

Energoprojekt Holding Plc. Quarterly Report for Q3 2016

Belgrade, November 2016

Pursuant to Article 53 of the Law on Capital Market (RS Official Gazette, No. 31/2011) and pursuant to Article 5 of the Rulebook on the Content, Form and Method of Publication of Annual, Semi-Annual and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012 and 5/2015), **Energoprojekt Holding Plc. from Belgrade, registration No.: 07023014 hereby publishes the following:**

QUARTERLY REPORT FOR Q3 2016

C O N T E N T S

1. FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR Q3 2016
(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)
2. BUSINESS REPORT
3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT
4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2016 QUARTERLY REPORT * (Note)

1. FINANCIAL STATEMENTS OF ENERGOPROJEKT HOLDING PLC. FOR Q3 2016 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

Reporting period:

from

01.01.2016.

until

30.09.2016.

Quarterly Financial Statement for Businesses KFI-PD

Business name: ENERGOPROJEKT HOLDING p.l.c.

Reg. No.: 07023014

Postal code, city: 11070

NOVI BEOGRAD

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Consolidated/individual: INDIVIDUAL

Approved (yes/no): Yes

Audited (yes/no): No

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(authorized officer)

Documents for publishing (in PDF format, as a whole):

1. Financial statements (balance sheet, income statement, statement of other results, cash flow statement, statement of changes in equity, notes to the financial statements)
2. Business Report
3. Statement of responsible person for the preparation of the Report



9.

(Signature of legal representative)

BALANCE SHEET

at day 30.09.2016.

RSD thousand

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
ASSETS			
A. SUBSCRIBED CAPITAL UNPAID	0001		
B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002	7,984,057	7,486,396
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	9,966	11,883
1. Investments in development	0004		
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	9,966	11,883
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008		
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	2,018,389	2,027,691
1. Land	0011		
2. Buildings	0012	1,371,037	1,380,671
3. Plant and equipment	0013	11,400	11,994
4. Investment property	0014	588,890	588,890
5. Other property, plant and equipment	0015	283	283
6. Property, plant and equipment in progress	0016	298	
7. Investments in property, plant and equipment, not owned	0017		
8. Advances paid on property, plant and equipment	0018	46,481	45,853
III. NATURAL ASSETS (0020+0021+0022+0023)	0019		
1. Forests and growing crops	0020		
2. Livestock	0021		
3. Natural assets in progress	0022		
4. Advances paid for natural assets	0023		
IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024	5,955,702	5,446,822
1. Shares in subsidiaries	0025	5,048,997	5,047,931
2. Shares in affiliated companies and joint ventures	0026	29,550	29,550
3. Shares in other companies and other available for sale securities	0027	21,156	25,467
4. Long term investments in parent companies and subsidiaries	0028	854,622	342,438
5. Long term investments in other affiliated companies	0029		
6. Long term investments, domestic	0030		
7. Long term investments, foreign countries	0031		
8. Securities held to maturity	0032		
9. Other long term financial investments	0033	1,377	1,436
V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other affiliated companies	0036		
3. Receivables from credit sales	0037		
4. Receivables from financial leasing contracts	0038		
5. Receivables from pledged assets	0039		
6. Bad debts and uncollectible claims	0040		
7. Other long term receivables	0041		
C. DEFERRED TAX ASSETS	0042		

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043	2,091,372	2,030,932
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044	1,833	1,826
1. Material ,parts, tools and small inventories	0045		
2. Work and services in progress	0046		
3. Finished products	0047		
4. Goods	0048		
5. Fixed assets for sale	0049		
6. Advances paid for inventories and services	0050	1,833	1,826
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051	601,743	488,928
1. Local buyers - parent company and subsidiaries	0052	601,023	488,186
2. Foreign buyers - parent company and subsidiaries	0053		
3. Local buyers - other affiliated companies	0054	705	705
4. Foreign buyers - other affiliated companies	0055		
5. Local buyers	0056	15	37
6. Foreign buyers	0057		
7. Other receivables from sales	0058		
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	113,795	105,617
IV. OTHER RECEIVABLES	0060	341,365	58,383
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062	530,120	522,951
1. Short term loans and investments - parent company and subsidiaries	0063	365,394	360,454
2. Short term loans and investments - other affiliated companies	0064	164,645	162,419
3. Short term credits and loans, domestic	0065		
4. Short term credits and loans, foreign countries	0066		
5. Other short term financial investments	0067	81	78
VII. CASH AND CASH EQUIVALENTS	0068	100,830	463,343
VIII. VALUE ADDED TAX	0069		
IX. PREPAYMENTS AND ACCRUED INCOME	0070	401,686	389,884
E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071	10,075,429	9,517,328
F. OFF-BALANCE SHEET ASSETS	0072	24,675,397	22,596,458

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
LIABILITIES			
A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401	8,686,355	8,450,766
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	7,202,622	7,202,622
1. Share capital	0403	5,574,959	5,574,959
2. Shares of limited liability companies	0404		
3. Investments	0405		
4. State owned capital	0406		
5. Socially owned capital	0407		
6. Shares of cooperatives	0408		
7. Issuing premium	0409	1,600,485	1,600,485
8. Other share capital	0410	27,178	27,178
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412		
IV. RESERVES	0413	134,881	134,881
V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	817,591	817,591
VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415		
VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	26,409	28,433
VIII. RETAINED EARNINGS (0418+0419)	0417	557,670	324,105
1. Retained earnings from previous years	0418	99,049	87,132
2. Retained earnings from current year	0419	458,621	236,973
IX. NON-CONTROLLING INTEREST	0420		
X. LOSSES (0422+0423)	0421		
1. Losses from previous years	0422		
2. Losses from current year	0423		
B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424	261,709	262,210
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	261,709	262,210
1. Provisions for warranty costs	0426		
2. Provisions for recovery of natural resources	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for wages and other employee benefits	0429	1,709	2,210
5. Provisions for legal expenses	0430		
6. Other long term provisions	0431	260,000	260,000
II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		
1. Liabilities convertible into capital	0433		
2. Liabilities to parent company and subsidiaries	0434		
3. Liabilities to other affiliated companies	0435		
4. Liabilities for issued securities for more than one year	0436		
5. Long term credits and loans, domestic	0437		
6. Long term credits and loans, foreign countries	0438		
7. Long term liabilities from financial leasing	0439		
8. Other long term liabilities	0440		
C. DEFERRED TAX LIABILITIES	0441	156,365	156,365
D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	971,000	647,987
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	659,823	565,607
1. Short term loans from parent company and subsidiaries	0444		
2. Short term loans from other affiliated companies	0445		
3. Short term credits and loans, domestic	0446	659,823	565,561
4. Short term credits and loans, foreign countries	0447		
5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		
6. Other short term financial liabilities	0449		46

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	3,270	
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	17,194	26,351
1. Suppliers - parent company and subsidiaries, local	0452	2,532	1,677
2. Suppliers - parent company and subsidiaries, foreign countries	0453	6,165	11,503
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455		
5. Suppliers, local	0456	7,062	5,667
6. Suppliers, foreign countries	0457	1,435	7,504
7. Other operating liabilities	0458		
IV. OTHER SHORT TERM LIABILITIES	0459	252,143	23,561
V. VALUE ADDED TAX	0460	5,655	4,559
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	7,372	734
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	25,543	27,175
D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)≥0 = (0441+0424+0442-0071) ≥0	0463		
E. TOTAL LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464	10,075,429	9,517,328
F. OFF-BALANCE LIABILITIES	0465	24,675,397	22,596,458

INCOME STATEMENT

from 01.01.2016. until 30.09.2016.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
INCOME FROM NORMAL ACTIVITIES					
A. OPERATING INCOME (1002+1009+1016+1017)	1001	106,945	322,477	110,353	391,716
I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002				
1. Income from sale of goods to parent company and subsidiaries on local market	1003				
2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004				
3. Income from sale of goods to other affiliated companies on local market	1005				
4. Income from sale of goods to other affiliated companies on foreign markets	1006				
5. Income from sale of goods on local market	1007				
6. Income from sale of goods on foreign markets	1008				
II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009	101,490	304,583	105,086	376,077
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010	101,477	304,531	105,035	316,613
2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011				
3. Income from sale of finished products and services to other affiliated companies on local market	1012				
4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013				
5. Income from sale of finished products and services on local market	1014	13	52	50	60
6. Income from sale of finished products and services on foreign markets	1015			1	59,404
III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016				
IV. OTHER OPERATING INCOME	1017	5,455	17,894	5,267	15,639
EXPENSES FROM NORMAL ACTIVITIES					
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018	99,009	299,635	106,002	343,489
I. COST PRICE OF GOODS SOLD	1019				
II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	84	252	92	276
III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021				
IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022				
V. MATERIAL COSTS	1023	2,169	6,087	1,665	6,052
VI. FUEL AND ENERGY COSTS	1024	4,606	14,120	6,288	17,398
VII. EMPLOYEE EXPENSES AND BENEFITS	1025	48,647	150,608	52,881	146,752
VIII. PRODUCTION SERVICE COSTS	1026	18,760	62,747	26,500	116,589
IX. DEPRECIATION EXPENSES	1027	4,904	14,612	3,454	10,428
X. PROVISION EXPENSES	1028				
XI. INTANGIBLE EXPENSES	1029	20,007	51,713	15,326	46,546
C. OPERATING INCOME (1001-1018) ≥ 0	1030	7,936	22,842	4,351	48,227
D. OPERATING LOSSES (1018-1001) ≥ 0	1031				
E. FINANCIAL REVENUES (1033+1038+1039)	1032	14,174	477,003	12,954	450,158
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	13,915	468,792	11,520	444,554
1. Financial income from parent company and subsidiaries	1034	11,356	455,682	8,909	431,834
2. Financial income from other affiliated companies	1035	2,537	10,582	2,611	7,816
3. Share of profits in associated companies and joint ventures	1036				
4. Other financial revenues	1037	22	2,528		4,904
II. INTEREST INCOME (THIRD PARTY)	1038	259	1,418	437	1,632
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039		6,793	997	3,972
F. FINANCIAL EXPENSES (1041+1046+1047)	1040	6,533	25,124	17,774	35,031
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041	15	820	11,067	16,463
1. Financial expenses from transactions with parent company and subsidiaries	1042	15	820	9,636	14,463
2. Financial expenses from transactions with other affiliated companies	1043			1,431	2,000
3. Share of losses in affiliated companies and joint ventures	1044				
4. Other financial expenditure	1045				
II. INTEREST EXPENSES (THIRD PARTY)	1046	6,194	17,116	3,280	13,602
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	324	7,188	3,427	4,966
G. FINANCIAL GAINS (1032-1040)	1048	7,641	451,879		415,127
H. FINANCIAL LOSSES (1040-1032)	1049			4,820	
I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050			730	730
J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051				
K. OTHER INCOME	1052	15	187	37	125
L. OTHER EXPENSES	1053	1,345	7,471	91	1,669
M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054	14,247	467,437	207	462,540
N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055				
O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056				1,305
P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		66	39	
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	14,247	467,371	168	463,845
R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059				

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
S. INCOME TAX					
I. TAXABLE EXPENSES FOR THE PERIOD	1060	1,758	8,750	25	7,865
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061				
III. DEFERRED TAX INCOME FOR THE PERIOD	1062				
T. MANAGEMENT EARNINGS	1063				
U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064	12,489	458,621	143	455,980
V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065				
I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066				
II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067				
III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068				
IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069				
V. EARNINGS PER SHARE					
1. Basic earnings per share	1070				
2. Reduced (diluted) earnings per share	1071				

CASH FLOW STATEMENT

from 01.01.2016. until 30.09.2016.

RSD thousand

DESCRIPTION	EDP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	322,211	347,468
1. Sales and prepayments	3002	316,979	342,082
2. Interests from operating activities	3003		
3. Other inflow from normal operations	3004	5,232	5,386
II. Cash outflow from operating activities (1 to 5)	3005	444,876	451,471
1. Payments to suppliers and prepayments	3006	193,834	218,985
2. Employee expenses and benefits	3007	172,465	144,663
3. Interests paid	3008	17,488	13,538
4. Income tax	3009	12,996	2,831
5. Payments based on other public revenues	3010	48,093	71,454
III. Net cash inflow from operating activities (I-II)	3011		
IV. Net cash outflow from operating activities (II-I)	3012	122,665	104,003
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	161,505	151,050
1. Sale of shares and stocks (net inflow)	3014	5,514	
2. Sale of intangible investments, property, plant, equipment and natural assets	3015		
3. Other financial investments (net inflow)	3016		
4. Interest received from investment activities	3017	1,631	4,959
5. Dividends received	3018	154,360	146,091
II. Cash outflow from investing activities (1 to 3)	3019	489,265	167,447
1. Purchase of shares and stocks (net outflow)	3020		93,181
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	2,930	3,678
3. Other financial investments (net outflow)	3022	486,335	70,588
III. Net cash inflow from investing activities (I-II)	3023		
IV. Net cash outflow from investing activities (II-I)	3024	327,760	16,397
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	87,670	130,791
1. Equity increase	3026		
2. Long term loans (net inflow)	3027		
3. Short term loans (net inflow)	3028	87,670	130,791
4. Other long term liabilities	3029		
5. Other short term liabilities	3030		
II. Cash outflow from financing activities (1 to 6)	3031	107	16,674
1. Repurchase of own shares and stocks	3032		
2. Long term loans (net outflow)	3033		16,667
3. Short term loans (net outflow)	3034		
4. Other liabilities	3035		
5. Financial leasing	3036		
6. Dividends paid	3037	107	7
III. Net cash inflow from financing activities (I -II)	3038	87,563	114,117
D. Net cash outflow from financing activities (II-I)	3039		
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	571,386	629,309
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	934,248	635,592
G. NET CASH INFLOW (3040-3041)	3042		
H. NET CASH OUTFLOW (3041-3040)	3043	362,862	6,283
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	463,343	116,713
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	349	1,908
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046		
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	100,830	112,338

STATEMENT OF OTHER RESULTS

from 01.01.2016. until 30.09.2016.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
A. NET OPERATING RESULTS					
I. NET PROFIT (EDP 1064)	2001	12,489	458,621	143	455,980
II. NET LOSSES (EDP 1065)	2002				
B. OTHER COMPERHENSIVE GAINS OR LOSSES					
a) Items not reclassifiable in the balance sheet in future periods					
1. Change of revaluation of intangibles, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				
2. Actuarial gains or losses from defined income plans					
a) gains	2005				
b) losses	2006				
3. Gains and losses from equity instrument investments					
a) gains	2007				
b) losses	2008				
4. Gains and losses from share of other comprehensive profits and losses of affiliates					
a) gains	2009				
b) losses	2010				
b) Items that may be reclassified in the balance sheet in future periods					
1. Gains and losses from translation of financial statements for foreign operations					
a) gains	2011				
b) losses	2012				
2. Gains and losses from hedging of net investments in foreign operations					
a) gains	2013				
b) losses	2014				
3. Gains and losses from cash flow hedging					
a) gains	2015				
b) losses	2016				
4. Gains and losses from available for sale securities					
a) gains	2017	819	2,024	1,623	10,546
b) losses	2018				19
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019	819	2,024	1,623	10,527
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020				
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022	819	2,024	1,623	10,527
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023				
C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024	13,308	460,645	1,766	466,507
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025				
D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026				
1. Payable to majority shareholders	2027				
2. Payable to non-controlling shareholders	2028				



**NOTES TO THE FINANCIAL STATEMENTS
FOR Q3 2016**

Belgrade, 2016

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1. COMPANY BACKGROUND

Energoprojekt Holding Plc. Belgrade (hereinafter: the Company or Energoprojekt Holding) is an open joint stock company for holding operations.

