

# Stanovi Jadran

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## MANAGEMENT REPORT

### STANOVI JADRAN d.d. SPLIT

**01.01.2021. to 31.03.2021.**

Split, April 26<sup>th</sup>, 2021.

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## **Introduction**

Stanovi Jadran d.d. (hereinafter: the Company or Issuer) initiated the merger of Global Rent d.o.o. to the Company what was publicly announced in February 2021. By merging Global Rent d.o.o. to the Company, the Company positions itself as a large entity in the management of its own real estate and projects which operates like REIT. Furthermore, the Company announced cash recapitalization to speed up project developments and portfolio diversification.

The COVID-19 pandemic continues to present challenges in performing activities throughout the first quarter and the same challenges are reflected in business results. Nevertheless, the investment cycle in which the Company was throughout the first quarter and still is will result in the imminent opening of the Armerun Hotel in Šibenik.

Hotel Armerun should open its doors in May / June 2021, from which the Company is expected to generate stable revenues after the end of the COVID-19 pandemic.

The Company sold most of its financial assets in Bosnia and Herzegovina, except for those that the Management Board considers to be of significant value.

The Management Board of the Company is actively engaged in the sale of real estate that is not in focus or fits into the development strategy of the Company. Consequently, there are currently properties on the market in Zagreb and Dubrovnik for which the Company's Management Board receives constant inquiries and expects the realization soon.

Best,

STANOVI JADRAN plc.

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## I. COMMENTS ON BUSINESS DOING

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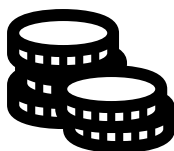
Stanovi Jadran plc. is in the final phase of the investment in the Armerun Hotel in Šibenik, which is expected to open in late May or early June. The company expects stable income from this property, which will reach its potential in the coming year.

In the first quarter, the Company generated revenues from the lease of the Centar Ploka property and the sale of plots in Lovinac. During this period, the Company received inquiries about the sale of real estate in Dubrovnik.

In this period, operating expenses are higher than in the same period last year because of increased depreciation and external costs associated with transactions in Bosnia and Herzegovina.



**Sales revenue**  
537.759 HRK



**Material expenses**  
330.045 HRK



**Wages & salaries**  
218.703 HRK



**Net loss**  
929.241 HRK



**Assets**  
108.668.029 HRK

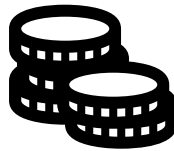


**Liabilities**  
28.257.797 HRK

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. Due to the sale of the subsidiary Winter d.o.o. in February 2020, the Group's results were significantly different compared to prior year.



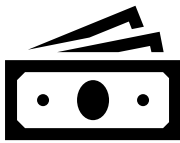
**Sales revenue**  
533.559 HRK



**Material expenses**  
347.013 HRK



**Wages & Salaries**  
218.703 HRK



**Net loss**  
932.061 HRK



**Assets**  
108.668.029 HRK



**Liabilities**  
28.257.797 HRK

## II. IMPORTANT BUSINESS EVENTS

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The Company announced the initiation of the merger of Global Rent ltd. to the Company whereby Stanovi Jadran d.d. position themselves as a significant entity in the management of own real estate and projects. Completion of the merger of the Company and Global Rent ltd. is expected in the second quarter of 2021.

In addition to the above merger, the Company informed the investment public about the recapitalization in cash by qualified investors, which is also expected to be in the second quarter of this year. Through the intended merger and recapitalization in cash, the Company will develop its own projects listed in the Information Document.

Due to the further spread of the COVID-19 pandemic, the income from the daily rent of the Penthouse Vinci in the Centre Ploka was cut, as well as leases to long-term tenants in such a way that the lease is calculated as a percentage of monthly income.

Nova Nekretnine ltd. submitted all the documentation for obtaining a building permit in Dubrovnik. The management of the Company expects a building permit soon.

### III. EXPECTED BUSINESS DEVELOPEMENT

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By merging and recapitalizing, the Company intends to position itself as a significant real estate company on the Zagreb Stock Exchange with the intention of generating returns on assets for the purpose of paying dividends to shareholders.

The real estate portfolio that the Company intends to manage would cover multiple industries for the purpose of reducing risks such as the risks caused by the COVID-19 pandemic in the tourism sector. Consequently, the Company intends to manage real estate in the sectors of retail, entertainment, tourism, storage, office space and residential development.

