

Consolidated Annual Report of
Energoprojekt Holding Plc.
for the year 2019

Pursuant to Articles 50 and 51 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015 and 108/2016) and pursuant to Article 3 of the Rulebook on the Content, Form and Method of Publication of Annual, Half-Yearly 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:**

CONSOLIDATED ANNUAL REPORT
OF ENERGOPROJEKT HOLDING PLC. FOR THE YEAR OF 2019

C O N T E N T S

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR THE YEAR 2019

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

2. INDEPENDENT AUDITOR'S REPORT (complete report)

3. ANNUAL BUSINESS REPORT

(Note: Annual Business Report and Consolidated Annual Business Report are presented as a single report and these contain information of significance for the economic entity)

4. STATEMENT BY THE PERSONS RESPONSIBLE FOR PREPARATION OF REPORTS

5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF ANNUAL CONSOLIDATED FINANCIAL STATEMENTS* (Note)

6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES* (Note)

1. CONSOLIDATED FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR THE YEAR 2019 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

CONSOLIDATED BALANCE SHEET
as at 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		15.244.845	15.550.522	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		63.899	50.149	-
010 & part 019	1. Investments in development	0004		-	-	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25.	63.429	50.149	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25.	470	-	-
016 & part 019	6. Advances paid on intangible assets	0009		-	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		12.741.255	13.153.191	-
020, 021 & part 029	1. Land	0011	26.	633.593	633.472	-
022 & part 029	2. Buildings	0012	26.	6.816.541	6.829.710	-
023 & part 029	3. Plant and equipment	0013	26.	2.329.260	2.661.662	-
024 & part 029	4. Investment property	0014	26.	2.837.068	2.896.942	-
025 & part 029	5. Other property, plant and equipment	0015	26.	68.304	79.404	-
026 & part 029	6. Property, plant and equipment in progress	0016	26.	2.641	1.536	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26.	4.184	5.566	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26.	49.664	44.899	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl. 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1.101.822	1.030.217	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27.	729.439	729.159	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27.	31.116	44.346	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	-	-
048 & part 049	9. Other long term financial investments	0033		341.267	256.712	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		1.337.869	1.316.965	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036		-	-	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039		-	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28.	1.337.869	1.316.965	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		23.531.725	23.479.118	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.671.082	4.980.274	-
10	1. Material ,parts, tools and small inventories	0045	29.	927.165	1.047.453	-
11	2. Work and services in progress	0046	29.	2.555.541	1.643.413	-
12	3. Finished products	0047	29.	605.909	1.331.456	-
13	4. Goods	0048	29.	21.980	23.513	-
14	5. Non-current assets held for sale	0049	29.	109.157	163.588	-
15	6. Advances paid for inventories and services	0050	29.	1.451.330	770.851	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		8.089.534	9.034.033	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30.	25.254	3.580	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30.	561.160	693.084	-
204 & part 209	5. Local buyers	0056	30.	2.665.120	3.331.261	-
205 & part 209	6. Foreign buyers	0057	30.	4.838.000	5.006.108	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31.	55.058	106.499	-
22	IV. OTHER RECEIVABLES	0060	32.	545.638	619.191	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		-	-	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.383.706	1.437.696	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	33.	76.521	157.836	-
232 & part 239	3. Short term credits and loans, domestic	0065		-	17.807	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	33.	853	-	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	33.	1.306.332	1.262.053	-
24	VII. CASH AND CASH EQUIVALENTS	0068	34.	2.454.112	2.076.921	-
27	VIII. VALUE ADDED TAX	0069	35.1.	74.967	360.314	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	35.2.	5.257.628	4.864.190	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		38.776.570	39.029.640	-
88	F. OFF-BALANCE SHEET ASSETS	0072	44.	19.702.786	16.454.238	-
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		19.588.632	19.773.552	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.818.025	5.818.025	-
300	1. Share capital	0403	36.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	36.1.	162.693	162.693	-
309	8. Other share capital	0410	36.1.	80.373	80.373	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412	36.2.	49.827	49.827	-
32	IV. RESERVES	0413	36.3.	453.602	453.585	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	36.4.	5.973.916	6.019.554	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	36.5.	265.202	266.806	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	36.6.	17.055	3.824	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		7.050.068	7.150.182	-
340	1. Retained earnings from previous years	0418	36.7.	6.405.182	6.400.076	-
341	2. Retained earnings from current year	0419	36.7.	644.886	750.106	-
	IX. NON-CONTROLLING INTEREST	0420	36.8.	94.701	119.051	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		2.455.885	1.031.587	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		893.788	785.134	-
400	1. Provisions for warranty costs	0426	37.	606.134	501.487	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	37.	285.334	283.647	-
405	5. Provisions for legal expenses	0430	37.	2.320	-	-
402 & 409	6. Other long term provisions	0431		-	-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		1.562.097	246.453	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435	38.1.	1.196.624	-	-
413	4. Liabilities for issued securities for more than one year	0436		-	-	-
414	5. Long term credits and loans, domestic	0437		-	17.729	-
415	6. Long term credits and loans, foreign countries	0438	38.2.	203.021	200.062	-
416	7. Long term liabilities from financial leasing	0439	38.3.	5.405	10.498	-
419	8. Other long term liabilities	0440	38.4.	157.047	18.164	-
498	C. DEFERRED TAX LIABILITIES	0441	43.4	752.482	760.118	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0445+0446+0447+0448+0449)	0442		15.979.571	17.464.383	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		4.250.885	7.348.070	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	39.1.	3.681.150	5.946.760	-
423	4. Short term credits and loans, foreign countries	0447	39.2.	429.149	757.440	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424,425,426 & 429	6. Other short term financial liabilities	0449	39.3.	140.586	643.870	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	40.	5.020.314	1.916.617	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		4.464.353	4.972.564	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454	41.	83.250	151.071	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	41.	5.777	5.807	-
435	5. Suppliers, local	0456	41.	2.786.730	3.360.287	-
436	6. Suppliers, foreign countries	0457	41.	1.585.830	1.446.832	-
439	7. Other operating liabilities	0458	41.	2.766	8.567	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	42.	873.835	1.042.252	-
47	V. VALUE ADDED TAX	0460	43.1.	163.963	198.398	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	43.2.	52.331	742.061	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	43.3.	1.153.890	1.244.421	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		38.776.570	39.029.640	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	44.	19.702.786	16.454.238	-

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



Poljens

[Signature]

CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		26.454.843	23.122.123
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		202.080	177.686
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005		-	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006		-	-
604	5. Income from sale of goods on local market	1007	11.1.	142.487	92.720
605	6. Income from sale of goods on foreign markets	1008	11.1.	59.593	84.966
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		26.085.289	22.646.845
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	47.230	-
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	155.158	134.284
614	5. Income from sale of finished products and services on local market	1014	11.2.	17.197.430	12.527.570
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	8.685.471	9.984.991
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016		-	43
65	IV. OTHER OPERATING INCOME	1017	11.3.	167.474	297.549
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		25.774.621	23.079.743
50	I. COST PRICE OF GOODS SOLD	1019	12.	204.552	159.236
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13.	20.197	30.360
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13.	943.370	896.716
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13.	756.117	653.613
51 excl. 513	V. MATERIAL COSTS	1023	14.	3.677.586	3.986.851
513	VI. FUEL AND ENERGY COSTS	1024	14.	733.997	1.033.639
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15.	7.361.902	7.505.366
53	VIII. PRODUCTION SERVICE COSTS	1026	16.	11.864.211	8.058.178
540	IX. DEPRECIATION EXPENSES	1027	17.	563.863	683.566
541 to 549	X. PROVISION EXPENSES	1028	17.	233.036	55.375
55	XI. INTANGIBLE EXPENSES	1029	18.	1.342.924	1.870.995
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		680.222	42.380
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		665.269	770.753
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		172.721	133.794
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	17.885	10.369
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	73.743	67.382
669	4. Other financial revenues	1037	19.1.	81.093	56.043
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	128.492	128.491
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	364.056	508.468
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		558.111	760.584
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		45.461	12.168
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	45.060	2.364
565	3. Share of losses in affiliated companies and joint ventures	1044		-	9.748
566 & 569	4. Other financial expenditure	1045	19.2.	401	56
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	266.491	364.532
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	246.159	383.884
	G. FINANCIAL GAINS (1032-1040)	1048		107.158	10.169
	H. FINANCIAL LOSSES (1040-1032)	1049		-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	112.810	9.862
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	121.393	46.120
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	303.316	1.367.763
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	297.044	333.411
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		785.069	1.050.643
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22.	18.205	-
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		-	56.176
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	23.	803.274	994.467
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		169.741	261.192
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		-	18.490
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		7.316	-
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		640.849	714.785
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		55.437	269.192
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		585.412	445.593
	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		-	-

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



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Name

ENERGOPROJEKT HOLDING PLC, BELGRADE

CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		640.849	714.785
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		62.774	146.397
	b) decrease in revaluation reserves	2004			105.214
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	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				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		30.029	165.846
	b) losses	2012		31.633	13.464
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017		1.091	14.807
	b) losses	2018		14.322	
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		47.939	208.372
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020			
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			5.096
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		47.939	203.276
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023			
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024		688.788	918.061
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026		688.788	918.061
	1. Payable to majority shareholders	2027		628.389	785.488
	2. Payable to non-controlling shareholders	2028		60.399	132.573

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2019.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	32.627.006	26.773.888
1. Sales and prepayments	3002	31.552.755	25.558.427
2. Interests from operating activities	3003	50.734	77.454
3. Other inflow from normal operations	3004	1.023.517	1.138.007
II. Cash outflow from operating activities (1 to 5)	3005	29.573.676	25.681.227
1. Payments to suppliers and prepayments	3006	19.983.398	16.319.830
2. Employee expenses and benefits	3007	7.349.374	7.517.016
3. Interests paid	3008	285.083	361.138
4. Income tax	3009	863.632	323.608
5. Payments based on other public revenues	3010	1.092.189	1.159.635
III. Net cash inflow from operating activities (I-II)	3011	3.053.330	1.092.661
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	1.109.626	931.224
1. Sale of shares and stocks (net inflow)	3014	-	780.683
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	54.172	93.854
3. Other financial investments (net inflow)	3016	1.018.868	-
4. Interest received from investment activities	3017	12.140	24.797
5. Dividends received	3018	24.446	31.890
II. Cash outflow from investing activities (1 to 3)	3019	832.517	233.922
1. Purchase of shares and stocks (net outflow)	3020	714.596	-
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	117.921	119.251
3. Other financial investments (net outflow)	3022	-	114.671
III. Net cash inflow from investing activities (I-II)	3023	277.109	697.302
IV. Net cash outflow from investing activities (II-I)	3024	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	176.396	479
1. Equity increase	3026	-	-
2. Long term loans (net inflow)	3027	176.211	-
3. Short term loans (net inflow)	3028	-	-
4. Other long term liabilities	3029	139	272
5. Other short term liabilities	3030	46	207
II. Cash outflow from financing activities (1 to 6)	3031	3.216.727	2.647.637
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	-	-
3. Short term loans (net outflow)	3034	3.136.137	2.268.891
4. Other liabilities	3035	33.196	16.705
5. Financial leasing	3036	34.878	61.919
6. Dividends paid	3037	12.516	300.122
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	3.040.331	2.647.158
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	33.913.028	27.705.591
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	33.622.920	28.562.786
G. NET CASH INFLOW (3040-3041)	3042	290.108	-
H. NET CASH OUTFLOW (3041-3040)	3043	-	857.195
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	2.076.921	2.953.758
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	113.222	70.787
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	26.139	90.429
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	2.454.112	2.076.921

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31.12.2019.

No.	DESCRIPTION	Equity component															
		EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses
1	2		3		4		5		6		7		8		9		10
1	Opening balance on 01.01.2018.																
	a) debit balance	4001	-	4019	-	4037	-	4055	-	4073	49.827	4091	-	4109	-	4127	-
	b) credit balance	4002	5.982.522	4020	-	4038	454.450	4056	-	4074	-	4092	6.881.068	4110	6.110.601	4128	-
2	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4003	-	4021	-	4039	-	4057	-	4075	-	4093	-	4111	-	4129	-
	b) adjustment of credit balance	4004	-	4022	-	4040	-	4058	-	4076	-	4094	-	4112	-	4130	-
3	Adjustment of opening balance on 01.01.2018.																
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005	-	4023	-	4041	-	4059	-	4077	49.827	4095	-	4113	-	4131	-
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	5.982.522	4024	-	4042	454.450	4060	-	4078	-	4096	6.881.068	4114	6.110.601	4132	-
4	Changes in previous 2018. year																
	a) debit balance activity	4007	45.446	4025	-	4043	914	4061	-	4079	-	4097	619.071	4115	244.419	4133	-
	b) credit balance activity	4008	-	4026	-	4044	49	4062	-	4080	-	4098	888.185	4116	153.372	4134	-
5	Closing balance previous year at 31.12.2018.																
	a) debit balance (3a+4a-4b) ≥ 0	4009	-	4027	-	4045	-	4063	-	4081	49.827	4099	-	4117	-	4135	-
	b) credit balance (3b-4a+4b) ≥ 0	4010	5.937.076	4028	-	4046	453.585	4064	-	4082	-	4100	7.150.182	4118	6.019.554	4136	-
6	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4011	-	4029	-	4047	-	4065	-	4083	-	4101	-	4119	-	4137	-
	b) adjustment of credit balance	4012	-	4030	-	4048	-	4066	-	4084	-	4102	-	4120	-	4138	-
7	Adjustment of opening balance current year at 01.01.2019.																
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013	-	4031	-	4049	-	4067	-	4085	49.827	4103	-	4121	-	4139	-
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	5.937.076	4032	-	4050	453.585	4068	-	4086	-	4104	7.150.182	4122	6.019.554	4140	-
8	Changes in current 2019. year																
	a) debit balance activity	4015	24.350	4033	-	4051	-	4069	-	4087	-	4105	865.373	4123	120.267	4141	-
	b) credit balance activity	4016	-	4034	-	4052	17	4070	-	4088	-	4106	765.259	4124	74.629	4142	-
9	Closing balance at 31.12.2019.																
	a) debit balance (7a+8a-8b) ≥ 0	4017	-	4035	-	4053	-	4071	-	4089	49.827	4107	-	4125	-	4143	-
	b) credit balance (7b-8a+8b) ≥ 0	4018	5.912.726	4036	-	4054	453.602	4072	-	4090	-	4108	7.050.068	4126	5.973.916	4144	-

Belgrade,

Date: 16.04.2020.

