

Energoprojekt Holding Plc.
Semi-Annual Consolidated Report
for 2017

Pursuant to Article 53 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015 and 108/2016) 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, 5/2015 and 24/2017), **Energoprojekt Holding Plc. from Belgrade, registration No.: 07023014 hereby publishes the following:**

ENERGOPROJEKT HOLDING PLC.

SEMI-ANNUAL CONSOLIDATED REPORT FOR 2017

C O N T E N T S

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR 2017

(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)

2. BUSINESS REPORT

(Note: Business Report and Consolidated Business Report are presented as one report, containig information of significance for the economic overview)

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED REPORT OF THE ENERGOPROJEKT HOLDING PLC. FOR 2017 * (Note)

1. SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS OF
ENERGOPROJEKT HOLDING PLC. FOR 2017 (Balance Sheet, Income
Statement, Report on Other Income, Cash Flow Statement, Statement
on Changes in Equity, Notes to Financial Statements)

Reporting period:

from 1.1.2017

until 30.6.2017

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: CONSOLIDATED - Energoprojekt Group

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




(Signature of legal representative)

BALANCE SHEET

at day 30.06.2017.

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	17,204,405	17,288,030
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	52,865	58,922
1. Investments in development	0004	3,297	3,544
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	49,568	55,371
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008		7
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	15,245,711	15,428,649
1. Land	0011	709,188	710,095
2. Buildings	0012	7,151,626	7,210,943
3. Plant and equipment	0013	3,345,518	3,581,944
4. Investment property	0014	3,474,222	3,568,839
5. Other property, plant and equipment	0015	123,869	131,006
6. Property, plant and equipment in progress	0016	332,407	69,091
7. Investments in property, plant and equipment, not owned	0017	62,299	107,176
8. Advances paid on property, plant and equipment	0018	46,582	49,555
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	1,008,394	975,399
1. Shares in subsidiaries	0025		
2. Shares in affiliated companies and joint ventures	0026	786,099	760,624
3. Shares in other companies and other available for sale securities	0027	28,034	19,460
4. Long term investments in parent companies and subsidiaries	0028		
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	194,261	195,315
V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034	897,435	825,060
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other affiliated companies	0036	141,709	49,052
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	755,726	776,008
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	29,141,870	29,717,196
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044	5,539,931	6,034,278
1. Material ,parts, tools and small inventories	0045	1,466,075	1,383,780
2. Work and services in progress	0046	2,244,097	1,771,463
3. Finished products	0047	230,131	363,525
4. Goods	0048	122,565	179,630
5. Fixed assets for sale	0049	50,688	51,058
6. Advances paid for inventories and services	0050	1,426,375	2,284,822
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051	10,573,685	12,524,660
1. Local buyers - parent company and subsidiaries	0052		
2. Foreign buyers - parent company and subsidiaries	0053		
3. Local buyers - other affiliated companies	0054	3,570	3,602
4. Foreign buyers - other affiliated companies	0055	908,983	551,284
5. Local buyers	0056	2,273,376	3,444,487
6. Foreign buyers	0057	7,387,612	8,525,287
7. Other receivables from sales	0058	144	
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	70,436	49,811
IV. OTHER RECEIVABLES	0060	611,014	563,537
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061	324,197	334,232
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062	1,841,752	1,492,942
1. Short term loans and investments - parent company and subsidiaries	0063		
2. Short term loans and investments - other affiliated companies	0064	161,380	164,884
3. Short term credits and loans, domestic	0065	85,161	
4. Short term credits and loans, foreign countries	0066	8,970	9,727
5. Other short term financial investments	0067	1,586,241	1,318,331
VII. CASH AND CASH EQUIVALENTS	0068	2,960,204	4,671,949
VIII. VALUE ADDED TAX	0069	434,955	249,257
IX. PREPAYMENTS AND ACCRUED INCOME	0070	6,785,696	3,796,530
E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071	46,346,275	47,005,226
F. OFF-BALANCE SHEET ASSETS	0072	26,487,194	29,131,806

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	20,321,379	20,669,841
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	5,818,157	5,892,478
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	162,693	237,014
8. Other share capital	0410	80,505	80,505
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412	49,827	
IV. RESERVES	0413	454,525	374,657
V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	6,333,123	6,365,390
VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	247,612	432,474
VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	20,137	30,226
VIII. RETAINED EARNINGS (0418+0419)	0417	7,373,561	7,470,703
1. Retained earnings from previous years	0418	6,649,630	6,320,236
2. Retained earnings from current year	0419	723,931	1,150,467
IX. NON-CONTROLLING INTEREST	0420	164,365	164,365
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	2,309,523	1,817,389
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	718,710	705,355
1. Provisions for warranty costs	0426	407,597	400,624
2. Provisions for recovery of natural resources	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for wages and other employee benefits	0429	278,520	271,419
5. Provisions for legal expenses	0430		
6. Other long term provisions	0431	32,593	33,312
II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432	1,590,813	1,112,034
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	1,168,466	614,027
6. Long term credits and loans, foreign countries	0438	204,429	226,661
7. Long term liabilities from financial leasing	0439	77,608	68,901
8. Other long term liabilities	0440	140,310	202,445
C. DEFERRED TAX LIABILITIES	0441	813,674	814,622
D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442	22,901,699	23,703,374
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	6,716,261	5,009,605
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	5,300,552	3,728,809
4. Short term credits and loans, foreign countries	0447	1,060,039	986,438
5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		
6. Other short term financial liabilities	0449	355,670	294,358
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	6,275,359	8,006,909

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	4,521,268	4,968,280
1. Suppliers - parent company and subsidiaries, local	0452		
2. Suppliers - parent company and subsidiaries, foreign countries	0453		
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455	5,937	6,066
5. Suppliers, local	0456	2,507,337	2,784,572
6. Suppliers, foreign countries	0457	1,868,229	1,958,315
7. Other operating liabilities	0458	139,765	219,327
IV. OTHER SHORT TERM LIABILITIES	0459	1,533,385	1,764,645
V. VALUE ADDED TAX	0460	574,598	521,871
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	844,823	776,150
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	2,436,005	2,655,914
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	46,346,275	47,005,226
F. OFF-BALANCE LIABILITIES	0465	26,487,194	29,131,806

INCOME STATEMENT

from 01.01.2017. until 30.06.2017.

DESCRIPTION 1	EDP 2	Total	
		cumulative for current year quarter 3	cumulative for previous year quarter 4
INCOME FROM NORMAL ACTIVITIES			
A. OPERATING INCOME (1002+1009+1016+1017)	1001	17,467,787	14,552,640
I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002	451,747	43,160
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	277	
5. Income from sale of goods on local market	1007	29,843	40,721
6. Income from sale of goods on foreign markets	1008	421,627	2,439
II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009	16,884,067	14,383,622
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		
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	184	
4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	832,839	287,448
5. Income from sale of finished products and services on local market	1014	6,021,003	4,774,745
6. Income from sale of finished products and services on foreign markets	1015	10,030,041	9,321,429
III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016		
IV. OTHER OPERATING INCOME	1017	131,973	125,858
EXPENSES FROM NORMAL ACTIVITIES			
B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018	16,660,555	14,247,655
I. COST PRICE OF GOODS SOLD	1019	436,145	45,830
II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	46,691	108,351
III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	516,313	581,147
IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	293,506	231,367
V. MATERIAL COSTS	1023	4,263,446	3,179,223
VI. FUEL AND ENERGY COSTS	1024	536,298	440,122
VII. EMPLOYEE EXPENSES AND BENEFITS	1025	4,653,005	4,551,870
VIII. PRODUCTION SERVICE COSTS	1026	5,437,836	4,710,644
IX. DEPRECIATION EXPENSES	1027	430,247	385,954
X. PROVISION EXPENSES	1028	71,426	120,323
XI. INTANGIBLE EXPENSES	1029	1,101,650	1,271,820
C. OPERATING INCOME (1001-1018) ≥ 0	1030	807,232	304,985
D. OPERATING LOSSES (1018-1001) ≥ 0	1031		
E. FINANCIAL REVENUES (1033+1038+1039)	1032	1,359,113	665,226
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	107,304	142,337
1. Financial income from parent company and subsidiaries	1034		
2. Financial income from other affiliated companies	1035	23,677	23,064
3. Share of profits in associated companies and joint ventures	1036	39,304	48,122
4. Other financial revenues	1037	44,323	71,151
II. INTEREST INCOME (THIRD PARTY)	1038	48,718	80,575
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	1,203,091	442,314
F. FINANCIAL EXPENSES (1041+1046+1047)	1040	1,300,365	623,597
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041	31,252	15,104
1. Financial expenses from transactions with parent company and subsidiaries	1042		
2. Financial expenses from transactions with other affiliated companies	1043	31,177	3,121
3. Share of losses in affiliated companies and joint ventures	1044	75	11,485
4. Other financial expenditure	1045		498
II. INTEREST EXPENSES (THIRD PARTY)	1046	170,178	121,698
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	1,098,935	486,795
G. FINANCIAL GAINS (1032-1040)	1048	58,748	41,629
H. FINANCIAL LOSSES (1040-1032)	1049		
I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	1,775	16,215
J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	10,394	296
K. OTHER INCOME	1052	64,656	178,622
L. OTHER EXPENSES	1053	53,611	69,720
M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054	868,406	471,435
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		
P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057	33,701	69,350
Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	834,705	402,085
R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		

DESCRIPTION 1	EDP 2	Total	
		cumulative for current year quarter 3	cumulative for previous year quarter 4
S. INCOME TAX			
I. TAXABLE EXPENSES FOR THE PERIOD	1060	111,721	22,298
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		5,906
III. DEFERRED TAX INCOME FOR THE PERIOD	1062	947	
T. MANAGEMENT EARNINGS	1063		
U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064	723,931	373,881
V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		
I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066	84,511	57,752
II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067	639,420	316,129
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 01.01.2017. until 30.06.2017.

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	15,578,137	15,263,312
1. Sales and prepayments	3002	15,015,598	15,083,503
2. Interests from operating activities	3003	60,044	10,517
3. Other inflow from normal operations	3004	502,495	169,292
II. Cash outflow from operating activities (1 to 5)	3005	18,702,260	15,875,982
1. Payments to suppliers and prepayments	3006	12,968,957	9,730,710
2. Employee expenses and benefits	3007	4,626,982	4,844,872
3. Interests paid	3008	179,891	140,256
4. Income tax	3009	423,277	215,585
5. Payments based on other public revenues	3010	503,153	944,559
III. Net cash inflow from operating activities (I-II)	3011		
IV. Net cash outflow from operating activities (II-I)	3012	3,124,123	612,670
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	35,832	278,279
1. Sale of shares and stocks (net inflow)	3014		5,514
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	13,612	28,180
3. Other financial investments (net inflow)	3016		207,367
4. Interest received from investment activities	3017	19,760	24,067
5. Dividends received	3018	2,460	13,151
II. Cash outflow from investing activities (1 to 3)	3019	668,407	314,882
1. Purchase of shares and stocks (net outflow)	3020	110	
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	485,089	314,882
3. Other financial investments (net outflow)	3022	183,208	
III. Net cash inflow from investing activities (I-II)	3023		
IV. Net cash outflow from investing activities (II-I)	3024	632,575	36,603
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	2,434,117	300,994
1. Equity increase	3026		
2. Long term loans (net inflow)	3027	729,287	78,570
3. Short term loans (net inflow)	3028	1,701,654	199,026
4. Other long term liabilities	3029		18,980
5. Other short term liabilities	3030	3,176	4,418
II. Cash outflow from financing activities (1 to 6)	3031	210,050	149,660
1. Repurchase of own shares and stocks	3032	124,148	
2. Long term loans (net outflow)	3033		
3. Short term loans (net outflow)	3034		
4. Other liabilities	3035	373	30,182
5. Financial leasing	3036	76,776	115,940
6. Dividends paid	3037	8,753	3,538
III. Net cash inflow from financing activities (I -II)	3038	2,224,067	151,334
D. Net cash outflow from financing activities (II-I)	3039		
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	18,048,086	15,842,585
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	19,580,717	16,340,524
G. NET CASH INFLOW (3040-3041)	3042		
H. NET CASH OUTFLOW (3041-3040)	3043	1,532,631	497,939
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	4,671,949	4,800,373
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	32,886	26,635
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	212,000	120,067
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	2,960,204	4,209,002

STATEMENT OF OTHER RESULTS

from 01.01.2017. until 30.06.2017.

DESCRIPTION	EDP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
A. NET OPERATING RESULTS			
I. NET PROFIT (EDP 1064)	2001	723,931	373,881
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	2,200	1,145
b) losses	2012	187,062	110,868
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	10,126	1,215
b) losses	2018	37	
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020	174,773	108,508
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD			
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023	174,773	108,508
C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD			
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024	549,158	265,373
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025		
D. TOTAL COMPERHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0			
1. Payable to majority shareholders	2027	466,227	219,279
2. Payable to non-controlling shareholders	2028	82,931	46,094

STATEMENT OF CHANGES IN EQUITY

from 01.01.2017. until 30.06.2017.

RSD thousand

DESCRIPTION	Equity component																															
	EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 w 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses	EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from shares and losses of affiliates	EDP	334 w 335 Gains and losses from foreign operations and translation of financial statements	EDP	336 Gains and losses from cash flow hedging	EDP	337 Gains and losses from available for sale securities	EDP	Total capital [Σ (row 1b, col.3 to col.15) - Σ (row 1a, col.3 to col.15)] ≥ 0	EDP	Losses exceeding capital [Σ (row 1a, col.3 to col.15) - Σ (row 1b, col.3 to col.15)] ≥ 0		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16																	
Opening balance 01.01. _____																																
a) debit balance	4001		4019		4037		4055		4073		4091		4109		4127		4145		4163		4181		4199		4217		30,504		4235		19,547,906	4244
b) credit balance	4002	6,059,100	4020		4038	374,590	4056		4074		4092	6,481,980	4110	6,211,764	4128		4146		4164		4182	450,976	4200		4218							
Adjustment for materially significant errors and changes in accounting policies																																
a) adjustment of debit balance	4003		4021		4039		4057		4075		4093		4111		4129		4147		4165		4183		4201		4219				4236		4245	
b) adjustment of credit balance	4004		4022		4040		4058		4076		4094		4112		4130		4148		4166		4184		4202		4220							
Adjustment of opening balance on 01.01. _____																																
a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005		4023		4041		4059		4077		4095		4113		4131		4149		4167		4185		4203		4221		30,504		4237		19,547,906	4246
b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	6,059,100	4024		4042	374,590	4060		4078		4096	6,481,980	4114	6,211,764	4132		4150		4168		4186	450,976	4204		4222							
Changes in previous _____ year																																
a) debit balance activity	4007	2,257	4025		4043		4061		4079		4097	456,125	4115	210,210	4133		4151		4169		4187	67,409	4205		4223		756		4238		4247	
b) credit balance activity	4008		4026		4044	67	4062		4080		4098	1,444,848	4116	363,836	4134		4152		4170		4188	48,907	4206		4224		1,034					
Closing balance previous year at 31.12. _____																																
a) debit balance (3a+4a-4b) ≥ 0	4009		4027		4045		4063		4081		4099		4117		4135		4153		4171		4189		4207		4225		30,226		4239		20,669,841	4248
b) credit balance (3b-4a+4b) ≥ 0	4010	6,056,843	4028		4046	374,657	4064		4082		4100	7,470,703	4118	6,365,390	4136		4154		4172		4190	432,474	4208		4226							
Adjustment for materially significant errors and changes in accounting policies																																
a) adjustment of debit balance	4011		4029		4047		4065		4083		4101		4119		4137		4155		4173		4191		4209		4227				4240		4249	
b) adjustment of credit balance	4012		4030		4048		4066		4084		4102		4120		4138		4156		4174		4192		4210		4228							
Adjustment of opening balance current year at 01.01. _____																																
a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013		4031		4049		4067		4085		4103		4121		4139		4157		4175		4193		4211		4229		30,226		4241		20,669,841	4250
b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	6,056,843	4032		4050	374,657	4068		4086		4104	7,470,703	4122	6,365,390	4140		4158		4176		4194	432,474	4212		4230							
Changes in current _____ year																																
a) debit balance activity	4015	74,321	4033		4051	132	4069		4087	49,827	4105	834,021	4123	32,267	4141		4159		4177		4195	187,062	4213		4231		37		4242		4251	
b) credit balance activity	4016		4034		4052	80,000	4070		4088		4106	736,879	4124		4142		4160		4178		4196	2,200	4214		4232		10,126					
Closing balance at end quarter current year _____																																
a) debit balance (7a+8a-8b) ≥ 0	4017		4035		4053		4071		4089	49,827	4107		4125		4143		4161		4179		4197		4215		4233		20,137		4243		20,321,379	4252
b) credit balance (7b-8a+8b) ≥ 0	4018	5,982,522	4036		4054	454,525	4072		4090		4108	7,373,561	4126	6,333,123	4144		4162		4180		4198	247,612	4216		4234							



**NOTES TO THE SEMI-ANNUAL CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC
FOR 2017**

Belgrade, 2017

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1. COMPANY BACKGROUND

Consolidated financial statements of the Energoprojekt Holding a.d., Belgrade (hereinafter: Energoprojekt Holding or Company) consists of a parent joint stock company Energoprojekt Holding Plc., Belgrade (hereinafter: Energoprojekt Holding or Company) and:

- 13 subsidiary companies in the country, 12 of which are direct subsidiaries (9 share-based and 3 limited liability companies) and 1 subsidiary company indirectly controlled by other subsidiaries (1 limited liability company),
- 1 joint venture company, hereinafter: joint venture (1 limited liability company) with 50% equity share,
- 1 affiliated company (1 share company), and
- 8 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 85) and own companies in the country and abroad (14 subsidiaries abroad, 1 affiliate abroad and 1 affiliated company in the country), which jointly engage in building construction, design, fitting, study preparation, research, investment facilities' and systems' programming, sales of goods and services and other business activities.

In this reporting period, the Energoprojekt system was organized as follows:

Activity	No. of local subsidiaries, affiliates and joint ventures	No. of business units for investment works and branch offices abroad	No. of subsidiaries and affiliates abroad
Planning and research	4	32	5
Construction and fitting	6	55	13
Holding	1		
Other	6		4
Total	17	85	22

Parent and subsidiary companies' headquarters is in 12 Bulevar Mihajla Pupina Street, New Belgrade.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market. Share of some subsidiary companies are traded in the Open Market (Energoprojekt Entel and Energoprojekt Industrija) and in the MTP Belex market segment of the Belgrade Stock Exchange (Energoprojekt Oprema and Energoprojekt Garant).

Financial statements for 2016 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc. for 2017** approved by the Executive Board of the Company, on August 14, 2017 in the 91st meeting of Executive Board of the Company and are not subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2016 and in semi-annual consolidated financial statements for 2016.

2. CONSOLIDATION GROUP

The consolidation group the system Energoprojekt (hereinafter: Energoprojekt) consists of parent company and its local subsidiaries, joint venture and affiliated companies and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and affiliated companies

No.	Company Name	% ownership
<i>Subsidiary Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Visokogradnja Plc.	100.00
2.	Energoprojekt Niskogradnja Plc.	100.00
3.	Energoprojekt Oprema Plc.	67.87
4.	Energoprojekt Sunnyville Ltd.	100.00
5.	Energoprojekt Park 11 Ltd.	100.00
<i>Planning and Research</i>		
6.	Energoprojekt Urbanizam i arhitektura Plc.	100.00
7.	Energoprojekt Industrija Plc.	62.77
8.	Energoprojekt Entel Plc.	86.26
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoprojekt Promet Ltd.	100.00
12.	Energoprojekt Garant Ltd.	92.94
13.	Energoplast Plc.	60.00
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	
<i>Joint ventures</i>		
<i>Building Construction and Fitting</i>		
14.	Enjub Ltd.	50.00
Affiliated Companies		
Other		
15.	Fima See Activist Plc.	30.16

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Holding Plc. are including the subsidiary company Energoplast Ltd., with prior elimination, by equity method, of its presence in financial statements of Energoprojekt Industrija Plc. (40.00%) and Energoprojekt Entel Plc. (20.00%), made through primary consolidation.

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in consolidated financial statements of the, in compliance with IFRS 11 - Joint Arrangements, equity method was applied, both for the reporting and for the comparable period of the previous year.

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
<i>Subsidiaries</i>		
<i>Building Construction and Fitting</i>		
1.	Zambia Engineering and Contracting Company Limited, Zambia	100.00
2.	Energoprojekt Holding Guinee S.A, Guinea	100.00
3.	Energo (Private) Limited, Zimbabwe	100.00
4.	Energo Kaz Ltd, Kazakhstan	100.00
<i>Other</i>		
5.	I.N.E.C. Engineering Company Limited, Great Britain	100.00
6.	Encom GmbH Consulting, Engineering & Trading, Germany	100.00
7.	Dom 12 S.A.L, Lebanon	100.00

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, Zambia Engineering and Contracting Company Limited, Zambia, Energo (Private) Limited, Zimbabwe and Energo Kaz Ltd., Kazakhstan) was registered as companies owned by the Energoprojekt Holding, but are in fact controlled and managed by certain subsidiary companies.

Among the above listed local subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering and Energoprojekt Energodata and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that the subsidiary and affiliated companies listed in following table are thus included herein through primary consolidation.

No.	Company Name	Included through primary consolidation
Overseas		
<i>Subsidiary Companies Abroad - Overseas Companies</i>		
<i>Building Construction and Fitting</i>		
1.	Energoprojekt Ghana Ltd., Accra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro Ltd., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus Ltd., Moscow, Russia	EP Visokogradnja Plc.
4.	Energoprojekt Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora Ltd., Podgorica, Montenegro	EP Oprema Plc.
7.	OOO Belgrade, Belarus	EP Oprema Plc.
8.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Planning and Research</i>		
9.	Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman	EP Entel Plc.
10.	Energoprojekt Entel LTD, Doha, Qatar	EP Entel Plc.
11.	Energoprojekt Entel L.L.C., Abu Dhabi, UAE	EP Entel Plc.
12.	Energoprojekt Entel Company, Bahrein	EP Entel Plc.
13.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
<i>Other</i>		
14.	Energoprojekt Energodata Montenegro Ltd., Montenegro	EP Energodata Plc.
<i>Affiliated Companies Abroad</i>		
<i>Building Construction and Fitting</i>		
15.	Energoprojekt Nigeria Ltd., Lagos, Nigeria (40.00%)	EP Oprema Plc.
Domestic		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
16.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

3. BASIS FOR THE PREPARATION AND PRESENTATION OF CONSOLIDATED FINANCIAL STATEMENTS

Consolidated financial statements of Energoprojekt Holding Plc. were prepared pursuant to the Law on Accounting ("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 (parent 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, and
- 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.

Consolidated financial statements of Energoprojekt Holding Plc. 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 for 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 consolidated financial statements of Energoprojekt Holding Plc., 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 - and other law, 142/2014, 91/2015 - authentic interpretation and 112/2015),
- Law on Value Added Tax ("RS Official Gazette" No. 84/2004, 6/2014 – adjusted RSD amounts, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - and other law, 142/2014, 83/2015, 5/2016 – adjusted RSD amounts and 108/2016),
- 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 i 20/2014 - and other rules),
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("RS Official Gazette" 30/2015 and 101/2016),
- 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 arms's length“ principle in determining the price of transactions among parties ("RS Official Gazette" No. 61/2013 and 8/2014) and other regulations.

Among the legal acts comprising the internal regulations of the Company, in preparation of consolidated financial statements, the Rules on Accounting and Accounting Policies of the Company, as adopted on 27/11/2015 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 Company regulating employment in the country.

The Law on Capital Market ("RS Official Gazette", No. 31/2011, 112/2015 and 108/2016) 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 Energoprojekt Holding Plc. consolidated financial statements. Detail explanation is provided below:

The accounting regulations of the Republic of Serbia, and thus the presented consolidated financial statements, 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 reported period, 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.

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.

Gain/losses 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 are presented in the table below.

The official middle currency exchange rates of the National Bank of Serbia

Currency	June 30, 2017	December 31, 2016
	<i>Amount in RSD</i>	
EUR 1	120,8486	123,4723
USD 1	105,6461	117,1353
GBP 1	137,4842	143,8065

The average currency exchange rates applied for balance sheet items in 2017 and 2016 were as follows:

Currency	June 30, 2017	December 31, 2016
	<i>Amount in RSD</i>	
EUR 1	123,3668	122,9472
USD 1	113,8511	110,1885
GBP 1	143,2510	157,6994

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of financial statements in compliance with IAS and IFRS requires that the management perform assessments, provide judgements and assumptions that are reflected on the reported amounts of assets, liabilities, income and expenses. Achieved results may differ from the estimated ones.

In order to prepare and present the consolidated financial statements in compliance both with the requirements of operative legal regulations in the field of this profession and with the requirements contained in the applicable legal regulations in the Republic of Serbia, Company management has to apply the best possible assessments and reasonable assumptions that are reflected on reported amounts of assets, liabilities, income and expenses. Although the actual future results may differ from the assessed ones, the assessments and presumptions are based on information available as at the balance sheet date.

Financial statements are prepared under presumption that the Company will continue to conduct its business for an indefinite period of time and that it will continue its operations in foreseeable future.

Companies included in consolidation of the Energoprojekt Group operate in four continents and include, as already state above, a large number of legal entities in the country and abroad. Such a complex Group, with its primary focus on business operations in international markets, due to some objective reasons cannot provide all the required documentation in a timely manner to meet the requirements of prescribed deadlines for preparation of semi-annual financial statements in compliance with the applicable regal regulations. This particularly pertains to Companies operating in Africa (Uganda and Zambia) and in South America (Peru).

In addition to that, Companies comprising the consolidation of the Energoprojekt Group pursue different business activities. Primary business activity of the largest Companies of this Group is building construction and fitting that is specific for performance of works over longer periods of time, which then require certification by supervisory bodies within individual projects, so that the result and balances in financial statements are directly conditional upon the external factors that are, to some extent, beyond control of our Companies and their management.

In respect of the legal regulations regulating the obligation to submit semi-annual consolidated financial statements, Energoprojekt Holding sent an official letter dated June 4, 2012 to Securities Commission, Belgrade Stock Exchange and Listing Committee with an initiative to extend the legally prescribed deadlines for submission and publication of semi-annual consolidated financial statements. This initiative of Energoprojekt Holding in the above context has not resulted in any extension of prescribed deadlines by the regulatory bodies to this day. Bearing in mind the above presented specificities of business operations of Energoprojekt Group Companies, these semi-annual consolidated financial statements were prepared by relying on a larger number of management assessments of the subsidiary companies included in Group consolidation, with the aim to present the financial standing and results of the Group in the reporting period as realistically as possible.

