

# Stanovi Jadran

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## MANAGEMENT REPORT

STANOVI JADRAN d.d. SPLIT

**01.01.2020. to 31.03.2020.**

Split, April 27<sup>th</sup>, 2020.

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## **Introduction**

Stanovi Jadran plc. continues its outstanding results in the first quarter of 2020. The main reason for the outcome is the sale of stake in Winter ltd. which resulted in a financial income of HRK 11,791,284.00.

At the same time, the Management Board have been contacted for the penthouse S3 in Šibenik and believes that it could be sold in the second quarter of 2020.

Although the results were remarkable at the time of the COVID-19 pandemic, business revenue is expected to decline in 2020.

Furthermore, the construction site for the reconstruction of the Armerun Hotel in Šibenik is still active having dynamics slowdown due to measures set by Government in order to stop the expansion of COVID-19 Therefore, the opening of the Armerun Hotel is expected next year.

The Management Board of the Company is actively engaged in the sale of real estate that is not in focus or in line with the Company's development strategy. Accordingly, apartments in Šibenik and properties in Zagreb and Dubrovnik are listed for sale.

Kind regards,

STANOVI JADRAN d.d.

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## I. COMMENTS ON BUSINESS DOING

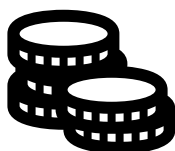
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Stanovi Jadran plc. (the Company) sold 89% of its subsidiary Winter Ltd. in February, earning a financial income of HRK 11,791,284.00. In addition, operating income in the first quarter of 2020 increased by 97% compared to the same period of the previous year, mainly due to the new tenants for real estate which were not in use previous year, such as office space in the residential and business complex of Peškarija and dental offices in the center Ploka.

At the same time, material and staff costs have been reduced, while other costs have increase mainly related to brokerage fees when purchasing securities in March 2020 in Bosnia and Herzegovina.



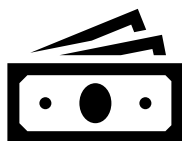
**Sales revenue**  
12.391.261 HRK



**Material expenses**  
289.079 HRK



**Wages & salaries**  
182.167 HRK



**Net profit**  
11.267.617 HRK



**Assets**  
97.466.022 HRK

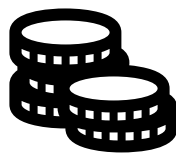


**Liabilities**  
22.281.373 HRK

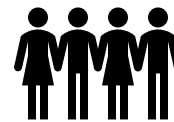
Stanovi Jadran plc. (the Group) achieved worse results in 2020 than in the previous year for the same time period. Logically, the reason is the sale of the subsidiary Winter Ltd., which generated most of the Group's revenue. The Company's management believes that, given the limitations associated with the COVID-19 pandemic, the sale of the Winter Ltd., which manages Hotel Blanca Resort & Spa, was done at perfect timing under extremely good conditions. Consequently, costs have been reduced and the Group's profit amounts to HRK 11,255,935.00.



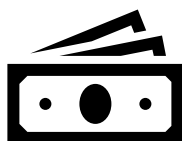
**Sales revenue**  
12.382.861 HRK



**Material expenses**  
291.595 HRK



**Wages & Salaries**  
182.167 HRK



**Net profit**  
11.255.935 HRK



**Assets**  
98.075.664 HRK



**Liabilities**  
22.387.981 HRK

## II. IMPORTANT BUSINESS EVENTS

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Stanovi Jadran plc. concluded the sale of shares in the subsidiary Winter Ltd. and purchased securities in Bosnia and Herzegovina. The Company continued with investment activities in the Hotel "Armerun" in Šibenik and by the day of writing the report, all concrete works and a large part of roofing, installation, plastering and insulation works were done. The Management of the Company believes that the opening of the hotel should be in spring of 2021 because of all the restrictions on movement caused by the COVID-19 pandemic and the financial crisis that is expected due to the shutdown of the economy globally.

