

Stanovi Jadran

MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

01.01.2019. to 30.06.2019.

Split, July 26, 2019

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I. COMMENTS ON BUSINESS DOING

Stanovi Jadran d.d. (the Company) had 1.598.117 HRK total revenues for the first six months in 2019 what is 424,72 % better than the year before for the same time period.

Material expenses were 531.348 HRK what is an increase of 22,46 % from year prior.

Salaries went up for 49,66% what is mainly due employing two persons for residential project Peškarija.

Profit before tax (PBT) were 78.727 HRK while the Company had loss for the first six months in 2018.

Total assets increased for 10,93 % to 88.249.319 HRK since the beginning of the year. Long-term financial assets is related to share capital in affiliated companies and to shares of non-listed companies. It amounts 30.274.502 HRK.

Current assets are 7.975.216 HRK, which is better of the year prior by the 20,67%.

Short-term financial assets amount to 2.973.746 HRK and is short-term given loans. Long-term liabilities were 16.644.507 HRK what are credit lines at Karlovačka Bank and Agram Bank.

Short-term liabilities amount to 8.330.201 HRK, of which HRK 5.898.185 are down payments for sold apartments in Šibenik.

Stanovi Jadran d.d. (Group) achieved total revenues of 5.397.482 HRK in the first six months of 2019, what is an increase of 62,83% for the same period of the previous year. The increase in revenues is mainly due to rent collection in Ploka commercial building, better business results in Hotel Blanca Resort & Spa and transaction where the company sold its land plots in Pićan and Lovinac.

Material expenses were 2.628.062 HRK which is an increase of 42,76. Salaries increased for 26,6% comparing tu the year before.

Profit before tax (PBT) were 74.174 HRK, while in the same time period of the previous year the Group had loss of 575.906 HRK.

Total assets were 9,9% higher compared to the beginning of the year and amounts to 98.141.567. Fixed assets were higher by 7.631.001HRK or 9,52 %, compared to the beginning of the year.

Long-term financial assets refer to shares of non-listed companies, except for FMPS-R-A and VART -R-1. It amounts to 2.615.115 HRK and is dependentan to the value adjustment quoted on the Zagreb Stock Exchange.

Current assets amount to 9.838.950 HRK what is 10,51 % more than the beginning of the year. Short-term financial assets amount to 3.138.543 HRK and is short-term given loans. There was no change in capital and reserves compared to the beginning of the year.

Long-term liabilities amount to 16.498.973 HRK what are credit lines at Karlovačka Bank and Agram Bank.

Short-term liabilities amount to 10.351.767 HRK of which the largest portion of 5.898.185 HRK were down payments liabilities for sold apartments in Šibenik. Total debt to banking institutions of the Group Stanovi Jadran d.d. amounted to 17.740.795 HRK.

II. IMPORTANT BUSINESS EVENTS

Stanovi Jadran d.d. as an investor of residential project in Šibenik expects the examination commission to issue a permit during August what leads to contract signature with buyers. Most of the apartments have been finished and ready to move in.

Regarding hotel investment, the company has finished building demolition and construction field has been closed due to summer season. The management expects to continue with construction activities mid-September and the opening venue should be in spring 2020.

Other properties that the company owns, such as land plots, has been listed on sale through real estate agencies.

III. EXPECTED BUSINESS DEVELOPEMENT

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.

The management decided not to merge VILE ORAŠAC d.o.o. to STANOVI JADRAN d.d. during this year due to potential buyer for a project. Apart from that, the management is planning to have building permits for "Creme de la Perfection" during summer.

In subsidiary company WINTER d.o.o., revenue increased for 26,84% to 1.017.837 BAM mainly due to weather conditions, higher selling prices and better F&B offer. The expenses increased for 33,4% mainly due to maintenance costs when the rooms and common areas has been refurbished.