The Company harmonized its operations with the Companies Law (RS Official Gazette No. 36/2011, 99/2011, 83/2014 – other law and 5/2015) by passing the Decision on Harmonization of Company's Articles of Association with the Companies Law adopted on the General Assembly meeting on March 16, 2012 and by passing the Articles of Association on the General Assembly meeting on January 12, 2012.

During the process of harmonization with the Companies Law, Energoprojekt Holding Plc. data has been changed and registered with the Serbian Business Registers Agency by registering the Memorandum of Association and the Articles of Association based on the Decision of the Serbian Business Registers Agency BD 49189/2012 of April 18, 2012, including registration of new bodies of the Company, members of the Executive Board and the chairman and members of the Supervisory Board.

By adopting and registering the Decision on Harmonization of the Memorandum and Articles of Association of Energoprojekt Holding Plc. adopted in compliance with provisions of the new Companies Law, the Decision on Harmonization with the Companies Law and Company Articles of Association from 2006 ceased to apply.

Pursuant to the Decision BD 8020/2005 of May 20, 2005, the Company was re-registered and transferred to the Company Register of the Serbian Business Registers Agency from the Court Register of the Commercial Court of Belgrade with the previous registration on the registry inserts number 1-2511-00.

Based on the Decision No. VIII Fi 8390/99 of June 30, 2000 passed by the Commercial Court of Belgrade, the Company harmonized its operations with the Companies Law (FRY Official Gazette No. 29/96), the Law on Business Classification (FRY Official Gazette No. 31/96) in respect of the company name, registered business, equity and management, and changed its name from "Energoprojekt Holding share based company in mixed ownership for incorporating, financing and managing other companies", at the time registered by Decision No. FI 5843/91 of June 13, 1991 of the same Court, to "Energoprojekt Holding joint stock company for holding operations".

The legal predecessor of Energoprojekt Holding share based company in mixed ownership is Energoprojekt Holding Corporation, registered with the District Court of Belgrade by Decision No. Fi 423 of January 12, 1990, a company that was organized under the previous Companies Law (SFRY Official Gazette No. 77/88, 40/89, 46/90 and 60/91) through adoption of the Self-Management Agreement on Organizational Changes in the Former Composite Organization of Associated Labour "Energoprojekt" and the Associated Workers' Organizations, at a referendum held on December 8, 1989.

General Company Data

<i>Head Office</i>	Beograd, Bulevar Mihaila Pupina 12
<i>Registration Number</i>	07023014
<i>Registered business code and name of the business activity</i>	6420 – holding company
<i>Tax Identification Number</i>	100001513

According to the registration with the Serbian Business Registers Agency, **Company core business activity** is the activity of holding companies (6420).

The Company is a parent company that forms a **group of companies with the short business name of the Energoprojekt Group** with a number of subsidiaries in the country and abroad, as well as with an affiliated company (joint venture) in the country.

Company's subsidiary companies in the country are as follows:

- Energoprojekt Visokogradnja Plc.;
- Energoprojekt Niskogradnja Plc.;
- Energoprojekt Oprema Plc.;
- Energoprojekt Hidroinzenjering Plc.;
- Energoprojekt Urbanizam i arhitektura Plc.;
- Energoprojekt Energodata Plc.;
- Energoprojekt Industrija Plc.;
- Energoprojekt Entel Plc.;
- Energoprojekt Garant Plc.;
- Energoprojekt Promet Ltd. and
- Energoprojekt Sunnyville Ltd.

Subsidiary companies abroad – international companies are as follows:

- Zambia Engineering and Contracting Company Limited, Zambia,
- Energoprojekt Holding Guinee S.A, Guinea,
- I.N.E.C. Engineering Company Limited, UK,
- Encom GmbH Consulting, Engineering & Trading, Germany,
- Dom 12 S.A.L, Lebanon,
- Energo (Private) Limited, Zimbabwe and
- Energo Kaz Ltd., Kazakhstan.

Company's affiliated company (joint venture) in the country is:

- Enjub Ltd.

The affiliated company in the country is:

- Fima SEE Activist Plc.

The share percentage of the Company in the capital of the FIMA SEE Activist Plc. closed investment fund exceeded 20.00% by the end of 2015, whereby the said investment fund became an affiliated company of Energoprojekt Holding.

Energoprojekt Holding Plc.

The following Table contains data on the ownership share in subsidiaries as at September 30, 2016.

<i>Equity investments in subsidiary legal entities</i>	
<i>Name of subsidiary company</i>	<i>% vlasništva</i>
<i>In the country:</i>	
Energoprojekt Visokogradnja Plc.	100,00
Energoprojekt Niskogradnja Plc.	100,00
Energoprojekt Oprema Plc.	67,87
Energoprojekt Hidroinzenjering Plc.	100,00
Energoprojekt Urbanizam i arhitektura Plc.	100,00
Energoprojekt Energodata Plc.	100,00
Energoprojekt Industrija Plc.	62,77
Energoprojekt Entel Plc.	86,26
Energoprojekt Garant Plc.	92,94
Energoprojekt Promet Ltd.	100,00
Energoprojekt Sunnyville Ltd.	100,00
<i>Abroad:</i>	
Zambia Engineering and Contracting Company Limited, Zambia	100,00
Energoprojekt Holding Guinee S.A, Guinea	100,00
I.N.E.C. Engineering Company Limited, UK	100,00
Encom GmbH Consulting, Engineering & Trading, Germany	100,00
Dom 12 S.A.L, Lebanon	100,00
Energo (private) Limited, Zimbabwe	100,00
Energo Kaz Ltd., Kazakhstan	100,00

Ownership share of the Company in other related legal entities in the country is presented in the following Table.

<i>Equity share in other related legal entities in the country</i>	
<i>Name of the joint company</i>	<i>% ownership</i>
Enjub Ltd.	50,00
<i>Name of the affiliated company</i>	<i>% ownership</i>
Fima SEE Activist Ltd.	30,16

In addition to the above listed subsidiaries and other related legal entities, the Company has its representative office in Baghdad, Iraq as well, which has been in the dormant status since 2015.

The Company is, according to criteria specified by the Law on accounting and auditing, classified as a **medium-sized legal entity**.

The average number of employees with the Company in the reporting period, based on the actual number of employees at the end of each month, is 67 (as at December 31, 2015: 70).

The company's shares are A-listed on the Belgrade Stock Exchange and these are traded in a regulated stock market - „Prime Listing“.

The financial statements that are subject of these Notes are the **financial statements of the Company for the period from January 1 till September 30, 2016** that were approved by the Executive Board of the Company on September 14, 2016, at 33rd meeting of the Company and are not subject to an audit by an external auditor.

Approved financial statements may subsequently be modified pursuant to the legislation in force.

2. MANAGEMENT STRUCTURE

Key management of the Company in 2016 reporting period included the following persons:

- Vladimir Milovanovic - General Manager;
- Dr Dimitraki Zipovski - Executive Manager for finances, accounting and plan;
- Dr Jovan Nikcevic – Executive Manager for legal affairs;
- Filip Filipovic – Executive Manager for administration and
- Vesna Prodanovic – Executive Manager for operational projects.

3. OWNERSHIP STRUCTURE

According to records of the Central Securities Depository, the registered ownership structure of the Company as at September 30, 2016 is presented in the Note 29.1.

4. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

Financial statements of the Company were prepared in compliance with the Law on Accounting and Auditing (RS Official Gazette, No. 62/2013 – hereinafter: the Law).

Pursuant to the Law, in recognizing, valuation, presentation and disclosure of items in financial statements, large legal entities, legal entities obliged to prepare consolidated financial statements (mother legal entities), public companies, that is, companies preparing to become public, irrespective of their size, shall apply International Financial Reporting Standards (hereinafter: IFRS). IFRS, within the meaning of the Law, are:

- The Framework for the preparation and presentation of financial statements,
- International Accounting Standards – IAS,
- International Financial Reporting Standards - IFRS and related Interpretations, issued by the International Financial Reporting Interpretations Committee, subsequent amendments to these Standards and the related Interpretations, as approved by the International Accounting Standards Committee, the translation of which was adopted and published by the Ministry in charge of finances.

The Company financial statements were presented in the form and with the content specified by the provisions of the Rules on the Contents and Form of Financial Statements' Forms submitted by Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014 and 144/2014). These Rules, among other things, laid down the form and content of individual positions in the Balance Sheet, Income Statement, Other Comprehensive Income Report, Cash Flow Statement, Statement of Changes in Equity and Notes to Financial Statements. Pursuant to the above mentioned Rules, amounts in RSD thousands are to be presented in these forms.

Chart of Accounts and content of accounts in the Chart of Accounts were prescribed by the Rules on Chart of Accounts and Contents of Accounts in the Chart of Accounts for Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014).

In preparation of Company financial statements, the following laws and by-laws were taken into account, among others:

- Law on Corporate Income Tax (RS Official Gazette, No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 – other law, 142/2014, 91/2015 – authentic interpretation and 112/2015);
- Law on Added Value Tax (RS Official Gazette, No. 84/2004, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 – other law, 142/2014, 5/2015, 83/2015 and 5/2016);
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax (RS Official Gazette, No. 99/2010, 8/2011, 13/2012, 8/2013 and 20/2014 – other Rules);
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax (RS Official Gazette, No. 24/2014, 30/2015);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes (RS Official Gazette, No. 116/2004 and 99/2010);
- Rules on Transfer Prices and Methods Applied in compliance with the “at arm’s length” principle in determining the price of transactions among related parties (RS Official Gazette, No. 61/2013 and 8/2014).

Among the legal acts comprising the internal regulations of the Company, in preparation of the financial statements of the Company, the Rules on Accounting and Accounting Policies of the Company, as adopted on November 27, 2015 by the Executive Board of the Company, was used. In addition to the above listed, other internal acts of the Company were used, such as, for example, the Collective Agreement of the Company, regulating employment in the country.

The Law on Capital Market (RS Official Gazette, No. 31/2011 and 112/2015) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

It should be noted here that in certain cases, not all the relevant provisions of the IFRS or of the Interpretations thereof were taken into account in preparation of the Company financial statements.

The accounting regulations of the Republic of Serbia, and thus the presented financial statements of the Company, deviate from IFRS in the following aspects:

- Pursuant to the Law on Accounting (RS Official Gazette, No. 62/2013), the financial statements in the Republic of Serbia for the year 2014 are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014 and 144/2014), which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 – Presentation of Financial Statements; and
- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

In addition to the above stated, some deviations were due to the different publishing dates of the Standards and the relevant Interpretations thereof, which are subject to continuous modifications, and the effective dates when these Standards and relevant Interpretations thereof come into force in the Republic of Serbia. Thus, for example, the deviations from the Standards came as the consequence of the fact that the published Standards and relevant Interpretations, which came into force, have not yet been officially translated or adopted in the Republic of Serbia; as the consequence of the fact that the published Standards and relevant Interpretations have not yet come into force; or as the consequence of some other reasons beyond effective control or influence of the Company, with no significant effect on financial position of the Company nor on its business result.

Functional currency and currency used for data presentation

Amounts presented in financial statements are in thousands of Serbian dinar (RSD). The Company uses RSD as the functional and reporting currency. Transactions effectuated in non-functional currencies shall be treated as transactions effectuated in foreign currencies.

Transactions in foreign currency, upon initial recognition, are registered in dinar counter value by applying the official middle exchange rate on the translation date.

Pursuant to the provisions of IAS 21 – Changes In Foreign Exchange Rates, monetary items in foreign currency (assets, receivables and liabilities in foreign currency) are recalculated at each balance sheet date by applying the valid exchange rate or the official middle exchange rate at the balance sheet date.

Income/expenses arising on the translation of foreign currency (apart from those related to monetary items as part of net investments of the Company in foreign business, included pursuant to IAS 21) are recognized as revenues or expenses of the Company for the period in which they occurred.

The official middle currency exchange rates of the National Bank of Serbia used for recalculation of monetary assets and liabilities were as follows.

Currency	September 30, 2016	December 31, 2015	September 30, 2015	December 31, 2014
	<i>Amount in RSD</i>			
EUR 1	123,2929	121,6261	119,7491	120,9583
USD 1	109,8965	111,2468	106,4910	99,4641
GBP 1	142,5022	164,9391	161,4740	154,8365

5. MANAGEMENT EVALUATION AND JUDGEMENTS

Preparation and presentation of financial statements in compliance with valid legislation of Republic of Serbia, requires that the management of the Company performs assessments, provides judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. Although, achieved results may differ from the estimated ones, evaluation and judgements are based on information available as at balance sheet date.

The most important valuations refer to the impairment of financial and non-financial assets and definition of assumptions, necessary for actuarial calculation of long-term compensations to employees based on the retirement bonus.

Within the context of valuation, the business policy of the Company is to disclose information on the **fair value** of assets and liabilities, if the fair value varies significantly from the accounting value. In the Republic of Serbia, a reliable valuation of the fair value of assets and liabilities presents a common problem due to an insufficiently developed financial market, lack of stability and liquidity in sales and purchases of, for example, financial assets and liabilities, and sometimes unavailability of market information. Despite all the above, the Company pays close attention to these problems and its management performs continuous valuations, considering the risks. If it is established that the recoverable (fair or value in use) value of assets in business books of the Company was overstated, the adjustment of value is applied.

6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The basic accounting policies applied in preparation of these financial statements, which were primarily based on the Rulebook on Accounting and Accounting Policies of the Company, are in line with the accounting policies applied in preparation of the financial statements for the year that ended on December 31, 2015, and were applied consistently to all the presented years, unless specified otherwise.

In cases where certain bookkeeping aspects were not regulated clearly by the provisions of the Rulebook on Accounting and Accounting Policies of the Company, the accounting policies based on the currently applicable IFRS were applied.