The goal of the Company is to diversify the portfolio, ie real estate groups, so that the Company has a stable income in case of problems in one of the industries.

### IV. R&D ACTIVITIES

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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

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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

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Neither company nor its subsidiaries have open branch offices.

### VII. IMPORTANT FINANCIAL INSTURMENTS

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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;
- shares of Elektroprivreda Sarajevo 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

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The Company is exposed to basic business risks which are set out in n 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

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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.

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.

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.

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.

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.

### **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.

## X. MANAGEMENT STATEMENT


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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 01.01.2021. – 31.03.2021. are giving the

### STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2021. – 31.03.2021. 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



Maja Bradić  
Management Board Member

**STANOVI JADRAN**  
d.d. SPLIT

Split, April 26<sup>th</sup>, 2021.

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

Reporting period:

01/01/2021

to

31/03/2021

Year:

2021

Quarter:

1

**Quarterly financial statements**

Registration number (MB):

02182190

Issuer's home Member

HR

State code:

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:

**Ne**

(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 31.03.2021.

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
<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>	72.344.372	73.341.755
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	21.250	20.360
1 Research and development	<b>004</b>	0	0
2 Concessions, patents, licences, trademarks, software and other rights	<b>005</b>	21.250	20.360
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>	50.790.891	51.771.086
1 Land	<b>011</b>	0	0
2 Buildings	<b>012</b>	0	0
3 Plant and equipment	<b>013</b>	4.378.297	4.223.345
4 Tools, working inventory and transportation assets	<b>014</b>	0	0
5 Biological assets	<b>015</b>	0	0
6 Advances for the purchase of tangible assets	<b>016</b>	1.504.020	1.393.506
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>	44.908.574	46.154.235
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	21.532.231	21.550.309
1 Investments in holdings (shares) of undertakings within the group	<b>021</b>	12.603.923	12.582.057
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>	0	0
4. Investments in holdings (shares) of companies linked by virtue of participating interests	<b>024</b>	0	0
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>	0	0
7 Investments in securities	<b>027</b>	0	0
8 Loans, deposits, etc. given	<b>028</b>	1.945.529	351.712
9 Other investments accounted for using the equity method	<b>029</b>	11.000	0
10 Other fixed financial assets	<b>030</b>	6.971.779	8.616.540
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	0	0
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>	0	0
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	34.855.456	35.167.184
<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>	7.596.218	7.130.685
1 Receivables from undertakings within the group	<b>047</b>	286.500	291.750
2 Receivables from companies linked by virtue of participating interests	<b>048</b>	0	0

3 Customer receivables	049	7.205.410	6.405.619
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	84.309	414.177
6 Other receivables	052	19.999	19.139
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>27.197.152</b>	<b>27.986.734</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	250.980	255.680
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	26.946.172	27.731.054
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>62.086</b>	<b>49.765</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>159.540</b>	<b>159.090</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>107.359.368</b>	<b>108.668.029</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>81.339.473</b>	<b>80.410.232</b>
<b>I INITIAL (SUBSCRIBED) CAPITAL</b>	<b>068</b>	<b>76.248.000</b>	<b>76.248.000</b>
<b>II CAPITAL RESERVES</b>	<b>069</b>	<b>3.357.629</b>	<b>3.357.629</b>
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>0</b>	<b>0</b>
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
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES AND OTHER (ADP 078 to 082)</b>	<b>077</b>	<b>0</b>	<b>0</b>
1 Financial assets at fair value through other comprehensive income (i.e. 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
4 Other fair value reserves	081	0	0
5 Exchange differences arising from the translation of foreign operations (consolidation)	082	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085)</b>	<b>083</b>	<b>-10.090.520</b>	<b>1.733.844</b>
1 Retained profit	084	0	1.733.844
2 Loss brought forward	085	10.090.520	0
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088)</b>	<b>086</b>	<b>11.824.364</b>	<b>-929.241</b>
1 Profit for the business year	087	11.824.364	0
2 Loss for the business year	088	0	929.241
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>089</b>	<b>0</b>	<b>0</b>
<b>B) PROVISIONS (ADP 091 to 096)</b>	<b>090</b>	<b>0</b>	<b>0</b>
1 Provisions for pensions, termination benefits and similar obligations	091	0	0
2 Provisions for tax liabilities	092	0	0
3 Provisions for ongoing legal cases	093	0	0
4 Provisions for renewal of natural resources	094	0	0
5 Provisions for warranty obligations	095	0	0
6 Other provisions	096	0	0
<b>C) LONG-TERM LIABILITIES (ADP 098 to 108)</b>	<b>097</b>	<b>15.236.046</b>	<b>15.082.358</b>
1 Liabilities to undertakings within the group	098	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	099	0	0
3 Liabilities to companies linked by virtue of participating interests	100	0	0