Name ENERGOPROJEKT HOLDING PLC, BELGRADE

RSD thousand

No.	DESCRIPTION	Other results component								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		
		EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from share of other profits and losses of affiliates	EDP	334 & 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
1	2		11		12		13		14		15		16		17
1	Opening balance on 01.01.2018. a) debit balance b) credit balance	4145	-	4163	-	4181	-	4199	-	4217	18.631	4235	19.474.607	4244	-
		4146	-	4164	-	4182	114.424	4200	-	4218	-				
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4147	-	4165	-	4183	-	4201	-	4219	-	4236		4245	-
		4148	-	4166	-	4184	-	4202	-	4220	-				
3	Adjustment of opening balance on 01.01.2018. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	4149	-	4167	-	4185	-	4203	-	4221	18.631	4237	19.474.607	4246	-
		4150	-	4168	-	4186	114.424	4204	-	4222	-				
4	Changes in previous 2018. year a) debit balance activity b) credit balance activity	4151	-	4169	-	4187	13.464	4205	-	4223	-	4238		4247	-
		4152	-	4170	-	4188	165.846	4206	-	4224	14.807				
5	Closing balance previous year at 31.12.2018. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	4153	-	4171	-	4189	-	4207	-	4225	3.824	4239	19.773.552	4248	-
		4154	-	4172	-	4190	266.806	4208	-	4226	-				
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4155	-	4173	-	4191	-	4209	-	4227	-	4240		4249	-
		4156	-	4174	-	4192	-	4210	-	4228	-				
7	Adjustment of opening balance current year at 01.01.2019. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	4157	-	4175	-	4193	-	4211	-	4229	3.824	4241	19.773.552	4250	-
		4158	-	4176	-	4194	266.806	4212	-	4230	-				
8	Changes in current 2019. year a) debit balance activity b) credit balance activity	4159	-	4177	-	4195	31.633	4213	-	4231	14.322	4242		4251	
		4160	-	4178	-	4196	30.029	4214	-	4232	1.091				
9	Closing balance at 31.12.2019. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	4161	-	4179	-	4197	-	4215	-	4233	17.055	4243	19.588.632	4252	-
		4162	-	4180	-	4198	265.202	4216	-	4234	-				

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company




**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC
FOR 2019**

Belgrade, April 2020

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1. COMPANY BACKGROUND

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

- 11 subsidiary companies in the country, 10 of which are direct subsidiaries (8 share-based and 2 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, and
- 7 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 96) 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.

During the reporting period and according to business activities, the companies within Energoprojekt were organized in the following manner:

Activity	No. of entities in the country	No. of business units for investment works and branch offices abroad	No. of entities abroad
Planning and research	4	42	5
Construction and fitting	6	54	13
Holding	1		
Other	3		4
Total	14	96	22

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

In 2019, the average number of employees within group for consolidation of Energoprojekt Holding Plc. (further in text: also system Energoprojekt), based on the actual number of employees at the end of each month, was 1,841 (compared to 2,129 in 2018), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market.

Financial statements for 2019 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** approved by the Supervisory Board of the Company, on April 30, 2020 in the 87. meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2018, which were audited by independent external auditor.

The Company's management assesses that companies within consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in the business, and thus the consolidated financial statements for 2019 are prepared in accordance with the going concern.

2. CONSOLIDATION GROUP

The consolidation group of the Energoprojekt Holding Plc. (hereinafter: the System Energoprojekt) consists of parent company Energoprojekt Holding and its local subsidiaries, joint venture and related parties and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and related parties

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.	99.95
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	42.36
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	

Joint ventures

Building Construction and Fitting

12.	Enjub Ltd.	50.00
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In 2018, from the consolidation group Energoprojekt Holding Plc., the company Energoprojekt Promet Ltd. was excluded due since 2010 it has been dormant company. Energoprojekt Promet Ltd. since then has not performed any activities, has not owned any assets, and that from 2019, the Serbian Business Registers Agency (SBRA) initiated a procedure of enforced liquidation for all companies that have not submitted financial statements in accordance with the accounting regulations for the last two consecutive years preceding the year in which the financial statements are submitted. Energoprojekt Promet Ltd. does

not submit financial statements to SBRA starting from the financial statements for 2017.

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. Although Energoprojekt Holding (indirectly) has a share of 42.36%, Energoplast Ltd., the consolidated financial statements of Energoprojekt Holding a.d. included Energoplast Ltd. financial statements by fully consolidation, given the fact that Energoprojekt Holding, indirectly, has controlled Energoplast (although it does not have majority owner).

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in compliance with IFRS 11 - Joint Arrangements, equity method was applied.

In 2019, affiliated company CEF Fima Southern Europe Activist Plc. Belgrade - in liquidation was liquidated and deleted from the Register of Business Entities and the Central Securities Register (Note 27).

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
<i>Subsidiary Companies</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, Libanon	100.00

On 30 July 2019, Energoprojekt Holding sold its entire shareholding in the subsidiary Encom GmbH Consulting, Engineering & Trading, Germany (100.00%) (Note 21.2).

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, 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 and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Energodata and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that their subsidiary and related parties 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, Bahrain	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 (24.92%)	EP Oprema Plc.
Domestic		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
16.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

The company OOO Belgrade, Belarus ceased operations on 21 November 2019 when the company was closed by liquidation in accordance with the Decision of the City Executive Committee of the City of Minsk on exclusion from the unified state register of legal entities and entrepreneurs.

The Company's management estimates that the companies that make up the consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in operations, so in accordance with such an assessment, the consolidated financial statements of Energoprojekt Holding Plc. for 2019 are prepared on a going concern principle.

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 and 30/2018– 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 ("Official Gazette of RS", No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - other law, 142/2014, 91/2015 - authentic interpretation, 112/2015, 113/2017, 95/2018 and 86/2019);
- Law on Added Value Tax ("Official Gazette of RS", No. 84/2004, 86/2014 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 5/2015, 83/2015, 108/2016, 113/2017, 30/2018 and 72/2019);
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 20/2014, 41/2015, 101/2016, 8/2019 and 94/2019);
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 30/2015, 101/2016, 44/2018 – other laws, 8/2019 and 94/2019);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("Official Gazette of RS", No. 116/2004, 99/2010, 104/2018 and 8/2019);

- Rules on Transfer Pricing and Methods Applied in compliance with the “arm’s length” principle in determining the price of transactions among related parties ("Official Gazette of RS", No. 61/2013, 8/2014 and 94/2019) and others.

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 November 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.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

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 and 30/2018) , the financial statements in the Republic of Serbia 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.

Published standards and interpretations in force in the previous and current period that have not yet been officially translated or adopted

On the day of publication of these financial statements, below stated standards as well as the amendments thereto were issued by the International Accounting Standards Board, and the following interpretations were published by the International Financial Reporting Standards' Interpretations Committee, but have not yet been officially adopted in the Republic of Serbia:

- Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting Financial Assets and Financial Liabilities (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" - Exemption of subsidiaries from consolidation under IFRS 10 (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IAS 19, Employee Benefits - Defined benefit plans (effective for annual periods beginning on or after 1 July, 2014);
- Annual improvements for the period from 2010 to 2012, which are the result of the Annual Qualitative Improvement Project IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) in order to eliminate inconsistencies and clarify formulations (effective for annual periods beginning on or after 1 July 2014),
- Amendments to various standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40) and interpretations to standards are part of the IASB's annual improvements project "Cycle 2011-2013" published by IASB in December 2013, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 July, 2014);
- Amendments to IFRS 11 "Joint Arrangements" - Accounting for acquisition of participation in joint businesses (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Interpretation of the accepted methods of depreciation (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Industrial plants (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 27 "Separate Financial Statements" - Equity method in separate financial statements (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - The sale or transfer of assets between the investor and its associates or joint ventures (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in Associates and Joint Ventures" - investing companies: exception of application for consolidation (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 1 "Presentation of Financial Statements" - Initiative for disclosure (effective for annual periods beginning on or after 1 January, 2016);

- Amendments to various standards "Improvements IFRS" (for period from 2012 to 2014), which are the result of Project annual improvement IFRS (IFRS 5, IFRS 7, IAS 19, IAS 34) primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 7 "Cash Flow Statement" - request for disclosures that allow users to assess changes in liabilities arising from financing activities (effective from 1 January, 2017);
- Clarifications related to IAS 12 "Income Tax" aimed in reduction of diversity in practice when it is about deferred tax assets arise from unrealized losses (effective from 1 January, 2017);
- Amendments to IFRS 12 "Disclosures of Interests in Other Entities" (effective from 1 January, 2017);
- IFRS 16 "Lease" - published in January 2016, the application is for business periods beginning on or after 1 January, 2019. The standards will replace current IAS 17;
- IFRS 3 "Business Combinations" - a supplement relating to clarifications when one party acquires control in a previous joint venture. The change shall enter into force for business combinations whose date of purchase is on or after the first annual reporting period beginning on or after 1 January 2019. It may be contrary to amendments to IFRS 11;
- IFRIC 23 - interpretation relating to IAS 12. Interpretation shall enter into force on or after 1 January 2019, but an earlier application is permitted;
- Interpretations to IFRS 11 related to transactions in which entity obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. This may be contrary to IFRS 3;
- Amendments to various standards and interpretations IFRS (IFRS 1 and IAS 28) which are part of the IFRS annual improvements project 2014-2016 cycle, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 2 "Share-based Payments" - clarifications on how to record certain types of share-based transactions (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 4 "Insurance Contracts" - amendments related to Implementation of IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 40 "Investment Property" - clarification of the principle of classification of investment property (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 9 „Financial Instruments“ - defining the conditions for measuring financial assets at amortized cost or at fair value through other comprehensive results (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" – clarification about recording of long-term investments in associates and joint ventures (effective for annual periods beginning on or after 1 January 2019);
- Amendments to various standards and interpretations IFRS (IFRS 3, IFRS 11, IAS 12, IAS 23) which are part of the IFRS annual improvements project 2015-2017 cycle, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 19 Employee Benefits - defining how to calculate defined benefit plans when changes, limits, or settlements occur during the reporting period (effective for annual periods beginning on or after 1 January 2019).

Published standards and interpretations that have not yet come into force

On the day of publication of these financial statements, the following standards, their amendments and interpretations were published, but have not yet entered into force:

- IFRS 9 “Financial Instruments” and subsequent amendments, which replaces the requirements of IAS 39 “Financial Instruments: Recognition and Measurement”, relating to the classification and measurement of financial assets. Standard eliminates the existing categories of IAS 39 – Assets held to maturity, available for sale and loans and receivables. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

In accordance with IFRS 9, financial assets will be classified into one of two categories listed at initial recognition: financial assets measured at amortized cost or financial assets measured at fair value. A financial asset will be recognized at amortized cost if the following two criteria are met: assets related to the business model, which aims to apply the agreed cash flows and contractual terms provide a basis for payment on certain dates the cash flows that are solely the collection of principal and interest on the principal outstanding. All other assets will be valued at fair value.

Gains and losses on valuation of financial assets at fair value will be recognized in the income statement, except for investments in equity instruments with non trading, where IFRS 9 permits, at initial recognition, the selection of unchangeable later that all changes in fair value recognized in within other gains and losses in the statement of comprehensive income. The amount thus be recognized within the statement of comprehensive income will not be able later to be recognized in the income statement;

- IFRS 15 “Revenue from contracts with customers”, which defines the framework for the recognition of revenue. IFRS 15 supersedes IAS 18 “Revenue”, IAS 11 “Construction contracts”, IFRIC 13 “Customer loyalty programmes”, IFRIC 15 “Agreements for the construction of real estate”, IFRIC 18 “Transfers of assets from customers” and SIC-31 - Revenue – barter transactions involving advertising services”. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted;
- Amendments to IFRS 4 relate to IFRS 9, applied before applying IFRS 17 that will replace IFRS 4;
- Amendments to IFRS 7 relate to IFRS 9;
- IFRS 17 replaces IFRS 4 - application to Financial Statements beginning 1 January 2021. Early application is conditioned by adoption of IFRS 9 and IFRS 15;
- Amendments to IFRS 3 “Business Combinations” - clarifying the definition of business (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - mainly elimination of inconsistencies and clarification of formulations (effective for annual periods beginning on or after 1 January 2020);
- Revised Conceptual Framework for Financial Reporting determines the objective of financial reporting, general purposes, qualitative characteristics of useful financial information, description of reporting entity and limitations, definitions of assets, liabilities, equity, income and expenses and additional guidelines, criteria for recognition of assets and liabilities in the financial statements and guidelines for derecognition, presentation and disclosure concepts and guidelines, equity maintenance concept (effective for annual periods beginning after 1 January 2020).

Despite all the above mentioned potential discrepancies, application of all changes of the above listed Standards would not bear any significant influence on the financial position of the system Energoprojekt or to the results of its operations.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated 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. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

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 fulfils 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 variability 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 Group for consolidation of the System Energoprojekt, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

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

- 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 („*Going Concern* “principle).

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 that are applied in the preparation of these consolidated financial statements of Energoprojekt Holding Plc. are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Holding Plc. that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting and Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the current legislation.

According to aforementioned, from 01 January 2018, the companies within system Energoprojekt, apply prospectively, IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration adopted by IFRS Interpretations Committee at the end of 2016.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency** in consolidated financial statements of the Energoprojekt Holding Plc.

In preparation of consolidated financial statements of Energoprojekt Holding Plc., relevant provisions IAS 10 – Events after the Reporting period were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

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

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

7.2. Effects of Foreign Exchange Rates

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

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	<i>31.12.2019</i>	<i>31.12.2018</i>
	<i>Amount in RSD</i>	
EUR 1	117.5928	118.1946
USD 1	104.9186	103.3893
GBP 1	137.5998	131.1816

Applied average FX rates for the Income Statement items in 2019 and 2018 were as follows:

<i>Currency</i>	<i>31.12.2019</i>	<i>31.12.2018</i>
	<i>Amount in RSD</i>	
EUR 1	117.8524	118.2716
USD 1	105.2762	100.2784
GBP 1	134.3444	133.6401

7.3. Income

Incomes in accordance with IAS 18 - Revenues, comprise income from economic benefits in the respective period that lead to the increase in capital, other than the increase that relate to investments from existing equity holders, and are measured according to the fair value of received or claimed benefits.

Incomes include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and net profit from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous years.

Among the **operating incomes**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of products, services and merchandize (increases, ie. decreases in the value of inventories of unfinished and finished products and unfinished services), and instead operating expenses are corrected by such amounts in the Income Statement.

Income from the sales of merchandize is recognized when the following conditions are met cumulatively:

- The company has transferred to the buyer significant risks and benefits from the ownership of the product and goods;
- The company does not keep the share in management of the product sold and merchandize that is usually related to ownership, nor does it keep the control over products and goods sold;
- The amount of income cannot be measured in a reliable manner;
- Economic benefit for the Company related to such transaction is probable, and
- Costs incurred or cost that will be incurred in such transactions can be measured in a reliable manner.

Operating income from provision of services, in compliance with the relevant provisions of IAS 18 – Revenue, *revenues from a specific transaction are recognized by reference to the stage of completion of the transaction at the balance sheet date*. The transaction result may be reliably valued: if the revenue amount may be reliably measured, if the level of completion of the transaction at the balance sheet date may be reliably measured and if transaction-related expenses and transaction completion expenses may be reliably measured.

Financial incomes include financial revenues from the related parties, gains arising from foreign currency fluctuations, income from interest and other forms of financial revenues.

Incomes from dividends are recognized when the right to receive the dividend is established.

Within **other income** (that additionally include income from value adjustments of other assets disclosed at fair value through Income Statement), in addition to other income, gains are presented that may, but do not have to result from the usual activities of the Company. Gains are increases in economic benefits of the Company and as such, by their nature, are not different from other revenues. For example, gains include gains from the sales of property, plant and equipment; at greater value from accounting one at the moment of sale.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

7.4. Expenses

Expenses are the outflow of economic benefits over a given period that result in the decrease of the capital of the Company, except for the reduction that refers to the allocation of profit to owners or reduction that resulted from partial withdrawal of capital from operations by the owner. Expenses include outflow of assets, impairment of assets and/or increase of liabilities.