IV. RESEARCH AND DEVELOPEMENT ACTIVITIES

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

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

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

VII. IMPORTANT FINANCIAL INSTUMENTS

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

- stake at subsidiary companies
- shares bought at Zagreb Stock Exchange such as Varteks PLC and Proprius PLC – close end investment fund where the company holds 10,57% of share capital, while other shares has been sold during 2017. Proprius PLC has been in liquidation since 29.04.2019.

VIII. COMPANY AIMS AND POLICY

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

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 and competing markets such as Spain, Greece and Turkey 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 stable 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

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 01.01.2019. – 30.06.2019. are giving

STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2019. – 30.06.2019. is in line with Accounting Law, Accounting Standards of Financial Reporting and EU Directives.

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



Toni Jeličić Purko
Management Board President

STANOVI JADRAN
d.d. SPLIT



Maja Bradić
Management Board Member

Split, July 26, 2019.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

1/1/2019

to

6/30/2019

Year:

2019

Quarter:

2

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

11

Consolidated report:

KN

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

Bookkeeping firm:

No

(Yes/No)

(name of the bookkeeping firm)

Contact person:

Toni Jeličić Purko

(only name and surname of the contact person)

Telephone:

021/482-367

E-mail address:

toni@stanovijadran.com

Audit firm:

Deloitte d.o.o.

(name of the audit firm)

Certified auditor:

Branislav Vrtačnik

(name and surname)

BALANCE SHEET
balance as at 30.6.2019

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	72.768.557	80.094.417
I INTANGIBLE ASSETS (ADP 004 to 009)	003	21.770	23.590
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	21.770	23.590
3 Goodwill	006	0	0
4 Advances for the purchase of intangible assets	007	0	0
5 Intangible assets in preparation	008	0	0
6 Other intangible assets	009	0	0
II TANGIBLE ASSETS (ADP 011 to 019)	010	42.411.279	49.796.325
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	22.266	146.149
4 Tools, working inventory and transportation assets	014	3.871	0
5 Biological assets	015	0	0
6 Advances for the purchase of tangible assets	016	0	0
7 Tangible assets in preparation	017	0	0
8 Other tangible assets	018	0	0
9 Investment property	019	42.385.142	49.650.176
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	30.335.508	30.274.502
1 Investments in holdings (shares) of undertakings within the group	021	27.931.354	27.664.353
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	148.549	273.606
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	2.255.605	2.336.543
IV RECEIVABLES (ADP 032 to 035)	031	0	0
1 Receivables from undertakings within the group	032	0	0
2 Receivables from companies linked by virtue of participating interests	033	0	0
3 Customer receivables	034	0	0
4 Other receivables	035	0	0
V DEFERRED TAX ASSETS	036	0	0
C) CURRENT ASSETS (ADP 038+046+053+063)	037	6.609.273	7.975.216
I INVENTORIES (ADP 039 to 045)	038	0	0
1 Raw materials and consumables	039	0	0
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	0	0
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
II RECEIVABLES (ADP 047 to 052)	046	3.141.512	4.472.464
1 Receivables from undertakings within the group	047	68.250	15.750

