



**ULJANIK PLOVIDBA d.d.**

**UNAUDITED FINANCIAL STATEMENTS**

**FOR THE PERIOD**

**JANUARY - MARCH 2019**

Pula, April 2019



CONTENT:

Financial Statements of ULJANIK PLOVIDBA d.d.  
(unaudited) for the period January – March 2019

Notes

Management Report

Statement of the persons responsible for preparing Financial Statements

**Annex 1****ISSUER'S GENERAL DATA**

Reporting period:

1.1.2019

to

31.3.2019

Year:

2019

Quarter:

1

**Quarterly financial statements**

Registration number (MB):

3292754

Issuer's home Member

HR

State code:

Entity's registration  
number (MBS):

3292754

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:

info@uljanikplovdba.com

Web address:

www.uljaniksm.com

Number of employees  
(end of the reporting

29

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

(Yes/No)

(name of the bookkeeping firm)

Contact person: **VANESA PERUŠKO TOPIĆ**

(only name and surname of the contact person)

Telephone:

052492555

E-mail address:

vanesa.topic@uljanikplovdba.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 31.12.2018.

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
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	941.102.340	948.970.696
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	4.664	3.392
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	4.664	3.392
3 Goodwill	<b>006</b>	0	0
4 Advances for the purchase of intangible assets	<b>007</b>	0	0
5 Intangible assets in preparation	<b>008</b>	0	0
6 Other intangible assets	<b>009</b>	0	0
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	2.998.270	2.974.238
1 Land	<b>011</b>	121.829	121.829
2 Buildings	<b>012</b>	2.783.093	2.770.432
3 Plant and equipment	<b>013</b>	46.784	59.635
4 Tools, working inventory and transportation assets	<b>014</b>	46.564	22.342
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	0	0
7 Tangible assets in preparation	<b>017</b>	0	0
8 Other tangible assets	<b>018</b>	0	0
9 Investment property	<b>019</b>	0	0
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	937.168.711	945.121.321
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	487.557.810	487.557.810
2 Investments in other securities of undertakings within the group	<b>022</b>	0	0
3 Loans, deposits, etc. to undertakings within the group	<b>023</b>	445.361.148	453.313.541
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	1.689.935	1.689.935
5 Investment in other securities of companies linked by virtue of participating interests	<b>025</b>	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	<b>026</b>	1.600.000	1.600.000
7 Investments in securities	<b>027</b>	181.750	181.750
8 Loans, deposits, etc. given	<b>028</b>	778.068	778.285
9 Other investments accounted for using the equity method	<b>029</b>	0	0
10 Other fixed financial assets	<b>030</b>	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	930.695	871.745
1 Receivables from undertakings within the group	<b>032</b>	0	0
2 Receivables from companies linked by virtue of participating interests	<b>033</b>	0	0
3 Customer receivables	<b>034</b>	0	0
4 Other receivables	<b>035</b>	930.695	871.745
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	96.700.262	109.445.508
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	0	0
1 Raw materials and consumables	<b>039</b>	0	0
2 Work in progress	<b>040</b>	0	0
3 Finished goods	<b>041</b>	0	0
4 Merchandise	<b>042</b>	0	0
5 Advances for inventories	<b>043</b>	0	0
6 Fixed assets held for sale	<b>044</b>	0	0
7 Biological assets	<b>045</b>	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	28.436.699	31.981.562
1 Receivables from undertakings within the group	<b>047</b>	11.535.592	12.805.196

2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	16.381.286	18.404.454
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	129.197	361.744
6 Other receivables	052	390.624	410.168
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>68.245.625</b>	<b>77.441.334</b>
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	68.062.516	77.363.212
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
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>17.938</b>	<b>22.612</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>101.886</b>	<b>104.846</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>1.037.904.488</b>	<b>1.058.521.050</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to</b>	<b>067</b>	<b>351.267.773</b>	<b>360.364.996</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>232.000.000</b>	<b>239.721.200</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>0</b>	<b>1.219.078</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>19.337.676</b>	<b>19.703.987</b>
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	-10.818.257
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>-1.267.200</b>	<b>-1.267.200</b>
1 Fair value of financial assets available for sale	078	-1.267.200	-1.267.200
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)</b>	<b>081</b>	<b>100.591.706</b>	<b>101.197.297</b>
1 Retained profit	082	100.591.706	101.197.297
2 Loss brought forward	083	0	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>	<b>084</b>	<b>605.591</b>	<b>-209.366</b>
1 Profit for the business year	085	605.591	0
2 Loss for the business year	086	0	209.366
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>087</b>	<b>0</b>	<b>0</b>
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>601.073</b>	<b>601.073</b>
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
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>542.091.945</b>	<b>549.201.222</b>

