

Stanovi Jadran

MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

01.01.2021. to 31.12.2021.

Split, February 24th, 2022.

Introduction to business results

During 2021, Stanovi Jadran d.d., (*hereinafter: the Company*) positioned itself as a company which develops its own projects and manages its own real estate whose assets have grown significantly through the merger of Global Rent d.o.o. and recapitalization.

In the challenging year 2021, the Company (i) completed the construction of the Armerun Hotel, which have been generating revenues since June 2021, (ii) took over properties from Global Rent d.o.o. from which revenues are generated since June 2021, (iii) disinvested smaller business premises that are not an integral part of the company's development strategy and (iv) bought real estate in Rijeka where it plans to develop the Armerun brand.

The company also refinanced liabilities to banks inherited by merging Global Rent d.o.o. on extremely favorable terms and settled its obligations to suppliers.

The Management Board of the Company is actively involved in the development of projects in Dubrovnik and in February 2022 a building permit was obtained for the access road to villas in Donje Obuljeno, which is a prerequisite for obtaining building permits for villas. Also, the Management Board is actively involved in the sale of real estate that does not fit into the development strategy of the Company and during 2021 and first two months of 2022 sold a large part of real estate in Ilica 213 and Trg Petra Svačića 16 in Zagreb, business space in Koprivnica, business space in Virovitica and land plots in Lovinac.

In February 2022, a prospectus of the Company was approved by regulators regarding the listing of 355,269 ordinary shares on the regulated market.

Kind Regards,

STANOVI JADRAN plc.

TABLE OF CONTENTS

GENERAL INFORMATION.....4

COMMENTS ON BUSINESS DOING5

EXPECTED BUSINESS DEVELOPEMENT5

MANAGEMENT BOARD STATEMENT6

GENERAL INFORMATION

Stanovi Jadran d.d. is established in the Republic of Croatia at the address Kralja Zvonimira 14 / IX, Split.

Members of the Management Board:

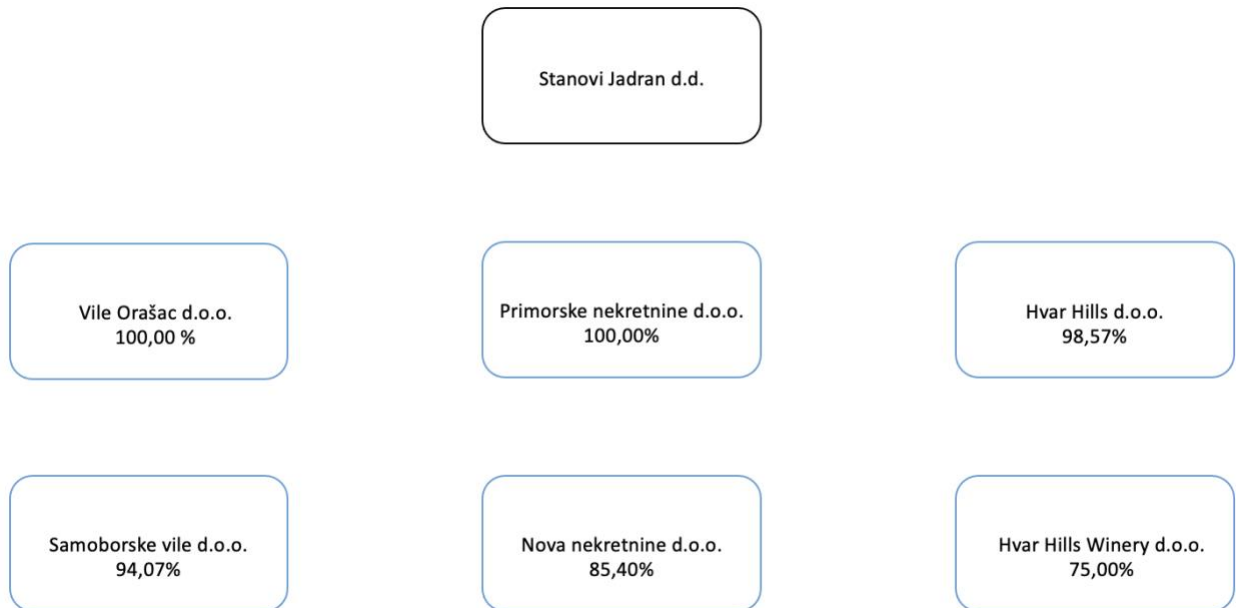
- Toni Jeličić - Purko, President of the Management Board
- Maja Bradić, Member of the Management Board

