

Stanovi Jadran

MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

01.01.2020. to 31.12.2020.

Split, February 8th, 2021.

Introduction

Stanovi Jadran PLC. continues with remarkable performance in 2020 despite the hurdles caused by COVID-19 pandemics with main aim to pay-out dividends to shareholders.

Reasons supporting results are: (i) sale of stake in Winter ltd., (ii) sale of penthouse S3 and apartment S2 in Šibenik and (iii) revaluation of previously devaluated properties in portfolio.

Company sold some financial assets in Bosnia and Herzegovina where cumulative loss was made, all in order to increase liquidity.

At the same time, the construction site of the Hotel Armerun in Šibenik is still active and despite dynamics slowdown due to measures set by Government in order to stop the expansion of COVID-19, the opening is expecting to happen in April/May 2021.

The Management Board of the Company is actively engaged in the sale of real estate that does not fit Company's development strategy. Accordingly, properties in Zagreb and some in Dubrovnik are listed for sale.

Best,

STANOVI JADRAN plc.

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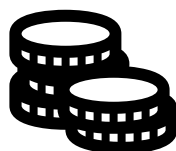
I. COMMENTS ON BUSINESS DOING

Stanovi Jadran plc. (the Company) sold 89% of its subsidiary Winter ltd. right before pandemic burst with premium valuation. Furthermore, the penthouse S3 and apartment S2 in Šibenik have been sold while previously devaluated properties have been revaluated.

Due to tax legislation, the Company paid all necessary taxes to Bosnia & Herzegovina what affected liquidity but in the same time the tax payment will be recognized and accepted in Croatia due to double taxation contracts between Croatia and Bosnia & Herzegovina.



Sales revenue
21.777.911 HRK



Material expenses
1.096.385 HRK



Wages & salaries
736.232 HRK



Net profit
13.013.013 HRK



Assets
108.627.779 HRK

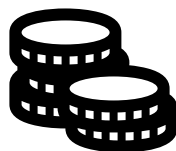


Liabilities
26.085.640 HRK

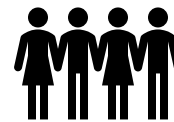
Stanovi Jadran plc. (the Group) consists of subsidiaries Vile Orašac ltd and Nova Nekretnine ltd where the Company holds 100,00% and 85,40% respectively. Both subsidiaries are developing projects in Dubrovnik area, where some projects already hold permits to build and some are in the process of getting permits.



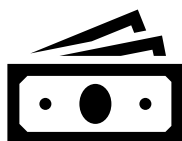
Sales revenue
21.043.345 HRK



Material expenses
1.119.299 HRK



Wages & Salaries
736.232 HRK



Net profit
12.209.051 HRK



Assets
109.555.615 HRK



Liabilities
26.293.019 HRK

II. IMPORTANT BUSINESS EVENTS

Stanovi Jadran plc. completed the sale of shares in the subsidiary Winter Ltd. and purchased securities in Bosnia and Herzegovina. The Company continued with investment activities in the Hotel "Armerun" in Šibenik whose opening is expected in April/May 2021.

Moreover, the Company sold a penthouse S3 and apartment S2 in Šibenik and 113 m2 garage in Zagreb. The Company sold almost all financial assets in Bosnia and Herzegovina in 2020.

Due to the COVID-19 pandemic, the daily rental income of the Penthouse Vinci as part of Center Ploka declined, as well as some rent income.

Nova Nekretnine ltd has started remodelling of the project due to new homogenization of cadastral plans in Dubrovnik and got permit confirmations. Final permit is expected very soon.

III. EXPECTED BUSINESS DEVELOPEMENT

Hotel Armerun has been set to open during second quarter of 2021 what should strengthen revenue stream of the Company. The Management also announced start of merger procedure with Global Rent ltd what would additionally stabilise revenues.

The Company will operate as REIT company which will develop projects and manage own properties with high returns.

All liabilities of the Company and its Subsidiaries relate mainly to investments activities in projects that are ongoing.

The subsidiary VILE ORAŠAC ltd. submitted permit extension in second quarter.