1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	942.565	963.087
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	1.252.000	0
5 Liabilities for loans, deposits etc.	100	39.413.154	39.413.154
6 Liabilities to banks and other financial institutions	101	500.484.226	508.824.981
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
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>143.935.664</b>	<b>148.351.561</b>
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	1.080.000	0
5 Liabilities for loans, deposits etc.	112	7.534.868	9.934.868
6 Liabilities to banks and other financial institutions	113	118.036.518	119.413.002
7 Liabilities for advance payments	114	138.844	138.844
8 Liabilities to suppliers	115	532.834	537.431
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	26.013	27.264
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	13.324.713	15.200.590
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>8.033</b>	<b>2.198</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>1.037.904.488</b>	<b>1.058.521.050</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>		

**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
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>5.095.699</b>	<b>5.095.699</b>	<b>4.798.834</b>	<b>4.798.834</b>
1 Income from sales with undertakings within the group	126	3.390.301	3.390.301	3.055.420	3.055.420
2 Income from sales (outside group)	127	1.065.806	1.065.806	1.148.785	1.148.785
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	270.599	270.599	293.568	293.568
5 Other operating income (outside the group)	130	368.993	368.993	301.061	301.061
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>3.631.321</b>	<b>3.631.321</b>	<b>3.287.936</b>	<b>3.287.936</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	253.040	253.040	212.287	212.287
a) Costs of raw materials and consumables	134	70.850	70.850	57.999	57.999
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	182.190	182.190	154.288	154.288
3 Staff costs (ADP 138 to 140)	137	2.316.698	2.316.698	2.360.727	2.360.727
a) Net salaries and wages	138	1.256.735	1.256.735	1.294.540	1.294.540
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	25.372	25.372	25.304	25.304
5 Other costs	142	1.036.211	1.036.211	689.618	689.618
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	0	0	0	0
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>14.343.391</b>	<b>14.343.391</b>	<b>17.761.911</b>	<b>17.761.911</b>
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	3.039.303	3.039.303	5.853.531	5.853.531
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	11.302.745	11.302.745	11.907.367	11.907.367
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	1.343	1.343	1.013	1.013
8 Exchange rate differences and other financial income	162	0	0	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	0	0	0	0
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>15.600.615</b>	<b>15.600.615</b>	<b>19.482.175</b>	<b>19.482.175</b>
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	4.501.841	4.501.841	7.491.548	7.491.548
4 Exchange rate differences and other expenses	169	11.098.774	11.098.774	11.990.627	11.990.627
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
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>19.439.090</b>	<b>19.439.090</b>	<b>22.560.745</b>	<b>22.560.745</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>19.231.936</b>	<b>19.231.936</b>	<b>22.770.111</b>	<b>22.770.111</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>207.154</b>	<b>207.154</b>	<b>-209.366</b>	<b>-209.366</b>
1 Pre-tax profit (ADP 177-178)	180	207.154	207.154	0	0

2 Pre-tax loss (ADP 178-177)	181	0	0	-209.366	-209.366
<b>XII INCOME TAX</b>	<b>182</b>	0	0	0	0
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	207.154	207.154	-209.366	-209.366
1 Profit for the period (ADP 179-182)	184	207.154	207.154	0	0
2 Loss for the period (ADP 182-179)	185	0	0	-209.366	-209.366
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	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
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	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				
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>				
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>				
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>				
1 Profit for the period (ADP 192-195)	197				
2 Loss for the period (ADP 195-192)	198				
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	0	0	0	0
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	0	0	0	0
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	0	0	0	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
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
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	0	0	0	0
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	0	0	0	0
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	0	0	0	0
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
2 Attributable to minority (non-controlling) interest	217	0	0	0	0



**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
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	207.154	-209.366
2 Adjustments (ADP 003 to 010):	002	-46.024.546	-455.079
a) Depreciation	003	25.373	25.304
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	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	-4.497.468	-5.854.544
e) Interest expenses	007	4.501.841	7.491.549
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	-45.803.058	-2.117.388
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>-45.817.392</b>	<b>-664.445</b>
3 Changes in the working capital (ADP 013 to 016)	012	2.053.741	66.334
a) Increase or decrease in short-term liabilities	013	639.699	2.618.362
b) Increase or decrease in short-term receivables	014	1.414.042	-2.552.028
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>-43.763.651</b>	<b>-598.111</b>
4 Interest paid	018	-4.501.841	-5.699.848
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>-48.265.492</b>	<b>-6.297.959</b>
<b>Cash flow from investment activities</b>			
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	3.896.475	4.858.747
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	41.081.498	3.285.661
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>44.977.973</b>	<b>8.144.408</b>
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	-317.292.913	-9.256.554
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	0
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-317.311.946</b>	<b>-9.256.554</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-272.333.973</b>	<b>-1.112.146</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	9.265.710
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	325.605.993	3.000.000
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>325.605.993</b>	<b>12.265.710</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-4.527.468	-4.843.680
2 Cash payments for dividends	041	0	0

