

Stanovi Jadran

MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

01.01.2019. to 31.12.2019.

Split, February 25, 2020.

Introduction

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

The Management Board of the Company has signed purchase agreements for three apartments during 2019, while we plan to sell two more apartments in 2020.

Three signed purchase agreements for apartments named as S1, S5 and S6 are in total EUR 1.725.800,00 VAT incl. for a total of 313,20 square meters of the apartments’ internal floor area.

During last quarter of 2019, the company continue construction activities on future hotel Armerun in Šibenik which should open its doors prior to summer season of 2020.

The company sold one land parcel to its daughter company therefore making permit issuance process less complicated and faster.

In a meantime, there are currently available apartments on the market for which the Management Board receives constant inquiries.

Best regards,

STANOVI JADRAN d.d.

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I. COMMENTS ON BUSINESS DOING

Stanovi Jadran d.d. (the Company) signed three purchase agreements for apartments in the residential - business complex "Peškarija", which had the most significant impact on the increase of operating income and profit in 2019. In addition to this, the increase in total income was also influenced by the dialy rent of Penthouse Vinci and monthly rent of other commercial place, all 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 down payments received related 313,20 to the concluded pre-sales agreements.



Sales revenue
12.778.469 HRK



Material expenses
8.115.332 HRK



Wages & salaries
975.151 HRK



Net profit
2.662.347 HRK



Assets
87.897.554 HRK



Liabilities
20.934.500 HRK

Stanovi Jadran d.d. (the Group) achieved better results in 2019 than in the previous years for the same time period. Along with the signed three purchase agreements for 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, with an increase in the number of arrivals, 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. After the last date of this

Management report, The Group sold 89% of company "Winter d.o.o." creating net profit of 11.500.000,00 HRK out of the transaction.



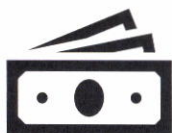
Sales revenue
21.052.732 HRK



Material expenses
11.925.404 HRK



Wages & Salaries
3.053.286 HRK



Net profit
3.300.052 HRK



Assets
97.620.353 HRK



Liabilities
23.108.786 HRK

II. IMPORTANT BUSINESS EVENTS

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. Three purchase agreements have been signed and one more agreement is expected to be signed.

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 June 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.

The company "Nova Nekretnine d.o.o." purchased one land parcel from "Stanovi Jadran d.d." in order to get permits faster.

After the last date of this Management report, The Group sold 89% of company "Winter d.o.o." for 8.455.000 BAM.

III. EXPECTED BUSINESS DEVELOPEMENT

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 and issuance of newer permits has been started.

The subsidiary Winter d.o.o. had revenue growth and it is 8.297.363,00 HRK. 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 largely due to ongoing maintenance costs when the hotel was remodeled.

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

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

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

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

VII. IMPORTANT FINANCIAL INSTRUMENTS

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

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

The Management Board believe risks have not been significantly changed since 2018, however we are expecting trends to change and have a negative impact on tourism and real estate industry.

Real estate market risk

Real estate market in Republic of Croatia has been recovering over the past couple of 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-high 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. Furthermore, new global health crisis and lowering economic purchase power are the highest threats to this industry.

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. However, due to current expectations, the Management believe the trend of high prices will change the construction costs will go down.

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 have been secured with financial instruments, so the management believe there is no liquidity risk. After the sale of subsidiary Winter d.o.o., the Management plans to reduce exposure to credit institutions and continue with investment activities.

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 now when it sold subsidiary Winter d.o.o.

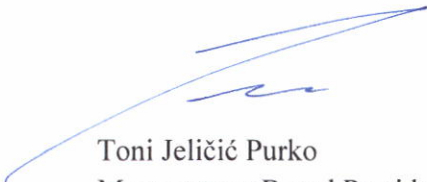
X. MANAGEMENT STATEMENT

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. – 31.12.2019. 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. – 31.12.2019. 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, February 25, 2020.

Annex 1

ISSUER'S GENERAL DATA

Reporting period:

01/01/2019

to

31/12/2019

Year:

2019

Quarter:

4.

