



GROUP ULJANIK PLOVIDBA

CONSOLIDATED UNAUDITED FINANCIAL STATEMENTS

FOR THE PERIOD

JANUARY - MARCH 2019

Pula, April 2019



CONTENT:

Consolidated Financial Statements of GROUP ULJANIK PLOVIDBA
(unaudited) for the period January – March 2019

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Management Report

Statement of the persons responsible for preparing Financial Statements

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ISSUER'S GENERAL DATA

Reporting period:

1.1.2019

to

31.3.2019

Year:

2019

Quarter:

1.

Quarterly financial statements

Registration number (MB):

03292754

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

040010793

Personal identification
number (OIB):

49693360447

LEI:

74780000T0IH1TVDAU91

Institution
code:

2338

Name of the issuer: ULJANIK PLOVIDBA D.D.

Postcode and town:

52100

PULA

Street and house number:

CARRARINA 6

E-mail address:

uljanik-plovidba@pu.t-com.hr

Web address:

www.uljanikplovidba.com

Number of employees
(end of the reporting

29

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

ULJANIK PLOVIDBA D.D.

PULA

3292754

UNITED SHIPPING SERVICES ONE INC.

MONROVIA, LIBERIA

REAL D.O.O.

PULA

2044471

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: MIHAJLOVIĆ BOJANA

(only name and surname of the contact person)

Telephone:

052 492546

E-mail address:

bojana.mihajlovic@uljanikplovidba.com

Audit firm:

iAudit d.o.o. Rijeka

(name of the audit firm)

Certified auditor:

Boris Vidas

(name and surname)

BALANCE SHEET
balance as at 31.03.2019

in HRK

Submitter: ULJANIK PLOVIDBA d.d.			
Item	ADP code	Last day of the preceding business year	At the reporting date of the current period
1	2	3	4
A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID	001	0	0
B) FIXED ASSETS (ADP 003+010+020+031+036)	002	834.167.015	839.576.623
I INTANGIBLE ASSETS (ADP 004 to 009)	003	4.664	3.392
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	4.664	3.392
3 Goodwill	006	0	0
4 Advances for the 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 (ADP 011 to 019)	010	813.744.027	818.919.780
1 Land	011	2.974.665	2.974.665
2 Buildings	012	2.783.094	2.770.431
3 Plant and equipment	013	93.347	81.978
4 Tools, working inventory and transportation assets	014	807.651.381	812.860.265
5 Biological assets	015	241.540	232.441
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	0	0
8 Other tangible assets	018	0	0
9 Investment property	019	0	0
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	19.487.629	19.781.706
1 Investments in holdings (shares) of undertakings within the group	021	0	0
2 Investments in other securities of undertakings within the group	022	0	0
3 Loans, deposits, etc. to undertakings within the group	023	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	024	3.430.748	3.430.748
5 Investment in other securities of companies linked by virtue of participating interests	025	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	026	0	0
7 Investments in securities	027	181.750	181.750
8 Loans, deposits, etc. given	028	15.875.131	16.169.208
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	0	0
IV RECEIVABLES (ADP 032 to 035)	031	930.695	871.745
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	930.695	871.745
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	7.985.297	13.972.886
I INVENTORIES (ADP 039 to 045)	038	1.721.899	1.926.647
1 Raw materials and consumables	039	1.721.899	1.926.647
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0