3 Cash payments for finance lease	<b>042</b>	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	<b>043</b>	0	-7.251
5 Other cash payments from financing activities	<b>044</b>	0	0
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>-4.527.468</b>	<b>-4.850.931</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>321.078.525</b>	<b>7.414.779</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	<b>047</b>	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>479.060</b>	<b>4.674</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	18.322	17.938
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>497.382</b>	<b>22.612</b>

**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 + 9 to 15)	17	18 (16+17)	
<b>Previous period</b>																		
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	0	0	-1.309.440	0	0	98.915.457	0	350.356.046	0	350.356.046	
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	0	0	-1.309.440	0	0	98.915.457	0	350.356.046	0	350.356.046	
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	149.239	149.239	0	149.239	
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	-575.312	0	0	-779.654	0	0	0	0	0	0	0	0	204.342	0	204.342	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
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	0	0	-1.309.440	0	0	98.915.457	149.239	350.709.627	0	350.709.627	
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																		
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	0	0	0	0	149.239	149.239	0	149.239	
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	0	0	-1,267,200	0	0	101,197,297	0	351,267,773	0	351,267,773
2 Changes in accounting policies	28	0	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	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	0	0	-1,267,200	0	0	101,197,297	0	351,267,773	0	351,267,773
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	-209,366	-209,366	0	-209,366
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
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	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	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	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	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	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	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	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	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	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	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	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	7,251	0	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	0	0
20 Other distribution to owners	46	0	-325,432	0	0	-373,562	0	0	0	0	0	0	0	0	48,130	0	48,130
21 Transfer to reserves according to the annual schedule	47	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	48	0	0	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	10,818,257	0	0	0	-1,267,200	0	0	101,197,297	-209,366	360,364,996	0	360,364,996
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	0	0	0	0	0	-209,366	-209,366	0	-209,366
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	-366,311	0	0	0	0	0	0	0	0	9,306,589	0	9,306,589



## NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2019

---

### GENERAL INFORMATION

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 Company had 29 employees (2018: 32).

The financial statements for the Company have been prepared in accordance with the Law on Accounting and the International Financial Reporting Standards ('IFRS'), the application of which has been approved by the Croatian Financial Reporting Standards Board, and in accordance with the Regulation on the Structure and Content of the Annual Accounts.

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

1. Operating income for the first quarter of 2019 are slightly lower with respect to the same period in 2018 due to lower amount of services rendered to the related parties while operating expenses are on the same level compared with the respective period of 2018.
2. Financial income and financial expenses have increased slightly in the first quarter of 2019 compared to the same period of 2018 as a result of the calculated interest rates on the new received and given loans.
3. Investment in the foreign subsidiary United Shipping Services One Inc. was converted to the HRK equivalent in the previous periods by applying the middle exchange rate of USD. For the purpose of compliance with the provisions of IAS 21, investment was adjusted for the amount of exchange rate differences effects by retroactively reduction of investment with a parallel reduction of revaluation reserves in shareholders' equity, as a correction of the previous period's error. On 31.03.2019 investment in United Shipping Services One Inc. is 481,847,810 HRK.

## NOTES TO THE FINANCIAL STATEMENTS AS AT 31.03.2019

---

4. Long-term loans in foreign currency have been expressed in their equivalent value in HRK according to the mean rate of exchange of the Croatian National Bank as at 31 March 2019. At 31 March 2019 total long-term debt amounted to 549,201 thousand HRK while at 31 December 2018 it amounted to 542,092 thousand HRK.
  
5. In the period January-March 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.

For ULJANIK PLOVIDBA d.d. Pula

A handwritten signature in blue ink, appearing to read 'Igor Budisavljević', is written over a faint, illegible stamp or watermark.

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.

A handwritten signature in blue ink, appearing to read 'Igor Budisavljević'.

Igor Budisavljević, director

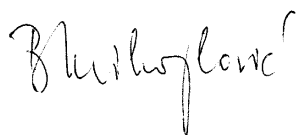
## STATEMENT OF THE PERSONS RESPONSIBLE FOR PREPARING FINANCIAL STATEMENTS

According to the best of our knowledge:

Unaudited financial reports of ULJANIK PLOVIDBA d.d. 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 the Company.

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