2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	2.442.592	2.615.490
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	216.113	803.479
6 Other receivables	052	414.557	1.037.745
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	3.388.515	2.973.746
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	98.500	93.500
4 Investments in holdings (shares) of companies linked by virtue of participating interests	057	0	0
5 Investment in other securities of companies linked by virtue of participating interests	058	0	0
6 Loans, deposits etc. to companies linked by virtue of participating interests	059	0	0
7 Investments in securities	060	0	0
8 Loans, deposits, etc. given	061	3.290.015	2.880.246
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	79.246	529.006
D) PREPAID EXPENSES AND ACCRUED INCOME	064	175.125	179.686
E) TOTAL ASSETS (ADP 001+002+037+064)	065	79.552.955	88.249.319
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	63.114.945	63.274.611
I INITIAL (SUBSCRIBED) CAPITAL	068	76.248.000	76.248.000
II CAPITAL RESERVES	069	0	0
III RESERVES FROM PROFIT (ADP 071+072-073+074+075)	070	3.357.629	3.357.629
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	3.357.629	3.357.629
IV REVALUATION RESERVES	076	0	0
V FAIR VALUE RESERVES (ADP 078 to 080)	077	-1.024.349	-943.411
1 Fair value of financial assets available for sale	078	-1.024.349	-943.411
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)	081	-14.578.417	-15.466.334
1 Retained profit	082	0	0
2 Loss brought forward	083	14.578.417	15.466.334
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-887.918	78.727
1 Profit for the business year	085	0	78.727
2 Loss for the business year	086	887.918	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
B) PROVISIONS (ADP 089 to 094)	088	0	0
1 Provisions for pensions, termination benefits and similar obligations	089	0	0
2 Provisions for tax liabilities	090	0	0
3 Provisions for ongoing legal cases	091	0	0
4 Provisions for renewal of natural resources	092	0	0
5 Provisions for warranty obligations	093	0	0
6 Other provisions	094	0	0
C) LONG-TERM LIABILITIES (ADP 096 to 106)	095	9.653.539	16.644.507
1 Liabilities to undertakings within the group	096	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	097	0	0
3 Liabilities to companies linked by virtue of participating interests	098	0	0

4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	099	0	0
5 Liabilities for loans, deposits etc.	100	0	0
6 Liabilities to banks and other financial institutions	101	9.653.539	16.644.507
7 Liabilities for advance payments	102	0	0
8 Liabilities to suppliers	103	0	0
9 Liabilities for securities	104	0	0
10 Other long-term liabilities	105	0	0
11 Deferred tax liability	106	0	0
D) SHORT-TERM LIABILITIES (ADP 108 to 121)	107	6.784.471	8.330.201
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	103.700	98.700
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	1.215.605	1.418.401
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	4.474.353	5.898.185
8 Liabilities to suppliers	115	897.585	752.994
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	59.292	46.909
11 Taxes, contributions and similar liabilities	118	33.936	115.012
12 Liabilities arising from the share in the result	119	0	0
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	0	0
E) ACCRUALS AND DEFERRED INCOME	122	0	0
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	79.552.955	88.249.319
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 1. 1. 2019 to 30. 6. 2019

in HRK

Submitter: STANOVI JADRAN d.d.