INCOME STATEMENT

7. OPERATING INCOME

7.1. Income from Sale of Products and Services

Structure of income from the sales of products and services is presented in the following Table.

Structure of income from sale of products and services	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Income from sale of finished products and services to parent company and subsidiaries on local market	304.531	316.613
Income from sale of finished products and services on local market	52	60
Income from sale of finished products and services on foreign markets		59.404
TOTAL	304.583	376.077

Income from the sale of finished products and services to parent companies and subsidiaries on local market are based on services rendered by the Company to its subsidiaries, in accordance with agreements approved and adopted by the competent management bodies of the Company and of the subsidiaries, in compliance with the relevant legal acts and these amounted to RSD 304.531 thousand (last year comparison period: RSD 316.613 thousand).

Structure of income from the sale of finished products and services to subsidiaries on local market is presented in the Table below.

Structure of income from the sale of finished products and services to subsidiaries on local market	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Energoprojekt Garant Ltd.	1.980	1.357
Energoprojekt Visokogradnja Plc.	79.044	55.904
Energoprojekt Niskogradnja Plc.	112.423	69.574
Energoprojekt Hidroinzenjering Plc.	9.676	25.144
Energoprojekt Entel Plc.	44.875	67.156
Energoprojekt Energodata Plc.	4.003	6.724
Energoprojekt Industrija Plc.	4.219	15.088
Energoprojekt Urbanizam i arhitektura Plc.	2.424	4.460
Energoprojekt Oprema Plc.	45.720	71.206
Energoprojekt Sunnyville Ltd.	167	
TOTAL	304.531	316.613

Income from the sale of finished products and services on local market in the amount of RSD 52 thousand (last year comparison period: RSD 60 thousand) were generated from the sales of flight tickets.

7.2. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Incomes from the rent collected from parent, subsidiary and other related companies	15.856	14.612
Incomes from the rent collected from other legal entities on local market	222	217
Other operating income (externally)	1.816	810
TOTAL	17.894	15.639

Incomes from the rent collected from parent, subsidiary and other related companies amounting to RSD 15.856 thousand (last year comparison period: RSD 14.612) were generated based on renting of the “Samacki Hotel” complex in 24 Batajnicketi Drum, which has been rented since 2011 to the Energoprojekt Visokogradnja for RSD 11.577 thousand (last year comparison period: RSD 11.338 thousand), and from the rent of a portion of the Energoprojekt Building, which has been rented since 2013 to the Energoprojekt Garant for RSD 3.343 thousand (last year comparison period: RSD 3.274 thousand) and from the rent of another portion of Energoprojekt Building, which has been rented since 2016 to the Energoprojekt Sunnyville, for RSD 936 thousand.

Incomes from the rent collected from other legal entities on local market amounting to RSD 222 thousand (last year comparison period: RSD 217 thousand) were generated from renting of the ground floor space of the Energoprojekt Building to Telekom Srbija, in the amount of RSD 111 thousand.

Other operating income amounting to RSD 1.816 thousand (last year comparison period: RSD 810 thousand) was generated, mainly, on airline companies bonuses for flight tickets sales in that period in the amount of RSD 1.813 thousand (last year comparison period: RSD 480 thousand).

8. INCREASE/DECREASE OF FINISHED GOODS, WORK IN PROGRESS AND SERVICES IN PROGRESS

Structure of increase/decrease of finished goods, work in progress and services in progress	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Increase of finished goods, work in progress and services in progress	252	276
TOTAL	252	276

9. MATERIAL COSTS AND FUEL AND ENERGY COST

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Material costs:		
a) Costs of other materials (overheads)	5.754	5.836
b) Costs of one-off write-off of tools and inventory	333	216
<i>Total</i>	<i>6.087</i>	<i>6.052</i>
Fuels and energy costs:		
a) Costs of fuel	1.525	1.751
b) Costs of electrical energy and heating	12.595	15.647
<i>Total</i>	<i>14.120</i>	<i>17.398</i>
TOTAL	20.207	23.450

Costs of other material (overheads) amounting to RSD 5.754 thousand (last year comparison period: RSD 5.836 thousand) refer to the costs of office supplies amounting to RSD 1.526 thousand (last year comparison period: RSD 1.494 thousand), professional and expert literature, magazines, etc. amounting to RSD 850 thousand (last year comparison period: RSD 958 thousand) and other material costs amounting to RSD 3.378 thousand (last year comparison period: RSD 3.384 thousand).

10. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Expenses of wages and fringe benefits (gross)	115.985	109.929
Taxes and contributions on wages and contributions on wages payable by employer	15.176	15.447
Service agreements contributions	3.702	5.559
Copyright agreements contributions	732	250
Costs of contributions for contract fees for temporary and periodical engagement	1.036	1.098
Considerations to General Manager and/or Management and Supervisory Board members	8.617	7.233
Other personnel expenses and fringe benefits	5.360	7.236
TOTAL	150.608	146.752
Average number of employees	67	70

Other personnel expenses and fringe benefits amounting to RSD 5.360 thousand (last year comparison period: RSD 7.236 thousand) refer to the business trips' expenses amounting to RSD 2.609 thousand (last year comparison period: RSD 5.153 thousand), Company expenses for employee commuting reimbursements amounting to RSD 1.694 thousand (last year comparison period: RSD 1.883 thousand), damage compensation for unpaid vacation amounting RSD 964 thousand, solidarity fund allowances and other employee compensations amounting to RSD 93 thousand (last year comparison period: RSD 200 thousand).

11. PRODUCTION SERVICE COSTS

Structure of production service cost	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Production service cost		59.404
Transportation services cost	2.588	2.291
Repairs and maintenance services' costs	37.251	35.443
Rental costs	240	148
Fair participation costs	104	52
Advertising costs	10.803	8.353
Other services costs	11.761	10.898
TOTAL	62.747	116.589

Transportation services' costs in the amount of RSD 2.588 thousand (last year comparison period: RSD 2.291 thousand), refer to the landline costs and mobile phone costs, Internet services, taxi services, parking services, cars, toad tolls, etc.

Repairs and maintenance services costs amounting to RSD 37.251 thousand (last year comparison period: RSD 35.443 thousand) pertain primarily to investment maintenance of the Energoprojekt Building amounting to RSD 35.400 thousand (last year comparison period: RSD 33.475 thousand) and to the ongoing maintenance of equipment amounting to RSD 1.851 thousand (last year comparison period: RSD 1.968 thousand).

Advertising costs amounting to RSD 10.803 thousand relate to sponsorship expenses (mainly, to Waterpolo Federation of Serbia), billboard adds, media presentations, etc. (last year comparison period: RSD 8.353 thousand).

Costs of other services amounting to RSD 11.761 thousand (last year comparison period: RSD 10.898 thousand) refer to the photocopying costs and costs of technical and operational support: RSD 5.678 thousand, provided, mainly, by the Energoprojekt Energodata in multimedia presentations, updating and preparation of advertising and promo materials for info-board, graphic design services and other: RSD 5.460 thousand, (last year comparison period: RSD 4.907 thousand), licenses' costs: RSD 3.972 thousand (last year comparison period: RSD 3.596 thousand), utility services: RSD 1.792 thousand (last year comparison period: RSD 2.040 thousand) and safety at work and car registration expenses: RSD 319 thousand (last year comparison period: RSD 355 thousand).

12. DEPRECIATION EXPENSES AND PROVISION EXPENSE

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 19)	2.262	2.004
b) Depreciation of property, plant and equipment (Note 20.1.)	12.350	8.424
<i>Total</i>	<i>14.612</i>	<i>10.428</i>
Provisions expenses:		
Provisions for contributions and other personnel benefits		
<i>Total</i>		
TOTAL	14.612	10.428

Depreciation expenses for the 2016 reporting period were calculated based on the appraisal of residual values and the remaining useful life as at December 31, 2015 for property and equipment with significant booking value, since there were no changes of relevance that would require additional appraisal as at the balance date as well.

13. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Intangible expenses	14.304	14.605
Expense account	12.113	3.871
Insurance premiums expenses	667	791
Payment operations' expenses	983	1.797
Membership fee expenses	931	1.080
Tax duties	19.672	19.701
Other non-operating expenses	3.043	4.701
TOTAL	51.713	46.546

Intangible expenses amounting to RSD 14.304 thousand (last year comparison period: RSD 14.605 thousand) pertain to the costs of attorney fees, consulting and intellectual services, professional training, financial statements' audit costs, education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs.

Expense accounts amounting to RSD 12.113 thousand (last year comparison period: RSD 3.871 thousand) include primarily the catering services. The increase in expense accounts for this reporting period came mainly as the result of Energoprojekt 65 anniversary celebration.

Insurance premium expenses amounting to RSD 677 thousand (last year comparison period: RSD 791 thousand) refer to the insurance of property and persons.

Payment operations expenses amounting to RSD 983 thousand pertain to the local payment operations costs (last year comparison period: RSD 1.797 thousand).

Membership fee expenses amounting to RSD 931 thousand (last year comparison period: RSD 1.080 thousand) include membership fees to Chambers (Serbian Chamber of Commerce) representing a salary expense liability of RSD 170 thousand (last year comparison period: RSD 165 thousand) and other Chambers' membership fees and Associations' fees in the amount of RSD 761 thousand (last year comparison period: RSD 915 thousand).

Tax duties in the amount of RSD 19.672 thousand (last year comparison period: RSD 19.701 thousand) refer predominantly to the property tax amounting to RSD 19.146 thousand (last year comparison period: RSD 19.181 thousand).

Other non-operating expenses amounting to RSD 3.043 thousand refer to duties and lawsuit expenses, the cost share in salaries of persons with disabilities, TV subscription fee, printing of Energoprojekt newspaper, etc. (last year comparison period: RSD 4.701 thousand).

14. FINANCIAL INCOME AND FINANCIAL EXPENSE

14.1. Financial Income

Structure of financial income	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Financial income from transactions with parent companies and subsidiaries	455.682	431.834
Financial income from other related companies	10.582	7.816
Income from dividends	2.528	4.904
<i>Total financial income from the related parties and other financial income</i>	<i>468.792</i>	<i>444.554</i>
Interest income (third party)	1.418	1.632
Exchange rate gains and positive currency clause effects (third party)	6.793	3.972
TOTAL	477.003	450.158

Financial income from transactions with parent companies and subsidiaries amounting to RSD 455.682 thousand (last year comparison period: RSD 431.834 thousand) refer to interest income from subsidiaries amounting to RSD 31.412 thousand (last year comparison period: RSD 24.942 thousand) and income from the effects of foreign exchange clauses and foreign exchange gains from subsidiaries amounting to RSD 17.761 thousand (last year comparison period: RSD 383 thousand), as well as share income from dividends amounting RSD 406.509 thousand (last year comparison period: RSD 406.509 thousand), from subsidiaries, as follows:

- Energoprojekt Garant Plc. in the amount of RSD 45.747 thousand (last year comparison period: RSD 45.747 thousand),

- Energoprojekt Entel Plc. in the amount of RSD 265.322 thousand (last year comparison period: RSD 265.322 thousand) and
- Energoprojekt Oprema Plc. in the amount of RSD 95.440 thousand (last year comparison period: RSD 95.440 thousand).

Financial income from other related companies in the amount of RSD 10.582 thousand relates to the interest income: RSD 7.713 hiljada RSD thousand (last year comparison period: RSD 7.816 thousand) and to the effects of the foreign exchange clauses: RSD 2.869 thousand from the joint venture Enjub Ltd.

Income from dividends in the amount of RSD 2.528 thousand relates to the Energo Broker Plc. in the amount of RSD 2.506 thousand (last year comparison period: RSD 4.904 thousand) and Dunav osiguranje Ltd. in the amount of RSD 22 thousand.

Interest income (third party) in the amount of RSD 1.418 thousand refers to the interest calculated on the term deposits (last year comparison period: RSD 1.632 thousand).

Positive currency clause effects in the amount of RSD 6.793 thousand (last year comparison period: RSD 3.972 thousand), refer to gains in FX exchange: RSD 817 thousand (last year comparison period: RSD 2.536 thousand) and income from the effects of foreign currency clause in the amount of RSD 5.976 thousand (last year comparison period: RSD 1.436 thousand), the largest portion of which pertains to the effects of foreign currency clause based on the receivables for income from the construction of Embassy Building in Abuja: RSD 5.288 thousand.

14.2. Financial Expense

Structure of financial expense	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Financial expenses from transactions with parent company and subsidiaries	820	14.463
Financial expenses from transactions with other related companies		2.000
<i>Total financial expense incurred from related parties and other financial expense</i>	<i>820</i>	<i>16.463</i>
Interest expenses (third party)	17.116	13.602
Exchange rate losses and negative currency clause effects (third party)	7.188	4.966
TOTAL	25.124	35.031

Financial expenses from transactions with parent companies and subsidiaries amounting to RSD 820 thousand (last year comparison period: RSD 14.463 thousand) pertain to the expenses incurred from the effects of foreign currency clauses and negative effects of foreign exchange rates from transactions with subsidiaries.

Interest expense (third party) in the amount of RSD 17.116 thousand relate to the interest expense from domestic current liquidity loans granted by Erste bank, Eurobank, Addiko bank and Jubmes bank (last year comparison period: RSD 13.602 thousand, based on the domestic loans granted by Komercijalna banka, Alpha bank and Eurobank).

Negative foreign exchange rates and expenses based on the effects of foreign currency clauses in the amount of RSD 7.188 thousand (last year comparison period: RSD 4.966 thousand), refer to the negative foreign exchange rates in the amount of RSD 539 thousand (last year comparison period: RSD 901 thousand) and expenses based on effects of foreign currency clauses, in the amount of RSD 6.649 thousand (last year comparison period: RSD 4.065 thousand), predominantly related to effects of foreign currency clauses based on receivables for the non-invoiced income based on embassy premises construction in Abuja, in the amount of RSD 3.593 thousand).

15. OTHER INCOME AND OTHER EXPENSES

15.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Other non-mentioned income	187	125
TOTAL	187	125

Other non-mentioned income in the amount of RSD 187 thousand refer primarily to the income from damage compensation from Energoprojekt Garant in the amount of RSD 72 thousand and to the income from the sales of used paper and plastic caps in the amount of RSD 112 thousand (last year comparison period: RSD 125 thousand).

15.2. Other Expenses

Structure of other expenses	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment		25
Expense from direct write-off of receivables		120
Other non-mentioned expenses	7.471	1.524
TOTAL	7.471	1.669

Other non-mentioned expenses in the amount of RSD 7.471 thousand relate to donations granted in the amount of RSD 7.249 thousand, sport expenses amounting RSD 216 thousand and fines and penalties amounting to RSD 6 thousand (last year comparison period: RSD 1.524 thousand relate mainly to donations granted: RSD 777 thousand).

16. NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS YEARS

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		1305,00
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	66,00	
TOTAL	(66,00)	1305,00

Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year in the amount of RSD 66 thousand mainly came as a result of subsequently defined expenses and income from previous period, that are not of any material significance, but were recognized as liabilities or receivables in current period.

17. PROFIT / LOSS BEFORE TAX

Structure of gross result	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Operating income	322.477	391.716
Operating expenses	299.635	343.489
Operating result	22.842	48.227
Financial income	477.003	450.158
Financial expenses	25.124	35.031
Financial result	451.879	415.127
Revenues from other properties' value adjusting presented as Fair Values in Income statement		730
Other income	187	125
Other expenses	7.471	1.669
Result of other revenues and expenses	(7.284)	(814)
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		1.305
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	66	
TOTAL INCOME	799.667	844.034
TOTAL EXPENSE	332.296	380.189
PROFIT/LOSS BEFORE TAX	467.371	463.845

18. PROFIT TAX AND NET PROFIT

Structure of calculation of profit tax and net profit	<i>In RSD thousand</i>	
	<i>01/01 - 30/09 2016</i>	<i>01/01 - 30/09 2015</i>
Profit before tax	467.371	463.845
Profit/(losses) in Income Statement		
Adjustment and net correction of revenues/(expenses) in tax balance	(409.037)	(411.412)
Taxable profit	58.334	52.433
Amount of loss in tax balance from previous years up to the amount of taxable profit		
Other taxable profit	58.334	52.433
Capital gains/(losses) calculated in compliance with the law		
Capital losses carried from previous years up the amount of capital profit calculated in compliance with the law		
Other capital gains		
Tax basis	58.334	52.433
Calculated tax (15% of tax base)	8.750	7.865
Total deductions from the calculated tax		
Calculated tax after deductions	8.750	7.865
Profit/(loss) before tax	467.371	463.845
Tax loss of the period	8.750	7.865
Net profit	458.621	455.980

BALANCE SHEET

19. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Software and other rights	Intangible assets in preparation	Advance payments for intangible assets	Total
<u>Purchase Value</u>				
Balance as at January 1, 2015	12.375	1.783	411	14.569
Correction of opening balance				
New purchases	1.944			1.944
Transfer from one form to another	2.194	(1.783)	(411)	
Disposal and decommissioning	(688)			(688)
Balance as at December 31, 2015	15.825			15.825
Correction of opening balance				
New purchases	345			345
Transfer from one form to another				
Disposal and decommissioning				
Balance as at September 30, 2016	16.170			16.170
<u>Value Adjustment</u>				
Balance as at January 1, 2015	1.386			1.386
Correction of opening balance				
Depreciation	2.785			2.785
Disposal and decommissioning	(229)			(229)
Impairment				
Balance as at December 31, 2015	3.942			3.942
Correction of opening balance				
Depreciation	2.262			2.262
Disposal and decommissioning				
Impairment				
Balance as at September 30, 2016	6.204			6.204
<u>Net Book Value</u>				
December 31, 2015	11.883			11.883
September 30, 2016	9.966			9.966

20. PROPERTY, PLANT AND EQUIPMENT

20.1. Property, Plant and Equipment Exclusive of Investment Property

<u>Purchase Value</u>						
Balance as at January 1, 2015	1.393.710	93.858	283		45.601	1.533.452
Correction of opening balance						
New purchases during the year		1.533				1.533
Disposal and decommissioning		(3.782)				(3.782)
FX gains and losses					252	252
Other transfers from / (to)						
Balance as at December 31, 2015	1.393.710	91.609	283		45.853	1.531.455
Correction of opening balance						
New purchases during the year		2.121				2.121
Disposal and decommissioning						
FX gains and losses					628	628
Other transfers from / (to)				298		298
Balance as at September 30, 2016	1.393.710	93.730	283	298	46.481	1.534.502
<u>Value Adjustment</u>						
Balance as at January 1, 2015		78.469				78.469
Correction of opening balance						
Depreciation	13.039	4.831				17.870
Disposal and decommissioning		(3.685)				(3.685)
Balance as at December 31, 2015	13.039	79.615				92.654
Correction of opening balance						
Depreciation	9.634	2.715				12.349
Disposal and decommissioning						
Balance as at September 30, 2016	22.673	82.330				105.003
<u>Net Book Value</u>						
Balance as at December 31, 2015	1.380.671	11.994	283		45.853	1.438.801
Balance as at September 30, 2016	1.371.037	11.400	283	298	46.481	1.429.499

On December 31, 2015 the residual value and the remaining useful lifetime for the property and equipment with significant accounting value were evaluated, based on which depreciation costs were calculated for the reporting period.

Assessment of Fair Value of Buildings“

The Company booked the “Energoprojekt Building” in its books and presented its value according to the revalorized value model as at the valuation date

The fair value of buildings is usually established through valuation performed by independent qualified valuers based on market evidence.

In cases where there are no evidence of the fair value of the property in the market, due to the specific nature of the building and because such items are rarely put on sale, the Company performs valuation of fair value of the property by using the income approach or the depreciated replacement cost approach.

The Energoprojekt Building was booked at the revalorized value as at September 30, 2016 in the amount of RSD 1.371.037 thousand, i.e, it was performed by reducing the last assessment of the fair value for depreciation accumulated. The ultimate valuation was performed on December 31, 2014 by an external independent qualified valuator by using the comparative method. Pursuant to relevant provisions of IAS 16, considering the insignificant changes in fair value of building in question, it was not necessary to perform its fair value as at balance sheet day.

Starting from the appraised fair value of the building in question as at December 31, 2014, residual value as at December 31, 2015 and established remaining useful lifetime (100 years; remaining useful life as at September 30, 2016: 66 years), the depreciation cost for this building in the reporting period, due to the residual value that is lower than its fair value, amounts to RSD 9.634 thousand.

Adjustment of the opening and closing balance of the value of buildings is presented in the following Table.

In RSD thousand

N o.	Building	Opening balance	Residual value as at balance sheet date	Remaining useful life	Depreciatio n	Profit / (losses) included in report on "Other Income"	Closing balance
1	Energoprojekt Building	1.380.671	518.606	66	9.634		1.371.037
	TOTAL	1.380.671	518.606		9.634		1.371.037

If the revaluated items had been presented by using the cost value method, their current value would amount to RSD 530.076 thousand.

Advances for property, plant and equipment in the amount of RSD 46.481 thousand, refer primarily to the advance paid to the Republic of Serbia for the purchase of properties in Uganda, Peru and Nigeria.

The Company management was of the opinion that property and equipment value as at balance sheet date, was not impaired compared with the presented value.

As at balance sheet date, the Company has no property or equipment mortgaged or taken as lien to be used as collateral for financial obligations.

20.2. Investment Property

Investment property	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Balance as at January 1	588,890	584,440
Profit/(losses) included in Income Statement		4,450
Closing balance	588,890	588,890

In relation to the investment property, the following amounts were recognized in Income Statement:

Profit and loss related to investment property included in Profit and Loss	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>30/09/2015</i>
Rental income (Note 7.2.)	11.577	11.338
Direct operating expenses incurred from investment property that generated rental income during the year	(1.987)	(1.683)
Direct operating expenses incurred from investment property that did not generate rental income during the year	(292)	(314)
TOTAL	9,298	9,341

Adjustment of the opening and closing balance of the fair value of investment property is presented in the following Table.

<i>In RSD thousand</i>				
No.	Investment property	Opening balance	Profit / (losses) included in Income Statement	Closing balance
1	"Samacki Hotel" complex	502,901		502,901
2	"Stari Merkator" office space	85,989		85,989
	TOTAL	588,890		588,890

In its books, the Company posted the fair value of its investment property according to its value determined by means of its fair value assessment as at December 31, 2015.

Valuation of the fair value of investment property as at December 31, 2015 was performed by independent valuers holding recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised. Due to the current situation on the property market at the time when the assessment was performed and the reduced number of sales transactions compared with previous years due to the economic crisis, the

valuators mostly relied on their knowledge of the market and professional judgment and less on the results of comparable transactions in the past.

In valuation of the fair value of the Company's investment property, the external independent qualified valuator relied on the following valuation techniques:

- For the "Samacki Hotel" complex: the cost approach, since there is no other property to be used as comparative properties and since the income approach fails to produce realistic results;
- For the "Stari Merkator" office space: the comparative approach, since the income approach could not be applied, because the investment property in question has not been rented.

As at the balance sheet date, there are no limitations pertaining to the sales potential of the investment property in question, nor any limitations pertaining to generating income from the property rent or disposal.

Investment property in the amount of RSD 588.890 thousand refers to the following facilities:

- The "Samacki Hotel" complex, with the total area of 8,034.00 m², with the municipal construction land use rights for the total area of 18,598.00 m², in 24 Batajnicki Put Street in Zemun in the amount of RSD 502.901 thousand.

Income amounting to RSD 11.577 thousand was generated from the rent of the property in question to Energoprojekt Visokogradnja Company in the reporting period (Note 7.2.).

- The "Stari Merkator" office space with the total area of 643 m², in 5 Palmira Toljatija Street in New Belgrade in the amount of RSD 85,989 thousand.

In the reporting period, this property was not rented. Due to the present inauspicious situation for the rent of property in the Republic of Serbia, it has been quite difficult to find adequate tenant for this property.

21. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Shares in subsidiaries	5.764.062	5.762.996
Shares in affiliated companies and joint ventures	30.612	30.612
Shares in other companies and other available for sale securities	126.100	132.435
Long-term investments in parent companies and subsidiaries	854.622	342.438
Other long-term financial investments	1.377	1.436
<i>Total</i>	<i>6.776.773</i>	<i>6.269.917</i>
<i>Value adjustment</i>	<i>(821.071)</i>	<i>(823.095)</i>
TOTAL	5.955.702	5.446.822

21.1. Share Investments

Equity investments relate to investments in shares and stocks as shown in the following Table.

Structure of share investments	Share %	In RSD thousand	
		30/09/2016	31/12/2015
Share in subsidiaries			
Energoprojekt Visokogradnja Plc.	100,00%	1.826.137	1.826.137
Energoprojekt Niskogradnja Plc.	100,00%	1.103.359	1.102.293
Energoprojekt Oprema Plc.	67,87%	121.316	121.316
Energoprojekt Hidroinzenjering Plc.	100,00%	427.626	427.626
Energoprojekt Urbanizam i arhitektura Plc.	100,00%	192.642	192.642
Energoprojekt Energodata Plc.	100,00%	194.862	194.862
Energoprojekt Industrija Plc.	62,77%	61.209	61.209
Energoprojekt Entel Plc.	86,26%	216.422	216.422
Energoprojekt Garant Plc.	92,94%	597.545	597.545
Energoprojekt Sunnyville Ltd.	100,00%	2.500	2.500
I.N.E.C. Engineering Company Limited, UK	100,00%	70.311	70.311
Encom GmbH Consulting, Engineering & Trading, Germany	100,00%	3.493	3.493
Dom 12 S.A.L., Lebanon	100,00%	924.749	924.749
Enrgo Kaz Ltd. Kazakhstan	100,00%	101	101
Zambia Engineering and Contracting Company Limited, Zambia	100,00%	587	587
Energoprojekt Holding Guinee S.A., Guinea	100,00%	1.628	1.628
Energoprojekt (Malesia) Sdn. Bhd., Kuala Lumpur	100,00%	19.574	19.574
<i>Value adjustment</i>		<i>(715.064)</i>	<i>(715.064)</i>
Total		5.048.997	5.047.931
Share in affiliated companies and joint ventures			
Necco Nigerian Engeneering and Construction CO LTD, Kano, Nigeria	40,00%	1.063	1.063
Fima see Activist Plc.	30,16%	16.000	16.000
Enjub Ltd.	50,00%	13.550	13.550
<i>Value adjustment</i>		<i>(1.063)</i>	<i>(1.063)</i>
Total		29.550	29.550
Share in other companies and other available for sale securities			
Dunav osiguranje Plc.	0,01%	5.814	5.814
Jubmes Bank Plc.	1,41%	120.176	120.176
Energoprojekt Broker Plc.			6.445
Beogradska berza Plc.	0,12%	100	
Imtel Computers Plc. Beograd - in bankruptcy	0,04%	1	
Agrobanka Plc. Beograd - in bankruptcy	0,36%	7	
BIP Plc. Beograd	0,00%	1	
<i>Value adjustment</i>		<i>(104.943)</i>	<i>(106.968)</i>
Total		21.156	25.467
TOTAL		5.099.703	5.102.948

Equity investments for which value adjustment was performed are presented in the following Table.

Share investments - adjustment value	<i>In RSD thousand</i>		
	<i>Gross investment amount</i>	<i>Adjustment value</i>	<i>Net investment amount</i>
Share in subsidiaries			
Energoprojekt Visokogradnja Plc.	1.826.137	(641.632)	1.184.505
Energoprojekt Urbanizam i arhitektura Plc.	192.642	(44.277)	148.365
I.N.E.C. Engineering Company Limited, Great Britain	70.311	(7.953)	62.358
Energoprojekt Holding Guinee S.A., Guinea	1.628	(1.628)	-
Energoprojekt (Malesia) Sdn. Bhd., Kuala Lumpur	19.574	(19.574)	-
<i>Total</i>	2.110.292	(715.064)	1.395.228
Share in affiliated companies and joint ventures			
Necco Nigerian Engenering and Construction CO LTD, Kano, Nigeria	1.063	(1.063)	-
<i>Total</i>	1.063	(1.063)	0
Share in other companies and other available for sale securities			
Banks and financial organizations			
Dunav osiguranje Ltd.	5.814	(5.007)	807
Jubmes Bank Plc.	120.176	(99.936)	20.240
<i>Total</i>	125.990	(104.943)	21.047
TOTAL	2.237.345	(821.070)	1.416.275

Share investments are long-term investments in shares and stocks of subsidiaries and affiliates, joint ventures, banks and insurance companies (securities available for sale), as well as in other companies.

Share investments in subsidiaries, affiliates and joint ventures are disclosed in compliance with the method for disclosing investments at cost. Company recognizes revenues in the amount received from the distribution of retained earnings of the investment user incurred after the acquisition date.