II RECEIVABLES (ADP 047 to 052)	046	2.528.201	6.094.881
1 Receivables from undertakings within the group	047	0	0
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	415.453	3.930.273
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	84.637	84.637
6 Other receivables	052	2.028.111	2.079.971
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	183.109	78.122
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	0	0
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	183.109	78.122
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	3.552.088	5.873.236
D) PREPAID EXPENSES AND ACCRUED INCOME	064	3.000.702	3.066.776
E) TOTAL ASSETS (ADP 001+002+037+064)	065	845.153.014	856.616.285
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to 080)	067	-264.530.077	-266.898.031
I INITIAL (SUBSCRIBED) CAPITAL	068	232.000.000	239.721.200
II CAPITAL RESERVES	069	0	1.219.078
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	99.750.725	95.790.496
1 Legal reserves	071	19.337.676	19.337.676
2 Reserves for treasury shares	072	11.184.568	11.184.568
3 Treasury shares and holdings (deductible item)	073	-11.184.568	-10.818.256
4 Statutory reserves	074	0	0
5 Other reserves	075	80.413.049	76.086.508
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	0	0
1 Fair value of financial assets available for sale	078	0	0
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-474.019.486	-715.489.874
1 Retained profit	082	0	0
2 Loss brought forward	083	474.019.486	715.489.874
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-241.470.388	-9.280.388
1 Profit for the business year	085	0	0
2 Loss for the business year	086	241.470.388	9.280.388
VIII MINORITY (NON-CONTROLLING) INTEREST	087	119.209.072	121.141.457
B) PROVISIONS (ADP 089 to 094)	088	601.073	601.073
1 Provisions for pensions, termination benefits and similar obligations	089	601.073	601.073
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	827.399.440	838.138.687
1 Liabilities to undertakings within the group	096	0	0

2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	73.334.574	72.793.856
6 Liabilities to banks and other financial institutions	101	754.064.866	765.344.831
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	227.702.366	231.929.416
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	8.614.868	17.823.887
6 Liabilities to banks and other financial institutions	113	157.511.678	151.928.646
7 Liabilities for advance payments	114	0	0
8 Liabilities to suppliers	115	22.143.948	23.350.163
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	1.937.285	1.774.973
11 Taxes, contributions and similar liabilities	118	4.015	4.753
12 Liabilities arising from the share in the result	119	1.324.589	1.324.589
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	36.165.983	35.722.405
E) ACCRUALS AND DEFERRED INCOME	122	53.980.212	52.845.140
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	845.153.014	856.616.285
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2019 to 31.03.2019

in HRK

Submitter: ULJANIK PLOVIDBA d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	54.618.321	54.618.321	36.413.148	36.413.148
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	41.139.608	41.139.608	35.026.606	35.026.606
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	13.478.713	13.478.713	1.386.542	1.386.542
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	35.617.509	35.617.509	34.804.823	34.804.822
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	6.368.181	6.368.181	6.698.004	6.698.004
a) Costs of raw materials and consumables	134	73.972	73.972	66.786	66.786
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	6.294.209	6.294.209	6.631.218	6.631.218
3 Staff costs (ADP 138 to 140)	137	12.967.767	12.967.767	12.794.533	12.794.533
a) Net salaries and wages	138	11.907.804	11.907.804	11.728.346	11.728.346
b) Tax and contributions from salary costs	139	724.516	724.516	735.914	735.914
c) Contributions on salaries	140	335.447	335.447	330.273	330.273
4 Depreciation	141	11.619.701	11.619.701	12.257.133	12.257.133
5 Other costs	142	3.714.237	3.714.237	3.055.153	3.055.152
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	947.623	947.623	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	11.327.830	11.327.830	12.013.269	12.013.269
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	2.334	2.334	8.193	8.193
8 Exchange rate differences and other financial income	162	11.325.496	11.325.496	12.005.076	12.005.076
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	26.653.583	26.653.583	23.556.850	23.556.850
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	15.270.425	15.270.425	11.503.928	11.503.928
4 Exchange rate differences and other expenses	169	11.383.158	11.383.158	12.052.922	12.052.922
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	0	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0
VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	65.946.151	65.946.151	48.426.417	48.426.417
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	62.271.092	62.271.092	58.361.673	58.361.672
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	3.675.059	3.675.059	-9.935.256	-9.935.255