Members of the Supervisory Board:

- Miroslav Jeličić - Purko, President of the Supervisory Board
- Emil Mihalina, Vice President of the Supervisory Board
- Ante Vrančić, member of the Supervisory Board
- Krešimir Huljev, member of the Supervisory Board
- Berislav Martić, member of the Supervisory Board

As at 30 June 2021, the share capital of the Company amounts to HRK 147.301.800,00 and is divided into 736.509 ordinary shares, each with a nominal value of HRK 200,00.

Organizational structure of the Stanovi Jadran d.d. Group:



COMMENTS ON BUSINESS DOING

During 2021, the Company (i) completed the construction of the Armerun Hotel, which have been generating revenues since June 2021, (ii) took over properties from Global Rent d.o.o. from which revenues are generated since June 2021, (iii) disinvested smaller business premises that are not an integral part of the company's development strategy and (iv) bought real estate in Rijeka where it plans to develop the Armerun brand. During the last quarter, a preliminary agreement was signed on the sale of office space, 2 garage spaces and storage at the address Ilica 213 while the sale of business space in Koprivnica was realized. In the same period, talks were initiated with the city of Rijeka regarding the development of the Armerun Hotel in Rijeka. At the beginning of 2022, a building permit was obtained for the access road to villas in Donje Obuljeno, which is a prerequisite for obtaining building permits for villas whose development is expected at the end of the year.

At the group level, company Hvar Hills d.o.o. achieved very good results despite the pandemics, while Hvar Hills Winery d.o.o. actively purchases vineyards and land plots necessary for the construction of a winery on the island of Hvar.

During 2021, revenues were generated from (i) the lease of the Armerun Hotel and restaurant Bronzin in Šibenik, (ii) the lease of the Centre Ploka and Kralja Zvonimira business premises in Split, (iii) the lease of business premises at the Chromos Tower in Zagreb and (iv) the lease of business premises at Jug Mall Čakovec.

Since the recapitalization until today, a large part of liabilities to suppliers has been reduced, a part of liabilities to banks has been returned, and a part of money has been placed with an interest rate higher than indebtedness.

EXPECTED BUSINESS DEVELOPEMENT

Through the merger and recapitalization, the Company positions 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 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. In the coming years, the Management Board's plan is to put 100% of the portfolio into operation to increase revenues, reduce indebtedness and pay dividends to shareholders.

The Company does not own any treasury shares, and the existing ownership structure is subject to frequent changes. The treasury share repurchase program does not exist yet, and the approval to the Management Board for the purchase of treasury shares have been adopted by the General Assembly.

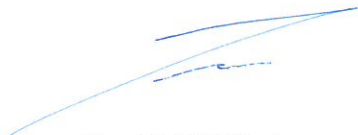
MANAGEMENT BOARD STATEMENT

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 01.01.2021. – 31.12.2021. 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. – 31.12.2021. 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, February 24th, 2022.

Annex 1**ISSUER'S GENERAL DATA**

Reporting period: to

Year:

Quarter:

Quarterly financial statements

Registration number (MB): Issuer's home Member State code:

Entity's registration number (MBS):

Personal identification number (OIB): LEI:

Institution code:

Name of the issuer:

Postcode and town:

Street and house number:

E-mail address:

Web address:

Number of employees (end of the reporting):

Consolidated report: (KN-not consolidated/KD-consolidated)

Audited: (RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

NOVA NEKRETNINE d.o.o.

Kralja Zvonimira 14/IX, 21000 Split

90019408

VILE ORAŠAC d.o.o.

Za Gospom 6, 20233 Trsteno

80607279

PRIMORSKE NEKRETNINE d.o.o.

Scarpina 7, 51000 Rijeka

01476114

SAMOBORSKE VILE d.o.o.

Kralja Zvonimira 14/IX, 21000 Split

02096676

HVAR HILLS d.o.o.

Vrbanj 191, 21462 Vrbanj

03769623

HVAR HILLS WINERY d.o.o.

