

Pronam Nekretnine d.o.o.

Financial Statements as at 31 December 2021

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Responsibility for the financial statements

Pursuant to the Croatian Accounting Act, the Management Board is responsible for ensuring that financial statements are prepared for each financial year in accordance with Croatian Financial Reporting Standards ("HSFI") as adopted by the Croatian Financial Standards Committee ('OSFI') which gives a true and fair view of the financial position and results of the Company for that period.

The Board has a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, the Management Board continues to adopt the going concern basis in preparing the financial statements.

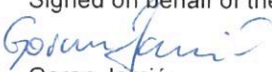
In preparing those financial statements, the responsibilities of the Board include ensuring that:

- suitable accounting policies are selected and then applied consistently;
- judgements and estimates are reasonable and prudent;
- applicable accounting standards are followed; and
- the financial statements are prepared on the going concern basis.

The Board is responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and must also ensure that the financial statements comply with the Croatian Accounting Act in force. The Board is also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The accompanying financial statements were approved for issuance by the Management Board on 28 March 2022 and signed on their behalf by:

Pronam Nekretnine d.o.o.
Zagreb, Varšavska 9
Republic of Croatia

Signed on behalf of the Company,

Goran Jamić


Tatjana Martinović

Pronam
Nekretnine d.o.o.
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Zagreb, 28.March 2022.

Director

Director

Balance sheet(*continued*)
as at 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
ASSETS				
A) SUBSCRIBED CAPITAL UNPAID	001		0	0
B) FIXED ASSETS (EDV 003+010+020+031+036)	002		56,004,942	53,871,255
I. INTANGIBLE ASSETS (EDV 004 to 009)	003		0	0
1. Development expenses	004		0	0
2. Concessions, patents, licences, goods and service brands, software and other rights	005		0	0
3. Goodwill	006		0	0
4. Prepayments for intangible assets	007		0	0
5. Intangible assets in course of construction	008		0	0
6. Other intangible assets	009		0	0
II. TANGIBLE ASSETS (EDV 011 to 019)	010		55,447,462	53,777,755
1. Land	011		0	0
2. Buildings	012		0	0
3. Plant and machinery	013	3	354,287	234,401
4. Tools, factory equipment and transport vehicles	014	3	353,175	234,354
5. Biological assets	015		0	0
6. Prepayments for tangible assets	016		0	0
7. Tangible assets in course of construction	017		0	0
8. Other tangible assets	018		0	0
9. Property investment	019	4	54,740,000	53,300,000
III. FIXED FINANCIAL ASSETS (EDV 021 to 030)	020		0	0
1. Investment in shares (stocks) of entities within a group	021		0	0
2. Investment in other securities of entities within a group	022		0	0
3. Loans, deposits etc. granted to entities within a group	023		0	0
4. Investment in shares (stocks) of companies linked by virtue of participating interest	024		0	0
5. Investment in other securities of companies linked by virtue of participating interest	025		0	0
6. Loans, deposits etc. granted to companies linked by virtue of participating interest	026		0	0
7. Investments in securities	027		0	0
8. Loans granted, deposits and similar	028		0	0
9. Other investments accounted for using the equity method	029		0	0
10. Other fixed financial assets	030		0	0
IV. RECEIVABLES (EDV 032 to 035)	031		0	0
1. Receivables of entities within a group	032		0	0
2. Receivables of companies linked by virtue of participating interest	033		0	0
3. Receivables from customers	034		0	0
4. Other receivables	035		0	0