Expenses include operating expenses, financial expenses, other expenses (including expenses from value adjustments of other property assets disclosed at fair value through Income Statement) and net losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year.

Operating expenses include: cost price of goods sold, material cost, employee expenses and benefits, production service cost, intangible expenses, depreciation expenses and provisions expenses, etc.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, ie. decrease of inventories of intermediate and finished products and services in progress).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from value adjustments of other property assets disclosed at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within **losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year and transfer of expenses**, expenses according to the names of accounts comprising this group are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax, and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax is recorded in books pursuant to respective provisions IAS 12 – Income Taxes that, inter alia, specify that *deferred tax assets and liabilities should not be discounted*.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences;
- Unused tax losses transferred to the following period, and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following: tax value of assets that are subject to depreciation exceeds the accounting value thereof; from the taxation aspect, certain provisions are not recognized (IAS 19, issued guarantees and other sureties), impairment of assets (merchandise, materials, etc.) and impairment of investment immovable property; from the taxation aspect expenses for unpaid public revenues that do not depend on business performance and losses occurring when securities are measured at fair value and effect is presented through the Income Statement.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes).

Deductible temporary differences exist if the accounting value of assets is less than their tax base. In that case, deferred tax assets are recognized, if it is estimated that there will be a taxable income in future periods for which the Company may use deferred tax assets.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year, the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is recognized only in case that the Company management may reliably assess that the Company will generate taxable income in future periods that may be reduced based on unused tax losses.

A deferred tax asset based on **unused tax credit** for investments in fixed assets is recognized only up to the amount for which a taxable income in the tax balance will be realized in future periods or calculated income tax for the reduction of which the unused tax credit may be used, only until this type of tax credit may be used in the legally prescribed manner.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 – Employee Benefits).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference arises in cases where a certain expense is recognized from the taxation aspect, while from the accounting aspect it will be recognized in the Company books in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base.

Deductible temporary difference occurs if the accounting value is greater than its tax base.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was

taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets are assets without identifiable physical substance, such as: software, licenses, concession, copyrights, investment in other properties, trademarks, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company;
- that the Company has control over the asset, and
- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangible asset is performed at its cost (purchase price).

Subsequent measuring of intangible asset, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36 – Impairment of Assets).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: the purchase price and all the related costs of acquisition, that is, all the directly attributable costs of bringing the assets to the condition of functional readiness.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed according to the fair value, which imply the market value, or the most probable value that can realistically be achieved in the market, at the Balance Sheet date. The fair value is to be determined by appraisal, which is to be performed by appraiser expert, based on the evidence collected on the market. Where there is no evidence of the fair value on the market, due to the specific nature of facilities and due to the fact that such items are only rarely sold, except as a part of continuous business operation, it may be necessary that the Company performs an assessment of the fair value by using the income approach or the approach of depreciated costs of replacement. Any change in the fair value of facilities is to be recognized in principle in the total equity, within the revaluation reserve position.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Measuring of subsequent expenses for property, plant and equipment is performed when:

- It is a case of the investments that extend the useful life of the use of such asset;
- It increases the capacity;
- It improves the asset, whereby the quality of product is improved, or
- It reduces the production costs compared with the costs prior to such investment.

The costs of servicing, technical maintenance, minor repairs and other, do not increase the value of an

asset, but comprise the expense for the period.

Investments in other person's property, plant and equipment are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Asset value (of intangible assets, property, plants and equipment) is allocated by **amortisation** to the period of its useful life.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use.

The amount to be depreciated, or the acquisition price or some other amount used as a substitute for the acquisition price in financial statements of the Company, reduced by the residual value (remaining value)

is to be systematically allocated over the lifetime of the asset.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value and the remaining useful lifetime of the asset are examined at the end of each financial year by the competent valuers. In case that the new valuations are different from the previous valuations, the change is treated by changing the accounting assessment and it is recognized in the books on the basis of IAS 8 – Accounting Policies, Changes in Accounting Policies and Errors.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, i.e. employment, or when it is at the location and ready-for-use as intended by the Company.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period when it is expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An **investment property should be measured initially** at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is included in the result of the period when the increase/decrease has occurred.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property is not recognized as such any more upon the disposal thereof or if it is not in use any more and no future benefits are expected from the disposal thereof. Profits or losses from decommissioning or disposal of investment property are recognized in Income Statement in the year in which the asset was disposed of or decommissioned.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories *spent* is performed by applying the **weighted average cost formulas**.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Net realizable value is the valuated price of sale within regular business activities reduced by completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use. To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group), and
- The sale of the asset must be very probable.

A non-current asset recognized as an asset held for sale **is to be measured** (presented) at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write-off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets.

Non-current assets held for sale are not depreciated.

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

7.15. Financial Instruments

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instrument and related accounting records is conditional upon their classification that is to be performed by the Company in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four possible types of financial instruments as specified by provisions of IAS 39:

- Financial assets at fair value through the profit and loss account;
- Held-to-maturity financial assets (investments);
- Loans (credits) and receivables, and
- Financial assets available for sale.

Financial assets or liabilities at fair value through profit and loss include financial assets and liabilities the changes in fair value of which are recorded as revenues or expenses in the balance sheet.

A financial asset or liability classified in this category must fulfil either one of the following conditions:

- Classified as held for trading, or

- After initial recognition, it will be classified and stated as a financial asset (liability) through profit and loss statement.

A financial asset of liability is classified as held for sale, if: it was acquired or created for sale or repurchase in the nearest future, a part of portfolio of identified financial instruments managed jointly and for which there is proof of recent short-term revenue model or derivate (other than the derivate as a *hedging* instrument).

The Company may indicate that a financial instrument is disclosed through the profit and loss account only if relevant information is obtained, since the inconsistency of measurement or recognition that would occur in the measurement of assets or liabilities or recognition of gains or losses is eliminated or considerably prevented; or a group of financial assets, liabilities or both is managed and performances valuated based on the fair value in accordance with the risk management strategy or investment management strategy and the information on the group is internally collected accordingly and presented to the key management of the Company.

Held-to-maturity financial assets (investments) are non-derivative financial assets with fixed or identifiable payments and fixed maturity that the Company intends and may hold to maturity, excluding those marked by the Company at fair value through the profit and loss account after initial recognition or those marked as available-for-sale and those defined as loans and receivables.

Loans (credits) and receivables are non-derivative financial assets of the Company with fixed or identifiable payments and fixed maturity that are not quoted in an active market, other than:

- The assets that the Company intends to sell immediately or within a short period of time and that would then be classified as assets held for sale;
- The assets marked by the Company at fair value through the profit and loss account after initial recognition;
- The assets marked by the Company as available for sale after their initial recognition, or
- The assets for which the owner cannot recover the entire amount of their initial investment to any significant degree, which will be classified as assets available for sale.

Available-for-sale financial assets are non-derivative financial assets marked as available-for-sale and not classified in any previously defined type of financial instruments.

On the occasion of the **initial measurement** of a financial instrument, the Company performs the measurement at fair value through the balance sheet increased, in case that the financial instrument has not been marked for measurement at fair value with changes of fair value through the Income Statement, by the transaction costs that are directly attributable to the acquisition thereof.

Subsequent measurement of financial instruments is performed at fair values, without deducting transaction costs that may arise from the sale or disposal of the instrument, the following financial assets excluded:

- Loans and receivables, measured at amortized cost using the effective interest method;
- Financial assets (investments) held-to-maturity, measured at amortized cost using the effective interest method; and

- Investments in capital instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

The fair value of assets is the amount at which the asset can be traded for or liability settled between informed and willing parties as an independent transaction. If there is an active market for the financial instrument, the fair value is determined according to information obtained from that market; if there is no active market, the fair value is determined using valuation techniques specified in IAS 39. Positive (adverse) effects of the change of fair value are expressed as gain (loss) in the period of change, for financial instruments at fair value through the profit and loss account. Available-for-sale financial instruments are expressed within unrealized gain/losses based on available-for-sale securities up to the sales date, when the effect are transferred to gains (losses). An exception of the above are expenses related to permanent depreciation and gains (losses) in foreign currency that are recognized immediately as gain (losses) for financial instruments classified as available-for-sale.

Amortized cost is the present value of all expected future made or received cash payments during the expected life expectancy of a financial instrument. The discount method with the effective interest rate is applied in the calculation of the amortized cost of a financial instrument. Gains/losses from changes in the depreciated value of financial instruments are recognized as of the moment when the financial instrument is no longer recognized, unless a decrease in value was performed, in that case the loss is recognized immediately.

7.16. Cash and Cash Equivalents

The most liquid forms of financial assets of the Company are **cash and cash equivalents**, valued at nominal or fair value. Cash and cash equivalents consist of: securities, petty cash in RSD and in foreign currencies, deposits in accounts in RSD and foreign currencies with banks, allocated monetary assets for letters of credit opened in the country, letters of credit in foreign currencies, short-term high liquidity investments with short maturity period which may be transferred into cash that are not under the influence of significant risk of value changes, monetary assets the use of which is limited or value decreased, etc.

Criteria according to which the Company assets are classified within cash and cash equivalents are specified in the relevant provisions of IAS 7 – Statement of Cash Flows, according to which:

- Cash includes cash and demand deposits, and
- Cash equivalents and short-term, highly liquid investments, that can be quickly turned into known cash amount and that are not under the influence of significant risk of value changes, which implies investments with short maturity term (of three months or shorter).

7.17. Short-Term Receivables

Short term receivables comprise receivables from the sale of products, goods and services to related parties and other legal and physical entities in the country and abroad, as well as the receivables on other bases (receivables for interest and dividend, receivables from employees, receivables from state authorities and organizations, receivables from overpaid taxes and contributions, etc.), expected to be realized within 12 months from the balance sheet date.

Short term trade receivables from the sale are measured by the cost stated in the issued invoice, and subsequently at invoice value reduced by the correction of value based on uncollectible receivables. If the cost on the invoice is stated in the foreign currency, translation to the functional currency is done by applying the average exchange rate ruling on the date of transaction. Changes in exchange rate from the date of transaction to the collection date are presented as gains and losses from exchange posted in favour of revenues or against expenses. Receivables stated in the foreign currency as at the balance sheet date are translated by the ruling average exchange rate and gains and losses arose are booked as revenue or expense for that period.

At the balance sheet date, the Company performs an assessment of realisability and probability of default for all receivables or if receivables have a decrease in value.

In the assessment of the decrease in value, the Company has endured losses due to the decrease in value if there is objective proof (for example, large financial difficulties of the debtor, unusual breach of contract by the debtor, potential bankruptcy of the debtor, etc.) to support the decrease in value as a result of an event that took place after the initial recognition of assets and the respective loss affects estimated future cash flows from financial assets or group of financial assets that may be reliably valued. If there is no evidence, valuers will use their experience and sound judgment in the valuation of the collectability of receivables.

If there is a decrease in value of receivables, the following steps are taken:

- Indirect write-off, or
- Direct write-off.

Indirect write-off of receivables for which the Company is debited is performed on the value adjustment account. The decision on indirect write-off (value adjustment) of receivables on the value adjustment account, upon proposal by the Committee for Inventory of Liabilities and Receivables within the regular inventory, or upon proposal of the expert services in the course of the year, is made by the authorized Company body.

Direct write-off of receivables is performed based on the assessment of Company management if there is almost no probability of recovery (in cases where the receivables are outdated, debtors are bankrupt, etc.). The decision on direct write-off of receivables, after consideration and upon proposal by the Committee for Inventory of liabilities and receivables within the regular inventory, or upon proposal by the expert services in the course of the year, is adopted by the authorized Company body.

The indirect and direct write-off of receivables is applied only based on relevant circumstances and the balances as at the balance sheet date, i.e. during the year.

Expected losses from future events, or events after the balance sheet date, regardless how probable, are not recognizable, but disclosed in Notes to the Financial Statements.

7.18. Financial Investments

Short term investments refer to loans, securities and other short term investments with maturity date of one year from the balance sheet date.

Short-term financial investments include a part of granted long-term loans that are expected to be recovered within one year from the balance sheet date.

As for other assets that are presented as short-term assets, Company securities the realization (collection) of which is expected within the period of one year from the balance sheet date are also presented within the short-term financial investments. Thus, for example, securities that are classified as securities held to maturity are presented as short-term financial investments – the portion thereof that will mature within the period of one year.

Long-term financial investments include investments in long-term financial assets, such as: the long-term loans, securities and other long-term financial investments with maturity date over one year from the balance sheet date.

Shares in subsidiary companies and other affiliated companies, based on the relevant provisions of IAS 27 – Separate Financial Statements, investments in subsidiary companies, jointly controlled companies and associated legal entities are carried in the Company's books at their cost, in compliance with the cost method. If, however, in compliance with the provisions of IAS 36 – Impairment of Assets, it should be established that the recoverable amount of costs does not exceed the purchase (booking) price, the Company carries the equity investment amount at its recoverable amount, and the decrease (impairment) in equity investment is presented as an expense in the period in which such impairment was established.

The classification performed by the management of the Company according to the features of the financial investment (financial assets at fair value through Income Statement, held-to-maturity financial assets (investments), loans (credits) and available-for-sale financial assets) is relevant for subsequent measurement of long-term financial investments.

7.19. Liabilities

A liability is a result of past transactions or events and the settlement of the liability implies usually a loss of economic benefits of the Company to comply with other party's request.

In the **valuation of liabilities** pursuant to the Framework for the preparation and presentation of financial statements, the liability is stated in the balance sheet:

- If there is a probability that an outflow of resources with economic benefits will result in the settlement of present liabilities, and
- If settlement amount may be reliably measured.

In addition to that, the *prudence principle* may be applied. This means applying caution in the valuation to prevent overstatement of the property and revenues and understatement of liabilities and expenses. The prudence principle should not result in forming of substantial hidden reserves (for example, as a result of deliberate overstatement of liabilities or expenses), the financial statements to become impartial and therefore unreliable.

Liabilities include: long-term liabilities (liabilities to related parties; long-term loans and credits in the country and abroad, liabilities for long-term securities, liabilities for long-term financial lease and other long-term liabilities); short-term liabilities (short-term credits and loans related parties, short-term credits and loans in the country and abroad, part of the long-term credits and loans as well as other

short-term financial liabilities), short-term liabilities from operations (suppliers and other liabilities from operations) and other short-term liabilities.

Short-term liabilities are liabilities expected to be settled within one year from the balance sheet date including the part of *long-term liabilities* and long-term liabilities are liabilities expected to be settled over a longer period.

For liabilities presented in a foreign currency, as well as for the liabilities with foreign currency clause, translation in functional currency is performed at the middle exchange rate on the transaction date. The change in exchange rate until the settlement date is presented as positive (negative) differences in exchange rate. Liabilities in a foreign currency are calculated on the balance sheet date by using the exchange rate valid as at the balance sheet date, and any differences in exchange rates are recognized as income or expenses of that period.

Decrease of liability upon court order, out-of-court settlement etc. is applied by direct write-off.

7.20. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount.

The Company recognizes provisions only if the following conditions are met:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the performance of the time value of money is significant, the provision amount represents the present value of expenditure expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.21. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee Benefits, are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.22. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are subject to risks and benefits different from those present in some other business segments.

The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

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**.

