

# Stanovi Jadran

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## Interim management report

STANOVI JADRAN d.d. SPLIT

01.01.2018. - 30.06.2018.

Split, 26. July 2018.

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## I. COMMENTS ON BUSINESS DOING

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Stanovi Jadran d.d. (the Company) had 579.815 HRK total revenues for the first six months in 2018 what is 648,90 % more than the year before for the same time period. Sales revenue were 297.583 HRK what is an increase of 519,96% from year prior. The revenue source is 51,32% from core business what was 61,99% last year. Other revenues are 6.981 HRK what is a decrease of 17.315 HRK.

100% of revenues streams are from local market and it remained like it was in 2017. Material expenses are 433.892 HRK what is a decrease of 55,71% from year before and those are 33,10% of total expenses.

Salaries went up for 7,54% and are weighting 31,09% in total expenses what was 23,63% year before. There was no value adjustment costs and account receivables adjustment neither this year.

Financial revenues increased for 270.125 HRK what is an increase of 5.369,70%. There are no positive currency exchange rates, while dividends from subsidiary company Winter d.o.o. affected the financial revenues the most.

Financial costs went up for 53.010 HRK or 4.279,54% from year before what is an increase in total expenses to 4,61%. There are no negative currency exchange rates, while the costs went up mostly due to interest rate increase for 48.169 HRK for credit line at Kreditna Banka Zagreb which was used to complete purchase of commercial property Ploka.

Gross loss is 590.158 HRK what is a decrease from 1.284.824 HRK from year before or 54,07%. The gross loss is lower from year before because the company had higher costs year before due to listing preparation.

In accordance with transactions among related persons the company had net income of 53.269 HRK, an increase of 10,98%.

Total assets increased for 8,44% to 74.789.944 HRK while fixed assets increased for 19.458.875 or 39,74%. Material assets increased for 17.420.208 HRK due to property purchase and investment in Šibenik.

Long-term financial assets mainly relate to shares in affiliated companies and to shares of non-listed companies. It amounts to 30.075.278 HRK and is 1.603.592 HRK higher compared to the beginning of the year, primarily due to the share capital increase of the subsidiary company Vile Orašac d.o.o.

Current assets are 6.797.898 HRK, which is by 65,17% lower than the beginning of the year. In the structure of current assets, receivables are higher compared to the beginning of the year, while cash is falling.

Total account receivables amounted to 3.266.807 HRK, an increase of 221.315 HRK or 7.27% compared to the beginning of the year.

Short-term financial assets amount to 3.357.667 HRK what is mostly short-term given loans. Compared to year before, financial assets decreased by 12.528.002 HRK. Cash in the bank and cash registers amounts to 173.424 HRK and is lower by 411.630 HRK compared to the beginning of the year. There was no change in capital and reserves compared to the beginning of the year.

Long-term liabilities amount to 10.234.640 HRK what are credit lines at Karlovačka Banka and Kreditna Banka Zagreb.

Short-term liabilities amount to 1.030.146 HRK, of which the largest portion of HRK 468,259 relates to liabilities on short-term borrowings. Account payables decreased from the beginning of the year to 249.373 HRK or 47.41%. Total loans of the company amounted to HRK 10,702,899 which is an increase from the beginning of the year for 7.423.516 HRK.

Stanovi Jadran d.d. (Group) achieved total revenues of 3.604.473 HRK in the first six months of 2018, what is 1.46% higher than in the same period of the previous year. Sales revenues, which amounted to 3.304.057 HRK for the first six months of 2018 were lower by 3,33% compared to the same period last year. Core business revenues in total revenues were 91.66%, compared with 96.20% in the same period last year. Other operating revenues, which amounted to 9.044 HRK were down for 118.451 HRK compared to the same period of the previous year.

Out of the total revenue, 8.63% of revenues were realized on the domestic market, while 91.37% of sales were generated on the foreign market. This structure did not change significantly in relation to the same period last year.

Material expenses amount to 1.878.737 HRK which is lower by 21.02% than the same period of the previous year. Salaries increased by 11.79% compared to the same period of the previous year. Their share in total expenses were 29.48%, compared with 24.80% in the same period last year.

There were no cost of value adjustments and receivables adjustment, neither this year.