Balance sheet(continued)
as at 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
V. DEFERRED TAX ASSET	036		557,480	93,500
C) CURRENT ASSETS (EDV 038+046+053+063)	037		1,557,235	957,620
I. INVENTORIES (EDV 039 to 045)	038		0	0
1. Raw materials and materials	039		0	0
2. Work in progress	040		0	0
3. Finished products	041		0	0
4. Commodities	042		0	0
5. Prepayments for inventory	043		0	0
6. Non-current assets intended for sale	044		0	0
7. Biological assets	045		0	0
II. RECEIVABLES (EDV 047 to 052)	046		693,348	666,681
1. Receivables of entities within a group	047	5	9,802	25,117
2. Receivables of companies linked by virtue of participating interest	048		0	0
3. Receivables from customers	049	5	0	6,500
4. Receivables from entrepreneur employees and members	050		0	0
5. Receivables from government and other institutions	051	5	635,063	635,063
6. Other receivables	052	5	48,483	1
III. CURRENT FINANCIAL ASSETS (EDV 054 to 062)	053		0	0
1. Investment in shares (stocks) of entities within a group	054		0	0
2. Investment in other securities of entities within a group	055		0	0
3. Loans, deposits etc. granted to entities within a group	056		0	0
4. Investment in shares (stocks) of companies linked by virtue of participating interest	057		0	0
5. Investment in other securities of companies linked by virtue of participating interest	058		0	0
6. Loans, deposits etc. granted to companies linked by virtue of participating interest	059		0	0
7. Investments in securities	060		0	0
8. Loans and deposits given and similar	061		0	0
9. Other financial assets	062		0	0
IV. CASH IN THE BANK AND PETTY CASH	063	6	863,887	290,939
D) FUTURE PERIOD PREPAID EXPENSES AND ACCRUED INCOME	064		0	0
E) TOTAL ASSETS (EDV 001+002+037+064)	065		57,562,177	54,828,875
F) OFF-BALANCE ENTRIES	066		0	0
PASIVA				
A) CAPITAL AND RESERVES (EDV 068 to 070+076+077+083+086+089)	067		14,323,549	14,695,808
I. BASE (SUBSCRIBED) CAPITAL	068		6,820,000	6,820,000
II. CAPITAL RESERVES	069		0	0
III. REVENUE RESERVES (EDV 071+072-073+074+075)	070		3,363,233	3,363,233
1. Legal reserves	071		341,000	341,000

Balance sheet(continued)
as at 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
2. Reserves for own shares	072		0	0
3. Own shares and stock (deductible item)	073		0	0
4. Statutory reserves	074		0	0
5. Other reserves	075		3,022,233	3,022,233
IV. REVALUATION RESERVES	076		0	0
V. FAIR VALUE RESERVES (EDP 078 to 082)	077		0	0
1. Fair value of financial assets available for sale	078		0	0
2. Effective portion of the cash flow hedge	079		0	0
3. Effective portion of a hedge of a net investment in a foreign operation	080		0	0
4. Other fair value reserves	081		0	0
5. Exchange differences from the conversion of foreign operations	082		0	0
VI. PROFIT RETAINED OR LOSS CARRIED FORWARD (EDV084-085)	083		4,773,167	4,140,316
1. Retained profit	084		4,773,167	4,140,316
2. Accumulated loss brought forward	085		0	0
VII. PROFIT OR LOSS OF THE BUSINESS YEAR (EDV 087-088)	086		-632,851	372,259
1. Business year profit	087		0	372,259
2. Business year lost	088		632,851	0
VIII. MINORITY INTEREST	089		0	0
B) PROVISIONS (EDV 091 to 096)	090		0	0
1. Provisions for pensions, severance pays and similar liabilities	091		0	0
2. Provisions for tax liability	092		0	0
3. Provisions for commenced litigation	093		0	0
4. Provisions for costs of restoration of natural resources	094		0	0
5. Provisions for costs within warranty periods	095		0	0
6. Other provisions	096		0	0
C) NON-CURRENT LIABILITIES (EDV 098 to 108)	097		42,960,319	39,841,022
1. Liabilities towards entities within a group	098		0	0
2. Loan, deposit etc. liabilities of entities within a group	099	7	42,960,319	39,841,022
3. Liabilities towards companies linked by virtue of participating interest	100		0	0
4. Loan, deposit etc. liabilities of companies linked by virtue of participating interest	101		0	0
5. Liabilities for loans, deposit and similar	102		0	0
6. Liabilities payable to banks and other financial institutions	103		0	0
7. Liabilities out of prepayments	104		0	0
8. Liabilities to suppliers	105		0	0
9. Liabilities payable for securities	106		0	0
10. Other long-term liabilities	107		0	0
11. Deferred tax liabilities	108		0	0