4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	101	0	0
5 Liabilities for loans, deposits etc.	102	0	0
6 Liabilities to banks and other financial institutions	103	15.236.046	15.082.358
7 Liabilities for advance payments	104	0	0
8 Liabilities to suppliers	105	0	0
9 Liabilities for securities	106	0	0
10 Other long-term liabilities	107	0	0
11 Deferred tax liability	108	0	0
<b>D) SHORT-TERM LIABILITIES (ADP 110 to 123)</b>	<b>109</b>	<b>10.769.832</b>	<b>13.175.439</b>
1 Liabilities to undertakings within the group	110	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	111	0	0
3 Liabilities to companies linked by virtue of participating interests	112	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	113	0	0
5 Liabilities for loans, deposits etc.	114	5.229.310	8.510.806
6 Liabilities to banks and other financial institutions	115	122.956	150.477
7 Liabilities for advance payments	116	0	0
8 Liabilities to suppliers	117	1.217.166	868.037
9 Liabilities for securities	118	0	0
10 Liabilities to employees	119	67.117	63.417
11 Taxes, contributions and similar liabilities	120	625.516	56.524
12 Liabilities arising from the share in the result	121	0	0
13 Liabilities arising from fixed assets held for sale	122	0	0
14 Other short-term liabilities	123	3.507.767	3.526.178
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>124</b>	<b>14.017</b>	<b>0</b>
<b>F) TOTAL – LIABILITIES (ADP 067+090+097+109+124)</b>	<b>125</b>	<b>107.359.368</b>	<b>108.668.029</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>126</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 01.01.2021. to 31.03.2021.