1 Pre-tax profit (ADP 177-178)	180	3.675.059	3.675.059	0	0
2 Pre-tax loss (ADP 178-177)	181	0	0	-9.935.256	-9.935.255
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	3.675.059	3.675.059	-9.935.256	-9.935.255
1 Profit for the period (ADP 179-182)	184	3.675.059	3.675.059	0	0
2 Loss for the period (ADP 182-179)	185	0	0	-9.935.256	-9.935.255
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190				
2 Discontinued operations loss for the period (ADP 189-186)	191				
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195				
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	3.675.057	3.675.057	-9.935.256	-9.935.256
1 Attributable to owners of the parent	200	3.312.908	3.312.908	-9.280.388	-9.280.388
2 Attributable to minority (non-controlling) interest	201	362.149	362.149	-654.868	-654.868
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	3.675.057	3.675.057	-9.935.256	-9.935.256
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-7.447.076	-7.447.076	-1.739.288	-1.739.288
1 Exchange rate differences from translation of foreign operations	204	-7.447.076	-7.447.076	-1.739.288	-1.739.288
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	0	0	0	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-7.447.076	-7.447.076	-1.739.288	-1.739.288
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-3.772.019	-3.772.019	-11.674.544	-11.674.544
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-3.772.019	-3.772.019	-11.674.544	-11.674.544
1 Attributable to owners of the parent	216	1.313.318	1.313.318	-13.606.929	-13.606.929
2 Attributable to minority (non-controlling) interest	217	-5.085.337	-5.085.337	1.932.385	1.932.385

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2019 . to 31.03.2019.

in HRK

Submitter: ULJANIK PLOVIDBA d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
Cash flow from operating activities			
1 Pre-tax profit	001	3.675.057	-9.935.256
2 Adjustments (ADP 003 to 010):	002	54.513.007	23.511.105
a) Depreciation	003	12.567.324	12.257.133
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	33.106.370	0
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0
d) Interest and dividend income	006	-25.084	-8.193
e) Interest expenses	007	15.554.809	11.503.928
f) Provisions	008	-251.234	0
g) Exchange rate differences (unrealised)	009	0	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-6.439.178	-241.763
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	58.188.064	13.575.849
3 Changes in the working capital (ADP 013 to 016)	012	9.679.997	-6.343.570
a) Increase or decrease in short-term liabilities	013	-10.490.417	-2.611.055
b) Increase or decrease in short-term receivables	014	21.322.224	-3.527.767
c) Increase or decrease in inventories	015	-1.151.810	-204.748
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	67.868.061	7.232.279
4 Interest paid	018	-7.352.732	-9.426.882
5 Income tax paid	019	0	0
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	60.515.329	-2.194.603
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	0	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	0	0
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-19.033	0
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	0	0
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-19.033	0
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-19.033	0
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	8.940.278
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	3.000.000
4 Other cash receipts from financing activities	038	25.084	8.193
V Total cash receipts from financing activities (ADP 035 to 038)	039	25.084	11.948.471
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-39.594.353	-7.425.468
2 Cash payments for dividends	041	0	0

3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	-7.251
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-39.594.353	-7.432.719
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	-39.569.269	4.515.752
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)	048	20.927.027	2.321.149
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	4.320.376	3.552.087
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	25.247.403	5.873.236

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2019 to 31.3.2019

in HRK

Item	ADP code	Attributable to owners of the parent															Minority (non-controlling) interest	Total capital and reserves
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total attributable to owners of the parent			
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16 (3 to 6 + 7 + 8 to 15)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	232.000.000	-22.705.367	19.079.004	36.382.812	12.006.420	0	86.154.621	0	0	0	0	-475.695.736	0	-136.791.086	142.202.269	5.411.183	
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	03	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	232.000.000	-22.705.367	19.079.004	36.382.812	12.006.420	0	86.154.621	0	0	0	0	-475.695.736	0	-136.791.086	142.202.269	5.411.183	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	3.312.908	3.312.908	362.149	3.675.057	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	-1.999.590	0	0	0	0	0	0	-1.999.590	-5.447.486	-7.447.076	
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
8 Profit or loss arising from subsequent measurement of financial assets available for sale	08	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
9 Profit or loss arising from effective cash flow hedge	09	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
14 Tax on transactions recognised directly in equity	14	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	15	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
20 Other distribution to owners	20	0	-575.312	0	0	-779.654	0	0	0	0	0	0	0	0	204.342	0	204.342	
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	232.000.000	-23.280.679	19.079.004	36.382.812	11.226.766	0	84.155.031	0	0	0	0	-475.695.736	3.312.908	-135.273.426	137.116.932	1.843.506	
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	-1.999.590	0	0	0	0	0	0	-1.999.590	-5.447.486	-7.447.076	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	-1.999.590	0	0	0	0	0	3.312.908	1.313.318	-5.085.337	-3.772.019	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	-575.312	0	0	-779.654	0	0	0	0	0	0	0	0	204.342	0	204.342	