Item	ADP code	Same period of the previous year		Current period	
		Cumulative	Quarter	Cumulative	Quarter
1	2	3	4	5	6
I OPERATING INCOME (ADP 126 to 130)	125	304.564	207.322	1.598.117	1.293.203
1 Income from sales with undertakings within the group	126	0	0	45.000	24.700
2 Income from sales (outside group)	127	297.583	207.322	1.519.289	1.252.807
3 Income from the use of own products, goods and services	128	0	0	0	0
4 Other operating income with undertakings within the group	129	0	0	0	0
5 Other operating income (outside the group)	130	6.981	0	33.828	15.696
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	1.116.008	765.515	1.417.352	588.604
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	433.892	294.699	531.348	152.984
a) Costs of raw materials and consumables	134	59.593	34.267	127.578	7.985
b) Costs of goods sold	135	0	0	0	0
c) Other external costs	136	374.299	260.432	403.770	144.999
3 Staff costs (ADP 138 to 140)	137	346.959	185.645	519.274	299.817
a) Net salaries and wages	138	219.870	118.755	319.319	183.355
b) Tax and contributions from salary costs	139	76.812	40.287	127.582	75.165
c) Contributions on salaries	140	50.277	26.603	72.373	41.297
4 Depreciation	141	49.778	47.722	172.922	89.521
5 Other costs	142	241.706	237.449	178.984	31.958
6 Value adjustments (ADP 144+145)	143	0	0	0	0
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
7 Provisions (ADP 147 to 152)	146	0	0	0	0
a) Provisions for pensions, termination benefits and similar obligations	147	0	0	0	0
b) Provisions for tax liabilities	148	0	0	0	0
c) Provisions for ongoing legal cases	149	0	0	0	0
d) Provisions for renewal of natural resources	150	0	0	0	0
e) Provisions for warranty obligations	151	0	0	0	0
f) Other provisions	152	0	0	0	0
8 Other operating expenses	153	43.673	0	14.824	14.324
III FINANCIAL INCOME (ADP 155 to 164)	154	275.251	111.012	23.180	21.441
1 Income from investments in holdings (shares) of undertakings within the group	155	0	0	0	0
2 Income from investments in holdings (shares) of companies linked by virtue of participating interests	156	0	0	0	0
3 Income from other long-term financial investment and loans granted to undertakings within the group	157	0	0	0	0
4 Other interest income from operations with undertakings within the group	158	0	0	0	0
5 Exchange rate differences and other financial income from operations with undertakings within the group	159	0	0	0	0
6 Income from other long-term financial investments and loans	160	0	0	0	0
7 Other interest income	161	112.103	111.012	1.271	0
8 Exchange rate differences and other financial income	162	0	0	21.909	21.441
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	163.148	0	0	0
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	53.965	53.959	125.218	53.017
1 Interest expenses and similar expenses with undertakings within the group	166	0	0	0	0
2 Exchange rate differences and other expenses from operations with undertakings within the group	167	0	0	0	0
3 Interest expenses and similar expenses	168	53.965	53.959	87.034	53.017
4 Exchange rate differences and other expenses	169	0	0	2.100	0
5 Unrealised losses (expenses) from financial assets	170	0	0	0	0
6 Value adjustments of financial assets (net)	171	0	0	0	0
7 Other financial expenses	172	0	0	36.084	0
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VRTUE OF PARTICIPATING INTERESTS	173	0	0	0	0
VI SHARE IN PROFIT FROM JOINT VENTURES	174	0	0	0	0

VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175	0	0	0	0
VIII SHARE IN LOSS OF JOINT VENTURES	176	0	0	0	0
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	579.815	318.334	1.621.297	1.314.644
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	1.169.973	819.474	1.542.570	641.621
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-590.158	-501.140	78.727	673.023
1 Pre-tax profit (ADP 177-178)	180	0	0	78.727	673.023
2 Pre-tax loss (ADP 178-177)	181	-590.158	-501.140	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-590.158	-501.140	78.727	673.023
1 Profit for the period (ADP 179-182)	184	0	0	78.727	673.023
2 Loss for the period (ADP 182-179)	185	-590.158	-501.140	0	0
DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	0	0	0	0
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
XV INCOME TAX OF DISCONTINUED OPERATIONS	189	0	0	0	0
1 Discontinued operations profit for the period (ADP 186-189)	190	0	0	0	0
2 Discontinued operations loss for the period (ADP 189-186)	191	0	0	0	0
TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	0	0	0	0
1 Pre-tax profit (ADP 192)	193	0	0	101.148	695.444
2 Pre-tax loss (ADP 192)	194	0	0	0	0
XVII INCOME TAX (ADP 182+189)	195	0	0	0	0
XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)	196	0	0	0	0
1 Profit for the period (ADP 192-195)	197	0	0	101.148	695.444
2 Loss for the period (ADP 195-192)	198	0	0	0	0
APPENDIX to the P&L (to be filled in by undertakings that draw up consolidated annual financial statements)					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	-590.158	-501.140	101.148	695.444
1 Attributable to owners of the parent	200	-590.158	-501.140	101.148	695.444
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)					
I PROFIT OR LOSS FOR THE PERIOD	202	-590.158	-501.140	101.148	695.444
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-436.409	0	80.938	0
1 Exchange rate differences from translation of foreign operations	204	0	0	0	0
2 Changes in revaluation reserves of fixed tangible and intangible assets	205	0	0	0	0
3 Profit or loss arising from subsequent measurement of financial assets available for sale	206	-436.409	0	80.938	0
4 Profit or loss arising from effective cash flow hedging	207	0	0	0	0
5 Profit or loss arising from effective hedge of a net investment in a foreign operation	208	0	0	0	0
6 Share in other comprehensive income/loss of companies linked by virtue of participating interests	209	0	0	0	0
7 Actuarial gains/losses on the defined benefit obligation	210	0	0	0	0
8 Other changes in equity unrelated to owners	211	0	0	0	0
III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD	212	0	0	0	0
IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)	213	-436.409	0	80.938	0
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-1.026.567	-501.140	182.086	695.444
APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-1.026.567	-501.140	182.086	695.444
1 Attributable to owners of the parent	216	-1.026.567	-501.140	182.086	695.444
2 Attributable to minority (non-controlling) interest	217	0	0	0	0