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
<b>I OPERATING INCOME (ADP 002 to 006)</b>	<b>001</b>	<b>19.921.484</b>	<b>599.977</b>	<b>347.357</b>	<b>347.357</b>
1 Income from sales with undertakings within the group	002	16.800	8.400	4.200	4.200
2 Income from sales (outside group)	003	5.300.210	591.577	343.157	343.157
3 Income from the use of own products, goods and services	004	0	0	0	0
4 Other operating income with undertakings within the group	005	0	0	0	0
5 Other operating income (outside the group)	006	14.604.474	0	0	0
<b>II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029)</b>	<b>007</b>	<b>7.268.527</b>	<b>984.063</b>	<b>1.206.565</b>	<b>1.206.565</b>
1 Changes in inventories of work in progress and finished goods	008	0	0	0	0
2 Material costs (ADP 010 to 012)	009	1.096.385	289.079	330.045	330.045
a) Costs of raw materials and consumables	010	345.038	41.289	65.512	65.512
b) Costs of goods sold	011	0	51.504	0	0
c) Other external costs	012	751.347	196.286	264.533	264.533
3 Staff costs (ADP 014 to 016)	013	736.232	182.167	218.703	218.703
a) Net salaries and wages	014	451.915	114.424	133.381	133.381
b) Tax and contributions from salary costs	015	136.707	42.827	40.961	40.961
c) Contributions on salaries	016	147.610	24.916	44.361	44.361
4 Depreciation	017	1.367.200	217.360	347.949	347.949
5 Other costs	018	909.655	278.822	135.978	135.978
6 Value adjustments (ADP 020+021)	019	0	0	0	0
a) fixed assets other than financial assets	020	0	0	0	0
b) current assets other than financial assets	021	0	0	0	0
7 Provisions (ADP 023 to 028)	022	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	023	0	0	0	0
b) Provisions for tax liabilities	024	0	0	0	0
c) Provisions for ongoing legal cases	025	0	0	0	0
d) Provisions for renewal of natural resources	026	0	0	0	0
e) Provisions for warranty obligations	027	0	0	0	0
f) Other provisions	028	0	0	0	0
8 Other operating expenses	029	3.159.055	16.635	173.890	173.890
<b>III FINANCIAL INCOME (ADP 031 to 040)</b>	<b>030</b>	<b>1.170.633</b>	<b>11.791.284</b>	<b>190.402</b>	<b>190.402</b>
1 Income from investments in holdings (shares) of undertakings within the group	031	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	032	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	033	0	0	0	0
4 Other interest income from operations with undertakings within the group	034	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	035	0	0	0	0
6 Income from other long-term financial investments and loans	036	0	0	0	0
7 Other interest income	037	611.282	1	34.738	34.738
8 Exchange rate differences and other financial income	038	349.248	0	155.664	155.664
9 Unrealised gains (income) from financial assets	039	0	0	0	0
10 Other financial income	040	210.103	11.791.283	0	0
<b>IV FINANCIAL EXPENSES (ADP 042 to 048)</b>	<b>041</b>	<b>839.581</b>	<b>139.581</b>	<b>260.435</b>	<b>260.435</b>
1 Interest expenses and similar expenses with undertakings within the group	042	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	043	0	0	0	0
3 Interest expenses and similar expenses	044	562.711	119.364	145.950	145.950
4 Exchange rate differences and other expenses	045	276.370	20.217	114.485	114.485
5 Unrealised losses (expenses) from financial assets	046	0	0	0	0
6 Value adjustments of financial assets (net)	047	0	0	0	0
7 Other financial expenses	048	500	0	0	0
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>049</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>050</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>051</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>052</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 001+030+049 +050)</b>	<b>053</b>	<b>21.092.117</b>	<b>12.391.261</b>	<b>537.759</b>	<b>537.759</b>
<b>X TOTAL EXPENDITURE (ADP 007+041+051 + 052)</b>	<b>054</b>	<b>8.108.108</b>	<b>1.123.644</b>	<b>1.467.000</b>	<b>1.467.000</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 053-054)</b>	<b>055</b>	<b>12.984.009</b>	<b>11.267.617</b>	<b>-929.241</b>	<b>-929.241</b>
1 Pre-tax profit (ADP 053-054)	056	12.984.009	11.267.617	0	0
2 Pre-tax loss (ADP 054-053)	057	0	0	-929.241	-929.241
<b>XII INCOME TAX</b>	<b>058</b>	<b>1.159.646</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059)</b>	<b>059</b>	<b>11.824.363</b>	<b>11.267.617</b>	<b>-929.241</b>	<b>-929.241</b>
1 Profit for the period (ADP 055-059)	060	11.824.363	11.267.617	0	0



2 Loss for the period (ADP 059-055)	061	0	0	-929.241	-929.241
<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 063-064)</b>	<b>062</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	063	0	0	0	0
2 Pre-tax loss on discontinued operations	064	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>065</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Discontinued operations profit for the period (ADP 062-065)	066	0	0	0	0
2 Discontinued operations loss for the period (ADP 065-062)	067	0	0	0	0
<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 055-+062)</b>	<b>068</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 068)	069	0	0	0	0
2 Pre-tax loss (ADP 068)	070	0	0	0	0
<b>XVII INCOME TAX (ADP 058+065)</b>	<b>071</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071)</b>	<b>072</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 068-071)	073	0	0	0	0
2 Loss for the period (ADP 071-068)	074	0	0	0	0
<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 076+077)</b>	<b>075</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	076	0	0	0	0
2 Attributable to minority (non-controlling) interest	077	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>078</b>	<b>11.824.363</b>	<b>11.267.617</b>	<b>-929.241</b>	<b>-929.241</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87)</b>	<b>079</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>III Items that will not be reclassified to profit or loss (ADP 081 to 085)</b>	<b>080</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Changes in revaluation reserves of fixed tangible and intangible assets	081	0	0	0	0
2 Gains or losses from subsequent measurement of equity instruments at fair value through other comprehensive income	082	0	0	0	0
3 Fair value changes of financial liabilities at fair value through statement of profit or loss, attributable to changes in their credit risk	083	0	0	0	0
4 Actuarial gains/losses on the defined benefit obligation	084	0	0	0	0
5 Other items that will not be reclassified	085	0	0	0	0
6 Income tax relating to items that will not be reclassified	086	0	0	0	0
<b>IV Items that may be reclassified to profit or loss (ADP 088 to 095)</b>	<b>087</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Exchange rate differences from translation of foreign operations	088	0	0	0	0
2 Gains or losses from subsequent measurement of debt securities at fair value through other comprehensive income	089	0	0	0	0
3 Profit or loss arising from effective cash flow hedging	090	0	0	0	0
4 Profit or loss arising from effective hedge of a net investment in a foreign operation	091	0	0	0	0
5 Share in other comprehensive income/loss of companies linked by virtue of participating interests	092	0	0	0	0
6 Changes in fair value of the time value of option	093	0	0	0	0
7 Changes in fair value of forward elements of forward contracts	094	0	0	0	0
8 Other items that may be reclassified to profit or loss	095	0	0	0	0
9 Income tax relating to items that may be reclassified to profit or loss	096	0	0	0	0
<b>V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096)</b>	<b>097</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097)</b>	<b>098</b>	<b>11.824.363</b>	<b>11.267.617</b>	<b>-929.241</b>	<b>-929.241</b>
<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 100+101)</b>	<b>099</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	100	0	0	0	0
2 Attributable to minority (non-controlling) interest	101	0	0	0	0