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

Nova Nekretnine ltd has started remodelling of the project due to new homogenization of cadastral plans in Dubrovnik and plans to start obtaining a building permit by the end of the year.

### III. EXPECTED BUSINESS DEVELOPEMENT

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Due to the COVID-19 pandemic, the Management expects a decrease in sales revenue. Specifically, it is expected that the demand for daily rental properties will drop as well as revenue from the lessees who are forbidden to perform business activities from the Civil Protection of the Republic of Croatia should be reduced. Also, the planned revenue from the Armerun Hotel will not be realized in 2020, and expected revenues in 2021 will be less than projected.

Furthermore, the Management expects fewer inquiries for real estate in Zagreb due to the March earthquake and a decline in advertised prices in the wake of the financial crisis.

The liabilities of the Company and its Subsidiaries relate mainly to investments activities in projects that are ongoing.

The subsidiary VILE ORAŠAC Ltd. submitted permit extension in this quarter. The management believes after getting an extension, it should make it easier to find a potential buyer and will be easier to sell the shares in the same subsidiary.

Because of the reduced demand for daily rent as well as the financial crisis, the Company's Management believes that it should be easier to find properties for potential hotels in the city historic centres at more affordable prices.

In the first quarter, the Company acquired securities in Bosnia and Herzegovina which the Management Board believes to be liquid securities, as an essential asset class for the Company's liquidity.

### 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 plc. do not own treasury shares, and the existing ownership structure and is subject to more frequent changes in the Stock Exchange Market. At this moment, there are neither treasury repurchase program nor employee stock purchase plan.

## 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 Villa Orasac ltd. and Nova Nekretnine ltd.,
- 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.
- securities of BH Telecom plc. and Elektroprivreda Sarajevo plc., both listed on the Sarajevo Stock Exchange and securities of Telekom Srpske plc. listed on the Banja Luka Stock Exchange

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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The Company's management believes that the risks have significantly changed from the end of 2019 to the end of the reporting period.

### **Real Estate Market Risk**

By the end of this reporting period, the real estate market in the Republic of Croatia was recovering in terms of growth in the number of building permits issued and price movements of residential and commercial real estate, especially in coastal regions, cities and towns that generate tourist consumption. Since March 19, 2020, when the Civil Protection of the Republic of Croatia introduced measures related to COVID-19, the completion of construction works has been slowed down and construction permits issuance is expected to slow down. Since joining the European Union, the price on the real estate market has been formed mainly due to the lack of real estate supply for daily rental in the market and excess demand from population from economically more powerful western countries. Due to the shortage of real estate for daily rent and rising prices, a large number of real estates were redeveloped from residential to commercial, it also reduced the supply of residential real estate and increased prices. Having restrictions on movement and doing business due to COVID-19 and the expected global financial crisis, real estate prices are likely to fall due to reduced demand, which is a very high risk at present.

### **Tourism market risk**

Tourism, as a very specific industry, connects several other industries by generating tourism spending, currently carries a higher risk score, all given the level achieved, but also the challenges posed by the current global situation. The Company believes that at present the most important risk is related to tourism because of recreation of tourism spending, inability to move and enter the country, as well as social distance.

### **Industry risk in construction**

The management believes it has found a partner for future projects, but at the same time believes that in 2020 will be a lot of construction companies out of work, which will lead to lower prices in construction.

### **Personnel risk**

The Company has 9 employees as of the date of this report. Due to the financial crisis, the global health crisis and the closure of borders, the Management believes that talented staff will be available in the next two years.



**Exchange rate risk**

Foreign exchange differences are charged to operating expenses or credited to the income statement, but do not affect the cash flow. The Company is currently exposed to currency risk on the basis of changes in the EUR / HRK exchange rate.

**Financing risk**

The Company estimates that at present the financing risk is low due to favourable conditions in the credit and money market.