In the financial statements in question, the data for the comparative year 2018 were adjusted in accordance with the changes made in the separate financial statements of Energoprojekt Sunnyville based on the calculation of costs for 2018 on behalf of variable price for land according to the Real Estate Purchase Agreement (city construction land kp2199 / 1 KO Višnjica) OPU: 854-2015 dated 01 April 2015. which are included in the cost price of the built residential - business complex Sunnyville in Belgrade.

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 are 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.

Adverse impacts on the Company's liquidity have significant amounts of immobilized assets in some subsidiaries, as well as a slowdown in payment in certain segments (regions) due to economic and geopolitical reasons.

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.

10. INFORMATION OF BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2019, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of system Energoprojekt are presented in tables below, at the balance sheet date.

Energoprojekt Holding Plc. Belgrade

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from sales	7,148,684	6,385,258	19,999,508	16,578,749	756,711	1,004,675	27,904,903	23,968,682	(1,617,534)	(1,144,151)	26,287,369	22,824,531
SEGMENT RESULT												
Operating profit/loss	509,849	523,125	315,693	(504,168)	(46,892)	36,862	778,650	55,819	(98,428)	(13,439)	680,222	42,380
Interest income (third party)	12,833	40,719	114,229	74,394	1,430	13,378	128,492	128,491			128,492	128,491
Interest expenses (third party)	4,236	6,122	232,488	322,752	29,767	35,658	266,491	364,532			266,491	364,532
Profit/loss from regular operations before tax	591,312	677,090	510,894	(310,313)	(38,604)	774,910	1,063,602	1,141,687	(278,533)	(91,044)	785,069	1,050,643
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	(11,493)	(6,618)	26,537	(49,687)	3,101	23	18,145	(56,282)	60	106	18,205	(56,176)
Income tax	39,222	83,142	120,802	143,340	2,401	53,200	162,425	279,682			162,425	279,682
Net profit/loss	540,597	587,330	416,629	(503,340)	(37,904)	721,733	919,322	805,723	(278,473)	(90,938)	640,849	714,785
Total assets	9,306,244	9,152,070	26,134,643	25,490,290	13,651,735	12,756,869	49,092,622	47,399,229	(10,316,052)	(8,369,589)	38,776,570	39,029,640
Total liabilities	9,306,244	9,152,070	26,134,643	25,490,290	13,651,735	12,756,869	49,092,622	47,399,229	(10,316,052)	(8,369,589)	38,776,570	39,029,640
Depreciation	91,861	89,994	427,928	536,939	47,158	52,882	566,947	679,815	(3,084)	3,751	563,863	683,566

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from sales	17,400,450	12,620,291	876,584	600,491	197,185	114,051	2,327,048	3,027,179	4,580,315	4,498,896	905,787	1,963,623	26,287,369	22,824,531
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)														
Income from the sales of goods - external	142,487	92,721		1,056	1,051	2,313	39,326	44,692			19,216	36,904	202,080	177,686
Income from the sales of goods	142,487	92,721		1,056	1,051	2,313	39,326	44,692			19,216	36,904	202,080	177,686
Income from the sales of products and services to other affiliated companies (Energoprojekt Ltd., Enjub Ltd., Napred plc., Napred Razvoj plc. i Energoprojekt Ltd., Lagos, Nigeria)	47,230						155,158	134,284					202,388	134,284
Income from the sales of products and services - external	17,210,733	12,527,570	876,584	599,435	196,134	111,738	2,132,564	2,848,203	4,580,315	4,498,896	886,571	1,926,719	25,882,901	22,512,561
Income from the sales of products and services	17,257,963	12,527,570	876,584	599,435	196,134	111,738	2,287,722	2,982,487	4,580,315	4,498,896	886,571	1,926,719	26,085,289	22,646,845

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sale of Goods

Structure of income from the sales of good	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Income from sale of goods on local market	142,487	92,720
Income from sale of goods on foreign market	59,593	84,966
TOTAL	202,080	177,686

• **Income from sale of goods on local market** in the amount of RSD 142,487 thousand, relate mostly to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 85,333 thousand, sales of goods to subcontractors on the Kolubara Landfill project, in order to ensure continuity of works;

- Energoprojekt Visokogradnja in the amount of RSD 27,148 thousand, primarily from sales of stocks of materials and spare parts to subcontractors; and

- Energoprojekt Niskogradnja in the amount of RSD 14,061 thousand, sales to subcontractors, primarily on the projects Bridge on Ada: RSD 8,616 thousand and Lajkovac - Ljig: RSD 3,488 thousand. The supply of subcontractors with stocks (sales) necessary for flow of works, was done in order to avoid the consequences of downtime (deadlines defined by the contract) at the expense of the Company as the principal contractor (Note 12).

• **Income from sale of goods on foreign market** in the amount of RSD 59,593 thousand are related, predominantly, to Energoprojekt Niskogradnja, in the amount of RSD 58,542 thousand, based on stock sales, under contract with subcontractors on projects in Uganda: RSD 39,326 thousand (dominant on project Z-036 Streets in Kampala Kawempe-Lubaga: RSD 29,676 thousand) and in Peru: RSD 19,216 thousand (dominant on project Z-040 Irrigation system San Antonio: RSD 11,360 thousand) in order to ensure flow of works and avoid the consequences of delays in works (contractually agreed deadlines) at the expense of the Company as the principal contractor.

11.2. Income from Sale of Products and Services

Structure of income from sale of products and services	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Income from sale of finished products and services to other related parties on local market	47,230	
Income from sale of finished products and services to other related parties on foreign market	155,158	134,284
Income from sale of finished products and services on local market	17,197,430	12,527,570
Income from sale of finished products and services on foreign markets	8,685,471	9,984,991
TOTAL	26,085,289	22,646,845

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 47,230 thousand dominantly pertain to Energoprojekt Urbanizam I Arhitektura from sale of services to company Napred Razvoj Plc. in RSD 35,313 thousand.
- **Income from sale of products and services to other related parties on foreign market** in the amount of RSD 155,158 thousand entirely pertain to Energoprojekt Oprema from sale of products and services to the related company Energo Nigeria Ltd., Lagos, Nigeria.
- **Income from sale of products and services on local market** in the amount of RSD 17,197,430 thousand, are related, mostly, to the following companies within system Energoprojekt:
 - Energoprojekt Niskogradnja, in the amount of RSD 7,450,659 thousand, primarily for project Lajkovac-Ljig: RSD 2,650,136 thousand and the projects Zeleni Bulevar: RSD 895,445 thousand, Bridge on Ada: RSD 838,660 thousand, Ub - Lajkovac IV phase: RSD 838,538 thousand, Railway Jajinci - Mala Krsna: RSD 748,310 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 4,608,855 thousand, primarily for projects: Navigator 2 Bussines Center: RSD 2,430,175 thousand, Chinese Cultural Center: RSD 1,986,949 thousand, Belgrade Waterfront: RSD 70,556 thousand and from sales of finished products on its own investment in Cara Nikolaja Street in Belgrade: RSD 30,099 thousand;
 - Energoprojekt Oprema, in the amount of RSD 2,153,742 thousand, dominantly for the projects Kolubara Landfill: RSD 1,465,324 thousand and Ada Mall: RSD 641,676 thousand;
 - Energoprojekt Entel, in the amount of RSD 1,092,790 thousand, first of all, for several projects performed for PE Elektroprivreda Srbije: RSD 509,476 thousand and project Vinca - preparation of project documentation and obtaining conditions, permits and approvals from the Construction Industrielles de la mediterrabee - CNIM SA - SR Belgrade branch: RSD 330,458 thousand and project of the Gas Power Plant in Pancevo: RSD 191,628 thousand; and
 - Energoprojekt Sunnyville, in the amount of RSD 753,895 thousand - sold apartments and garage places in residential / business complex "Sunnyville" in Belgrade.

• **Income from sale of products and services on foreign market** in the amount of RSD 8,685,471 thousand, related, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 4,576,688 thousand derived from companies of the System abroad: Energoprojekt Entel LTD, Doha, Qatar: RSD 2,056,717 thousand, (dominantly on projects performed for Qatar General Electricity & Water Corporation “Kahramaa”: RSD 1,371,748 thousand), Energoconsult LLC, Abu Dhabi, UAE: RSD 1,831,003 thousand: primarily on projects for the Dubai Electricity and Water Authority (DEWA): RSD 619,512 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 248,045 thousand and MERRAS: RSD 167,835 thousand) and Energoprojekt Entel LLC Muscat, Sultanate of Oman: RSD 666,683 thousand (primarily on projects for the Oman Electricity Transmission Company (OETC): RSD 332,711 thousand and the Public Authority for Electricity and Water (PEWA): 249,812 thousand dinars);

- Energoprojekt Niskogradnja, in the amount of RSD 2,088,853 thousand, on projects in Uganda: RSD 1,210,370 thousand (primarily, on projects Z-042 Mpigi Roads: RSD 412,682 thousand, Z-036 Streets in Kampala Kawempe-Lubaga: RSD 371,338 thousand and Z-041 Kampala Mukono: RSD 339,784 thousand) and in Peru: RSD 878,484 thousand (dominant, on the Z-040 San Antonio Irrigation System project: RSD 567,114 thousand); and

- Energoprojekt Visokogradnja, in the amount of RSD RSD 1,490,083 thousand, based on works for investors, primarily in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 614,947 thousand (mostly on Wonda World projects: RSD 213,417 thousand and Ernest Chemist Limited: RSD 202,585 thousand) and on projects Z-112 Hotel Hyatt Rostov 2, Russia: RSD 391,456 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 389,063 thousand.

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Incomes from the rent collected from parent, subsidiary and other related parties	60	
Incomes from the rent collected from other legal entities on local market	20,848	29,649
Incomes from the rent collected from other legal entities on foreign market	91,546	76,429
Other operating income	55,020	191,471
TOTAL	167,474	297,549

• **Incomes from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 60 thousand entirely relate to EP Niskogradnja from lease of machinery to the company Napred Plc.

- **Incomes from the rents collected from other legal entities on local market** in the amount of RSD 20,848 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 9,306 thousand, primarily based on the rental of: a part of the building complex "Samački hotel" on Batajnicki road no. 24, Zemun to the company Jerry Catering Service Ltd. in RSD 7,737 thousand and a part of Energoprojekt's business building to Energoprojekt Garant in the amount of RSD 7,737 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 7,282 thousand, primarily based on the rental of facility in Ub in RSD 4,242 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,749 thousand.

- **Income from the rents collected from other legal entities on foreign market** in the amount of RSD 91,546 thousand was predominantly generated by the following companies of the system Energoprojekt:

- Dom 12 S.A.L., Lebanon in the amount of RSD 27,695 thousand, based based on the rental of office building in Moscow;

- Energoprojekt Niskogradnja in the amount of RSD 24,393 thousand, based on the rental of a part of the office building Cruz del Sur in Lima, Peru in RSD 10,091 thousand and machinery in Peru: RSD 14,302 thousand;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 20,499 thousand, based on the rents of several properties in Lusaka, Zambia,

- Energo (Private) Limited, Zimbabwe in the amount of RSD 6,822 thousand, based on the rents of several properties in Harare, Zimbabwe; and

- I.N.E.C. Engineering Company Limited, United Kingdom in the amount of RSD 5,842 thousand, based on the rental of office building in London.

- **Other operating income** in the amount of RSD 55,020 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 33,560 thousand, primarily on the basis of re-charged costs in the amount of RSD 28,974 thousand, on the projects Bridge on Ada, Railway Jajinci - Mala Krsna, Zeleni Bulevar and TPS Zemun; and

- Energoprojekt Visokogradnja in the amount of RSD 16,510 thousand, predominantly from income generated under contractual agreements with subcontractors on the project Chinese Cultural Center in the amount of RSD 13,778 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Cost price value of goods sold:		
a) Cost price of goods sold on local market	146,114	91,037
b) Cost price of goods sold on foreign market	58,438	68,199
TOTAL	204,552	159,236

● **Cost price of goods sold on local market** in the amount of RSD 146,114 thousand primarily is related to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 85,280 thousand, for the procurement of materials sold to subcontractors on the Kolubara Landfill project;
- Energoprojekt Visokogradnja in the amount of RSD 27,987 thousand, primarily for the procurement of materials sold to subcontractors,
- Energoprojekt Niskogradnja in the amount of RSD 13,298 thousand, for purchase of inventory of material, with the aim to provide the subcontractor 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; and
- Energoplast in the amount of RSD 13,224 thousand, for purchasing of finished lock-patent delivered for further sales.

● **Cost price of goods sold on foreign market** in the amount of RSD 58,438 thousand dominantly related to Energoprojekt Niskogradnja, in the amount of RSD 58,363 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 40,717 thousand and in Peru RSD 17,646 thousand, in performance of works).

13. 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.- 31.12. 2019	01.01.- 31.12. 2018
Income from use of own products and merchandise	20,197	30,360
Increase in inventories of intermediate and finished goods and services in progress	943,370	896,716
Decrease in inventories of intermediate and finished goods and services in progress	756,117	653,613
TOTAL	207,450	273,463

- **Income from use of own products and merchandise** in the amount of RSD 20,197 thousand predominantly relate to Energoprojekt Niskogradnju in RSD 20,171 thousand on the basis of mechanization overhaul: (in Uganda: RSD 15,395 thousand and in the country: RSD 4,776 thousand).
- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 943,370 thousand predominantly relate to increase in inventories of intermediate in Energoprojekt Park 11 in the amount of RSD 913,440 thousand (construction of business and residential complex Park 11 - Block 11a in New Belgrade) and to Energoprojekt Sunnyville in the amount of RSD 22,164 thousand (based on the calculated costs for 2019 for variable price of land according to the Contract on purchase and sale of real estate (city construction land kp2199 / 1 KO Višnjica) OPU: 854-2015 dated 01.04.2015, which are included in the cost price of the built real estate in the residential and business complex Sannyville in Belgrade - Note 18).
- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 756,117 thousand primarily related to the following companies of the system Energoprojekt:
 - Energoprojekt Sunnyville in the amount of RSD 699,515 thousand (sale of finished goods (real estate) - residential and business complex Sunnyville in Belgrade); and
 - Energoprojekt Visokogradnja in the amount of RSD 31,934 thousand, dominantly based on sold finished products (property) in Cara Nikolaja Street in Belgrade: RSD 31,697 thousand.

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Cost of materials:		
a) Costs of materials in production	3,280,561	3,518,188
b) Costs of other materials (overhead)	154,259	215,716
c) Spare parts costs	131,545	164,064
d) Costs of one-off write-off of tools and inventory	111,221	88,883
<i>Total</i>	<i>3,677,586</i>	<i>3,986,851</i>
Fuel and energy costs:		
a) Fuel costs	543,443	831,670
b) Costs of electrical energy and heating	190,554	201,969
<i>Total</i>	<i>733,997</i>	<i>1,033,639</i>
TOTAL	4,411,583	5,020,490

• **Cost of materials used in production** in the amount of RSD 3,280,561 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja, in the amount of RSD 1,208,282 thousand, out of which costs incurred in Projects realized abroad (in Peru and Uganda) amount to RSD 230,902 thousand, meanwhile the projects in the country amount to RSD 977,380 thousand.