Vrbanj 191, 21462 Vrbanj

05404754

LOCAL MARKET d.o.o.

Matije Gupca 14A, Rijeka

4760255

Bookkeeping firm: (Yes/No)

(name of the bookkeeping firm)

Contact person:

(only name and surname of the contact person)

Telephone:

E-mail address:

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

BALANCE SHEET
balance as at 31.12.2021

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 |
| A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID | 001 | 0 | 0 |
| B) FIXED ASSETS (ADP 003+010+020+031+036) | 002 | 73.773.585 | 187.584.775 |
| I INTANGIBLE ASSETS (ADP 004 to 009) | 003 | 21.250 | 2.041.537 |
| 1 Research and development | 004 | 0 | 0 |
| 2 Concessions, patents, licences, trademarks, software and other rights | 005 | 21.250 | 1.114.548 |
| 3 Goodwill | 006 | 0 | 926.989 |
| 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 | 64.824.027 | 175.289.275 |
| 1 Land | 011 | 0 | 217.548 |
| 2 Buildings | 012 | 0 | 0 |
| 3 Plant and equipment | 013 | 4.378.297 | 9.964.215 |
| 4 Tools, working inventory and transportation assets | 014 | 0 | 802.805 |
| 5 Biological assets | 015 | 0 | 10.104.851 |
| 6 Advances for the purchase of tangible assets | 016 | 1.504.020 | 856.741 |
| 7 Tangible assets in preparation | 017 | 0 | 12.960 |
| 8 Other tangible assets | 018 | 0 | 0 |
| 9 Investment property | 019 | 58.941.710 | 153.330.155 |
| III FIXED FINANCIAL ASSETS (ADP 021 to 030) | 020 | 8.928.308 | 10.253.963 |
| 1 Investments in holdings (shares) of undertakings within the group | 021 | 0 | 0 |
| 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 | 1.945.529 | 209.169 |
| 9 Other investments accounted for using the equity method | 029 | 11.000 | 0 |
| 10 Other fixed financial assets | 030 | 6.971.779 | 10.044.794 |
| 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 | 34.464.105 | 32.698.276 |
| I INVENTORIES (ADP 039 to 045) | 038 | 0 | 3.627.373 |
| 1 Raw materials and consumables | 039 | 0 | 125.993 |
| 2 Work in progress | 040 | 0 | 3.415.003 |
| 3 Finished goods | 041 | 0 | 28.089 |
| 4 Merchandise | 042 | 0 | 58.288 |
| 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 | 7.454.432 | 9.809.807 |
| 1 Receivables from undertakings within the group | 047 | 0 | 0 |