Starting from the legally prescribed deadlines for preparation of Semi-Annual Consolidated Financial Statements, and bearing in mind the need to present a comprehensive semi-annual consolidated financial statement, management of the Companies of Energoprojekt Group performed certain assessments of receivables/income and liabilities/expenses.

Below you may find the most significant performed calculation per each company of the Energoprojekt Group.

- On the occasion of preparation of its financial statements, **Energoprojekt Visokogradnja** performed calculations of income and expenses in certain items. Owing to the specific character of the construction industry, performance and completion of construction activities are certified upon delivery of payment certificates to the investor. Investor reviews and verifies the payment certificates together with the supervisory body.

Verified payment certificates for the works performed by June 30, 2017 had not been delivered until completion of financial statements, and the management performed an assessment of revenues based on the issued and still not certified payment certificates, and on such basis the increase in accrued non-invoiced income was recognized in the following Projects:

Energoprojekt Group, Belgrade

Project name - calculated income	In RSD thousand
	30/06/2017
Internationally:	
Z-103 Talan Towers, Astana, Kazakhstan	334.770
Total	334.770
In the Country:	
Belgrade Waterfront	141.987
Total	141.987
TOTAL	476.757

In the expense item, calculation was performed based on works completed and services rendered by subcontractors and suppliers for which invoices had not been received by the financial statements date in the following Projects:

Project name - calculated expenses	In RSD thousand
	30/06/2017
Internationally:	
Z-103 Talan Towers, Astana, Kazakhstan	
Expenses for services - manufacturer expenses (mainly subcontractor "Enterijer Janković Ltd.: RSD 138,472 thousand, based on works in June)	148.882
Expenses for taxes	124.190
Expenses for material	120.849
Expenses for utility services	67.183
Other (expenses for intangible services, transport, fuel and energy)	463
Total	461.567
Z-085 Office building Uhta, Russia:	
Expenses for wages and contributions	13.985
Expenses for services - subcontractor expenses	5.722
Expenses for local workers' food	4.633
Expenses for intangible services	4.341
Other (transport and utility service expenses, rental, taxes, fuel and energy)	1.430
Total	30.111
Total Internationally	491.678
In the country:	
Belgrade Waterfront:	
Expenses for services - subcontractor expenses	70.815
Other (expenses for fuel and energy and other intangible expenses)	1.260
Total	72.075
Sunnywille Project	
Expenses for services - subcontractor expenses	37.230
Other (expenses for fuel and energy and other intangible expenses)	570
Total	37.800
Total in the country:	109.875
TOTAL	601.553

In addition to the above mentioned pre-calculated expenses, the calculation was done also for wages and contribution taxes, tax expenses etc.

- Starting from the legally defined deadlines for preparation of semi-annual consolidated financial statements, and bearing in mind the requirement to produce comprehensive semi-annual consolidated financial statements, management of **Energoprojekt Niskogradnja** performed assessments of receivables/income and liabilities/expenses.

According to the contractual provisions, deadlines for verification of performed works by the supervisory body in Projects realized in the country and abroad are not aligned with the balance sheet date of the Semi-Annual Financial Statements. Due to that, General Managers and expert services engaged on such Projects performed assessments of receivables/income, based on relevant records (measurement book, geodetic surveying, delivered requests for interim payment certificates, etc.). By paying special attention to the fact that back-to-back agreement were concluded for some of these projects with a number associates and subcontractors, as well as to the fact that there is a significant time lag between the completion of services/deliveries and delivery of invoices for such services/deliveries due to some specific market conditions, General Managers and expert services additionally performed assessments of liabilities/expenses based on relevant records.

In compliance with the above presented explanations, the following calculations were performed within the Semi-Annual Financial Statements:

Project Name – calculated income	<i>In RSD thousand</i>
	<i>30/06/2017</i>
<i>Abroad:</i>	
Z-034 Puerto Bermudez - Vial San Alejandro, Peru	217,708
Z-036 Streets in Kampala Kawempe-Lubaga, Uganda	212,872
Z-027 Mpigi Kanoni, Uganda	174,735
Z-023 Pericos, Peru	94,102
Z-037 Parking Aeroport Entebbe II, Uganda	38,412
Z-019 Cochabama Chota, Peru	1,887
Branch Office Peru, Peru	699
<i>Total</i>	<i>740,415</i>
<i>In the Country:</i>	
Project Lajkovac - Ljig	1,800,083
Project Kolubara River II phase (river relocation and regulation)	30,085
Dam Stubo – Rovni	20,678
<i>Total</i>	<i>1,850,846</i>
TOTAL	<i>2,591,261</i>

Energoprojekt Group, Belgrade

Project Name – calculated expenses	<i>In RSD thousand</i>
	<i>30/06/2017</i>
<i>Abroad:</i>	
Branch office and projects in Peru	61,977
Branch office and projects in Uganda	3,298
Company abroad and projects in Uganda	3,293
Total	68,568
<i>In the Country:</i>	
Project Lajkovac Ljig	798,998
Project Kolubara II phase - River Relocation and Regulation	30,002
Dam Stubo - Rovni	18,799
Logistic center	4,805
Total	852,604
TOTAL	921,172

In **Energoprojekt Oprema**, in item Prepayments and Deferred Expenses, revenues based on incurred costs which were not invoiced or for which invoices were issued after the financial statements date were calculated and recorded in the amount of RSD 990,146 thousand, as presented in following table:

Project Name - calculated income	<i>In RSD thousand</i>
	<i>30/06/2017</i>
<i>Projects realized abroad:</i>	
Energocenter Minsk, Belarus	459.541
Projects in Nigeria and Rwanda (Energo Nigeria Ltd., Lagos, Nigeria)	293.562
Total	753.103
<i>Projects realized in the country:</i>	
Kolubara Landfill	226.378
Project Power line Srbobran - Backa Topola	6.443
Ada mol	3.084
Project Power line Bor - Majdanpek	1.138
Total	237.043
TOTAL	990.146

In item Accrued Costs and Deferred Revenues, the consortium partners' estimated expenses based on incurred costs which were not invoiced or for which invoices were issued after the financial statements date in 2017, were recorded and estimated in the amount of RSD 383,153 thousand, as presented in following table:

Project Name – calculated expenses	<i>In RSD thousand</i>
	<i>30/06/2017</i>
<i>In the Country:</i>	
Kolubara Landfill	133,236
Belgrade Waterfront	61,874
Total	195,110
<i>Abroad:</i>	
TS Gabiro, Rwanda	128,950
Ani Abuja	59,093
Total	188,043
TOTAL	383,153

• In **Energoprojekt Hidroinzenjering**, in item receivables for non-invoiced income, income from received but not verified items for works done till 30/06/2017, amounting to RSD 84,827 thousand as presented in following table:

Project Name – calculated income	<i>In RSD thousand</i>
	<i>30/06/2017</i>
<i>Abroad:</i>	
Z-08 Seklafa, Algeria	29,777
Z-09 Beni Slimane, Algeria	22,223
Z-21 Sidi Naser, Algeria	10,541
Z-16 Tabergart, Algeria	10,102
Z-14 Dyedra, Algeria	6,619
Z-12 Soubela, Algeria	5,565
TOTAL	84,827

• In **Energoprojekt Urbanizam i arhitektura**, in item pre-calculated expenses, the RSD 12,954 thousand were recorded as subcontractors' expenses with no conditions for invoicing in the reporting period.

• In **Energoprojekt Energodata**, in item non-invoiced income, the RSD 11,833 thousand were recorded, as receivables for non completed services which could not be invoiced because of the terms of the agreements defining the completed works to be done, referring to projects as follows (software designing):

- IT system modernization and modification; RSD 2,639 thousand;
- Agreement on Introduction of Software Solutions for Administrating the Business Issues, Processes, Archiving and Analysis of Business Data for Business Decisioning; RSD 4,873 thousand;

- Agreement on Updating of Software Sub-systems “Business Trips” and “Tax Application Forms”: RSD 4,321 thousand.

In item pre-calculated expenses the cost of software services of the manufacturer were recorded, in the amount of RSD 3,249 thousand.

• In **Zambia Engineering and Consulting Company Limited, Zambia**, in item pre-calculated expenses, the RSD 11,271 thousand were recorded as the amount without invoices received for the first six months in 2017.

• In **Energoprojekt Sunnyville**, the RSD 7,558 thousand were recorded as non-invoiced income based on sold apartments and garage parking places till 30/06/2017.

• In **Energoprojekt (Private) Limited, Zimbabwe**, the RSD 5,177 thousand were recorded as non-invoiced income based on completed works as at the balance sheet day.

• In **Energoprojekt Holding**, the RSD 868 thousand were recorded as expenses for electricity costs, office building maintaining and printed and electronic media fees and subscription for the sixth month of the current year.

5. CONSOLIDATION

Consolidated financial statements are financial statements of the group, presented as financial statements of unique economic entity.

Consolidated financial statements are composed by applying unified accounting policies for similar transactions and events, in similar circumstances.

In case that a group member, consisting of a parent company together with its subsidiaries, for similar transactions and events in similar circumstances, applies accounting policies different from those adopted in consolidated financial statements, the appropriate corrections of those financial statements (according to provisions of rules on Accounting and Accounting Policies of the Company) are made at consolidated financial statements composing.

5.1. Subsidiary Companies

The Subsidiary Company means a company controlled by the Company (parent company).

Parent company controls the company where it has made investments if it fulfills all following requirements only:

- the power over the company with his investments (meaning present capability to direct relevant activities, ie. activities reflecting significantly at yield of the company with its investments);
- exposure, meaning the right to yield variabilities based on its share in the company with its investments, and
- capability of using its own power over the company with its investment to influence the yield level for investor.

The consolidated method used for subsidiaries, according to IFRS 10 - Consolidated Financial Statements, is full consolidation. Intra group balances and intra group transactions are eliminated in full in the consolidation process. Equity investments without controlling rights are presented separately.

5.2. Affiliated Companies

Affiliated Company is a company over which the Group exerts significant influence, but not control, or holds between 20% to 50% ownership or voting power.

The applied method of consolidation for affiliated companies, according to IAS 28 - Investment in Associates and Joint Ventures, is equity method. Under the equity method, the investment is initially recorded at cost and the carrying amount is increased or decreased to recognize the investors' share of the profits or losses of the investee after the date of acquisition. If investors' share of losses of the associate exceeds the carrying amount of the investment, the investment is reported at nil value; exceptionally, if there are certain irrevocable contractual obligations for covering the losses, the difference of the greater loss against capital is recognized as an expenditure of the parent company.

5.3. Joint Ventures

The Joint Venture arrangement is an arrangement where two or more parties have the joint control. The joint control exists only if the relevant activities decisions require unanimous decision of sides sharing the joint control.

Depending on rights and liabilities defined in arrangement, the joint arrangement could be:

- the joint business, or
- the joint venture.

The Joint Business means the joint arrangement where parties sharing the joint control over the arrangement (participating together in business activities), have the right to property and responsibility for obligations related to the arrangement. Participants in joint business recognize:

- their own property, including their share in jointly owned property;
- their own obligations, including their share in obligations accepted;
- their own income from selling of own share in results deriving from joint business activities;
- their own part of income from selling joint business activity results, and
- their own costs, including their share in joint business activity costs.

The joint business accounting in separated and consolidated financial statements is made according to IFRS applicable for related property, liability, profit or loss.

Joint Venture is a joint arrangement where parties sharing the joint control over the arrangement (participating together in joint venture), have the right to net-assets of the arrangement, meaning that the financial structure, and not the parties in joint venture, has the right to property and responsibility for obligations accepted through the arrangement.

The joint venture sharing in consolidated financial statements is treated by the equity method, according to IAS 28, meanwhile in separated financial statements is treated by cost value, according to IAS 27.

The joint venture parties sharing the arrangement, but not having any control over it, in their respected separated and consolidated financial statements treat their joint business activities and joint ventures according to relevant provisions of IFRS 11.

An overview of subsidiary, affiliated and joint venture companies, which, together with the parent Company, comprise the Energoprojekt Group for consolidation, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

The following principles were applied in the preparation of consolidated financial statements of the Energoprojekt Group :

- The Going Concern Principle;
- The Consistency Principle;
- The Prudence Principle;
- The Substance over Form Principle;
- The Accrual Principle;
- The Item by Item Assessment Principle.

By complying with the ***Going Concern Principle***, the financial statements are prepared under the assumption that the proprietary position, financial standing and business results of the Company, as well as the economic policy of the country and economic situation in its immediate environment, enable the Company to operate for an unlimited period.

The ***Consistency Principle*** means that the valuation method for assets and changes in assets, liabilities, capital, income, expenses and business results, that is, for the Company's balance items, remains the same over a longer period. If, for example changes are implemented due to required harmonization with the legislation, reasoning for the change must be provided and the effects are disclosed according to the professional regulations concerning the change in valuation methods.

The ***Prudence Principle*** means applying a certain level of caution when preparing financial statements of the Company, so that the property and revenues are not overstated and obligations and expenses are not understated. The Prudence Principle, however, should not imply conscious, unrealistic decrease in revenues and capital of the Company or conscious, unrealistic increase of expenses and liabilities of the Company. Namely, The Framework for Preparation and Presentation of Financial Statements clearly states that the Prudence Principle should not result in the forming of substantial hidden reserves, deliberate reduction of property of revenues, or deliberate exaggeration of liabilities or expenses causing the financial statements to become impartial and therefore unreliable.

The ***Substance over Form Principle*** means that, when recording the company's transactions, and consequently in preparing the financial reports, the accounting treatment should be based on the substance of the transactions and their economic reality and not just their legal form.

By complying with the ***Accrual Principle***, recognition of effects of transactions and other events in the Company is not related to the point in time when cash or cash equivalents are received or paid based on these transactions or event, yet to the point in time when they occurred. This approach provides that the users of financial reports are informed not only about past transactions of the Company that resulted in

payments or reception of cash, but also about liabilities of the Company to pay cash in the future and resources that represent cash to be received by the Company in the future.

In other words, compliance with the Accrual Principle provides information on past transactions and other events in the manner most useful to users for reaching their economy-related decisions.

The *Item by Item Assessment Principle* means that possible group valuations of various balance items (for example, property or liabilities) for the purpose of rationalization derive from separate valuation of items.

7. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES

Principal accounting policies applied to consolidated financial statements of the Energoprojekt Group, are primarily based on the Rules on Accounting and Accounting Policies of the Company, complying with those applied to consolidated financial statements for the year ended on December 31st, 2016 and are consistently applied to all included years, unless otherwise stated.

If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on existing IFRS rules in force.

8. ERRORS FROM PREVIOUS PERIOD, MATERIAL ERRORS AND CORRECTION OF OPENING BALANCE

Errors from previous period represent omitted or false data presented in financial statements of the Company for one or several periods as a result of misuse or lack of use of reliable information, which were available when the financial statements for respective periods were approved for issue and which were expected to be obtained and taken into consideration upon preparation and presentation of the respective financial statements.

A materially significant error, discovered in the current period that refers to a previous period is an error that has significant influence on financial statements for one or several prior periods and due to which these financial statements cannot be considered anymore as reliable.

Materially significant errors are corrected retroactively in the first series of financial statements approved for publishing after these errors have been discovered, by correcting comparative data for presented prior period(s) when errors occurred or if the error occurred prior to the earliest presented prior period, opening balances for assets, liabilities and capital for the earliest presented prior period will be corrected.

If it is practically impossible to establish the effect of an error from a certain period by comparing information for one or several presented prior periods, the Company will correct opening balances for assets, liabilities and capital for the earliest period that can be corrected retroactively (may be also the current period).

Subsequently *identified errors that are not of material significance* are corrected against expenses or in

favour of revenues for the period in which they were identified.

The materiality of an error is valued pursuant to provisions of the Framework for the preparation and presentation of financial reports that state that materiality may imply that omission or false accounting entries may affect economic decisions of users adopted based on financial statements. Materially significant errors are valued pursuant to relevant provisions from the Framework for the preparation and presentation of financial statements.

Materiality is defined in the Company with respect to the significance of the error considering total revenues. A materially significant error is an error that for itself or together with other errors **exceeds 1.5% of the total income in the previous year.**

9. FINANCIAL RISKS

Uncertainty in future events is among the basic specificities of business operations under market conditions in an economic environment that is characterized by several possible or potential outcomes. Unpredictability of future events is one of basic particularities of operating in an open market environment characterized by several possible or potential outcomes.

From the Company's point of view, there is a large number of potential risks that may more or less have adverse effects on the Company's business. Certain (specific) risks are determined by internal factors, such as: *concentration risk*, which, in the Company's case, may be manifested as exposure to any one or a small group of buyers or suppliers; *operational risk*, that means the possibility of adverse effect due to unintentional or deliberate omissions by employees, inappropriate internal procedures and processes, inadequate information system management in the Company, etc.; *reputational risk*, that means a possibility that the Company's market position deteriorates due to the loss of trust or bad reputation (public institutions, suppliers, buyers, etc.) of the Company; *legal risk*, that means a possibility of adverse effects due to penalties and sanctions that derive from lawsuits due to the failure to fulfil contractual or legal obligations; etc.

Since the majority of these and some other risks not mentioned herein is set forth in detail in other chapters of the Notes or in other internal regulations of the Company (for example, the Rules on Accounting Practices and Policies of the Company regulates the minimization of operational risks by introducing procedures and work instructions), focus is placed here on the **financial risks** that primarily include the following:

- Credit risk;
- Market risk, and
- Liquidity risk.

Financial risks are significantly affected by external factors that are not directly controlled by the Company. In that sense, financial risk is considerably affected by the Company's environment which, apart from economic development, is likewise committed to legal, financial and other relevant aspects that define system risk level.

Generally, comparing markets of developed economies, companies that operate on markets with insufficient economic development, macroeconomic stability and high insolvency, such as the Republic of Serbia, are significantly exposed to financial risks. Insufficient development of the financial market makes it impossible to use a wide spectrum of *hedging* instruments, characteristic for developed markets. Companies that operate in the Republic of Serbia do not have the possibility to use many derivative instruments in financial risk management due to the fact that these instruments are not widely used nor there is an organized continuous market for financial instruments.

Financial risk management is a comprehensive and reliable management system that aims to minimize potential adverse effects to the financial condition and operations of the Company under unpredictable financial market conditions.

Considering limitations in the financial risk management that are characteristic of business on the Serbian market, it is clear that it is necessary to approach this issue in a proper manner as recognized by the Company's management. Essentially, financial risk management in the Company should ensure that the *Company's risk profile* is always in compliance with *Company's tendency towards risks* or in compliance with an acceptable structure and risk level that the Company will take in order to implement its business strategies and achieve business goals.

9.1. Credit Risk

A **credit risk** is a risk of adverse effects to the financial result and capital of the Company due to debtor's failure to fulfil obligations towards the Company within the specified deadline.

Credit risks mean not only debtor-creditor relations that derive from sales of Company's products, but also credit risks that derive from other financial instruments such as receivables based on long-term and short-term financial investments.

The Company has substantial concentrations of credit risk in collection from certain buyers with long lending periods due to poor liquidity. However, since that, as a rule, the company has been operating with these customers for many years, the fear of bad debt is small.

9.2. Market Risk

Market risk is a risk of adverse effects to the financial result and capital of the Company due to losses under specific balance sheet items as a result of negative price shifts on the market and other relevant financial parameters.

The market risk includes three risk types:

- The currency risk;
- The interest risk, and
- The price risk.

The currency risk, also called foreign exchange risk or exchange rate risk, is a risk of fair value fluctuation or the fluctuation of future financial instruments cash flows due to the change in exchange rates. The currency risk arises from financial instruments in foreign currency or the currency other than the currency (functional) in which the financial instruments are measured in financial statements.

The Company operates within international frames and is exposed to exchange rate risks arising from business operations in different currencies, primarily in Euro and US Dollar.

Interest risk is a risk of adverse effects to the result and capital of the Company due to unfavourable interest rates' fluctuations. The Company is exposed to this type of risk due to financial liabilities related to loans with potentially fluctuating interest rates (Euribor and Belibor).

The price risk is a risk of fair value fluctuation or a risk that the future financial instruments cash flows will fluctuate due to the change in market prices (not prices that result from interest or currency risk) regardless if these changes are caused by specific factors related to a specific financial instrument or its issuer or regardless if factors affect all similar financial instruments traded on the market.

9.3. Liquidity Risk

Liquidity risk is a risk of having difficulties to fulfil due obligations, maintaining the necessary scope and structure of the working capital and good creditworthiness.

Prudent liquidity risk management aims to maintain sufficient cash and securities held for sale, as well as securing adequate sources of financing to cover for the dynamic nature of the Company's business. Company seeks to maintain flexibility of its financing through collection from buyers and investments of its available monetary assets. In addition to that, in compliance with the Company's policy, back to back agreements are signed with subcontractors according to which a portion of risk related to any defaulting in collection is transferred/shared with them.

INCOME STATEMENT

10. OPERATING INCOME

10.1. Income from Sale of Merchandise

Structure of income from the sales of goods	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Income from sale of goods to other related companies - foreign market	277	
Income from sale of goods on local market	29,843	40,721
Income from sale of goods on foreign market	421,627	2,439
TOTAL	451,747	43,160

• **Income from sale of goods to other related companies on foreign market** in the amount of RSD 277 thousand relates to the Encom GmbH Consulting, Engineering & Trading, Germany, were generated from sale of goods to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

• **Income from sale of goods on local market in the amount** of RSD 29,843 thousand, relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 16,857 thousand based on the sales to subcontractors on projects "Lajkovac-Ljig". Stocks, consisting primarily of fuel and spare parts required for unobstructed performance of works, were supplied (sold) to subcontractors with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor (Note 11);

- Energoplast in the amount of RSD 6,569 thousand;

- Energoprojekt Energodata in the amount of RSD 4,683 thousand and

- Energoprojekt Visokogradnja in the amount of RSD 1,734 thousand.

• **Income from sale of goods on foreign market in the amount** of RSD 421,627 thousand are related, predominantly, to Energo Kaz, in the amount of RSD 376,318 thousand, based on goods sold to subcontractor on Z-103 Talan Towers Project, Astana – Kazakhstan and to Energoprojekt Niskogradnja, in the amount of RSD 44,529 thousand, based on material selling (mainly, fuel) and spare parts required for unobstructed performance of works, supplied to subcontractors for projects in Peru and Uganda, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor.

10.2. Income from Sale of Products and Services

Structure of income from the sales of products and services	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Income from sale of products and services to other related companies - domestic	184	
Income from sale of products and services to other related companies - foreign	832,839	287,448
Income from sale of products and services on local market	6,021,003	4,774,745
Income from sale of products and services on foreign market	10,030,041	9,321,429
TOTAL	16,884,067	14,383,622

- **Income from sale of products and services to other related companies on local market** in the amount of RSD 184 thousand relate to Energoprojekt Industrija, based on services and products sold to affiliated company Energopet, Ltd.;
- **Income from sale of products and services to other related companies on foreign market** in the amount of RSD 832,839 thousand derived from products and services to the affiliated company of Energo Nigeria Ltd., Lagos, Nigeria, dominantly within Energoprojekt Oprema, in the amount of RSD 831,168 thousand.
- **Income from sale of products and services on local market** in the amount of RSD 6,021,003 thousand, are related, mostly, to the following companies within system Energoprojekt:
 - Energoprojekt Niskogradnja, in the amount of RSD 2,900,483 thousand, mainly for project "Lajkovac-Ljig": RSD 2,675,296 thousand,
 - Energoprojekt Visokogradnja in the amount of RSD 1,253,420 thousand, primarily for projects Belgrade Waterfront: RSD 1,000,325 thousand and for sale of finished products (real estate) in Cara Nikolaja street in Belgrade: RSD 136,034 thousand, and
 - Energoprojekt Oprema, in the amount of RSD 1,004,381 thousand, dominantly for the project "Power line Pancevo - Rumunska granica": RSD 649,425 thousand, "Kolubara Deponija": RSD 335,864 thousand.
- **Income from sale of products and services on foreign market** in the amount of RSD 10,030,041 thousand, are related, mostly, to the following companies of system Energoprojekt:
 - Energoprojekt Visokogradnja, in the amount of RSD 4,591,973 thousand, based on works realized for investors, mainly in company Energoprojekt Ghana Ltd., Accra - Ghana: RSD 1,489,519 thousand, as well as in Russia and Kazakhstan, on projects: "Z-103 Talan Towers", Astana - Kazakhstan: RSD 2,345,493 thousand, "Z-085 Office Building Uhta", Russia: RSD 681,459 thousand, "Z-104 Underground Garage Petergof, Syktyvkar", Energoconsult Minsk, Belarus: RSD 75,210 thousand and other;
 - Energoprojekt Entel in the amount of RSD 2,819,383 thousand derived from companies of the Group abroad (Energoprojekt Entel LTD, Doha, Qatar: RSD 1,322,515 thousand, EP Entel LLC, Muscat, Sultanate of Oman: RSD 367,733 thousand and Energoconsult LLC Abu Dhabi, UAE: RSD 1,122,043 thousand), and

- Energoprojekt Niskogradnja, in the amount of RSD 1,801,999 thousand, on projects in Uganda: RSD 1,326,573 thousand (primarily Z-027 Mpigi Kanoni, Uganda: RSD 860,736 thousand and Z-036 Streets in Kampala Kawempe-Lubaga: RSD 304,388 thousand) and in Peru: RSD 475,426 thousand (primarily Z-034 Road Puerto Bermudez, Peru: RSD 375,726 thousand);
- Energoprojekt Oprema in the amount of RSD 459,541 thousand on the Project Energoentar Minsk, Belarus.

10.3. Other Operating Income

Structure of other operating income	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Income from premiums, subventions, subsidies, donations, etc.		
Other operating income:		
a) Rent from other legal entities in the country	10,989	9,094
b) Rent from other legal entities abroad	48,391	41,249
c) Other operating income from parent companies, subsidiaries and other related parties		
d) Other operating income	72,593	75,515
<i>Total</i>	<i>131,973</i>	<i>125,858</i>
GRAND TOTAL	131,973	125,858

- **Rental income from other legal entities in the country** in the amount of RSD 10,989 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 3,832 thousand, primarily based on the rental of facility in Ub and facility in Preradoviceva Street in Belgrade;
- Energoprojekt Garant in the amount of RSD 3,407 thousand, based on the rental of the business facility in Bulevar Zoran Djindjic Street and of the business premises in YU business centre in New Belgrade; and
- Energoprojekt Energodata in the amount of RSD 2,683 thousand primarily based on the rental of business facility in Palmira Toljatija Street and Mihajlo Pupin Av. (barracks) in New Belgrade.