- Energoprojekt Visokogradnja, in the amount of RSD 1,129,497 thousand, of which RSD 826,495 thousand refer to costs on projects in the country (primarily on projects Navigator 2 Bussines Center: RSD 413,264 thousand, Park 11: RSD 273,598 thousand and Chinese Cultural Center: RSD 107,533 thousand), while abroad refers RSD 303,002 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 195,989 thousand and project Z-107 Radiology Hospital Syktyvkar, Russia: RSD 84,823 thousand);

- Energoprojekt Oprema, in the amount of RSD 732,553 thousand, out of which costs incurred in projects in the country amount RSD 606,485 thousand (mostly on projects Ada Mall: RSD 511,433 thousand and Kolubara Landfill: RSD 80,288 thousand), meanwhile RSD 126,068 thousand related on abroad (above all on TS Ihiala 330 KV project, Nigeria: RSD 124,525 thousand); and

- Energoplast in the amount of RSD 208,540 thousand for costs of raw materials and packaging for the production of finished products - fasteners.

• The largest shares in **costs of other materials (overhead)** (cost of office supplies, safety equipment and other material) amounting to RSD 154,259 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 83,213 thousand (abroad: RSD 77,074 thousand, in the country: RSD 6,139 thousand), Energoprojekt Entel, in the amount of RSD 43,674 thousand, Energoprojekt Visokogradnja in the amount of RSD 6,213 thousand and Energoprojekt Hidroinženjering in RSD 7,144 thousand.

- **Costs of spare parts** in the amount of RSD 131,545 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 115,921 thousand (abroad: RSD 95,687 thousand, in the country: RSD 20,234 thousand) and to Energoprojekt Visokogradnja in the amount of RSD 14,229 thousand.
- **Costs of one-off write-off of tools and inventory** in the amount of RSD 111,221 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 92,026 thousand and Energoprojekt Visokogradnja in the amount of RSD 13,258 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 733,997 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 460,228 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 92,353 thousand and Energoprojekt Entel in the amount of RSD 96,054 thousand.

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Expenses of wages and fringe benefits (gross)	6,099,006	6,174,305
Taxes and contributions on wages and contributions on wages payable by employer	558,486	597,652
Service agreements contributions	10,980	9,461
Copyright agreements contributions	57,765	32,098
Costs of contributions for contract fees for temporary and periodical engagement	143,389	178,678
Considerations to physical persons based on other agreements	15,665	10,102
Considerations to General Manager and/or Management and Supervisory Board members	42,150	26,144
Other personnel expenses and fringe benefits	434,461	476,926
TOTAL	7,361,902	7,505,366

- **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 6,657,492 thousand relate primarily to Energoprojekt Entel in the amount of RSD 3,215,599 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,053,567 thousand, Energoprojekt Niskogradnja in the amount of RSD 1,072,253 thousand, Energoprojekt Oprema in the amount of RSD 351,431 thousand and to Energoprojekt Hidroinženjering in the amount of RSD 335,296 thousand.
- **Copyright agreements contributions** in the amount of RSD 57,765 thousand relate, mainly, to the following companies of the system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 22,900 thousand, due to increased work in the country and the lack of professionally qualified workers in all fields;

- Energoprojekt Hidroinženjering in the amount of RSD 21,103 thousand, primarily in the country in the amount of RSD 19,340 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields; and

- Energoprojekt Industrija in the amount of RSD 13,344 thousand, in the country: RSD 4,360 thousand and abroad: RSD 8,984 thousand.

• **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 143,389 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 59,123 thousand (dominantly abroad: RSD 58,221 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;

- Energoprojekt Oprema of RSD 46,178 thousand for projects in the country (primary on the projects Ada Mall: RSD 18,728 thousand and Kolubara Landliff: RSD 13,257 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 17,251 thousand, in the country, primarily in the Samacki hotel: RSD 6,557 thousand and in restaurant within the business building Energoprojekt: RSD 5,792 thousand.

• **Other personnel expenses and fringe benefits** amounting to RSD 434,461 thousand (costs of accommodation, meals on field works, transport and other costs of workers, severance pay for solving the problem of redundancy, business trips cost, solidarity aid, scholarships and other benefits) relate to the following companies within system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 144,467 thousand, in the country RSD 82,031 thousand (of which the severance payments for solving the problem of redundancy amount to RSD 60,812 thousand) and abroad: RSD 62,436 thousand (out of that to Energoprojekt Ghana Ltd., Accra, Ghana of RSD 29,785 related);

- Energoprojekt Niskogradnja amounting to RSD 118,535 thousand, in the country: RSD 77,180 thousand and abroad: RSD 41,355 thousand (primarily, based on food costs in the field: RSD 62,566 thousand, transportation costs: RSD 19,081 thousand, accommodation costs: RSD 12,573 thousand, severance payments for solving the problem of redundancy: RSD 11,417 thousand and other labor costs);

- Energoprojekt Entel in the amount of RSD 77,239 thousand (dominantly abroad);

- Energoprojekt Hidroinženjering in the amount of RSD 36,152 thousand; and

- Energoprojekt Oprema in the amount of RSD 20,106 thousand.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Production service costs	10,683,216	6,638,605
Transportation service costs	373,588	385,554
Repairs and maintenance services' costs	103,952	119,540
Rental costs	529,656	713,710
Fair costs	24,835	1,571
Advertising costs	16,756	12,585
Research costs	4,407	299
Costs of other services	127,801	186,314
TOTAL	11,864,211	8,058,178

• **Production service costs** in the amount of RSD 10,683,216 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 5,153,88 thousand for the costs mainly based on subcontracting agreements incurred within projects in the country amounting to RSD 5,16,320 thousand (mostly on the projects Lajkovac - Ljig: RSD 1,458,444 thousand, Bridge on Ada: RSD 821,740 thousand, Zeleni Bulevar: RSD 823,704 thousand, Ub-Lajkovac: RSD 729,294 thousand and Reconstruction of Karadjordjeva Street: RSD 314,569 thousand) and abroad: RSD 137,568 thousand (primarily on the projects Z-036 Streets in Kampala Kawempe-Lubaga, Uganda: RSD 66,870 thousand and Z-034 Road Puerto Bermudez, Peru: RSD 23,084 thousand). Significant engagement of subcontractors on projects is conditioned by a specific type of necessary works, ie mechanization for their execution;
- Energoprojekt Visokogradnja in the amount of RSD 3,852,510 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 3,562,057 thousand (mainly on projects: Navigator 2 Bussines Center: RSD 1,586,606 thousand, Chinese Cultural Center: RSD 1,565,909 thousand and Park 11: RSD 387,993 thousand) and abroad, in the amount of RSD 290,453 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18,201 thousand and on projects Z-122 Hotel Hayatt Rostov 2, Russia: RSD 170,369 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 92,937 thousand);
- Energoprojekt Oprema in the amount of RSD 933,330 thousand relate to costs of subcontractors and consortium partners mostly on projects in the country in the amount of RSD 932,856 thousand (primarily, Ada Mol: RSD 574,144 thousand and Kolubara Landfill: RSD 356,334 thousand); and
- Energoprojekt Entel, in the amount of RSD 405,964 thousand, consists of the subcontractors costs engaged on works for which the company does not have personnel or for specialized works performed only by certain companies. The costs in this country amount to RSD 193,967 thousand, while abroad: RSD 211,997 thousand (mainly in UAE: RSD 134,382 thousand).

- **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 373,588 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 246,351 thousand (abroad: mainly, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 81,017 thousand, Energoprojekt Visokogradnja in the amount of RSD 20,062 thousand and Energoprojekt Oprema in the amount of RSD 8,413 thousand.
- **Repair and maintenance services' costs** amounting to RSD 103,952 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 39,298 thousand, in Energoprojekt Entel in the amount of RSD 23,524 thousand, in Energoprojekt Oprema in the amount of RSD 9,828 thousand and Energoprojekt Visokogradnja in the amount of RSD 9,274 thousand. These costs were predominantly incurred for regular equipment maintenance.
- **Rental costs** amount to RSD 529,656 thousand and are predominantly related to the following Companies of the system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 261,810 thousand mainly relate to costs of renting apartments in the company's companies abroad (predominantly in Qatar);
 - Energoprojekt Niskogradnja in the amount of RSD 113,423 thousand , comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 81,151 thousand (in Peru and Uganda) and in the country in the amount of RSD 32,272 thousand where the rent of large machinery for the Projects in the country and abroad, representing the result of inability to meet needs of available equipment (defined by dynamics of works) at the several projects simultaneously;
 - Energoprojekt Visokogradnja in the amount of RSD 129,502 thousand are predominantly related to the rental costs of office spaces, apartments and machinery abroad, amounting to RSD 35,000 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18,947 thousand and on projects, Z-103 Talan Towers, Astana, Kazakhstan: RSD 7,384 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 6,615 thousand), while RSD 94,502 thousand are incurred in the country (based on the lease of equipment); and
 - Energoprojekt Oprema in the amount of RSD 16,681 thousand are predominantly related to the rental costs of apartments, office spaces and equipment (heavy booms and cranes).
- **Trade fairs' costs** in the amount of RSD 24,835 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 24,716 thousand (participation at the World Energy Fair VETEX held in Dubai).
- **Advertising costs** amounting to RSD 16,756 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 7,096 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), to Energoprojekt Visokogradnja in the amount of RSD 3,297 thousand (primarily on the Z-103 Talan Towers project, Astana, Kazakhstan: RSD 2,818 thousand), Energoprojekt Sunnyville in the amount of RSD 2,286 thousand (costs of advertising - sale of apartments via websites) and Energoprojekt Park 11 in the amount of RSD 2,335 thousand (costs of advertising - sale of apartments via websites).

• **Costs of other services** in the amount of RSD 127,801 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 40,788 thousand, primarily, based on the construction sites' security costs, utility services' costs, graphic services, expert services, license fees, vehicle registration, occupational safety costs, etc.;
- Energoprojekt Visokogradnja in the amount of RSD 27,344 thousand primarily based on cost of utility services, costs of personal protection at work, registration of vehicles and photocopying costs.
- Energoprojekt Entel in the amount of RSD 15,465 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying; and
- Energoprojekt Oprema in the amount of RSD 8,533 thousand dinars refer to other ancillary project costs (primarily on the Ada Mol, Kolubara Landfill and TPS Zemun projects - hiring professional workers), vehicle registration costs, graphic services, utilities, tolls, etc.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	In RSD thousand	
	01.01-31.12.2019.	01.01-31.12.2018.
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	19,714	20,178
b) Depreciation of property, plant and equipment (Note 26)	544,149	663,388
<i>Total</i>	<i>563,863</i>	<i>683,566</i>
Provisions expenses:		
a) Warranty period provisions' expenses	187,384	1,773
b) Provisions for contributions and other personnel benefits	43,332	53,602
c) Other provisions expenses (Note 37)	2,320	
<i>Total</i>	<i>233,036</i>	<i>55,375</i>
Total	796,899	738,941

• 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 31 December 2019.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2019, and thus, consequently, the change in the booking value of assets as at 31 December 2019.

• **Warranty period provisions' expenses** amount to RSD 187,384 thousand.

The management of companies within Energoprojekt appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

Pursuant to the above mentioned, the fund reservation for warranty period provisions' expenses in the related period was performed in Energoprojekt Entel in the amount of RSD 187,384 thousand on the project Phasa 13 in Energoprojekt Entel LTD, Qatar: RSD 109,773 thousand and on projects in the country in the amount of RSD 77,611 thousand (Note 37).

- **Provisions for contributions and other personnel benefits** in the amount of RSD 43,332 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 36,254 thousand which are carried out with the company Energoprojekt Entel LTD, Qatar: RSD 27,534 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 5,913 thousand, while the provisions costs in the country amount to RSD 2,807 thousand.

In 2019, the companies within Energoprojekt recorded provisions for contribution and other personnel benefits according to actuarial calculation (Note 37).

18. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Intangible expenses	623,725	1,043,074
Expense account	42,930	43,000
Insurance premiums expenses	177,186	181,854
Payment operations' expenses	277,793	196,487
Membership fee expenses	17,187	14,922
Tax duties	93,976	88,654
Contributions paid	1,515	188,680
Other non-operating expenses	108,612	114,324
TOTAL	1,342,924	1,870,995

- **Intangible expenses** in the amount of RSD 623,725 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, health services, security services of construction site and other costs) are predominantly related to the following companies of the system Energoprojekt:

- Energoprojekt Entel amounting to RSD 342,370 thousand primarily abroad: RSD 328,831 thousand (mostly incurred in the company Energoprojekt Entel LTD, Doha, Qatar: RSD 250,619 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Namely, in the area of Middle East is not possible to run the company without making a contract with a local sponsor, which fee does not amount less than 2.5% of invoiced income, while in Oman these percentages are higher, depending on the contract value) and in the country: RSD 13,539 thousand;

- Energoprojekt Niskogradnju in the amount of RSD 123,540 thousand abroad: RSD 88,090 thousand (primarily on the project Z-023 Pericos - San Ignacio, Peru - cost of legal services) and in the country: RSD 35,450 thousand;
 - Energoprojekt Visokogradnju in the amount of RSD 53,725 thousand, in the country: RSD 30,650 thousand (mostly based on the costs of securing the construction site on current projects) and abroad: RSD 23,075 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 10,765 thousand and on projects Z- 112 Hotel Hayatt Rostov 2, Russia and Z-107 Radiology Hospital Syktyvkar, Russia);
 - Energoprojekt Sunnyville in the amount of RSD 24,137 thousand, predominantly calculated variable costs for land according to the Contract on purchase and sale of real estate OPU: 854-2015 from 01.04.2015 which are included in the cost of built real estate in the residential - business complex Sunnyville in Belgrade in the amount of RSD 22,164 thousand (Note 13),
 - Energoprojekt Holding in the amount of RSD 23,133 thousand, mostly legal, consulting and intellectual services; and
 - Energoprojekt Oprema in the amount of RSD 18,179 thousand, in the country: RSD 15,620 thousand and abroad: RSD 2,559 thousand.
- **Insurance premium expenses** amounting to RSD 177,186 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 94,946 thousand, in Energoprojekt Entel in the amount of RSD 50,841 thousand, in Energoprojekt Visokogradnja in the amount of RSD 12,145 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 7,343 thousand and in Energoprojekt Oprema in the amount of RSD 4,973 thousand.
 - **Payment operation expenses** in the amount of RSD 277,793 thousand predominantly relate to the following companies of Energoprojekt:
 - Energoprojekt Niskogradnja amounting to RSD 167,167 thousand, abroad: RSD 93,167 thousand (dominant in Peru: RSD 69,377 thousand and Uganda: RSD 23,709 thousand) and the country: RSD 74,000 thousand (primarily on the projects Zeleni Bulevar, Railway Jajinci - Mala Krsna and TPS Zemun) , mostly based on the costs of bank commissions for issued guarantees in the amount of RSD 160,664 thousand (abroad: RSD 89,312 thousand and in the country: RSD 71,352 thousand);
 - Energoprojekt Visokogradnja amounting to RSD 37,355 thousand, abroad: RSD 22,550 thousand (primarily on the Project Z-114 Reconstruction Syktyvkar Stadium, Russia: RSD 10,985 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 7,424 thousand) and in the country: RSD 14,805 thousand primarily on the projects Belgrade Waterfront, Chinese Cultural Center and Navigator 2 Bussines Center), mostly based on the costs of bank commissions for issued guarantees in the amount of RSD 22,445 thousand (abroad: RSD 13,714 thousand and in the country: RSD 8,731 thousand on listed above projects);
 - Energoprojekt Entel amounting RSD 32,142 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 18,588 thousand and cost of payment transactions: RSD 13,554 thousand (dominantly within Energoprojekt Entel LTD, Qatar: RSD 15,740 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 12,461 thousand);
 - Energoprojekt Hidroinženjering amounting RSD 20,783 thousand, primarily costs of issuing bank guarantees: RSD 18,532 thousand and cost of payment transactions: RSD 2,018 thousand (primarily on supervision and designs works performed in Algeria);

- Energoprojekt Oprema amounting RSD 11,127 thousand, primarily costs of issuing bank guarantees in the country: RSD 11,064 thousand (primarily on projects Kolubara Landfills and TPS Zemun).

