

PUBLIC INVITATION

FOR SUBSCRIPTION OF UP TO 250,000 NEW PREFERRED SHARES OF THE COMPANY ULJANIK PLOVIDBA d.d. WITH RECOGNITION OF PRE-EMPTIVE RIGHTS OF EXISTING SHAREHOLDERS

The Director of the company ULJANIK PLOVIDBA Pomorski promet, dioničko društvo, Pula, Carrarina 6, entered into the court registry of the Commercial Court in Pazin under the company registration number (MBS): 040010793, PIN: 49693360447 (hereinafter: **Issuer**), pursuant to Art. 323 and Art. 324 of the Companies Act (Official Gazette No. 111/93, 34/99, 121/99, 52/00, 118/03, 107/07, 146/08, 137/09, 125/11, 152/11, 111/12, 68/13 and 110/15, hereinafter: **CA**) and the authority conferred in Art. 7 of the Issuer's Articles of Association (full text of 14 July 2017), rendered on 30 November 2018, with the consent of the Company's Supervisory Board, the Decision on the increase of the share capital by issuing of preferred shares through a public offer in the Republic of Croatia against contributions in cash.

The share capital of the Issuer amounts to 232,000,000.00 HRK (two hundred thirty two million HRK) and is divided into 580,000 (five hundred eighty thousand) ordinary registered shares in the nominal amount of 400.00 HRK (four hundred HRK) each. The share capital is fully paid and shares are held in the form of an electronic record under the ticker ULPL-R-A with the Central Depository & Clearing Company Inc. (hereinafter referred to as **CDCC**).

In accordance with this Decision the Issuer's share capital increases from the amount of 232,000,000.00 HRK (two hundred thirty two million HRK) for a maximum of 25,000,000.00 HRK (twenty five million HRK) up to a maximum amount of 257,000,000.00 HRK (two hundred fifty seven million HRK), to raise the funds necessary to reduce the loan exposure of the Issuer to create preconditions for improving of the Issuer's liquidity and to strengthen its financial stability by maintaining the desired debt and capital ratio.

The share capital is increased through the issue of new preferred shares against contributions in cash, i.e. the issue of a maximum 250.000 (two hundred and fifty thousand) new preferred shares with no voting rights, of an individual nominal value of 100.00 HRK (one hundred HRK), in form of electronic records on the securities account of the computer system of the CDCC, with a ticker assigned by CDCC, registered shares that give the holder the following preferential rights:

- i. the right to an annual dividend of 5% (five percent) of the nominal amount of the share;
- ii. the right to the difference up to the full amount of the dividend that the holders of ordinary shares are entitled to for the relative business year;
- iii. the right to collect accumulated and outstanding dividends over a period of 3 (three) years prior to the payment of dividends to holders of ordinary shares;
- iv. the right of priority at payment of the remaining liquidation or bankruptcy value (hereinafter: **Preferred Shares**).

The Preferred Shares are issued for the amount of (price of the share) **120.00 HRK** (a hundred and twenty HRK) per share, which represents a greater amount than the portion of the share capital that appertains to them. Pursuant to the provision of Article 304, paragraph 3 of the CA, Preferred Shares will not be issued below this amount and all interested investors are obliged to pay for each share they wish to subscribe the amount of 120,00 HRK (a hundred and twenty HRK). The stated amount represents approximately the average price at which the Issuer's shares were traded on the organized market in the last year according to data valid on the day of rendering of the Decision on the increase of share capital.

No prospectus will be issued for the purpose of issuance of the Preferred Shares. In accordance with the provision of Art. 409, paragraph 1, point 6 of the Capital Market Act (Official Gazette No. 65/2018, hereinafter: **CMA**) which allows public offering of securities without prior publishing of a prospectus where the total consideration of the offer for securities raised in the European Union is less than 5,000,000.00 Euro (five million Euro) in their counter-value in HRK, which is calculated over a period of 12 (twelve) months in accordance with Art. 3, paragraph 2 of the Regulation (EU) No. 2017/1129, which is the case in this public offer, the Issuer shall rely on the exception and avail itself from the obligation to publish a prospectus.