**STATEMENT OF CASH FLOWS - indirect method**  
for the period 01.01.2021. to 31.03.2021.

in HRK

Submitter: Stanovi Jadran 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	11.267.617	-929.241
2 Adjustments (ADP 003 to 010):	002	-2.811.209	566.200
a) Depreciation	003	217.360	347.949
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	-52.324
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	120.866
d) Interest and dividend income	006	0	-34.738
e) Interest expenses	007	0	145.950
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	0	38.497
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-3.028.569	0
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>8.456.408</b>	<b>-363.041</b>
3 Changes in the working capital (ADP 013 to 016)	012	-5.311.298	-340.930
a) Increase or decrease in short-term liabilities	013	1.339.579	-58.582
b) Increase or decrease in short-term receivables	014	-6.650.877	-282.348
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>3.145.110</b>	<b>-703.971</b>
4 Interest paid	018	0	-169.881
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>3.145.110</b>	<b>-873.852</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	71.906
2 Cash receipts from sales of financial instruments	022	857.516	3.727.368
3 Interest received	023	0	7.496
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	5.258.383
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>857.516</b>	<b>9.065.153</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-1.609.902	-1.371.051
2 Cash payments for the acquisition of financial instruments	029	0	-5.446.793
3 Cash payments for loans and deposits for the period	030	-2.152.200	-1.114.900
4 Acquisition of a subsidiary, net of cash acquired	031	0	0
5 Other cash payments from investment activities	032	0	-6.183
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-3.762.102</b>	<b>-7.938.927</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-2.904.586</b>	<b>1.126.226</b>
<b>Cash flow from financing activities</b>			
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	0	0
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>0</b>	<b>0</b>
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	-264.695
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
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>0</b>	<b>-264.695</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>0</b>	<b>-264.695</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>240.524</b>	<b>-12.321</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>7.685</b>	<b>62.086</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>248.209</b>	<b>49.765</b>



**Name:** STANOVI JADRAN d.d.  
**PIN:** 88680117715  
**Reporting period:** 1.1.2021 - 31.03.2021

**Basis for the preparation:** The International Financial Reporting Standards  
The same accounting policies are applied for the reporting period as in the most recent annual financial statements. The most recent financial statements for the year ended 31.12.2020 are published on the

**Accounting policies:**  
**Average number of employees:** 9

**Shares in subsidiaries:** Vile Orašac d.o.o. - 100%  
Nova Nekretnine - 85,4%

**Collateral:** As collateral for the repayment of the lending liabilities of the Company and the Group, real estate worth HRK 41,105 thousand  
Longterm liabilities to banks are paid monthly and last installment is due as at 30.09.2035. and 31.08.2028.

**Other information:** Hotel armerun is expected to be opened in May/June 2021.  
In 2021. Uncertainty continued over the prevention measures taken to halt the spread and control of the COVID-19 pandemic. It is not possible to estimate the future duration of the pandemic, but the Group and actively monitoring the situation and will take all necessary measures to minimize potential negative impacts in the event of a worsening situation.

**Other:** Other important details are presented in the Management Report.