

# Stanovi Jadran

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## MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

01.01.2019. to 30.09.2019.

Split, 25 October 2019.

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## **Introduction**

Stanovi Jadran d.d. records outstanding results in Q3 2019. The main reason is the realization of sales contracts for apartments in the residential - business complex "Peškarija", which records record prices per square meter for a property in Šibenik.

The Management Board of the Company has signed sales contracts for two apartments in this quarter, while by the end of the year it will also sign sales contracts for the remaining two apartments with buyers with whom the pre-contract has been signed. The reason for this is the obtaining the operating permits in different phases, where the last have been obtained in October.

The two sales contracts for apartments designated as S1 and S6 total EUR 1,225,800.00 VAT incl. for a total of 237.10 square meters of the apartment's internal floor area.

Prior to the sale of the above-mentioned apartments, the purchase/sale prices of real estate in Šibenik amounted to approximately EUR 1,400.00 per square meter.

Total sale amount for the apartments from the concluded pre-contracts amounts to EUR 1,068,645.00 VAT incl. and the Management Board expects those will be signed by the end of the business year.

At the same time, there are currently available apartments on the market for which the Management Board receives constant inquiries. In addition, the construction of the Hotel "Armerun" started along with the residential - business complex "Pekarija", which will further increase the value of the location itself.

Best regards,

STANOVI JADRAN d.d.

**TABLE OF CONTENTS**

**I. COMMENTS ON BUSINESS DOING ..... 4**

**II. IMPORTANT BUSINESS EVENTS..... 5**

**III. EXPECTED BUSINESS DEVELOPEMENT ..... 6**

**IV. R&D ACTIVITIES..... 6**

**V. TREASURY SHARES INFORMATION ..... 6**

**VI. BRANCH OFFICES ..... 6**

**VII. IMPORTANT FINANCIAL INSTURMENTS..... 7**

**VIII. AIMS AND POLICY ..... 7**

**IX. RISK EXPOSURE..... 7**

**X. MANAGEMENT STATEMENT ..... 10**

## I. COMMENTS ON BUSINESS DOING

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Stanovi Jadran d.d. (the Company) signed the sale of two apartments in the residential - business complex "Peškarija", which had the most significant impact on the increase of operating income and profit in the third quarter of 2019. In addition, the increase in total business income was also influenced by the income from the summer lease of an apartment, the part of "Centar Ploka" in Split. At the same time, material costs increased due to the *cost of goods sold*, while the costs of employees were higher than in the same period last year due to the increase in the number of workers in order to accelerate the completion of works and preparation for the next project. The Company still has liabilities for the upfront payments received that relate to the concluded pre-sales contracts, the realization of which is expected by the end of the business year.



**Sales revenue**  
9.317.666 HRK



**Material expenses**  
5.614.095 HRK



**Wages & salaries**  
805.550 HRK



**Net profit**  
2.088.187 HRK



**Assets**  
87.020.079 HRK



**Liabilities**  
21.520.305 HRK

Stanovi Jadran d.d. (the Group) achieved better results in the first nine months of 2019 than in the previous year for the same time period. Along with the realization of sales contracts for two apartments in the residential and business complex "Peškarija", revenues also increased due to an increase in revenues in the company "Winter d.o.o.", which manages Hotel Blanca Resort & Spa, by 19%, with an increase in the number of arrivals and nights spent and higher prices. Material costs increased because of the remodeling of the rooms and common areas of the Hotel Blanca Resort & Spa, as well as the cost of goods sold. The costs of employees increased due to the lack of manpower in the company "Winter d.o.o." and due to the increase in the number of employees in the

company Stanovi Jadran d.d. The Group has significant profit for the period, where the main reasons being the profit from the sale of apartments and the profit of Winter d.o.o.



**Sales revenue**  
15.728.389 HRK



**Material expenses**  
8.357.895 HRK



**Wages & Salaries**  
2.368.267 HRK



**Net profit**  
3.170.812 HRK



**Assets**  
96.264.958 HRK



**Liabilities**  
23.657.743 HRK

## II. IMPORTANT BUSINESS EVENTS

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Stanovi Jadran d.d. as an investor of a residential and commercial building in Šibenik, obtained operating permits in September and October and conducted a condominium. Two sales contracts have been signed and two more contracts are expected to be signed in the last quarter.

Following the termination of the prohibition on the execution of construction works during summer season, the Company continued to invest in the Hotel "Armerun" and, until the day of writing the report, part of reinforced concrete works and part of installation works were completed. The Company's management expects to open the hotel in May 2020.