Financial revenues were higher by 282.415 HRK or 3.963,40%, as compared to the same period of the previous year. There were no positive exchange rate differences in the structure of financial income.

Financial expenses increased by 38.444 HRK or 240,09% compared to the same period last year. Their share in total expenditures increased by 94% compared to the same period last year. In the structure of financial expenditures there were no negative exchange rate

differences, while interest costs are higher due to the realized credit line of Kreditna Banka Zagreb for the purpose of financing the purchase of the commercial building Ploka.

The gross loss (pre-tax loss) is 575.906 HRK, while in the same period of the previous year it was 789.218 HRK, which is a decrease of 213.312 HRK or 27,03%. The lower gross loss was due to the fact that the loss in the same period last year was significantly higher due to high listing preparation costs.

Total assets were 6.23% higher compared to the beginning of the year and amounts to 84.403.456 HRK. Fixed assets were higher by 16.739.080 HRK or 28.20%, compared to the beginning of the year. Long-term intangible assets were lower by 21.166 HRK compared to the beginning of the year, with the largest impact due to depreciation. Tangible assets are higher by 17.196.655 HRK compared to the beginning of the year due to the purchase of the commercial property Ploka in Split and the investment in the residential project in Šibenik.

Long-term financial assets mostly refer to the shares of non-listed companies, except for FMPS-R-A and VART -R-1. It amounts to 2.373.024 HRK and was 436.409 HRK less than the beginning of the year, primarily due to the value adjustment quoted on the Zagreb Stock Exchange.

Current assets amount to 8.308.231 HRK which is 58.66% less than the beginning of the year. In the structure of current assets, account receivables and inventories are greater compared to the beginning of the year, while cash and short-term assets are falling.

Total accounts receivables amounted to 4.036.960 HRK, an increase of 114.061 HRK or 2.90% compared to the beginning of the year. Trade receivables amounted to 2.820.472 HRK and recorded a decrease of 4,82% compared to the beginning of the year.

Short-term financial assets amount to 3.527.907 HRK relating to short-term given loans. Short-term financial assets decreased by 10.746.335 HRK from year before. Cash in the bank and cash registers amounted to 307.873 HRK and was lower by 1.256.939 HRK compared to the beginning of the year. There was no change in capital and reserves compared to the beginning of the year.

Long-term liabilities amount to 10.610.975 HRK what are credit lines at Karlovačka Banka and Kreditna Banka Zagreb.

Short-term liabilities amount to 2.480.467 HRK of which the largest portion of 827.442 HRK were liabilities to suppliers. Trade payables decreased by 43.170 HRK, or 4.96% compared to the beginning of the year. Total credit line of the Group Stanovi Jadran d.d. amounted to 10.957.534 HRK which is an increase from the beginning of the year.

## II. IMPORTANT BUSINESS EVENTS

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Stanovi Jadran d.d. has been listed at Zagreb Stock Exchange - Official Market on July 02, 2018.

The company purchased commercial property in Split and took over already signed rental agreements for commercial spaces, while the top floor, which is an apartment, will be rented on a daily base through booking services to tourists.

Furthermore, the company is constructing a residential property in Šibenik. Currently, the property is getting a facade and new environment. The management signed agreements with several real estate agencies in order to start selling apartments.

At the same time, the company hired design studios and consultants to prepare paperwork to build a hotel in Šibenik which is planning to open its door in spring 2019. The hotel location is right next to residential property.

Other properties that the company owns, such as land plots, has been listed on sale through real estate agencies. In this year, management sold two land plots in Lovinac.

Additionally, the management hired another design studio to develop new paperwork for two projects in Dubrovnik in order to reduce construction costs.

## III. EXPECTED BUSINESS DEVELOPEMENT

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The management of the company has already signed construction agreements for residential project in Šibenik and those are the only obligations the company has towards other parties. Since the investment in residential property is ongoing, it is expected that the management will sign new agreements at given stage in order to finish the project.

The apartments within the residential property are matching buyer's highest standard with five-star facilities. The commercial space at the ground floor will be restaurant that the company will rent.

In order to reduce costs, the management has hired new studios to get new permits in order to start constructing in Dubrovnik. Once it is done, the management will sign agreements with contractors to put the property in use and gain revenues. The management is rationalizing all projects in order to reduce risks and gain faster returns.