| | | | |
|-----------------------------------------------------------------------------------------------|------------|--------------------|--------------------|
| 2 Receivables from companies linked by virtue of participating interests | 048 | 0 | 0 |
| 3 Customer receivables | 049 | 7.205.410 | 3.771.784 |
| 4 Receivables from employees and members of the undertaking | 050 | 0 | 21.877 |
| 5 Receivables from government and other institutions | 051 | 229.023 | 374.982 |
| 6 Other receivables | 052 | 19.999 | 5.641.164 |
| III CURRENT FINANCIAL ASSETS (ADP 054 to 062) | 053 | 26.946.172 | 1.572.568 |
| 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 | 0 | 0 |
| 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 | 1.572.568 |
| 9 Other financial assets | 062 | 0 | 0 |
| IV CASH AT BANK AND IN HAND | 063 | 63.501 | 17.688.528 |
| D) PREPAID EXPENSES AND ACCRUED INCOME | 064 | 159.540 | 176.530 |
| E) TOTAL ASSETS (ADP 001+002+037+064) | 065 | 108.397.230 | 220.459.581 |
| OFF-BALANCE SHEET ITEMS | 066 | 0 | 242.038 |
| LIABILITIES | | | |
| A) CAPITAL AND RESERVES (ADP 068 to | 067 | 82.143.323 | 174.779.962 |
| I INITIAL (SUBSCRIBED) CAPITAL | 068 | 76.248.000 | 147.301.800 |
| II CAPITAL RESERVES | 069 | 3.357.629 | 26.236.953 |
| III RESERVES FROM PROFIT (ADP 071+072-073+074+075) | 070 | 0 | 454.771 |
| 1 Legal reserves | 071 | 0 | 454.771 |
| 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 AND OTHER (ADP 078 to 082) | 077 | 0 | 0 |
| 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 |
| VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 084-085) | 083 | -9.016.231 | 114.081 |
| 1 Retained profit | 084 | 0 | 114.081 |
| 2 Loss brought forward | 085 | 9.016.231 | 0 |
| VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 087-088) | 086 | 10.750.073 | -752.741 |
| 1 Profit for the business year | 087 | 10.750.073 | 0 |
| 2 Loss for the business year | 088 | 0 | 752.741 |
| VIII MINORITY (NON-CONTROLLING) INTEREST | 089 | 803.852 | 1.425.098 |
| B) PROVISIONS (ADP 091 to 096) | 090 | 0 | 0 |
| 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 |
| C) LONG-TERM LIABILITIES (ADP 098 to 108) | 097 | 15.236.046 | 34.707.249 |
| 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 | 34.707.249 |
| 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 |
| D) SHORT-TERM LIABILITIES (ADP 110 to 123) | 109 | 11.003.840 | 10.619.888 |
| 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 | 492.043 | 1.237.025 |
| 6 Liabilities to banks and other financial institutions | 115 | 4.860.222 | 3.399.042 |
| 7 Liabilities for advance payments | 116 | 0 | 275.145 |
| 8 Liabilities to suppliers | 117 | 1.334.274 | 1.309.715 |
| 9 Liabilities for securities | 118 | 0 | 0 |
| 10 Liabilities to employees | 119 | 67.117 | 203.492 |
| 11 Taxes, contributions and similar liabilities | 120 | 742.417 | 738.605 |
| 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 | 3.456.864 |
| E) ACCRUALS AND DEFERRED INCOME | 124 | 14.021 | 352.482 |
| F) TOTAL – LIABILITIES (ADP 067+090+097+109+124) | 125 | 108.397.230 | 220.459.581 |
| G) OFF-BALANCE SHEET ITEMS | 126 | 0 | 242.038 |

