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kod Trgovačkog suda u Rijeci

IBAN: HR57240200611003888148

Erste&Stelermärkische Bank d.d.

IBAN: HR4623400091117046842

Privredna banka Zagreb d.d.

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ZAGREB STOCK EXCHANGE

CROATIAN FINANCIAL SERVICES  
SUPERVISORY AGENCY

CROATIAN NEWS AGENCY

COMPANY WEBSITE

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Rijeka, November 20<sup>th</sup>, 2017.  
Reg. no. LR-PU- 184/2017

**SUBJECT: OPINION OF THE MANAGEMENT ABOUT THE BID FOR THE TAKEOVER OF THE COMPANY THE PORT OF RIJEKA JSC BY THE JOINT STOCK COMPANY OT LOGISTICS S.A.**

In accordance with the provisions of Article 41 of the Act on the Takeover of Joint-Stock Companies, we hereby publicize the attached Opinion of the Management about the bid for the takeover of the company The Port of Rijeka JSC by the joint stock company OT LOGISTICS S.A.

Best regards,

LUKA RIJEKA d.d.

In accordance with the provisions of Article 41 of the Act on the Takeover of Joint-Stock Companies (Official Gazette no. 109/07, 36/09, 108/12, 90/13, 99/13, 148/13, hereinafter: "the Act"), the Management of the company the Port of Rijeka joint stock company for maritime traffic services, stevedoring, warehousing of goods and forwarding agents activities, with headquarters in Rijeka, Riva 1, personal identification number: 92590920313, subject registration number: 040141664, (hereinafter: "the Target Company") on the day of 17 November 2017 adopted the following

**OPINION OF THE MANAGEMENT ABOUT THE BID FOR THE TAKEOVER OF THE COMPANY  
THE PORT OF RIJEKA JSC BY THE JOINT STOCK COMPANY OT LOGISTICS S.A.**

On the day of 10 November 2017, the joint stock company OT LOGISTICS S.A., established pursuant to the laws of the Republic of Poland, with headquarters in ul. Zbozowa 4, 70-653 Szczecin, Republic of Poland, registered with the State Court Registry of the Republic of Poland under number (KRS): 0000112069, REGON: 930055366 (registration number), personal identification number: 95125631826 (hereinafter "the Bidder"), pursuant to the provision of Article 9 paragraph 1 of the Act, announced the bid for takeover of the Target Company from the remaining shareholders, which was published on the webpage of the Zagreb Stock Exchange on the day of 10 November 2017 and in the Official Gazette, number 109 of 10 November 2017, and was previously approved by the Decision of the Croatian Financial Services Supervisory Agency of 8 November 2017, CLASS: UP/I-976-02/17-02/01, REG. NO.: 326-01-770-772-17-14 (hereinafter "the Takeover Bid").

The obligation to publish the Takeover Bid occurred for the Bidder, pursuant to the provision of Article 9 paragraph 1 of the Act, on the day of 7 September 2017, following the completion of the block-transaction at the Zagreb Stock Exchange, based on the Decision on selecting the most favourable binding offer for purchase of shares of the company the Port of Rijeka JSC and the block transaction at the Zagreb Stock Exchange, CLASS: 024-04/17-04/22, REG. NO.: 360-00/02-2017-20, adopted by the Administrative Council of the Restructuring and Sale Centre, by which the Bidder acquired a total of 1,584,124 shares of the Target Company. Before the execution of the block-transaction, the Bidder owned 2,805,232 shares of the Target Company; therefore, the Bidder, within the meaning of the provisions of the Act and by applying the provision of Article 8 of the Act, holds a total of 4,389,356 shares of the Target Company. The Bidder is acting jointly with pension funds (as listed in the Decision of the Croatian Financial Services Supervisory Agency of 8 November 2017 CLASS: UP/I-976-02/17-02/01, REG. NO.: 326-01-770-772-17-14) and it, together with the persons with whom it jointly acts, holds 7,631,110 shares of the Target company, representing 56.61% of the share capital.