It is planned to merge VILE ORAŠAC d.o.o. to STANOVI JADRAN d.d. to during this year unless there is a potential buyer for a project. Apart from that, the management is planning

to buyout stakes of a partner in companies MEDITERAN GRADNJA d.o.o. i NOVA NEKRETNINE d.o.o so the company would be sole owner.

It is expected revenue increase to 2.05 -2.1 million BAM in subsidiary company WINTER d.o.o. what is believed to be the highest possible revenue for 55 units in Hotel Blanca Resort & Spa. The hotel is generating 40% of the revenues in three months what are January, July and August. There is an extension project what will increase number of units for 28 units and new conference halls. The reason behind the project is revenue increase since the hotel cannot host larger MICE groups therefore reaching the highest possible revenues with current number of units.

#### IV. RESEARCH AND DEVELOPEMENT ACTIVITIES

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In order to understand market, the management did real estate market research. Taking a residential project and hotel in Šibenik, the management hired external consultant to make a feasibility study in order to reach inputs which will affect revenue stream starting in 2019.

Apart from that, the management hired new local studios in some projects as it believes local studios can affect the speed of permit issuance.

#### V. TREASURY SHARES INFORMATION

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Stanovi Jadran d.d. does not have any treasury shares while current ownership structure depends on trading streams at Zagreb Stock Exchange.

#### VI. BRANCH OFFICES

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The company and its subsidiary companies do not have and branch offices.

#### VII. IMPORTANT FINANCIAL INSTUMENTS

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Important financial instruments that the company has in its portfolio are:

- stake at subsidiary companies
- shares bought at Zagreb Stock Exchange such as 10,57% of share capital of Proprius d.d. closed investment fund, while other shares has been sold during 2017

## VIII. COMPANY AIMS AND POLICY

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It is questionable level of financial risk management activities in Republic of Croatia due to shortage of financial instrument within a domestic financial industry. The company has not used any of financial risk management instruments such as hedging, terminal contracts or financial derivative so far. However, the management is expressing a will to use those instruments in a future within a domestic financial framework in order to reduce risk exposure.

## IX. RISK EXPOSURE

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### Real estate market risk

Real estate market in Republic of Croatia has been recovering over the past three years. There has been an increase in building permits issuance and residential and commercial prices, especially on a coast what is affected with tourism. Since the Croatia entered EU, there is a real estate demand increase. Foreign investors are looking for exclusive properties at unique destinations such as property in Šibenik the company is developing. The market lacks upper class properties where the management of the company sees the opportunity and therefore focusing towards that niche.

### Tourism market risk

Tourism is very specific industry and the best spending generator. Current risk level is medium since it is very important industry and it is still growing. However, the management sees the seasonality of tourism as the largest risk related to that market.

### Construction related risk

Since the company is in investment cycle, it is important to note the deficit of construction companies and labour force in that sector. The management reduced this risk as it believes the company has partners which are already sign contracts with.

### Industry risk in tourism

There is a high intensity in infrastructure investments within the country what is reducing this risk. The management believes it is a medium risk level since it is least probable that natural disasters will occur.



### Personnel risk

The company, together with its subsidiary companies has 43 employees. This risk is low since the EU allows labour force movement what increase possibility of finding qualified employees.

### Currency exchange risk

Existing currency exchange differences has been noted as expenses in P&L statement but do not affect money flow. The company has currency exchange risk in a sense of exchange movement between HRK and BAM or EUR and BAM since the subsidiary company WINTER d.o.o. operates in Bosnia and Herzegovina.

### Exposure risk

The company employs engineer who is reducing risk by setting up control mechanism which controls cost and individual material prices. The management tries to reduce the cost exposure by hiring companies at the projects that has at least 50 employees and that are profitable.

### Financing risk

The management believes financing risk is at the lowest possible level since the finance market offers affordable arrangements.

### Liquidity risk

The management is trying to put all company assets in use in a shorter possible period in order to increase revenue streams and create stabile cash flow. All receivables has been secured with financial instruments so the management believe there is no liquidity risk.

### Interest rate risk

There is an interest rate risk since all the credit arrangements are have changeable interest rate. The management is not using any financial instruments to protect changes in interest rate so far what makes this risk high.