STATEMENT OF PROFIT OR LOSS
for the period 01.01.2021. to 31.12.2021

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 |
| I OPERATING INCOME (ADP 002 to 006) | 001 | 19.307.551 | 9.572.489 | 6.916.512 | -566.598 |
| 1 Income from sales with undertakings within the group | 002 | 0 | 0 | 0 | 0 |
| 2 Income from sales (outside group) | 003 | 5.300.210 | 4.251.619 | 5.571.376 | 2.022.528 |
| 3 Income from the use of own products, goods and services | 004 | 0 | 0 | 37 | 37 |
| 4 Other operating income with undertakings within the group | 005 | 0 | 0 | 0 | 0 |
| 5 Other operating income (outside the group) | 006 | 14.007.341 | 5.320.870 | 1.345.099 | -2.589.163 |
| II OPERATING EXPENSES (ADP 08+009+013+017+018+019+022+029) | 007 | 7.306.990 | 1.278.218 | 8.670.719 | 558.688 |
| 1 Changes in inventories of work in progress and finished goods | 008 | 0 | 0 | -222.885 | -331.281 |
| 2 Material costs (ADP 010 to 012) | 009 | 1.119.299 | 349.214 | 3.198.023 | 1.459.648 |
| a) Costs of raw materials and consumables | 010 | 345.038 | 56.052 | 1.279.041 | 646.391 |
| b) Costs of goods sold | 011 | 0 | 0 | 132.618 | 77.714 |
| c) Other external costs | 012 | 774.261 | 293.162 | 1.786.364 | 735.543 |
| 3 Staff costs (ADP 014 to 016) | 013 | 736.232 | 180.968 | 1.093.835 | 322.532 |
| a) Net salaries and wages | 014 | 451.915 | 104.427 | 694.392 | 214.059 |
| b) Tax and contributions from salary costs | 015 | 136.707 | 37.080 | 204.931 | 60.223 |
| c) Contributions on salaries | 016 | 147.610 | 39.461 | 194.512 | 48.250 |
| 4 Depreciation | 017 | 1.367.200 | 622.453 | 3.151.581 | 1.211.110 |
| 5 Other costs | 018 | 925.204 | 125.583 | 1.303.444 | 430.441 |
| 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 | 0 | 146.721 | -2.533.762 |
| III FINANCIAL INCOME (ADP 031 to 040) | 030 | 1.163.552 | 931.782 | 2.460.477 | 1.467.648 |
| 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 | 604.201 | 604.176 | 797.912 | 163.170 |
| 8 Exchange rate differences and other financial income | 038 | 349.248 | 17.972 | 165.040 | -108.755 |
| 9 Unrealised gains (income) from financial assets | 039 | 0 | 0 | 1.397.900 | 1.397.900 |
| 10 Other financial income | 040 | 210.103 | 309.634 | 99.625 | 15.333 |
| IV FINANCIAL EXPENSES (ADP 042 to 048) | 041 | 839.581 | 170.050 | 1.480.332 | 460.793 |
| 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 | 154.311 | 1.210.322 | 390.775 |
| 4 Exchange rate differences and other expenses | 045 | 276.370 | 15.739 | 178.034 | 16.242 |
| 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 | 91.976 | 53.776 |
| V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS | 049 | 0 | 0 | 0 | 0 |
| VI SHARE IN PROFIT FROM JOINT VENTURES | 050 | 0 | 0 | 0 | 0 |
| VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST | 051 | 0 | 0 | 0 | 0 |
| VIII SHARE IN LOSS OF JOINT VENTURES | 052 | 0 | 0 | 0 | 0 |
| IX TOTAL INCOME (ADP 001+030+049 +050) | 053 | 20.471.103 | 10.504.271 | 9.376.989 | 901.050 |
| X TOTAL EXPENDITURE (ADP 007+041+051 + 052) | 054 | 8.146.571 | 1.448.268 | 10.151.051 | 1.019.481 |
| XI PRE-TAX PROFIT OR LOSS (ADP 053-054) | 055 | 12.324.532 | 9.056.003 | -774.062 | -118.431 |
| 1 Pre-tax profit (ADP 053-054) | 056 | 12.324.532 | 9.056.003 | 0 | 0 |
| 2 Pre-tax loss (ADP 054-053) | 057 | 0 | 0 | -774.062 | -118.431 |
| XII INCOME TAX | 058 | 0 | 0 | 0 | 0 |
| XIII PROFIT OR LOSS FOR THE PERIOD (ADP 055-059) | 059 | 12.324.532 | 9.056.003 | -774.062 | -118.431 |
| 1 Profit for the period (ADP 055-059) | 060 | 12.324.532 | 9.056.003 | 0 | 0 |
| 2 Loss for the period (ADP 059-055) | 061 | 0 | 0 | -774.062 | -118.431 |
| 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 063-064) | 062 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit from discontinued operations | 063 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss on discontinued operations | 064 | 0 | 0 | 0 | 0 |
| XV INCOME TAX OF DISCONTINUED OPERATIONS | 065 | 0 | 0 | 0 | 0 |
| 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 |
| TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations) | | | | | |
| XVI PRE-TAX PROFIT OR LOSS (ADP 055-+062) | 068 | 0 | 0 | 0 | 0 |
| 1 Pre-tax profit (ADP 068) | 069 | 0 | 0 | 0 | 0 |
| 2 Pre-tax loss (ADP 068) | 070 | 0 | 0 | 0 | 0 |
| XVII INCOME TAX (ADP 058+065) | 071 | 0 | 0 | 0 | 0 |
| XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 068-071) | 072 | 0 | 0 | 0 | 0 |
| 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 |
| 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 076+077) | 075 | 3.320.985 | -732.921 | -655.631 | 276.430 |
| 1 Attributable to owners of the parent | 076 | 3.322.962 | -732.921 | -658.375 | 270.866 |
| 2 Attributable to minority (non-controlling) interest | 077 | -1.977 | 0 | 2.744 | 5.564 |
| STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS) | | | | | |
| I PROFIT OR LOSS FOR THE PERIOD | 078 | 3.320.985 | -732.921 | -655.631 | 276.430 |
| II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 80+ 87) | 079 | -1.091.821 | 0 | 0 | 0 |
| III Items that will not be reclassified to profit or loss (ADP 081 to 085) | 080 | -1.091.821 | 0 | 0 | 0 |
| 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 | -1.091.821 | 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 |
| IV Items that may be reclassified to profit or loss (ADP 088 to 095) | 087 | 0 | 0 | 0 | 0 |
| 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 |
| V NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 080+087-086 - 096) | 097 | -1.091.821 | 0 | 0 | 0 |
| VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 078+097) | 098 | 2.229.164 | -732.921 | -655.631 | 276.430 |
| 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 100+101) | 099 | 2.229.164 | -732.921 | -655.631 | 276.430 |
| 1 Attributable to owners of the parent | 100 | 2.231.141 | -731.901 | -658.375 | 270.866 |
| 2 Attributable to minority (non-controlling) interest | 101 | -1.977 | -1.020 | 2.744 | 5.564 |