Due to reduced demand for daily rent as well as the financial crisis, the Company's Management believes that it should be easier to find properties for potential hotels in the city historic centres at more affordable prices. The Management is actively looking for location of second Hotel Armerun.

The main aim of the Company is to diversify portfolio in a way of holding different types of revenue generating properties such as shopping malls and commercial spaces rather than only properties whose revenue streams are tourism associated.

IV. R&D ACTIVITIES

COVID-19 pandemics affected tourism as one of the industries the Company set as a strategic, the Management started to diversify portfolio in order to reduce tourism depending revenue streams.

V. TREASURY SHARES INFORMATION

Stanovi Jadran plc. do not own treasury shares, and the existing ownership structure and is subject to more frequent changes in the Stock Exchange Market. At this moment, there are neither treasury repurchase program nor employee stock purchase plan.

VI. BRANCH OFFICES

Neither company nor its subsidiaries have open branch offices.

VII. IMPORTANT FINANCIAL INSTRUMENTS

Financial instruments that the Company has in its portfolio are:

- subsidiaries Villa Orasac ltd. and Nova Nekretnine ltd;
- shares of companies listed on Zagreb Stock Exchange such as Varteks d.d. and Proprius d.d. – in liquidation. The company holds 10.57% of Proprius d.d. – in liquidation share capital;
- securities Energonova and Prof plus listed at Sarajevo Stock Exchange

In view of the above, it is important to evaluate the financial position and performance of the Company as an Issuer and the parent of its subsidiaries, it can be concluded that the business interests held by the Company in its subsidiaries form a significant part of the basis for assessing the financial position and the success of the Company's operations as an Issuer.

VIII. AIMS AND POLICY

The Company is exposed to basic business risks which are set out in Chapter IX. of this Report.

All employees of the Company, including the Management Board and the Supervisory Board, participate in the implementation of the internal control and risk management system.

The Company manages risks, especially financial ones, monitoring and compliance with significant regulations and through internal control that is performed by monitoring the operations in all organizational units through the activities of the Company and especially the control of ancillary services.

IX. RISK EXPOSURE

The Company's management believes that the risks have significantly changed from the end of 2019 to the end of the reporting period.

Industry Risk

The Issuer has been present and operates in the markets related to the design, construction and rental of residential and commercial real estate, as well as the development of real estates. Also,

the Issuer runs accommodation and catering services of food and beverage preparation (services related to tourist consumption).

Long-term plan is to have all properties into operation which would generate rental income. Based on the above plan, the Issuer would transfer the business of catering and hotel content to tenants of these properties, while the Issuer would generate income from fixed and variable leases.

In order to effectively manage market risk, the Issuer's responsible persons will pay special attention to:

- risk analysis,
- risk monitoring,
- reporting to the Management Board and other responsible persons of the Issuer on risks,
- participation in the development, application and supervision of the functioning of risk management methods and models

Risk management can take action in several different ways such as avoiding, reducing, taking over, pooling and shifting risk. The Issuer will try to avoid all types of risks in its regular operations, and if they materialize, it will attempt to reduce them.

The real estate market in the Republic of Croatia has been recovering over the last five years in terms of the growth in the number of issued building permits and the movement of residential and commercial real estate prices, especially in coastal regions, cities and places that generate tourist consumption. Since the date of Croatia's accession to the European Union, there has been a noticeable increase in demand for residential and commercial real estate and the developments of real estate projects, especially by foreign nationals from the EU, but also from other parts of the world. In recent years, foreign nationals have been looking for exclusive real estate along the coast, such as those that the Issuer intends to offer to the market for sale. The Issuer believes that there is a shortage of such real estates on the market (high price range), which justifies the focus and intention of the Issuer to focus in its business on this market segment of business. The responsible persons of the Issuer, based on previous experience and knowledge, believe that the current economic recovery and growth of tourist consumption, act favourably on the development of real estate projects as planned or currently built by the Issuer. Given that operations in the real estate market are usually marked by long-term trends that are reflected mostly in long term cycles of real estate prices without significant corrections, the Issuer believes the Republic of Croatia is only in the early phase of a positive cycle of long-term real estate prices. and there is no need of special measures to mitigate market risks because the current level and assessment of real estate price movements in the areas where the Issuer builds or plans to build. If certain market disturbances occur, the Issuer will, through intensified marketing and sales activities, reduce the proportion of real estate built in the property and at the same time increase the company's liquidity.