**Liquidity risk**

The Company endeavours to put its own assets into use as soon as possible in order to obtain a continuous cash inflow to service short-term and extraordinary liabilities. All account receivables are secured by appropriate instruments to reduce the risk of non-payment. After the sale of the financial assets, the Management plans to reduce its liabilities and continue its investment activities.

**Interest rate risk**

Borrowings from credit institutions are generally contracted at a variable interest rate based on the reference interest rate (EURIBOR), and the Company is therefore more exposed to interest rate risk. The Company does not currently use financial instruments to hedge against adverse or unexpected movements in interest rates. Due to global trends, the Management Board believes that it is necessary to reduce this risk by closing debts, which it plans to do in 2020.

**Credit risk**

The Company does not credit contractors or lessees, and all contracts are secured with additional collateral. The Company itself is exposed to credit risk and it regularly payoff loans to commercial banks. The Management plans to further reduce its exposure to credit institutions by selling real estate. Due to global trends, the Management Board considers it necessary to reduce this risk by repaying part of its liabilities.

## 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 01.01.2020. – 31.03.2020. are giving the

### STATEMENT

According to our knowledge, financial report of STANOVI JADRAN d.d., Split, Kralja Zvonimira 14/IX, OIB 88680117715, for period 01.01.2020. – 31.03.2020. 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, April 27<sup>th</sup>, 2020.

## Annex 1

## ISSUER'S GENERAL DATA

Reporting period:

01/01/2020

to

31/03/2020

Year:

2020

Quarter:

1

## 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: katija@stanovijadran.com

Web address: www.stanovijadran.com

Number of employees  
(end of the reporting

9

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: Katija Barić

(only name and surname of the contact person)

Telephone:

021/482-367

E-mail address: katija@stanovijadran.com

Audit firm:

(name of the audit firm)

Certified auditor:

(name and surname)

**BALANCE SHEET**  
balance as at 31.3.2020

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>	81.073.492	81.608.518
<b>I INTANGIBLE ASSETS (ADP 004 to 009)</b>	<b>003</b>	24.810	23.920
1 Research and development	004	0	0
2 Concessions, patents, licences, trademarks, software and other rights	005	24.810	23.920
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>	49.854.963	51.465.755
1 Land	011	0	0
2 Buildings	012	0	0
3 Plant and equipment	013	3.590.122	3.472.352
4 Tools, working inventory and transportation assets	014	0	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	46.264.841	47.993.403
<b>III FIXED FINANCIAL ASSETS (ADP 021 to 030)</b>	<b>020</b>	31.193.719	30.118.843
1 Investments in holdings (shares) of undertakings within the group	021	27.782.323	7.413.029
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	3.243.980	22.545.168
8 Loans, deposits, etc. given	028	156.416	149.646
9 Other investments accounted for using the equity method	029	11.000	11.000
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>	6.649.597	15.693.198
<b>I INVENTORIES (ADP 039 to 045)</b>	<b>038</b>	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
<b>II RECEIVABLES (ADP 047 to 052)</b>	<b>046</b>	2.927.167	9.578.044
1 Receivables from undertakings within the group	047	265.500	270.750
2 Receivables from companies linked by virtue of participating interests	048	0	0
3 Customer receivables	049	2.602.658	9.232.456
4 Receivables from employees and members of the undertaking	050	0	0
5 Receivables from government and other institutions	051	56.214	74.838