### Credit risk

The management of the company does not allow partner crediting by offering payment delay. The company is exposed to two credit lines and it is servicing it on time. The management is planning to pay off the credit lines once it sells residential property in Šibenik.

## 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 01.01.2018. – 30.06.2018. are giving

### STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2018. – 30.06.2018. 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



Split, 26. July 2018.

**STANOVI JADRAN**  
d.d. SPLIT

**Attachment 1.**

Reporting period:

01.01.2018.

to

30.06.2018.

**Quarterly financial statement of the entrepreneur TFI-POD**Tax Number (MB): **02182190**Company registration number (MBS): **060227551**Personal identification number (OIB): **88680117715**Issuing company: **STANOVI JADRAN d.d.**Postal code and place: **21000****SPLIT**Street and house number: **Kralja Zvonimira 14/IX**E-mail address: [info@stanovijadran.com](mailto:info@stanovijadran.com)Internet address: [www.stanovijadran.com](http://www.stanovijadran.com)Municipality/city code and name: **409** **Split**County code and name: **17** **Splitsko - dalmatinska**Number of employees: **9**  
(year end)Consolidated report: **NO**NKD code: **6810**

Companies o the consolidation subject (according to IFRS):

Seat:

MB:

Bookkeeping service:

Contact person: **Katija Barić**  
(filling just the first and the 1st name)Telephone: **021 482 374**

Telefaks:

E-mail address: [katija@stanovijadran.com](mailto:katija@stanovijadran.com)Family name and name **Toni Jeličić Purko**  
(legal person)**Documents to be published:**

1. Financial reports (balance sheet, profit and loss account, cash-flow statement, statement of changes in equity and notes to financial reports)
2. Interim management report,
3. Statement form persons responsible for preparation of reports

**STANOVI JADRAN**  
M.P.  
d.d. SPLIT  
(signature of the person authorized to represent the company)

**BALANCE SHEET**  
as at 30.6.2018.

Company: <u>STANOVI JADRAN d.d.</u>			
Position	AOP code	Previous year (net)	Current year (net)
1	2	3	4
<b>A) RECEIVABLES FOR SUBSCRIBED AND NON - PAID CAPITAL</b>	<b>001</b>		
<b>B) LONG - TERM ASSETS (003+010+020+029+033)</b>	<b>002</b>	48.963.912	67.986.378
I. INTANGIBLE ASSETS (004 to 009)	<b>003</b>	20.000	18.666
1. Assets development	<b>004</b>		
2. Concessions, patents, licence fees, merchandise and service brands, software and other rights	<b>005</b>	20.000	18.666
3. Goodwill	<b>006</b>		
4. Prepayments for purchase of intangible assets	<b>007</b>		
5. Intangible assets in preparation	<b>008</b>		
6. Other intangible assets	<b>009</b>		
II. TANGIBLE ASSETS (011 to 019)	<b>010</b>	20.472.226	37.892.434
1. Land	<b>011</b>		
2. Buildings	<b>012</b>		
3. Plant and equipment	<b>013</b>	24.065	21.288
4. Instruments, plant inventories and transportation assets	<b>014</b>		
5. Biological assets	<b>015</b>		
6. Prepayments for tangible assets	<b>016</b>		
7. Tangible assets in preparation	<b>017</b>		
8. Other material assets	<b>018</b>		
9. Investment in buildings	<b>019</b>	20.448.161	37.871.146
III. LONG-TERM FINANCIAL ASSETS (021 to 028)	<b>020</b>	28.471.686	30.075.278
1. Shares (stocks) in related parties	<b>021</b>	25.667.219	27.707.220
2. Loans given to related parties	<b>022</b>		
3. Participating interests (shares)	<b>023</b>		
4. Loans to entrepreneurs in whom the entity hold participating interests	<b>024</b>		
5. Investment in securities	<b>025</b>		
6. Loans, deposits and similar assets	<b>026</b>		
7. Other long - term financial assets	<b>027</b>	2.804.467	2.368.058
8. Investments accounted by equity method	<b>028</b>		
IV. RECEIVABLES (030 to 032)	<b>029</b>	0	0
1. Receivables from related parties	<b>030</b>		
2. Receivables based on trade loans	<b>031</b>		
3. Other receivables	<b>032</b>		
V. DEFERRED TAX ASSETS	<b>033</b>		
<b>C) SHORT- TERM ASSETS (035+043+050+058)</b>	<b>034</b>	19.516.215	6.797.898
I. INVENTORIES (036 to 042)	<b>035</b>	0	0
1. Raw material	<b>036</b>		
2. Work in progress	<b>037</b>		
3. Finished goods	<b>038</b>		
4. Merchandise	<b>039</b>		
5. Prepayments for inventories	<b>040</b>		
6. Long - term assets held for sale	<b>041</b>		
7. Biological assets	<b>042</b>		
II. RECEIVABLES (044 to 049)	<b>043</b>	3.045.492	3.266.807
1. Receivables from related parties	<b>044</b>	2.876	52.500
2. Accounts receivable	<b>045</b>	2.586.057	2.408.868
3. Receivables from participating entrepreneurs	<b>046</b>		
4. Receivables from employees and shareholders	<b>047</b>		
5. Receivables from government and other institutions	<b>048</b>	304.043	627.257
6. Other receivables	<b>049</b>	152.516	178.182
III. SHORT - TERM FINANCIAL ASSETS (051 to 057)	<b>050</b>	15.885.669	3.357.667
1. Shares (stocks) in related parties	<b>051</b>		
2. Loans given to related parties	<b>052</b>	5.655.500	82.500
3. Participating interests (shares)	<b>053</b>		
4. Loans to entrepreneurs in whom the entity hold participating interests	<b>054</b>		
5. Investment in securities	<b>055</b>		
6. Loans, deposits and similar assets	<b>056</b>	10.230.169	3.275.167
7. Other financial assets	<b>057</b>		
IV. CASH AT BANK AND IN CASHIER	<b>058</b>	585.054	173.424
<b>D) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>059</b>	776	5.668
<b>E) TOTAL ASSETS (001+002+034+059)</b>	<b>060</b>	68.480.903	74.789.944
<b>F) OFF-BALANCE SHEET NOTES</b>	<b>061</b>		