Since March 19, 2020, when the Civil Protection of the Republic of Croatia introduced measures related to preventing the spread of the COVID-19 virus, the completion of construction works has been slowed down, and the issuance of construction permits is expected to slow down. Since joining the European Union, the price on the real estate market has been formed mainly due to the lack of supply of real estate for daily rent on the market and the excess demand from economically more powerful western countries. Precisely due to the lack of real estate for daily rent and increasing prices, a large number of properties was converted from residential to commercial, which reduced the supply of residential ones and increased prices. Due to restrictions on movement and business activities due to COVID-19 and, it is likely that there will be some correction in real estate prices due to reduced demand.

The issuer estimates that the most important risk related to tourism, ie the generation of tourist consumption, is seasonality. The Issuer will strive to reduce the market risk of tourism related to the seasonality of tourist consumption through balancing and time delimitation of tourist consumption during the calendar year.

Tourism in the Republic of Croatia is one of the most important economic branches with an estimated share of about 20% of GDP. The main generators of the growth of tourist consumption in the long run are the provision of accommodation services and catering services for food and beverage preparation. The issuer believes that such trend will continue in the future, although with lower growth rates and still present problem of seasonality. Since the accession of the Republic of Croatia to the EU, the Republic of Croatia has become one of the most wanted tourist regions in the northern Mediterranean. The issuer believes tourism, as a very specific industry that connects several other industries by generating tourism consumption, currently has a medium risk rating, given the level reached, but also the expected dynamics of tourism consumption in the next few years.

The COVID-19 virus pandemic represents the greatest risk of the tourism industry in the short term, given the large negative impact on the global tourism business and the business of the Issuer in the current year, and potentially in the years to come. Measures taken to combat the spread of the virus, such as the closure of borders, the ban on the operation of catering facilities, mandatory self-isolation measures, can greatly affect the financial position of the Issuer and the investment cycle that follows. Given the above, one of the main strategic directions of the Issuer is to diversify the portfolio in order to reduce dependence on one industry.

Credit risk

Credit risk is the risk of default of the debtor towards the Issuer, or in other words the possibility that the given funds will not be repaid on time or in full or returned as planned.

The Issuer does not normally lend to subcontractors who perform its works. During the construction, all payments are made according to the calculated accounting situations for the performed works in the previous month, and all concluded contracts for the execution of works are secured by bank guarantees or promissory notes of the Contractor. Also, the Issuer does not lend to lessees, and all leases are secured by additional collateral.

The Issuer seeks to do business exclusively with creditworthy parties and seeks to obtain appropriate collateral to mitigate the risk of financial loss due to default. The Issuer, on the basis of all publicly available and through special services available information, regularly assesses the creditworthiness of all its customers and business partners on a continuous basis. The Issuer continuously monitors its exposure to all contracting parties with which it does business, as well as their creditworthiness. Credit exposure is also managed by conducting periodic tests and analyzes to identify risks in doing business with customers and suppliers in a timely manner.

The Issuer intends to grant loans to affiliated companies in the ordinary course of business, with the aim of developing real estate projects, but the issuer's responsible persons will be guided by the principle of good business or care for the interests of shareholders, especially those related to all relevant information. Shareholders will be informed about all transactions in the regular financial statements.