6 Other receivables	052	2.795	0
<b>III CURRENT FINANCIAL ASSETS (ADP 054 to 062)</b>	<b>053</b>	<b>3.714.745</b>	<b>5.866.945</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	10.700	216.900
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	3.704.045	5.650.045
9 Other financial assets	062	0	0
<b>IV CASH AT BANK AND IN HAND</b>	<b>063</b>	<b>7.685</b>	<b>248.209</b>
<b>D ) PREPAID EXPENSES AND ACCRUED INCOME</b>	<b>064</b>	<b>164.306</b>	<b>164.306</b>
<b>E ) TOTAL ASSETS (ADP 001+002+037+064)</b>	<b>065</b>	<b>87.887.395</b>	<b>97.466.022</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</b>	<b>067</b>	<b>66.945.601</b>	<b>75.184.649</b>
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	151.463	-2.877.105
1 Fair value of financial assets available for sale	078	151.463	-2.877.105
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	-15.466.334	-12.811.492
1 Retained profit	082	0	0
2 Loss brought forward	083	15.466.334	12.811.492
VII PROFIT OR LOSS FOR THE BUSINESS YEAR (ADP 085-086)	084	2.654.843	11.267.617
1 Profit for the business year	085	2.654.843	11.267.617
2 Loss for the business year	086	0	0
VIII MINORITY (NON-CONTROLLING) INTEREST	087	0	0
<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>15.233.124</b>	<b>16.022.689</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	15.233.124	16.022.689
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>5.698.722</b>	<b>6.258.684</b>
1 Liabilities to undertakings within the group	108	0	0
2 Liabilities for loans, deposits, etc. of undertakings within the group	109	848.343	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	2.956.450	4.994.515
6 Liabilities to banks and other financial institutions	113	0	0
7 Liabilities for advance payments	114	59.151	59.152
8 Liabilities to suppliers	115	1.714.758	1.084.482
9 Liabilities for securities	116	0	0
10 Liabilities to employees	117	43.931	60.442
11 Taxes, contributions and similar liabilities	118	76.089	60.093
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
<b>E) ACCRUALS AND DEFERRED INCOME</b>	<b>122</b>	<b>9.948</b>	<b>0</b>
<b>F) TOTAL – LIABILITIES (ADP 067+088+095+107+122)</b>	<b>123</b>	<b>87.887.395</b>	<b>97.466.022</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 01.01.2020 to 31.3.2020

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>304.914</b>	<b>304.914</b>	<b>599.977</b>	<b>599.977</b>
1 Income from sales with undertakings within the group	126	20.300	20.300	8.400	8.400
2 Income from sales (outside group)	127	266.482	266.482	591.577	591.577
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	18.132	18.132	0	0
<b>II OPERATING EXPENSES (ADP 132+133+137+141+142+143+146+153)</b>	<b>131</b>	<b>828.748</b>	<b>828.748</b>	<b>984.063</b>	<b>984.063</b>
1 Changes in inventories of work in progress and finished goods	132	0	0	0	0
2 Material costs (ADP 134 to 136)	133	378.364	378.364	289.079	289.079
a) Costs of raw materials and consumables	134	119.593	119.593	41.289	41.289
b) Costs of goods sold	135	0	0	51.504	51.504
c) Other external costs	136	258.771	258.771	196.286	196.286
3 Staff costs (ADP 138 to 140)	137	219.457	219.457	182.167	182.167
a) Net salaries and wages	138	135.964	135.964	114.424	114.424
b) Tax and contributions from salary costs	139	52.417	52.417	42.827	42.827
c) Contributions on salaries	140	31.076	31.076	24.916	24.916
4 Depreciation	141	83.401	83.401	217.360	217.360
5 Other costs	142	147.026	147.026	278.822	278.822
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	500	500	16.635	16.635
<b>III FINANCIAL INCOME (ADP 155 to 164)</b>	<b>154</b>	<b>267.470</b>	<b>267.470</b>	<b>11.791.284</b>	<b>11.791.284</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	468	468	1	1
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	267.002	267.002	11.791.283	11.791.283
<b>IV FINANCIAL EXPENSES (ADP 166 to 172)</b>	<b>165</b>	<b>34.017</b>	<b>34.017</b>	<b>139.581</b>	<b>139.581</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	34.017	34.017	119.364	119.364
4 Exchange rate differences and other expenses	169	0	0	20.217	20.217
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	0	0
<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>
<b>VII SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST</b>	<b>175</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>VIII SHARE IN LOSS OF JOINT VENTURES</b>	<b>176</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IX TOTAL INCOME (ADP 125+154+173 + 174)</b>	<b>177</b>	<b>572.384</b>	<b>572.384</b>	<b>12.391.261</b>	<b>12.391.261</b>
<b>X TOTAL EXPENDITURE (ADP 131+165+175 + 176)</b>	<b>178</b>	<b>862.765</b>	<b>862.765</b>	<b>1.123.644</b>	<b>1.123.644</b>
<b>XI PRE-TAX PROFIT OR LOSS (ADP 177-178)</b>	<b>179</b>	<b>-290.381</b>	<b>-290.381</b>	<b>11.267.617</b>	<b>11.267.617</b>
1 Pre-tax profit (ADP 177-178)	180	0	0	11.267.617	11.267.617
2 Pre-tax loss (ADP 178-177)	181	-290.381	-290.381	0	0
<b>XII INCOME TAX</b>	<b>182</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XIII PROFIT OR LOSS FOR THE PERIOD (ADP 179-182)</b>	<b>183</b>	<b>-290.381</b>	<b>-290.381</b>	<b>11.267.617</b>	<b>11.267.617</b>
1 Profit for the period (ADP 179-182)	184	0	0	11.267.617	11.267.617
2 Loss for the period (ADP 182-179)	185	-290.381	-290.381	0	0