Properties owned or wholly owned by the Company were put up for sale and the Management Board held several meetings with potential buyers for those.

The company "Mediteran gradnja d.o.o." was separated and sold to a third party, while the company "Nova Nekretnine d.o.o." as a transferee company took over part of the assets, liabilities and legal relations.

### III. EXPECTED BUSINESS DEVELOPEMENT

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The future contingent liabilities of the Company and its Subsidiaries relate mainly to investments in construction projects already started.

The company obtained the certificates of public authorities for the project "Creme de la Perfection" in Donja Mokošica and submitted a request for a building permit.

The subsidiary VILE ORAŠAC d.o.o., was not merged with the Company even this year because of a vested interest in the purchase of a share or partnership. Negotiations are currently underway with potential buyers.

In the subsidiary Winter d.o.o., revenue growth of 19.7% and was BAM 1,708,186. The biggest reason for the revenue growth is the improved supply/offer of accommodation and food, the increase in the number of arrivals and overnight stays and the increase in the realized price. Overall costs increased by 18.6%, largely due to ongoing maintenance costs when the hotel was remodeled. EBITDA after 9 months is at 28.6%.

The Company's management is looking for locations where it would continue with the presented strategy in the Prospectus while actively finding solutions for currently inoperative assets.

### IV. R&D ACTIVITIES

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Improving the real estate market requires regular monitoring of the market, which is mostly done through our own research and through discussions with agents who are daily confronted with the real estate supply and demand.

### V. TREASURY SHARES INFORMATION

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Stanovi Jadran d.d. do not own treasury shares, and the existing ownership structure and is subject to more frequent changes in the Stock Exchange Market.

### VI. BRANCH OFFICES

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The company has no open subsidiaries. This also applies to the subsidiaries that are part of the Group.

## VII. IMPORTANT FINANCIAL INSTRUMENTS

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Financial instruments that the Company has in its portfolio are:

- shares of the subsidiaries,
- shares of companies listed on Zagreb Stock Exchange such as Varteks d.d. and Proprius d.d. – in liquidation. The company holds 10.57% of Proprius d.d. – in liquidation share capital, where the Company's holding company Jadran Kapital d.d. is the largest single shareholder of Proprius d.d. – in liquidation.

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

## VIII. AIMS AND POLICY

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

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

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

## IX. RISK EXPOSURE

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### **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

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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 01.01.2019. – 30.09.2019. are giving the

### STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2019. – 30.09.2019. 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, 25. October 2019.

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

1/1/2019

to

9/30/2019

Year:

2019

Quarter:

3.

## Quarterly financial statements

Registration number (MB):

02182190

Issuer's home Member

State code:

HR

Entity's registration  
number (MBS):

060227551

Personal identification  
number (OIB):

88680117715

LEI:

747800E0R03R0059Q263

Institution  
code:

94048

Name of the issuer: STANOVI JADRAN d.d.

Postcode and town:

21000

SPLIT

Street and house number:

Kralja Zvonimira 14/IX

E-mail address:

info@stanovijadran.com

Web address:

www.stanovijadran.com

Number of employees  
(end of the reporting

44

Consolidated report:

KD

(KN-not consolidated/KD-consolidated)

Audited:

RN

(RN-not audited/RD-audited)

Names of subsidiaries (according to IFRS):

Registered office:

MB:

WINTER d.o.o.

Babanovac bb, Travnik, BIH

5101025908

MEDITERAN GRADNJA d.o.o.

Bilaje 7, Podaca (Općina Gradac)

90017849

NOVA NEKRETNINE d.o.o.

Kralja Zvonimira 14/IX, Split

90019408

VILE ORAŠAC d.o.o.