Balance sheet(continued)
as at 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
CURRENT LIABILITIES (EDV 110 to 123)	109		167,553	166,963
1. Liabilities towards entities within a group	110		337	112
2. Loan, deposit etc. liabilities of entities within a group	111		0	0
3. Liabilities towards companies linked by virtue of participating interest	112		0	0
4. Loan, deposit etc. liabilities of companies linked by virtue of participating interest	113		0	0
5. Liabilities payable for loans, deposit and similar	114		0	0
6. Liabilities payable to banks and other financial institutions	115		0	0
7. Liabilities out of prepayments	116		0	0
8. Liabilities to suppliers	117		19,093	501
9. Liabilities payable for securities	118		0	0
10. Liabilities to employees	119		45,785	45,151
11. Liabilities payable for taxes, contributions and similar duties	120		102,338	121,199
12. Liabilities payable based on share in operating result	121		0	0
13. Liabilities payable based on fixed assets intended for sales	122		0	0
14. Other current liabilities	123		0	0
E) DEFERRED PAYMENT FOR EXPENSES AND FUTURE PERIOD INCOME	124	8	110,756	125,082
F) TOTAL – LIABILITIES (EDV 067+090+097+109+124)	125		57,562,177	54,828,875
G) OFF-BALANCE ENTRIES	126		0	0

Approved on behalf of the Company on 28. March 2022:

Goran Jamić

 Director

Pronam
 Nekretnine d.o.o.
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Tatjana Martinović

Director



Income statement (continued)
for the year ended 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
I. OPERATING INCOME (EDV 128 to 132)	127		5,344,017	5,351,968
1. Sales income within a group	128	9	4,305,374	4,278,627
2. Sales income (outside the group)	129	9	1,005,797	932,082
3. Proceeds from use of own products, goods and services	130		0	0
4. Other business proceeds from entities within a group	131	10	32,846	141,259
5. Other operating income (outside the group)	132		0	0
II. OPERATING EXPENSES (EDV 134+135+139+143+144+145+148+155)	133		4,933,385	4,424,219
1. Changes to value of current production and finished product inventories	134		0	0
2. Material costs (EDV 136 to 138)	135	11	1,150,752	1,120,717
a) Cost of raw materials and materials	136		0	0
b) Cost of sales	137		0	0
c) Other external costs	138		1,150,752	1,120,717
3. Staff cost (EDV 140 to 142)	139		828,957	877,244
a) Net salaries and wages	140		476,635	526,152
b) Contributions and taxes from salary	141		234,916	226,846
c) Contributions on salary	142		117,406	124,246
4. Amortization	143		398,478	214,989
5. Other expenses	144	12	2,555,196	2,211,269
6. Value reconciliation (EDV 146+147)	145		0	0
a) fixed assets (apart from financial assets)	146		0	0
b) current assets (apart from financial assets)	147		0	0
7. Provisions (EDV 149 to 154)	148		0	0
a) Provisions for pensions, severance pays and similar liabilities	149		0	0
b) Provisions for tax liabilities	150		0	0
c) Provisions for commenced litigation	151		0	0
d) Provisions for costs of restoration of natural resources	152		0	0
e) Provisions for costs within warranty periods	153		0	0
f) Other provisions	154		0	0
8. Other operating expenses	155		0	0
III. FINANCIAL INCOME (EDV 157 to 166)	156	13	163	104,283
1. Proceeds from investment in shares (stocks) of entities within a group	157		0	0
2. Proceeds from investment in shares (stocks) companies linked by virtue of participating interest	158		0	0
3. Proceeds from other long-term financial investments and loans to entities within a group	159		0	0
4. Other proceeds from interests from relationships with entities within a group	160		163	142
5. Foreign exchange differences and other financial proceeds from relationships with entities within a group	161		0	104,141
6. Proceeds from other long-term financial investments and loans	162		0	0