Planned investments risk

The issuer's long-term strategy is the acquisition of commercially viable real estate and companies with growth potential with the aim of expanding operations and creating an adequate basis for the future profitable operations of the Issuer. The implementation of such a strategy will depend on the emergence of business opportunities and market financing conditions. The Issuer currently manages sufficient financial and operational resources to integrate an individual acquisition into its business as soon as possible and to successfully manage or develop it until its commercial exploitation. Considering the financial position of the Issuer, it is possible to expect larger acquisitions in the Issuer's project / real estate portfolio, which may increase the cost burden in the short term until the optimal financing ratio of an individual project or its greater economic efficiency is established. Prior to any investment, the Issuer will endeavour to assess all potential risks, in order to minimize all types of risks, and to carry out the acquisition in accordance with the plan and available financing opportunities.

It should be emphasized that despite comprehensive planning and preparation for a particular acquisition or takeover of the project, from the plan, through construction, to property management, there is a risk of failure to obtain building permits, approval of technical conditions, implementation of occupational safety and health regulations.


X. MANAGEMENT STATEMENT

Toni Jeličić Purko as a president of Management Board and Maja Bradić as a member of Management Board of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, as responsible persons for composition of financial reports for period 01.01.2020. – 31.12.2020. are giving the

STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2020. – 31.12.2020. is in line with Accounting Law, Accounting Standards of Financial Reporting and EU Directives.

The interim management report consists of true information and business results for a company and its subsidiary companies together with risk exposure statements.



Toni Jeličić Purko
Management Board President

STANOVI JADRAN
d.d. SPLIT



Maja Bradić
Management Board Member

Split, February 8th, 2021.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1.1.2020

to

31.12.2020

Year:

2020

Quarter:

4.

Quarterly financial statements

Registration number (MB):

02182190

Issuer's home Member

State code:

HR

Entity's registration
number (MBS):

060227551

Personal identification
number (OIB):

88680117715

LEI:

747800E0R03R0059Q263

Institution
code:

94048

Name of the issuer: STANOVI JADRAN d.d.

Postcode and town:

21000

SPLIT

Street and house number: Kralja Zvonimira 14/IX

E-mail address: info@stanovijadran.com

Web address: www.stanovijadran.com

Number of employees
(end of the reporting

9

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:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person: Mario Jurić

(only name and surname of the contact person)

Telephone: 021/482-367

E-mail address: mario@stanovijadran.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.12.2020

in HRK

Submitter: STANOVI JADRAN 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	83.643.000	72.454.397
I INTANGIBLE ASSETS (ADP 004 to 009)	003	24.810	21.250
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	24.810	21.250
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	49.854.963	50.790.890
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	3.590.122	4.950.563
4 Tools, working inventory and transportation assets	014	0	0
5 Biological assets	015	0	0
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	46.264.841	45.840.327
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	33.763.227	21.642.257
1 Investments in holdings (shares) of undertakings within the group	021	30.340.831	12.713.949
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	0	0
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	0	0
8 Loans, deposits, etc. given	028	156.416	1.945.529
9 Other investments accounted for using the equity method	029	0	11.000
10 Other fixed financial assets	030	3.265.980	6.971.779
IV RECEIVABLES (ADP 032 to 035)	031	0	0
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	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	6.652.324	36.013.842
I INVENTORIES (ADP 039 to 045)	038	0	0
1 Raw materials and consumables	039	0	0
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	2.929.894	8.754.604
1 Receivables from undertakings within the group	047	265.500	286.500
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	2.602.658	7.205.410
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	56.214	1.243.955
6 Other receivables	052	5.522	18.739
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	3.714.745	27.197.152
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	10.700	250.980
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	3.704.045	26.946.172
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	7.685	62.086
D) PREPAID EXPENSES AND ACCRUED INCOME	064	164.306	159.540
E) TOTAL ASSETS (ADP 001+002+037+064)	065	90.459.630	108.627.779
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	69.515.110	82.528.122
I INITIAL (SUBSCRIBED) CAPITAL	068	76.248.000	76.248.000
II CAPITAL RESERVES	069	3.357.629	3.357.629
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	0	0
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	0	0
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	-14.621.390	-10.090.520
1 Retained profit	082	0	0
2 Loss brought forward	083	14.621.390	10.090.520
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	4.530.871	13.013.013
1 Profit for the business year	085	4.530.871	13.013.013
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089	0	0
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	15.168.906	15.236.046
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	0	0
6 Liabilities to banks and other financial institutions	101	15.168.906	15.236.046
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	5.765.668	10.849.594
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	848.343	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	2.956.450	5.229.310
6 Liabilities to banks and other financial institutions	113	64.219	122.956
7 Liabilities for advance payments	114	59.151	0
8 Liabilities to suppliers	115	1.717.485	1.217.313
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	43.931	67.117
11 Taxes, contributions and similar liabilities	118	76.089	705.131
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	0	3.507.767
E) ACCRUALS AND DEFERRED INCOME	122	9.946	14.017
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	90.459.630	108.627.779
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 1.1.2020 to 31.12.2020