- **Income from the rent from other legal entities abroad** in the amount of RSD 48,391 thousand was predominantly generated by the following companies of the Energoprojekt Group:

- Dom 12 S.A.L., Lebanon in the amount of RSD 16,238 thousand, based on the rent of the office building in Moscow;
- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 10,998 thousand, based on the rent of a number of properties in Zambia and
- Energoprojekt Niskogradnja in the amount of RSD 10,560 thousand, based on the rent of a part of the office building "Cruz del Sur" in Lima, Peru and of the machinery in Peru;
- I.N.E.C. Engineering Company Limited, United Kingdom in the amount of RSD 3,595 thousand, based on the rent of office building in London.

• **Other operating income** in the amount of RSD 72,593 thousand was primarily generated in the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 41,482 thousand, primarily in the company Energoprojekt Ghana Ltd., Akra - Ghana, in the amount of RSD 39,276 thousand, based on re-invoiced costs by various reasons;

- Energoprojekt Garant in the amount of RSD 29,580 thousand relate to the income from the share in coinsurance and reinsurance in damage compensation: RSD 12,605 thousand, income from cancelling and reducing the non-life insurances: RSD 13,159 thousand and income from commission arising from premiums transferred to co-insurance and reinsurance in the amount of RSD 4,204 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 1,101 thousand, mainly on re-invoiced expenses for insurance of works: RSD 1,051 thousand.

11. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Cost price value of goods sold:		
a) Cost price of goods sold to parent company, subsidiaries and other related parties	268	
b) Cost price of goods sold on local market	40,480	41,507
c) Cost price of goods sold on foreign market	395,397	4,323
TOTAL	436,145	45,830

• **Cost price of goods sold to their related companies** in the amount of RSD 268 thousand, was recorded within Encom GmbH Consulting, Engineering & Trading, Germany, based on goods purchased for affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

• **Cost price of goods sold on local market** in the amount of RSD 40,480 thousand primarily is related to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 16,858 thousand, for purchase of inventory and spare parts, with the aim to provide the subconstructor with the inventories necessary to avoid the consequences of delays in performance of works (contractually agreed deadlines) at the expense of the Company as the principal contractor mainly on project "Lajkovac-Ljig": RSD 16,705 thousand;

- Energoplast in the amount of RSD 15,385 thousand, for purchasing of finished lock-patent delivered for further sales;

- Energoprojekt Energodata in the amount of RSD 6,565 thousand, for purchasing of software and hardware delivered for further sales.

• **Cost price of goods sold on foreign market** in the amount of RSD 395,397 thousand is dominantly related to Energo Kaz Ltd., Kazakhstan, in the amount of RSD 358,257 thousand, for purchasing of goods for subcontractor, on project Z-103 Talan Towers, Astana – Kazakhstan and Energoprojekt

Niskogradnja, in the amount of RSD 36,974 thousand, for inventory costs (mostly fuel) and spare parts sold as per agreements to subcontractors for projects in Peru: RSD 17,292 thousand and Uganda: RSD 19,682 thousand, with the aim to avoid the consequences of delays in performance of works (contractually agreed deadlines).

12. INCREASE/DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS

Increase/decrease in inventories of intermediate and finished goods and services in progress	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Income from use of own products and merchandise	46,691	108,351
Increase in inventories of intermediate and finished goods and services in progress	516,313	581,147
Decrease in inventories of intermediate and finished goods and services in progress	293,506	231,367
TOTAL	269,498	458,131

- **Income from use of own products and merchandise** in the amount of RSD 46,691 thousand relate to Energoprojekt Visokogradnja, in the amount of RSD: 35,299, mainly within Energoprojekt Ghana Ltd., Accra – Ghana: RSD 35,275 thousand based on solitary hotel construction for workers placed in Ghana and Energoprojekt Niskogradnja, in the amount of RSD 11,392 thousand, based on completed equipment repair (in the country: RSD 4,469 thousand and abroad: RSD 6,923 thousand) for project Z-034 Road Puerto Bermudez, Peru).

- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 516,313 thousand relate mainly to Energoprojekt Sunnyville in the amount of RSD 503,196 thousand, based on the increase of value in inventories of intermediate production of commercial and residence complex construction "Sunnyville" Belgrade.

- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 293,506 thousand relates to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 145,524 thousand, based on sold finished products (property) in Cara Nikolaja Street in Belgrade: RSD 138,811 thousand, at Bezanijska Kosa: RSD 3,226 thousand and sold parking place in Block 12 in New Belgrade in the amount of RSD 178 thousand. On finished products in Cara Nikolaja Street in Belgrade the impairment of finish products inventory was presented, in the amount of RSD 3,309 thousand, reducing the selling price to net value which was less than the cost price of the building;

- Energoprojekt Sunnyville in the amount of RSD 116,433 thousand, based on sold apartments and construction of residence and business complex "Sunnyville" in Belgrade, and

- Energoprojekt Niskogradnja in the amount of RSD 31,549 thousand, based mainly on decrease (use) of inventory of crushed stone and sand used for production of concrete fractions for projects in Peru, Z-034 Road Puerto Bermudez, Peru: RSD 31,434 thousand.

13. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Material costs:		
a) Costs of materials used in production	3,942,246	2,839,787
b) Costs of other materials (overheads)	150,696	185,152
c) Costs of spare parts	116,890	120,978
d) Costs of one-off write-off of tools and inventory	53,614	33,306
<i>Total</i>	<i>4,263,446</i>	<i>3,179,223</i>
Fuels and energy costs:		
a) Fuel costs	423,927	337,810
b) Costs of electrical energy and heating	103,371	102,312
<i>Total</i>	<i>536,298</i>	<i>440,122</i>
TOTAL	4,799,744	3,619,345

• **Cost of materials used in production** in the amount of RSD 3,942,246 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Oprema, in the amount of RSD 1,598,206 thousand, out of which costs incurred in projects in the country amount RSD 552,403 thousand (mostly on project "Power-line Pančevo Rumunska granica": RSD 343,582 thousand, Kolubara Landfill: RSD 151,114 thousand and Belgrade Waterfront: RSD 45,479 thousand), meanwhile RSD 1,045,803 thousand are related on abroad (primarily on the project Energoentar Minsk, Belarus: RSD 349,059 thousand and other projects in Nigeria and Rwanda: RSD 696,744 thousand),

- Energoprojekt Visokogradnja, in the amount of RSD 1,578,417 thousand, out of which costs incurred in Projects realized abroad: "Z-103 Talan Towers", Astana, Kazakhstan (RSD 733,028 thousand), Z-085 Office building Uhta Russia (RSD 177,902 thousand) and "Z-104 Underground Garage Parking - Petergof", Syvtivkar – Russia (RSD 30,766 thousand), as well as within Energoprojekt Ghana Ltd., Accra, Ghana (RSD 226,459 thousand), meanwhile the most significant part of costs locally are related to projects: Belgrade Waterfront: (RSD 264,268 thousand) and Sunnyville (RSD 128,984 thousand), and

- Energoprojekt Niskogradnja, in the amount of RSD 615,434 thousand, out of which costs incurred in Projects realized abroad (in Peru and Uganda) amount to RSD 137,238 thousand, meanwhile the projects in the country amount to RSD 478,196 thousand.

• The largest shares in **costs of other materials (overhead)** amounting to RSD 150,696 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 98,210 thousand (abroad: RSD 94,382 thousand, in the country: RSD 3,828 thousand), Energoprojekt Entel, in the amount of RSD 25,318 thousand and Energoprojekt Visokogradnja in the amount of RSD 8,867 thousand.

• **Costs of spare parts** in the amount of RSD 116,890 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 104,556 thousand (abroad: RSD 88,692 thousand, in the country: RSD 15,864 thousand).

• **Costs of one-off write-off of tools and inventory** in the amount of RSD 53,614 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 38,237 thousand and Energoprojekt Visokogradnja in the amount of RSD 13,890 thousand.

- The largest share in **fuel and energy costs** amounting to RSD 536,298 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 377,005 thousand, which were predominantly incurred abroad, Energoprojekt Visokogradnja in the amount of RSD 68,986 thousand and Energoprojekt Entel in the amount of RSD 43,373 thousand.

14. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Expenses of wages and fringe benefits (gross)	3,731,596	3,682,260
Taxes and contributions on wages and contributions on wages payable by employer	378,564	386,526
Service agreements contributions	10,638	5,934
Copyright agreements contributions	6,574	11,695
Costs of contributions for contract fees for temporary and periodical engagement	72,481	48,433
Considerations to physical persons based on other agreements	27,053	34,151
Considerations to General Manager and/or Management and Supervisory Board members	18,679	13,998
Other personnel expenses and fringe benefits	407,420	368,873
TOTAL	4,653,005	4,551,870

- **Expenses of wages and fringe benefits (gross) as well as taxes and contributions on wages and contributions on wages payable by employer** amounting to RSD 4,110,160 thousand relate primarily to Energoprojekt Entel in the amount of RSD 1,679,067 thousand, Energoprojekt Visokogradnja in the amount of RSD 902,026 thousand, Energoprojekt Niskogradnja in the amount of RSD 764,052 thousand and Energoprojekt Oprema in the amount of RSD 224,528 thousand.

- **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 72,481 thousand were predominantly incurred in Energoprojekt Niskogradnja in the amount of RSD 42,321 thousand (in the country: RSD 739 thousand, abroad: RSD 41,582 thousand) and are the result of Company's periodical needs for workforce with adequate qualifications for realization of projects (in construction sites) in compliance with the agreed schedules and types of works and Oprema in the amount of RSD 18,024 thousand.

- **Other personnel expenses and fringe benefits** amounting to RSD 407,420 thousand predominantly relate to Energoprojekt Visokogradnja in the amount of RSD 198,815 thousand abroad: RSD 166,131 thousand based on catering on the site of works, transportation and other personnel related costs in the projects realized abroad (RSD 143,636 thousand) and in Energoprojekt Ghana Ltd., Accra, Ghana of RSD 22,495 while in the country: RSD 32,684 thousand (primarily arising from redundancy costs: RSD 15,374 thousand.).

Other personnel expenses include the costs of business trips, costs for transportation to and from site of works, solidarity fund allowances, scholarship allowances and other compensations. In addition to Energoprojekt Visokogradnja, a significant share in other personnel expenses was incurred in

Energoprojekt Niskogradnja amounting to RSD 95,240 thousand (in the country: RSD 53,940 thousand and abroad: RSD 41,300 thousand), Energoprojekt Entel in the amount of RSD 33,970 thousand, Energoprojekt Oprema in the amount of RSD 23,927 thousand and Energoprojekt Hidroinženjering in the amount of RSD 23,517 thousand.

15. PRODUCTION SERVICE COSTS

Structure of costs of production services	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Production service cost	4,461,532	3,852,301
Transportation services' costs	267,472	235,505
Repairs and maintenance services' costs	78,416	93,488
Rental costs	455,318	418,926
Trade fairs' costs	294	130
Advertising costs	13,505	17,219
Research costs	3,167	4,232
Costs of other services	158,132	88,843
TOTAL	5,437,836	4,710,644

• **Production service costs** in the amount of RSD 4,461,532 thousand are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1,523,793 thousand for the costs based on subcontracting agreements in the country amounting to RSD 1,410,869 thousand (mainly on projects: Lajkovac - Ljig, Kolubara Phase II – river relocating and regulating) and Stubo Rovni Kolubara) and abroad (in Uganda and Peru) amounting to RSD 112,924 thousand. Significant hiring of subcontractors for projects' realization was due to the specific nature of works required and/or mechanization for the realization of the said projects;

- Energoprojekt Visokogradnja in the amount of RSD 2,299,148 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 614,418 thousand and abroad, in the amount of RSD 1,684,730 thousand (mainly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 917,201 thousand and on project "Z-103 Talan Towers", Astana - Kazakhstan: RSD 649,412 thousand) and "Z-085 Office building Uhta, Russia: RSD 115,788 thousand) and

- Energoprojekt Oprema in the amount of RSD 389,061 thousand comprise of the subcontractors' costs and consortium partners' costs in a number of projects in the country (primarily, Power-line Pancevo - Romanian border, Kolubara Landfill and Belgrade Waterfront).

• **Transportation services' costs** comprise of the transportation services' costs in the country and abroad, landline telephone bills, mobile phone bills, etc. These costs amount to RSD 267,472 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 102,823 thousand, Energoprojekt Visokogradnja in the amount of RSD 99,032 thousand, Energoprojekt Oprema in the amount of RSD 31,823 thousand and Energoprojekt Niskogradnja in the amount of RSD 20,625 thousand.

- **Repair and maintenance services' costs** amounting to RSD 78,416 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 32,015 thousand, in Energoprojekt Entel in the amount of RSD 12,741 thousand and in Energoprojekt Visokogradnja in the amount of RSD 9,315 thousand and Energoprojekt Oprema in the amount of RSD 7,927 thousand. These costs were predominantly incurred for regular equipment maintenance.

- **Rental costs** amount to RSD 455,318 thousand and are predominantly related to the following Companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 233,738 thousand, recorded primarily for the rent of apartments and office premises in the Companies of this Group abroad (Qatar dominantly);

- Energoprojekt Niskogradnja in the amount of RSD 137,000 thousand, comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 127,847 thousand (in Peru and Uganda) and in the country in the amount of RSD 9,153 thousand where the rent of large machinery for the projects realized abroad, representing the result of inability to meet needs of available equipment (defined by dynamics of works) at the several, geographically dislocated projects, simuntaneously;

- Energoprojekt Visokogradnja in the amount of RSD 70,889 thousand are predominantly related to the rental costs of apartments and machinery abroad, amounting to RSD 44,633 thousand (predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 25,097 thousand and on the Project Z-103 Talan Towers, Astana, Kazakhstan: RSD 9,072 thousand and "Z-085 Office building Uhta, Russia: RSD 6,232 thousand), while in the country amount to RSD 26,256 thousand (predominantly rent of equipment on the project Belgrade Waterfront: RSD 24,552 thousand); and

- Energoprojekt Oprema in the amount of RSD 8,080 thousand are predominantly related to the rental costs of equipment (heavy booms and cranes), apartments and office spaces.

- **Advertising costs** amounting to RSD 13,505 thousand relate predominantly to Energoprojekt Holding in the amount of RSD 8,939 thousand (based on the sponsorship expenses, advertising costs on billboards, media presentations, etc.), Energoprojekt Entel in the amount of RSD 1,861 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.) and Energoprojekt Sunnyville in the amount of RSD 1,347 thousand (based on expenses for commercial selling of apartments, for billboards, magazines and Internet websites).

- **Costs of other services** in the amount of RSD 158,132 thousand were primarily incurred in the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 77,942 thousand primarily based on the costs of public services on project "Z-103 Talan Towers" Astana, Kazakhstan, in the amount of RSD 64,882 thousand, personal protection at work, registration of vehicles, photocopying costs, etc.;

- Energoprojekt Niskogradnja in the amount of RSD 26,511 thousand, primarily based on the construction sites' security costs, geotechnical elaboration costs, utility services' costs, costs of licenses, legalization costs, personal protection at work, registration of vehicles, etc.; and

- Energoprojekt Oprema in the amount of RSD 18,116 thousand, primarily based on the costs incurred for registration of vehicles, toll rates, graphic design, public services etc. – abroad in the amount of RSD 16,821 thousand and in the country: RSD 1,295 thousand.

16. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 24)	9,411	9,981
b) Depreciation of property, plant and equipment (Note 25)	420,836	375,973
<i>Total</i>	<i>430,247</i>	<i>385,954</i>
Provisions expenses		
a) Warranty period provisions' expenses	52,291	34,621
b) Provisions for contributions and other personnel benefits	19,135	18,441
c) Other long-term provisions		67,261
<i>Total</i>	<i>71,426</i>	<i>120,323</i>
TOTAL	501,673	506,277

- **Depreciation expenses** for the reporting period were calculated based on the assessments of residual value and remaining useful life of property and equipment with significant booking value as at December 31, 2016, due to the fact that there were no significant changes which need valuation as at balance sheet date (Note 25).

- **Warranty period provision expenses** in the amount of RSD 52,291 thousand were performed within Energoprojekt Entel in the amount of RSD 30,911 thousand for project of Federal Electricity & Water Authority (FEWA), within Energoconsult L.L.C., Abu Dhabi – UAE and Energoprojekt Visokogradnja in the amount of RSD 21,380 thousand, for the Project Z-103 talan Towers, Astana - Kazakhstan (Note 37).

- **Provisions for contributions and other personnel benefits** in the amount of RSD 19,135 thousand relate to reserves made within Energoprojekt Entel, pursuant to local legal provisions in Energoprojekt Entel LTD, Qatar, in the amount of RSD 15,596 thousand and Energoconsult L.L.C., Abu Dhabi - UAE: RSD 3,539 thousand).

17. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Intangible expenses	356,744	252,989
Expense account	25,493	30,988
Insurance premiums expenses	111,297	112,927
Payment operations' expenses	200,213	205,355
Membership fee expenses	9,516	5,239
Tax duties	264,116	585,401
Contribution expenses	500	1,030
Other non-operating expenses	133,771	77,891
TOTAL	1,101,650	1,271,820

- **Intangible expenses** in the amount of RSD 356,744 thousand (which include the attorney fees, consulting and intellectual services, audit costs, professional training and education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs) consist primarily of the costs of Energoprojekt Entel amounting to RSD 146,279 thousand (in the country: RSD 5,466 thousand and abroad: RSD 140,833 thousand, mainly within the Energoprojekt Entel LTD. Doha, Qatar: RSD 123,859), Energoprojekt Visokogradnja in the amount of RSD 100,942 thousand (in the country: RSD 12,851 thousand and abroad: RSD 88,091 thousand, mainly on projects Z-085 Office building in Uhta, Russia: RSD 70,872 thousand, Z-104 Underground Parking Garage in Petergof, Syktivar – Russia: RSD 5,192 thousand, as well as in Energoprojekt Ghana Ltd. Accra – Ghana: RSD 10,299 thousand) and Energoprojekt Niskogradnja amounting to RSD 59,822 thousand (in the country: RSD 7,604 thousand and abroad: RSD 52,278 thousand).

- **Insurance premium expenses** amounting to RSD 111,297 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Entel in the amount of RSD 59,533 thousand, in Energoprojekt Niskogradnja in the amount of RSD 36,718 thousand, in Energoprojekt Visokogradnja in the amount of RSD 6,620 thousand and in Energoprojekt Hidroinženjering in the amount of RSD 5,441 thousand.

- **Payment operation expenses** in the amount of RSD 200,213 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 55,725 thousand (most of which pertain to the bank fee costs for guarantees provided in the country: RSD 19,872 thousand and abroad (Peru and Uganda): RSD 31,651 thousand;

- Energoprojekt Visokogradnja amounting RSD 44,984 thousand, in the country: RSD 9.245 thousand and abroad: RSD 35.739 thousand;

- Energoprojekt Oprema amounting RSD 33,228 thousand, in the country: RSD 9,602 thousand and abroad: RSD 23,626 thousand, mainly for project EnergoCenter Minsk, Belarus: RSD 22,023 thousand, of which the costs of bank fees for issued guarantees relating RSD 17,779 thousand, and

- Energoprojekt Entel amounting RSD 52,317 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 47,431 thousand and cost of payment transactions: RSD 4,886 thousand (dominantly within Energoprojekt Entel LTD, Qatar: RSD 39,760 thousand).

• **Tax duties** in the amount of RSD 264,116 thousand consist of the property tax, utility duties, income tax in foreign countries according to the local regulations, etc. Tax duties are mainly related to the following companies of Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 175,444 thousand, abroad: RSD 168,894 thousand (mostly on project "Z-103 Talan Towers", Astana - Kazahstan: RSD 124,190 thousand (based on calculated income tax for the year 2017) and in the country: RSD 6,550 thousand;

- Energoprojekt Entel in the amount of RSD 47,322 thousand, abroad: RSD 40,796 thousand (based on income tax) and RSD 1,159 thousand (based on property tax);

- Energoprojekt Niskogradnja in the amount of RSD 11,006 thousand, abroad: RSD 7,973 thousand, in the country: RSD 3,033 thousand and

- Energoprojekt Holding in the amount of RSD 13,153 thousand, in the country, dominantly based on property tax: RSD 12,810 thousand.

• Within the **other non-operating expenses** item (administrative, court and other fees, expert professional magazines, publication of announcements and tenders, visa costs for employees working abroad, hiring of local workforce in foreign countries for international projects' realization, etc.) amounting to the total of RSD 133,771 thousand consist primarily to the costs incurred by Energoprojekt Entel in the amount of RSD 61,538 thousand, Energoprojekt Visokogradnja in the amount of RSD 39,299 thousand and Energoprojekt Oprema in the amount of RSD 11,075 thousand.

18. FINANCIAL INCOME AND FINANCIAL EXPENSE

18.1. Financial Income

Structure of financial income	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Financial income from other related companies	23,677	23,064
Financial income from the profit of affiliated companies and joint ventures	39,304	48,122
Other financial income:		
a) Income from dividends		2,506
b) Other financial income	44,323	68,645
<i>Total</i>	<i>44,323</i>	<i>71,151</i>
<i>Total financial income from related companies and other financial income</i>	<i>107,304</i>	<i>142,337</i>
Interest income (third party)	48,718	80,575
Exchange rate gains and positive currency clause effects (third party)	1,203,091	442,314
TOTAL	1,359,113	665,226

- **Financial income from other related companies** in the amount of RSD 23,677 thousand consist of the financial income from:

- Affiliated Company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 18,761 thousand, which were recorded in Energoprojekt Oprema as foreign exchange gains; and

- Joint Venture Company Enjub Ltd. in the amount of RSD 5,006 thousand, which were recorded, in Energoprojekt Holding based on income from interest on loan granted.

- **Financial income from the profit of affiliated companies and joint ventures** in the amount of RSD 39,304 thousand relate to generated net result of the reporting period of the affiliated companies Energo Nigeria Ltd., Lagos, Nigeria in the amount of RSD 5,417 thousand (40,00%), Energopet Ltd. in the amount of RSD 33,430 thousand (33.33%) and Enjub Ltd. in the amount of RSD 457 thousand (50.00%).

Affiliated companies Energo Nigeria Ltd., Lagos, Nigeria and Energopet Ltd., are included by the equity method into primary consolidation into consolidated financial statements of the related companies Energoprojekt Oprema and Energoprojekt Industrija, and consequently into consolidated financial statements of Energoprojekt Holding.

- **Interest income (third party)** in the amount of RSD 48,718 thousand are mainly related to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 19,475 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment on project "Z-027" Mpigi-Kanoni Uganda: RSD 18,725 thousand;

- Energoprojekt Garant, in the amount of RSD 9,254 thousand, mainly from interest on coupon bonds: RSD 6,004 thousand and income from the short term deposits: RSD 2,545 thousand,

- Energoprojekt Visokogradnja, in the amount of RSD 7,538 thousand, mainly incurred abroad: RSD 7,190 thousand (primarily within the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 2,821 thousand and "Z-085 Office building Uhta", Russia: RSD 4,210 thousand);

- Energoprojekt Entel, in the amount of RSD 6,552 and Energoprojekt Oprema in the amount of RSD 4,327 thousand, predominantly income from the short term deposits with commercial banks.

- **Exchange rate gains and positive currency clauses effects (third party)** amounted to RSD 1,203,091 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 1,098,935 thousand, so that in the reporting period recorded net exchange gains and positive currency clauses effects in the amount of RSD 104,156 thousand.

From the beginning of the year until June 30, 2017, RSD was appreciated to EUR by 2.12% (in 2016: depreciated by 1.52%) and to USD by 9.81% (in 2016 depreciated by 5.29%), and to RUB by 7.79% (in 2016 was depreciated by 27.69%).

18.2. Financial Expense

Structure of financial expense	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Financial expenses from transactions with other related company	31,177	3,121
Financial expense from the losses of affiliated companies and joint ventures	75	11,485
Other financial expenses		498
<i>Total financial expenses from related parties and other financial expenses</i>	<i>31,252</i>	<i>15,104</i>
Interest expenses (third party)	170,178	121,698
Exchange rate losses and negative currency clause effects (third party)	1,098,935	486,795
TOTAL	1,300,365	623,597

- **Financial expense from transactions with other related companies** in the amount of RSD 31,177 thousand comprise affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the negative FX differences and expenses incurred from the effects of FX clauses recorded in Energoprojekt Oprema: RSD 25,866 thousand, and Energoprojekt Hidroinženjering: RSD 525 thousand, as well as in Enjub Ltd. based on expenses of currency clause recorded within Energoprojekt Holding: RSD 4,786 thousand.
- **Financial expenses from losses of affiliated companies and joint ventures** in the amount of RSD 75 thousand relate to net result in the reporting period of the affiliated company Fima See Activist Plc., (30.16%), which were included by applying the equity method in consolidated financial statements of Energoprojekt Holding.
- **Interest expense (third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions. Interest expenses in the amount of RSD 170,178 thousand relate predominantly to the companies within Energoprojekt:
 - Energoprojekt Visokogradnja in the amount of RSD 78,690 thousand in the country: RSD 38,298 thousand and abroad: RSD 40,392 thousand (of which Energoprojekt Ghana Ltd., Accra, Ghana registered RSD 36,828 thousand) and
 - Energoprojekt Niskogradnja in the amount of RSD 62,852 thousand (in the country: RSD 28,918 thousand and abroad: RSD 33,725 thousand), primarily incurred from interest on loans granted by commercial banks and interest on leasing contracts.

19. INCOME AND EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT

19.1. Income from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of income from value adjustment of other assets disclosed at fair value through income statement	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Income from value adjustment of long-term financial investments and securities available for sale	359	16,215
Income from value adjustment of receivables and short-term financial investments	1,416	
TOTAL	1,775	16,215

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 359 thousand relate to Energoprojekt Garant based on adjustment of fair value of old foreign currency savings bonds of the Republic of Serbia (certain series).

- **Income from value adjustment of receivables and short-term financial investments** in the amount of RSD 1,416 thousand consist predominantly from Energoplast in the amount of RSD 840 thousand and Energoprojekt Niskogradnja in the amount of RSD 571 thousand, from collected receivables prior indirectly written-off, (from the purchaser Plastika Božić Ltd, within Energoplast and Inter – most Plc. in bankruptcy, within Energoprojekt Niskogradnja).