<b>LIABILITIES AND CAPITAL</b>			
<b>A) CAPITAL AND RESERVES (063+064+065+071+072+075+078)</b>	<b>062</b>	64.551.725	63.525.158
I. SUBSCRIBED CAPITAL	<b>063</b>	76.248.000	76.248.000
II. CAPITAL RESERVES	<b>064</b>		
III. RESERVES FROM PROFIT (066+067-068+069+070)	<b>065</b>	3.357.629	3.357.629
1. Reserves prescribed by law	<b>066</b>		
2. Reserves for treasury stocks	<b>067</b>		
3. Treasury stocks and shares (deduction)	<b>068</b>		
4. Statutory reserves	<b>069</b>		
5. Other reserves	<b>070</b>	3.357.629	3.357.629
IV. REVALUATION RESERVES	<b>071</b>	-475.487	-911.896
V. RETAINED EARNINGS OR ACCUMULATED LOSS (073-074)	<b>072</b>	-12.981.933	-14.578.417
1. Retained earnings	<b>073</b>		
2. Accumulated loss	<b>074</b>	12.981.933	14.578.417
VI. PROFIT / LOSS FOR THE CURRENT YEAR (076-077)	<b>075</b>	-1.596.484	-590.158
1. Profit for the current year	<b>076</b>		
2. Loss for the current year	<b>077</b>	1.596.484	590.158
VII. MINORITY INTEREST	<b>078</b>		
<b>B) PROVISIONS (080 to 082)</b>	<b>079</b>	0	0
1. Provisions for pensions, severance pay and similar liabilities	<b>080</b>		
2. Reserves for tax liabilities	<b>081</b>		
3. Other reserves	<b>082</b>		
<b>C) LONG TERM LIABILITIES (084 to 092)</b>	<b>083</b>	2.997.883	10.234.640
1. Liabilities to related parties	<b>084</b>		
2. Liabilities for loans, deposits etc.	<b>085</b>		
3. Liabilities to banks and other financial institutions	<b>086</b>	2.997.883	10.234.640
4. Liabilities for received prepayments	<b>087</b>		
5. Accounts payable	<b>088</b>		
6. Liabilities arising from debt securities	<b>089</b>		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>090</b>		
8. Other long-term liabilities	<b>091</b>		
9. Deferred tax liability	<b>092</b>		
<b>D) SHORT - TERM LIABILITIES (094 to 105)</b>	<b>093</b>	917.770	1.030.146
1. Liabilities to related parties	<b>094</b>	595	121.700
2. Liabilities for loans, deposits etc.	<b>095</b>	281.500	346.559
3. Liabilities to banks and other financial institutions	<b>096</b>	46.021	
4. Liabilities for received prepayments	<b>097</b>		
5. Accounts payable	<b>098</b>	526.017	276.644
6. Liabilities arising from debt securities	<b>099</b>		
7. Liabilities to entrepreneurs in whom the entity holds participating interests	<b>100</b>		
8. Liabilities to employees	<b>101</b>	40.071	51.364
9. Liabilities for taxes, contributions and similar fees	<b>102</b>	23.566	233.879
10. Liabilities to share - holders	<b>103</b>		
11. Liabilities for long term assets held for sale	<b>104</b>		
12. Other short - term liabilities	<b>105</b>		
<b>E) DEFERRED SETTLEMENTS OF CHARGES AND INCOME DEFERRED TO FUTURE PERIOD</b>	<b>106</b>	13.525	
<b>F) TOTAL CAPITAL AND LIABILITIES (062+079+083+093+106)</b>	<b>107</b>	68.480.903	74.789.944
<b>G) OFF-BALANCE SHEET NOTES</b>	<b>108</b>		
<b>APPENDIX TO BALANCE SHEET (only for consolidated financial statements)</b>			
<b>A) CAPITAL AND RESERVES</b>			
1. Attributed to equity holders of parent company	<b>109</b>		
2. Attributed to minority interests	<b>110</b>		