in HRK

Submitter: STANOVI JADRAN 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	8.311.226	3.066.105	11.018.282	6.727.599
1 Income from sales with undertakings within the group	126	23.100	5.775	16.800	4.200
2 Income from sales (outside group)	127	6.180.973	1.797.873	5.151.555	1.712.270
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	2.107.153	1.262.457	5.849.927	5.011.129
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	3.386.942	816.627	4.110.880	1.265.173
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	1.029.524	268.381	1.096.385	349.521
a) Costs of raw materials and consumables	134	224.340	73.085	345.038	56.052
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	805.184	195.296	751.347	293.469
3 Staff costs (ADP 138 to 140)	137	975.151	258.786	736.232	180.968
a) Net salaries and wages	138	600.791	155.197	451.915	104.427
b) Tax and contributions from salary costs	139	238.121	65.530	136.707	37.080
c) Contributions on salaries	140	136.239	38.059	147.610	39.461
4 Depreciation	141	368.104	90.026	1.367.200	622.453
5 Other costs	142	552.984	109.852	911.063	112.231
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	461.179	89.582	0	0
III FINANCIAL INCOME (ADP 155 to 164)	154	93.054	26.027	10.759.629	1.126.970
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	38.259	26.027	611.282	611.257
8 Exchange rate differences and other financial income	162	22.756	0	349.248	17.972
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	32.039	0	9.799.099	497.741
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	486.467	101.036	4.574.404	180.930
1 Interest expenses and similar expenses with undertakings within the group	166	28.898	7.225	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	376.700	34.197	562.711	154.311
4 Exchange rate differences and other expenses	169	23.530	23.530	276.370	26.619
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	57.339	36.084	3.735.323	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	8.404.280	3.092.132	21.777.911	7.854.569
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	3.873.409	917.663	8.685.284	1.446.103
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	4.530.871	2.174.469	13.092.627	6.408.466
1 Pre-tax profit (ADP 177-178)	180	4.530.871	2.174.469	13.092.627	6.408.466
2 Pre-tax loss (ADP 178-177)	181	0	0	0	0
XII INCOME TAX	182	0	0	79.614	79.614
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	4.530.871	2.174.469	13.013.013	6.328.852
1 Profit for the period (ADP 179-182)	184	4.530.871	2.174.469	13.013.013	6.328.852
2 Loss for the period (ADP 182-179)	185	0	0	0	0
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	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
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	0	0	0	0
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	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	0	0
2 Loss for the period (ADP 195-192)	198	0	0	0	0
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	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
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	4.530.871	2.174.469	13.013.013	6.328.852
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	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
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	0	0	0	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	4.530.871	2.174.469	13.013.013	6.328.852
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	4.530.871	2.174.469	13.013.013	6.328.852
1 Attributable to owners of the parent	216	4.530.871	2.174.469	13.013.013	6.328.852
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2020. to 31.12.2020