• **Tax duties** in the amount of RSD 93,976 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 20,772 thousand, in the country: RSD 17,214 thousand (mostly, based on property tax: RSD 10,690 thousand) and abroad: RSD 3,558 thousand (dominately, based on property tax with the company Energoprojekt Montenegro: RSD 1,098 thousand);

- Energoprojekt Entel in the amount of RSD 19,225 thousand, abroad: RSD 16,545 thousand (mainly paid taxes for local workers in Oman), in the country: RSD 2,680 thousand (mostly, based on property tax: RSD 2,298 thousand);

- Energoprojekt Holding in the amount of RSD 18,775 thousand, in the country, dominantly based on property tax: RSD 18,385 thousand; and

- Energoprojekt Niskogradnja in the amount of RSD 16,120 thousand, abroad: RSD 10,350 thousand (in Peru: RSD 3,976 thousand and in Uganda: RSD 6,374 thousand) and in the country: RSD 5,770 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, quality control costs, protection equipment purchasing, etc.) amounting to the total of RSD 108,612 thousand consist primarily to the costs incurred by Energoprojekt Entel in the amount of RSD 43,176 thousand (abroad: RSD 39,055 thousand, in the country: RSD 4,121 thousand), Energoprojekt Visokogradnja in the amount of RSD 23,744 thousand (abroad: RSD 18,548 thousand, in the country: RSD 5,196 thousand), Energoprojekt Oprema in the amount of RSD 14,226 thousand (primarily costs of company OOO Belgrade, Belarus: RSD 9,863 thousand) and Energoprojekt Niskogradnja in the amount of RSD 5,661 thousand (predominantly court and administrative fees: RSD 5,521 thousand).

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	In RSD thousand	
	01.01- 31.12.2019.	01.01- 31.12.2018.
Financial income from other related parties	17,885	10,369
Income from profit share of affiliated companies and joint ventures	73,743	67,382
Other financial income:		
a) Dividend income (Note 27)	17,350	68
b) Other financial income	63,743	55,975
<i>ITotal</i>	<i>81,093</i>	<i>56,043</i>
<i>Total financial income from related parties and other financial income</i>	<i>172,721</i>	<i>133,794</i>
Interest income (from third parties)	128,492	128,491
Foreign exchange gains and positive currency clause effect	364,056	508,468
TOTAL	665,269	770,753

Financial income from other related parties in the amount of RSD 17,885 thousand consist of the financial income from:

- Affiliated Company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 6,838 thousand, which were recorded in Energoprojekt Oprema from dividend income in the amount of RSD 6,689 thousand (dividend receivables were collected in 2019) and foreign exchange gains in the amount of RSD 149 thousand;
- Joint Venture Company Enjub Ltd. in the amount of RSD 6,581 thousand, which were recorded, in Energoprojekt Holding as income from interest on loan granted;
- company Napred Razvoj Plc. in the amount of RSD 3,755 thousand, which were recorded, in Energoprojekt Holding as positive currency clause effects – liability for granted loan; and
- Napred Plc. in the amount of RSD 709 thousand, which were recorded in Energoprojekt Visokogradnja as positive currency clause effects.

• **Income from profit share of affiliated companies and joint ventures** in the amount of RSD 73,743 thousand relate to realized net result in the reporting period of associated companies Energopet Ltd. in the amount of RSD 56,619 thousand and the joint venture company Enjub Ltd. in the amount of RSD 17,124 thousand.

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 subsidiary companies Energoprojekt Oprema and Energoprojekt Industrija, and consequently into consolidated financial statements of Energoprojekt Holding (Note 27).

• **Interest income (third party)** in the amount of RSD 128,492 thousand are mainly related to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 85,902 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 72,240 thousand (Project Z-027 Mpigi-Kanoni: RSD 25,785 thousand, Z-036 Kampala Streets Kawempe-Lubaga, Uganda: RSD 46,455 thousand) and interest from arbitration in Peru settled in favor of the Contractor (Consortium Percos San Ignacio), collected in accordance with the final settlement under the Contract / final liquidation of the projects;

- Energoprojekt Oprema in the amount of RSD 20,339 thousand, predominantly on the basis of interest collected on behalf of the company SNC Lavalin on the RTB Bor project, from arbitration award: RSD 20,309 thousand;

- Energoprojekt Entel in the amount of RSD 11,134 thousand, mostly from term deposits with commercial banks in the amount of RSD 9,777 thousand, predominantly abroad in the amount of RSD 8,962 thousand (in the company Energoprojekt Entel LTD, Qatar: RSD 5,218 thousand and Energoconsult LLC, Abu Dhabi, UAE: RSD 3,744 thousand); and

- Energoprojekt Visokogradnja, in the amount of RSD 8,571 thousand, mainly based on short-term time deposits incurred abroad: RSD 8,001 thousand (primarily within the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 5,479 thousand).

• **Exchange rate gains and positive currency clauses effects (third party)** amounted to RSD 364,056 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 246,159 thousand, so that in the reporting period recorded net exchange rate gains and positive currency clauses effects in the amount of RSD 117,897 thousand.

From the beginning of the year until 31 December 2019, RSD was appreciated to EUR by 0.51% (in 2018: was appreciated by 0.23%) and to USD was depreciated by 1.48% (in 2018: by 4.31%), and RSD was depreciated to RUB by 14.00% (in 2018 was appreciated by 13.75%).

19.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2019.	01.01-31.12.2018.
Financial expenses from transactions with other related parties	45,060	2,364
Financial expense from the losses of affiliated companies and joint ventures		9,748
Other financial expenses	401	56
<i>Total financial expenses from transactions with other related parties and other financial expenses</i>	<i>45,461</i>	<i>12,168</i>
Interest expenses (by third parties)	266,491	364,532
Foreign exchange losses and negative currency clause (towards third parties)	246,159	383,884
TOTAL	558,111	760,584

- **Financial expense from transactions with other related parties** in the amount of RSD 45,060 thousand were mostly recorded within following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of up to RSD 41,334 thousand, interest on the loan (RSD 33,187 thousand), one-time loan approval costs (RSD 7,202 thousand) and currency clause effects for granted loan (RSD 3 thousand) from Napred Razvoj: RSD 40,392 thousand and expenses from effects of the currency clause based on loans and interest on loans granted to the joint venture Enjub Ltd.: RSD 942 thousand; and

- Energoprojekt Oprema in the amount of RSD 3,623 thousand, exchange losses incurred in transactions with associated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Interest expense (by third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions and interest costs for public charges in the country. Interest expenses in the amount of RSD 266,491 thousand relate predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 91,191 thousand primarily incurred from interest on loans granted by commercial banks and interest on leasing contracts in RSD 84,189 thousand (in the country: RSD 36,461 thousand and abroad (Peru and Uganda): RSD 47,728 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 88,373 thousand, in the country: RSD 55,649 thousand (primarily interest on borrowings: RSD 51,416 thousand) and abroad: RSD 32,724 thousand (predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 32,319 thousand interest on overdrafts on accounts with commercial banks);

- Energoprojekt Oprema in the amount of RSD 49,776 thousand, mostly from interest on loans from commercial banks in the country for the project Energoentar Minsk, Belarus in the amount of RSD 44,796 thousand; and

- Energoprojekt Holding in the amount of RSD 28,036 thousand, primarily related to interest expenses on loans from banks in the country: RSD 21,444 thousand and default interest: RSD 6,297 thousand (lost lawsuit with R. Ljubojević on the basis of land expropriation: RSD 3,347 thousand and from Komercijalna banka: RSD 2,950 thousand).

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

20.1. 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	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Income from value adjustment of long-term financial investments and securities available for sale	44	671
Income from value adjustment of receivables and short-term financial investments	112,766	9,191
TOTAL	112,810	9,862

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 44 thousand relate entirely to Energoprojekt Niskogradnja for revaluation of the loan instalment for apartments sold to employees.

- **Income from value adjustment of receivables and short-term financial investments** in the amount of RSD 112,766 thousand mostly relate to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 101,675 thousand, based on collection of part of previously impaired receivables from the company SNC Lavalin on the RTB Bor project, as of Arbitration Award of the International Arbitration Court at the International Chamber of Commerce in Paris from 09.05.2019;

- Energoprojekt Hidroinženjering in the amount of RSD 10,511 thousand from collected previously impaired receivables from investors in the Urkis, Algeria; and

- Energoprojekt Niskogradnja in the amount of RSD 453 thousand from collected receivables from bankruptcy debtors (primarily from Inter - most Plc. under decision of the Belgrade Commercial Court), which were written off indirectly in the previous period.

20.2. 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.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Expenses from value adjustment of long-term financial investments and securities available for sale		588
Expenses from value adjustment of receivables and short-term financial investments	121,393	45,532
TOTAL	<i>121,393</i>	<i>46,120</i>

- **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD 121,393 thousand relate mostly to the following companies of system Energoprojekt:

- Energoprojekt Hidroinženjering in the amount of RSD 74,178 thousand for impairment of receivables on projects in Algeria: RSD 72,058 thousand (mostly on projects Z-23 65 Dam: RSD 29,359 thousand, Z-09 Beni Sliman: RSD 24,058 thousand, Z-04 Tarzut: RSD 15,720 thousand) and in Jordan: RSD 2,120 thousand (on the project Z-15 Kufranja), due to a large delay in investor payment (mainly invoices from 2017);

- Energoprojekt Oprema in the amount of RSD 44,457 thousand from impaired receivables for the project Clinical Center of Serbia, based on the annulment of the final judgment of the Commercial Court of Appeals and the Belgrade Commercial Court from 2018 by the Supreme Court of Cassation of the Republic of Serbia from 24.01.2019, and after revision of the defendant Clinical Center of Serbia, Belgrade.

- Energoprojekt Visokogradnja in the amount of RSD 2,464 thousand based from impaired receivables in the country from customers: RSD 1,874 thousand and abroad: RSD 590 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Gains on sale of intangible assets, property, plant and equipment	27,040	100,019
Gains on sale of shares and securities		354,523
Gains on sale of material	2,600	6,103
Surpluses	2,337	3,407
Collected previously written-off receivables	4,040	142,383
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	359	333
Income from reduction in liabilities	32,374	50,241
Income from reversal of long and short-term provisions	89,672	559,551
Other income not posted elsewhere	107,542	61,865
Income from value adjustment of property, plant and equipment	37,352	89,338
TOTAL	303,316	1,367,763

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 27,040 thousand relate mostly to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 15,951 thousand from sale of equipment: RSD 8,995 thousand and disposal of equipment: RSD 6,956 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 7,337 thousand, primarily based on the sale of equipment in Aktau, Kazakhstan; and

- Energoprojekt Holding in the amount of RSD 2,960 thousand, predominantly from sale of non-current assets held for sale (property Facility K1G in Rakovica, Belgrade) in the amount of RSD 2,959 thousand (Note 29).

• **Gains on sale of material** in the amount of RSD 2,600 thousand mostly refer to Energoprojekt Visokogradnja in the amount of RSD 1,367 thousand, mostly abroad in the amount of RSD 1,108 thousand (primarily in the company Energoprojekt Ghana Ltd: RSD 663 thousand and on the project Z-068 Hotel Aktau, Kazakhstan: RSD 237 thousand).

• **Surpluses** in the amount of RSD 2,337 thousand, mostly related to surplus stocks of materials and equipment determined by the regular annual inventory count conducted in Energoprojekt Niskogradnja in the amount of RSD 2,081 thousand, predominantly in the country: RSD 2,079 thousand.

- **Collected written-off receivables** in the amount of RSD 4,040 thousand predominantly relate to:
 - Energo (Private) Limited, Zimbabwe in the amount of RSD 2,155 thousand - collection of written-off funds from banks; and
 - Energoprojekt Entel in the amount of RSD 1,181 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD, Doha, Qatar.

- **Income from reduction of liabilities** in the amount of RSD 32,374 thousand predominantly were recorded in the following companies in the system Energoprojekt:
 - Energoprojekt Oprema in the amount of RSD 12,624 thousand, primarily from reduction of accrued liabilities from 2015 for the RTB Bor project: RSD 9,024 thousand and liability to SNC Lavalin: RSD 2,914 thousand under Decision on write-off made on the basis of completed arbitration proceedings;
 - Energoprojekt Visokogradnja in the amount of RSD 11,233 thousand, predominantly from write-offs due to obsolescence, in the country: RSD 6,637 thousand and abroad (on project Z-089 Aktau Hospital, Kazakhstan): RSD 4,596 thousand;
 - Energoprojekt Holding in the amount of RSD 6,122 thousand relate to collection of liabilities for dividends in the amount of RSD 6,025 thousand and liabilities for dividend tax in the amount of RSD 97 thousand due to expiration of the general statute of limitations of ten years; and
 - Energoprojekt Niskogradnja in the amount of RSD 1,550 thousand, from subsequently approved rebates from suppliers in the country: RSD 1,409 thousand and write-off of obsolete liabilities: RSD 141 thousand.

- **Income from reversal of long-term and short-term provisions** in the amount of RSD 89,672 thousand mostly to:
 - income from reversal of provisions for costs in the warranty period in the amount of RSD 85,506 thousand, in Energoprojekt Entel in the amount of RSD 83,774 thousand (part of provision for the project in Qatar Phase 11), Energoprojekt Visokogradnja in the amount of RSD 1,614 thousand (for project Z -105 Residential building Syktyvkar, Russia) and Energoprojekt Oprema in the amount of RSD 118 thousand (remaining amount of provision for the project Prokop) (Note 37); and
 - income from reversal of provisions for severance pay upon retirement in the amount of RSD 3,443 thousand, in Energoprojekt Visokogradnja: RSD 2,669 thousand and Energoprojekt Oprema: RSD 774 thousand.