Note 1.: Appendix to balance sheet is filled out only by entrepreneurs who consolidate financial reports.

**PROFIT AND LOSS ACCOUNT**  
for period 1.1.2018. to 30.6.2018.

Company: STANOVI JADRAN d.d.

Position	AOP code	Previous period		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
<b>I. OPERATING REVENUES (112+113)</b>	<b>111</b>	72.296	28.473	304.564	207.322
1. Sales revenues	112	48.000	24.000	297.583	207.322
2. Other operating revenues	113	24.296	4.473	6.981	0
<b>II. OPERATING EXPENSES (115+116+120+124+125+126+129+130)</b>	<b>114</b>	1.360.985	983.259	1.116.008	765.515
1. Changes in the value of work in progress and finished goods	115				
2. Material costs (117 to 119)	116	979.624	787.301	433.892	294.699
a) Raw material and material costs	117	28.296	19.619	59.593	34.267
b) Costs of goods sold	118				
c) Other external costs	119	951.328	767.682	374.299	260.432
3. Staff costs (121 to 123)	120	322.628	161.314	346.959	185.645
a) Net salaries and wages	121	202.648	101.324	219.870	118.755
b) Costs for taxes and contributions from salaries	122	72.632	36.316	76.812	40.287
c) Contributions on gross salaries	123	47.348	23.674	50.277	26.603
4. Depreciation	124	1.615	808	49.778	47.722
5. Other costs	125	57.118	33.836	241.706	237.449
6. Impairment (127+128)	126	0	0	0	0
a) Impairment of long-term assets (excluding financial assets)	127				
b) Impairment of short-term assets (excluding financial assets)	128				
7. Provisions	129				
8. Other operating expenses	130	0		43.673	
<b>III. FINANCIAL INCOME (132 to 136)</b>	<b>131</b>	5.126	5.123	275.251	111.012
1. Interest income, foreign exchange gains, dividends and similar income from related parties	132	0			
2. Interest income, foreign exchange gains, dividends and similar income from non-related parties	133	4	1	112.103	111.012
3. Share in income from affiliated entrepreneurs and participating interests	134				
4. Unrealized gains (income) from financial assets	135				
5. Other financial income	136	5.122	5.122	163.148	
<b>IV. FINANCIAL EXPENSES (138 to 141)</b>	<b>137</b>	1.261	949	53.965	53.959
1. Interest expenses, foreign exchange losses and similar expenses from related parties	138				
2. Interest expenses, foreign exchange losses and similar expenses from non - related parties and other entities	139	1.261	949	53.965	53.959
3. Unrealized losses (expenses) on financial assets	140				
4. Other financial expenses	141	0			
<b>V. INCOME FROM INVESTMENT SHARE IN PROFIT OF ASSOCIATED ENTREPRENEURS</b>	<b>142</b>				
<b>VI. LOSS FROM INVESTMENT SHARE IN LOSS OF ASSOCIATED ENTREPRENEURS</b>	<b>143</b>				
<b>VII. EXTRAORDINARY - OTHER INCOME</b>	<b>144</b>				
<b>VIII. EXTRAORDINARY - OTHER EXPENSES</b>	<b>145</b>				
<b>IX. TOTAL INCOME (111+131+142 + 144)</b>	<b>146</b>	77.422	33.596	579.815	318.334
<b>X. TOTAL EXPENSES (114+137+143 + 145)</b>	<b>147</b>	1.362.246	984.208	1.169.973	819.474
<b>XI. PROFIT OR LOSS BEFORE TAXATION (146-147)</b>	<b>148</b>	-1.284.824	-950.612	-590.158	-501.140
1. Profit before taxation (146-147)	149	0	0	0	0
2. Loss before taxation (147-146)	150	1.284.824	950.612	590.158	501.140
<b>XII. PROFIT TAX</b>	<b>151</b>				
<b>XIII. PROFIT OR LOSS FOR THE PERIOD (148-151)</b>	<b>152</b>	-1.284.824	-950.612	-590.158	-501.140
1. Profit for the period(149-151)	153	0	0	0	0
2. Loss for the period (151-148)	154	1.284.824	950.612	590.158	501.140