19.2. Expenses from Value Adjustment of other Assets Disclosed at Fair Value through Income Statement

Structure of expenses from value adjustment of other assets disclosed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Expenses from value adjustment of long-term financial investments and securities available for sale	10,394	108
Expenses from value adjustment of receivables and short-term financial investments		188
TOTAL	10,394	296

- **Expenses from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 10,394 thousand relate entirely to Energoprojekt Garant based on fair value adjustments of state coupon bonds of Republic of Serbia (certain series).

20. OTHER INCOME AND OTHER EXPENSE**20.1. Other Income**

Structure of other income	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Income from disposal of intangible assets, property, plant and equipment	2,560	9,438
Income from disposal of shares and securities		
Income from disposal of materials	4,056	12,072
Surpluses		485
Collected written-off receivables	6,424	16,435
Income from the effects of agreed risk protection that cannot be posted in other comprehensive result	503	123
Income from reduction of liabilities	509	97,929
Income from release of long-term and short-term provisions		
Other income not posted elsewhere	50,604	42,128
Income from value adjustment of property, plant and equipment		
TOTAL	64,656	178,622

- **Income from disposal of materials** in the amount of RSD 4,056 thousand mostly relate to the Energoprojekt Visokogradnja, in the amount of RSD 3,544 thousand (abroad: RSD 1,619 thousand and in the country: RSD 1,925 thousand).

- **Collected written-off receivables** in the amount of RSD 6,424 thousand relate mostly to Energoprojekt Visokogradnja in the amount of RSD 4,435 thousand, mainly based on collection of written-off receivables from Astra Bank Plc. in bankruptcy, in the amount of RSD 4,419 thousand.

- **Income from reduction of liabilities** in the amount of RSD 503 thousand relate mostly to Energoprojekt Niskogradnja, based on subsequently approved discounts from suppliers in the country and in Peru:

- **Other income not posted elsewhere** in the amount of RSD 50,604 thousand relate mostly to the following companies of Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 42,266 thousand, in the country: RSD 36,334 thousand (mostly based on the lawsuit resolved against Belim Plc.: RSD 33,357 thousand) and abroad RSD 5,932 thousand, and

- Energoprojekt Niskogradnja in the amount of RSD 5,460 thousand, mostly based on compensation for damages arising from destruction of the equipment in the amount of RSD 4,162 thousand (in the country: RSD 3,306 thousand and abroad: RSD 856 thousand), from sale of secondary raw materials (scrap) in the country in the amount of RSD 830 thousand and based on subsequent reduction of liabilities to suppliers in Uganda, in the amount of RSD 462 thousand.

20.2. Other Expense

Structure of other expense	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment	4,534	11,742
Losses incurred from disposal of equity investments and securities		
Losses incurred from the sales of materials	1,913	442
Shortages		538
Expenses from direct write-off of receivables		6,795
Expenses from decommissioning of inventories		
Other expenses not otherwise mentioned	46,200	50,203
Impairment of other assets		
Impairment of property, plant and equipment	964	
Impairment of inventory of material and goods		
TOTAL	53,611	69,720

• **Losses from decommissioning and disposal of intangibles assets, property, plant and equipment** in the amount of RSD 4,534 thousand relate primarily to Energoprojekt Entel in the amount of RSD 2,923 thousand (mainly based on cars sold to companies abroad) and Energoprojekt Energodata in the amount of RSD 1,195 thousand (based on 4 parking places sold in the Parking Garage at Stari Merkator business center, at price lower than the book value).

• **Losses incurred from the sales of materials** in the amount of RSD 1,913 thousand entirely relate to Energoprojekt Visokogradnja, based on sales of material abroad.

• **Other expenses not otherwise mentioned** in the amount of RSD 46,200 thousand predominantly relate to the following companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 21,949 thousand, mostly for expenses of the lawsuits lost at court in the amount of RSD 19,425 thousand, the damage compensation, in the amount of RSD 2,325 thousand and costs of donation granted, in the amount of RSD 161 thousand,

- Energoprojekt Entel in the amount of RSD 15,751 thousand, predominantly for humanitarian, cultural and medical purposes: RSD 13,756 thousand and donations granted: RSD 1,995 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 4,813 thousand, primarily based on penalties, in the amount of RSD 1,784 thousand and the costs of compensation to third parties, in the amount of RSD 2,042 thousand (mostly in Peru).

21. 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	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	33,701	69,350
TOTAL	(33,701)	(69,350)

- **Net loss from discontinued operations effects of change in accounting policy and adjustment of errors from previous year** in the amount of RSD 33,701 thousand came as a result of, mainly, subsequently determined profit and /or loss from previous period in the amounts that are of no material significance and which were credited/debited to the current period mainly within Energoprojekt Niskogradnja (primarily based on adjusted overcalculated income from work carried out in 2016 on the project in Uganda: RSD 26,176 thousand (Z-027 Mpigi-Kanoni and Z-036 Streets in Kampala Kawempe-Lubaga) and adjusted overcalculated insurance expenses for period July-December, 2016, on project Lajkovac-Ljig, in the amount of RSD 6,693 thousand).

22. PROFIT BEFORE TAX

Structure of gross result	In RSD thousand	
	01/01-30/06/17	01/01-30/06/16
Operating income	17,467,787	14,552,640
Operating expenses	16,660,555	14,247,655
<i>Operating result</i>	<i>807,232</i>	<i>304,985</i>
Financial income	1,359,113	665,226
Financial expenses	1,300,365	623,597
<i>Finanial result</i>	<i>58,748</i>	<i>41,629</i>
Income from value adjustment of other assets disclosed at fair value through income statement	1,775	16,215
Other revenues	64,656	178,622
Expenses from value adjustment of other assets disclosed at fair value through income statement	10,394	296
Other expenses	53,611	69,720
<i>Result of other revenues and expenses</i>	<i>2,426</i>	<i>124,821</i>
<i>Result from regular operations before tax</i>	<i>868,406</i>	<i>471,435</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	33,701	69,350
TOTAL INCOME	18,893,331	15,412,703
TOTAL EXPENSES	18,058,626	15,010,618
PROFIT/LOSS BEFORE TAX	834,705	402,085

Profit before tax (Gross Profit) of the Energoprojekt Group in the reporting year in the amount of RSD 834,705 thousand is a result of realized:

- business profit in the amount of RSD 807,232 thousand, mainly within Energoprojekt Niskogradnja and Energoprojekt Entel; and,
- financial profit in the amount of RSD 58,748 thousand, mainly within Energoprojekt Oprema, Energoprojekt Entel and Energoprojekt Visokogradnja.

23. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>01/01-30/06/17</i>	<i>01/01-30/06/16</i>
Net-profit pertaining to parent company shareholders	639,420	316,129
Weighted average number of regular shares in the period	10,857,882	10,857,882
Profit per share (RSD)	58.89	29.12

Earnings per share is calculated by dividing the net-profit pertaining to parent company shareholders with weighted average number of regular shares in the period, excluding the regular shares that Company (or companies within Energoprojekt Group) acquired and which are registered as own shares.

BALANCE SHEET**24. INTANGIBLES ASSETS**

Structure of intangible assets	Development investments	Software and other rights	Intangible assets in progress	Total
<u>Purchase value</u>				
Balance as at January 1, 2017	4,945	197,049	7	202,001
New purchases		3,959		3,959
Disposal and decommissioning				
Increase by transfer from investments in progress		7	(7)	
Other transfers (from)/to				
FX gains and losses		(3,575)		(3,575)
Other increase/(decrease)		90		90
Balance as at June 30, 2017	4,945	197,530		202,475
<u>Valuation adjustment</u>				
Balance as at January 1, 2017	1,401	141,678		143,079
Depreciation	247	9,164		9,411
Disposal and decommissioning				
FX gains and losses		(2,971)		(2,971)
Other increase/(decrease)		91		91
Balance as at June 30, 2017	1,648	147,962		149,610
<u>Net book value</u>				
31/12/2016	3,544	55,371	7	58,922
30/06/2017	3,297	49,568		52,865

Software and other rights as at June 30, 2017 relate to various software used by the Energoprojekt for own purposes, which are depreciated in compliance with the relevant accounting policy.

25. PROPERTY, PLANT AND EQUIPMENT

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and investment property in progress	Other property, plant and equipment	Property, plant and equipment in progress	Investments in other property, plant and equipment	Advances for property, plant and equipment	Total
<i>Purchase value</i>									
Balance as at January 1, 2017	710,095	7,258,221	10,474,353	3,568,839	226,848	69,091	111,545	49,555	22,468,547
Purchase during the year		68,045	146,770	40,841	1,779	278,446		149	536,030
Increase by transfer from investments in progress			15,130	1,933		(15,130)		(1,933)	
Transfer to fixed assets held for sale			(988)						(988)
Other transfers from / (to)			200					(200)	
Disposal and decommissioning			(51,255)	(2,963)	(634)				(54,852)
Profit/(loss) included in Report on Other Result (group 330)									
Profit/(loss) included in Income Statement									
Impairment			(1,555)						(1,555)
FX gains and losses	(907)	(78,309)	(181,500)	(134,428)	(6)			(989)	(396,139)
Other increases / (decreases)									
Balance as at June 30, 2017	709,188	7,247,957	10,401,155	3,474,222	227,987	332,407	111,545	46,582	22,551,043
<i>Valuation adjustment</i>									
Balance as at January 1, 2017		47,278	6,892,409		95,842		4,369		7,039,898
Depreciation		53740	313,699		8,520		44,877		420,836
Disposal and decommissioning			(38,296)		(244)				(38,540)
Transfer to fixed assets held for sale			(391)						(391)
Other transfers from / (to)									
Impairment			(591)						(591)
FX gains and losses		(4,687)	(111,193)						(115,880)
Other increases /decreases									
Balance as at June 30, 2017		96,331	7,055,637		104,118		49,246		7,305,332
<i>Net book value</i>									
Balance as at December 31, 2016	710,095	7,210,943	3,581,944	3,568,839	131,006	69,091	107,176	49,555	15,428,649
Balance as June 30, 2017	709,188	7,151,626	3,345,518	3,474,222	123,869	332,407	62,299	46,582	15,245,711

- **Land**

Value of land of the Energoprojekt Group amounting to RSD 709,188 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,497 (land owned by Energoprojekt Montenegro Ltd. in Montenegro, land owned by Energoprojekt Ghana Ltd. in Ghana and in the country – land in Ub and in Stara Pazova), Energoprojekt Niskogradnja in the amount of RSD 98,048 (land in Peru and in the country – in Stara Pazova) and to the Energoprojekt Oprema Company in the amount of RSD 75,058 thousand (Sevino polje plot – in New Belgrade).

- **Buildings**

Measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model.

As at June 30, 2017, buildings were presented according to their revalorization value, in the amount of RSD 7,151,626 thousand. As at June 30, 2017, revalorization value was defined by fair value ultimate appraisal, reduced for subsequent accumulated depreciation. The last fair value appraisal of buildings was performed on December 31, 2016, by qualified valuers. Since the fair value result was insignificantly changed, there were no need to perform another fair value appraisal at balance sheet day, June 30, 2017. Instead, pursuant to the relevant provisions of IAS 16, it is necessary to perform revalorization process once in three to five years. Residual value useful life appraisal was performed on December 31, 2016 pursuant to IAS 16 provisions.

The most important buildings on the level of system Energoprojekt are as follows:

- Office building in Bulevar Mihaila Pupina, in New Belgrade;
- Samacki Hotel Complex of the Energoprojekt Holding in Zemun;
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office building of the Energoprojekt Entel in Oman; and
- Office building of the I.N.E.C. Engineering Ltd. in London.

- **Plant and Equipment**

As at December 31, 2016, appraisal of the residual value and the remaining useful life of the equipment with significant accounting value were performed, pursuant to IAS 16.

In acquisitions of plant and equipment in the reporting period that amounted to RSD 146,770 thousand, the largest share belongs to Energoprojekt Entel, in the amount of RSD 59,303 thousand (mainly within Energoprojekt Entel L.L.C. Muscat, Sultanate of Oman: RSD 34,396 thousand and in the country: RSD 13,047 thousand), Energoplast, in the amount of RSD 28,073 thousand, Energoprojekt Niskogradnja in the amount of RSD 23,255 thousand (in the country: RSD 15,612 thousand and abroad: RSD 7,613 thousand - Uganda and Peru) and Energoprojekt Visokogradnja, in the amount of RSD 22,334 thousand (in the country: RSD 4,850 thousand, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 8,657 thousand and in projects abroad: RSD 8,827 thousand, mainly in project Z-085 office building in Ukhta, Russia: RSD 7,829 thousand and in project Z-103 Talan Tower Astana, Kazakhstan: RSD 964 thousand).

Of the total items in the reporting period, the amount of RSD 28,014 thousand relates to equipment regulated by the Financial Lease Agreement, which is related mainly to Energoprojekt Niskogradnja: RSD 26,172 thousand.

Liabilities of the Energoprojekt Group based on the financial lease are explained in the Note 38.2.

• **Investment property** as at June 30, 2017, amount to RSD 3,474,222 thousand.

The most significant investment properties on the level of Energoprojekt Group are as follows:

- Office building in Moscow, Dom 12;
- Office and residential premises of the Zambia Engineering and Contracting Company Limited, Zambia;
- Office and residential premises of the Energoprojekt Zambia Limited, Zambia,
- A part of the office building Cruz del Sur of the Energoprojekt Niskogradnja in Peru;
- Office facilities of the Energoprojekt Garant in Goce Delceva Street in New Belgrade, the residential building in Bulevar Zorana Djindjica Street in New Belgrade and office premises in the YU Business Centre in New Belgrade;
- Office premises of the Energoprojekt Energodata in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade;
- Business premises of the Energoprojekt Holding in Palmira Toljatija Street (Business and Commercial Centre Stari Merkator) in New Belgrade.

Valuation of the fair value of investment property as at December 31, 2016 was performed by independent valuers with recognized and relevant professional qualifications and recent relevant work experience with relevant locations and categories of investment property appraised.

In the reporting period, the Energoprojekt Group generated income from the rent of investment property in the amount of RSD 43,391 thousand, and the main share of such amount relate to the income generated from the rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 16,238 thousand, from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 10,998 thousand (within Zambia Engineering and Contracting Company Limited, Zambia) and a part of office building „Cruz del Sur“ in Peru, in the amount of RSD 4,582 thousand (within Energoprojekt Niskogradnja).

Information on mortgages on the system Energoprojekt properties is presented in detail in Note 45.

• **Property, plant and equipment in progress** in the amount of RSD 332,407 thousand mainly refer to construction land that Energoprojekt Holding purchased in 2017, from Directorate for Property of the Republic of Serbia, in the amount of RSD 276,240 thousand.

• **Advances paid for property, plant and equipment** in the amount of RSD 46,582 thousand dominantly relate to advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria in the amount of RSD 46,560 thousand.

26. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Shares in affiliated companies and joint ventures	786,099	760,624
Shares in other companies and other available for sale securities	28,034	19,460
Other long-term financial investments	194,261	195,315
TOTAL	1,008,394	975,399

• **Shares in affiliated companies and joint ventures** in the amount of RSD 786,099 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Energoprojekt Nigeria Ltd., Lagos, Nigeria	248,879	257,216
Energoprojekt Ltd., Belgrade	469,976	436,545
Fima See Activist Plc., Belgrade	34,914	34,990
Enjub Ltd., Belgrade	32,330	31,873
TOTAL	786,099	760,624

Financial data pertaining to affiliate Energoprojekt Nigeria Ltd., Lagos, Nigeria on the 40.00% equity share of the Energoprojekt Oprema in the affiliate is presented in the following table.

Energoprojekt Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Capital	248,879	257,216
	<i>30/06/2017</i>	<i>31/12/2016</i>
Net profit of the current period	5,417	(10,533)

Financial data pertaining to Energoprojekt Ltd. Belgrade on the 33.33% equity share of Energoprojekt Industrija in the affiliate is presented in the following table.

Energoprojekt Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Non-current assets	396,523	408,492
Operating assets	628,916	557,570
Assets	1,025,439	996,062
Liabilities	573,778	529,517
Capital	451,661	436,545
	<i>30/06/2017</i>	<i>31/12/2016</i>
Income	611,261	512,574
Net profit of the current period	33,430	31,035

Energoprojekt Group, Belgrade

Financial data pertaining to affiliate Fima See Activist, Plc. Belgrade on the 30.16% equity share of Energoprojekt Holding in the affiliate is presented in the following table.

Fima See Activist Plc., Belgrade	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Non-current assets		
Operating assets	35,022	35,122
Assets	35,022	35,122
Liabilities	108	132
Capital	34,914	34,990
	<i>30/06/2017</i>	<i>31/12/2016</i>
Income	5,613	6,490
Net profit of the current period	(75)	(952)

Financial data pertaining to Enjub Ltd. Belgrade on the 50.00% equity share of Energoprojekt Holding in the joint venture is presented in the following table.

Enjub Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Non-current assets	128,957	128,957
Operating assets	139,081	139,091
Assets	268,038	268,048
Liabilities	235,708	236,175
Capital	32,330	31,873
	<i>30/06/2017</i>	<i>31/12/2016</i>
Income	5,310	22,589
Net profit / (loss) of the current period	457	17,087

• **Shares in other companies and available for sale securities** in the amount of RSD 19,460 thousand are presented in the following table.

Shares in other companies and available for sale securities	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Shares in other companies		
a) Banks, financial organisations and other legal entities	28,022	19,448
b) Other securities available for sale	12	12
TOTAL	28,034	19,460

Share in other companies and other securities available for sale are valued according to their market (fair) value.

Share in banks, financial organizations and other legal entities in the amount of RSD 28,022 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 27,184 thousand (Jubmes banka Plc., Dunav osiguranje Plc., and other).

• **Other long-term financial investments** in the amount of RSD 194,261 thousand are presented in the following table.

Other long-term financial investments	In RSD thousand	
	30/06/2017	31/12/2016
Housing loans granted to employees	35,787	44,171
Deposits for bank guarantees	39,915	31,922
Other	118,559	119,222
TOTAL	194,261	195,315

• **Long-term housing loans granted to employees** are interest-free and in compliance with the Housing Loan Agreement provisions and pursuant to the Law on Amendments and Addenda to the Law on Housing, the Company performs legally prescribed revalorization of loan instalments based on the trends in consumer prices in the Republic of Serbia for the accounting period in question. Of the total of RSD 35,787 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 21,996 thousand, Energoprojekt Oprema in the amount of RSD 9,481 thousand and Energoprojekt Niskogradnja in the amount of RSD 3,227 thousand.

• **Deposits for bank guarantees** in the amount of RSD 39,915 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 23,363 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 16,552 thousand).

• **Other long-term financial investments** in the amount of RSD 118,559 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 91,497 thousand, the largest share of which or RSD 82,407 thousand relate to a building within the tourist complex of Crni Vrh (which has not yet been completed), in which the Company holds ownership rights up to 5%, based on its co-financing; and

- Energoprojekt Entel in the amount of RSD 25,730 thousand, based on deposits for working visas in the amount of RSD 13,406 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE) and the deposits for apartments abroad in the amount of RSD 9,103 thousand (mainly within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 4,457 thousand and Energoprojekt Entel LTD, Doha, Qatar: RSD 3,661 thousand).

27. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Receivables from other related companies	141,709	49,052
Other long-term receivables	755,726	776,008
TOTAL	897,435	825,060

- **Receivables from other related companies** in the amount of RSD 141,709 thousand relate to the receivables of Energoprojekt Oprema from its affiliated company Energo Nigeria Ltd., Lagos, Nigeria, based on the long-term guarantee deposit in its projects abroad.

- **Other long-term receivables** in the amount of RSD 755,726 thousand comprise only of the receivables of the Energoprojekt Entel Company based on its long-term receivables for guarantee deposit, which is in most of the cases a deposit amounting to 10% of the invoice amount and which can be collected only upon expiry of the guarantee term (within Energoprojekt Entel Ltd. Doha, Qatar: RSD 675,407 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 80,319 thousand).

28. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Material, parts, tools and small inventories	1,466,075	1,383,780
Work and services in progress	2,244,097	1,771,463
Finished products	230,131	363,525
Goods	122,565	179,630
Non-current assets held for sale	50,688	51,058
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related companies	124,349	127,049
b) Advances paid for material, parts and inventory	384,515	823,524
c) Advances paid for goods	2,386	56
d) Advances paid for services	915,125	1,334,193
<i>Total</i>	<i>1,426,375</i>	<i>2,284,822</i>
TOTAL	5,539,931	6,034,278

- **Material, parts, tools and small inventories** in the amount of RSD 1,466,075 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 681,632 thousand, out of which inventories abroad amount to RSD 487,671 thousand (Uganda: RSD 306,236 thousand, Peru: RSD 181,435 thousand), and inventories in the country amount to RSD 193,961 thousand. Stock levels, primarily those of the materials and parts, are determined by the work schedule and timely supply in the relevant regions;

- Energoprojekt Visokogradnja in the amount of RSD 324,182 thousand, out of which inventories abroad amount to RSD 188,220 thousand (mainly, in Z-085 Office Building Uhta Russia: RSD 107,856 thousand Z-096 Forte Bank, Astana, Kazakhstan: RSD 28,685 thousand, Z-103 Talan Tower, Astana, Kazakhstan: RSD 27,401 thousand and Z-088 Hotel Hyatt Rostov, Russia: RSD 19,373 thousand), meanwhile the inventories in the country amount to RSD 135,962 thousand (mainly, in Belgrade Waterfront: RSD 52,548 and Spareparts Warehouse in Vozdovac: RSD 29,483 thousand);

- Energoprojekt Oprema in the amount of RSD 357,401 thousand, out of which mainly relate to the project Powerline Pancevo - Romanian Border: RSD 286,327 thousand and Belgrade Waterfront: RSD 42,852 thousand, and

- Energoplast in the amount of RSD 91,842 thousand, out of which material inventories amount to RSD 71,462 thousand, parts inventories amount to RSD 19,151 thousand and tools and small inventories RSD 1,229 thousand.

• **Work and services in progress** in the amount of RSD 2,244,097 thousand relate to following companies of the Energoprojekt Group:

- Energoprojekt Sunnyville in the amount of RSD 1,336,572 thousand, relate to production in progress based on construction of business and residential complex „Sunnyville“ in Belgrade,

- Energoprojekt Visokogradnja in the amount of RSD 757,293 thousand, out of which work in progress in the country amounts to RSD 240,344 thousand (based on own investments in Belgrade, in Knez Danilova Street: RSD 81,326 thousand, in Bezanijska Kosa: RSD 48,374 thousand, in Vozdovac: RSD 25,938 thousand and in Bor, in Bor Shopping Mall: RSD 84,706 thousand), and abroad RSD 516,949 thousand (based on the works on the residential complex Sistet Bare in Herceg Novi, Montenegro) and

- Energoprojekt Niskogradnja in the amount of RSD 121,232 thousand relate to production of crashed stone and concrete aggregate in projects abroad (Peru).

• **Finished products** in the amount of RSD 230,131 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 171,775 thousand relate to the constructed property in Car Nikolaj street: RSD 147,303 thousand and in Bezanijska Kosa in the amount of RSD 24,472 thousand and

- Energoplast in the amount of RSD 58,356 thousand that relate to the finished plastic stoppers.

• The total value of **goods** in the amount of RSD 122,565 thousand primarily relate to Energoprojekt Visokogradnja in the amount of RSD 89,025 thousand (mainly refers to goods purchased for further processing, intended for the project Z-103 Talan Towers, Astana, Kazakhstan), Energoprojekt Niskogradnja in the amount of RSD 20,613 thousand (that almost entirely relate to the invoiced materials and spare part, predominantly for the projects realized abroad, in Peru and Uganda, which were not received until June 30, 2017 - Goods in Transit); and Energoplast in the amount of RSD 6,075 thousand (acquired finished stoppers for resale).

• **Non-current assets held for sale** amount to RSD 50,688 thousand, entirely relate to Energoprojekt Niskogradnja.

- An overview of land and property held for sale in Energoprojekt Niskogradnja is presented below.

Description	Location	Surface Area in sq.m	Present Value In RSD thousand
Land - Mombasa Road, Kenya	Nairobi, Kenya	12,140.55	4,066
Land "Santa Clara", Peru	Santa Clara, Lima, Peru	23,009.70	18,601
Warehouse facility "Santa Clara", Lima	Santa Clara, Lima, Peru	792.35	22,273
Business premises - Buenos Aires, Argentina	Buenos Aires, Argentina	86.30	5,748
TOTAL			50,688

Reclassification of land for sale was performed based on the Decision passed by the Board of Directors of the Energoprojekt Niskogradnja from 2012, on the sale of land in Kenya and land "Santa Clara" in Lima, Peru, with accompanying facilities (warehouse facility); the total value thereof is RSD 22,667 thousand and the value of buildings held for sale amount to RSD 22,273 thousand in compliance with IFRS 5.

Based on the Decision of competent body of the Company from 2011, on the sale of office and residential facilities in Argentina, reclassification of these facilities was performed into the facilities held for sale amounting to RSD 5,748 thousand, in compliance with IFRS 5.

The Company intends to realize the above mentioned plans to sell and further activities on the realization of these plans are undertaken.

- **Advances paid for inventories and services to other related companies** in the amount of RSD 124,349 thousand and entirely relate to Energoprojekt Oprema, based on advances paid for services to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.
- **Advances paid for material, spare parts and inventory** in the amount of RSD 384,515 thousand relate, mainly, to the following companies of the system Energoprojekt:
 - Energoprojekt Visokogradnja in the amount of RSD 296,451 thousand, out of which advances paid abroad amount to RSD 181,374 thousand, and in the country RSD 115,077 thousand.
 - Energoprojekt Oprema in the amount of RSD 73,701 thousand out of which for advances paid for projects in the country amount to RSD 54,149 thousand, and those paid to suppliers abroad amount to RSD 19,552 thousand.
- **Advances paid for services** in the amount of RSD 915,125 thousand, relate, mostly, to the following companies of the Energoprojekt Group:
 - Energoprojekt Visokogradnja in the amount of RSD 489,039 thousand, out of which advances paid abroad amount to RSD 488,808 thousand, and in the country RSD 231 thousand;
 - Energoprojekt Niskogradnja in the amount of RSD 267,306 thousand relate, mainly, to advances paid to suppliers for projects abroad: RSD 91,774 thousand (Uganda and Peru) and in the country RSD 175,532 thousand (mainly project Lajkovac – Ljig: RSD 163,905 thousand) and

- Energoprojekt Oprema in the amount of RSD 119,746 thousand relate to advances paid to suppliers for projects in the country: RSD 84,816 thousand, and abroad: RSD 34,930 thousand.