For the issued Preferred Shares, the Issuer will within 12 (twelve) months from the date of their issue, request a listing on the Official Market of the Zagreb Stock Exchange in accordance with the relevant applicable regulations. Trading Preferred Shares in the Official Market of the Zagreb Stock Exchange will be possible when and if the Zagreb Stock Exchange approves the inclusion of the Preferred Shares.

All interested investors are invited to subscribe and pay for up to a maximum of 250,000 Preferred Shares in the manner and within the deadlines as stated below and with the recognition of the right of pre-emption of the existing shareholders to subscribe new shares. In particular, the Issuer wishes to point out that it has no ownership links and that it does not constitute part of the shipbuilding group ULJANIK with which the Issuer is unfortunately often erroneously linked due to the similarity in the name of the companies.

PROCEDURE AND TIMELINE OF SUBSCRIPTION AND PAYMENT OF SHARES

Preferred Shares are subscribed via a written statement (subscription form) from Article 307, paragraph 1 of the CA (hereinafter: **Subscription form**), a copy of which is available at the headquarters of the Issuer in Pula, at the address Carrarina 6, on the Issuer's website (www.uljaniksm.com) and attached to this public invitation.

The payment of the Preferred Shares is made to the transaction account of the Raiffeisenbank Austria d.d., **IBAN HR062484008100000013**, with mandatory indication of the following reference number: **HR00 011-2480-31795** and the mandatory description of the purpose of payment: **capital increase**.

If the payment is made from abroad, the payment of the Preferred Shares shall be made on the mentioned transaction account of the bank Raiffeisenbank Austria d.d. **IBAN HR0624840081000000013, SWIFT: RZBHHR2X** with the mandatory indication of the following description of payment: **011-2550-31795 capital increase Uljanik Plovidba d.d.**

Each shareholder who so requests and who is registered as a shareholder of the Issuer on 30 November 2018 in the central depository, shall be granted, in accordance with Article 308, paragraph 1 of the CA, pre-emptive rights when subscribing Preferred Shares for that portion of the Preferred Shares which corresponds to his or her share in the Issuer's existing share capital and in accordance with the status of his or her securities account in the computer system of the CDCC on 30 November 2018.

The pre-emptive right at subscription of new shares shall be exercised by stating in the Subscription form at the time of subscription of Preferred Shares the total number of shares that the subscriber wishes to subscribe and by additionally marking the existence of the pre-emptive right at subscription of new shares. Pre-emptive rights are transferable in accordance with the regulations in force.

Treasury shares do not grant the Issuer the right to participate in the procedure of increase in the share capital.

The window for subscription and payment of Preferred Shares is 15 (fifteen) days, running from **3 December 2018** and closing by end of the day of **17 December 2018**.

The duly filled and signed Subscription form is submitted to the Issuer directly at the address of its headquarters in Pula, Carrarina 6, between 08:00 until 16:00 h every business day, sent to the Issuer by registered mail to the Issuer's headquarters' address in Pula, Carrarina 6 or submitted electronically to the following e-mail address of the Issuer: dokapitalizacija@uljanikplovidba.com. It will be considered that a properly filled-in and signed Subscription form was submitted in a timely manner if it was delivered directly or by mail or electronically to the Issuer no later than the expiry of the deadline for subscription and payment of the Preferred Shares, i.e. by the end of the day of 17 December 2018.

If, according to the status of the entry in the CDCC computer system on 30 November 2018 the shares of the Issuer for the account of the shareholder are held by a custodian bank, the subscription of the Preferred Shares can be made by the custodian bank or by the shareholder to whom the custodian bank issued the corresponding certificate or statement that as of 30 November 2018 such custodian bank was entered as the custodian bank for the shares of the shareholder. The issued certificate or statement of the custodian bank must be submitted to the Issuer together with the filled and signed Subscription form. Otherwise, such persons will not be eligible to participate in the subscription of Preferred Shares.

Valid payments shall be considered to be exclusively payments registered on the transaction account of the bank Raiffeisenbank Austria d.d., IBAN HR0624840081000000013 until 23:59 h on the last date set for subscription and payment of Preferred Shares i.e. until 23:59 h on 17 December 2018.