<b>DISCONTINUED OPERATIONS (to be filled in by undertakings subject to IFRS only with discontinued operations)</b>					
<b>XIV PRE-TAX PROFIT OR LOSS OF DISCONTINUED OPERATIONS (ADP 187-188)</b>	<b>186</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit from discontinued operations	187	0	0	0	0
2 Pre-tax loss on discontinued operations	188	0	0	0	0
<b>XV INCOME TAX OF DISCONTINUED OPERATIONS</b>	<b>189</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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>					
<b>XVI PRE-TAX PROFIT OR LOSS (ADP 179+186)</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Pre-tax profit (ADP 192)	193	0	0	0	0
2 Pre-tax loss (ADP 192)	194	0	0	0	0
<b>XVII INCOME TAX (ADP 182+189)</b>	<b>195</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>XVIII PROFIT OR LOSS FOR THE PERIOD (ADP 192-195)</b>	<b>196</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Profit for the period (ADP 192-195)	197	0	0	0	0
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>					
<b>XIX PROFIT OR LOSS FOR THE PERIOD (ADP 200+201)</b>	<b>199</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
1 Attributable to owners of the parent	200	0	0	0	0
2 Attributable to minority (non-controlling) interest	201	0	0	0	0
<b>STATEMENT OF OTHER COMPREHENSIVE INCOME (to be filled in by undertakings subject to IFRS)</b>					
<b>I PROFIT OR LOSS FOR THE PERIOD</b>	<b>202</b>	<b>-290.381</b>	<b>-290.381</b>	<b>11.267.617</b>	<b>11.267.617</b>
<b>II OTHER COMPREHENSIVE INCOME/LOSS BEFORE TAX (ADP 204 to 211)</b>	<b>203</b>	<b>-1.024.349</b>	<b>-1.024.349</b>	<b>-3.028.568</b>	<b>-3.028.568</b>
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	-1.024.349	-1.024.349	-3.028.568	-3.028.568
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
<b>III TAX ON OTHER COMPREHENSIVE INCOME FOR THE PERIOD</b>	<b>212</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>IV NET OTHER COMPREHENSIVE INCOME OR LOSS (ADP 203-212)</b>	<b>213</b>	<b>-1.024.349</b>	<b>-1.024.349</b>	<b>-3.028.568</b>	<b>-3.028.568</b>
<b>V COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 202+213)</b>	<b>214</b>	<b>-1.314.730</b>	<b>-1.314.730</b>	<b>8.239.049</b>	<b>8.239.049</b>
<b>APPENDIX to the Statement on comprehensive income (to be filled in by undertakings that draw up consolidated statements)</b>					
<b>VI COMPREHENSIVE INCOME OR LOSS FOR THE PERIOD (ADP 216+217)</b>	<b>215</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
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 01.01.2020. to 31.3.2020.