After consideration of the text of the Takeover Bid published by the Bidder, the Management of the Target Company gives the following opinion about the Takeover Bid, in accordance with the Act:

## **1. Opinion about the type and amount of offered compensation**

The Bidder has the obligation to pay the price for the purchase of shares in the amount of 50.00 Kuna for each share of the Target Company, which is the subject of the Takeover Bid.

According to the certificate of the Zagreb Stock Exchange, Inc. about the average price of shares of the Target Company, in the period between 6 June 2017 and 6 September 2017, i.e. the three-month period before the obligation of the Bidder to publish the Takeover Bid of the Target Company occurred, regular shares of the Target Company were traded on 59.38% of trading days and the average price of the share of the Target Company in the mentioned period amounted to 49.96 Kuna. From the beginning of 2017 up to 6 June 2017, the highest price at which the shares of the Target Company were purchased amounted to 49.44 Kuna, whereas the lowest amounted to 40.41 Kuna<sup>1</sup>, from which it can be concluded that there weren't any rapid falls or growth of the price at which the shares were traded and that the price at the regulated market was, during the most of the year, below the price offered by the Bidder.

In accordance with the audited financial statements for 2016, the accounting value of capital and reserves of the Target company amounts to 616,020.188 Kuna, which represents the value of 45.70 Kuna per share of the Target Company and is less than the compensation offered by the Bidder.

The Management of the Target Company does not have at its disposal an opinion of an independent financial adviser or an auditor regarding the estimate of the fair value of the shares or the estimate in comparison with the compensation offered in the Takeover Bid.

Considering the aforementioned and taking into account the current market price and the nominal value of one share, which amounts to 40.00 Kuna, the Management of the Target Company is of the opinion that the offered compensation in the amount of 50.00 Kuna per share of the Target Company is appropriate and it reflects the fair value of the shares of the Target Company.

The Management of the Company notes that the opinion of the Management about the type and amount of the offered compensation can in no regard be considered investment or other advice to the shareholders of the Target Company, with regard to accepting or not accepting the Takeover Bid.

## **2. Opinion about the intention of the Bidder regarding the future business operations of the Target Company**

The Management of the Target Company is of the opinion that the intention of the Bidder regarding the business operations of the Target Company connected to increasing its significance through the entry on the Central European market, by increasing the transshipment volume and strengthening the ancillary activities such as warehousing of goods, is feasible.

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<sup>1</sup> Data taken from the webpage of the Zagreb Stock Exchange Inc. ([www.zse.hr](http://www.zse.hr)).

The Management of the Target Company is of the opinion that the Bidder has the necessary know-how to implement the plans regarding the future business activities of the Target Company expressed in the Takeover Bid, with particular emphasis on the importance of the future development and investments, exactly as expressed by the Bidder in the Takeover Bid, which relates to the strengthening of the market position of the Target company by implementing new policies and instruments. This will contribute to enhancing the quality of services and expanding to new markets.

The Management of the Target Company considers the plans regarding the renewal and development of the existing property portfolio of the Target Company, as expressed in the Takeover Bid, to be in accordance with the long-term strategic plans of the Target Company for future periods. In this manner, the Target Company, which has made significant investments in the reconstruction and construction of new warehouse capacities during 2016 and 2017, will continue.

**3. Opinion about the strategic plans of the Bidder regarding the Target Company and possible consequences of these plans on the employment policy and the status of the employees of the Target company, as well as to the possible changes regarding the locations where the Target Company performs its activities**

The Management of the Target Company holds the strategic plans of the Bidder laid down in the Takeover Bid feasible with regard the positive effects resulting from the investments into the property portfolio of the Target Company, which will also directly positively affect the employment status and the professional development of the employees of the Target Company and the creation of new job positions.

The Management of the Target Company supports the intention of the Bidder to increase the value of the Target Company by using its favourable geostrategic position and cooperation with regional and domestic partners, as well as increasing business activities regarding agricultural products, by expansion to the markets of the Republic of Hungary and the Republic of Serbia, for the purpose of which the Bidder plans the construction of a warehouse for agricultural products and renovation and expansion of the existing capacities of the silos in the Target Company.