APPENDIX TO PROFIT AND LOSS ACCOUNT (only for consolidated financial statements)					
<b>XIV. DOBIT ILI GUBITAK RAZDOBLJA</b>					
1. Attributed to equity holders of parent company	155				
2. Attributed to minority interests	156				
<b>STATEMENT OF COMPREHENSIVE INCOME (IFRS)</b>					
I. PROFIT OR LOSS FOR THE PERIOD (= 152)	157				
II. OTHER COMPREHENSIVE INCOME / LOSS BEFORE TAX (159 to 165)	158	0	0	-436.409	0
1. Exchange differences on translation of foreign operations	159				
2. Movements in revaluation reserves of long-term tangible and intangible assets	160				
3. Profit or loss from revaluation of financial assets available for sale	161			-436.409	
4. Gains or losses on efficient cash flow hedging	162				
5. Gains or losses on efficient hedge of a net investment in foreign countries	163				
6. Share in other comprehensive income / loss of associated companies	164				
7. Actuarial gains / losses on defined benefit plans	165				
III. TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	166				
IV. NET OTHER COMPREHENSIVE INCOME/ LOSS FOR THE PERIOD (158-166)	167	0	0	-436.409	0
V. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (157+167)	168	0	0	-436.409	0
<b>APPENDIX to Statement of comprehensive income (only for consolidated financial statements)</b>					
<b>VI. COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD</b>					
1. Attributed to equity holders of parent company	169				
2. Attributed to minority interests	170				