in HRK

Submitter: STANOVI JADRAN 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	4.530.871	13.092.627
2 Adjustments (ADP 003 to 010):	002	-1.617.378	-14.315.097
a) Depreciation	003	368.104	1.367.200
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	-555.559	-3.912.404
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	-1.011.202	-5.851.723
d) Interest and dividend income	006	-159.316	-821.306
e) Interest expenses	007	468.825	563.211
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	-19.230	-87.471
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-709.000	-5.572.604
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	2.913.493	-1.222.470
3 Changes in the working capital (ADP 013 to 016)	012	-2.501.542	-1.299.679
a) Increase or decrease in short-term liabilities	013	-2.780.171	-72.257
b) Increase or decrease in short-term receivables	014	278.629	-1.227.422
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	411.951	-2.522.149
4 Interest paid	018	-404.821	-754.016
5 Income tax paid	019	0	-1.213.203
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	7.130	-4.489.368
Cash flow from investment activities			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	6.228.071
2 Cash receipts from sales of financial instruments	022	1.029.202	51.858.916
3 Interest received	023	38.234	0
4 Dividends received	024	121.082	210.103
5 Cash receipts from repayment of loans and deposits	025	0	1.371.800
6 Other cash receipts from investment activities	026	0	5.887
III Total cash receipts from investment activities (ADP 021 to 026)	027	1.188.518	59.674.777
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-8.255.975	-7.817.169
2 Cash payments for the acquisition of financial instruments	029	0	-26.115.419
3 Cash payments for loans and deposits for the period	030	-130.023	-26.150.781
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	-136.892	0
IV Total cash payments from investment activities (ADP 028 to 032)	033	-8.522.890	-60.083.369
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-7.334.372	-408.592
Cash flow from financing activities			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
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	19.182.548	7.234.916
4 Other cash receipts from financing activities	038	0	3.507.767
V Total cash receipts from financing activities (ADP 035 to 038)	039	19.182.548	10.742.683
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	-11.926.866	-5.790.324

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	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	-11.926.866	-5.790.324
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	7.255.682	4.952.359
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	-71.560	54.399
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	79.246	7.686
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	7.686	62.085

STATEMENT OF CHANGES IN EQUITY
for the period from 1.1.2020 to 31.12.2020

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 14)	17	18 (16+17)	
Previous period																		
1 Balance on the first day of the previous business year	01	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-14.617.334	-887.918	64.100.377	0	64.100.377
2 Changes in accounting policies	02	0	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	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)	04	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-14.617.334	-887.918	64.100.377	0	64.100.377
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	4.527.961	4.527.961	0	4.527.961	
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	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	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	887.918	887.918	0	887.918	
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	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-14.617.334	4.527.961	69.516.256	0	69.516.256
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	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	4.527.961	4.527.961	0	4.527.961	
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	0	887.918	887.918	0	887.918	
Current period																		
1 Balance on the first day of the current business year	27	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-14.617.334	4.521.961	69.510.256	0	69.510.256
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	-4.058	8.911	4.853	0	4.853
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	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-14.621.392	4.530.872	69.515.109	0	69.515.109
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	13.013.013	13.013.013	0	13.013.013	
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	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	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	0	0	0	0	0	0	0	0	0	0	0	0	
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	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	0	4.530.872	-4.530.872	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	76.248.000	0	0	0	0	0	3.357.629	0	0	0	0	0	-10.090.520	13.013.013	82.528.122	0	82.528.122
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	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	13.013.013	13.013.013	0	13.013.013	
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	0	4.530.872	-4.530.872	0	0	

NOTES TO FINANCIAL STATEMENTS - TFI
(drawn up for quarterly reporting periods)

Name of the issuer: STANOVI JADRAN d.d.

Personal identification number (OIB): 88680117715

Reporting period: 1.1.2020 to 31.12.2020

Notes to financial statements for quarterly periods include:

- a) an explanation of business events relevant to understanding changes in the statement of financial position and financial performance for the quarterly reporting period of the issuer with respect to the last business year: information is provided regarding these events and relevant information published in the last annual financial statement is updated
- b) information on the access to the latest annual financial statements, for the purpose of understanding information published in the notes to financial statements drawn up for the quarterly reporting period
- c) a statement explaining that the same accounting policies are applied while drawing up financial statements for the quarterly reporting period as in the latest annual financial statements or, in the case where the accounting policies have changed, a description of the nature and effect of the changes
- d) a description of the financial performance in the case of the issuer whose business is seasonal.