Current period																	
1 Balance on the first day of the current business year	27	232,000,000	0	19,337,676	11,184,568	11,184,568	0	80,413,049	0	0	0	0	-715,489,874	-383,739,149	119,209,072	-264,530,077	
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	232,000,000	0	19,337,676	11,184,568	11,184,568	0	80,413,049	0	0	0	0	-715,489,874	-383,739,149	119,209,072	-264,530,077	
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-9,280,388	-654,868	-9,935,256	
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	-4,326,541	0	0	0	0	-4,326,541	2,587,253	-1,739,288		
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
8 Profit or loss arising from subsequent measurement of financial assets available for sale	34	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
9 Profit or loss arising from effective cash flow hedge	35	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
10 Profit or loss arising from effective hedge of a net investment in a foreign operation	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
14 Tax on transactions recognised directly in equity	40	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-bankruptcy settlement procedure)	41	7,721,200	1,544,510	0	0	0	0	0	0	0	0	0	0	9,265,710	0	9,265,710	
16 Increase in initial (subscribed) capital arising from the reinvestment of profit	42	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
17 Increase in initial (subscribed) capital arising from the pre-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
18 Redemption of treasury shares/holdings	44	0	0	0	0	7,251	0	0	0	0	0	0	0	-7,251	0	-7,251	
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
20 Other distribution to owners	46	0	-325,432	0	0	-373,563	0	0	0	0	0	0	0	48,131	0	48,131	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0		
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	239,721,200	1,219,078	19,337,676	11,184,568	10,818,256	0	76,086,508	0	0	0	0	-715,489,874	-9,280,388	-388,039,488	121,141,457	-266,898,031
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	-4,326,541	0	0	0	0	0	-4,326,541	2,587,253	-1,739,288	
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	-4,326,541	0	0	0	0	-9,280,388	-13,606,929	1,932,385	-11,674,544	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	7,721,200	1,219,078	0	0	-366,312	0	0	0	0	0	0	0	9,306,590	0	9,306,590	



NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT 31.03.2019

ULJANIK PLOVIDBA, pomorski promet, d.d. Pula, was established in Croatia. The company is registered at the Commercial Court in Pazin.

Uljanik Plovidba d.d. Pula is the 100% owner of its subsidiary UNITED SHIPPING SERVICES ONE INC., registered in Liberia and the 100% owner of the company REAL d.o.o., Pula.

The ownership structure as at 31 March 2019 is composed of small shareholders.

The registered office of the Company is at Pula, Carrarina 6, Croatia.

The principal activities of the Company are international maritime transport, providing of services in maritime transport and travel agency operations;

As at 31 March 2019 the Group had 29 employees (31.03.2018: 32).

The consolidated financial statements for the Group have been prepared in accordance with the International Financial Reporting Standards ('IFRS'), the application of which has been approved by the Croatian Financial Reporting Standards Board.

The financial statements for the Group have been prepared in Croatian currency, kuna (HRK), which is the reporting currency of the Group.

The financial statements for the Group have been prepared using the historical cost convention with the exception for the valuation of the vessels by using the fair value.

The preparation of consolidated financial statements in conformity with International Financial Reporting Standards requires from the management to make certain key accounting estimates and judgments in the applying of the accounting policies of the Company.

Subsidiaries are all entities over which the Group Uljanik Plovidba is entitled to govern the financial and operating policies generally accompanying a shareholding of more than one half of the voting rights. Subsidiaries are consolidated from the date on which control commences and excluded from consolidation once the control terminates.

The consolidated financial statements of the Group consist of consolidated data from the annual financial statements of Uljanik Plovidba d.d. Pula, Real d.o.o. Pula and the consolidated financial statements of the Group United Shipping Services One. The effects of all intra-group transactions have been eliminated on consolidation.