Increase in share investment in Energoprojekt Niskogradnja Plc. in 2016 compared with the reference year came as the result of the Decision of the Commercial Court of Appeal, according to which the Company paid to the minority shareholders the total of RSD 1.066 thousand. as the difference in share price, with accrued interest. Namely, based on the shareholder's decision passed on the General Meeting of the Energoprojekt Niskogradnja Plc. on December 6, 2013, the Company as the majority shareholder of the Energoprojekt Niskogradnja Plc. conducted the compulsory redemption of shares of this Issuer, in compliance with the procedure laid down in the Law on Companies. The minority shareholders were paid the price of RSD 1.563,08 per share, in compliance with the valuation performed by a certified appraiser. A number of minority shareholders of the Energoprojekt Niskogradnja Plc. Company contested the price per share paid and asked the Court to determine the value of shares in an out-of-court procedure. The Commercial Court in Belgrade, before which the out-of-court procedure was conducted, ordered expert valuation and determined that the price per

individual share of the Energoprojekt Niskogradnja Plc. is to amount to RSD 2.769,55. Upon appeal submitted by the Company, the Commercial Court of Appeal confirmed the Decision of the Commercial Court in Belgrade on March 20, 2015. Based on the said Court Decision, the Company is obliged to pay to the shareholders who require the difference in the prices of shares to be paid to them the differences in share price, together with the legally prescribed default interest.

Value adjustment of share investment in Energoprojekt Visokogradnja in the amount of RSD 641.632 thousand was performed on December 31, 2014 in compliance with IAS 36 – Impairment of Assets, based on the Report prepared by the Scientific and Research Centre of the Faculty of Economics of the University of Belgrade on equity valuation of Energoprojekt Visokogradnja for implementation of IAS/IFRS as at December 31, 2014.

Value adjustment of share investment in subsidiaries and affiliated companies abroad (Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur; Energoprojekt Holding Guinee S.A., Guinea; I.N.E.C. Engineering Company Limited, Great Britain, and Necco Nigerian Engineering and Construction CO LTD, Kano, Nigeria) was performed in 2004 in compliance with the initial implementation of IAS provisions.

Share investment in Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur and Necco Nigerian Engineering and Construction CO LTD, Kano, Nigeria were completely adjusted because in addition to the fact that these Companies have no assets, they do not perform any business activities for a number of years now. The process of their dissolution in compliance with the local legislation has not been concluded yet.

Share in other companies and available for sale securities are measured at market (fair) value.

Energoprojekt Plc. – in liquidation, pursuant to the decision of shareholders' assembly on division of liquidation balance, paid to the Company, based on return of capital shares, the amount of RSD 6.445 thousand, which as a result showed annulled business record of the Company regarding the share in Energoprojekt Plc. capital. Furthermore, referring to the above mentioned decision, the Company has registered dividend income in the amount of RSD 2.506 thousand, in the reported period (Note 14.1) as well as share in capital of the following legal entities:

- Beogradska berza Plc.: 5 shares of RSD 20.000,00 each, the total of RSD100.000,00;
- Intel computers Plc.: 25 shares of RSD 30,00 each, the total of RSD 750,00;
- Agrobanka Plc. Beograd: 15 shares of RSD 500,00 each, the total of RSD 7.500,00;
- BIP Plc. Beograd: 47 shares of RSD 29,78 each, the total of RSD 1.400,00;
- Pinki Plc. Zemun: 3 shares of RSD 52,00 each (estimated value), the total of RSD 156,00 and
- KBM Bank Kragujevac: 32 shares of RSD 2.169,00 each, the total of RSD 69.408,00, sold in sixth month of the reporting year.

The change in the position Securities available for sale came, in addition to the above mentioned, as a result of the adjustment of the value of shares in Company's portfolio of shares (Jubmes Bank Plc. and Dunav osiguranje Plc.), with their fair value in the secondary securities' market as at the financial statements date (which are presented in the account for impairment of equity investments and profit and loss from securities available for sale).

The Company has made equity investments in the following banks, financial institutions and other legal entities with listed shares in the Belgrade Stock Exchange and their fair value was determined based on their current market value as at September 30, 2016:

- Dunav osiguranje Plc.: 527 shares, with the market value as at the balance sheet day of RSD 1.531,00 RSD per share and
- Jubmes Bank Plc.: 4.056 shares, with the market value of RSD 4.990,00 RSD per share.

Maximum exposure to credit risk as at the financial statements date is the fair value of debt securities classified as available-for-sale.

Financial assets available for sale are presented in RSD.

21.2. Long-Term Financial Investments

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Long-term investments in parent companies and subsidiaries	854.622	342.438
<i>Value adjustment</i>		
<i>Total</i>	<i>854.622</i>	<i>342.438</i>
Other long-term financial investments:		
Housing loans granted to employees	1.377	1.436
<i>Value adjustment</i>		
<i>Total</i>	<i>1.377</i>	<i>1.436</i>
TOTAL	855.999	343.874

Long-term financial investments in parent companies and subsidiaries in the amount of RSD 854.622 thousand refer to the long-term loans granted to:

- Energoprojekt Sunnyville Ltd. in the amount of RSD 567.944 thousand, with annual interest rate of 3,75% + 3m Euribor to 4% and maturity period till December 31, 2018 (the long-term loan amount: RSD 555.783 and interest amount: RSD 12.161 thousand),
- Energoprojekt Niskogradnja Company in the amount of RSD 257.074 thousand, with 4% annual interest rate and maturity period till December 31, 2017, based on the Agreement on Debt Rescheduling No. 20/151 dated December 31, 2015 (the long-term loan amount: RSD 248.913 and interest amount: RSD 8.161 thousand) and
- Energoprojekt Visokogradnja Company in the amount of RSD 29.604 thousand (drawdown in four instalments) with annual interest rate of 3,50% + 3m Euribor, and grace period of 12 months and maturity period (starting from the first instalment), till June 10, 2019 and 24 equal pay-off instalments, based on the Agreement on Debt Rescheduling No. 153 dated June 09, 2016 (the long-term loan amount: RSD 29.590 and interest amount: RSD 14 thousand).

The above Companies provided 2 (two) signed solo promissory notes to the Company each, to be filled out by beneficiary and for the entire amount of their loans, as collaterals for loan repayment based on the Long-Term Loan Agreements signed with these subsidiaries.

The long-term housing loans granted to employees that are presented among other long-term financial investments refer to four interest-free housing credits granted to employees, two of which were granted on June 10, 1992 for the repayment period of 38.5 years, and the remaining two loans were granted on November 28, 1995 for the repayment period of 40 years. In compliance with the terms and provisions of the loan agreements and in compliance with the provisions of the Law on Amendments and Addenda to the Law on Housing, the Company performs revalorisation of loan instalments twice a year based on the trends in consumer prices in the Republic of Serbia for the given accounting period. A portion of the long-term financial investments made on this basis with maturity dates up to one year that is being regularly repaid/collected amounts to RSD 81 thousand (Note 26).

22. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Advances paid for inventories and services:		
a) Advances paid for inventories and services to parent companies and subsidiaries		483
b) Advances paid for material, spare parts and inventory	220	288
c) Advances paid for services	1.613	1.055
<i>Total</i>	<i>1.833</i>	<i>1.826</i>
<i>Value adjustment</i>		
TOTAL	<i>1.833</i>	<i>1.826</i>

Advances paid for material, spare parts and inventory amounting RSD 220 thousand, refer to advances paid to suppliers for material (fuel, etc.).

Advance payments paid for services in the amount of RSD 1.613 thousand primarily pertain to advance payments to companies, as follows: Beogradska berza Plc. in the amount of RSD 640 thousand (for annual fee for organized share trading in 2016), Kontrolmatik Ltd. in the amount of RSD 371 thousand (for services provided in Energoprojekt Building) and M&V investments Plc. in the amount of RSD 224 thousand (for the Company liability comprising of the difference in share prices in the compulsory redemption of Energoprojekt Niskogradnja Plc. shares in 2016, with default interest incurred).

23. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Local buyers - parent company and subsidiaries	601.023	488.186
Local buyers - other related companies	705	705
Local buyers (externally)	15	37
<i>Value adjustment</i>		
TOTAL	<i>601.743</i>	<i>488.928</i>

Local buyers – parent companies and subsidiaries refer to the receivables based on Service Agreements concluded with subsidiary companies, based on which the Company was presented with blank solo promissory notes to be filled out by beneficiary as collaterals for collection.

Structure of local buyers – parent companies and subsidiaries is presented in the following Table.

Structure of local buyers - parent company and subsidiaries	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Trade receivables domestic - subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	419.460	322.647
Energoprojekt Niskogradnja Plc.	32.668	8.980
Energoprojekt Hidroinzenjering Plc.	18.991	22.115
Energoprojekt Entel Plc.	5.967	9.013
Energoprojekt Energodata Plc.	22.174	26.632
Energoprojekt Industrija Plc.	80.586	75.149
Energoprojekt Urbanizam i Arhitektura Plc.	16.205	15.348
Energoprojekt Oprema Plc.	4.641	8.119
Energoprojekt Garant Plc.	264	183
Energoprojekt Sunnyville Ltd.	67	
Total	601.023	488.186
<i>Trade receivables domestic - other related parties:</i>		
Enjub Ltd.	705	705
Total	705	705
<i>Trade receivables domestic (externally)</i>	15	37
Total	15	37
TOTAL	601.743	488.928

The Company has not been presented with any collection collaterals for local buyers – other related companies and local buyers (external).

Receivables from sale and other receivables from sale bear no interest.

Other Receivables from Sales positions do not include any impaired assets. Accounting value of receivables from sales is equivalent to their fair value.

Aging receivables structure based on sales is presented in the following Table.

Aging receivables structure based on sales	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Local buyers - parent companies and subsidiaries:</i>		
a) Current	37.310	40.550
b) Up to 30 days	11.448	8.116
c) 30 - 60 days	11.030	8.116
d) 60 - 90 days	81.264	8.116
e) 90 - 365 days	12.715	75.073
f) 365 days +	447.256	348.215
Total	601.023	488.186
<i>Local buyers - other related legal entities:</i>		
a) Current		
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +	705	705
Total	705	705
<i>Local buyers - external</i>		
a) Current	15	37
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
Total	15	37
TOTAL	601.743	488.928

24. RECEIVABLES FROM SPECIAL TRANSACTIONS

Structure of recivables from special transactions	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Receivables from special transactions from parent companies and subsidiaries	111.849	103.769
Receivables from special transactions from other related companies	1.901	1.775
Receivables from special transactions from other companies	3.793	3.809
<i>Value adjustment</i>	(3.748)	(3.736)
TOTAL	113.795	105.617

Detailed information on receivables from special transactions, as changes in value adjustment are presented in the following Tables.

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Receivables from special transactions from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	109.399	102.017
Energoprojekt Niskogradnja Plc.	777	35
Energoprojekt Hidroinzenjering Plc.	480	383
Energoprojekt Entel Plc.	16	62
Energoprojekt Energodata Plc.	11	73
Energoprojekt Industrija Plc.	158	98
Energoprojekt Urbanizam i arhitektura Plc.	71	560
Energoprojekt Oprema Plc.	107	87
Energoprojekt Garant Plc.	455	454
Energoprojekt Sunnyville Ltd.	375	
<i>Total</i>	<i>111.849</i>	<i>103.769</i>
<i>Receivables from special transactions from other related companies:</i>		
Enjub Ltd.	1.901	1.775
<i>Total</i>	<i>1.901</i>	<i>1.775</i>
<i>Potraživanja iz specifičnih poslova od drugih pravnih lica:</i>		
Music School S.Binicki	12	41
Zekstra Group-Zekstra Ltd.	867	855
Music Ivan	31	30
Energoprojekt Union	2	2
Napred razvoj Plc.	2.881	2.881
<i>Total</i>	<i>3.793</i>	<i>3.809</i>
<i>Value adjustment from receivables from special transactions:</i>		
Zekstra Group-Zekstra Ltd.	867	855
Napred razvoj Plc.	2.881	2.881
<i>Total</i>	<i>3.748</i>	<i>3.736</i>
TOTAL	<i>113.795</i>	<i>105.617</i>

Receivables from special transactions from parent companies and subsidiaries in the amount of RSD 111.849 thousand refer, predominantly, to receivables from Energoprojekt Visokogradnja in the amount of RSD 109.399 thousand, recorded, mainly, based on renting of the „Samacki Hotel“ complex, in the amount of RSD 85.819 thousand and receivables for air-tickets, in the amount of RSD 23.082 thousand.

Changes in value adjustment for receivables from special transactions is presented in the following Table.

Changes in value adjustment for receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Balance as at January 1	3.736	851
Additional value adjustment		2.881
FX gains and losses	12	4
TOTAL	3.748	3.736

Value adjustment for receivables from special transactions in the amount of RSD 3.748 thousand refers to value adjustment of receivables based on inventory as at December 31, 2014 from company Zekstra Group – Zekstra Ltd., Belgrade in the amount of RSD 867 thousand (EUR 7 thousand) and based on inventory as at December 31, 2015 from company Napred Razvoj Plc. in the amount of RSD 2.881 thousand.

Aging receivables structure based on specific transactions is presented in the following Table.

Aging structure of receivables based on special transactions	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Receivables from special transactions from parent companies and subsidiaries</i>		
a) Current	3.597	7.759
b) Up to 30 days	4.299	4.372
c) 30 - 60 days	2.009	1.734
d) 60 - 90 days	1.769	2.413
e) 90 - 365 days	19.188	22.024
f) 365 days +	80.987	65.467
<i>Total</i>	<i>111.849</i>	<i>103.769</i>
<i>Receivables from special transactions from other companies</i>		
a) Current		84
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days	548	29
f) 365 days +	1.353	1.662
<i>Total</i>	<i>1.901</i>	<i>1.775</i>
<i>Receivables from special transactions from other legal entities</i>		
a) Current	14	43
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +	31	30
<i>Total</i>	<i>45</i>	<i>73</i>
TOTAL	113.795	105.617

25. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	30/09/2016	31/12/2015
Interest and dividend receivables:		
a) Interest and dividend receivable from parent companies and subsidiaries	276.422	
b) Interest and dividend receivable from related companies	54.728	46.372
<i>Total</i>	<i>331.150</i>	<i>46.372</i>
Receivables from employees	90	
Receivables for overpaid profit tax	8.505	11.150
Receivables for fringe benefits' returns	1.620	861
<i>Value adjustment</i>		
TOTAL	341.365	58.383

Structure of interest and dividend receivables in the amount of RSD 331.150 thousand is presented in the following Table.

Structure of interest and dividend receivables	<i>In RSD thousand</i>	
	30/09/2016	31/12/2015
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	8.835	
Energoprojekt Energodata Plc.	1.344	
Energoprojekt Urbanizam i arhitektura Plc.	921	
<i>Total</i>	<i>11.100</i>	<i>0</i>
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Entel Plc.	265.322	
<i>Total</i>	<i>265.322</i>	
<i>Interest receivables from other related companies:</i>		
Enjub Ltd.	54.728	46.372
<i>Total</i>	<i>54.728</i>	<i>46.372</i>
TOTAL	331.150	46.372

Receivables for fringe benefits' returns in the amount of RSD 1.620 thousand relate to the receivables for sick leave longer than 30 days and maternity leaves.

26. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Short-term loans and investments - parent companies and subsidiaries	365.394	360.454
Short-term loans and investments - other related companies	164.645	162.419
Portion of other long-term financial investments with maturity date up to one year (Note 21.2)	81	78
<i>Value adjustment</i>		
TOTAL	530.120	522.951

Short-term loans and investments – subsidiaries and other affiliated companies pertain to the loans approved with maturity dates up to 12 months and with interest rate ranging from 4% annually to 3M Euribor + 6,5 % annually, as presented in the Table below.

No.	Borrower and Agreement No.	Loan amount in EUR thousand	Remaining receivables from loan in EUR thousand	Remaining receivables from loan in RSD thousand	Maturity date	Loan terms and conditions
1	EP Visokogradnja Plc.					
	Loan Rescheduling Agreement No. 37/175	2.350	2.350	289.731	31/12/2016	4 % annually
2	EP Energodata Plc.					
	Loan Rescheduling Agreement No.21/05	364	364	44.899	31/12/2016	4 % annually
3	EP Urbanizam i arhitektura Plc.					
	Loan Rescheduling Agreement No. 19/2727	250	250	30.764	31/12/2016	4 % annually
Total for subsidiaries		2.964	2.964	365.394		
4	Enjub Ltd.					
	Annex No. 8 of Loan of Agreement No. 367	137	137	16.953	31/12/2016	3M Euribor + 6,5% annually
	Annex No. 4 of Loan Rescheduling Agreement No. 115	1.198	1.198	147.692	31/12/2016	3M Euribor + 6,5% annually
Total for other related companies		1.335	1.335	164.645		
TOTAL		4.299	4.299	530.039		

The Company has 2 (two) signed blank solo promissory notes to be filled out by beneficiary to be used as collateral for the collection of payments pursuant to loan agreements concluded with subsidiaries and the joint venture.

As collaterals for loan repayment pursuant to:

- Annex No. 8 of the Loan Agreement No. 367 concluded with Enjub Ltd. in the amount of RSD 16.953 thousand (EUR 137 thousand), the Company (in addition to bills of exchange) has an extrajudicial mortgage for the entire loan amount for apartments in 91A Jurija Gagarina Street in New Belgrade, as collateral for loan repayment; and
- Annex No. 4 of the Loan Rescheduling Agreement No. 115 concluded with Enjub Ltd. in the amount of RSD 147.692 thousand (EUR 1.198 thousand), a mortgage bond was issued (mortgage has not been registered) for real estate (apartments and office space) in 93, 93A and 91A Jurija Gagarina (Note 38).

Portion of other long-term financial investments with maturity of up to one year in the amount of RSD 81 thousand relate to the long-term housing loans granted to employees with maturity of up to one year (Note 21.2.).

27. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Current (business) account	1.636	30.349
Foreign currency account	235	238
Foreign currency petty cash		4
<i>Other cash</i>		
a) Short-term deposits	98.457	432.329
b) Other cash	502	423
<i>Total</i>	<i>98.959</i>	<i>432.752</i>
TOTAL	<i>100.830</i>	<i>463.343</i>

Within the Company's **the current (business) accounts and foreign currency accounts**, cash held with business banks locally and abroad (with Banca Intesa, Unicredit Bank, Addiko Bank, Jubmes Bank, Alpha Bank, Vojvodjanska Bank, Societe Generale Bank, Credit Agricole Bank, Raiffeisen Bank, Erste Bank, Komercijalna Bank, Piraeus Bank, Eurobank Srbija and the Trade Bank of Iraq).

Short term deposits in the amount of RSD 98.457 thousand refer to the short term deposits held with business banks in the country (Unicredit Bank, Eurobank and Sberbank) with 1 to 3 months' terms, with interest rate ranging from 0,85% to 1,20% annually and with the option to terminate the term deposit contract at any given moment. The term deposits are in EUR and USD, namely: EUR 484 thousand and USD 353 thousand.

Other cash in the amount of RSD 502 thousand refer to the overnight deposits with Alpha Bank, in the amount of RSD 468 thousand, as well as to a sick leave in the amount of RSD 34 thousand.

28. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED EXPENSES AND DEFERRED INCOME

Structure of prepayments and accrued income	In RSD thousand	
	30/09/2016	31/12/2015
<i>Prepayments:</i>		
a) Prepaid expenses - parent companies and subsidiaries	3.018	2.403
b) Prepaid subscriptions for expert and professional publications	216	779
c) Prepaid insurance premiums	55	26
<i>Total</i>	<i>3.289</i>	<i>3.208</i>
<i>Receivables for accrued non-invoiced income:</i>		
a) Receivables for accrued non-invoiced income - parent company and subsidiaries		
b) Receivables for accrued non-invoiced income - other legal entities	391.115	385.828
<i>Total</i>	<i>391.115</i>	<i>385.828</i>
<i>Other prepayments and accrued expenses:</i>		
a) Prepaid value added tax	347	139
b) Other prepayments and deferred income	6.935	709
<i>Total</i>	<i>7.282</i>	<i>848</i>
TOTAL	401.686	389.884

Prepaid expenses - parent companies and subsidiaries in the amount of RSD 3.018 thousand refer to prepayments for licensing costs (Energoprojekt Energodata) and to the costs of property and personal insurance (Energoprojekt Garant).

Receivables for accrued non-invoiced income – other legal entities in the amount of RSD 391.115 thousand refer to the realization of the Agreement on Construction of the Republic of Serbia Embassy Building in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

Prepaid value added tax includes added value tax from prepared invoices for the reporting period; the right to deduction of the previous tax can be exercised in the following calculation period, since the invoices arrived after the tax return for September 2016 was filled.

Other prepayments and deferred income in the amount of RSD 6.935 thousand relate primarily to the pre-calculated property tax for 2016 in the amount of RSD 6.429 thousand, and the rest to prepaid membership, licences, etc.

29. CAPITAL

In RSD thousand

DESCRIPTION	Share capital	Other share capital	Issuing premium	Reserves	Revaluation reserves	Unrealized gains/losses on securities	Retained earnings	Total
Balance as at January 1, 2015	5.574.959	27.178	1.600.485	134.881	817.591	(40.786)	304.386	8.418.694
Net profit for the year							236.973	236.973
Other comprehensive result:								
a) Changes in fair value of financial assets available for sale						12.353		12.353
b) Revaluation								
c) Other - levelling of present value, IAS 12 et al.								
Total - other comprehensive result						12.353		12.353
Total comprehensive result for 2015						12.353	236.973	249.326
Corrections							1.372	1.372
Increase in share capital								
Profit distribution							(218.626)	(218.626)
Balance as at December 31, 2015	5.574.959	27.178	1.600.485	134.881	817.591	(28.433)	324.105	8.450.766
Net profit for the year							458.621	458.621
Other comprehensive result:								
a) Changes in fair value of financial assets available for sale						2.024		2.024
b) Revaluation								
c) Other - levelling of present value, IAS 12 et al.								
Total - other comprehensive result						2.024		2.024
Total other comprehensive result 30/09/2016						2.024	458.621	460.645
Corrections							(6.430)	(6.430)
Increase in share capital								
Profit distribution							(218.626)	(218.626)
Balance as at September 30, 2016	5.574.959	27.178	1.600.485	134.881	817.591	(26.409)	557.670	8.686.355

29.1. Equity Capital

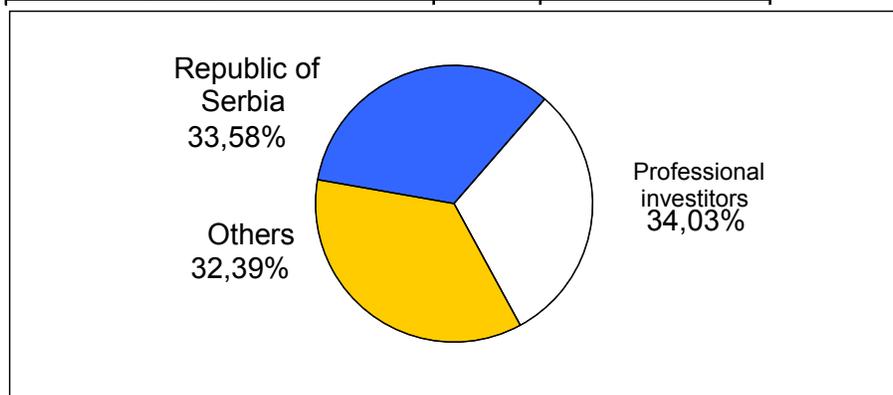
According to the Central Securities, Depository and Clearing House Register, the Company's present ownership structure as at September 30, 2016 is as follows:

	No of shares	% in total issue
Shares held by private shareholders	2.849.462	26,07%
Shares held by legal entities	6.901.218	63,13%
- Republic of Serbia	3.671.205	33,58%
- Other legal entities	3.230.013	29,55%
Aggregate (castody) account	1.180.612	10,80%
Total No. of shares	10.931.292	100%

No. Of shareholders with equity shares	Number of entities			Number of shares			% in total issue		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
Up to 5%	6.895	209	7.104	4.270.169	530.382	4.800.551	39,06%	4,85%	43,92%
5% to 10%	0	0	0	0	0	0	0,00%	0,00%	0,00%
10% to 25%	1	0	1	2.459.536	0	2.459.536	22,50%	0%	22,50%
25% to 33%	0	0	0	0	0	0	0,00%	0,00%	0,00%
33% to 50%	1	0	1	3.671.205	0	3.671.205	33,58%	0,00%	33,58%
50% to 66%	0	0	0	0	0	0	0,00%	0,00%	0,00%
66% to 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
Over 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
Total No.	6.985	209	7.106	10.400.910	530.382	10.931.292	95,15%	4,85%	100,00%

List of top 10 shareholders per no. of shares/votes held :

Shareholder	No. of shares	% in total issue
Republic of Serbia	3.671.205	33,58%
Napred Razvoj Plc Novi Beograd	2.459.536	22,50%
Societe generale bank Plc. Serbia - castody	335.886	3,07%
East Capital (Lux) – Balkan Fund	250.593	2,29%
Erste bank Plc Novi Sad - collective	190.531	1,74%
Vojvodjanska bank Plc. Novi Sad - collective	156.692	1,43%
Raiffeisen bank Plc - castody	100.903	0,92%
Societe generale bank Serbia Plc.- castody	93.305	0,85%
Gustavia Fonder Aktiebolag	70.000	0,64%
Global Macro Capital Opportuni	62.500	0,57%



Structure of equity capital is presented in the following Table.

Structure of equity capital	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Share capital:</i>		
a) Share capital in parent companies, subsidiaries and other related companies		
b) Share capital (externally)	5,574,959	5,574,959
<i>Total</i>	<i>5,574,959</i>	<i>5,574,959</i>
Issuing premiums	1,600,485	1,600,485
Other share capital	27,178	27,178
TOTAL	7,202,622	7,202,622

Share capital consists of 10.931.292 ordinary shares with nominal value of RSD 510,00 (RSD 5.574.959 thousand) and nominal book value of RSD 794,63.

Share capital - ordinary shares include founding shares and closely held (management) shares issued during operations which carry rights to a share of the profit and a part of the estate in case of bankruptcy, in accordance with the memorandum of association and the share issue resolution.

The company's shares are A-listed on the Belgrade Stock Exchange.

Issuing premium in the amount of RSD 1.600.485 thousand is positive difference between the achieved selling price per share and the nominal value of such shares, which is the result of the conversion of shares of the Energoprojekt Group subsidiaries into Company shares at the par value of 1:1 in 2006 in the amount of RSD 1.363.471 thousand, based on compulsory redemption and selling of Company shares, in the amount above the nominal value, in the period from 2006 to 2011, amounting RSD 237.014 thousand.

Other share capital was created by the reposting of non-business assets sources in 2005 in the total of RSD 27.178 thousand.

29.2. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Legal reserves	23,185	23,185
Statutory and other reserves	111,696	111,696
TOTAL	134,881	134,881

Legal reserves were formed in compliance with the law until 2004, by incremental annual payments of a minimum of 5% of the profits until the reserves' level reaches at least 10% of the equity capital.

In compliance with the Company's Statute, **statutory reserves** were made until 2011 and the shareholders determined the amount of such reserves at the General Meeting, which could not be less than 5% of the net profit.

29.3. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from revaluation of intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Revaluation reserves based on revaluation of property - Energoprojekt building	817,591	817,591
TOTAL	817,591	817,591

The following was disclosed in the Revaluation reserves from revaluation of property – Energoprojekt building position, in the amount of RSD 817,591 thousand:

- Effects of posting of the fair value of the Energoprojekt Building as at December 31, 2014 in the amount of RSD 863.317 thousand,
- Levelling of the present value per m² of the Energoprojekt Building in the amount of RSD 98.543 thousand; and
- Posting of 15% profit tax (negative aspect of revaluation reserves) for the amount of deferred tax on the basis of revaluation reserves, in compliance with IAS 12 – Income Taxes, in the amount of RSD 144.281 thousand.

29.4. Unrealized Losses from Securities and Other Components of Other Comprehensive Result (debit balance under account class 33, excl. 330)

Structure of unrealized losses from securities and other components of other comprehensive results (debit balances under account class 33, excl. 330)	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Unrealized losses on securities available for sale	26.409	28.433
TOTAL	26.409	28.433

Changes in the position of **Unrealized losses on securities available for sale** in the amount of RSD 2.024 thousand, relate to adjustments of value of securities in Company portfolio (Jubmes Bank Plc. and Dunav osiguranje Plc.), with their fair value in the secondary securities market as at the financial statements date (Note 21.1.).

29.5. Retained Earnings

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Retained earnings from previous years</i>		
a) Balance as at January 1 of reported period	324.105	304.386
b) Correction of profit based on income tax	(6.430)	1.372
c) Profit distribution	(218.626)	(218.626)
<i>Total</i>	<i>99.049</i>	<i>87.132</i>
Retained earnings from current years	458.621	236.973
TOTAL	<i>557.670</i>	<i>324.105</i>

In 44th repeated General Meeting of the Company held on June 23, 2016, within the item 3 of the meeting agenda, decision was passed pertaining to distribution of undistributed profit as at December 31, 2015, in the amount of RSD 324.105 thousand in the following manner:

- For dividend payment, gross amount of RSD 20,00 per share to Company shareholders, or in the total amount of RSD 218.626 thousand;
- The remaining portion of the profit in the amount of RSD 105.479 thousand, to be allocated in undistributed profit.

Dividend shall be paid to the Company shareholders on November 30, 2016.

Correction of undistributed profit from previous years in the amount of RSD 6.430 thousand relates, mainly, to the correction as per the final version of the income tax return in the amount of RSD 6.433 thousand.