- **Other income not posted elsewhere** in the amount of RSD 107,542 thousand relate mostly to the following companies of system Energoprojekt:
 - Energoprojekt Visokogradnja in the amount of RSD 51,383 thousand, abroad in the amount of: RSD 29,319 thousand (primarily in the foreign company Energoprojekt Ghana ltd: RSD 27,676 thousand - reduction of VAT duty and on the project Z-089 Aktau Hospital, Kazakhstan: RSD 1,244 thousand based from correction of liabilities for taxes and contributions) and in the country in the amount of RSD 22,064 thousand (primarily, from collection of agreed fine on projects Navigator 2 Bissines Center: RSD 9,078 thousand and Park 11: RSD 665 thousand and collection of damages from insurance on the Park 11 project: RSD 4,683 thousand);

- Energoprojekt Oprema in the amount of RSD 34,589 thousand, primarily from income recorded in the company OOO Belgrade, Belarus in the amount of RSD 26,303 thousand and income recorded on the basis of reimbursement of court costs from completed arbitration proceedings with SNC Lavalin in the amount of RSD 4,606 thousand;
- Energoprojekt Niskogradnja in the amount of RSD 15,091 thousand, primarily from insurance claims arising from the destruction of equipment in the amount of RSD 8,333 thousand (on projects in the country: RSD 1,795 thousand and on projects abroad: RSD 6,538 thousand, predominantly in Uganda), sales of secondary raw materials (scrap iron) in the country in the amount of RSD 2,230 thousand and income from collection of contracted fines from subcontractors for penalties due to delays in the execution of works on the project Asphaltting of streets P-11373 in the amount of RSD 3,844 thousand.
- **Income from value adjustment of property, plant and equipment** in the amount of RSD 37,352 thousand relate to settlement of investment property value on its fair value at the balance sheet date in accordance with IAS 40, Investment Property in the following companies in the Energoprojekt system:
 - Energoprojekt Niskogradnja in the amount of RSD 27,361 thousand (part of the residential complex Cruz del Sur in Peru);
 - Energoprojekt Holding in the amount of RSD 7,211 thousand (part of complex "Samački hotel" in Zemun);
 - Dom 12 S.A.L., Lebanon in the amount of RSD 2,685 thousand (business buildings in Moscow); and
 - Energoprojekt Industrija in the amount of RSD 95 thousand (real estate in Toše Jovanovića Street in Belgrade).

21.2. Other Expense

Structure of other expenses	<i>In RSD thousand</i>	
	<i>01.01.-31.12. 2019.</i>	<i>01.01.-31.12. 2018.</i>
Losses from sales of intangible assets, property, plant and equipment	16,123	120,099
Loss from sales of equity shares and securities	3,493	
Losses from sales of material	374	16,296
Shortages	8,503	3,018
Expense from direct write-off of receivables	81,579	40,670
Expense from disposal of inventory of material and goods	2,180	10,739
Other not mentioned expense	182,691	74,130
Impairment of property, plant and equipment	787	68,459
Impairment of inventory of material and merchandise	1,314	
TOTAL	297,044	333,411

• **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 16,123 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 9,308 thousand, in the country: RSD 2,278 thousand (primarily disposal of equipment) and abroad: RSD 7,030 thousand (primarily, equipment sales in the Aktau base: RSD 6,091 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 4,721 thousand from purchase value of sold fixed assets: RSD 4,141 thousand and disposal of fixed assets according to the regular annual inventory count: RSD 580 thousand; and

- Energoprojekt Entel in the amount of RSD 1,555 thousand, abroad: RSD 1,500 thousand (in the company Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman - car sales) and in the country: RSD 55 thousand (disposal of equipment - IT equipment and office furniture).

• **Losses from sale of equity shares and securities** in the amount of RSD 3,493 thousand entirely relate to Energoprojekt Holding due to losses realised from sale of equity investments in Encom GmbH Consulting, Engineering & Trading, Germany (Note 2).

• **Shortages** in the amount of RSD 8,503 thousand, mostly related to shortages of stocks of materials and equipment determined by the regular annual inventory count conducted in Energoprojekt Niskogradnja in the amount of RSD 7,724 thousand, predominantly in the country: RSD 7,708 thousand, primarily from current period turnover.

• **Expenses from direct write-off of receivables** in the amount of RSD 81,579 thousand (primarily for the outcome of assessment of reality balance sheet items in accordance with the provisions of IAS 39 and prudence principle), relate, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 45,321 thousand, entirely abroad, mostly in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 44,551 thousand from written off receivables older than 3 years from companies that due to the imposed sanctions on Qatar, had to close their companies in Qatar;

- Energoprojekt Oprema in the amount of RSD 33,009 thousand, entirely in the country, from direct write-off of uncollected receivables (receivables from issued payment certificates and uninvoiced income) from the company SNC Lavalin on the RTB Bor project, based on the Arbitration Award dated 09.05 .2019; and

- Energoprojekt Visokogradnja in the amount of RSD 3,249 thousand, abroad in the amount of RSD 2,189 thousand from written-off receivables for uninvoiced income on project Z-099 Design of sports center Aktau, Kazakhstan and in the country: RSD 1,060 thousand from write-off of trade receivables due to obsolescence and inability to collect them.

• **Other not mentioned expenses** in the amount of RSD 182,691 thousand predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 34,572 thousand predominantly refers to compensation for damages to R. Ljubojevic from lost court dispute (land expropriation) in the amount of RSD 32,370 thousand, bank penalty costs due to violated financial obligations from the contract - level of Net Debt / Ebitd in the amount of RSD 1,772 thousand and donations in the amount of RSD 200 thousand;

- Energoprojekt Oprema in the amount of RSD 31,585 thousand, primarily in the company OOO Belgrade, Belarus: RSD 26,031 thousand, paid fines for economic offenses and misdemeanors: RSD 1,380 thousand, costs of approved rebates: RSD 2,008 thousand and fines and penalties: RSD 1,019 thousand;

- Energoprojekt Hidroinženjering in the amount of RSD 21,776 thousand, primarily from penalties for delays in the preparation of project documentation for projects in Algeria (Sidi Naceurr: RSD 11,487 thousand, Rekhouché: RSD 5,226 thousand and Beni Slimane: RSD 1,779 thousand);

- Energoprojekt Entel in the amount of RSD 21,247 thousand, primarily from tuition fees and donations abroad; and

- Energoprojekt Niskogradnja in the amount of RSD 10,212 thousand, mostly from agreed penalty due to delays in execution of works on the Project P-11373 Asphaltting of Streets: RSD 3,798 thousand and costs of damages in Uganda: RSD 2,254 thousand.

• **Impairment of inventories of materials and merchandise** in the amount of RSD 1,314 thousand refers entirely to Energoprojekt Visokogradnja for project Navigator 2 Bussines Center: RSD 1,141 thousand and Park 11: RSD 173 thousand.

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	18,205	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		56,176
TOTAL	18,205	(56,176)

- **Net profit from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 18,205 thousand is the result of subsequently determined income, ie expenses from the previous period in amounts that are not material and on the basis of which recognition is charged, in favor of the current period, primarily on the one hand, due to reported net profit from correction of material insignificant errors from previous years in Energoprojekt Niskogradnja in the amount of RSD 42,965 thousand (mostly on the project Lajkovac-Ljig) and on the other hand, net loss on the same basis incurred in Energoprojekt Oprema in the amount of RSD 13,979 thousand and in Energoprojekt Entel in the amount of RSD 11,371 thousand.

23. PROFIT BEFORE TAX AND NET PROFIT

Structure of gross result	<i>in RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Operating income	26,454,843	23,122,123
Operating expenses	25,774,621	23,079,743
<i>Operating result</i>	<i>680,222</i>	<i>42,380</i>
Financial income	665,269	770,753
Financial expenses	558,111	760,584
<i>Financial result</i>	<i>107,158</i>	<i>10,169</i>
Income from value adjustment of other assets at fair value through profit or loss	112,810	9,862
Other income	303,316	1,367,763
Expenses from value adjustment of other assets at fair value through profit or loss	121,393	46,120
Other expenses	297,044	333,411
<i>Result of other income and expenses</i>	<i>(2,311)</i>	<i>998,094</i>
<i>Result from ordinary activities before taxes</i>	<i>785,069</i>	<i>1,050,643</i>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	18,205	
Net loss of discontinued operations, changes in accounting policies and corrections of errors from the previous period		56,176
PROFIT BEFORE TAX	803,274	994,467
Tax expense period	169,741	261,192
Deferred tax expense of period		18,490
Deferred tax income of period	7,316	
NET PROFIT	640,849	714,785
TOTAL INCOME	27,554,443	25,270,501
TOTAL EXPENSES	26,751,169	24,276,034

Energoprojekt system's incurred profit before tax (gross profit) in the reporting year amounted to RSD 803,274 thousand and is, first of all the result of:

- operating profit in the amount of RSD 680,222 thousand, primarily realised in Energoprojekt Entel, Energoprojekt Niskogradnja and Energoprojekt Hidroinženjering; and
- financial gain in the amount of RSD 107,158 thousand, primarily from net gains on exchange and positive currency clause.

Compared to last year on given date, decrease in **gross results** of the Energoprojekt system in the amount of 191,193 thousand was recorded in 2019, despite a significant increase in operating profit by RSD 637,842 thousand and increase in financial gain in the amount of RSD 96,989 thousand, due there was a decrease in other income in the amount of RSD 1,064,447 thousand in 2019 (in 2018: RSD 1,367,763 thousand, while in 2019 amounted to RSD 303,316 thousand).

Other income in the amount of RSD 1,367,763 thousand incurred in 2018, are mostly the result of recording the following figures:

- income from reversal of provisions for the project Energocentar Minsk, Belarus in the amount of RSD 496,125 thousand;
- income from sale of equity shares in Energoprojekt Garant a.d.o. and Beogradsko Mešovito Preduzeće a.d. in the amount of RSD 354,523 thousand; and
- income from collected written-off receivables in Energoprojekt Oprema (from the company International Project Services ltd. - branch on the project RTB Bor on the basis of an agreement and from the Clinical Center of Serbia on the basis of a lawsuit) in the amount of RSD 120,195 thousand.

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Net-profit pertaining to parent company shareholders	585,412	445,593
The weighted average number of shares during the year	10,833,592	10,833,592
Earnings / (loss) per share (In RSD)	54.04	41.13

Earnings per share is calculated by dividing the profit for ordinary shareholders by the average weighted number of ordinary shares in circulation for the period and does not include ordinary shares that the Company (companies within System) purchased and held as treasury shares.

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Investment in development	Software and other rights	Intangible assets in process	Total
<i>Cost or valuation</i>				
Opening balance as of 01.01.2019		222,642		222,642
Additions		33,564	470	34,034
Transfer from investment in process				
Other transfers from / to				
Disposals				
FX differences				
Other increases / (decreases)				
As of 31.12.2019		256,206	470	256,676
<i>Accumulated depreciation</i>				
Opening balance as of 01.01.2019		172,493		172,493
Charges in the year		19,714		19,714
Disposals				
Other transfers from / to				
FX differences		570		570
Other increases / (decreases)				
As of 31.12.2019		192,777		192,777
<i>Net book value</i>				
As of 31.12.2018		50,149		50,149
As of 31.12.2019		63,429	470	63,899

Software and other rights as at 31 December 2019 relate to various software used by the system Energoprojekt for own purposes, which are depreciated in compliance with the relevant accounting policy.

Investments in software and other rights in the amount of RSD 34,034 thousand, primarily refer to Energoprojekt Holding in the amount of RSD 25,879 thousand, Energoprojekt Industrija in the amount of RSD 2,580 thousand, Energoprojekt Entel in the amount of RSD 2,370 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1,458 thousand.

26. PROPERTY, PLANT AND EQUIPMENT

In RSD thousand

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and IP under construction	Other PPE	PPE under construction	Investment in third parties PPE	Advances for PPE	Total
<i>Cost or valuation</i>									
Opening balance as of 01.01.2019	633,472	6,913,683	9,796,908	2,896,942	183,283	1,536	101,668	44,899	20,572,391
Additions		1,627	134,293		41	1,105		5,000	142,066
Transfer from investment in preparation									
Transfer of inventories - non-current assets held for sale and work in progress									
Other transfers from / to - from the advance, etc.			235					(235)	
Disposals			(241,670)		(1,056)		(97,317)		(340,043)
Gains / (losses) included in "Other result" (acc. 330)		62,774							62,774
Gains / (losses) included in the Income Statement		7,211		29,758					36,969
Impairments			(1,455)						(1,455)
FX differences	121	(3,323)	19,891	(89,632)					(72,943)
Other increases / (decreases)			2,810						2,810
As of 31.12.2019	633,593	6,981,972	9,711,012	2,837,068	182,268	2,641	4,351	49,664	20,402,569
<i>Ispravka vrednosti</i>									
Opening balance as of 01.01.2019		83,973	7,135,246		103,879		96,102		7,419,200
Charges in the year		87,753	444,143		10,872		1,381		544,149
Disposals			(208,846)		(787)		(97,316)		(306,949)
Transfer to inventories - non-current assets held for sale									
Other transfers from / to									
Impairments			(1,051)						(1,051)
FX differences		1,010	12,142						13,152
Other increases / (decreases)		(7,305)	118						(7,187)
As of 31.12.2019		165,431	7,381,752		113,964		167		7,661,314
<i>Net book value</i>									
As of 31.12.2018	633,472	6,829,710	2,661,662	2,896,942	79,404	1,536	5,566	44,899	13,153,191
As of 31.12.2019	633,593	6,816,541	2,329,260	2,837,068	68,304	2,641	4,184	49,664	12,741,255

• **Land**

Value of land of the system Energoprojekt amounting to RSD 633,593 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,482 (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) and Energoprojekt Niskogradnja in the amount of RSD 97,292 (land in Peru and in the country – in Stara Pazova).

• **Buildings**

Measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model (Note 7.8).

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

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

As of 31 December 2019, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2019.

In accordance with the relevant provisions of IAS 16, it was not necessary to estimate the fair value of Energoprojekt system building at the balance sheet date for which fair value movements were insignificant (already every three or five years). A significant change in fair value has facility part of the buildings complex "Samački hotel" in Zemun, for which the fair value was appraised on 31 December 2019 by a professionally qualified appraiser. In this regard, the revalued value of buildings as of 31 December 2019, in the amount of RSD 6,816,541 thousand represents their fair value.

Outcome of adjustments of buildings value at fair value part of the buildings complex of "Samacki Hotel" in Zemun as of 31 December 2019, was entered through item of equity - Revaluation reserve of property (shown in the table above through Profits included in item Other Result: RSD 56,459 thousand) and profit and loss account - Income from value adjustment of property (shown in the above table, up to levels of previous years reported expenses, through Profits included in profit or loss: RSD 7,211 thousand).

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

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

Investments in facility in the amount of RSD 1,627 thousand relate to Energoprojekt Visokogradnja for acquiring facility for the accommodation of workers and material assets in Siktivkar, Russia

• **Plant and Equipment**

As at 31 December 2019, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed. Changes in accounting estimates impacted depreciation costs for 2019, and, consequently, the carrying value of assets as of 31 December 2019.

Of the total items in the reporting period, the amount of RSD 18,209 thousand relates to equipment regulated by the Financial Lease Agreement, which is entirely related to Energoprojekt Niskogradnja.

Liabilities of the system Energoprojekt based on the financial lease are explained in the Note 38.3.

Purchases of plant and equipment in the reporting period in the amount of RSD 134,293 thousand is recorded in the following companies:

- Energoprojekt Niskogradnja amounted to RSD 45,397 thousand (in the country: RSD 28,455 thousand, primarily for project Jajinci - Mala Krsna Railway and abroad: RSD 16,942 thousand in Peru and Uganda);
- Energoplast in the amount of RSD 27,845 thousand;
- Energoprojekt Entel in the amount of RSD 21,188 thousand (primarily in the country: RSD 15,603 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 3,730 thousand); and
- Energoprojekt Visokogradnja in the amount of RSD 18,835 thousand (primarily in the country: RSD 11,447 thousand).