The following are the notes explaining single categories in the financial statements of the Group:

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
31.03.2019**

1. Operating income for the first quarter of 2019 amounts to 36.4 mil HRK while in the same period of 2018, it amounted to 54.6 mil HRK. Freight revenues have been significantly decreased in comparison to the respective period of 2018 due to decreased number of vessels in the fleet (sold vessel Levan) and lower freight rates in current period. Other income in the first quarter of 2018 related to obtained write-off of the part of the loan in the amount of 12 million HRK, have also an impact on higher total operating income with respect to the current period. Other income in the current period mostly refer to the recognition of the deferred income on the basis of received government grants for vessels construction. Apart from exploiting a smaller number of vessels, total operating expenses were influenced by continuation of the policy of rationalization of operating costs over the current period.
2. Net financial expenses in the first quarter of 2019 amounted to 11.5 mil HRK (15.3 mil HRK in the same period of 2018). Lower net financial income and expense arise from the calculation of exchange rate differences and interest.
3. On 31 March 2019 the book value of the vessels amounts to 122.9 mil USD (812.8 mil HRK).
4. In the period from 1.01. to 31.03.2019 the Company acquired treasury shares in the amount of 7.2 thousand HRK and disposed of treasury shares in the amount of 373.6 thousand HRK.
5. After correcting the previous period's error by adjusting the value of investment in United Shipping Services One Inc. in the parent company (as described in the notes to the audit reports for 2018), the adjustment of reserves and retained earnings in the consolidated balance sheet as at 1 January 2018 was also made. Other reserves from comprehensive income and market value as of 31 March 2019 amounted to 76,086 thousand HRK (31 December 2018: 80,413 thousand HRK).
6. Long-term loans in foreign currencies were converted in HRK by applying the mean rate of exchange of the Croatian National bank as at 31 March 2019. Long-term debt on 31 March 2019 amounts to 838,139 thousand HRK (31 December 2018: 827,399 thousand HRK).
7. Current liabilities are mostly referring to short-term borrowings which also include the current portion of long-term borrowings. All short-term borrowings

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AS AT
31.03.2019**

in foreign currencies were converted in HRK by applying the mean rate of exchange of the Croatian National bank as at 31 March 2019.

8. In the period from January-March 2019 the applicable amount of income from grants from previous years in the amount of 1,137 thousand HRK was recorded with the proportional decrease of the deferred income, in accordance with the deferred income recognition plan.

9. The minority in equity as at 31 March 2019 in the amount of 121,141 thousand HRK refers to the ownership of ULJANIK Group Pula in foreign companies United Shipping Services Twelve Inc. and United Shipping Services Thirteen Inc.

For the GROUP ULJANIK PLOVIDBA Pula

A handwritten signature in blue ink, appearing to read 'Igor Budisavljević', is positioned above the printed name.

Igor Budisavljević
Director of ULJANIK PLOVIDBA d.d.

Pula, 29 April 2019

MANAGEMENT REPORT FOR FOR THE PERIOD 01.01-31.03.2019

ULJANIK PLOVIDBA d.d. (hereinafter: the Company) with headquarters in Pula, Carrarina 6, is a joint stock company registered with the Commercial Court in Pazin, personal identification number: 49693360447, subject's registration number: 3292754. On 31 March 2019, the Company's share capital amounted to 239,721,200.00 HRK and was divided into 580,000 ordinary registered shares, with nominal value of 400.00 HRK each under ticker ULPL-RA and 77.212 preferred registered non-voting shares entitled to the name under ticker ULPL- PB, with nominal value of 100.00 HRK each. The Company's ordinary shares are listed in the Official Market of the Zagreb Stock Exchange. The consolidated financial statements of the ULJANIK PLOVIDBA Group for the period from 1 January to 31 March 2019 represent the financial statements of the Company and its subsidiaries. The Company's core business is international maritime transport in the sector of bulk cargo transport by Supramax vessels, and petroleum products, chemicals and oils by MR tankers.

The vessel fleet owned by the Company at the end of the reporting period consists of 4 MR tankers and 2 Supramax, with average vessel age of 8 years. In addition, the Company provides vessel management services for third parties, for several vessels.

The Company's bodies are the General Meeting, the Supervisory Board and the Management.