If investors are arranging payment of funds through institutions that provide payment services other than Raiffeisenbank Austria d.d., they should personally inform themselves at the institution through which they are arranging payment, about the time needed for the funds paid to be received in favour of the above mentioned transaction account opened with Raiffeisenbank Austria d.d. before the expiry of the deadline i.e. 23:59 h on 17 December 2018.

In the event that the investor does not pay the entire amount of the subscribed Preferred Shares within the deadline for subscription and payment of the Preferred Shares, the Preferred Shares will be allocated to the investor according to the amount paid. In the event that an investor pays a larger amount than the amount corresponding to the number of subscribed Preferred Shares, the number of subscribed Preferred Shares will be taken into account when allocating the Preferred Shares. The overpaid amount will be returned to the investor to the account number specified by the investor in the Subscription form within 5 (five) business days after the expiry of the deadline for subscription and payment of the Preferred Shares. In this case, the Issuer will not be liable for any transaction expenses or any other costs, or any payment of interest to the investors.

Multiple subscriptions and payments of Preferred Shares are not allowed, however, each Investor is entitled to cancel the previously entered subscription and payment and effect a new subscription and payment of the Preferred Shares within the deadline for subscription and payment of the Preferred Shares. Furthermore, Investors who have subscribed Preferred Shares may withdraw their application for subscription to Preferred Shares in the cases and under the conditions laid down in Article 449 of the CMA.

DETERMINING THE SUCCESS OF THE ISSUE

The final amount of increase of the share capital will depend on the success of the issue, i.e. on the number of Preferred Shares subscribed and paid. The issue of Preferred Shares will be considered successful if within the defined deadline for subscription and payment, at least 30% (thirty per cent) of the total amount of the issue, or at least 75,000 (seventy five thousand) Preferred Shares are subscribed and paid for. The so determined total amount of the successful issue will also represent the exact amount of increase of the Issuer's share capital through the issue of Preferred Shares against payment in cash.

The success of the subscription and payment of the Preferred Shares and the precise amount of the increase of the share capital shall be determined according to the number of subscriptions

and payments on the day of expiry of the deadline for subscription and payment of the Preferred Shares i.e. on 17 December 2018, within the following 3 (three) business days at the latest. The Director shall, with the consent of the Supervisory Board, determine the success of the issue of the Preferred Shares, the exact amount of the increase of the share capital and the exact number of the subscribed and paid Preferred Shares and, in the case of a successful issue, submit to the court of registry the application for the entry of the increase of the share capital in the court register pursuant to Article 309 of the CA. After the increase of the share capital, the Supervisory Board of the Issuer will adjust the text of Article 7 of the Articles of Association of the Issuer referring to the amount of the share capital and the number and type of the Issuer's shares, with the changes that have been made by the increase of the share capital by the issue of Preferred Shares and establish the full text of the Articles of Association. Such amendments to the Issuer's Articles of Association shall enter into force and apply from the date of entry into the court register.

If the subscription of the Preferred Shares is not successful or if the increase in the Issuer's share capital is not successfully entered in the court registry in accordance with Article 309 of the CA within 6 (six) months of the date of rendering of the Decision on the increase of the share capital, the Issuer will, within a maximum 5 (five) business days after the expiration of the deadline for subscription and payment of Preferred Shares or after the expiration of 6 (six) months from the date of rendering of the Decision on the increase of the share capital, return to the investors the funds paid, to the number of the account that the investors have stated in the Subscription form. In these cases, the Issuer will not be liable to pay any transaction costs or any other charges or pay interest to the Investors. Within the same deadline and under the same conditions, the Issuer will return to the investors all other overpaid amounts, if any.