Undistributed profit from the current year in the amount of RSD 458.621 thousand relates to Company's net income generated in the reporting period.

30. LONG-TERM PROVISIONS

Long-term provisions are recognized in the following cases:

- Where the Company has a (legal or actual) liability incurred as a result of a past event;
- Where it is probable that the resource containing economic value will necessarily be deployed to settle a liability; and
- Where the liability amount can be measured reliably.

Structure of long-term provisions is presented in the following Table.

In RSD thousand

Structure of long-term provisions	Provisions for wages and other employee benefits	Other long-term provisions	TOTAL
Balance as at January 1, 2015	2.288	260.000	262.288
Additional provisions	782		782
Used during the year	(860)		(860)
Cancelling of unused amounts			
Balance as at December 31, 2015	2.210	260.000	262.210
Additional provisions			
Used during the year	(501)		(501)
Cancelling of unused amounts			
Balance as at September 30, 2016	1.709	260.000	261.709

30.1. Provisions for Wages and Other Employee Benefits

Provisions for wages and other employee benefits (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation of the Energoprojekt Group expert team.

30.2. Other Long-Term Provisions

Other long-term provisions in the amount of RSD 260,000 thousand are recorded in the balance sheet as at December 31, 2006, pursuant to the Decision of the competent body of the Company, as potential contract expenses related to the Joint Construction Agreement - Block 26, New Belgrade, No. 507, concluded between the consortium „Energoprojekt – Napred“ and Trinity Capital Ltd.

Pursuant to provision of the Joint construction agreement and the Annex no. 1 to this agreement, Trinity Capital Ltd. paid the agreed amount and the Company issued a blank bill of exchange with authorization and unlimited validity. This bill of exchange may be submitted for payment based on an effective decision of the authorities confiscating from the Company the underlying property referenced in the contract by fault attributable to the Company, however for reasons which had not been known to Trinity Capital Ltd. at the time the contract was signed.

Provisioning was pursuant to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, due to the uncertainty with regard to the application of the legislation that applies to the subject of the Agreement and that may affect the fulfilment of all obligations assumed by the Company as well as due to the issued blank bill of exchange as previously stated.

On September 30, 2016 there is still uncertainty with regard to the application of the legislation that may affect the fulfilment of all obligations assumed by the Company and possible activation of issued bills of exchange by Trinity Capital Ltd. Therefore, the management assesses that conditions for the cancellation of the provision at the balance sheet date have not been met yet.

31. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	In RSD thousand	
	30/09/2016	31/12/2015
Short-term credits and loans domestic	659.823	565.561
<i>Other short-term financial liabilities:</i>		
a) Portion of long-term liabilities with maturity date up to one year		
b) Other short-term financial liabilities		46
Total	-	46
TOTAL	659.823	565.607

31.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans domestic	Interest rate	In RSD thousand	
		30/06/2016	31/12/2015
Short-term loans granted by banks domestically:			
a) Dinar loans			
b) Loans with foreign currency clause	3M Euribor + 3,25% annually, 3M Euribor + 3,70% annually, 3M Euribor + 3,75% annually, 3,50% annually	659.823	565.561
TOTAL		659.823	565.561

Short-term loans domestic in the amount of RSD 659.823 thousand related to the loan with currency clause (EUR) granted by:

- Erste Bank Plc. in the amount of RSD 519.063 thousand, with the interest rate of 3M Euribor + 3,75% per annum. Six Companys' blank bill of exchange were provided as collateras for loans' repayment,
- Jubmes Bank Plc. in the amount of RSD 67.811 thousand, with the interest rate of 3,50% per annum. Ten Companys' blank bill of exchange and sureties of the Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Hidroinzenjering, Energoporjekt Oprema, Energoprojekt Industrija and Energoprojekt Energodata Companies were provided as collaterals for loans' repayment,
- Addiko Bank Plc. in the amount of RSD 36.988 thousand, with the interest rate of 3M Euribor + 3,25% per annum. Ten Companys' blank bill of exchange and sureties of the Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoporjekt Oprema Companies were provided as collaterals for loans' repayment, and
- Eurobank Plc. in the amount of RSD 35.961 thousand, with the interest rate of 3M Euribor + 3,70% per annum. Company's bills of exchange and sureties of the Energoprojekt Oprema and Energoprojekt Niskogradnja Companies were provided as collaterals for loans' repayment.

31.2. Other Short-Term Financial Liabilities

Structure of long-term liabilities with maturity dates up to one year	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Portion of long-term loans domestic with maturity up to one year		
Other short-term financial liabilities		46
TOTAL		46

32. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Advance payments from parent companies and subsidiaries	3.270	
UKUPNO	3.270	0

Received advances from parent companies and subsidiaries in the amount of RSD 3.270 thousand refer to advance payment from Energoprojekt Hidroinzenjering, for the Company services, pursuant to agreement contracted in 2016.

33. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Suppliers - parent company and subsidiaries, local	2.532	1.677
Suppliers - parent company and subsidiaries, abroad	6.165	11.503
Suppliers, local	7.062	5.667
Suppliers, abroad	1.435	7.504
TOTAL	17.194	26.351

Total amount of liabilities from operations broken down per currencies are presented in the following Table.

Structure of operating liabilities per currencies	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
RSD	10.733	13.993
EUR	6.461	12.319
GBP		39
TOTAL	17.194	26.351

Geographic distribution of suppliers is as follows:

Geographic distribution of suppliers	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Local suppliers (subsidiaries and other legal entities):	9.594	7.344
Foreign suppliers (subsidiaries):		
Europe	6.165	11.503
<i>Total</i>	6.165	11.503
Foreign suppliers (other legal entities):		
Europe	1.435	7.504
<i>Total</i>	1.435	7.504
<i>Value adjustment</i>		
TOTAL	17.194	26.351

The key suppliers are presented in the following Table, according to the suppliers' balances as at the Company balance sheet date.

Structure of suppliers	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>related and other legal entities):</i>		
Energoprojekt Visokogradnja Plc.	1.941	3
Elektroprivreda Srbije	929	
Dedinje Ltd.	407	407
Abu Ali Chemicals Ltd.	554	
Algotech Ltd.	703	346
PUC Beogradske elektrane	714	954
Compacc Ltd.	171	237
Alarm prim inžinjeri Ltd.	77	24
Bel Computers Ltd.	262	47
Other	3.836	5.326
<i>Total</i>	9.594	7.344
<i>Foreign suppliers (related and other legal entities):</i>		
Encom GmbH Consulting, Engineering&Trading, Germany	6.165	11.463
IATA	1.259	6.931
Other	176	613
<i>Total</i>	7.600	19.007
TOTAL	17.194	26.351

Pursuant to the provisions of agreement, the Company has provided four blank single bills of exchange to the supplier PUC Elektroprivreda Srbije as payment collaterals.

Suppliers are exclusive of interest and with value date ranging from 5 to 30 days.

Company Management is of the opinion that the disclosed amounts of liabilities from operations reflect the fair value of such liabilities as at the balance sheet date.

Aging suppliers' liabilities structure is presented in the following Table.

Aging suppliers' liabilities structure	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
<i>Related legal entities:</i>		
a) Current	1.561	1.714
b) Up to 30 days	971	3
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +	6.165	11.463
Total	8.697	13.180
<i>Local suppliers</i>		
a) Current	4.318	3.507
b) Up to 30 days	1.600	1.979
c) 30 - 60 days	863	181
d) 60 - 90 days	244	
e) 90 - 365 days	37	
f) 365 days +		
Total	7.062	5.667
<i>Foreign suppliers</i>		
a) Current	1.435	7.504
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
Total	1.435	7.504
TOTAL	17.194	26.351

34. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	In RSD thousand	
	30/09/2016	31/12/2015
Liabilities for wages, fringe benefits and compensations	12.938	13.864
<i>Other liabilities:</i>		
a) Liabilities for interest and financing costs		
b) Liabilities for dividends	237.014	7.544
c) Liabilities to employees	329	195
d) Liabilities to General Manager, or to management and Supervisory Board members	690	566
e) Liabilities to physical persons on contractual obligations	292	558
f) Other various liabilities	880	834
<i>Total</i>	<i>239.205</i>	<i>9.697</i>
TOTAL	252.143	23.561

Liabilities for wages, fringe benefits and compensations in the amount of RSD 12.938 thousand refer to the liabilities (net, taxes and contributions), that the Company paid in October 2016.

Liabilities for dividends in the amount of RSD 237.014 thousand refer, mainly, to the liabilities based on Resolution of the shareholders' annual meeting in 2016 regarded the profit share, in the amount of RSD 218.626 thousand and for dividends' payment from previous years in the amount of RSD 18.388 thousand, which have not yet been paid to date (probate proceedings, etc.).

Other various liabilities in the amount of RSD 880 thousand refer predominantly to withholding from net wages (based mostly on loans granted by employees, union fees, etc.).

Company Management is of the opinion that the disclosed value of short-term liabilities reflects their fair value at the balance sheet date.

35. LIABILITIES FOR VALUE ADDED TAX, LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE AND ACCRUED EXPENSES AND DEFERRED INCOME**35.1. Liabilities for Value Added Tax**

Liabilities for value added tax	In RSD thousand	
	30/09/2016	31/12/2015
Liabilities for value added tax	5.655	4.559
TOTAL	5.655	4.559

Liabilities for value added tax refer to the difference between calculated tax and input tax. This liability was settled by the Company within the legally prescribed deadline, in October 2016.

35.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Liabilities for other taxes, contributions and fees payable	7.372	734
TOTAL	7.372	734

Liabilities for other taxes, contributions and fees payable in the amount of RSD 7.372 thousand refer primarily to the liabilities for property tax in the amount of RSD 6.429 thousand, taxes and contributions for considerations to Supervisory Board members: RSD 402 thousand, taxes and contributions paid based on service agreements: RSD 175 thousand; liabilities for income tax on dividends: RSD 97 thousand; and other.

Out of the total amount of liabilities for taxes, contributions and fees payable in the amount of RSD 7.372 thousand, the amount of RSD 723 thousand was settled in October 2016 (only liabilities for property tax in the amount of RSD 6.429 thousand remained unpaid, due to the trimestral payment and liabilities for income tax on dividends in the amount of RSD 97 thousand, which pertain to unpaid dividends – Note 34).

35.3. Accrued Expenses and Deferred Income

Accrued expenses and deferred income	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Precalculated expenses:		
a) Precalculated expenses - parent company, subsidiaries and other related companies	25.486	25.142
b) Precalculated expenses - other legal entities	57	1.146
<i>Total</i>	<i>25.543</i>	<i>26.288</i>
Other accruals		887
TOTAL	25.543	27.175

Precalculated expenses – parent company, subsidiaries and other related companies in the amount of RSD 25.486 thousand refer to the liability owed to Energoprojekt Oprema company for calculated expenses for the period till June 30, 2015, based on the Agreement on Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, in the cadastre lot No. 313, registered in the Real Estate Cadastre of the Cadastre Zone A00.

Precalculated expenses – other legal entities in the amount of RSD 57 thousand pertain primarily to the calculated interest costs for the credit agreements from banks in the country for September 2016 in the amount of RSD 54 thousand.

36. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities	In RSD thousand	
	30/09/2016	31/12/2015
Deferred tax assets	3,374	3,374
Deferred tax liabilities	159,739	159,739
Net effect of deferred tax assets (liabilities)	(156,365)	(156,365)

Deferred tax assets are the income tax amounts recoverable in future periods based on *deductible temporary differences*.

A deductible temporary difference is generated in cases where a company's balance sheet contains already disclosed expense on certain bases, which will be recognized from the tax aspect in the following periods. Deferred tax assets are verified on December 31 and are recognized only if it is considered probable that the deferred tax assets will probably be used to reduce a taxable income in the future period.

The amount of deferred tax assets is calculated by multiplying the amount of deductible temporary difference at the end of the year by the Company's corporate income tax rate (15%).

Deferred tax liabilities disclosed as at December 31 refer to *taxable temporary differences* between the book value of assets subject to depreciation and their tax base. Due to different provisions used in the Company to define accounting depreciation (in compliance with the IAS/IFRS and other provisions) and provisions that define tax depreciation (in compliance with the Law on Corporate Income Tax), the Company shall pay higher amount of income tax in the future period than it would pay if the actually disclosed accounting depreciation would be acknowledged by tax legislation. For this reason, the Company recognizes the deferred tax liability, which represents income tax payable once that the Company "recovers" the accounting value of the assets.

The amount of deferred tax liabilities is calculated by multiplying the amount of taxable temporary difference at the end of the year by the Company's income tax rate (15%).

37. OFF-BALANCE SHEET ASSETS AND LIABILITIES

In compliance with the relevant statutory provisions (Rules on Content and Form of Financial Statements Forms for Companies, Cooperatives and Entrepreneurs), disclosed off-balance sheet items in its financial statements. Items disclosed under off-balance sheet assets and liabilities, presented in the following Table, are neither assets nor liabilities of the Company, but are primarily presented for information purposes.

Structure of off-balance sheet assets and liabilities is presented in the following Table.

Structure of off-balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>30/09/2016</i>	<i>31/12/2015</i>
Provided sureties, guarantees and other rights	20.201.367	18.125.158
Provided mortgages and other rights	2.500	
Received mortgages and other rights	16.953	16.723
Other off-balance sheet asset/liabilities	4.454.577	4.454.577
TOTAL	24.675.397	22.596.458

Provided sureties, guarantees and other rights amounting to RSD 22.201.367 thousand refer to the following:

- Guarantees issued for credits and guarantees for subsidiaries amounting to RSD 17.560.770 thousand;
- Corporate guarantees issued to Energoprojekt Niskogradnja amounting to RSD 2.637.516 thousand (BBVA - Peru amounting to RSD 1.538.551 hiljada RSD thousand and Banco Financiero - Peru amounting to RSD 1.098.965 thousand) for the project in Peru; and
- Guarantee issued by Alpha bank in favor of IATA (International Air Transport Association) for liabilities referring to air-tickets, in the amount of RSD 3.081 thousand, the one which ends at October 23, 2016 and is renewed (evergreen status) annually.

To provide guarantees, sureties and corporate guarantees, the Company concluded agreements with subsidiary companies based on which the Company is the guarantor and based on which it received respective collaterals from the subsidiaries involved (Company's promissory notes).

Provided mortgages and other rights in the amount of RSD 2.500 thousand refer to pledge given to 100% share of equity capital of Energoprojekt Sunnyville Ltd. (Note 38).

Received mortgages and other rights amounting to RSD 16.953 thousand pertain to the mortgage on Enjub Ltd. apartments, arising from the Loan Agreement regulating the loan approved to Enjub Ltd. (Note 38).