Members of the Supervisory Board up to 27 March 2019 were: Amra Pende, president, and Anton Brajković and Robert Banko, members. On 27 March 2019, the Company received the resignation of Mr. Anton Brajkovic, Member and Deputy Chairman of the Supervisory Board. In the shortest possible time, the Company has undertaken all the activities prescribed by law for the appointment of a new member of the Supervisory Board of the Company, and on 23 April 2019, with the existing members of Amru Pende and Roberta Banka, a new member of the Supervisory Board of the Company was appointed by the court, Dubravko Kušeta, bachelor of economy from Veli Lošinj, Kaštel 28, personal identification number: 01763169344, who will perform this function until the election of the missing member of the Supervisory Board by the General Assembly of the Company.

The Company's Management until 27 March 2019, when he resigned, was Dragutin Pavletić, Director of the Company. At the meeting held on the same day, the Supervisory Board of the Company appointed a new Director of the Company, Igor Budisavljević, B.Sc. iur., born on 7 May 1965, from Banjole, Volme 132, personal identification number: 58863771276, with thirty years of maritime labor experience, for the period of five years and with the authorization to represent the Company independently and individually. The mandate of the appointed Director of the Company started on 27 March 2019.

The consolidated financial statements have been prepared in HRK and according to the International Financial Reporting Standards.

The business activities of the Company and its foreign subsidiaries in the period from January to March 2019 were orderly, with the vessels fully employed and the management system highly functional. Unfortunately, the instability associated with the introduction of customs barriers and additional charges, which directly affected the global commodity exchange and the reduction of transport activities particularly in the United States, China, Canada and the EU, continued in the

first quarter of 2019. In the bulk cargo sector in the period of a month there has been a strong drop of freights of over 60% compared to the figures in December 2018. Slight recovery of this market has started but the full recovery is expected only after the positive outcome of US-China trade negotiations, expected in May or June 2019. The value of vessels has decreased by about 10-20% at the end of last year and beginning of this year.

In the transport of petroleum products, oils and chemicals the observed period marked the continuation of the volatility trend but also the beginning of the growth of freight in this segment for time charters and the positive trend is expected in 2019 and 2020.

The business activities of the Company in the period January – March 2019 were characterized by the following:

- a) Positive consolidated EBITDA of the Group in the amount of 13.9 million HRK;
- b) Net consolidated loss of 9,280,388 HRK, unlike the net consolidated profit of 3,312,908 HRK in the comparative period of the previous year;
- c) Decrease of total revenue as a result of a smaller volume of the realized freight revenue, due to smaller number of vessels in fleet and lower freight rates;
- d) Decrease of the total operating expenses with continuation on rationalization policy introduced in previous years;
- e) Full employment of vessels with the continued trend of high efficiency of the Company's fleet,
- f) Aggravated solvency and liquidity and consequently continued restructuring of loan obligations with banks;
- g) Full implementation of the quality and safety system on vessels and in offices, with continued raising of quality and competence of employees and maintaining a high level of professionalism;
- h) High efficient vessel management, including management for third parties;
- i) Full performance of Charterers of all vessels with full collection of agreed freights.

An overview of individual functions is given hereinafter:

1. COMMERCIAL OVERVIEW

In the observed period, the total consolidated operating revenue of the Group amounted to 36,413 thousand HRK, compared to 54,618 thousand HRK realized in the observed period in 2018 as a result of lower freight rates and lower number of vessels in operation. Also, in the comparative period of 2018 the Company obtained write-off of the part of the loan, which is the reason why the other revenues are considerably higher than in the current period. During the first quarter of 2019, the tanker fleet was fixed at higher freight rates than previously, which will, with the effects of measures for further reduction of costs, have a positive impact on revenues in the forthcoming period.

2. HUMAN RESOURCES OVERVIEW

On the day of 31 December 2018, the Company employed 29 employees.

3. TECHNICAL OVERVIEW

In the first trimester of 2019, no dry docking was carried out. The vessel Kastav suffered damage as a result of severe storms during sailing through the Bay of Biscay at the end of January 2019. During the sailing through the Suez Canal in mid-February 2019 the vessel Pomer experienced damage that caused the loss of an anchor. In both cases, the Company has received full support from insurers and ongoing procedures are in place to compensate for the damage sustained in accordance with the insurance rules.