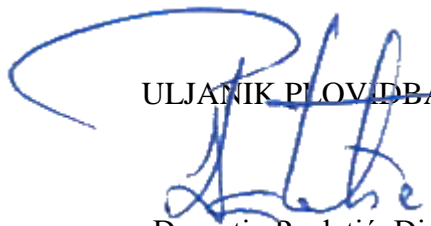
ALLOCATION OF ISSUED SHARES

The allocation of the Preferred Shares to the investors will be effected by first allocating, to each investor that on 30 November 2018 holds shares of the Issuer on his securities account in the CDCC's computer system, the maximum number of subscribed and paid Preferred Shares that correspond to such investor's pre-emptive right under Article 308, paragraph 1 of the CA, following which the remainder of the total subscribed and paid for Preferred Shares shall be distributed among the investors that do not hold pre-emptive rights at subscription of new shares or who have subscribed and paid for a greater number of Preferred Shares than the one that they are entitled to under their pre-emptive rights, according to their share in the validly subscribed and paid up Preferred Shares of each such investor in the total demand for subscription and payment of Preferred Shares expressed by all such investors.

Investors become holders of Preferred Shares with the entry of the Preferred Shares onto their account of immaterialized securities in the CDCC computer system, which entry will be made in accordance with CDCC's rules as soon as the share capital increase is entered in the court register.

All additional information regarding the subscription and payment of Preferred Shares may be requested by interested investors at the Issuer's telephone number: +385 52 211-544 or by writing to the following email address: dokapitalizacija@uljanikplovdba.com.

The public invitation will be published in accordance with the relevant regulations on the website of the court register (<https://sudreg.pravosudje.hr/>), of the Issuer (www.uljaniksm.com) and of the Zagreb Stock Exchange (www.zse.hr), in the Officially appointed mechanism for the central storage of regulated information of the Croatian Financial Services Supervisory Agency and in the media through the Croatian News Agency.

A handwritten signature in blue ink, appearing to read 'D. Pavletić', is written over the company name.

ULJANIK PLOVIDBA d.d.
Dragutin Pavletić, Director

SUBSCRIPTION FORM
for subscription of new preferred shares of the company
ULJANIK PLOVIDBA d.d.

The Director of the company ULJANIK PLOVIDBA Pomorski promet, dioničko društvo, Pula, Carrarina 6, entered into the court registry of the Commercial Court in Pazin under the company registration number (MBS): 040010793, PIN: 49693360447 (hereinafter: **Issuer**), rendered on 30 November 2018, with the consent of the Supervisory Board and on the basis of the authority conferred in Art. 7 of the Articles of Association on the approved share capital, the Decision on the increase of the share capital by issuing of preferred shares through a public offer in the Republic of Croatia against contributions in cash, with recognition of pre-emptive rights of existing shareholders at subscription of new shares from Art. 308, paragraph 1 of the Companies Act, and with the use of the exception to the obligation to publish a prospectus in accordance with Art. 409, paragraph 1, point 6 of the Capital Market Act.

The share capital of the Issuer amounts to 232,000,000.00 HRK and is divided into 580,000 ordinary registered shares of the nominal amount of 400.00 HRK each. The share capital is fully paid and shares are held in the form of an electronic record under the ticker ULPL-R-A with the Central Depository & Clearing Company Inc.

In accordance with the decision rendered, the Issuer's share capital increases from the amount of 232,000,000.00 HRK for a maximum of 25,000,000.00 HRK up to a maximum amount of 257,000,000.00 HRK through the issue of new preferred shares against contributions in cash, i.e. the issue of a maximum 250,000 new preferred shares with no voting rights, of an individual nominal value of 100.00 HRK, in immaterialised form with a ticker assigned by the Central Depository & Clearing Company Inc., which are registered shares that give the holder the following preferential rights: (i) the right to an annual dividend of 5% of the nominal amount of the share; (ii) the right to the difference up to the full amount of the dividend that the holders of ordinary shares are entitled to for the relative business year; (iii) the right to collect accumulated and outstanding dividends over a period of three years prior to the payment of dividends to holders of ordinary shares; (iv) the right of priority at payment of the remaining liquidation or bankruptcy value (hereinafter: **Preferred Shares**).

The Preferred Shares are issued for the price of 120.00 HRK per share, which represents a greater amount than the portion of the share capital that appertains to them. Pursuant to the provision of Article 304, paragraph 3 of the Companies Act, Preferred Shares will not be issued below this amount and all interested investors are obliged to pay for each share they wish to subscribe the amount of 120.00 HRK.