Za Gospom 6, 20233 Trsteno

80607279

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 30.9.2019

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
<b>A) RECEIVABLES FOR SUBSCRIBED CAPITAL UNPAID</b>	<b>001</b>	0	0
<b>B) FIXED ASSETS (ADP 003+010+020+031+036)</b>	<b>002</b>	80.191.430	86.831.230
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	80.702	296.723
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	80.702	296.723
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
<b>II TANGIBLE ASSETS (ADP 011 to 019)</b>	<b>010</b>	77.701.608	84.048.963
1 Land	011	2.025.000	2.047.023
2 Buildings	012	25.179.733	24.844.503
3 Plant and equipment	013	31.324	211.834
4 Tools, working inventory and transportation assets	014	454.207	613.390
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	50.011.344	56.332.213
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	2.409.120	2.485.544
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	148.549	411.606
7 Investments in securities	027	2.249.571	2.073.938
8 Loans, deposits, etc. given	028	0	0
9 Other investments accounted for using the equity method	029	11.000	0
10 Other fixed financial assets	030	0	0
<b>IV RECEIVABLES (ADP 032 to 035)</b>	<b>031</b>	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
<b>V DEFERRED TAX ASSETS</b>	<b>036</b>	0	0
<b>C) CURRENT ASSETS (ADP 038+046+053+063)</b>	<b>037</b>	8.903.396	9.433.728
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	573.672	557.137
1 Raw materials and consumables	039	491.829	443.441
2 Work in progress	040	0	0
3 Finished goods	041	0	0
4 Merchandise	042	81.843	113.696
5 Advances for inventories	043	0	0
6 Fixed assets held for sale	044	0	0
7 Biological assets	045	0	0
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	4.358.033	4.953.047
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	3,219,210	3,237,796
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions *	051	458,877	1,358,003
6 Other receivables	052	679,946	357,248
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>3,587,138</b>	<b>3,700,387</b>
1 Investments in holdings (shares) of undertakings within the group	054	0	0
2 Investments in other securities of undertakings within the group	055	0	0
3 Loans, deposits, etc. to undertakings within the group	056	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	3,587,138	3,700,387
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>384,553</b>	<b>223,157</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>200,354</b>	<b>468,408</b>
<b>E) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>89,295,180</b>	<b>96,733,366</b>
<b>OFF-BALANCE SHEET ITEMS</b>	<b>066</b>	<b>0</b>	<b>0</b>
<b>LIABILITIES</b>			
<b>A) CAPITAL AND RESERVES (ADP 068 to 094)</b>	<b>067</b>	<b>70,004,789</b>	<b>73,066,439</b>
I INITIAL (SUBSCRIBED) CAPITAL	068	76,248,000	76,248,000
II CAPITAL RESERVES	069	0	0
<b>III RESERVES FROM PROFIT (ADP 071+072-073+074+075)</b>	<b>070</b>	<b>3,357,629</b>	<b>3,357,629</b>
1 Legal reserves	071	0	0
2 Reserves for treasury shares	072	0	0
3 Treasury shares and holdings (deductible item)	073	0	0
4 Statutory reserves	074	0	0
5 Other reserves	075	3,357,629	3,357,629
<b>IV REVALUATION RESERVES</b>	<b>076</b>	<b>0</b>	<b>0</b>
<b>V FAIR VALUE RESERVES (ADP 078 to 080)</b>	<b>077</b>	<b>-1,024,349</b>	<b>-559,800</b>
1 Fair value of financial assets available for sale	078	-1,024,349	-559,800
2 Cash flow hedge - effective portion	079	0	0
3 Hedge of a net investment in a foreign operation - effective portion	080	0	0
<b>VI RETAINED PROFIT OR LOSS BROUGHT FORWARD (ADP 082-083)</b>	<b>081</b>	<b>-10,705,773</b>	<b>-12,835,929</b>
1 Retained profit	082	0	0
2 Loss brought forward	083	10,705,773	12,835,929
<b>VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)</b>	<b>084</b>	<b>-1,335,156</b>	<b>3,051,751</b>
1 Profit for the business year	085	0	3,051,751
2 Loss for the business year	086	1,335,156	0
<b>VIII MINORITY (NON-CONTROLLING) INTEREST</b>	<b>087</b>	<b>3,464,438</b>	<b>3,804,788</b>
<b>B) PROVISIONS (ADP 089 to 094)</b>	<b>088</b>	<b>0</b>	<b>0</b>
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
<b>C) LONG-TERM LIABILITIES (ADP 096 to 106)</b>	<b>095</b>	<b>10,791,303</b>	<b>17,467,604</b>
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	10,791,303	17,467,604
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
<b>D) SHORT-TERM LIABILITIES (ADP 108 to 121)</b>	<b>107</b>	<b>8.499.089</b>	<b>6.190.139</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	0	0
3 Liabilities to companies linked by virtue of participating interests	110	0	0
4 Liabilities for loans, deposits etc. of companies linked by virtue of participating interests	111	0	0
5 Liabilities for loans, deposits etc.	112	1.248.105	2.769.467
6 Liabilities to banks and other financial institutions	113	505.649	264.487
7 Liabilities for advance payments	114	4.599.556	651.943
8 Liabilities to suppliers	115	1.483.450	1.511.295
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	162.922	84.285
11 Taxes, contributions and similar liabilities	118	430.473	902.670
12 Liabilities arising from the share in the result	119	65.308	1.727
13 Liabilities arising from fixed assets held for sale	120	0	0
14 Other short-term liabilities	121	3.626	4.265
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>0</b>	<b>9.184</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>89.295.181</b>	<b>96.733.366</b>
<b>G) OFF-BALANCE SHEET ITEMS</b>	<b>124</b>	<b>0</b>	<b>0</b>