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	-290.381	11.267.617
2 Adjustments (ADP 003 to 010):	002	83.401	-2.811.209
a) Depreciation	003	83.401	217.360
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	-3.028.569
<b>I Cash flow increase or decrease before changes in working capital (ADP 001+002)</b>	<b>011</b>	<b>-206.980</b>	<b>8.456.408</b>
3 Changes in the working capital (ADP 013 to 016)	012	6.149.136	-5.311.298
a) Increase or decrease in short-term liabilities	013	6.214.572	1.339.579
b) Increase or decrease in short-term receivables	014	-65.436	-6.650.877
c) Increase or decrease in inventories	015	0	0
d) Other increase or decrease in working capital	016	0	0
<b>II Cash from operations (ADP 011+012)</b>	<b>017</b>	<b>5.942.156</b>	<b>3.145.110</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>5.942.156</b>	<b>3.145.110</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	0	857.516
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>0</b>	<b>857.516</b>
1 Cash payments for the purchase of fixed tangible and intangible assets	028	-2.149.748	-1.609.902
2 Cash payments for the acquisition of financial instruments	029	-91.001	0
3 Cash payments for loans and deposits for the period	030	-521.429	-2.152.200
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>-2.762.178</b>	<b>-3.762.102</b>
<b>B) NET CASH FLOW FROM INVESTMENT ACTIVITIES (ADP 027 +033)</b>	<b>034</b>	<b>-2.762.178</b>	<b>-2.904.586</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	0	0
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>0</b>	<b>0</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>0</b>	<b>0</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>3.179.978</b>	<b>240.524</b>
<b>E) CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>049</b>	<b>79.246</b>	<b>7.685</b>
<b>F) CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD(ADP 048+049)</b>	<b>050</b>	<b>3.259.224</b>	<b>248.209</b>