Income statement (continued)
for the year ended 31 December 2021 in HRK

Description	EDV code	Note No	Preceding Year (net)	Current year (net)
1	2	3	4	5
7. Other proceeds from interests	163		0	0
8. Foreign exchange differences and other financial proceeds	164		0	0
9. Unrealised gain (income)	165		0	0
10. Other financial income	166		0	0
IV. FINANCIAL EXPENSES (EDV 168 to 174)	167	14	838,011	195,793
1. Interest expense and similar expenses from entities within a group	168		271,535	195,793
2. Foreign exchange differences and other expenses of entities within a group	169		566,476	0
3. Interest expense and similar expenses	170		0	0
4. Foreign exchange differences and other expenses	171		0	0
5. Unrealised losses (expenses) of financial assets	172		0	0
6. Value adjustments of financial assets (net)	173		0	0
7. Other financial expenses	174		0	0
V. SHARE IN PROFIT OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	175		0	0
VI. SHARE IN JOINT VENTURES' PROFIT	176		0	0
VII. SHARE IN LOSS OF COMPANIES LINKED BY VIRTUE OF PARTICIPATING INTEREST	177		0	0
VIII. SHARE IN JOINT VENTURES' LOSS	178		0	0
IX. TOTAL INCOME (EDV 127+156+175+176)	179		5,344,180	5,456,251
X. TOTAL EXPENSES (EDV 133+167+177 + 178)	180		5,771,396	4,620,012
XI. PROFIT OR LOSS BEFORE TAXES (EDV 179-180)	181		-427,216	836,239
1. Profit before taxation (EDV 179-180)	182		0	836,239
2. Loss before taxation (EDV 180-179)	183		427,216	046
XII. PROFIT TAX	184	16	205,635	463,980
XIII. PERIODS PROFIT OR LOSS (EDV 181-184)	185		-632,851	372,259
1. WILL PERIOD PROFIT (EDV 181-184)	186		0	372,259
2. PERIOD LOSS (EDV 184-181)	187		632,851	0

Approved on behalf of the Company on 28. March 2022:

Goran Jamić

Director



Pronam
Nekretnine d.o.o.
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Tatjana Martinović

Director



Notes to the financial statements

1. Reporting entity

General company information

The Company has been founded as a limited liability company under the name Volksin d.o.o. on 5 May 2001 in the Republic of Croatia and as at 29 November 2013 the name has been changed to Sberbank nekretnine d.o.o. As at 18 August 2014 the name has been further changed to Pronam Nekretnine d.o.o. ("the Company"). The Company's registered office is located at Varšavska 9, in Zagreb.

The sole owner of the Company is SBAG IT-Services GmbH, Austria, a member of the Sberbank Europe AG Group which is 100% owned by PJSC Sberbank of Russia.

The principal activities of the Company are the lease of property, furniture and equipment, based on operating lease contracts concluded with "Sberbank d.d. - u sanaciji" ("under resolution") Zagreb. The company also provides real estate appraisal services.

The number of employees of the Company as at 31 December 2021 was 4 (2020:4)

Supervisory Board

The Company does not have Supervisory Board

Management Board

The members of the Management Board are:

Goran Jamić	Director
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Tatjana Martinović	Director
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Notes to the financial statements (continued)

2.1. Basis of preparation

These financial statements have been prepared in accordance with accounting regulations applicable in Republic of Croatia. Accounting regulations applicable in the Republic of Croatia are based on provisions of the Accounting Act ("Act") (Official Gazette 78/2015,134/2015,120/2016). According to the paragraph 5 of the Act the Company is classified as a "small" sized entity. Such entities prepare and present their financial statements in accordance with Croatian Financial Reporting Standards ("HSFI").The Company's financial statements are presented in thousands of kuna (HRK) which is the Company's functional currency.

2.2. Basis of accounting

The Company maintains its accounting records in Croatian Kuna (HRK) and in accordance with Croatian law and the accounting principles and practices observed by enterprises in Croatia. The financial statements have been prepared under the historical cost convention, unless otherwise required by related accounting standards for certain positions of financial statements.

2.3. Changes in accounting policies

During 2021 there were no changes in accounting policies.

2.4. Significant accounting judgments, estimates and assumptions

The preparation of financial statements in accordance with CFRS requires management to make estimates and judgements that affect the reported amounts and disclosures in financial statements. These estimates are based on the information available at the time of preparation of financial statements and actual results can differ from those estimates.

