964.617
2. Liabilities for loans,deposits etc.	095	11.037.543	10.738.431
3. Liabilities to banks and other financial institutions	096	5.407.461	3.686.855
4. Liabilities for received prepayments	097	0	0
5. Accounuts payable	098	25.965.834	15.554.606
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	3.371.094
9. Liabilities for taxes,contributions and similar fees	102	3.905.421	4.276.674
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	3.503.418
E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD	106	15.699.550	16.353.526
F) TOTAL - CAPITAL AND LIABILITIES (062+079+083+093+106)	107	724.646.197	722.071.797
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 31.03.2018.

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	41.286.271	41.286.271	35.822.901	35.822.901
1. Sales revenue	112	38.162.810	38.162.810	32.959.619	32.959.619
2. Other operating revenues	113	3.123.461	3.123.461	2.863.282	2.863.282
II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)	114	40.162.268	40.162.268	38.253.711	38.253.711
1. Changes in value of work in progress and finished products	115	0	0	0	0
2. Material costs (117 to 119)	116	16.001.908	16.001.908	14.625.886	14.625.886
a) Raw material and material costs	117	4.698.419	4.698.419	4.496.559	4.496.559
b) Costs of goods sold	118	0	0	0	0
c) Other external costs	119	11.303.489	11.303.489	10.129.327	10.129.327
3. Staff costs (121 to 123)	120	16.333.402	16.333.402	16.053.040	16.053.040
a) Net salaries and wages	121	10.254.467	10.254.467	10.014.028	10.014.028
b) Cost for taxes and contributions from salaries	122	3.684.835	3.684.835	3.685.312	3.685.312
c) Contributions on gross salaries	123	2.394.100	2.394.100	2.353.700	2.353.700
4. Depreciation	124	2.606.795	2.606.795	2.442.000	2.442.000
5. Other costs	125	4.850.801	4.850.801	4.860.275	4.860.275
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	369.362	369.362	272.510	272.510
III. FINANCIAL INCOME (132 to 136)	131	488.025	488.025	12.862.590	12.862.590
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	488.025	488.025	1.071.002	1.071.002
3. Share in income from affiliated entrepreneurs and participating	134	0	0	11.591.588	11.591.588
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	342.843	342.843	1.209.292	1.209.292
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	342.843	342.843	1.004.099	1.004.099
3. Unrealized losses (expenses) on financial assets	140	0	0	0	0
4. Other financial expenses	141	0	0	205.193	205.193
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	41.774.296	41.774.296	48.485.491	48.485.491
X. TOTAL EXPENSES (114+137+143+145)	147	40.505.111	40.505.111	39.463.003	39.463.003
XI. PROFIT OR LOSS BEFORE TAXATION (146-147)	148	1.269.185	1.269.185	9.022.488	9.022.488
1. Profit before taxation (146-147)	149	1.269.185	1.269.185	9.022.488	9.022.488
2. Loss before taxation (147-146)	150	0	0	0	0
XII. PROFIT TAX	151	0	0	0	0
XIII. PROFIT OR LOSS FOR THE THE PERIOD (148-151)	152	1.269.185	1.269.185	9.022.488	9.022.488
1. Profit for the period (149-151)	153	1.269.185	1.269.185	9.022.488	9.022.488
2. Loss for the period (151-148)	154	0	0	0	0

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	1.269.185	1.269.185	9.022.488	9.022.488
II. OTHER COMPREHENSIVE INCOME /LOSS BEFORE TAX (159 to 165)	158	0	0	0	0
1. Exchange differences on translation of foreign operations	159	0	0	0	0
2. Movements in revaluation reserves of long - term tangible and intangible assets	160	0	0	0	0
3. Profit or loss from reevaluation of financial assets available for sale	161	0	0	0	0
4. Gains or losses on efficient cash flow hedging	162	0	0	0	0
5. Gains or losses on efficient hedge of a net investment in foreign	163	0	0	0	0
6. Share in other comprehensive income/loss of associated companies	164	0	0	0	0
7. Actuarial gains /losses on defined benefit plans	165	0	0	0	0
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166	0	0	0	0
IV. NET OTHER COMPREHENSIVE INCOME OR LOSS FOR THE	167	0	0	0	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	1.269.185	1.269.185	9.022.488	9.022.488

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 31.03.2018.