The Management of the Target Company also supports the strategic plan of the bidder to expand business activities and the market influence of the Bakar Terminal, which is specialized for transshipment of iron ore and coal.

**4. Statement of the Management of the Target Company about its intention to accept or refuse the Bid**

The President of the Management Vedran Devčić holds 1,500 shares of the Target Company, which gives 0.0111% of votes; the member of Management Linda Sciucca also holds 1,500 shares of the Target Company, which gives 0.0111% of votes, whereas the member of

Management Nenad Janjić holds 500 shares of the Target Company, which gives 0.0037% of votes.

All three members of the Management do not intend to accept the Bidders Takeover Bid.

**5. Statement of the Management of the Target Company about the existence of an agreement between the Management and the Bidder regarding the Takeover Bid**

There is no agreement between the Management of the Target Company and the Bidder regarding the Takeover Bid. Monetary or non-monetary compensation or other concessions were not given nor were they made probable to the members of Management of the Target Company.

Before announcing this opinion, the Management of the Target Company presented this opinion to the representative of the employees of the Target Company within the deadline prescribed by Article 41 paragraph 2 of the Act.

The Management of the Target Company has received, within the statutory deadline prescribed by Article 41 paragraph 3 of the Act, the opinion of the representatives of the employees of the Target Company regarding the Takeover Bid, which is attached to this Opinion of the Management about the Takeover Bid.

In accordance with Article 41 paragraph 5 of the Act, this Opinion of the Management of the Target Company about the Bid for the Takeover of the Company the Port of Rijeka JSC by the joint stock company OT logistics S.A. will be delivered to all institutions prescribed by the Act, the Croatian Financial Services Supervisory Agency and the Zagreb Stock Exchange Inc., and it will also be published in the Official Gazette.

Rijeka, 17 November 2017

THE PORT OF RIJEKA JSC

Vedran Devčić, President of the Management Board

Linda Sciucca, Member of the Management Board

Nenad Janjić, Member of the Management Board

Attachment: -opinion of the representative of employees of the Target Company about the Takeover Bid.

RECEIVED NOVEMBER 17<sup>TH</sup> 2017

Rijeka, November 16<sup>th</sup>, 2017

KREŠIMIR TRTANJ

Employee representative

in the Supervisory Board of the Port of Rijeka JSC

THE PORT OF RIJEKA

Company Management

Subject: Delivery of the employee representative's opinion about the bid for takeover of the Company

On the day of November 15<sup>th</sup>, 2017, the Company Management delivered to the employee representative in the Supervisory Board the Management's opinion about the bid for takeover of the company The Port of Rijeka JSC by the joint stock company OT LOGISTICS S.A. and the request for a statement of the employee representative regarding the published takeover bid, pursuant to Article 41 paragraph 2 of the Act on the Takeover of Joint Stock Companies (Official Gazette no. 109/07, 36/09, 108/12, 90/13, 99/13, 148/13). The Takeover bid, which was published at the website of the Zagreb Stock Exchange, was attached to the Opinion. In order to give the opinion in this respect, the employee representative at the Supervisory Board has convened a meeting with the representatives of the unions active within the Port of Rijeka JSC.

As the employee representative in the Supervisory Board, following consultations with the majority of union representatives, I state as follows.

The entire submitted documentation was considered and acknowledged. In principle, we agree with the Opinion of the Management of the Target company, with the hope that the intended strategic plans of the Bidder will have a beneficial effect on further business operations of the Company, particularly with regard to the legal status of the employees and, consequently, the life standard of the employees of the Port of Rijeka JSC. We expressly draw your attention to preserving material and other rights of employees arising from the Collective Agreement in force, with respect to the employees of the company the Port of Rijeka JSC, and the investment into staff of the Target Company, so as to achieve the maximum quality of work and enable professional development of the employees. Considering the plans of development and expanding the market by the Bidder, we expect a proactive approach to the hiring policy, preservation of the current job positions and the engagement of the Bidder with respect to communicating with the employee representatives, in order to achieve transparency and high standard of doing business.

Yours sincerely,

Krešimir Trtanj