Advances paid are secured by mortgage placed in favour of Energoprojekt Niskogradnja, disclosed in Note 45.

29. RECEIVABLES FROM SALES

Structure of receivables from sales	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Local buyers - other related companies	3,570	3,602
Foreign buyers - other related companies	908,983	551,284
Local buyers	2,273,376	3,444,487
Foreign buyers	7,387,612	8,525,287
Other receivables based on sale	144	
TOTAL	10,573,685	12,524,660

- **Local buyers - other related companies** in the amount of RSD 3,570 thousand relate to the receivables from joint venture Enjub Ltd., mostly to Energoprojekt Visokogradnja in the amount of RSD 2,123 thousand.

- **Foreign buyers – other related companies** in the amount of RSD 908,983 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, in Energoprojekt Oprema in the amount of RSD 884,813 thousand and Energoprojekt Hidroinzenjering, in the amount of RSD 24,170 thousand.

- **Local buyers** amounting to RSD 2,273,376 thousand and relate primarily to the receivables of Energoprojekt Niskogradnja: RSD 1,124,923 thousand, Energoprojekt Visokogradnja: RSD 360,726 thousand and to those of Energoprojekt Oprema: RSD 412,394 thousand and Energoprojekt Entel in the amount of RSD 120,319 thousand.

Structure of **local buyers** is presented in the following table as at the financial statements date in system Energoprojekt companies, with the highest amount of such receivables.

Energoprojekt Group, Belgrade

Structure of local buyers	In RSD thousand	
	30/06/2017	31/12/2016
<i>Energoprojekt Niskogradnja:</i>		
China Shandong Intern.E&T org. Belgrade (Project Ljig - Lajkovac)	842,229	1,526,539
AzVirt, Belgrade (Project Tunnel Šarani)	123,870	533,744
JP EPS/Kolubara Peštan (Project Kolubara II phase)	77,207	121,466
Stubno – Rovni Kolubara, Valjevo (Project Dam Stubo-Rovni)	27,858	
West - Gradnja d.o.o. (Project Ljig - Lajkovac)	17,670	36,467
RZD International (Project Koridor X II phase in 2016) (projects Pruga Pančevo and Koridor X in 2015)		32,695
Other	36,089	36,604
Total	1,124,923	2,287,515
<i>Energoprojekt Visokogradnja:</i>		
Beograd na vodi Ltd. (Project Belgrade Waterfront)	318,777	412,404
Other	41,949	46,501
Total	360,726	458,905
<i>Energoprojekt Oprema:</i>		
PC Elektromreža Serbia	352,275	238,096
PC Elektroprivreda Serbia	44,378	66,005
Energotehnika Južna Bačka Ltd.	9,747	41,731
SNC Lavalin International	3,095	3,162
Other	2,899	18,625
Total	412,394	367,619

- **Foreign buyers** in the amount of RSD 7,387,612 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 3,247,921 thousand, Energoprojekt Visokogradnja in the amount of RSD 2,123,870 thousand and Energoprojekt Entel in the amount of RSD 1,399,444 thousand.

Energoprojekt Group, Belgrade

Foreign buyers as at the financial statements date in system Energoprojekt, which generated the highest amounts of trade receivables, are broken down in the following table.

Structure of foreign buyers	In RSD thousand	
	30/06/2017	31/12/2016
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority, Uganda	2,308,213	2,657,239
Ministry of Works and Transport	461,931	510,914
Kampala Capital City Authority	212,137	288,238
The Civil Aviation Authority	71,980	23,073
Total Uganda	3,054,261	3,479,464
<i>Peru:</i>		
Consortio Pericos San Ignacio, Peru	67,458	72,456
Sindicato Energetico SA	30,863	35,111
Empresa de Generacion Electrica Rio Banos SAC	19,192	21,280
Municipalidad de Santiago de Surco	17,862	19,186
Consortio Chota Cochabamba	10,824	11,626
Consortio Vial San Alejandro	9,015	51,633
Other	38,328	51,929
Total Peru	193,542	263,221
Other foreign buyers	118	
TOTAL	3,247,921	3,742,685
<i>Energoprojekt Entel:</i>		
Within Energoprojekt Entel L.L.C., Doha, Qatar	849,929	1,381,906
Within Energoconsult L.L.C., Abu Dhabi, UAE	350,452	598,866
Within Energoprojekt Entel L.L.C., Muskat, Sultanat Oman	199,063	248,618
Other		1,777
TOTAL	1,399,444	2,231,167
<i>Energoprojekt Visokogradnja:</i>		
Astana Property Menangement	847,284	140,334
Cargo centar Ghana	409,501	702,695
Ecobank Ghana	350,963	329,483
Ernest Chemist Ghana	155,318	88,887
Accent Development Solutions, Astana, Kazahstan	105,646	117,135
GazEnergoServis, Uhta, Russian Federation	80,792	473,812
KS Alifa Stroj Krutaja Siktivar, Russian Federation	32,963	41,351
TOO Property Management Astana, Kazakhstan	22,429	50,847
Other	118,974	67,511
TOTAL	2,123,870	2,012,055

30. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Receivables from special transactions from other related companies	68,718	46,899
Receivables from special transactions from other companies	1,718	2,912
TOTAL	70,436	49,811

• **Receivables from special transactions from other related companies** in the amount of RSD 68,718 thousand relate to Energoprojekt Oprema in the amount of RSD 66,695 thousand, based on the expenses passed through to the affiliated company Energo Nigeria Ltd., Lagos, Nigeria and to Energoprojekt Holding in the amount of RSD 2,023 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

• **Receivables from special transactions from other companies** in the amount of RSD 1,718 thousand relate predominantly to Energoprojekt Garant, in the amount of RSD 1,540 thousand, based on receivables from commission of reinsurance and co-insurance.

31. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Interest and dividend receivables:		
a) Interest and dividend receivable from affiliated companies	61,099	57,377
b) Interest agreed and default interest receivable from other companies	22	246
<i>Total</i>	<i>61,121</i>	<i>57,623</i>
Receivables from employees	65,061	28,574
Receivables from state institutions		375
Receivables for overpaid income tax	124,811	84,041
Receivables in respect of prepaid other taxes and contributions	22,855	19,736
Receivables for fringe benefits' returns	12,623	12,661
Receivables for damage compensation	1,944	1,654
Other short-term receivables	322,599	358,873
TOTAL	611,014	563,537

• **Interest and dividend receivables from other affiliated companies** in the amount of RSD 61,099 thousand comprise exclusively of the receivables of Energoprojekt Holding, based on the interest receivables for loans granted to the joint venture Enjub Ltd.

• **Receivables from employees** in the amount of RSD 65,061 thousand relate predominantly to Energoprojekt Entel, in the amount of RSD 37,024 thousand (mainly for advance redundancy payment within Energoprojekt Entel LTD, Doha, Qatar, pursuant to local legislation), Energoprojekt

Niskogradnja, in the amount of RSD 7,604 thousand, Zambia Engineering and Contracting Company Limited in the amount of RSD 6,822 thousand, Energoprojekt Vosokogradnja, in the amount of RSD 4,238 thousand, Energoprojekt Energodata in the amount of RSD 3,413 thousand and Energoprojekt Hidroinženjering in the amount of RSD 2,439 thousand.

- **Receivables for overpaid income tax** in the amount of RSD 124,811 thousand predominantly refer to receivables for overpaid income tax in the country, within Energoprojekt Niskogradnja, in the amount of RSD 42,242 thousand, Energoprojekt Oprema in the amount of RSD 40,457 thousand and Energoprojekt Entel in the amount of RSD 24,028 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 22,855 thousand and predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 11,771 thousand (predominantly in Energoprojekt Ghana Ltd, Accra, Ghana: RSD 11,745 thousand), Zambia Engineering and Contracting Company Limited, in the amount of RSD 9,386 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1,174 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 12,623 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 4,702 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,728 thousand, Energoprojekt Holding in the amount of RSD 2,072 thousand and Energoprojekt Oprema in the amount of RSD 1,032 thousand.

- **Other short-term receivables** amounting to RSD 322,599 thousand predominantly relate to the following companies within Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 230,998 thousand, abroad (mainly based on the receivables from Tax Administration for overpaid income tax in Peru: RSD 174,070 thousand and receivables from Tax Administration for overpaid VAT in Uganda: RSD 25,234 thousand) and in Peru: RSD 10,290 thousand, and based on loaned receivables to partners in Peru Consortium, for common liabilities on project (insurance, bank warranties and other costs): RSD 21,275 thousand.

- Energoprojekt Hidroinženjering in the amount of RSD 61,155 thousand, based on receivables from partners in consortium on the project Yaraskay - Peru for the works finished, and

- Energoprojekt Visokogradnja, in the amount of RSD 29,228 thousand, mainly based on receivables from company Enterijer Jankovic, Ltd. on project Z-103 Talan Towers, Astana, Kazakhstan: RSD 22,468 thousand.

32. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH INCOME STATEMENT

Structure of financial assets assessed at fair value through Income Statement	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Shares	1,359	1,359
Bonds	322,838	332,873
TOTAL	324,197	334,232

Financial assets assessed at fair value through Income statement relate entirely to the shares and bonds (say: 45 shares of Belgrade Stock Exchange, total value of RSD 1,359 thousand and 2,661 foreign currency coupon bonds, in the amount of RSD 322,838 thousand).

Valuation adjustment of financial assets assessed at fair value through Income statement is performed for foreign currency coupon bonds based on data obtained from the secondary market for such assets and by applying the foreign exchange rate as of the balance sheet date.

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short term financial investments	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Short-term loans and investments - other related companies	161,380	164,884
Short-term local credits and loans	85,161	
Short-term international credits and loans	8,970	9,727
Portion of long-term financial investments with maturity date up to one year:	840	1,179
Securities held to maturity - portion with maturity date up to one year		
Other short-term financial investments:		
a) Short term deposits	1,580,685	1,309,984
b) Other short-term financial investments	4,716	7,168
<i>Total</i>	<i>1,585,401</i>	<i>1,317,152</i>
TOTAL	1,841,752	1,492,942

- **Short-term loans and investments - other related companies** in the amount of RSD 161,380 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has 2 (two) signed blank solo bills of exchange to be filled out by beneficiary to be used as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture and an extrajudicial mortgage for the entire loan amount (for apartments and business premises) in Jurija Gagarina Street in New Belgrade.

• **Short-term local credits and loans** in the amount of RSD 85,161 thousand relate mainly to loans that Energoprojekt Niskogradnja approved to the company Nukleus, Ltd. in the amount of RSD 85,000 thousand to purchase the material necessary for Project Lajkovac-Ljig.

• **Short-term international credits and loans** in the amount of RSD 8,970 thousand relate entirely to Energoprojekt Visokogradnja, to complete the work on Project Z-088 Hotel Hyatt Rostov, Russia.

• **Short term deposits** in the amount of RSD 1,580,685 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 1,285,562 thousand relate to the deposits with international commercial banks within Energoprojekt Entel Qatar: RSD 1,093,723 thousand, with interest rate of 1.00% to 1.50% annually and Energo Consult LLC Abu Dhabi, UAE: RSD 191,839 thousand, with interest rate of 1.00% annually, and

- Energoprojekt Garant in the amount of RSD 295,123 thousand relate to the foreign currencies deposits in EUR and USD with the domestic commercial banks with interest rate ranging from 1.00 % to 1.90% annually.

• **Other short term financial investments** in the amount of RSD 4,716 thousand, relate, mainly, to Energoprojekt Niskogradnja in the amount of RSD 4,698 thousand, out of which the biggest share, in the amount of RSD 4,659 thousand relate to working licences for personnel non-citizens of Republic of Uganda, pursuant to local legislation.

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Current (business) account	98,143	151,472
Earmarked cash and letters of credit		6,736
Petty cash	363	291
Foreign currency account	1,663,444	2,749,778
Letters of credit in foreign currencies		766
Foreign currency petty cash	90,544	82,067
Other cash:		
a) Short term deposits	521,680	1,080,107
b) Other cash	582,163	596,781
<i>Total</i>	<i>1,103,843</i>	<i>1,676,888</i>
Value-impaired or restricted cash	3,867	3,951
TOTAL	2,960,204	4,671,949

• **Current (business) account** of the Energoprojekt Group in the amount of RSD 98,143 thousand predominantly refer to the current accounts of the following companies of the Energoprojekt Group: Energoprojekt Holding in the amount of RSD 41,656 thousand, Energoprojekt Oprema in the amount of

RSD 37,217 thousand, Energoprojekt Niskogradnja in the amount of RSD 4,050 thousand, Energoprojekt Industrija in the amount of RSD 2,644 thousand and Energoprojekt Entel in the amount of RSD 2,616 thousand.

- **Foreign currency account** in the amount of RSD 1,663,444 thousand predominantly refer to the foreign currency accounts of the following companies in the Energoprojekt Group: Energoprojekt Entel in the amount of RSD 981,861 thousand, Energoprojekt Visokogradnja in the amount of RSD 284,832 thousand, Energoprojekt Oprema in the amount of RSD 105,324 thousand, Energoprojekt Hidroinženjering in the amount of RSD 96,121 thousand and Energoprojekt Garant in the amount of RSD 83,051 thousand.

- **Foreign currency petty cash** in the amount of RSD 90,544 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 73,551 thousand, Energoprojekt Niskogradnja in the amount of RSD 8,488 thousand and Energoprojekt Entel in the amount of RSD 6,531 thousand.

- **Short term deposits** in the amount of RSD 521,680 thousand predominantly recorded within Energoprojekt Oprema in the amount of RSD 308,692 thousand (in the country: RSD 298,127 thousand and abroad: RSD 10,565 thousand), within Energoprojekt Visokogradnja in the amount of RSD 106,702 thousand (abroad: RSD 36,976 thousand and in the country: RSD 69,726 thousand) and within Energoprojekt Holding in the amount of RSD 96,486 thousand (in the country).

- **Other cash** in the amount of RSD 582,163 thousand refer predominantly to Energoprojekt Visokogradnja in the amount of RSD 556,650 thousand (mainly to the collaterals provided for the projects of the Energoprojekt Ghana Ltd., Accra, Ghana).

- **Value-impaired or restricted cash** in the amount of RSD 3,867 thousand relate entirely to Energoprojekt Hidroinženjering, based on bank deposits serving as collaterals for guarantees' issuing for the project Ourkiss, Alegra. Cash will be available upon the release of the guarantees in question.

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of VAT	In RSD thousand	
	30/06/2017	31/12/2016
Value added tax	434,955	249,257
TOTAL	434,955	249,257

- **Value added tax** in the amount of RSD 434,955 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Visokogradnja in the amount of RSD 230,157 thousand, Energoprojekt Oprema in the amount of RSD 121,758 thousand and Energoprojekt Niskogradnja in the amount of RSD 55,061 thousand.

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Prepayments:		
a) Prepaid subscriptions for professional publications	887	2,001
b) Prepaid rent	125,394	239,323
c) Prepaid insurance premiums	29,895	38,466
d) Prepaid advertizing and marketing expenses		55
e) Other prepaid expenses	40,087	80,716
<i>Total</i>	<i>196,263</i>	<i>360,561</i>
Receivables for accrued non-invoiced income:		
a) Receivables for accrued non-invoiced income - other related entities	293,562	76,617
b) Receivables for accrued non-invoiced income - other legal entities	5,863,443	3,227,797
<i>Total</i>	<i>6,157,005</i>	<i>3,304,414</i>
Deferred costs from liabilities		137
Other accruals		
a) Accrued value added tax	257,374	46,740
b) Other deferred expenses	175,054	84,678
<i>Total</i>	<i>432,428</i>	<i>131,418</i>
TOTAL	6,785,696	3,796,530

- **Prepaid rent** in the amount of RSD 125,394 thousand primarily refer to Energoprojekt Entel in the amount of RSD 101,948 thousand based on leasing of business premises and apartments for workers in companies abroad.

- Other prepaid expenses in the amount of RSD 40,087 thousand refer mainly to Energoprojekt Niskogradnja in the amount of RSD 33,786 dominantly for prepaid expenses based on bank warranties: RSD 16,009 thousand and fee expenses for quarry using (projects in Uganda): RSD 8,666 thousand.

- **Receivables for accrued non-invoiced income - other related parties** in the amount of RSD 293,562 thousand relate to receivables of Energoprojekt Oprema to affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 5,863,443 thousand refer primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 2,975,665 thousand, primarily refer to the receivables from interim payment certificates for work completed in the first six months of 2017 for the following projects:

- Lajkovac-Ljig: RSD 1,800,003 thousand;
- Z-024 Road Puerto Bermudez, Peru: RSD 348,356 thousand;

- Z-036 Streets in Kampala Kawempe-Lubaga, Uganda: RSD 212,872 thousand;
 - Z-027 Mpigi Kanoni, Uganda: RSD 174,735 thousand;
 - Z-023 Pericos, Peru: RSD 94,102 thousand;
 - Z-037 Airport Entebbe, Uganda: RSD 65,545 thousand;
 - Replacing and regulation of Kolubara River, II phase: RSD 30,085 thousand;
 - Dam Stubo-Rovni: RSD 20,678 thousand.
- Energoprojekt Oprema in the amount of RSD 1,707,045 thousand, primarily refer to:
- accrued non-invoiced income - project Energocentar Minsk, Belarus: RSD 1,405,105 thousand;
 - accrued non-invoiced income - project Kolubara Landfill: RSD 259,154 thousand and
 - invoices issued in 2016 that are not certified, based on the works carried out in 2015 on the project RTB Bor: RSD 31,921 thousand.
- Energoprojekt Visokogradnja in the amount of RSD 638,190 thousand relate to the receivables for payment certificates submitted to the Investor for verification, but not verified before the balance sheet submission date. The largest receivables for the accrued non-invoiced income are recorded for the following projects in the country and abroad:
- Z-103 Talan Towers, Astana, Kazakhstan: RSD 334,770 thousand;
 - Belgrade Waterfront: RSD 151,296 thousand;
 - Prokop Railway Station: RSD 147,977 thousand and
 - Z-99 Sport Center Aktau Designing, Kazakhstan: RSD 2,336 thousand.
- Energoprojekt Holding in the amount of RSD 383,362 thousand relate entirely to the realization of the Agreement on Construction of Republic of Serbia Embassy in Abuja, Federal Republic of Nigeria, a turn-key project, in the Cadastral parcel No. 313, registered in the Real Estate Registry, Cadastral Zone A00.
- Mentionig other companies of Energoprojekt Group, reveivables for accrued non-invoiced income were recorded at Energoprojekt Hidroinzenjering, in the amount of RSD 111,847 thousand, Energoprojekt Industrija in the amount of RSD 22,766 thousand, Energoprojekt Energodata in the amount of RSD 11,833 thousand, Energoprojekt Sunnyville: in the amount of RSD 7,558 thousand and Energo (Private) Limited, Zimbabwe: RSD 5,177 thousand.
- **Accrued Value Added Tax (VAT)** in the amount of RSD 275,374 thousand include VAT presented in received invoices for reported year, and the right to tax return from previous period occurs in the next one, due to the fact that invoices came after the financial statement for June of the reported year. The most important amount of accrued VAT was recorded within Energoprojekt Oprema in the amount of RSD 233,591 thousand (Project Energocenter Minsk, Belarus) and within Energoprojekt Visokogradnja in the amount of RSD 22,801 thousand.
 - **Other deferred expenses** in the amount of RSD 175,054 thousand predominantly refer to the following Companies of the Energoprojekt Group:
 - Energoprojekt Holding in the amount of RSD 102,775 thousand based, manily on payments to Belgrade Land Development Public Agency, for Agreement on debt reconciliation for construction land fees defined for hotel Hyatt building, in Block 20, New belgrade, pursuant to the Decision of the City Assembly dated on January 26, 2017, No.463-11/17-S: RSD 88,832 thousand, and calculated property taxes for 2017: RSD 13,148 thousand,

- Energoprojekt Entel in the amount of RSD 28,865 thousand, mainly for rent-a-car costs paid in advance within Energoprojekt Entel L.L.C, Doha, Qatar, and
- Energoprojekt Garant in the amount of RSD 25,065 thousand, based on interest on bank deposits, transferrable premiums and claims charged to coinsurer and reinsurer calculated in advance).

36. CAPITAL

Structure of capital	In RSD thousand	
	30/06/2017	31/12/2016
Equity capital – reduced for non-controlling interest in equity capital	5,818,157	5,892,478
Own shares purchasing – <i>negative capital item</i>	49,827	
Reserves	454,525	374,657
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6,333,123	6,365,390
Unrealized gains from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	247,612	432,474
Unrealized losses from securities and other components of other comprehensible result (credit balances under accounts class 33 except 330)	20,137	30,226
Retained earnings	7,373,561	7,470,703
Non-controlling interest - in equity capital	164,365	164,365
TOTAL	20,321,379	20,669,841

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	In RSD thousand	
	30/06/2017	31/12/2016
Share capital - total	5,724,580	5,724,580
Non-controlling interest - in share capital	(149,621)	(149,621)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	9,289	9,289
Non-controlling interest - in limited liability companies	(9,289)	(9,289)
<i>Total stakes in limited liability companies</i>		
Issuing premium	162,693	237,014
Other share capital - total	85,960	85,960
Other non-controlling interest	(5,455)	(5,455)
<i>Total other share capital</i>	<i>80,505</i>	<i>80,505</i>
TOTAL	5,818,157	5,892,478

- **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.

Share capital of the parent company Energoprojekt Holding as at the balance sheet date consists of 10.931.292 ordinary shares with nominal value of RSD 510.00 or RSD 5,574,959 thousand worth share capital of the majority shareholder.

- **Issuing premium** in the amount of RSD 162,693 thousand is recorded based on purchase and sale of own company shares in the period from 2006 to 2011, in the amount of RSD 237,014 thousand and based on purchase and sale of own shares at the value which is above their nominal value achieved in 2017, in the amount of RSD 74,321 thousand, reduced for the issuing premium total for 2011 (Note 36.2).

36.2. Own shares Purchased

Own shares purchased	<i>In RSD thousand</i>	
	30/06/2017	31/12/2016
Own shares purchased	49.827	
UKUPNO	49.827	0

- Based on Resolution of Own shares Purchase and Sale in regulated market made by the Supervisory Board of the Company on February 13, 2017, the Company acquired on the BSE 97,700 own shares (equivalent to 0.89376% of the total number of shares with voting rights) with nominal value of RSD 49,827 thousand.

36.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	30/06/2017	31/12/2016
Legal reserves	218,856	218,856
Statutory and other reserves	235,669	155,801
TOTAL	454,525	374,657

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until November 30, 2004, when the Law on Companies came into force. Each year a minimum of 5% was appropriated from the profits until the reserves' level prescribed in the Articles of Association or at least 10% of the equity capital was reached.
- **Statutory and other reserves** are reserves formed from profit in compliance with the Articles of Association and other internal acts of the Company.
- By Resolution of Energoprojekt Holding Shareholders in 2017, **special purpose reserves** dedicated to acquiring of own shares for distribution to employees of the Company or related company, or for members of the Executive Board and Supervisory Board preming were formed, pursuant to art.282, parr.4, line 2) of the Company Law, in the amount of RSD 80,000 thousand;

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

Structure of revaluation reserves from intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,043,172	3,043,172
b) Revaluation reserves from revaluation of other property	1,194,951	1,213,752
<i>Total</i>	<i>4,238,123</i>	<i>4,256,924</i>
Revaluation reserves from revaluation of investment property	1,941,829	1,955,266
Revaluation reserves from revaluation of plant and equipment	153,171	153,200
TOTAL	6,333,123	6,365,390

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,238,123 thousand relate to valuation of fair value of buildings (positive revaluation reserves) and application of IAS 12 – Income Taxes, 15% of revaluation reserves (negative aspect of revaluation reserves) (Note 25).

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3,043,172 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at December 31, 2014, in the amount of RSD 2,907,974 thousand;
- present value adjustment according to sq.m. of Energoprojekt office building, in the amount of RSD 672,228 thousand and
- 15% of income tax booking (the negative aspect of revaluation reserves) for the amount of deferred tax liabilities based on revaluation reserves, pursuant to IAS 12 – Income Taxes, in the amount of RSD 537,030 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1,194,951 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja: RSD 399,393 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business facilities, Lima, Peru, residential building in Kampala, Uganda and other facilities in Serbia and Peru);
- Energoprojekt Visokogradnja: RSD 253,251 thousand (buildings in Belgrade, in Vozdovac and in Stara Pazova);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 180,535 thousand (an office building in London);
- Energoprojekt Industrija: RSD 92,924 thousand (real property owned by affiliated company Energopet, ltd. (33.33%): RSD 81,068 thousand and social apartments in Belgrade),
- Energo (Private) Limited, Zimbabwe: RSD 76,911 thousand (business and residential buildings in Harare, Zimbabwe) and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 78,937 thousand (business and residential buildings in Lusaka, Zambia).

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,941,829 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the Energoprojekt Group:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 1,066,487 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540,422 thousand (an office building in Moscow);
- Energoprojekt Niskogradnja: RSD 144,624 (a part of the “Cruz del Sur“ office building in Peru) and
- Energoprojekt Visokogradnja: RSD 108,333 thousand.

36.5. Unrealized Gains from Securities and Other Components of Other Comprehensive Result (credit balances under account class 33, except 330)

Structure of unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	In RSD thousand	
	30/06/2017	31/12/2016
Unrealized gains on transaction of financial statements for international operations	247,612	432,474
TOTAL	247,612	432,474

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 247,612 thousand relate primarily to Energoprojekt Entel, Energoprojekt Visokogradnja, Dom 12 S.A.L, Lebanon, I.N.E.C. Engineering Company Limited, Great Britain and Encom GmbH Consulting, Engineering & Trading, Germany.

36.6. Unrealized Losses from Securities and Other Components of Other Comprehensive Result (debit balances under account class 33, except 330)

Structure of unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	In RSD thousand	
	30/06/2017	31/12/2016
Unrealized losses on securities available for sale	20,137	30,226
TOTAL	20,137	30,226

• **Unrealized losses on securities available for sale** in the amount of RSD 20,137 thousand, which predominantly relate to Energoprojekt Holding, were recorded based on the adjustment of value of securities in Company portfolio with their fair value in the secondary securities market as at the financial statements date (the negative effect of which could not be covered with the positive effects of the change in the fair value of the security in question).