**CASH FLOW STATEMENT - Indirect method**  
period 1.1.2018. to 30.6.2018.

Company: STANOVI JADRAN D.D.			
Position	AOP code	Previous period	Current Period
1	2	3	4
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
1. Profit before tax	001	-1.596.484	-590.158
2. Depreciation	002	3.230	49.778
3. Increase in short-term liabilities	003	0	6.652.115
4. Decrease in short term receivables	004	4.132.857	0
5. Decrease in inventories	005	0	0
6. Other cash flow increases	006	29.873.262	7.194.952
<b>I. Total increase in cash flow from operating activities (001 to 006)</b>	<b>007</b>	<b>32.412.865</b>	<b>13.306.687</b>
1. Decrease in short - term liabilities	008	10.934.218	
2. Increase in short - term receivables	009	0	226.207
3. Increase in inventories	010		
4. Other cash flow decreases	011	0	
<b>II. Total decrease in cash flow from operating activities (008 to 011)</b>	<b>012</b>	<b>10.934.218</b>	<b>226.207</b>
<b>A1) NET INCREASE OF CASH FLOW FROM OPERATING ACTIVITIES (007-012)</b>	<b>013</b>	<b>21.478.647</b>	<b>13.080.480</b>
<b>A2) NET DECREASE OF CASH FLOW FROM OPERATING ACTIVITIES (012-007)</b>	<b>014</b>	<b>0</b>	<b>0</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
1. Cash flow from sale of long - term tangible and intangible assets	015	0	0
2. Cash inflows from sale of equity and debt financial instruments	016	0	3.934.737
3. Interest receipts	017		
4. Dividend receipts	018		
5. Other cash inflows from investing activities	019		
<b>III. Total cash inflows from investing activities(015 to 019)</b>	<b>020</b>	<b>0</b>	<b>3.934.737</b>
1. Cash outflows for purchase of long - term tangible and intangible assets	021	4.549.766	17.426.847
2. Cash outflows for purchase of equity and debt financial instruments	022		
3. Other cash outflows from investing activities	023	16.449.774	
<b>IV. Total cash outflows from investing activities (021 to 023)</b>	<b>024</b>	<b>20.999.540</b>	<b>17.426.847</b>
<b>B1) NET INCREASE OF CASH FLOW FROM INVESTING ACTIVITIES (020-024)</b>	<b>025</b>	<b>0</b>	<b>0</b>
<b>B2) NET DECREASE OF CASH FLOW FROM INVESTING ACTIVITIES (024-020)</b>	<b>026</b>	<b>20.999.540</b>	<b>13.492.110</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
1. Cash receipts from issuance of equity and debt financial instruments	027		
2. Cash inflows from loans, debentures, credits and other borrowings	028		
3. Other cash inflows from financing activities	029		
<b>V. Total cash inflows from financing activities (027 to 029)</b>	<b>030</b>	<b>0</b>	<b>0</b>
1. Cash outflows for repayment of loans and bonds	031		
2. Dividends paid	032		
3. Cash outflows for finance lease	033		
4. Cash outflows for purchase of own stocks	034		
5. Other cash outflows from financing activities	035	0	
<b>VI. Total cash outflows from financing activities (031 do 035)</b>	<b>036</b>	<b>0</b>	<b>0</b>
<b>C1) NET INCREASE OF CASH FLOW FROM FINANCING ACTIVITIES (030-036)</b>	<b>037</b>	<b>0</b>	<b>0</b>
<b>C2) NET DECREASE OF CASH FLOW FROM FINANCING ACTIVITIES (036-030)</b>	<b>038</b>	<b>0</b>	<b>0</b>
Total increases of cash flows (013 – 014 + 025 – 026 + 037 – 038)	039	479.107	0
Total decreases of cash flows (014 – 013 + 026 – 025 + 038 – 037)	040	0	411.630
Cash and cash equivalents at the beginning of period	041	105.947	585.054
Increase in cash and cash equivalents	042	21.478.647	13.080.480
Decrease in cash and cash equivalents	043	20.999.540	13.492.110
Cash and cash equivalents at the end of period	044	585.054	173.424



**STATEMENT OF CHANGES IN EQUITY**  
**1/1/2018 to 6/30/2018**

period	1/1/2018	to	6/30/2018
position	1	2	3
AOP code	2	3	4
1. Subscribed capital		76,248,000	76,248,000
2. Capital reserves			
3. Reserves from profit		3,357,629	3,357,629
4. Retained earnings or accumulated loss		-12,981,833	-14,578,417
5. Profit or loss for the current year		-1,596,484	-590,158
6. Revaluation of long - term tangible assets			
7. Revaluation of intangible assets			
8. Revaluation of financial assets available for sale		-475,487	-475,487
9. Other revaluation			
<b>10. Total capital and reserves (AOP 001 to 009)</b>		64,551,825	63,961,567
11. Currency gains and losses arising from net investments in foreign operations			
12. Current and deferred taxes (part)			
13. Cash flow hedging			
14. Changes in accounting policies			
15. Correction of significant errors in prior periods			
16. Other changes in capital			
<b>17. Total increase or decrease in capital (AOP 011 to 016)</b>		0	0
17 a. Attributed to equity holders of parent company			
17 b. Attributed to minority interest			

Items decreasing the capital are entered with a negative number sign

Data entered under AOP marks 001 to 009 are entered as situation on the Balance Sheet date