PORT OF RIJEKA j.s.c.		in Kunas		
Position	AOP	Previous year	Current year	
1	2	3	4	
CASH FLOW FROM OPERATING ACTIVITIES				
1. Profit before tax	001	1.269.185	9.022.488	
2. Depreciation	002	2.606.795	2.442.000	
3. Increase in short term liabilities	003	0	0	
4. Decrease in short term receivables	004	258.629	4.366.990	
5. Decrease in inventories	005	148.533	0	
6. Other increase in cash flow	006	0	0	
I. Total increase in cash flow operating activities (001 to 006)	007	4.283.142	15.831.478	
1. Decrease in short term liabilities	008	4.884.173	11.036.857	
2. Increase in short term receivables	009	0		
3. Increase in inventories	010	0	72.736	
4. Other decrease in cash flow	011	973.870	10.612.741	
II. Total decrease in cash flow from operating activities (008 to 011)	012	5.858.043	21.722.334	
A1) NET INCREASE IN CASH FLOW FROM OPERATING ACTIVITIES (007-012)	013	0	0	
A2) NET DECREASE IN CASH FLOW FROM OPERATING ACTIVITIES	014	1.574.901	5.890.856	
CASH FLOW FROM INVESTING ACTIVITIES				
1. Cash inflows from sales of long - term tangible and intangible assets	015	0	0	
2. Cash inflows from sales of equity and debt instruments	016	0	0	
3. Interests receipts	017	628.379	131.805	
4. Dividend receipts	018	0	0	
5. Other cash inflows from investing activities	019	689.714	719.165	
III. Total cash inflows from investing activities (015 to 019)	020	1.318.093	850.970	
1. Cash outflow for purchase of long - term tangible and intangible assets	021	12.237.637	8.389.943	
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	12.237.637	8.389.943	
B1) NET INCREASE IN CASH FLOW FROM INVESTING ACTIVITIES (020-024)	025	0	0	
B2) NET DECREASE IN CASH FLOW FROM INVESTING ACTIVITIES(024-020)	026	10.919.544	7.538.973	
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	13.000.000	14.883.956	
V. Total cash inflows from financial activities (027 to 029)	030	13.000.000	14.883.956	
1. Cash outflow for repayment of credit principal and bonds	031	1.643.336	1.655.158	
2. Cash outflow for dividends paid	032	0	0	
3. Cash outflow for financial lease	033	0	0	
4. Cash outflow for purchase of treasury shares	034	0	0	
5. Other cash outflow for financial activities	035	0	203.914	
VI. Total cash outflow for financial activities (031 to 035)	036	1.643.336	1.859.072	
C1) NET INCREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (030-036)	037	11.356.664	13.024.884	
C2) NET DECREASE IN CASH FLOW FROM FINANCIAL ACTIVITIES (036-030)	038	0	0	
Total increase in cash flow (013-014+025-026+037-038)	039	0	0	
Total decrease in cash flow (014-013+026-025+038-037)	040	1.137.781	404.945	
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	0	
Decrease of cash and cash equivalents	043	1.137.781	404.945	
Cash and cash equivalents at the end of the period	044	2.261.048	1.915.094	

STATEMENT OF CHANGES IN EQUITY
for the period 01.01.2018. to 31.03.2018.

		<i>in Kunas</i>		
Position		AOP	Previous year	Current year
1	2	3	4	4
1. Subscribed capital			539.219.000	539.219.000
2. Capital reserves			38.623.828	38.623.828
3. Reserves from profit			0	0
4. Retained earnings or accumulated loss			1.508.183	-5.103.089
5. Profit or loss for the current year			1.269.185	9.022.488
6. Revaluation of long - term tangible assets			36.634.056	36.634.056
7. Revaluation of intangible assets			0	0
8. Revaluation of financial assets available for sale			35.121	78.947
9. Other revaluation			0	0
10. Total capital and reserves (AOP 001 to 009)			617.289.373	618.475.230
11. Currency gains and losses arising from net investment in foreing operations			0	0
12. Current and deferred taxes (part)			0	0
13. Cash flow hedging			0	0
14. Changes in accounting policy			0	0
15. Correction of significant errors in prior period			0	0
16. Other changes of capital			0	0
17. Total increase or decrease in capital (AOP 011 to 016)			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, April 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 first 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

LUKA RIJEKA d.o.o.
Rijeka, Riva 1