36.7. Retained Earnings

Structure of retained earnings	In RSD thousand	
	30/06/2017	31/12/2016
Retained earnings from previous years:		
a) Balance as at January 1	7,470,703	6,481,980
b) Changes	(821,073)	(161,744)
<i>Total</i>	6,649,630	6,320,236
Retained earnings from the current year	723,931	1,150,467
TOTAL	7,373,561	7,470,703

• Total change of **retained earnings** of the current year in the amount of RSD 97,142 thousand mainly came as a result of the net profit of the Energoprojekt Group in the reporting period, in the amount of RSD 723,931 thousand, decreases based on the distribution of retained earnings for dividend payments (in Energoprojekt Holding, Energoprojekt Oprema, Energoprojekt Entel and in Energoprojekt Garant), in the amount of RSD 323,419 thousand and for own shares purchasing reserves in the amount of RSD 80,000 thousand (in Energoprojekt Holding) as well as FX differences between the opening balance of the retained earnings of the companies abroad in the amount of RSD 413,777 thousand (primarily of Energoprojekt Entel in Qatar, Oman and UAE, and also due to the change of the value of local currencies linked to USD, in relation to RSD).

36.8. Non-Controlling Interest

Non-controlling interest	In RSD thousand	
	30/06/2017	31/12/2016
Non-controlling interest - in equity capital	164,365	164,365
TOTAL	164,365	164,365

In order to properly fill out the Statement of Changes in Equity in compliance with the logical and accounting controls of the Business Registers Agency, **non-controlling interest** was determined only for the basic capital of the Companies with the shares of minority shareholders.

Non-controlling interest are broken down in the following table for the total equity of the Companies with the shares of minority shareholders.

Structure of non-controlling interest for total capital of the Companies with shares of minority shareholders	<i>in RSD thousand</i>	
	<i>31/12/2016</i>	<i>31/12/2015</i>
Equity capital	5,982,522	6,056,843
Non-controlling interest - in equity capital	(164,365)	(164,365)
<i>Total equity capital</i>	<i>5,818,157</i>	<i>5,892,478</i>
Own shares purchased	49,827	
Non-controlling interest – own shares purchased		
<i>Total own shares purchased</i>	<i>49,827</i>	<i>0</i>
Reserves	454,525	374,657
Non-controlling interest - in reserves	(21,287)	(21,306)
<i>Total reserves</i>	<i>433,238</i>	<i>353,351</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	6,333,123	6,365,390
Non-controlling interest - in revaluation reserves	(292,054)	(292,309)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>6,041,069</i>	<i>6,073,081</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	247,612	432,474
Non-controlling interest - in unrealized gains	(1,864)	(6,816)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>245,748</i>	<i>425,658</i>
Unrealized losses from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	20,137	30,226
Non-controlling interest - in unrealized losses	(804)	(994)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>19,333</i>	<i>29,232</i>
Retained earnings	7,373,561	7,470,703
Non-controlling interest - in retained earnings	(869,456)	(931,298)
<i>Total retained earnings</i>	<i>6,504,105</i>	<i>6,539,405</i>
Tota capital of the companies with shares of majority shareholders	18,973,157	19,254,741
Non-controlling interest - in total capital	1,348,222	1,415,100
TOTAL CAPITAL	20,321,379	20,669,841

37. LONG-TERM PROVISIONS

Structure of long-term provisions	<i>in RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Provisions for warranty period costs	407,597	400,624
Provisions for wages and other employee benefits	278,520	271,419
Other long-term provisions	32,593	33,312
TOTAL	718,710	705,355

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

In the projection of provision calculation pursuant to IAS 19 the deductive approach was used, meaning that all the Companies from the system Energoprojekt were treated as a whole, and based on general regularities and use of the number of employees as a template, allocation to specific Companies was performed. Considering that all subsidiaries are controlled by the same Company, the applied approach is objective and the projection results can be recognized as expected.

Changes in the structure of the long-term provisions for the costs of provisions during warranty period and other long-term provisions in the reporting period are presented in the following table.

Structure of long-term provisions	<i>In RSD thousand</i>	
	<i>Costs of provisions during warranty period</i>	<i>Other provisions</i>
Balance as at January 1, 2016	491,826	374,863
Additional provisions	216,453	15,546
Used during the year	(68,698)	
Release of unused provision amounts	(259,283)	(357,097)
Differences in foreign exchange rates	20,326	
Balance as at December 31, 2016	400,624	33,312
Additional provisions	52,291	
Used during the year	(5,065)	
Release of unused provision amounts		(719)
Differences in foreign exchange rates	(40,253)	
Balance as at June 30, 2017	407,597	32,593

- **Provisions for warranty period** in the amount of RSD 407,597 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Entel in the amount of RSD 369,972 thousand disclosed based on the provisions within Energoprojekt Entel LTD, Qatar based on projects Phase 11, Phase 12 and GTC 385 performed by Qatar General Electricity and Water Corporation „KAHRAMAA“: RSD 341,211 thousand and Energoconsult

L.L.C., abu Dhabi, UAE, based on project for Federal Electricity & Water Authority (FEWA): RSD 28,761 thousand.

Costs of provisions during warranty period was performed based on the best Management assessment and based on the previous experiences and is expected to be payable in a period of less than 5 years. Final amount of liability to be paid may differ from the provision amount, depending on the future developments. These provisions are not discounted, since the impact of such discount is of no material significance.

Comparing to the previous reporting period, the decrease in the said provisions in the amount of RSD 8,346 thousand, on the one hand came as result of reducing based on negativ FX records in the amount of RSD 39,257 thousand (considering the activities abroad introducing in financial records of the company, pursuant to IFRS 21 – Effects of Changes in Foreign Exchange Rates); and on the other, based on increased additional reserves in the amount of RSD 30,911 thousand in Energoconsult L.L.C., Abu Dhabi, UAE (Note 16.).

- Energoprojekt Oprema in the amount of RSD 14,290 thousand, based on reserves for „Prokop“ project: RSD 11,391 thousand, „Prelaz preko Dunava“: RSD 1,086 thousand and „Power-line Belgrade Pancevo“: RSD 1,813 thousand.

The Company usually provides guarantee for its products for the period of 1-5 years, depending on the project in question. Management assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

Comparing to previous year, a decrease of related reserves in the amount of RSD 4,050 thousand came as result of used reserves (for project Prokop, in the amount of RSD 956 thousand, TENT Obrenovac: RSD 2,813 thousand, Prelaz preko Dunava: RSD 98 thousand and Power-line Belgrade Pancevo: RSD 183 thousand).

- Energoprojekt Visokogradnja in the amount of RSD 23,335 thousand, for projects Z-103 Talan Towers, Astana, Kazakhstan: RSD 20,384 thousand, Z-096 Forte bank, Astana completed in 2016: RSD 2,951 thousand. The provision will be closed quartaly in the next two years.

The Company usually provides guarantee for the completed buildings, which are expected to incur some expenses over the course of the warranty period. The Company assessed the provisions costs for the future warranty claims based on information about such claims from the previous periods, as well as based on the recent trends that may provide some indication that information on the costs from the past may differ from the future claims.

Comparing to reported period, increase of related provisions in the amount of RSD 19,369 thousand was recorded, on one hand, by increase of reserved costs for 2017, in the amount of RSD 21,380 thousand (for project Z-103 Talan Towers, Astana – Kazakhstan, Note 16) and on the other, by reduction of utilization of provision the amount of RSD 1,015 thousand (partial utilization of provision for the project Z-096 Forte Bank, Astana, Kazakhstan: RSD 1,015 thousand) and FX losses in the amount of RSD 996 thousand.

- **Other long-term provisions** in the amount of RSD 32,953 thousand relate entirely to Energoprojekt Garant based on allocation for risk equalization reserves in the amount of RSD 28,996 thousand and reserves for bonuses and discounts in the amount of RSD 3,597 thousand.

Compared to previous year decrease in other long-term provisions by RSD 719 thousand is caused by reduction of reserves for bonuses and discounts which will be quarterly calculated (pursuant to the Law on Insurance and Rulebook for Bonuses and Discounts Reserves Definitions).

The allocation of risk equalization reserves is calculated at the end of the year, keeping the calculated amount in quarterly reports during next year till the next financial report is done, so that the mentioned reserves are the same as at December 31, 2016.

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	In RSD thousand	
	30/06/2017	31/12/2016
Long-term credits and loans domestic	1,168,466	614,027
Long-term credits and loans foreign countries	204,429	226,661
Long term liabilities from financial leasing	77,608	68,901
Other long-term liabilities	140,310	202,445
TOTAL	1,590,813	1,112,034
Part of long-term liabilities with maturity date up to one year (Note 39.3.)	355,253	294,157

38.1. Long-Term Credits and Loans

Structure of long-term credits and loans	in RSD thousand	
	30/06/2017	31/12/2016
<u>In the country:</u>		
a) Long-term loans granted by banks in the country:		
Eurobank	362,546	
Erste banka	500,088	303,552
Komercijalna banka	94,300	94,300
Jubmes banka	211,582	216,175
Total	1,168,466	614,027
b) Long-term loans granted by other entities in the country		
<i>Total - loans domestic</i>	<i>1,168,466</i>	<i>614,027</i>
<u>Abroad:</u>		
Long-term loans granted by other entities abroad	204,429	226,661
<i>Total - loans abroad</i>	<i>204,429</i>	<i>226,661</i>
TOTAL	1,372,895	840,688

- **Long-term loans granted by banks in the country** in the amount of RSD 1,168,466 thousand entirely relate to Energoprojekt Sunnyville in the amount of RSD 500,038 thousand (Erste Bank), Energoprojekt Visokogradnja in the amount of RSD 574,128 thousand (Jubmes banka and Eurobank) and Energoprojekt Niskogradnja in the amount of RSD 94,300 thousand (Komercijalna Banka).

Long-term loans granted by the domestic banks as at June 30, 2017 are presented in the following tables, categorized as liabilities with maturity date up to one year (posted within other short-term liabilities, Note 39.3) and as liabilities with maturity date longer than one year (posted within long-term loans), as well as maturity dates of the long-term loans and currencies in which such loans were denominated broken down per individual companies of the Energoprojekt Group to which such long-term loans relate.

Creditor	Interest rate	In RSD thousand			
		30/06/2017		31/12/2016	
		Long-term liability	Short-term liability	Long-term liability	Short-term liability
Energoprojekt Sunnyville					
Erste banka	3m Euribor + 3.5% ann.	500,038	145,118	303,552	
Svega		500,038	145,118	303,552	-
Energoprojekt Visokogradnja:					
Eurobank	3 M Euribor +3% ann.	362,546			
Jubmes banka	3.5% ann.	211,582	68,739	216,175	134,980
<i>Total</i>		<i>574,128</i>	<i>68,739</i>	<i>216,175</i>	<i>134,980</i>
Energoprojekt Niskogradnja					
Komercijalna banka	1M Bellibor + 1.20% ann.	94,300	28,700	94,300	28,700
<i>Total</i>		<i>94,300</i>	<i>28,700</i>	<i>94,300</i>	<i>28,700</i>
TOTAL		1,168,466	242,557	614,027	163,680

Structure of long-term loans' maturity dates	in RSD thousand	
	30/06/2017	31/12/2016
1 to 2 years	1,036,209	614,027
2 to 5 years	132,257	-
TOTAL	1,168,466	614,027

Structure of accounting liabilities for long-term loans granted to Company as per denomination currency	in RSD thousand	
	30/06/2017	31/12/2016
RSD	94,300	94,300
EUR	1,074,166	519,727
TOTAL	1,168,466	614,027

- **Long-term loans granted by other companies abroad** in the amount of RSD 204,429 thousand relate to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Banieya II Project in Guinea (USD 1,935 thousand). Since the succession process of former SFRY Republics is not completed and in view of the principle of prudence, the management of the Company is of the opinion that conditions for the write-off of the said liabilities have not yet been met at the moment.

38.2. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	30/06/2017	31/12/2016
Financial leasing liabilities	77,608	68,901
TOTAL	77,608	68,901

- **Long term liabilities from financial leasing** were effectively insured as the lessor's right to return of the financial lease asset in case of defaulting.

Of the total long-term financial lease liabilities amounting to RSD 77,608 thousand, the largest share in the amount of RSD 68,243 thousand relate to Energoprojekt Niskogradnja.

Detailed information on total financial lease (long-term as well as short-term) liabilities of the Energoprojekt Niskogradnja is presented in the following table.

Creditor	Currency	Outstanding debt in currency	Outstanding debt in RSD thousand	Repayment and maturity date	Annual interest rate
<i>Lease liabilities in the country:</i>					
Sogelease	EUR	681,973	82,415	monthly until 15/05/2020	6m Euribor + margins 2.99% - 4.41%
Unicredit Leasing	EUR	248,640	30,049	monthly until 11.09.2018	3m Euribor + 4.20%
Total			112,464		
<i>Lease liabilities abroad:</i>					
Banco Financiero leasing, Peru	USD	84,713	8,950	monthly until 25.11.2018	6.25%
Total			8,950		
TOTAL			121,414		

Financial lease liabilities of Energoprojekt Niskogradnja denominated in RSD as at June 30, 2017 are presented in the following table, broken down into:

- Liabilities with maturity date up to one year (posted within the short-term liabilities); and
- Liabilities with maturity date exceeding one year (posted within the long-term liabilities).

Creditor	In RSD thousand	
	Long-term liability	Short-term liability
Sogelease, Srbija	56,664	25,751
UniCredit Leasing, Serbia	5,700	24,349
Banco Financiero Leasing, Peru	5,879	3,071
TOTAL	68,243	53,171

Structure of financial leasing liabilities per maturity dates	u 000 dinara	
	Present Value	Future Value
Up to 1 year	53,171	54,971
1 to 5 years	68,243	69,811
More than 5 years		
TOTAL	121,414	124,782

Difference between the future value of the minimum lease payments and their present value is the interest contained in the lease payment instalments.

38.3. Other Long-Term Liabilities

Structure of other long-term liabilities	In RSD thousand	
	30/06/2017	31/12/2016
Other long-term liabilities	140,310	202,445
TOTAL	140,310	202,445

• **Other long-term liabilities** in the amount of RSD 140,310 thousand relate to the following companies of the Energoprojekt Group:

- Energoprojekt Sunnyville in the amount of RSD 113,002 thousand comprising of the liability from the Agreement on purchase of 85.6a of construction land that is due and mature in 6 (six) equal monthly instalments starting from May 2018. A part of those long-term liabilities with maturity up to one year amounts RSD 56,500 thousand (Note 39.3);

- Energoprojekt Niskogradnja in the amount of RSD 25,989 thousand that relate in their entirety to the portion of total liabilities for advances received, in compliance with the adopted schedule of works and advance payments repayment schedule for the Project „Z-034 Put Puerto Bermudez“, Peru; and

- Energoprojekt Visokogradnja in the amount of RSD 1,319 thousand relate to guarantee deposited money in accordance with Agreement made with Putevi Invest LTD on the Project Prokop.

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	In RSD thousand	
	30/06/2017	31/12/2016
Short-term credits and loans in the country	5,300,552	3,728,809
Short-term credits and loans abroad	1,060,039	986,438
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	355,253	294,157
b) Other short-term financial liabilities	417	201
Total	355,670	294,358
TOTAL	6,716,261	5,009,605

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	In RSD thousand	
	30/06/2017	31/12/2016
Short-term loans granted by banks in the country:		
a) Loans in RSD	1,463,609	2,010,609
b) Loans with foreign currency clause	3,836,943	1,718,200
TOTAL	5,300,552	3,728,809

• **Short-term loans granted by banks in the country** in the amount of RSD 5,300,552 thousand relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1,427,570 thousand, and specifically:

• RSD loans granted by Unicredit bank and Alpha bank in the amount of RSD 544,167 thousand; interest rates ranging from 3m Belibor + 1.10% to 1m Belibor + 1.10% per annum; and

• Loans with foreign currency clause (in EUR) granted by Unicredit bank, Addiko bank, Sberbank and Banca Intesa in the amount of RSD 883,403 thousand; interest rates ranging from 2.50% per annum to 3.50% per annum;

- Energoprojekt Niskogradnja in the amount of RSD 1,407,278 thousand, namely:

• RSD loan granted by Societe General bank, Unicredit bank, Jubanka and OTP Bank in the amount of RSD 889,442 thousand; interest rate 1m Belibor + 1,2% per annum and

• Loan with the foreign currency clause (in EUR) granted by Societe Generale Bank, Addiko Bank, Piraeus Bank and Raiffeisen Bank in the amount of RSD 517,836 thousand, interest rate from 1m Euribor + 2.7% per annum to 2.80% per annum;

- Energoprojekt Holding in the amount of RSD 1,369,607 thousand, and specifically:

• RSD loan granted by Jubanka in the amount of RSD 30,000 thousand; interest rate 1m- Belibor + 1.1% per annum and

- Loan with foreign currency clause (in EUR) in the amount of RSD 1,339,607 thousand granted by Erste bank, Addiko Bank, Societe Generale Bank and VTB bank interest rate from 6m Euribor + 2.60% to 2.80% per annum;
- Energoprojekt Oprema in the amount of RSD 762,555 thousand, namely:
 - Loan with foreign currency clause (in EUR) granted by Jubanka and Banca Intesa, interest rate from 2.50% to 3m Euribor + 3.00% per annum.
- Energoprojekt Hidroinzenjering in the amount of RSD 169,188 thousand, namely:
 - Loan with foreign currency clause (in EUR) granted by Societe Generale bank, Jubank and Addiko bank, interest rate from 2.49% to 3m Euribor + 3.0,% per annum; and
- Energoprojekt Energodata in the amount of RSD 164,354 thousand, namely:
 - Loan with the foreign currency clause (in EUR) granted by Jubank, interest rate 3m Euribor + 3.00% per annum;

Repayment of short-term loans granted by domestic banks are secured by bonds provided by borrowers of credit lines and guarantee provided by Energoprojekt Holding.

Net book value of short-term loans denominated in currencies is presented in the following table.

Structure of book value of short-term credit and loans in the country denominated in foreign currencies	In RSD thousand	
	30/06/2017	31/12/2016
RSD	1,463,609	2,010,609
EUR	3,836,943	1,718,200
TOTAL	5,300,552	3,728,809

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	In RSD thousand	
	30/06/2017	31/12/2016
Short-term loans granted by foreign banks	1,059,093	985,412
Short-term loans granted by other legal and physical persons abroad	946	1,026
TOTAL	1,060,039	986,438

- **Short-term loans granted by foreign banks** in the amount of RSD 1,059,093 thousand relate to Energoprojekt Niskogradnja in the amount of RSD 773,344 thousand (loans granted by the commercial banks in Peru and Uganda, as presented in the following table), to Energoprojekt Visokogradnja in the amount of RSD 272,191 thousand (within Energoprojekt Ghana Ltd., Accra, Ghana, based on overdraft with banks), to Energoprojekt Entel in the amount of RSD 10,909 thousand (within Energoprojekt Entel LLC, Muscat, Sultanate of Oman based on overdrafts) and Zambia Engineering and Contracting Company Limited, Zambia in an amount of RSD 2,649 thousand (based on overdraft).

Energoprojekt Group, Belgrade

Detailed information on the short-term loans of the Energoprojekt Niskogradnja granted by the foreign banks is presented in the following table.

Bank	Currency	Outstanding debt balance in foreign currency	Outstanding debt balance in RSD thousand	Repyment and maturity date	Annual interest rate
Standard Chartered Bank, Uganda	USD	609,118	64,351	31/03/2018	11.00%
Standard Chartered Bank, Uganda	USD	1,000,000	105,646	21/10/2017	9.50%
Standard Chartered Bank, Uganda	USD	800,000	84,517	21/10/2017	9.50%
Standard Chartered Bank, Uganda	USD	500,000	52,823	02/10/2017	9.50%
Banco Financiero, Peru	SOL	171,890	5,579	monthly to 18/08/2017	7.35%
Banco Financiero, Peru	SOL	257,732	8,365	monthly to 22/08/2017	7.35%
Banco Financiero, Peru	SOL	650,000	21,097	04/07/2017	6.70%
Banco Financiero, Peru	SOL	1,200,000	38,948	20/07/2017	6.70%
Banco Financiero, Peru	SOL	1,000,000	32,457	02/08/2017	6.70%
Banco Financiero, Peru	SOL	1,100,000	35,702	02/08/2017	6.70%
Banco Financiero, Peru	SOL	700,000	22,720	10/08/2017	6.70%
Banco Financiero, Peru	SOL	250,000	8,114	17/08/2017	6.70%
Banco Financiero, Peru	SOL	550,000	17,851	23/08/2017	6.70%
Banco Financiero, Peru	SOL	650,000	21,097	23/08/2017	6.70%
Banco Financiero, Peru	SOL	500,000	16,228	31/08/2017	6.70%
Banco Financiero, Peru	SOL	500,000	16,228	31/08/2017	6.70%
Banco Financiero, Peru	SOL	149,000	4,836	14/09/2017	6.70%
Banco Financiero, Peru	SOL	750,000	24,342	25/09/2017	6.70%
Banco GNB, Peru	SOL	1,500,000	48,685	28/08/2017	7.30%
Banco GNB, Peru	SOL	300,000	9,737	25/08/2017	7.25%
Banco GNB, Peru	SOL	440,000	14,281	25/08/2017	7.25%
Banco GNB, Peru	SOL	300,000	9,737	24/08/2017	7.25%
Banco GNB, Peru	SOL	300,000	9,737	24/08/2017	7.25%
Banco GNB, Peru	SOL	400,000	12,983	27/08/2017	7.30%
Banco GNB, Peru	SOL	450,000	14,605	27/08/2017	7.30%
Banco GNB, Peru	SOL	1,100,000	35,702	24/08/2017	7.05%
Banco GNB, Peru	USD	200,000	21,129	28/08/2017	2.55%
Banco GNB, Peru	USD	65,000	6,867	27/08/2017	3.00%
Banco GNB, Peru	USD	85,000	8,980	24/08/2017	3.00%
TOTAL			773,344		

Repayment of loans granted by banks in Peru is secured by lien on land and buildings of the Company (Note 45).

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	In RSD thousand	
	30/06/2017	31/12/2016
Portion of long-term loans with maturity date up to one year:		
a) Portion of long-term loans in the country and abroad with maturity date up to one year	242,557	163,680
b) Financial lease liabilities with maturity date up to one year	56,196	130,477
c) Other long-term liabilities with maturity date up to one year	56,500	
<i>Total</i>	<i>353,253</i>	<i>294,157</i>
Other short-term financial liabilities	417	201
TOTAL	355,670	294,358

• **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 242,557 thousand relate to the following Companies of the system Energoprojekt (Note 38.1).

Energoprojekt Sunnyville in the amount of RSD 145,118 thousand, relate to liabilities for long-term loan from Erste Bank, with maturity up to one year (granted in EUR, interest rate 3m Euribor +3.5% per annum).

- Energoprojekt Visokogradnja in the amount of RSD 68,739 thousand, as presented in the following table.

Bank	Approval Date	Annuity Maturity Date	Currency	Approved Amount in foreign currency	Outstanding Balance in RSD thousand	Interest Rate	One-of Rate	Collateral
Jubmes banka	29/06/2016 29/06/2019	at the end of each quartal	EUR	2,400,000	58,007	3.5 % per annum	0.15%	EP Holding, EP Niskogradnja, EP Oprema EP Hidroinženjering, EP Energodata and EP Industrija
Jubmes banka	05/08/2016 05/08/2019	05/08/2017 05/11/2017	EUR	444,000	10,732			
TOTAL					68,739			

- Energoprojekt Niskogradnja in the amount of RSD 28,700 thousand that relate to long-term loans granted by Komercijalna Banka, with maturity up to one year (in RSD, with interest rate of 5.69%).

• **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 56,196 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 53,171 thousand (Note 38.2).

Other long-term liabilities with maturity up to one year in the amount of RSD 56,500 thousand relate to long-term liabilities based on purchase agreement of construction land, with surface of 85.6a (installments for May and June 2018) in Energoprojekt Sunnyville (Note 38.3.)

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	In RSD thousand	
	30/06/2017	31/12/2016
Advances received from other related companies	358,221	317,113
Advances received from other legal entities in the country	2,137,177	2,515,321
Advances received from other legal entities, abroad	3,772,442	5,166,346
Deposits received, abroad	7,519	8,129
TOTAL	6,275,359	8,006,909

- **Advances received from other related companies** in the amount of RSD 358,221 thousand relate dominantly to liabilities towards Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 357,021 thousand.

- **Advances received from other legal entities in the country** in the amount of RSD 2,137,177 thousand mostly relate to the following Companies of the Energoprojekt Group:

- Energoprojekt Niskogradnja in the amount of RSD 1,037,367 thousand for advances received on the Projects “Lajkovac-Ljig” (China Standong International E&T Branch Belgrade): RSD 1,021,960 thousand, “Kolubara II Phase” (river relocation and regulation) (PC Elektroprivreda Srbije): RSD 14,153 thousand etc;

- Energoprojekt Oprema in the amount of RSD 665,275 thousand for the advances received from the Investor for the “Power-line Pancevo - Rumunska granica“: RSD 180,760 thousand, Kolubara Landfill: RSD 254,546 thousand and other projects, Ada Mol: RSD 212.229 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 403,661 thousand for the advances received from investor for the project Belgrade Waterfront: RSD 400,803 thousand and others.

- **Advances received from other legal entities, abroad** in the amount of RSD 3,772,442 thousand primarily refer to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 1,338,611 thousand for performance of works for the Investors, primarily within the Project of Z-103 Talan Towers Astana: RSD 1,047,800 thousand and based on the advances received in the Energoprojekt Ghana Ltd., Accra, Ghana: RSD 288,944 thousand;

- Energoprojekt Niskogradnja in the amount of RSD 1,183,865 thousand for advances received in Uganda in the amount of RSD 335,150 thousand (for Projects Z-027 Mpigi Kanoni, Uganda, Z-036 Streets in Kampali Kawempe Lubaga, Uganda and other) and in Peru in the amount of RSD 828,715 thousand (for project „Z-034 Put P. Bermudez“) and

- Energoprojekt Oprema in the amount of RSD 1,126,748 thousand, primarily within the Project Energoentar Minsk, Belarus in the amount of RSD 1,124,512 thousand.

- **Deposits received, abroad** in the amount of RSD 7,519 thousand relate mainly to Energoprojekt Niskogradnja, based on the deposits received for the rent of apartments in the „Cruz del Sur“ in Peru in the amount of RSD 2,242 thousand and to Energoprojekt Hidroinženjering based on the deposits for security guarantee for the project Machu Pichu, Peru by Integral partner (will be returned to the partner after completion and when the client release all guarantees under this contract) in the amount of RSD 1,803 thousand.

41. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Suppliers - other affiliated companies, abroad	5,937	6,066
Suppliers, local	2,507,337	2,784,572
Suppliers, abroad	1,868,229	1,958,315
Other operating liabilities	139,765	219,327
TOTAL	4,521,268	4,968,280

- **Suppliers – other affiliated companies, abroad** in the amount of RSD 5,937 thousand relate to the liabilities of the Energoprojekt Oprema towards Energo Nigeria Ltd., Lagos, Nigeria.
- **Suppliers, local** in the amount of RSD 2,507,337 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 1,183,290 thousand, to Energoprojekt Oprema in the amount of RSD 717,943 thousand, to Energoprojekt Visokogradnja in the amount of RSD 404,969 thousand and Energoprojekt Kaz, Ltd. – Kazakhstan, in the amount of RSD 116,394 thousand.

Suppliers, local - companies within system Energoprojekt with largest liabilities for trade payables as at the balance date are broken down in the following table.

Energoprojekt Group, Belgrade

Structure of suppliers in the country	in RSD thousand	
	30/06/2017	31/12/2016
<i>Energoprojekt Niskogradnja:</i>		
Nukleus Ltd.	466,590	693,163
Lafarge Ltd.	117,015	67,825
Atlas Copco Plc., Belgrade	58,172	72,988
Evrogradnja Plc.	52,336	53,980
Hidrotehnika Hidroenergetika Plc.	49,610	95,662
Europolis Plus Ltd.	48,891	33,019
Geosonda Fundiranje Plc.	46,378	166,939
Nis Gazprom Neft	34,595	17,232
Other	309,703	304,035
Total	1,183,290	1,504,843
<i>Energoprojekt Oprema:</i>		
Blue line Ltd.	350,545	194,666
Hidro-tan Ltd., Belgrade	71,064	48,426
IEE Ltd., Novi Sad	48,715	22,404
Energotehnika - Južna Bačka, Novi Sad Ltd.	48,570	278,321
GP Planum Plc.	20,421	21,254
Energomontaža Plc.	20,362	30,000
Coptech Ltd., Belgrade	20,007	32,398
Other	138,259	97,433
Total	717,943	724,902
<i>Energoprojekt Visokogradnja:</i>		
Euro Bravo, Ltd.	82,241	2,271
Crna Trava Gradnja Ltd.	22,927	15,070
Metalfer Steel Mill Ltd.	22,370	154,005
Trgogradnja Ltd.	13,980	3,720
Beton plus Ltd.	11,591	59,969
Other	251,860	253,790
Total	404,969	488,825

- **Suppliers, abroad** in the amount of RSD 1,868,229 thousand relate primarily to Energoprojekt Entel in the amount of RSD 528,831 thousand (primarily within company Energoprojekt Entel LTD, Doha, Qatar: RSD 421,714 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 61,401 thousand and Energo Consult LLC Abu Dhabi, UAE: RSD 44,908 thousand), Energoprojekt Visokogradnja in the amount of RSD 683,886 thousand (mainly, within Energoprojekt Ghana Ltd., Accra, Ghana: RSD 236,836 thousand and on projects Z-103 Talan Towers, Astana, Kazakhstan: RSD 343,720 thousand Z-085 Office Building Uhta Russia: RSD 60,862 thousand, and Z-088 Hyatt Hotel Rostov, Russia: RSD 20,178 thousand), Energoprojekt Niskogradnja in the amount of RSD 349,770 thousand (mainly in Uganda: RSD 278,679 thousand and in Peru: RSD 71,041 thousand) and Energoprojekt Oprema in the amount of RSD 259,486 thousand.

- **Other operating liabilities** in the amount of RSD 139,765 thousand predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 86,041 thousand, primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 85,860 thousand, based on obligations to subcontractors.

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>30/06/2017</i>	<i>31/12/2016</i>
Liabilities from special transactions - other legal entities	10,441	252,906
Liabilities for wages, fringe benefits and compensations	1,028,701	1,303,559
Other liabilities:		
a) Liabilities for interest and financing costs	5,752	6,952
b) Liabilities for dividends	428,968	127,861
c) Liabilities to employees	21,930	34,328
d) Liabilities to General Manager, or to management and Supervisory Board members	4,971	4,050
e) Liabilities to physical persons for contractual compensations	9,331	2,523
f) Liabilities for short-term provisions		
g) Other various liabilities	23,291	32,466
<i>Total</i>	<i>494,243</i>	<i>208,180</i>
TOTAL	1,533,385	1,764,645

- **Liabilities from special transactions - other legal entities** in the amount of RSD 10,441 thousand, entirely relate to Energoprojekt Visokogradnja based on obligations to the company Belim Plc. according to verdict of the Commercial Court of Appeals from 29/12/2016, and Protocol no. 40/64 made between Energoprojekt Visokogradnja and Energoprojekt Holding.

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 1,028,701 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, liabilities to Chambers for salaries in the country and abroad, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 311,895 thousand (abroad: RSD 284,265 thousand, in the country: RSD 27,630 thousand), Energoprojekt Visokogradnja in the amount of RSD 301,731 thousand (abroad: RSD 196,655 thousand, in the country: RSD 105,076 thousand), Energoprojekt Niskogradnja in the amount of RSD 201,195 thousand (abroad: RSD 143,505 thousand, in the country: RSD 57,690 thousand), Energoprojekt Hidroinzenjering in the amount of RSD 91,496 thousand (abroad: RSD 74,539 thousand, in the country: RSD 16,957 thousand) and Energoprojekt Oprema in the amount of RSD 34,388 thousand (abroad: RSD 1,158 thousand, in the country: RSD 33,230 thousand).

- **Liabilities for dividends** in the amount of RSD 428,968 thousand relate predominantly to Energoprojekt Holding in the amount of RSD 234,517 thousand (mainly, liabilities for dividends for 2016: RSD 216,672 thousand), Energoplast in the amount of RSD 88,039 thousand, Energoprojekt Oprema in the amount of RSD 56,560 thousand and Energoprojekt Entel in the amount of RSD 49,172 thousand.

- **Other various liabilities** in the amount of RSD 23,291 thousand relate primarily to Energoprojekt Niskogradnja in the amount of RSD 12,149 thousand (liabilities to Company's Workers' Union, Social Security Fund for Employees, liabilities towards third persons based on withholding from net employees' salaries for statutory and administrative bans, etc.), and to Energoprojekt Visokogradnja in the amount of RSD 7,321 thousand (withholding from salaries for Union fees and charities, alimonies, etc.).

43. LIABILITIES FOR VALUE ADDED TAX, LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE AND ACCRUED EXPENSES AND DEFERRED INCOME

43.1. Liabilities for Value Added Tax

Liabilities for value added tax	In RSD thousand	
	30/06/2017	31/12/2016
Liabilities for value added tax	574,598	521,871
TOTAL	574,598	521,871

- **Liabilities for value added tax** in the amount of RSD 574,598 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 525,916 thousand (mainly within Energoprojekt Ghana Ltd., Accra: RSD 504,076 thousand).

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	In RSD thousand	
	30/06/2017	31/12/2016
Liabilities for income tax	795,898	689,964
Liabilities for other taxes, contributions and fees payable	48,925	86,186
TOTAL	844,823	776,150

- **Liabilities for income tax** in the amount of RSD 795,898 thousand relate primarily to Energoprojekt Entel in the amount of RSD 607,535 thousand and Energoprojekt Visokogradnja in the amount of RSD 161,663 thousand (mainly for project Z-103 Talan towers, Astana, Kazakhstan: RSD 159,970 thousand dominantly based on calculated income taxes for the first six months 2017: RSD 124,190 thousand).

Liabilities for income tax within Energoprojekt Entel in the amount of RSD 607,535 thousand primarily relate entirely to Energoprojekt Entel LTD, Doha, Qatar, based on the liabilities disclosed in 2011 for the expenses of the Head Office or for the Energoprojekt Entel for the period of 3 years (for 2008, 2009 and 2010) by the local Tax Administration in the amount of RSD 606,879 thousand. Namely, the local Tax Administration does not recognize the amount disclosed as costs for services rendered by the Energoprojekt Entel Company over the said period as costs, but is of the opinion that income tax should have additionally been paid on that amount as well. A lawsuit was initiated to resolve this issue and the outcome of this lawsuit is uncertain. The short term deposit with the Doha Bank includes cash earmarked and kept in case of a negative outcome of this lawsuit.

• **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 48,925 thousand relate primarily to the following Companies of the Energoprojekt Group:

- Energoprojekt Holding in the amount of RSD 14,093 thousand, mostly for property tax: RSD 13,148;
- Energoprojekt Oprema in the amount of RSD 11,147 thousand, mostly for tax based on return for dividends: RSD 9,694;
- Energoprojekt Entel in the amount of RSD 8,362 thousand, mostly for tax based on return for dividends: RSD 6,330, and
- Energoprojekt Visokogradnja in the amount of RSD 6,747 thousand, the largest part of which relate to the unpaid liabilities for taxes and contributions for workers abroad in the amount of RSD 3,132 thousand, and within Energoprojekt Ghana Ltd., Accra, Ghana withholding tax liability amount RSD 1,020 thousand;

43.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	In RSD thousand	
	30/06/2017	31/12/2016
Accrued expenses:		
a) Accrued expenses - other related companies		
b) Accrued expenses - other legal entities	1,876,837	1,806,859
<i>Total</i>	<i>1,876,837</i>	<i>1,806,859</i>
Deferred income - other legal entities	267,428	498,638
Other accruals	291,740	350,417
TOTAL	2,436,005	2,655,914

Accrued expenses – other related companies in the amount of RSD 1,876,837 thousand relate primarily to the following companies of the Energoprojekt Group:

- Energoprojekt Oprema in the amount of RSD 443,524 thousand from calculated cost of the period for which no invoices received in the accounting period, primarily on projects Tunnel Sarani: RSD 40,826 thousand, Kolubara Landfill: RSD 133,236 thousand, TS Gabiro Rwanda: RSD 128,950 thousand, Belgrade Waterfront: RSD 61,874 and Ani Abuja: RSD 59,093 thousand.
- Energoprojekt Niskogradnja in the amount of RSD 1,003,624 thousand, with no invoices received as at June 30, 2017 (cost calculation performed, mainly, based on invoices received in July 2017 (up to June 30, 2017), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for present situation verification etc.), mostly related to:
 - Calculated costs in “Lajkovac – Ljig” project: RSD 798,998 thousand (for period April-June), Kolubara II phase: RSD 30,002 thousand (for June) and Dam Stubo – Rovni: RSD 18,799 (for June);
 - Other calculated costs on projects in Serbia: RSD 10,527 thousand (primarily costs incurred in previous period for which up to the reporting date invoices are not received, for project

Strazevica: RSD 4,000 thousand and costs of laboratory services and insurance on a project Tunel Sarani: RSD 1,923 thousand);

- Calculated costs in Peru: RSD 79,977 thousand, for projects Z-034 Road Puert-Bermudez, Peru; RSD 43,757 thousand (rental cost of machinery, land and business - residential space: RSD 39,368 thousand, administrative costs of consortium (corresponding part of contractual obligations of the company): RSD 3,375 thousand and manufacturing services and other cost: RSD 1,014 thousand), Z-033 Pericos, Peru: insurance costs: RSD 12,419 thousand, and also on other projects: RSD 23,801 thousand (calculated interest costs: RSD 5,399 thousand, security costs: RSD 3,230 thousand, legal advisory services: RSD 2,033 thousand, transportation: RSD 2,054 thousand, cost for agreements on temporary works fees: RSD 1,041 thousand, utilities: RSD 1,029 thousand, and etc.);

- Calculated costs for projects in Uganda: RSD 10,892 thousand, mainly for manufacturer services on project Z-037 Airport Parking Entebbe II, Uganda: RSD 6,413 thousand and revision costs within foreign company in Uganda: RSD 4,160 thousand, and

- Calculated costs for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 54,429 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 378,142 thousand relating to calculated costs abroad: RSD 268,267 thousand, mainly for the project Z-103 Talan Towers, Astana, Kazakhstan: RSD 212,797 thousand (based on calculated costs for June 2017) and in the country: RSD 109,875 thousand (for projects Belgrade Waterfront and Sunnyville).

• **Deferred income – other legal entities** in the amount of RSD 267,428 thousand relate, mainly, to the following companies of the Energoprojekt Group:

- Energoprojekt Visokogradnja in the amount of RSD 188,486 thousand based on verified, but not registred, income from investors till June 30, 2017, for project Z-085a, Uhta, Russia: RSD 163,784 thousand) and Belgrade Waterfront: RSD 24,619 thousand (based on insurance and warranties income);

- Energoprojekt Garant in the amount of RSD 78,942 thousand based on transferrable insurance and co-insurance premiums.

• **Other accruals** in the amount of RSD 291,740 thousand relate predominantly to the following companies of the Energoprojekt Group:

- Energoprojekt Garant in the amount of RSD 103,675 thousand based, mainly, on outstanding claims in non-life insurance: RSD 95,529 thousand,

- Energoprojekt Oprema in the amount of RSD 96,776 thousand, based, mainly, on collected guarantees for Elwo, Poland, in the amount of RSD 90,776 thousand;

- Energoprojekt Entel in the amount of RSD 55,194 thousand, based on liabilities for warranty retention for subcontractor on project Mega Reservoirs, within Energoprojekt Entel Ltd., Doha, Qatar, the one which will be rounded after the collection of liabilities for warranty retention from investor Qatar General Electricity & Water Corporation “KAHRAMAA”, and

- Energoprojekt Visokogradnja in the amount of RSD 27,100 thousand, based on accrued liabilities for VAT.

44. 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), Energoprojekt Holding disclosed the off-balance sheet assets and liabilities in its consolidated financial statements. Items disclosed under off-balance sheet assets and liabilities, presented in the following Table, are neither assets nor liabilities of the system Energoprojekt, but are primarily presented for information purposes.

Structure of off balance sheet assets and liabilities is presented in the table below.

Structure of off balance sheet assets and liabilities	In RSD thousand	
	30/06/2017	31/12/2016
Issued and received guarantees and letters of credits	20,610,671	23,711,083
Construction land use rights	4,985,673	4,537,892
Other off balance sheet assets/liabilities	890,850	882,831
TOTAL	26,487,194	29,131,806

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

- **Mortgages registered against companies of the system Energoprojekt**

- Energoprojekt Entel LTD, Doha, Qatar reserves the disposal and usufruct right with regard to the properties of total area of 4,488 m², located on cadastral parcels number 65582, 65583, 65584, 65585, 65586, 65587, 65588, 65589 and 65590 with area of 10,736 m², in Doha - Qatar, Zone 44, East Al Naija, Al Mumtaza Street Doha Qatar, registered owner is a local private individual. The owner has mortgaged the property in the “Doha Bank” as collateral for performance guarantees for Energoprojekt Entel L.L.C., Doha, Qatar company.

Mortgage registered against Energoprojekt Niskogradnja:

- In order to secure a credit line granted by the Scotiabank Peru, property was mortgaged for the amount of RSD 1,059,867 thousand (USD 10,032,240) which is 71.72% of the total appraised value of the property mortgaged. Appraisal was performed by an external independent qualified appraiser, “J.R.Z. Valuaciones S.A.C.” in Peru, which holds recognized and relevant professional qualifications and recent experience with property locations and categories appraised. This Appraiser was hired by the Scotiabank Peru.

- In order to secure a credit line granted by the Banco Financiero Peru, property was mortgaged for the amount of RSD 875,119 thousand (USD 8,283,492) which is 97.30% of the total appraised value of the property mortgaged. Appraisal was performed by an external independent qualified appraiser, “Layseca Asociados S.A.C.” in Peru, which holds recognized and relevant professional qualifications and recent experience with property locations and categories appraised. This Appraiser was hired by the Banco Financiero Peru.

Mortgage registered against Energoprojekt Niskogradnja is presented in the table below:

Property	sq. m	Book value	Appraised value	Appraised value
		In RSD thousand	In USD	In RSD thousand
Mortgage 1- Sotiabank, Peru				
Land - Camp Primavera, Sullana, Peru	95,907.47	29,479	6,233,986	658,596
Office facility in 16-18 floor in Lima, Peru	427.73	115,475	1,011,102	106,819
Cruz Del Sur building in Lima, Peru	4,295.38	781,473	6,742,989	712,370
<i>Total (100%)</i>		926,427	13,988,077	1,477,785
Total (71.72%)			10,032,240	1,059,867
Mortgage 2 -Banco Financiero, Peru				
Land - Santa Clara, Peru	23,009.70	18,601	8,513,589	899,427
<i>Total (100%)</i>		18,601	8,513,589	889,427
Total (97.30%)			8,283,492	875,119

- As a collateral for the advance payment and professional performance of work warranty at Sberbank Serbia Plc., Energoprojekt Oprema registered its right for receivables.
- The overdraft loan granted by the Indo-Zambia Bank to Zambia Engineering and Contracting Company Limited, Zambia was secured by a lien on the mortgage over the following property: Plot 3148 Mukwa Road, Zambia.
- Energoprojekt Holding pledged 100% share capital of Energoprojekt Sunnyville for securing receivable of Erste Bank ad, Novi Sad based on long-term construction loan approved to Energoprojekt Sunnyville.

• **Mortgages registered in favour of the companies of the system Energoprojekt**

- In Energoprojekt Niskogradnja as a collateral of receivables based on the advance paid to the Subcontractors' Consortium on Lajkovac- Ljig Project in compliance with the provisions of the Agreement on Subcontracting of Construction Works within the Lajkovac-Ljig Highway Construction Project, Section V: Lajkovac-Ljig, from km 53+139.91 to km 77+118.23 a first order mortgage was registered based on a final out-of-court order, namely, as a collateral for 50% receivables on fuel, euro-diesel, owned by the subcontractor to the maximum amount of RSD 328,663 thousand (USD 3,787,376.84),
- In Energoprojekt Holding:
 - As collateral to secure the repayment of loan pursuant to the Annex No. 9 of the Loan Agreement No. 367, in the amount of RSD 16,616 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 Juriija 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. 5 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 144,764 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 Juriša Gagarina Street.

46. 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.

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.).

An overview of lawsuits is presented in the following tables. The presented amounts of lawsuits, with potential level of liabilities and receivables defined as at June 30, 2017, include principal amount only for each lawsuits.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Uncertain	1st Basic Court in Belgrade	Uncertain	Uncertain First instance
2.	Vladan and Tomislav Krdžić	EP Holding Plc.	Damage compensation (free shares were not allotted to the Plaintiffs)	RSD 444,000,00	Commercial Court in Belgrade	2017	Unfounded, according to the Decision of the Court of first instance, the application was rejected; Court Decision on Plaintiffs' appeal is pending. Second instance proceedings
3.	Rajko Ljubojević	EP Holding Plc.	Expropriation 1957	Uncertain	1st Basic Court in Belgrade	2017	Uncertain First instance
4.	Kovacevic Pavle, Radmila i Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Uncertain	Administrative Court in Belgrade	Uncertain	According to the Decision of RS MF, appeals against the Decision of the Court of first instance, according to which plaintiffs are entitled to pecuniary compensation for expropriated land, were rejected; an administrative lawsuit initiated.
5.	EP Holding Plc.	Zekstra grupa Ltd.	Damage compensation (roof repair in G. Delceva 38 Street)	EUR 7,032.68	Commercial Court in Belgrade	2017	According to Decision of the first instance Court EP Holding claim rejected. Second instance proceedings
6.	EP Holding Plc.	Republika Srbija, EPS Srbije, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Grounded to obtain 13% of total surface of the Hotel, but amount not defined	Basic Court, Niksic	2017	Claim is grounded; first-instance court accepted the claim; in appeal Respondents Second instance proceedings

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
7.	EP Holding Plc.	Beogradsko mesovito preduzeće Plc.	Establishing the value of shares in forced sale procedure	Uncertain	Commercial Court in Belgrade	2017	Grounded First Instance proceedings
8.	Goran Rakic	EP Holding Plc. and Kompresor automobili Ltd.	Ownership title to be determined	Ungrounded	2nd Basic Court in Belgrade	2017	Ungrounded First instance proceedings
9.	EP Holding Plc.	Trinity capital Ltd.i GP Napred Plc.	Nullification of the contract for Block 26	Grounded	Commercial Court in Belgrade	2017	Uncertain First instance proceedings
10.	Radovanac Aleksandar and Nenad	EP Holding Plc. And others	Eviction from barracks in Visnjiceva Banja	Ungrounded	Higher court in Belgrade	2017	Ungrounded for EP Holding First instance proceedings
11.	EP Holding a.d	Ivan Musić	Damage compensation (repairing roof in 38 Goce Delčeva street)	250.61 EUR	Basic Court in Belgrade	2018	Justified First instance proceedings
12.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	2017	According to the final court decision, Plaintiff's claim was granted.
13.	Milan Branković	EP Visokogradnja Plc.	Annulment of a temporary employment contract		1st Basic Court in Belgrade	2017	Ungrounded, proceedings suspended until completion of lawsuit physical body against Enjub Ltd.
14.	EP Visokogradnja Plc.	Trudbenik gradnja in bankruptcy	Claim recognized in liquidation procedure	RSD 2,767,501.76	Commercial Court in Belgrade	Uncertain	Uncertain collection of claim.
15.	Đorđe Mikša	EP Visokogradnja Plc.	Contractual fine payment	RSD 512,000.00	1st Basic Court in Belgrade	2017	First instance court decision granted plaintiff's claim. EP Visokogradnja initiated appeal proceedings.
16.	Slađan Pavlović	EP Visokogradnja Plc.	Damage compensation	RSD 1,700,000.00	3rd Basic Court in Belgrade	2017	Our appeal was adopted and the case was returned for a new trial First instance procedure