STATEMENT OF CASH FLOWS - indirect method
for the period 01.01.2021. to 31.12.2021

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 | 12.324.532 | -774.062 |
| 2 Adjustments (ADP 003 to 010): | 002 | -13.642.576 | -625.518 |
| a) Depreciation | 003 | 1.367.200 | 3.151.581 |
| b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets | 004 | -3.912.404 | -256.737 |
| c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets | 005 | -4.891.135 | -1.397.900 |
| d) Interest and dividend income | 006 | -814.226 | -882.204 |
| e) Interest expenses | 007 | 563.211 | 819.547 |
| f) Provisions | 008 | 0 | 0 |
| g) Exchange rate differences (unrealised) | 009 | -72.878 | -46.135 |
| h) Other adjustments for non-cash transactions and unrealised gains and losses | 010 | -5.882.344 | -2.013.670 |
| I Cash flow increase or decrease before changes in working capital (ADP 001+002) | 011 | -1.318.044 | -1.399.580 |
| 3 Changes in the working capital (ADP 013 to 016) | 012 | -1.294.186 | 3.324.750 |
| a) Increase or decrease in short-term liabilities | 013 | -104.381 | 1.031.840 |
| b) Increase or decrease in short-term receivables | 014 | -1.189.805 | 2.342.376 |
| c) Increase or decrease in inventories | 015 | 0 | -49.466 |
| d) Other increase or decrease in working capital | 016 | 0 | 0 |
| II Cash from operations (ADP 011+012) | 017 | -2.612.230 | 1.925.170 |
| 4 Interest paid | 018 | -754.016 | -727.526 |
| 5 Income tax paid | 019 | -1.213.203 | 0 |
| A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019) | 020 | -4.579.449 | 1.197.644 |
| Cash flow from investment activities | | | |
| 1 Cash receipts from sales of fixed tangible and intangible assets | 021 | 6.228.071 | 3.197.392 |
| 2 Cash receipts from sales of financial instruments | 022 | 50.993.806 | 3.866.970 |
| 3 Interest received | 023 | 0 | 16.805 |
| 4 Dividends received | 024 | 210.103 | 84.292 |
| 5 Cash receipts from repayment of loans and deposits | 025 | 1.371.800 | 25.203.725 |
| 6 Other cash receipts from investment activities | 026 | 5.887 | 721.360 |
| III Total cash receipts from investment activities (ADP 021 to 026) | 027 | 58.809.667 | 33.090.544 |
| 1 Cash payments for the purchase of fixed tangible and intangible assets | 028 | -7.928.990 | -3.699.832 |
| 2 Cash payments for the acquisition of financial instruments | 029 | -26.115.419 | -5.531.085 |
| 3 Cash payments for loans and deposits for the period | 030 | -25.917.581 | -30.526.634 |
| 4 Acquisition of a subsidiary, net of cash acquired | 031 | 0 | 0 |
| 5 Other cash payments from investment activities | 032 | 0 | -5.400.000 |
| IV Total cash payments from investment activities (ADP 028 to 032) | 033 | -59.961.990 | -45.157.551 |
| B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033) | 034 | -1.152.323 | -12.067.007 |
| 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 | 36.485.085 |
| 3 Cash receipts from credit principals, loans and other borrowings | 037 | 7.234.916 | 11.665.695 |
| 4 Other cash receipts from financing activities | 038 | 3.507.767 | 3.600.000 |
| V Total cash receipts from financing activities (ADP 035 to 038) | 039 | 10.742.683 | 51.750.780 |
| 1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments | 040 | -4.956.574 | -17.654.325 |
| 2 Cash payments for dividends | 041 | 0 | -1.252.065 |

| | | | |
|----------------------------------------------------------------------------------------------------|------------|-------------------|--------------------|
| 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 | -4.350.000 |
| VI Total cash payments from financing activities (ADP 040 to 044) | 045 | -4.956.574 | -23.256.390 |
| C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045) | 046 | 5.786.109 | 28.494.390 |
| 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 | 54.337 | 17.625.027 |
| E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD | 049 | 9.164 | 63.501 |
| F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049) | 050 | 63.501 | 17.688.528 |