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

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 31.12.2019

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	81.080.810
I INTANGIBLE ASSETS (ADP 004 to 009)	003	21.770	24.810
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	21.770	24.810
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	49.862.281
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	22.266	3.590.122
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	46.272.159
III FIXED FINANCIAL ASSETS (ADP 021 to 030)	020	30.335.508	31.193.719
1 Investments in holdings (shares) of undertakings within the group	021	27.931.354	27.782.323
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	156.416
9 Other investments accounted for using the equity method	029	0	0
10 Other fixed financial assets	030	2.255.605	3.254.980
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	6.652.438
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	2.961.663
1 Receivables from undertakings within the group	047	68.250	360.500
2 Receivables from companies linked by virtue of participating interests	048	0	0

3 Customer receivables	049	2.442.592	2.544.949
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	216.113	56.214
6 Other receivables	052	414.557	0
III CURRENT FINANCIAL ASSETS (ADP 054 to 062)	053	3.388.515	3.682.616
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	93.700
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	3.588.916
9 Other financial assets	062	0	0
IV CASH AT BANK AND IN HAND	063	79.246	8.159
D) PREPAID EXPENSES AND ACCRUED INCOME	064	175.125	164.306
E) TOTAL ASSETS (ADP 001+002+037+064)	065	79.552.955	87.897.554
OFF-BALANCE SHEET ITEMS	066	0	0
LIABILITIES			
A) CAPITAL AND RESERVES (ADP 068 to	067	63.114.945	66.953.104
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	151.463
1 Fair value of financial assets available for sale	078	-1.024.349	151.463
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	-15.466.335
1 Retained profit	082	0	0
2 Loss brought forward	083	14.578.417	15.466.335
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	-887.918	2.662.347
1 Profit for the business year	085	0	2.662.347
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	15.233.124
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	15.233.124
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	5.701.376
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	103.700	848.343
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	2.956.450
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	4.474.353	59.151
8 Liabilities to suppliers	115	897.585	1.717.412
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	59.292	43.931
11 Taxes, contributions and similar liabilities	118	33.936	76.089
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	9.950
F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)	123	79.552.955	87.897.554
G) OFF-BALANCE SHEET ITEMS	124	0	0

STATEMENT OF PROFIT OR LOSS
for the period 1. 10. 2019 to 31.12. 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	1.031.882	378.202	12.778.469	3.460.803
1 Income from sales with undertakings within the group	126	25.200	6.300	23.100	4.200
2 Income from sales (outside group)	127	948.136	313.356	11.824.973	3.447.841
3 Income from the use of own products, goods and services	128				
4 Other operating income with undertakings within the group	129				
5 Other operating income (outside the group)	130	58.546	58.546	930.396	8.762
II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)	131	2.472.521	741.038	9.851.059	2.836.703
1 Changes in inventories of work in progress and finished goods	132	0	0	-547.690	-547.690
2 Material costs (ADP 134 to 136)	133	1.043.074	286.938	8.115.332	2.501.237
a) Costs of raw materials and consumables	134	104.653	31.572	224.340	72.665
b) Costs of goods sold	135			7.012.808	2.137.825
c) Other external costs	136	938.421	255.366	878.184	290.747
3 Staff costs (ADP 138 to 140)	137	788.881	221.665	975.151	169.571
a) Net salaries and wages	138	503.520	141.255	600.791	106.613
b) Tax and contributions from salary costs	139	172.850	48.568	238.121	37.326
c) Contributions on salaries	140	112.511	31.842	136.239	25.632
4 Depreciation	141	191.584	71.133	368.104	93.427
5 Other costs	142	352.291	132.176	384.983	111.041
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	96.691	29.126	555.179	509.117
III FINANCIAL INCOME (ADP 155 to 164)	154	854.773	696.557	214.026	175.868
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	145.411	5.895	38.259	36.849
8 Exchange rate differences and other financial income	162	16.449		22.756	847
9 Unrealised gains (income) from financial assets	163				
10 Other financial income	164	692.913	690.662	153.011	138.172
IV FINANCIAL EXPENSES (ADP 166 to 172)	165	302.052	128.866	479.089	196.920
1 Interest expenses and similar expenses with undertakings within the group	166			28.858	
2 Exchange rate differences and other expenses from operations with undertakings within the group	167				
3 Interest expenses and similar expenses	168	243.459	107.775	327.309	118.700
4 Exchange rate differences and other expenses	169	13.642		23.530	21.430
5 Unrealised losses (expenses) from financial assets	170				
6 Value adjustments of financial assets (net)	171				
7 Other financial expenses	172	44.951	21.091	99.392	56.790
V SHARE IN PROFIT FROM UNDERTAKINGS LINKED BY VIRTUE OF PARTICIPATING INTERESTS	173				
VI SHARE IN PROFIT FROM JOINT VENTURES	174				

VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175				
VIII SHARE IN LOSS OF JOINT VENTURES	176				
IX TOTAL INCOME (ADP 125+154+173 + 174)	177	1,886,655	1,074,759	12,992,495	3,636,671
X TOTAL EXPENDITURE (ADP 131+165+175 + 176)	178	2,774,573	869,904	10,330,148	3,033,623
XI PRE-TAX PROFIT OR LOSS (ADP 177-178)	179	-887,918	204,855	2,662,347	603,048
1 Pre-tax profit (ADP 177-178)	180	0	204,855	2,662,347	603,048
2 Pre-tax loss (ADP 178-177)	181	-887,918	0	0	0
XII INCOME TAX	182	0	0	0	0
XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)	183	-887,918	204,855	2,662,347	603,048
1 Profit for the period (ADP 179-182)	184	0	204,855	2,662,347	603,048
2 Loss for the period (ADP 182-179)	185	-887,918	0	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	-887,918	204,855	2,662,347	452,506
1 Pre-tax profit from discontinued operations	187	0	204,855	2,662,347	452,506
2 Pre-tax loss on discontinued operations	188	887,918	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	-683,063	2,867,202	2,662,347	603,048
1 Pre-tax profit (ADP 192)	193	0	204,855	2,662,347	603,048
2 Pre-tax loss (ADP 192)	194	887,918	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	-683,063	2,867,202	2,662,347	603,048
1 Profit for the period (ADP 192-195)	197	0	204,855	2,662,347	603,048
2 Loss for the period (ADP 195-192)	198	887,918	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	0	0	2,662,347	603,048
1 Attributable to owners of the parent	200	0	0	2,662,347	603,048
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	-887,918	204,855	2,662,347	603,048
II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)	203	-548,862	-115,955	1,175,812	711,264
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	-548,862	-115,955	1,175,812	711,264
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	-548,862	-115,955	1,175,812	711,264
V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)	214	-1,436,780	88,900	3,838,159	1,314,312
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	0	0	0	0
1 Attributable to owners of the parent	216	0	0	0	0
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 31.12.2019.

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	-887.918	2.662.347
2 Adjustments (ADP 003 to 010):	002	-739.446	1.274.442
a) Depreciation	003	191.584	368.104
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	1.175.812
d) Interest and dividend income	006	-838.324	159.232
e) Interest expenses	007	243.459	-462.585
f) Provisions	008	0	0
g) Exchange rate differences (unrealised)	009	61.400	0
h) Other adjustments for non-cash transactions and unrealised gains and losses	010	-397.565	33.879
I Cash flow increase or decrease before changes in working capital (ADP 001+002)	011	-1.627.364	3.936.789
3 Changes in the working capital (ADP 013 to 016)	012	5.582.807	-882.477
a) Increase or decrease in short-term liabilities	013	5.853.176	-1.073.145
b) Increase or decrease in short-term receivables	014	-270.369	190.668
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
II Cash from operations (ADP 011+012)	017	3.955.443	3.054.312
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	3.955.443	3.054.312
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	0	0
3 Interest received	023	0	2.472
4 Dividends received	024	0	267.002
5 Cash receipts from repayment of loans and deposits	025	12.497.154	0
6 Other cash receipts from investment activities	026	0	0
III Total cash receipts from investment activities (ADP 021 to 026)	027	12.497.154	269.474
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-21.749.239	-7.822.146
2 Cash payments for the acquisition of financial instruments	029	0	0
3 Cash payments for loans and deposits for the period	030	-1.864.822	-1.152.312
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	-23.614.061	-8.974.458
B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)	034	-11.116.907	-8.704.984
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	6.655.656	5.579.585
4 Other cash receipts from financing activities	038	0	0
V Total cash receipts from financing activities (ADP 035 to 038)	039	6.655.656	5.579.585
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	6.655.656	5.579.585
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	-505.808	-71.087
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	79.246	8.159