In the process of applying the Company's accounting policies, the following judgments, estimates and assumptions had the most significant effect on the amounts disclosed in the financial statements.

Fair values of investment properties

The Company engaged independent surveyor for a valuation of the investment property. Based on the valuation the fair value of the investment property as at 31 December 2021 amounted to HRK 53,300 thousand (31 December 2020: HRK 54,740 thousand) (note 4), resulting with an impairment loss which was recognised in profit and loss account in 2021 in the amount of HRK 2,135 thousand (2020: HRK 2,498 thousand).

Notes to the financial statements (continued)

2.4. Significant accounting judgments, estimates and assumptions (continued)

Useful life of property and equipment, intangible assets and investment property

On an annual basis the Company reviews useful life of property and equipment, intangible assets and investment property at each reporting date in order to determine the appropriate rates of depreciation. The management believes that the current estimates of useful economic lives are appropriate.

Operating leases (company as lessor)

The Company has entered into commercial property leases on almost all of its property, equipment, intangible asset and investment property portfolio. The Company determined that it retains all significant risks and rewards of ownership of these assets and therefore accounts for them as operating leases. New judgements are made every time when a new lease contract is made or when any of the conditions in existing lease contracts are changed.

2.5. Summary of accounting policies

a) Investment property

Investment properties are initially measured at cost, including transaction costs. The carrying amount includes replacement cost of existing investment property at the time the cost was incurred if recognition criteria were met; and excludes the costs of day to day servicing of an investment property. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they occurred.

Investment properties are derecognized when they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on withdrawal or disposal of an investment property are recognized in the income statement in the year of withdrawal or disposal.

b) Plant and equipment

Individual items of plant and equipment that qualify for recognition are measured at cost. The cost of an item of property and equipment comprises its purchase price, import duties, non-refundable purchase taxes and any other directly attributable costs of bringing the asset to its working condition and location for its intended use (after deducting trade discounts and rebates).

In addition to directly attributable costs, the costs of internally constructed assets include indirect material and labour costs, as well as administrative expenses relating to production or provision of services.

After recognition as an asset, an item of plant and equipment is measured at cost less accumulated amortisation and any accumulated impairment losses. Each part of an item of property, plant and equipment with a cost which is significant in relation to the total cost of the item is depreciated separately. Depreciation is computed on a straight-line basis.

Notes to the financial statements (continued)

The useful life of assets is as follows:

Computers, furniture and other equipment	4-15 years
Other assets	3-10 years

The useful life, depreciation method and residual values are reviewed at each financial year-end and the changes are accounted for as a change in an accounting estimate if revised expectations differ from previous estimates.

Construction-in-progress represents plant and equipment under construction and is stated at cost.

Depreciation of an asset begins when it is available for use.

2.5. Summary of accounting policies (continued)

c) *Impairment of assets*

Financial instruments

For financial assets carried at amortised cost, whenever it is probable that the Company will not collect all amounts due according to the contractual terms an impairment or bad debt provision is recognised in the income statement.

Non -financial assets

At each reporting date the Company assesses whether there is an indication that asset may be impaired. If such indication exists, or if the annual impairment test for an asset item is required, Management estimates asset's recoverable amount.

The recoverable amount of asset (or cash generating unit) is higher of fair value less costs to sell and its value in use and it is determined for each individual asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered to be impaired and it is written down to its recoverable amount. In assessing the value in use, estimated future cash flows are discounted to their present value using a discount rate that reflects the time value of money on the market and the risks specific to the asset.

d) *Receivables and payables*

Accounts receivable and payable are stated at nominal value. Trade accounts receivable are carried at amortized cost less any provision for doubtful debts. Impairment is recorded when there is objective evidence (such as probability of insolvency or significant financial difficulties of the debtor) that the Company will not be able to collect all of the amounts due under the original terms of the invoice. The carrying amount of the receivable is reduced through use of an allowance account. Impaired receivables are fully derecognised when they are assessed as uncollectible.

All borrowings are initially recognized at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest bearing borrowings are subsequently measured at amortized cost using the effective interest method.