**STATEMENT OF CHANGES IN EQUITY**  
for the period from 01/01/2020 to 31/03/2020

in HRK

Item	ADP code	Attributable to owners of the parent														in HRK	
		Initial (subscribed) capital	Capital reserves	Legal reserves	Reserves for treasury shares	Treasury shares and holdings (deductible item)	Statutory reserves	Other reserves	Revaluation reserves	Fair value of financial assets available for sale	Cash flow hedge - effective portion	Hedge of a net investment in a foreign operation - effective portion	Retained profit / loss brought forward	Profit/loss for the business year	Total 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	14	15	16 (3 to 6 - 7 + 8 to 15)	17	18 (16+17)
<b>Previous period</b>																	
1 Balance on the first day of the previous business year	01	76.248.000	0	0	0	0	0	3.357.629	0	-1.024.349	0	0	-14.578.417	-887.918	63.114.945	0	63.114.945
2 Changes in accounting policies	02	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	03	0	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)	04	76.248.000	0	0	0	0	0	3.357.629	0	-1.024.349	0	0	-14.578.417	-887.918	63.114.945	0	63.114.945
5 Profit/loss of the period	05	0	0	0	0	0	0	0	0	0	0	0	0	2.654.843,00	2.654.843	0	2.654.843
6 Exchange rate differences from translation of foreign operations	06	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	07	0	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	08	0	0	0	0	0	0	0	0	1.175.812	0	0	0	0	1.175.812	0	1.175.812
9 Profit or loss arising from effective cash flow hedge	09	0	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	10	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	12	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	13	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	14	0	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-bankruptcy settlement procedure)	15	0	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	16	0	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-bankruptcy settlement procedure	17	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	18	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	19	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	20	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	21	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	22	0	0	0	0	0	0	0	0	0	0	0	-887.917	887.918	1	0	1
23 Balance on the last day of the previous business year reporting period (04 to 22)	23	76.248.000	0	0	0	0	0	3.357.629	0	151.463	0	0	-15.466.334	2.654.843	66.945.601	0	66.945.601
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME OF THE PREVIOUS PERIOD, NET OF TAX (ADP 06 to 14)	24	0	0	0	0	0	0	0	0	1.175.812	0	0	0	0	1.175.812	0	1.175.812
II COMPREHENSIVE INCOME OR LOSS FOR THE PREVIOUS PERIOD (ADP 05+24)	25	0	0	0	0	0	0	0	0	1.175.812	0	0	0	2.654.843	3.830.655	0	3.830.655
III TRANSACTIONS WITH OWNERS IN THE PREVIOUS PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 15 to 22)	26	0	0	0	0	0	0	0	0	0	0	0	-887.917	887.918	1	0	1
<b>Current period</b>																	
1 Balance on the first day of the current business year	27	76.248.000	0	0	0	0	0	3.357.629	0	151.463	0	0	-15.466.334	2.654.843	66.945.601	0	66.945.601
2 Changes in accounting policies	28	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
3 Correction of errors	29	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
4 Balance on the first day of the current business year (restated) (ADP 27 to 29)	30	76.248.000	0	0	0	0	0	3.357.629	0	151.463	0	0	-15.466.334	2.654.843	66.945.601	0	66.945.601
5 Profit/loss of the period	31	0	0	0	0	0	0	0	0	0	0	0	0	11.267.617	11.267.617	0	11.267.617
6 Exchange rate differences from translation of foreign operations	32	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7 Changes in revaluation reserves of fixed tangible and intangible assets	33	0	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	34	0	0	0	0	0	0	0	0	-3.028.569	0	0	0	0	-3.028.569	0	-3.028.569
9 Profit or loss arising from effective cash flow hedge	35	0	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	36	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
11 Share in other comprehensive income/loss of companies linked by virtue of participating interests	37	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12 Actuarial gains/losses on the defined benefit obligation	38	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13 Other changes in equity unrelated to owners	39	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
14 Tax on transactions recognised directly in equity	40	0	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-bankruptcy settlement procedure)	41	0	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	42	0	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-bankruptcy settlement procedure	43	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
18 Redemption of treasury shares/holdings	44	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19 Payment of share in profit/dividend	45	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20 Other distribution to owners	46	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
21 Transfer to reserves according to the annual schedule	47	0	0	0	0	0	0	0	0	0	0	0	2.654.843	-2.654.843	0	0	0
22 Increase in reserves arising from the pre-bankruptcy settlement procedure	48	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
23 Balance on the last day of the current business year reporting period (ADP 30 to 48)	49	76.248.000	0	0	0	0	0	3.357.629	0	-2.877.106	0	0	-12.811.491	11.267.617	75.184.649	0	75.184.649
<b>APPENDIX TO THE STATEMENT OF CHANGES IN EQUITY (to be filled in by undertakings that draw up financial statements in accordance with the IFRS)</b>																	
I OTHER COMPREHENSIVE INCOME FOR THE CURRENT PERIOD, NET OF TAX (ADP 32 to 40)	50	0	0	0	0	0	0	0	0	-3.028.569	0	0	0	0	-3.028.569	0	-3.028.569
II COMPREHENSIVE INCOME OR LOSS FOR THE CURRENT PERIOD (ADP 31+50)	51	0	0	0	0	0	0	0	0	-3.028.569	0	0	0	11.267.617	8.239.048	0	8.239.048
III TRANSACTIONS WITH OWNERS IN THE CURRENT PERIOD RECOGNISED DIRECTLY IN EQUITY (ADP 41 to 48)	52	0	0	0	0	0	0	0	0	0	0	0	2.654.843	-2.654.843	0	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: 1.1.2020 to 31.3.2020

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