4. ACQUISITION OF OWN SHARES

In the period from 1 January to 31 March 2019, the Company acquired treasury shares in the value of 7.2 thousand HRK. In the said period, the Company disposed of its own shares in the value of 373,6 thousand HRK.

6. BUSINESS EVENTS IN 2019

On 28 January 2019, the director of the Company, with consent of the Company's Supervisory Board determined that the issuing of the Company's preferred shares was successful, considering that 77,212 preferred shares were duly subscribed and the amount of 9,265,440.00 HRK was paid within the prescribed dead-line for subscription and payment of new preferred shares. This represents more than 30% of the total amount of the issue, fulfilling the requirements to increase the share capital of the Company. The share capital of the Company was increased from the amount of 232,000,000.00 HRK, for the amount of 7,721,200.00 HRK, to the amount of 239,721,200.00 HRK, by issuing a total of 77,212 preferred registered non-voting shares, with nominal value of 100.00 HRK each, along with payment of shares in cash. These shares give the following preferred rights to the owners: (i) right to annual dividend in the amount of 5 % (five percent) of the nominal share value, (ii) right to the difference to the full amount of dividend belonging to the owners of ordinary shares for the individual financial year, (iii) right to collect cumulative outstanding dividends through a 3 (three) year period before the payment of dividends to the owners of ordinary shares, (iv) priority right related to the payment of the balance remaining from winding-up or insolvency.

In the period from 22 February to 14 March 2019, the business bank account of the Company was blocked for the amount owed by 3. MAJ Brodogradilište d.d. to the Ministry of Finance, Tax Administration for taxes and other public levies. The Ministry of Finance, Tax Administration, attempted to enforce the collection of the debt from the Company as the debtor of 3. MAJ Brodogradilište d.d., the existence and the maturity of which debt are the subject matter of the initiated court proceedings and are still to be determined. Immediately upon receipt of the decision on enforcement issued by the Ministry of Finance, Tax Administration, the Company has taken all necessary legal steps to protect its interests. All necessary appeals were promptly lodged and the proceedings were initiated to declare the seizure and the transfer ordered by the Ministry of Finance, Tax Administration, illegitimate, as well as the proceedings to postpone the implementation of the order to the banks to transfer the seized funds, in which legal matters the court has to act urgently. At first, the Municipal Court in Pula-Pola, on 8 March 2019 adopted a decision to postpone the implementation of the order to the banks to transfer the seized funds of the Company. Thereafter, on 13 March 2019, the same court declared the seizure and transfer of monetary funds of the Company attempted by the Ministry of Finance, Tax Administration, illegitimate. Pursuant to such decision of the court, the Company's account was deblocked on 14 March 2019, considering the absence of other reasons to block the Company's account. Due to the short period in which the account was blocked and prompt legal activities of which the Company

notified its creditors, the blocked account had no significant influence on the business activities of the Company. Namely, all current contractual relations, both with creditors and with business partners, were maintained and are still in force, while the current expenses of the Company's business activities were settled in an orderly and timely matter after the account was deblocked, considering that the total amount of the seized funds was insignificant compared to the monthly revenue of the Company.

On 7 March 2019, in accordance with Article 186.a of the Civil Proceedings Act, a request was submitted to the County State Attorney's Office in Rijeka to settle the dispute related to the claim for compensation in the amount of 80,082,182.03 HRK arising from the Cooperation Agreement on Mutual Execution of the Project for Building 4 Ships at 3. MAJ Shipyard for Domestic Buyers, concluded on 21 January 2009 and its Addendum 1 of 11 February 2009, concluded between the then Ministry of Economy, Labor and Entrepreneurship, Ministry of Sea, Transport and Infrastructure, 3. MAJ Brodogradilište d.d. and the Company. By this Agreement and its later Addendum 1, the parties to the agreement have determined the principles of cooperation, activities and measures, as well as conditions under which they are to be guided in the execution of the subject Project, all in order to overcome serious business difficulties at 3. MAJ Brodogradilište d.d. Currently, the negotiations regarding the amicable settlement of the dispute are ongoing.