Notes to the financial statements (continued)

e) Cash and cash equivalents

Cash and cash equivalents include cash on hand, demand deposits and short-term, liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and which are subject to insignificant risk of change in value.

f) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

Rental income

Leases where the lessor retains substantially all the risks and rewards of ownership are classified as operating leases. Rental income comprises rental income from operating leases of investment properties, furniture and equipment.

Interest income and expense

Interest income and expenses are recognized using the effective interest rate method.

g) Foreign currencies

Foreign currency transactions are translated to Croatian kuna at exchange rates effective on the date of transaction. Monetary assets and liabilities denominated in foreign currencies or linked to foreign currencies under revaluation clauses are adjusted on retranslation to Croatian kuna at the balance sheet date. The gain or loss arising from exchange rate after the date of the initial transaction is recorded in the income statement under financial income or financial expenses.

The exchange rate for Euro used for translation purposes as at 31 December 2021 was HRK 7.517 to 1 EUR (2020: HRK 7.537).

h) Taxes

Current income tax

Current tax is the expected return or the tax liability calculated on the taxable income for the year, according to the tax rates at the balance sheet date including any adjustment to tax payable in respect of previous periods and it is measured in the amount which is expected to be returned by or paid to the tax administration.

Deferred tax

Deferred taxes are calculated using the balance sheet liability method. Deferred income taxes reflect the net tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax purposes. Deferred tax assets and liabilities are measured using the tax rates expected to be applied to taxable income in the years in which those temporary differences are expected to be recovered or settled. Deferred tax assets are recognized when it is probable that sufficient taxable profits will be available against which the deferred tax assets can be utilized. At each balance sheet date, the Company re-assesses unrecognised deferred tax assets and the appropriateness of carrying amount of the tax assets.

Notes to the financial statements (continued)

3. Property, plant and equipment

	Plant and Equipment	Tools, plant inventory and vehicles	Leasehold improvements	Assets under construction	Total
	HRK '000	HRK '000	HRK '000	HRK '000	HRK '000
Cost or valuation					
At 1 January 2020	5,116	3,394	-	-	8,510
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	(437)	(154)	-	-	(591)
At 31 December 2020	4,679	3,240	-	-	7,919
Additions	-	-	-	-	-
Transfers	-	-	-	-	-
Disposals	(2,915)	(705)	-	-	(3,620)
At 31 December 2021	1,764	2,535	-	-	4,299
Accumulated depreciation					
At 1 January 2020	4,552	2,852	-	-	7,404
Charge for the year	210	189	-	-	399
Disposals	(437)	(154)	-	-	(591)
At 31 December 2020	4,325	2,887	-	-	7,212
Charge for the year	114	101	-	-	215
Disposals	(2,805)	(804)	-	-	(3,609)
At 31 December 2021	1,530	2,292	-	-	3,822
Net book value					
At 31 December 2020	354	353	-	-	707
At 31 December 2021	234	243	-	-	477

Notes to the financial statements (continued)

4. Investment property

2020 (HRK '000)	<u>Investment property</u>
Carrying value	
As at 1 January 2020	56,720
Additions	518
Impairment loss	(2,498)
As at 31 December 2020	54,740
Net book value	
At 1 January 2020	56,720
At 31 December 2020	54,740
2021 (HRK '000)	<u>Investment property</u>
Net book value	
As at 1 January 2021	54,740
Additions	695
Impairment loss	(2,135)
As at 31 December 2021	53,300
Net book value	
At 1 January 2021	54,740
At 31 December 2021	53,300

All investment property is leased to Sberbank d.d. Zagreb. Investment property is carried at fair value which was determined by independent surveyor.

The Company engaged an independent surveyor for a valuation of the investment property. Based on the valuation the fair value of the investment property as at 31 December 2021 amounted to HRK 53,300 thousand (31 December 2020: HRK 54,740 thousand), resulting with an impairment loss which was recognised in profit and loss account as at 31 December 2021 in the amount of HRK 2,135 thousand (31 December 2020: HRK 2,498 thousand), (note 12 – other expenses).