**STATEMENT OF PROFIT OR LOSS**  
for the period 1. 1. 2019 to 30. 9. 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
<b>I OPERATING INCOME (ADP 126 to 130)</b>	<b>125</b>	<b>6.039.357</b>	<b>2.724.669</b>	<b>15.728.389</b>	<b>10.330.907</b>
1 Income from sales with undertakings within the group	126	0	0	0	0
2 Income from sales (outside group)	127	5.958.929	2.654.872	14.719.992	9.391.752
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	80.428	69.797	1.008.397	939.155
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>6.245.439</b>	<b>2.130.945</b>	<b>12.339.560</b>	<b>7.109.882</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
<b>2 Material costs (ADP 134 to 136)</b>	<b>133</b>	<b>2.847.870</b>	<b>969.133</b>	<b>8.357.895</b>	<b>5.729.833</b>
a) Costs of raw materials and consumables	134	1.448.681	443.250	1.719.103	465.557
b) Costs of goods sold	135	17.872	15.976	4.875.869	4.874.984
c) Other external costs	136	1.381.317	509.907	1.762.923	389.292
<b>3 Staff costs (ADP 138 to 140)</b>	<b>137</b>	<b>1.894.954</b>	<b>681.779</b>	<b>2.368.267</b>	<b>832.340</b>
a) Net salaries and wages	138	1.137.078	411.486	1.399.502	491.234
b) Tax and contributions from salary costs	139	551.043	196.045	709.665	250.985
c) Contributions on salaries	140	206.833	74.248	259.100	90.121
4 Depreciation	141	770.030	342.641	942.503	324.881
5 Other costs	142	592.952	58.357	618.315	191.317
<b>6 Value adjustments (ADP 144+145)</b>	<b>143</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
a) fixed assets other than financial assets	144	0	0	0	0
b) current assets other than financial assets	145	0	0	0	0
<b>7 Provisions (ADP 147 to 152)</b>	<b>146</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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	139.633	79.035	52.580	31.511
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>283.009</b>	<b>0</b>	<b>38.158</b>	<b>12.131</b>
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	118.281	0	26.027	0
8 Exchange rate differences and other financial income	162	0	0	0	0
9 Unrealised gains (income) from financial assets	163	0	0	0	0
10 Other financial income	164	164.728	0	12.131	12.131
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>172.096</b>	<b>112.927</b>	<b>256.175</b>	<b>136.518</b>
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	172.096	112.927	213.573	130.000
4 Exchange rate differences and other expenses	169	0	0	0	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	42.602	6.518
<b>V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS</b>	<b>173</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VI SHARE IN PROFIT FROM JOINT VENTURES</b>	<b>174</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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	6.322.366	2.724.669	15.766.547	10.343.038
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	6.417.535	2.243.872	12.595.735	7.246.400
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-95.169	480.797	3.170.812	3.096.638
1 Pre-tax profit (ADP 177-178)	180	0	480.797	3.170.812	3.096.638
2 Pre-tax loss (ADP 178-177)	181	-95.169	0	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-95.169	480.797	3.170.812	3.096.638
1 Profit for the period (ADP 179-182)	184	0	480.797	3.170.812	3.096.638
2 Loss for the period (ADP 182-179)	185	-95.169	0	0	0
<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)	186	-95.169	480.797	3.170.812	3.096.638
1 Pre-tax profit from discontinued operations	187	0	480.797	3.170.812	3.096.638
2 Pre-tax loss on discontinued operations	188	95.169	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
<b>TOTAL OPERATIONS (to be filled in only by undertakings subject to IFRS with discontinued operations)</b>					
XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)	192	-95.169	480.797	3.170.812	3.096.638
1 Pre-tax profit (ADP 192)	193	0	480.797	3.170.812	3.096.638
2 Pre-tax loss (ADP 192)	194	95.169	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	3.170.812	3.096.638
2 Loss for the period (ADP 195-192)	198	0	0	0	0
<b>APPENDIX to the P&amp;L (to be filled in by undertakings that draw up consolidated annual financial statements)</b>					
XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)	199	-95.169	480.737	3.170.812	3.096.638
1 Attributable to owners of the parent	200	-182.736	396.631	3.051.751	3.039.340
2 Attributable to minority (non-controlling) interest	201	87.567	84.106	119.061	57.298
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
I PROFIT OR LOSS FOR THE PERIOD	202	-95.169	480.737	3.170.812	3.096.638
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-432.907	3.502	464.548	383.610
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	-432.907	3.502	464.548	383.610
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	-432.907	3.502	464.548	383.610
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-528.076	484.239	3.635.360	3.480.248
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)	215	-528.076	484.239	3.635.360	3.480.248
1 Attributable to owners of the parent	216	-615.643	400.133	3.516.299	3.360.733
2 Attributable to minority (non-controlling) interest	217	87.567	84.106	119.061	119.515