STATEMENT OF CASH FLOWS - indirect method
for the period 1.1.2019. to 30.6.2019.

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	-590.158	78.727	
2 Adjustments (ADP 003 to 010):	002	49.778	253.861	
a) Depreciation	003	49.778	172.922	
b) Gains and losses from sale and value adjustment of fixed tangible and intangible assets	004	0	0	
c) Gains and losses from sale and unrealised gains and losses and value adjustment of financial assets	005	0	0	
d) Interest and dividend income	006	0	0	
e) Interest expenses	007	0	0	
f) Provisions	008	0	0	
g) Exchange rate differences (unrealised)	009	0	0	
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	0	80.939	
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-540.380	332.588	
3 Changes in the working capital (ADP 013 to 016)	012	13.620.860	210.217	
a) Increase or decrease in short-term liabilities	013	6.652.115	1.545.730	
b) Increase or decrease in short-term receivables	014	-226.207	-1.335.513	
c) Increase or decrease in inventories	015	0	0	
d) Other increase or decrease in working capital	016	7.194.952	0	
II Cash from operations (ADP 011+012)	017	13.080.480	542.805	
4 Interest paid	018	0	0	
5 Income tax paid	019	0	0	
A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)	020	13.080.480	542.805	
Cash flow from investment activities				
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0	
2 Cash receipts from sales of financial instruments	022	3.934.737	61.006	
3 Interest received	023	0	0	
4 Dividends received	024	0	0	
5 Cash receipts from repayment of loans and deposits	025	0	414.769	
6 Other cash receipts from investment activities	026	0	0	
III Total cash receipts from investment activities (ADP 021 to 026)	027	3.934.737	475.775	
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-17.426.847	-7.559.788	
2 Cash payments for the acquisition of financial instruments	029	0	0	
3 Cash payments for loans and deposits for the period	030	0	0	
4 Acquisition of a subsidiary, net of cash acquired	031	0	0	
5 Other cash payments from investment activities	032	0	0	
IV Total cash payments from investment activities (ADP 028 to 032)	033	-17.426.847	-7.559.788	
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-13.492.110	-7.084.013	
Cash flow from financing activities				
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0	

2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	0	6.990.968
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	0	6.990.968
1 Cash payments for the repayment of credit principals, loans and other borrowings and debt financial instruments	040	0	0
2 Cash payments for dividends	041	0	0
3 Cash payments for finance lease	042	0	0
4 Cash payments for the redemption of treasury shares and decrease in initial (subscribed) capital	043	0	0
5 Other cash payments from financing activities	044	0	0
VI Total cash payments from financing activities (ADP 040 to 044)	045	0	0
C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)	046	0	6.990.968
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	-411.630	449.760
E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	049	585.054	79.246
F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)	050	173.424	529.006

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

Name of the issuer: STANOVI JADRAN d.d.

Personal identification number (OIB): 88680117715

Reporting period: 1.1.2019 to 30.6.2019

Notes to financial statements for quarterly periods include:

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