Name: STANOVI JADRAN d.d.
PIN: 88680117715
Reporting period: 1.1.2021 - 31.12.2021

Basis for the preparation: The International Financial Reporting Standards
Accounting policies: The same accounting policies are applied for the reporting period as in the most recent annual and quartal financial statements. The most recent financial statements for the year ended 31.12.2020 are published on the pages of Zagreb Stock Exchange.
Exceptional change in IV. quarter of 2021 is a change in the accounting policy of investments in subsidiaries. In previous periods, shares in subsidiaries were stated at investment cost adjusted for all changes in the Company's share in the net assets of the subsidiary after acquisition, as well as for all possible impairment of individual investments.
From IV. quarter of 2021 interests in subsidiaries are stated at cost. The effect of reclassification on 1.1.2021.g. in HRK is as follows:

| | DR | CR |
|-------------------------|---------|---------|
| Shares in subsidiaries | 519.276 | 0 |
| Accumulated profit/loss | 0 | 519.276 |

Furthermore, on line 006 Other operating income up to IV. In the first quarter, gains / losses on financial assets were reported, which in IV. quarter they reported at position 039 Unrealized gains from financial assets, given that it is a fair valuation of the subject assets. In the financial statements, such income is shown in the position of other income or changes in FV.

Average number of employees: 13

Shares in subsidiaries: Vile Orašac d.o.o. - 100%
Nova Nekretnine d.o.o. - 85,4%
Hvar Hills winery d.o.o. - 75%
Primorske nekretnine d.o.o. - 100%
Samoborske vile d.o.o. - 94,07%
Hvar hills d.o.o. - 98,57%
Local market d.o.o. - 100% owner is Primorske nekretnine d.o.o.

Collateral: As collateral for the repayment of the lending liabilities of the Company and the Group, real estate worth HRK 68.402 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 was opened as at 10 June 2021
Uncertainty continued in 2021, 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 the Company are actively monitoring the situation and will take all necessary measures to minimize potential negative impacts in the event of a worsening situation.
Company Global rent d.o.o. was merged to Stanovi Jadran d.d. as at 24 June 2021.
Company Stanovi Jadran d.d. purchased 100% of shares of compapny Primorske nekretnine d.o.o. as at 7 June 2021
Company Global rent d.o.o. owned shares of Samoborske vile d.o.o. and Hvar hills d.o.o. and all right has been transfered to Stanovi jadran d.d. as at 24. June 2021
Company Stanovi Jadran d.d. sold the business space in Virovitica, Koprivnica and 3 plots of land in Lovinac during the period.

During the business year, the company was recapitalized for the needs of new investments in the total amount of HRK 36,485,085, of which HRK 8,886,685 was the effect of capital reserves increase for the amount over the nominal value of the shares.
Effect on equity and reserves are as follows:

| | No of shares | Equity increase | Reserves |
|----------------------------|----------------|--------------------|-------------------|
| Global rent merger | 217.277 | 43.455.400 | 13.992.639 |
| Cash recapitalization | 137.992 | 27.598.400 | 8.886.685 |
| No of shares befor changes | 381.240 | 76.248.000 | 3.357.629 |
| New No of shares | 736.509 | 147.301.800 | 26.236.953 |

The company is partly exposed to the seasonality of business, given that the Armerun Hotel, the Vinci Apartment and the Bronzin Restaurant are working hard in the period June - October.

There are no financial liabilities, guarantees or contingencies that are not included in the balance sheet.

The Company has not capitalized the cost of salaries and all employee costs are recognized directly in the income statement.

There are no entities in which the company has unlimited liability.

All other information and copies of the report can be obtained on the Company's website www.stanovijadran.com or by inquiring at info@stanovijadran.com

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