**STATEMENT OF CASH FLOWS - indirect method**  
for the period 1.1.2019. to 30.9.2019.

in HRK

Submitter: STANOVI JADRAN d.d.			
Item	ADP code	Same period of the previous year	Current period
1	2	3	4
<b>Cash flow from operating activities</b>			
1 Pre-tax profit	001	-182.736	3.051.751
2 Adjustments (ADP 003 to 010):	002	770.030	942.503
a) Depreciation	003	770.030	942.503
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	0
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>587.294</b>	<b>3.994.254</b>
3 Changes in the working capital (ADP 013 to 016)	012	6.368.269	-3.136.399
a) Increase or decrease in short-term liabilities	013	940.715	-2.299.766
b) Increase or decrease in short-term receivables	014	81.902	-863.068
c) Increase or decrease in inventories	015	119.357	16.535
d) Other increase or decrease in working capital	016	5.226.295	9.900
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>6.955.563</b>	<b>857.855</b>
4 Interest paid	018	0	0
5 Income tax paid	019	0	0
<b>A) NET CASH FLOW FROM OPERATING ACTIVITIES (ADP 017 to 019)</b>	<b>020</b>	<b>6.955.563</b>	<b>857.855</b>
<b>Cash flow from investment activities</b>			
1 Cash receipts from sales of fixed tangible and intangible assets	021	0	0
2 Cash receipts from sales of financial instruments	022	432.907	0
3 Interest received	023	0	0
4 Dividends received	024	0	0
5 Cash receipts from repayment of loans and deposits	025	0	0
6 Other cash receipts from investment activities	026	0	0
<b>III Total cash receipts from investment activities (ADP 021 to 026)</b>	<b>027</b>	<b>432.907</b>	<b>0</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-18.590.638	-7.505.879
2 Cash payments for the acquisition of financial instruments	029	0	-189.673
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
<b>IV Total cash payments from investment activities (ADP 028 to 032)</b>	<b>033</b>	<b>-18.590.638</b>	<b>-7.695.552</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-18.157.731</b>	<b>-7.695.552</b>
<b>Cash flow from financing activities</b>			
1 Cash receipts from the increase in initial (subscribed) capital	035	0	0
2 Cash receipts from the issue of equity financial instruments and debt financial instruments	036	0	0
3 Cash receipts from credit principals, loans and other borrowings	037	10.820.971	6.676.301
4 Other cash receipts from financing activities	038	0	0
<b>V Total cash receipts from financing activities (ADP 035 to 038)</b>	<b>039</b>	<b>10.820.971</b>	<b>6.676.301</b>
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
<b>VI Total cash payments from financing activities (ADP 040 to 044)</b>	<b>045</b>	<b>0</b>	<b>0</b>
<b>C) NET CASH FLOW FROM FINANCING ACTIVITIES (ADP 039 +045)</b>	<b>046</b>	<b>10.820.971</b>	<b>6.676.301</b>
1 Unrealised exchange rate differences in respect of cash and cash equivalents	047	0	0
<b>D) NET INCREASE OR DECREASE IN CASH FLOWS (ADP 020+034+046+047)</b>	<b>048</b>	<b>-381.197</b>	<b>-161.396</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>1.564.812</b>	<b>384.553</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>1.183.615</b>	<b>223.157</b>



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 30.9.2019

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.