Other off-balance sheet assets/liabilities amounting to RSD 4.454.577 thousand include the following:

- The right to use the municipal construction land – in Block 25 and Block 26 in New Belgrade, amounting to RSD 4.424.135 thousand;
- Dividends receivables from Enjub Ltd., which were directly written-off in the previous accounting period in the amount of RSD 30,442 thousand; and
- Unused construction facilities in Budva that were directly written-off in the inventory count as at December 31, 2014 and presented in the off-balance records without any value.

38. MORTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY

Mortgage registered against the Company refer to pledged given on 100% share of equity capital of Energoprojekt Sunnyville Ltd. as collateral for liabilities of Erste Bank Plc. Novi Sad, based on a long-term construction credit, approved to Energoprojekt Sunnyville.

Mortgages registered in favour of the Company are as follows:

- As collateral to secure the repayment of loan pursuant to the Annex No. 8 of the Loan Agreement No. 367, in the amount of RSD 16.953 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No. 4 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 147.692 thousand (EUR 1,198 thousand), there is a lien statement (mortgage was not registered) provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

39. COMMITMENT AND CONTINGENCIES

Contingent liabilities that can potentially result in an outflow of economic benefits of the Company can primarily arise from the lawsuits. **Contingent liabilities arising from lawsuits** are primarily reflected in the potential completion of lawsuits against the Company, yet no liability or provision was recorded in the balance sheet.

The number and estimated values of lawsuits with the Company as the defendant and not very small probability for the Company to lose the case are presented in the following Table. The disclosed lawsuits' amounts with the contingent liability as at September 30, 2016, include only the principal amount per case.

Plaintiff	First instance procedure	Second instance procedure	Total
<i>No. of lawsuits</i>			
Physical person	3	4	7
Legal entity	1	2	3
TOTAL	4	6	10
<i>In RSD thousand</i>			
Physical person		444	444
Legal entity			0
TOTAL	0	444	444

Additional details on lawsuits in which the Company is involved as the defendant are presented in the following Table.

Plaintiff	Basis for legal action	Contingent liability in RSD thousand
Raonic Milan	Damage compensation for copyright infringement	Uncertain
Land development public agency	Debt and compensation for land (Hotel Hyatt Regency Beograd)	Uncertain
Marko Martinoli	Compulsory redemption of shares	Uncertain
Belim Plc. in bankruptcy	Unfounded gains	Uncertain
Sreta Ivanisevic	Compensation for expropriated property (Bezanija)	Uncertain
Vladan and Tomislav Krdzic	Damage compensation (for the value of free shares that they did not acquire)	444
Goran Rakic	Establishment of ownership right on the land under building for legalization purposes	Ungrounded
Pavle, Radmila and Milan Kovacevic	Compensation for expropriated land (Block 26)	Amount not determined
Rajko Ljubojevic	Expropriation of land from 1957	Uncertain
Activeast management Ltd	Payment of difference in the price of shares	Uncertain
TOTAL		444

In addition of the above listed court cases in which the Company is the defendant, there is a lawsuit with the New Company Ltd. branch IN Hotel, in which the plaintiff requests the GP Napred razvoj Plc. to determine the ownership right over the hotel building constructed on a lot for which the Company

was registered as a holder of rights in addition to the GP Napred razvoj Plc. In this lawsuit, the Company is a passive co-litigant, and thus there are no potential commitments for the Company, but it had to be included in the action due to the formal reasons.

In addition to the above stated, the second instance procedure is in progress as well, in which a number of minority shareholders of the Energoprojekt Niskogradnja company called in question the price of shares from compulsory redemption that was paid by the Company as the majority shareholder. In addition to that, the first instance procedure is also in progress in which a small number of minority shareholders of the Energoprojekt Visokogradnja Company called into question the price paid to them in the procedure initiated at their request for compulsory sale of shares.

Contingent assets that can potentially result in economic benefits for the Company may primarily arise based on the lawsuits in which the Company is involved as the plaintiff.

Contingent assets arising from lawsuits leads to the potential for completion of lawsuits in favour of the Company, yet no receivables was recorded in the balance sheet and no economic benefit has been recorded in any other manner (such as, for example, by reducing value of an unjustified advance payment, etc.).

The number and estimated values of lawsuits and litigations in which the Company acts as the plaintiff are presented in the following Table.

Defendant	First instance procedure	Second instance procedure	Total
<i>No. of lawsuits</i>			
Physical person			
Legal entity	1	3	4
TOTAL	1	3	4
<i>In RSD thousand</i>			
Physical person			
Legal entity		3.748	3.748
TOTAL		3.748	3.748

Additional details on lawsuits in which the Company acts as the plaintiff are presented in the following Table.

Defendant	Basis for legal action	Contingency amount in RSD thousand
Beogradsko mesovito preduzeće Plc. (BMP)	Determining of BMP shares' value	Amount not determined
Zekstra group Ltd.	Damage compensation (roof repair works in 38 Goce Delceva Street)	867
Republic of Serbia, EPS Serbia, Epsturs Ltd. and Republic of Montenegro	Determining of ideal ownership share in the Park hotel in Budva	Acquiring of 13% of the total hotel surface area is legally founded, but the value thereof has not been determined
Napred Razvoj Plc.	Remuneration for organization of an extraordinary Company meeting	2.881
UKUPNO		3.748

In addition to the presented legal actions in which the Company is involved as plaintiff, there is also:

- the lawsuit against City of Belgrade, Republic of Serbia, PUC Belgrade Land Development and BG hala Ltd. for debt based on works executed by Energoprojekt Visokogradnja, on „Arena“ facility, contracted by Energoprojekt Holding Plc. According to named lawsuit (expected case value is RSD 208.000 thousand) the final and enforceable judgement against BG hala Ltd. was received, but refused the one related to City of belgrade, Republic of Serbia, PUC Belgrade Land Development. The Company has presented a revision appeal against this decision;
- the lawsuit against Music Ivan, for compensation of damage (roof repair in 38 Goce Delceva Street), on the basis of which a receivable amounting to RSD 31 thousand was presented in the accounting books of the Company.

It should be noted here that an impairment of the receivable owed by the Zekstra Group Ltd. was performed in 2014 in the amount of RSD 867 thousand (EUR 7 thousand), and that in 2015 the receivable amount owed by Napred Razvoj Plc. in the amount of RSD 2.881 thousand was adjusted (Note 24).

40. POST BALANCE SHEET EVENTS

There were no events after the balance sheet date that could have any significant effect on the credibility of the financial statements.

In Belgrade,
On November 10, 2016

2. BUSINESS REPORT

- Authentic overview of Company's growth and business results, financial position and information of significance for its assets valuation;
 - Description of Company's anticipated growth in the following period, changes in its business policies and main risks and threats to which its business is exposed;
 - Major events after the end of the reporting year;
 - Major transactions with related parties;
 - Corporate activities in research and development;
-

Authentic overview of Company's growth and business results, financial position and information of significance for its assets valuation

An authentic overview of the Energoprojekt Holding Plc. (parent Company) and Energoprojekt Group growth and business results, financial position and information of significance for the valuation of corporate assets is presented and explained in detail within the Notes to the Financial Statements (see Chapter 1 of the said Statements).

Plans for 2016 include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 309,7 million, namely: EUR 142,4 million (46%) in the country and EUR 167,3 million (54%) abroad. During the January-September period in 2016, contracts for new business deals worth the total of EUR 217,9 million were concluded: EUR 101,2 million (46%) in the country and EUR 116,7 million (54%) abroad, which makes 70% of the total targeted annual contracting plan.

As at the last day of the reporting period, business deals worth approximately EUR 477,1 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 188,3 million ; abroad EUR 288,8 million).

Description of Company's anticipated growth in the following period, changes in its business policies and main risks and threats to which its business is exposed

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2016:

Priority tasks:

- Activities aimed at preparation of a new strategic document – “Basic Elements of the Medium-Term Business Plan for 2016–2020“;
- Further development of the business and information system that is matched to the needs of the Energoprojekt Holding Plc.;
- Continued financial and business consolidation of individual subsidiaries of the Energoprojekt Group, which have, due to various reasons, presented poorer business

results over the previous period (from the aspect of their revenues, profit, human resources' competencies, secured projects and borrowing debts).

Other business-related tasks:

- To improve efficiency of the management system and allocation of individual responsibilities in all operational processes;
- To strengthen the management system and the internal control system for the business processes in the subsidiaries (with the aim to increase their revenues and profit, parallel with optimization of operational costs) and to thus reduce the operational risk levels;
- To establish adequate management structure that will raise the team spirit to a higher level in the team-work atmosphere;
- To revitalize the existing business activities that are currently in decline or stagnating and to initiate new developmental projects;
- To re-engineer the business processes and to improve personnel structures in Energoprojekt Visokogradnja Plc. and in all the other Companies of the Energoprojekt Group, wherever necessary;
- To strengthen the functions of internal supervision and internal audit in Energoprojekt Holding Plc. and in the Energoprojekt Group;
- To provide for sustainable growth and development of the Energoprojekt Group, and to increase equity capital and dividend distribution;
- Transparency of business operations and public presentation of Energoprojekt, by means of supplying relevant information through the Stock Exchange and regular communication with investors, partners and experts, in the country and abroad.

The most significant threats to which the Company is exposed include: continuing and deepening of the global and Eurozone economic crisis; competition in the form of foreign companies from the countries with huge populations and cheap workforce; competition in the form of the foreign companies with easier access to cheaper financial resources; institutional changes in the domestic and selected foreign markets; dependency on the political stability of the markets in which Energoprojekt realizes its projects and so on.

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as a constituent part of all its executive functions and as one of the principal functions of the Company's internal audit. Efforts on risk management development strategy are intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2016.

At 44th Repeat Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 23rd, 2016, new members of Energoprojekt Holding Plc. Supervisory Board were appointed for the next four year period.

Pursuant to the Resolution of Annual General Meeting of Energoprojekt Holding Plc. and based on Art. 86, par. 4 of the Articles of Association of Energoprojekt Holding Plc., the Energoprojekt Holding Plc. Supervisory Board was founded at its 1st constitutional meeting, on June 27th, 2016.

At 2nd Energoprojekt Holding Plc. Supervisory Board Meeting, celebrated on July 1st, 2016, the Resolution on Appointment of General Manager and Executive Managers of Energoprojekt Holding plc. was approved.

The expected company development in the forthcoming period will be realized complying the approved company documents:

- *"Energoprojekt Holding Plc. and Energoprojekt Group Medium-Term Business Plan for 2016–2020"* (approved at 5th Energoprojekt Holding Plc. Supervisory Board Meeting, celebrated on October 28th, 2016);
- *"Annual Business Plan of Energoprojekt Holding Plc. and Energoprojekt Group for the year 2016"* (approved on 265th Energoprojekt Holding Plc. Executive Board Meeting, celebrated on December 21st, 2015).

Major business events after the end of the reporting year

There were no major business events from the balance date to the date of publication of the said statements, which would require disclosure or exert any impact on the authenticity of the disclosed financial statements.

At 44th Repeat Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 23rd, 2016, the following relevant resolutions were approved: Resolution on Approval of Energoprojekt Group Annual Consolidated Statement for 2015 (*Energoprojekt Group consolidated financial statement for 2015; Auditor's Report for 2015 and Annual Business Report*); Resolution on Approval of Energoprojekt Holding Plc. Annual Business Report for 2015 (*Energoprojekt Holding Plc. financial statements for 2015; Auditor's Report for 2015 and Annual Business Report*); Resolution on Distribution of Undistributed Profits; Resolution on Approval of Report by the Supervisory Board of Energoprojekt Holding Plc.; Resolution on Appointment of the Company Auditor for 2016 and Approval of the Auditor's Fee; Resolution on Appointment of Members of the Supervisory Board of Energoprojekt Holding Plc.; Resolution on Fees to the Members of Supervisory Board for their Engagement in this Board and on prior Consent for Signing of Agreement on Fees to the Members of Supervisory Board of Energoprojekt Holding Plc.; Decision on Acquisition of Own shares of Energoprojekt Holding Plc..

Regular annual meetings of all subsidiary companies' shareholders from the Energoprojekt Group were held in due legal terms, so that all proposed resolutions were duly approved.

Relevant business news on major events are being regularly published on the Energoprojekt web site (at: <http://www.energoprojekt.rs>) and on the web site of the Belgrade Stock Exchange (in Serbian and in English), as a part of the Company's obligations related to the Prime Listing of its shares on the Belgrade Stock Exchange.

Major transactions with related parties

Receivables from the related parties arise primarily from the sale of services and are mature and collectible within 15 days from the invoicing date. Blank bills of exchange and relevant authorizations were provided to the Company as payment securities. Detailed explanations are provided in the "Notes to the Financial Statements".

Corporate activities on research and development

Energoprojekt Holding Plc. establishes and improves its own integrated management system (IMS) that includes quality management (harmonized with ISO 9001:2008 standard), environmental protection management (harmonized with ISO 14001:2004 standard) and health and safety at work management (harmonized with OHSAS 18001:2007 standard).

Activities on further development and implementation of an adequate business and information system are underway, and the system will be adequate to the current scope and planned growth of the Company's business.

A new strategic medium-term business documents of companies and the Energoprojekt Group, for 2016-2020 period, will include information from the field of research and development projects, as well as implementation of „Balance Score Card“ methodology and „Key Performance Index“, together with development of the software application based on „Business Intelligence“ platform. Furthermore, the development of risk management methodology and Integrated Management System will be applied, introducing a new and persistent ethic code, corporative integrity standard and socially responsible business activities.

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

To the best of our knowledge, the Quarterly Financial Statements for the third quarter of 2016 were prepared in compliance with the relevant International Financial Reporting Standards and they present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

In compliance with the Law on Capital Market (RS Official Gazette, No. 31/2011) we hereby declare that the financial statements in question have not been audited.

Person responsible for preparation of the Report:

Legal Representative:

Energoprojekt Holding Plc.

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

Chief Executive Officer



Dimitraki Zipovski

Dr Dimitraki Zipovski, D.Sc. Ecc.



Vladimir Milovanovic

Vladimir Milovanovic, B.Sc. Mech. Eng.

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2016 QUARTERLY REPORT *

Napomena *:

- Q3 2016 Quarterly Report of the Energoprojekt Holding Plc. was approved and adopted on November 14, 2016, at 33rd meeting of the Executive Board of the Issuer.

In Belgrade, November 2016

Person responsible for preparation of the Report:

Legal Representative:

Energoprojekt Holding Plc.

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

Chief Executive Officer



Dr Dimitraki Zipovski

Dr Dimitraki Zipovski, D.Sc. Ecc.



Vladimir Milovanović

Vladimir Milovanović, B.Sc. Mech. Eng.