For the issued Preferred Shares, the Issuer will within twelve months from the date of their issue, request a listing on the Official Market of the Zagreb Stock Exchange in accordance with the relevant applicable regulations.

The manner and the timeline of subscription of the Preferred Shares are described in detail in the Public invitation to the subscription and payment of Preferred Shares, which Public invitation was published by the Issuer on 30 November 2018 and is available on the website of the court of registry (<https://sudreg.pravosudje.hr/>), of the Issuer (www.uljaniksm.com) and of the Zagreb Stock Exchange (www.zse.hr) and in the Officially appointed mechanism for the central storage of regulated information of the Croatian Financial Services Supervisory Agency (hereinafter: **Public invitation**).

GENERAL CONDITIONS OF ISSUE OF PREFERRED SHARES	
Issuer:	ULJANIK PLOVIDBA d.d.
Total number of offered Preferred Shares:	250,000
Nominal value of one Preferred Share:	100.00 HRK
Price of one Preferred Share:	120.00 HRK
Subscription start:	3 December 2018, 00:00 h
Subscription close:	17 December 2018, 24:00 h
Deadline for payment of Preferred Shares:	17 December 2018, 23:59 h
Bank account for payment of Preferred Shares (domestic payments):	IBAN HR0624840081000000013 Reference number: HR00 011-2480-31795 Description: capital increase
Bank account for payment of Preferred Shares (foreign payments):	IBAN HR0624840081000000013, SWIFT: RZBHHR2X Description: 011-2550-31795 capital increase Uljanik plovidba d.d.

DATA ON THE INVESTOR SUBSCRIBING SHARES (to be filled in by the investor)	
Name and surname / Company:	
Address of residence / Company headquarters:	
PIN:	
Name and surname of legal representative (for legal entities):	
Custodian (if any):	
Contact (mention at least 1 preferred):	
Address:	
Telephone:	
Cell phone:	
E-mail:	
Account with the Central Depository & Clearing Company Inc. to which Preferred Shares will be allocated:	
Bank account for the return of funds (IBAN):	

SUBSCRIPTION OF PREFERRED SHARES (to be filled in by the investor)	
Number (quantity) of the Preferred Shares that are subscribed:	
Pre-emptive rights at subscription of Preferred Shares (Yes/No):	
Total amount of payment for subscribed Preferred Shares (HRK):	

The exact amount of increase in share capital and the exact number of subscribed Preferred Shares shall be determined according to the number of subscriptions and payments on 17 December 2018, within three business days upon expiry of the deadline for subscription and payment of Preferred Shares and published at the internet site of the Issuer and the Zagreb Stock Exchange, in the Officially appointed mechanism for the central storage of regulated information of the Croatian Financial Services Supervisory Agency and in the media through the Croatian News Agency.

If the increase in the share capital is not entered in the court registry within six months of the date of rendering of the decision on the increase of the share capital, the Subscription form shall cease to bind the investor and the Issuer will, within five business days after the expiration of the said deadline, return to the investor the funds paid. In this case, the Issuer will not be liable to pay any transaction costs or any other charges or pay interest to the investor.

By completing and signing of this Subscription form the investor declares that he or she is familiar with the Articles of Association of the Issuer and with the Public invitation, and that he or she accepts and undertakes to subscribe and pay for the Preference Shares as specified in the Subscription form, under the conditions of subscription and payment set out in the Public invitation, which conditions the investor accepts in full.

The investor declares that all the data in the Subscription form are correct.

The investor agrees that the Central Depository & Clearing Company Inc. and the Issuer may exchange all the information contained in this Subscription form and as well as the investor's securities account data with the Central Depository & Clearing Company Inc. for the purpose of effecting of the acquisition of Preferred Shares by the investor.

For all legal relations that may arise in connection with the Subscription form, the law of the Republic of Croatia shall be the relevant law.

In _____, _____ December 2018

(Investor)

The Issuer hereby confirms receipt of this Subscription form on _____ December 2018 at _____ h.

(Issuer)