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
17.	EP Visokogradnja Plc.	Cvitan Dragan	Debt	RSD 122,922.87	3rd Basic Court in Belgrade	2017	Grounded. Partially collected. Enforced performance pending.
18.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		1st Basic Court in Belgrade	The final completion in 2016; declared revision	By final judgment the claim is adopted; Appeal against the decision of revision
19.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial court in Belgrade	2017	Grounded First-instance proceeding
20.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	2017	Grounded. In the process of forced execution
21.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2017	Grounded. Proceedings suspended.
22.	EP Visokogradnja Plc.	Beobanka Plc. in bankruptcy	Claims registration	USD 1,022,048.61	Commercial Court in Belgrade	Uncertain	Grounded. Claim recognized in liquidation procedure
23.	EP Visokogradnja Plc.	Jugobanka Plc. in bankruptcy	Claims registration	USD 2,002,932.98, USD 701.47, CHF 507,920.43, FRF 1,239,624.62, EUR 24,880.49	Commercial Court in Belgrade	Uncertain	Grounded; claim recognized in liquidation procedure
24.	EP Visokogradnja Plc.	Grad Beograd, Direkcija za građevinsko zemljište, RS	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606.10 on behalf of principal debt	Commercial Court in Belgrade	2017	The claim of Hala BG Ltd was adopted by final judgment. Pursuing our revision Supreme Court of Cassation has suspended Decisions of lower instances and returned case to repeated proceeding. First instance proceeding.
25.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2017	Grounded; proceedings suspended.
26.	Božo Tomašević	EP Visokogradnja Plc.	Annulment of employment contract termination	140,000.00 RSD	1st Basic Court in Belgrade	2017	Our appeal was adopted and the case was returned for new trial. First instance procedure.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
27.	Aleksandar Petrović	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3,500,000.00	3rd Basic Court in Belgrade	2017	Decision on Court incompetence in Serbia adjudicated. Positive result expected. Second instance proceedings
28.	Sava Krajinović	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269,000.00	3rd Basic Court in Belgrade	2017	Ungrounded First-instance proceeding
29.	Ljiljana Damjano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350,000.00	1st Basic Court in Belgrade	2017	Ungrounded First-instance proceeding
30.	Nenad Dautović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Ungrounded
31.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
32.	Residence object, B.M.Pupina 10e	EP Visokogradnja Plc.	Unfounded acquisition	RSD 2,000,000.00	3rd Basic Court in Belgrade	Uncertain	Ungrounded, procedure stopped. First-instance proceeding
33.	EP Visokogradnja Plc.	Siniša and Dragan Romić	Contesting of share transfer agreement		Higher court in Belgrade	2017	Grounded
34.	Kojić Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	1st Basic Court in Belgrade	2017	First instance court accepted the claim; in proceeding upon our appeal Second instance proceeding
35.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court in Valjevo	Uncertain	Receivables recognized through bankruptcy procedure.
36.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1,098,898.15	Commercial Court in Belgrade	2017	First instance court accepted the claim; in proceeding upon appeal Second instance proceeding
37.	Drago Stupar and others	EP Visokogradnja Plc.	Ownership land title to be determined		Basic court, Herceg Novi	2017	Uncertain First-instance Decision rejects the claim. Second instance proceeding.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
38.	Dušan Petrović, Vladimir Glišović and EGP Investments	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2017	Uncertain First instance proceeding
39.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly as of January 2010	3rd Basic Court in Belgrade	2017	Uncertain; partly grounded First instance proceeding
40.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15,000.00 monthly as of January 21, 1989	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
41.	Radosavljević Velibor	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
42.	EGP Investments	EP Viskogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2017	Uncertain First instance proceeding
43.	Ostojić Dragomir, Đurić Milorad and Jorgić broker Plc.	EP Visokogradnja Plc.	Share value appraisal		Commercial Court in Belgrade	2017	Uncertain First instance proceeding
44.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Presented receivables in bankruptcy.
45.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115,776.00	Commercial Court in Belgrade	2017	Justified. Compulsory payment on the way.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
46.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	31,642.40 RSD	Commercial Court in Belgrade	2017	Justified. Compulsory payment on the way.
47.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
48.	Milić Janković	Direkcija za građevinsko zemljište, EP Visokogradnja Plc. and Aleksić Ružica	Ownership title to be determined		1st Basic Court in Belgrade	2017	Grounded. First instance proceeding
49.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Stevanović Milinko	Court should determine whether the Agreement is null and void or not		3rd Basic Court in Belgrade	2017	Uncertain. First instance proceeding
50.	Residence object 10G, Bul. Mihajla Pupina	EP Visokogradnja Plc. and Omni promet Ltd.	Court should determine whether the Agreement is null and void or not		3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
51.	Dević Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5,774.42	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
52.	Milorad Vasić	EP Visokogradnja Plc.	Damage compensation (Block 12)	RSD 25,732,877.55	Higher court in Belgrade	2017	Plaintiffs' appeal adopted by Court Decision. Revision adopted.
53.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 167,162.40 RSD 33,558.94	Commercial Court in Sremska Mitrovica	2017	Uncertain; First instance court accepted the claim; in proceeding upon our appeals Second instance proceedings
54.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin u restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
55.	EP Visokogradnja Plc.	Amiga Ltd.Kraljevo in restructuring	Debt	RSD 114,425.00	Commercial Court in Kraljevo	Uncertain	Receivables grounded but payment depending on restructuring plan.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
56.	EP Visokogradnja Plc.	Нуро Alpe-Adria-Bank Srbija	Injunctive relief		Commercial Court in Belgrade	2017	First instance proceeding
57.	EP Visokogradnja Plc.	Uni Credit bank Srbija	Injunctive relief		Commercial Court in Belgrade	Completed in 2016, temporary measure is determined	Injunctive relief of forbidden guaranteed payment by Court decision.
58.	EP Visokogradnja Plc.	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	2017	Grounded
59.	EP Visokogradnja Plc.	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5,236,849.31	Arbitration Court in Rostov, RF	2017	Grounded
60.	EP Visokogradnja Plc.	МКЦ РосЕвроДевелопмент ООО, Ростов, РФ	Debt for works performed	RUB 175,502,823.20	Arbitration Court in Rostov, RF	2017	Grounded
61.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1,269,860.00	Commercial Court in Belgrade	Uncertain	Partly paid, cca RSD 160.000,00, for the rest the procedure is stopped. First instance proceeding
62.	Radoš Nenad	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2017	Uncertain; arrears of salary paid in their entirety First instance proceeding
63.	Vidojević Vladan	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2017	Uncertain; arrears of salary paid in their entirety First-instance proceeding
64.	Paunović Ljubiša	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2017	Uncertain; arrears of salary paid in their entirety First-instance proceeding
65.	Jovićić Dejan	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2017	Uncertain; arrears of salary paid in their entirety First-instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
66.	Alen Vasić	EP Visokogradnja Plc.	Damage compensation for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
67.	Topalović Igor	EP Visokogradnja Plc.	Annulment of employment termination		3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
68.	Predrag Radeka	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2017	Uncertain; arrears of salary paid in their entirety First instance proceeding
69.	Danijel Šalipur	EP Visokogradnja Plc.	Fortification existence of an employment and Damage compensation	RSD 1,320,000.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
70.	Miloje Živanović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries		3rd Basic Court in Belgrade	2017	Principal debt paid off; interest remaind First instance proceeding
71.	Ivanović Siniša	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries		3rd Basic Court in Belgrade	2017	Principal debt paid off; interest remain. First-instance proceeding
72.	Rajko Vasiljević	EP Visokogradnja	Damage compensation on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
73.	Topalović Igor	EP Visokogradnja	Damage compensation on behalf of less paid overtime and payment of interest on delayed payment of salaries		3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
74.	Miloje Živanović	EP Visokogradnja	Damage compensation for less severance paid and interest payment on delayed salaries payment	EUR 2,487.94 and RSD 137,478.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
75.	Miloje Živanović	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
76.	Kalinić Jovica	EP Visokogradnja	Payment of annual leave for 2014	EUR 772.00	3rd Basic Court in Belgrade	2017	Principal debt is paid off First-instance proceeding
77.	Šerbedžija Đorđe	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2017	Uncertain First-instance proceeding
78.	Pavlović Vladimir	EP Visokogradnja	Damage compensation due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	2018	Ungrounded First-instance proceeding
79.	Stanković Nenad	EP Visokogradnja	Annulment of the decision on termination of employment contract		3rd Basic Court in Belgrade	2018	Uncertain; first instance decision adopts the claim, proceedings continues on our appeal. Second instance proceeding.
80.	Jovičić Dejan	EP Visokogradnja	Damage compensation due to surplus of the overtime work	EUR 1.300.00	3rd Basic Court in Belgrade	2018	Uncertain First instance proceeding.
81.	Marčeta Momčilo	EP Visokogradnja	Annulment of the decision on termination of employment contract		3rd Basic Court in Belgrade	2018	Uncertain First instance proceeding.
82.	Dević Ljubinko	EP Visokogradnja	Mobing protection and damage compensation	RSD 200,000.00 RSD	Higher Court in Belgrade	2018	Uncertain First instance proceeding.
83.	Milan Kovačević	EP Visokogradnja	Bonuses payment, pursuant to Board of Directors resolution	EUR 50,000.00 EUR	3rd Basic Court in Belgrade	2018	Uncertain First instance proceeding.
84.	Vladan Kovačević	EP Visokogradnja	Damage compensation due to late construction and takeover of the real property (in Cara Nikolaja II Str.)	RSD 555,899.00 RSD	3rd Basic Court in Belgrade	2018	Uncertain First instance proceeding.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
85.	EP Oprema Plc.	DGP Zlatibor	Paid off works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed	Grounded, difficult collection, borrower in bankruptcy
86.	EP Oprema Plc.	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court in Belgrade		Established claim in bankruptcy proceedings
87.	EP Oprema Plc.	Graditelj Leskovac	Works performed upon contract made	RSD 71,129,042.82	Commercial Court in Leskovac	Completed	Grounded, difficult collection, borrower in bankruptcy
88.	EP Oprema Plc. i EP Holding Plc.	Municipality Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain; proceeding terminated	Uncertain. First instance proceeding
89.	EP Oprema Plc.	Clinical Center of Serbia	Debt for works	EUR 255,544.13	Commercial Court in Belgrade	2017	Proceeding is in process, expert opinion confirmed the request of EP Oprema. First instance proceeding
90.	EP Oprema Plc.	Clinical Center of Serbia	Damage compensation	EUR 1,559,000.00	Commercial Court in Belgrade	2017	First instance decision adopted the claim; KCS appealed. Second instance proceedings
91.	Đorđević Goran	JP EMS and EP Oprema Plc.	Disturbance of possession		Basic Court in Kruševac	2017	First instance court accepted claim; the second instance decision returned to First-instance proceeding
92.	Stanković Vladan	EP Oprema Plc.	Damage compensation	RSD 2.300.000.00	Basic Court in Bor	2017	First instance court accepted claim;
93.	Stanojković Milorad	EP Oprema Plc. and JP EMS	Damage compensation	RSD 10,000.00	Basic Court in Vranje	2017	Partly grounded; by appeal EP Oprema. Second instance proceedings in process
94.	Marinković Staniša	EP Oprema Plc.-intervener	Damage compensation	RSD 304,000.00	Basic Court in Vranje	2017	Partly grounded. First-instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
95.	Stanojlović Čedomir	EP Oprema Plc.- intervener	Damage compensation	RSD 261.000.00	Basic Court in Vranje	2017	Partly grounded. First instance proceeding
96.	Ristić Čedomir	EP Oprema Plc.- intervener	Damage compensation	RSD 63,000.00	Basic Court in Vranje	2017	Partly grounded; by appeal EP Oprema. Second instance proceedings in process
97.	Ćirović Novica	EP Oprema Plc.- second respondent JP EMS	Damage compensation	RSD 100,000.00	Basic Court in Leskovac	2017	First instance proceeding in process
98.	Cvetković Milan	EP Oprema Plc. i JP EMS	Damage compensation	RSD 1,381,278.00	Basic Court in Vranje	2017	First instance proceeding in process
99.	Stanković Vladan	EP Oprema Plc.	Damage compensation in monthly rent	RSD 8,000.00 monthly starting from 14/03/2016	Basic Court in Bor	2017	Uncertain First-instance proceeding
100.	EP Oprema Plc. as consortium leader	Republic Commission for the Protection of Rights in Public Procurement Procedures	Annulment of the Commission's decision in public procurement procedure for works on the District Heating Plant "Novi Beograd"		Administrative Court	Uncertain	Uncertain
101.	Jovan Čvokić and others	EP Niskogradnja Plc.	Bonus	EUR 20,145.11	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
102.	Tanić Dušan	EP Niskogradnja Plc.	Annulment of decision on amount of salary		3rd Basic Court in Belgrade	2017	Ungrounded; proceeding terminated First instance proceeding
103.	EP Niskogradnja Plc.	Internacional CG in bunkruptcy	Debt	RSD 182,056.00	Commercial Court in Belgrade	Uncertain	Grounded; due to bankruptcy of the debtor, payment is uncertain
104.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance guarantee	KM 3,500,000.00	Municipality court in Sarajevo	Uncertain	Uncertain
105.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advances	KM 7,000,000.00	Municipality court in Sarajevo	Uncertain	Uncertain
106.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advances	KM 4,000,000.00	Municipality court in Sarajevo	Uncertain	Uncertain

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
107.	EP Niskogradnja Plc.	JIK Banka Plc. in bankruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded
108.	EP Niskogradnja Plc.	Jugobanka Plc. Branch in New York	Claims registration	USD 455,877.88 and RSD 12,060,320.00	Commercial Court in Belgrade	Uncertain	Grounded
109.	EP Niskogradnja Plc.	Beogradska banka Plc. in bankruptcy	Claims registration	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
110.	Simić Ljubiša	JP Putevi Srbije and EP Niskogradnja Plc.	Damage compensation	EUR 4,598.80	1st Basic Court in Belgrade	2017	Ungrounded
111.	Sent Andrea Ltd.	EP Niskogradnja Plc.	Damage compensation – lost profit on occasion of termination contract	RSD 2,912,451.60	Commercial Court in Belgrade	2017	Uncertain. First instance proceeding
112.	Strajnić Nenad	JP Putevi Srbije i EP Niskogradnja Plc. –intervener	Damage compensation	RSD 183,928.48	Basic Court in Novi Sad	2017	Uncertain First-instance proceeding
113.	Sekulić Dragan	JP Putevi Srbije; Dunav osiguranje Plc. and EP Niskogradnja Plc.–intervener	Damage compensation		Basic Court in Novi Sad	2017	First instance court refused the request to EP Niskogradnja Second instance proceeding
114.	DIN Ltd.	EP Niskogradnja Plc.	Debt by accounts	RSD 542,836.83	Commercial Court in Belgrade	2017	Ungrounded; First instance court refused the request to appeal Second instance proceeding
115.	Jokić Todor	EP Niskogradnja Plc.	Annulment of termination of temporary employment contract		Basic Court in Gornji Milanovac	2017	Ungrounded First-instance proceeding
116.	Daničić Nemanja	EP Niskogradnja Plc.	Damage compensation for injury at work	RSD 268,520.00	Basic Court in Gornji Milanovac	2017	Uncertain; first instance decision adopted the claim; proceedings continues upon our appeal. Second instance proceeding.

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
117.	Stanišić Tomo	EP Niskogradnja Plc.	Damage compensation	RSD 244,413.97	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
118.	Matković Ljubiša, Milostiva and Gordana	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290,000.00	Basic Court in Gornji Milanovac	2017	Uncertain First instance proceeding
119.	Matković Milan, Mirjana, Dragana and Marko	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2017	Uncertain First instance proceeding
120.	RF PIO Filijala Beograd	EP Niskogradnja Plc.	Recourse lawsuit	RSD 419,600.10	Commercial court in Belgrade	Uncertain	Uncertain; proceeding terminated First instance proceeding
121.	Aleksandar Babić and others	EP Niskogradnja Plc.	Bonus payment	EUR 40,906.00	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
122.	Gordana and Veselin Medenica	EP Niskogradnja Plc.	Damage compensation for injury at work	RSD 3,200,000.00	3rd Basic Court in Belgrade	2017	Uncertain First instance proceeding
123.	Bosna putevi Sarajevo	EP Niskogradnja Plc.	Debt arising from work carried out in Yemen Compensation protest	Legal claim: USD 17,604,299.00 Compensation protest: USD 17,390,380.06	Commercial Court in Belgrade	2017	First instance expert procedure pending, expecting the first instance decision for settlement. Second instance proceeding
124.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
125.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 304,749.89	Commercial Court in Belgrade	2017	Grounded
126.	Mušikić Vera and Branislav	JP Putevi Srbije EP Niskogradnja Plc. - intervener	Damage compensation death of close relative	RSD 1,920,000.00	Basic Court in Vrbas	2017	Uncertain First instance proceeding
127.	Jovanović Vojislav, Mirjana, Dragana and Jovana	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2017	Uncertain
128.	Angelina and Dejan Lukić	EP Niskogradnja Plc.	Damage compensation	RSD 2,000,000.00	3rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
129.	EP Niskogradnja Plc. i	Intermost Ltd.in bunkruptcy	Debt (Novi Sad)	RSD 378,685,160.00	Commercial Court in Belgrade	2017	Plaintiffs appeal of EP Niskogradnja partly rejected by frist instance decision, and appeal of Intermost Ltd. adopted. Second instance proceeding
	Intermost Ltd.in bunkruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189,827,985.00	Commercial Court in Belgrade	2017	
130.	Dunav osiguranje Plc.	JP Putevi Srbije EP and Niskogradnja Plc.- intervener	Damage compensation	RSD 170,536.00	Commercial Court in Belgrade	2017	Uncertain First instance proceeding
131.	Adis Oprašić	EP Niskogradnja Plc.	Debt according to agency contract	EUR 6,000.00	Municipality court in Sarajevo	2017	Uncertain First instance proceeding
132.	JP Putevi Srbije	EP Niskogradnja Plc.	Regressed complaint	RSD 351,403.64	Commercial Court in Belgrade	2017	Uncertain First-instance proceeding
133.	JP Putevi Srbije	EP Niskogradnja Plc.	Regressed complaint	RSD 134,657.49	Commercial Court in Belgrade	2017	Uncertain First-instance proceeding
134.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Damage compensation for injury at work	RSD 560,000.00 RSD	3 rd Basic Court in Belgrade	2018	Uncertain First-instance proceeding
135.	S.Stojić	EP Hidroinženjering Plc.	Claims for unpaid salaries earned abroad	USD 6,466.00 or RSD 482,865.00	1st Basic Court in Belgrade	2017	Favourable First instance proceeding
136.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	1st Basic Court in Belgrade	2017	Uncertain First instance proceeding
137.	M.Bojić	EP Hidroinženjering Plc.	Claims for unpaid salaries and food allowance earned abroad	USD 5,816.00	3 rd Basic Court in Belgrade	2017	Favourable First instance proceeding
138.	EP Hidroinženjering Plc.	RIKO Ljubljana Slovenia	Unpaid invoices	EUR 159,425.89	Municipal Court in Ljubljana Slovenia	Uncertain	Favourable; first instance decision in our favor Second instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
139.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence employment terms for the period 1985-1991		3 rd Basic Court in Belgrade	2017	Favourable First instance proceeding
140.	Técnica y Proyectos S.A.; Energoprojekt Hidroinženjering S.A. i Carlos Alfredo Machicao Pereyra y Asociados S.R.L.	Proyecto Especial de Afianzamiento y Ampliación de los Recursos Hídricos de TACNA - PET	Ungrounded protesting financial guarantee of performance for the project Yaraskay + 30% of the balance upon the Agreement	USD 464,376.27 and USD 218,216.99	Arbitration Court in TACNA, Peru	Current estimates of lawyers is that both processes could take approximately 24 months; preparation and presentation of technical-economic reports of independent expert is in process	Favorable outcome regarding protesting guarantees and collection of final invoice; uncertain damage compensation
141.	Lahmeyer Agua y Energía S.A.; Energoprojekt Hidroinženjering S.A. i Técnica y Proyectos S.A.	Proyecto Especial de Irrigación e Hidroenergético del Alto PIURA - PEIHAP	Final liquidation and our request for damage compensation	USD 46,352.03 (our request upon agreement); USD 541,319.18 (our request for suffered damage) and USD 2,277,471.61 (request by defendant)	Arbitration Court in PIURA, Peru	Both parties filed their final submissions regarding the request for damage compensation; estimate - arbitration could be completed by mid-2017	Favorable - final liquidation; uncertain - damage compensation
142.	EP Energodata Plc.	Šipad komerc in bunkruptcy	Unpaid services performed	RSD 258,586.20	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy	Uncertain payment amount.
143.	Violeta Nikolić	EP Garant Plc.	Request to be reappointed to position of Executive Manager		3 rd Basic Court in Belgrade	2017	Ungrounded First instance proceeding
144.	EP Garant Plc.	JKP BVK Beogradski vodovod	Regres – Damage compensation	RSD 1,900,000.00	Commercial Court in Belgrade	2017	Up to 40% of demanded (RSD 700,000)
145.	Vladimir Grabež, Marko Martinoli, Activist Ltd. and Activeast management ltd.	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 452,071,063.00	Commercial Court in Belgrade	2017.	Ungrounded; first instance rejected Plaintiffs appeal, Plaintiff presented new appeal. Second instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
146.	Siniša Kisić	EP Entel Plc.	Share buy-off based on claim of unwilling shareholder	RSD 104,803,172.80	Commercial Court in Belgrade	2017	Ungrounded; first instance rejected Plaintiffs appeal, Plaintiff presented new appeal. Second instance proceeding
147.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different accounts	RSD 11,628,000.00	Commercial Court in Belgrade	2017	First instance court accepted claim of EP Entel Plc. Second instance proceeding
148.	Paripović Duško	EP Entel Plc., as second Defendant, out of four in total	Damage compensation – injury at work	RSD 1,300,000.00	Basic Court in Požarevac	Uncertain	Uncertain; proceeding terminated First instance proceeding
149.	Melpo Ltd.	Termoelektro Enel Plc. and EP Entel Plc. - intervener on behalf of Defendant	Damage compensation	RSD 6,282,877.43	Commercial Court in Belgrade	Uncertain	Uncertain First instance proceeding
150.	Milanka Bančić	EP Industrija a.d	Housing lawsuit		3rd Basic Court in Belgrade	2017	First instance in our favour Second instance proceeding
151.	EP Industrija Plc.	Jugoremedija Plc.- in bankruptcy	Claims registration	EUR 321,146.18	Commercial Court in Zrenjanin	Uncertain	RSD 28,884,312.77 – approved by conclusion on correction
152.	EP Industrija	Milanka Bančić	Eviction		Municipality Novi Beograd	Uncertain	Uncertain
153.	Marko Martinoli and other minority shareholders	EP Industrija Plc.	Request for an emergency session of Assembly		Commercial Court in Belgrade	2017	Uncertain; final decision partially rejected proposals of minority shareholders; remaining deciding on one other point required First instance proceeding

Energoprojekt Group, Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome
154.	EP Urbanizam i arhitektura. Plc.	M. Cvijić	Damage compensation	RSD 1,523,072.42	3rd Basic Court in Belgrade	Uncertain	Uncertain; in process of forced execution
155.	Tamara Vukadinović	EP Urbanizam. i arhitektura Plc.	Annulment of dismissal		3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceeding
156.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal		3rd Basic Court in Belgrade	Uncertain	First instance court rejected claim Second instance proceeding
157.	Veljković Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 3		3rd Basic Court in Belgrade	Uncertain	First instance proceeding
158.	Veljković Novica	EP Urbanizam i arhitektura Plc.	Annulment of Anex 4		1st Basic Court in Belgrade	Uncertain	First instance proceeding
159.	Marković Vladimir	EP Urbanizam i arhitektura Plc.	Debt	USD 10,147.80	1st Basic Court in Belgrade	Uncertain	First instance accepted claim of Prosecutor Second instance proceeding by appeal of EP Urbanizam i arhitektura in process
160.	Milan Raonić	EP Urbanizam i arhitektura Plc.	Damage compensation for Copyright Infringement	Uncertain	Higher Court in Belgrade	2017	Uncertain First instance proceeding

In addition of the above listed court cases in which Energoprojekt Holding 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. company to determine the ownership right over the hotel building constructed on a lot for which Energoprojekt Holding was registered as a holder of rights in addition to the GP Napred Razvoj Plc. company. In this lawsuit, Energoprojekt Holding is a passive co-litigant, and thus there are no potential commitments for Energoprojekt Holding, but it had to be included in the action due to the formal reasons.

In addition, the first instance procedure is also in progress in which a small number of minority shareholders of the Energoprojekt Visokogradnja called into question the price paid to them in the procedure initiated at their request for compulsory sale of shares.

47. POST BALANCE SHEET EVENTS

On August 2nd, 2017, Central Securities Depository and Clearing House approved the offer made by Napred razvoj Plc. Belgrade, belonging to Dobroslav Bojovic, for overtaking the shares of Energoprojekt, making him the majority shareholder with 16.67% shares bought, meaning that, together with additional 35.32% of shares he already had together with entities with joint business activities, he is in possession of majority share package of 51.99%.

The investor “Gazprom transgas Belarus”, Minsk, engaged on project EnergoCenter Construction for the needs of multifunctional complex in Minsk, for some time now, applying different business activities, keeps on preventing Energoprojekt Oprema, as main constructor, to finish the contractual liabilities. This kind of behavior does not appear as result of inadequacy of works by Energoprojekt Oprema, but is caused by the fact that investor had suspended works on the entire site, including the investing parts pertaining to contractual liabilities of Energoprojekt Oprema. The negotiations with investors are on the course at this moment, aimed to solve this complicated situation in Minsk, first of all because of the compensation for equipment, in the amount of cca USD 17.6 million, which Energoprojekt Oprema, due to the Contract and with prior consent of the investor, has already acquired and delivered to the construction site.

There were no significant 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, beside aforementioned.

In Belgrade,
On August 11, 2017

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;
-

Note:

Business Report and Consolidated Business Report are presented as one report, containing information of significance for the economic overview.

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 for Q2 2017" (see Chapter 1 of the said Statements).

Plans for 2017 include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 296.6 million, namely: EUR 127.5 million (43%) in the country and EUR 169.1 million (57%) abroad. During the first half of 2017, contracts for new business deals worth the total of EUR 54.6 million: EUR 29.1 million (53%) in the country and EUR 25.5 million (47%) abroad, which makes 18% of the total targeted annual contracting plan.

As at the last day of the reporting period, business deals worth approximately EUR 356.4 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 144.4 million; abroad EUR 212.0 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 2017:

Priority tasks:

- Activities aimed at preparation of a new strategic document – "Basic Elements of the Medium-Term Business Plan of the Energoprojekt Holding Plc. and Energoprojekt Group 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 carry out Energoprojekt Group vision and mission;
- To ensure conditions for execution of the Medium-term Business Plan of revenues and profit, preserving financial liquidity, permanent control and cost optimization, together with maintaining the source of financing for the purpose of revenues and profit growth;
- To intensify developing projects and market projects by own-possessing means, as well as by means of financial institutions and public and private partnership in the area of real estate, energy, ecology and communal and traffic infrastructure;
- To market and complete new business deals, in the country and, dominantly abroad, with constant analysis for developing and opening of new markets;
- To preserve and develop existing human resources, to make conditions for employment of new, young employees important for performing of business plans and adopting new technologies, implementing them into every-day business activities; to develop the existing human resources to enable the high-level results, to guide experts and managers on all managing levels and to create team-building surrounding, followed by analysis and succession plans;
- To develop Energoprojekt corporative culture and management;
- To implement „Balance Score Card“ methodology and „Key performance Index“, together with developing and implementing the application software, based on „Business Intelligence“ platform;
- To develop further the Risk Management methodology and Integrated Management System, to introduce and apply consistently the Code of Ethics, corporative Integrity Standards and socially responsible business;
- To develop shareholding system, to improve shares value and to perform business policy of dividend payment to shareholders;
- 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 2017.

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

- "Medium-Term Business Plan of the Energoprojekt Holding Plc. and Energoprojekt Group for 2016-2020“;
- "Annual Business Plan of Energoprojekt Holding Plc. and Energoprojekt Group for the year 2017".

Major business events after the end of the reporting year

The contract with Republic of Serbia, Directorate for Property, was signed on February 7, 2017 on purchasing of construction land owned by Republic of Serbia, with area of 59a 91m², located on cadastral parcel No. 1005/28 registered in Cadastral Register 6400 KO New Belgrade, in the amount of RSD 274,609 thousand, paid on February 14, 2017.

Pursuant to Decision on Acquiring own shares on regulated market, made by Supervisory Board, on February 13, 2017, being active on Belgrade Stock exchange the Company has acquired 97,700 own shares (representing 0.89376% of total shares with the right to vote), amounting RSD 124,148 thousand, starting from the day of this Decision was adopted to the day of relevant financial statements approving.

At 45th Repeat Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 16th, 2017, as per the adopted Agenda, the following resolutions were approved: Resolution on Approval of Energoprojekt Holding Plc. Annual Business Report for 2016; Resolution on Approval of Energoprojekt Group Annual Consolidated Statement for 2016; 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 and Approval of the Auditor's Fee; Resolution on Appointment of Member of the Supervisory Board 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.

On August 2nd, 2017, Central Securities Depository and Clearing House approved the offer made by Napred razvoj Plc. Belgrade, belonging to Dobroslav Bojovic, for overtaking the shares of Energoprojekt, making him the majority shareholder with 16.67% shares bought, meaning

that, together with additional 35.32% of shares he already had together with entities with joint business activities, he is in possession of majority share package of 51.99%.

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.

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.

Liabilities to related parties arise mainly from commercial transactions and are mature within 5 to 30 days from the purchasing date.

The Company has no payment securities provided for liabilities to related parties.

Detailed explanations are provided in the "Notes to the Financial Statements".

Corporate activities on research and development

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.

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).

In the forthcoming period, the implementation of the approved strategic document – „Medium-Term Business Plan of the Energoprojekt Holding Plc. and Energoprojekt Group for 2016-2020“ will be made.

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

To the best of our knowledge, the Semi-Annual Consolidated Financial Statements of Energoprojekt Holding Plc. for 2017 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, 112/2015 and 108/2016) we hereby declare that the financial statements in question have not been audited.

Person responsible for preparation of the Report:

Energoprojekt Holding Plc.

Executive Director for Finance



Dimitraki Zipovski

Dr Dimitraki Zipovski, D.Sc. Ecc.

Legal Representative:

Energoprojekt Holding Plc.

Chief Executive Officer



Vladimir Milovanovic
Vladimir Milovanovic, B.Sc. Mech. Eng.

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE SEMI-ANNUAL CONSOLIDATED REPORT OF ENERGOPROJEKT HOLDING PLC FOR 2017 *

Note *:

- Semi-Annual Consolidated Report of the Energoprojekt Holding Plc. for 2017 was approved and adopted on August 14, 2017, at 91st meeting of the Executive Board of the Issuer.

In Belgrade, August 2017

Person responsible for preparation of the Report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding Plc.



Dimitraki Zipovski

Dr Dimitraki Zipovski, D.Sc. Ecc.

Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.



Vladimir Milovanovic

Vladimir Milovanovic, B.Sc. Mech. Eng.