Notes to the financial statements (continued)

5. Trade and other receivables

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Related party receivables	10	25
Receivables from state and other institutions	635	635
Trade receivables	48	7
Total receivables	693	667

6. Cash at bank and in hand

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Cash on hand and balances with banks	864	291
Cash in bank and in hand	864	291

7. Loans and borrowings within the group

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Short term borrowings	-	-
Long-term borrowings	42,960	39,841
Total borrowings	42,960	39,841

Maturities of borrowings:

	31 December 2020	31 December 2021
	HRK '000	HRK '000
up to 1 year	-	-
1 to 5 year	-	-
Over 5 years	42,960	39,841
	42,960	39,841

Notes to the financial statements (continued)

The entire long-term borrowing is taken from SBERBANK Europe AG and it is denominated in Euros. The borrowing matures in 2027. The average effective interest rate on borrowings as at 31 December 2021 is 0,46% (31 December 2020: 0,46%),

8. Accrued expenses

	<u>31 December 2020</u>	<u>31 December 2021</u>
	HRK '000	HRK '000
<i>Accrued expenses:</i>		
At the beginning of the period	64	111
Recognised in the period	184	148
Released in the period	(137)	(134)
Closing balance	<u>111</u>	<u>125</u>

9. Revenue

	<u>2020</u>	<u>2021.</u>
	HRK '000	HRK '000
Rental income within the group	4,067	4,022
Rental income with other entrepreneurs	4	5
Income from real estate appraisales within the group	238	256
Income from real estate appraisales with other entrepreneurs	1,002	927
Other Income within the group	-	-
	<u>5,311</u>	<u>5,210</u>

10. Other operating income within the group

	<u>31 December 2020</u>	<u>31 December 2021</u>
	HRK '000	HRK '000
Other income	<u>33</u>	<u>142</u>
	<u>33</u>	<u>142</u>

Notes to the financial statements (continued)

11. Other external costs

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Intellectual services	420	406
Other property expenses	45	116
External appraisals of market values	570	457
Vehicle expenses	28	44
Maintenance services	62	56
Other services	26	42
	<u>1,151</u>	<u>1,121</u>

12. Other expenses

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Impairment of investment properties	2,498	2,135
Disposals of tangible fixed assets	-	15
Taxes and fees	22	12
Other employee related expenses	35	49
	<u>2,555</u>	<u>2,211</u>

13. Financial income

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Interests, foreign exchange differences, dividends and similar income arising from transactions with related parties		
- interest	-	-
- exchange differences	-	104
	<u>-</u>	<u>104</u>

14. Financial expenses

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Interests, foreign exchange differences, dividends and similar income arising from transactions with related parties		
- interest	272	196
- exchange differences	566	-
	<u>838</u>	<u>196</u>
	<u>838</u>	<u>196</u>

Notes to the financial statements (continued)

15. Transactions with related parties

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Receivables of entities within a group (Sberbank d.d.)	10	25
Cash in the bank within the group (Sberbank d.d.)	864	291
Total receivables within the group	874	316
Loans received within the group (Sberbank Europe AG)	42,960	39,841
Liabilities to entities within the group (Sberbank d.d.)	-	-
Total liabilities within the group	42,960	39,841
Sales income within the group (Sberbank d.d.)	4,305	4,420
Income from interests within the group (Sberbank d.d.)	-	-
Total income within the group	4,305	4,420
Interest expense within a group (Sberbank Europe AG)	272	196
Other expense within the group (Sberbank d.d.)	440	427
Total expense within the group	712	623

16. Income tax

	31 December 2020	31 December 2021
	HRK '000	HRK '000
Current income tax expense	-	-
Deferred tax (credit)/charge	206	464
Income tax recognised in the income statement	206	464

17. Events after the balance sheet date

As of 1 March 2022, "Sberbank d.d. – u sanaciji" ("under resolution") is no longer a member of the Sberbank Europe AG Group. Pronam Nekretnine d.o.o., as a member of the SBEU AG Group, is no longer a related party to "Sberbank d.d. – u sanaciji".

Approved on behalf of the Company on 28 March 2022:

Goran Jamić

 Director

Pronam
 Nekretnine d.o.o.
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Tatjana Martinović

 Director