STATEMENT OF CHANGES IN EQUITY
for the period from 01/01/2019 to 31/12/2019

Previous period	ADP new	ADP old	Attributable to owners of the parent										Minority (non-controlling) interest	Total capital and reserves			
			1	2	3	4	5	6	7	8	9	10			11	12	13
			Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deduction item)	Shareholders' reserves	Other reserves	Residual reserves	Plus/minus of financial assets available for sale	Plus/minus of foreign exchange effective portion	Retained profit/loss brought forward	Reserves for the business year	Reserves for the parent	18 (3 to 6 + 15 + 16)	19 (18+17)
1 Balance on the first day of the previous business year			70.248.000	0	0	0	0	3.357.629	0	0	-475.487	0	-12.981.933	-1.596.494	64.551.725	0	64.551.725
2 Changes in accounting policies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the previous business year (restated) (ADP 01 to 03)			70.248.000	0	0	0	0	3.357.629	0	0	-475.487	0	-12.981.933	-1.596.494	64.551.725	0	64.551.725
5 Profits of the period			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
6 Exchange rate differences from translation of foreign operations			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in evaluation reserves of fixed tangible and intangible assets			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8 Profit or loss arising from subsequent measurement of financial assets available for sale			0	0	0	0	0	0	0	548.862	0	0	0	0	548.862	0	548.862
9 Profit or loss arising from effective cash flow hedge			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10 Profit or loss arising from effective hedge of a net investment in a foreign operation			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Profit or loss arising from other comprehensive income/losses of companies linked by value of participating interests			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actual gains/losses on the defined benefit obligation			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognized directly in equity			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-emptive subscription procedure)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16 Increase in initial (subscribed) capital arising from the reinvestment of profit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
17 Increase in initial (subscribed) capital arising from the pre-emptive subscription procedure			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of state in profit/loss			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Transfer to reserves according to the annual schedule			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the previous business year reporting period (ADP 01 to 22)			70.248.000	0	0	0	0	3.357.629	0	0	-1.024.349	0	-14.576.817	487.918	63.114.645	0	63.114.645
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
24 OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 05 to 14)			0	0	0	0	0	0	0	0	-548.862	0	0	0	-548.862	0	-548.862
25 OTHER COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)			0	0	0	0	0	0	0	0	-548.862	0	0	0	-548.862	0	-548.862
26 TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)			0	0	0	0	0	0	0	0	0	0	-1.596.494	1.596.494	0	0	
Current period																	
27 Balance on the first day of the current business year			70.248.000	0	0	0	0	3.357.629	0	0	-1.024.349	0	-14.576.817	487.918	63.114.645	0	63.114.645
28 Changes in accounting policies			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
29 Correction of errors			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
30 Balance on the first day of the current business year (restated) (ADP 27 to 29)			70.248.000	0	0	0	0	3.357.629	0	0	-1.024.349	0	-14.576.817	487.918	63.114.645	0	63.114.645
31 Profits of the period			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32 Exchange rate differences from translation of foreign operations			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33 Changes in evaluation reserves of fixed tangible and intangible assets			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
34 Profit or loss arising from subsequent measurement of financial assets available for sale			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
35 Profit or loss arising from effective cash flow hedge			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
36 Profit or loss arising from effective hedge of a net investment in a foreign operation			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
37 Profit or loss arising from other comprehensive income/losses of companies linked by value of participating interests			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
38 Actual gains/losses on the defined benefit obligation			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
39 Other changes in equity unrelated to owners			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
40 Tax on transactions recognized directly in equity			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
41 Increase/decrease in initial (subscribed) capital (other than from reinvesting profit and other than arising from the pre-emptive subscription procedure)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
42 Increase in initial (subscribed) capital arising from the reinvestment of profit			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
43 Increase in initial (subscribed) capital arising from the pre-emptive subscription procedure			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
44 Redemption of treasury shares/holdings			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
45 Payment of state in profit/loss			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
46 Other distribution to owners			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
47 Transfer to reserves according to the annual schedule			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
48 Transfer to reserves according to the annual schedule			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
49 Balance on the last day of the current business year reporting period (ADP 30 to 48)			70.248.000	0	0	0	0	3.357.629	0	0	-1.024.349	0	-14.576.817	487.918	63.114.645	0	63.114.645
APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)																	
50 OTHER COMPREHENSIVE INCOME OF THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
51 OTHER COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 32+40)			0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
52 TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)			0	0	0	0	0	0	0	0	0	0	-1.596.494	1.596.494	0	0	

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: 01.01.2019.-31.12.2019.

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.