On 27 March 2019, Mr. Dragutin Pavletić resigned the position of the Company's director. The Company's Supervisory Board, at the meeting held on the same day, decided to appoint a new director of the Company. Mr. Igor Budisavljević, bachelor of law, born on 7 May 1965, from Banjole, Volme 132, personal identification number: 58863771276, having a thirty-year experience in maritime transport, was appointed as the Company's director to a five-year term and was given the authority to represent the Company independently and individually. The term of the appointed Company' director started on 27 March 2019.

Later on the same day of 27 March 2019, the Company received the resignation of Mr. Anton Brajković, member and vice-president of the Supervisory Board. Within the shortest possible time-frame, the Company took all necessary steps to appoint a new member of the Company's Supervisory Board. On 23 April 2019, Mr. Dubravko Kušeta, bachelor of economy from Veli Lošinj, Kaštel 28, personal identification number: 01763169344, was appointed by the court as a new member of the Company's Supervisory Board, and will perform the function until the election of the missing member of the Supervisory Board at the session of the Company's General Meeting.

On 3 April 2019, the Company received the Decision regarding the investigation against the Company due to the alleged suspicion that the acts of the person who was previously acting as a responsible person in the Company, based on the concluded Cooperation Agreement on Mutual Execution of the Project for Building 4 Ships at 3. MAJ Shipyard for Domestic Buyers, resulted in the Company allegedly obtaining illegal proceeds in the total amount of 57,960,520.00 kn. The investigation was initiated against the Company as a legal person only for the reason that the same investigation was initiated against the person who was formerly acting as a responsible person in the Company, and it is the direct consequence of this. Any alleged illegal proceeds in any amount are explicitly disputed by the Company, considering that the Company is seeking damages in the amount of 80,082,182.03 HRK based on the same above mentioned Agreement.

7. COMPANY DEVELOPMENT

The Development Strategy of ULJANIK PLOVIDBA d.d. until 2030 directed the Company to retain its core maritime activity in two sectors, in particular, the bulk cargo transport by Supramax-type vessels and petroleum products and chemicals transport by product carriers.

The intention of the Company is to continuously participate in the market of new and second hand vessels, with the goal to optimize the fleet and its efficiency. Even though the majority of business is going to be conducted by its own vessels, the development of the Company will additionally be directed to vessel management services for external clients.

8. COMPANY ACTIVITIES IN RESEARCH AND DEVELOPMENT AND ENVIRONMENTAL PROTECTION

As part of the business activities related to maritime transport, including the provision of vessel management services, research is continuously being conducted, in particular in relation to introducing new technical solutions and technologies connected with exploitation of vessels. Particular attention is directed at technical solutions enabling further savings in the consumption of motor fuel, decreasing pollution and enhancing environmental protection. On the other hand, by socially responsible business, through investing into the community, concern and care about the employees and their education, the Company endeavors to contribute to the continued economic and social development.

9. BUSINESS RISKS

The core activity of international maritime transport and the shipping activities are recognizable in the world as one of the riskier ventures and are as such directly connected to significant business risks, of which the most significant are singled out as follows:

- Global economic trends;
- Risk of interest rates increase;
- Volatility of the USD exchange rate in relation to other currencies;
- Significant oscillations in the value of vessels;
- Risk of strict business conditions;
- Long and uncertain term of return on capital;
- Volatility of basic operating expenses;
- Naval personnel fluctuations.

In Pula, 29 April 2019.



Igor Budisavljević, director

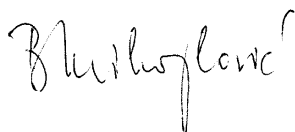
STATEMENT OF THE PERSONS RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

According to the best of our knowledge:

The unaudited consolidated financial reports of GROUP ULJANIK PLOVIDBA for the period January – March 2019, have been prepared according to International Financial Reporting Standards and they provide an complete and true presentation of assets, liabilities, profit and loss, financial position and business activities of ULJANIK PLOVIDBA d.d. and the companies included in the consolidation.

The Management Report for the period January – March 2019 contains a true presentation of the development, operating results and the financial position of the Parent Company and the companies included in the consolidation as well as the description of major risks and uncertainties the Parent Company and the companies included in the consolidation are exposed to.

Accounting Manager



Bojana Mihajlović

Director



Igor Budisavljević

Pula, 29 April, 2019