Disposal of plant and equipment of net value in the amount of RSD 32,824 thousand (shown in the table above in the item "Disposal", purchase value in the amount of RSD 241,670 thousand and value adjustments in the amount of RSD 208,846 thousand) refers mostly to Energoprojekt Visokogradnja in the amount of RSD 25,156 thousand (primarily from sale of equipment in the Aktau Branch, Kazakhstan in the amount of RSD 21,192 thousand) and to Energoprojekt Entel in the amount of RSD 4,658 thousand (primarily from sale of cars in companies abroad and disposal of computer equipment).

• **Investment property**

According to adopted accounting policies, after initial recognition, an item of investment property is measured at fair value (Note 7.12.).

Investment property is stated at fair value as at 31 December 2019 in the amount of RSD 2,837,068 thousand. Valuation of the fair value of investment property as at 31 December 2018 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.

The most significant investment properties on the level of system Energoprojekt 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;
- Part of the building "Samački hotel" complex of the Energoprojekt Holding in Zemun.

In the reporting period, the system Energoprojekt generated income from the rent of investment property in the amount of RSD 85,889 thousand primarily from: rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 27,695 thousand, from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 20,499 thousand (in company Zambia Engineering and Contracting Company Limited, Zambia): RSD 20,499 thousand, parts of the business building "Cruz del Sur" in Peru (in Energoprojekt Niskogradnja): RSD 10,091 thousand, parts of building complex "Samački hotel" (in Energoprojekt Holding): RSD 7,737 thousand, real estate in Ub and Višnjička Banja: RSD 6,991 thousand (in Energoprojekt Visokogradnja), more real estate in Harare, Zimbabwe (in the company Energo (Private) Limited, Zimbabwe): RSD 6,822 thousand and office buildings in London (in the company INEC Engineering Company Limited, Great Britain): RSD 5,842 thousand (Note 11.3).

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

- **Advances paid for property, plant and equipment** in the amount of RSD 49,664 thousand predominately relate to advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria in RSD 44,664 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12. 2019.</i>	<i>31.12. 2018.</i>
Shares in affiliated companies and joint ventures	729,439	729,159
Shares in other legal entities and other available for sale securities	31,116	44,346
Other long-term financial investments	341,267	256,712
TOTAL	1,101,822	1,030,217

- **Shares in affiliated companies and joint ventures** in the amount of RSD 729,439 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Energo Nigeria Ltd., Lagos, Nigeria	131.386	152.968
Energopet Ltd. Belgrade	563.491	524.625
Closed-end investment fund Fima "Southeastern Europe Activist" Plc. Belgrade - in liquidation		34.128
Enjub Ltd., Belgrade	34.562	17.438
TOTAL	729.439	729.159

Financial data pertaining to affiliate Energo Nigeria Ltd., Lagos, Nigeria on the 24,92% equity share of the Energoprojekt Oprema in the affiliate is presented in the following table.

Energo Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Capital	131,386	152,968
Income		
Net profit of the current period		

The affiliated company Energo Nigeria Ltd., Lagos, Nigeria is included into consolidation financial statements of Energoprojekt Oprema (Note 2) by equity method through the first consolidation level, based on its financial statements for 2018, considering that until the day of preparation the consolidated financial statements of Energoprojekt Holding for 2019, any financial statements have not been received from Energo Nigeria Ltd., Lagos, Nigeria as of the balance sheet date.

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

Energopet Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets	437,477	400,695
Operating assets	474,143	546,617
Assets	911,620	947,312
Liabilities	348,129	422,687
Capital	563,491	524,625
Income	1,291,446	1,298,849
Net profit/(loss) of the current period	56,619	67,382

In 2019, the associate company Closed-end investment fund Fima Southern Europe Activist Plc. Belgrade - in liquidation was liquidated and deleted from the Register of Business Entities and the Central Registry of Securities (based on the distribution of liquidation balance, Energoprojekt Holding in its business books, based on equity shares of (30.45%), recorded payment in cash in the amount of RSD 3,117 thousand, receivables from Komercijalna banka in the amount of RSD 144 thousand and dividend income in the amount of RSD 17,261 thousand), and therefore, in the following table are given only financial information for the company for the previous year .

Fima See Activist Plc., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets		
Operating assets		34,261
Assets		34,261
Liabilities		133
Capital		34,128
Income		6,228
Net (loss) of the current period		(396)

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>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets	128,927	128,927
Operating assets	107,709	138,994
Assets	236,636	267,921
Liabilities	202,074	250,483
Capital	34,562	17,438
Income	65,242	3,784
Net profit / (loss) of the current period	17,124	(9,352)

• **Shares in other legal entities and available for sale securities** in the amount of RSD 31,116 thousand are presented in the following table.

Shares in other legal entities and available for sale securities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
a) Banks, financial organisations and other legal entities	31,096	44,329
b) Other securities available for sale	20	17
TOTAL	31,116	44,346

Share in banks, financial organizations and other legal entities in the amount of RSD 31,116 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 30,240 thousand (Jubmes Banka Plc., Dunav Osiguranje Plc., Belgrade, Beogradska Berza Plc., and other).

Shares in banks, financial organisation and other legal entities and other securities available for sale are measured at their market (fair) value, if it is possible to determine it.

Decrease in share in banks, financial organizations and other legal entities compared to last year on given date by RSD 13,230 thousand primarily originated from negative outcome of value adjustments of securities from portfolio and their fair value on the secondary securities market as of the preparation the financial statements date dominantly in Energoprojekt Holding: RSD 13,107 thousand (Jubmes Bank Plc. and Dunav osiguranje Plc.).

- **Other long-term financial investments** in the amount of RSD 341,267 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Housing loans granted to employees	30,937	33,709
Long-term time deposits	78,135	
Deposits for bank guarantees	117,511	109,394
Other	114,684	113,609
TOTAL	341,267	256,712

- **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 30,937 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 20,532 thousand, Energoprojekt Oprema in the amount of RSD 6,548 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,441 thousand and Energoprojekt Holding in the amount of RSD 993 thousand.

- **Long-term time deposits** in the amount of RSD 78,135 thousand refer to Energoprojekt Visokogradnja in the amount of RSD 76,135 thousand (for the project Z-114 Reconstruction of Syktyvkar Stadium, Russia) and to Energoprojekt Urbanizam i arhitektura in the amount of RSD 2,000 thousand (for the project Pozarevac Penitentiary).

- **Deposits for bank guarantees** in the amount of RSD 117,511 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 23,202 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 94,309 thousand).

Increase in deposits for bank guarantees compared to last year on given date by RSD 8,117 thousand refers to Energoprojekt Entel primary to the company Energoconsult L.L.C., Abu Dhabi, UAE, in the amount of RSD 7,779 thousand.

- **Other long-term financial investments** in the amount of RSD 114,684 thousand mainly relate to the following Companies of the system Energoprojekt:

- 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 20,385 thousand, relate to deposits for working visas in the amount of RSD 13,886 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE) and the deposits for apartments abroad in the amount of RSD 6,499 thousand (mainly within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 3,239 thousand and Energoprojekt Entel LTD, Doha, Qatar: RSD 2,395 thousand).

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Other long-term receivables	1,337,869	1,316,965
TOTAL	1,337,869	1,316,965

• **Other long-term receivables** in the amount of RSD 1,337,869 thousand comprise of the receivables of the Energoprojekt Entel in RSD 1,318,295 thousand 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 1,090,819 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 133,664 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 93,812 thousand) and within Energoprojekt Visokogradnja: RSD 19,574 thousand based on collateral placed to investor for project Z-107 Radiology Clinic Siktivkar, Russia.

Increase in other long-term receivables compared to last year on given date by RSD 20,904 thousand refers, on the one hand, to increase in Energoprojekt Entel in the amount of RSD 120,639 thousand (primarily in the company Energoprojekt Entel LTD, Doha, Qatar) and, on the other hand, to decrease in receivables for the guarantee deposit in Energoprojekt Visokogradnja in the amount of RSD 99,735 thousand, from release of retained guarantee deposit by the investor GP Seven on the project Navigator 2 Bussines Center: RSD 58,728 thousand and collateral given to the investor on the project Z-107 Radiology Hospital Syktyvkar, Russia: RSD 41,007 thousand.

29. INVENTORIES

Structure of inventories	In RSD thousand	
	31.12.2019.	31.12.2018.
Material, spare parts, tools and small inventory	927,165	1,047,453
Work and service in progress	2,555,541	1,643,413
Finished Products	605,909	1,331,456
Goods	21,980	23,513
Non-current assets held for sale	109,157	163,588
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related legal entities	121,904	121,904
b) Advances paid for materials, spare parts and inventory	306,011	146,475
c) Advances paid for goods		65
d) Advances paid for services	1,023,415	502,407
<i>Total</i>	<i>1,451,330</i>	<i>770,851</i>
TOTAL	5,671,082	4,980,274

Material, parts, tools and small inventories in the amount of RSD 927,165 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 465,548 thousand, out of which inventories abroad amount to RSD 345,169 thousand (Uganda: RSD 233,582 thousand, Peru: RSD 111,587 thousand), and inventories in the country amount to RSD 120,379 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 232,268 thousand, out of which inventories in the country amount to RSD 156,581 thousand (primarily on the projects Chinese Cultural Center: RSD 22,981 thousand and Navigator 2 Bussines Center: RSD 80,815 thousand - residential complex Park 11: RSD 15,444 thousand, while inventories abroad amount to RSD 75,687 thousand (primarily on projects Z-103 Talan Towers, Astana, Kazakhstan: RSD 20,076 thousand, Z-107 Syktyvkar Radiology Hospital, Russia: RSD 19,227 thousand and Z-096 Forte Bank, Astana, Kazakhstan: RSD 14,629 thousand);
- Energoplast in the amount of RSD 153,779 thousand, out of which material inventories amount to RSD 128,510 thousand, parts inventories amount to RSD 24,505 thousand and tools inventories amount to RSD 764 thousand; and
- Energoprojekt Oprema in the amount of RSD 66,229 thousand, of which the largest part refers to the central warehouse: RSD 39,503 thousand, warehouse for the Ada Mol project: RSD 9,443 thousand and the warehouse for energy projects: RSD 8,309 thousand.

Decrease in inventories of materials, spare parts, tools and small inventory compared to last year on given date in the amount of RSD 120,288 thousand is the result, on the one hand, of decrease in Energoprojekt Oprema: RSD 188,237 thousand (predominantly on the Ada Mol project) and on the other hand, increase in Energoprojekt Visokogradnja: RSD 63,683 thousand (primarily, due to the intensification of work on projects in the country: Navigator 2 Bussines Center and Park 11, as well as projects abroad: Z-107 Radiology Hospital Syktyvkar, Russia).

- **Work and services in progress** in the amount of RSD 2,555,541 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Park 11 in the amount of RSD 1,766,218 thousand, relate to production in progress based on construction of business and residential complex "Park 11" in Block 11a, New Belgrade;

- Energoprojekt Visokogradnja in the amount of RSD 757,304 thousand, out of which work in progress in the country amounts to RSD 240,355 thousand (based on own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bezanijska Kosa: RSD 48,374 thousand, in Vozdovac: RSD 25,938 thousand and 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 28,454 thousand relate to production of crashed stone and concrete agregate in projects abroad (Peru).

Increase in inventories of work in progress and service compared to last year on given date in the amount of RSD 912,128 thousand refers, on the one hand, to increase in Energoprojekt Park 11 in the amount of RSD 913,440 thousand from construction of business - residential complex Park 11 in Block 11a in New Belgrade and, on the other hand, decrease in Energoprojekt Niskogradnja in the amount of RSD 1,312 thousand from inventories of produced material for the projects in Peru.

- **Finished products** in the amount of RSD 605,909 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Sunnyville in the amount of RSD 516,254 thousand, from constructed and unsold real estate in the residential - business complex Sunnyville in Belgrade;

- Energoprojekt Visokogradnja in the amount of RSD 46,485 thousand mostly relate to constructed and sold property: in Car Nikolaj street: RSD 28,973 thousand and in Bezanijska Kosa in the amount of RSD 17,512 thousand; and

- Energoplast in the amount of RSD 43,170 thousand that relate to the finished plastic stoppers.

Increase / (decrease) in inventories of work in progress and finished products is entered within operating expenses in the income statement.

Decrease in inventories of finished products compared to last year on given date in the amount of RSD 725,547 thousand mostly refers to Energoprojekt Sunnyville in the amount of RSD 678,022 thousand arose from sale of real estate in the residential - business complex Sunnyville in Belgrade.

- The total value of **goods** in the amount of RSD 21,980 thousand primarily relate to: Energoprojekt Niskogradnja in the amount of RSD 13,122 thousand (invoiced purchase of inventories of materials and spare parts on projects abroad - Peru and Uganda, which were not received as of 31 December 2019 - Goods on the road) and to Energoplast in the amount of RSD 6,248 thousand (purchased ready-made closures for resale).

• **Non-current assets held for sale** amount to RSD 109,157 thousand primarily relate to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 58,379 thousand based on real estate in the K1G Building in Rakovica, Belgrade.

Pursuant to the Decision made by the Executive Board of the Energoprojekt Holding and to Conclusion on partial settlement and costs of the procedure I.IV 122/19 dated 17.05.2019 and the Contract on sale of real estate by direct agreement under the agreement of the parties I.Iv 122/19 dated 17.05.2019. The Energoprojekt Holding on behalf of partial collection of receivables from Enjub Ltd. Belgrade and under the Agreement on Reprogramming of the Debt no. 115 dated 18.04.2012, as of promissory note, on real estate of Enjub Ltd. Belgrade, which are located in the K1G Building in Rakovica, was recorded in its business books the figure under the item non-current assets held for sale the amount of RSD 81,453 thousand. During the reporting period, part of real estate was sold and thus income from sales was realized in the amount of RSD 2,959 thousand.

Summary of non-current assets held for sale is presented below:

In RSD thousand									
no.	Item	Address	No.	Area m2	Cost	Calculated tax on transfer of absolute rights	Sale price	Gain/ (loss) from sale	Net value
1	Two bedroom apartment	Petra Konjovića 14	Lamela 1, 2nd floor, no.15	51	6,072	152			6,224
2	Two and half bedroom app.	Petra Konjovića 14	Lamela 1, 3rd floor, no.16	78	9,234	231			9,465
3	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 3rd floor, no.17	46	5,417	135	6,179	627	
4	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 3rd floor, no. 20	50	5,856	146			6,002
5	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 4th floor, no.26	45	5,350	134	6,100	616	
6	Three bedroom apartmants	Petra Konjovića 14a	Lamela 2, 1st floor, no.4	80	9,384	235			9,619
7	Two bedroom apartmants	Petra Konjovića 14a	Lamela 2, 3rd floor, No.17	60	7,105	178			7,283
8	Studio	Petra Konjovića 14b	Lamella 3, basement, no.2	29	3,421	85	3,901	395	
9	Office space	Petra Konjovića 14b	Lamella 3, basement, no.5	46	5,442	136			5,578
10	Studio	Petra Konjovića 14b	Lamela 3, II floor, no.13	33	3,948	99	4,634	587	
11	Two and a half bedroom ap	Petra Konjovića 14b	Lamela 3, II floor, no.14	77	9,083	227			9,310
12	Apartment	Petra Konjovića 14b	Lamela 3, attic, no.15	54	6,361	159	7,255	735	
13	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.7	12	531	14			545
14	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.8	12	531	14			545
15	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.9	12	531	13			544
16	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.10	12	531	13			544
17	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.11	12	531	13			544
18	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.12	12	531	13			544
19	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.13	12	531	13			544
20	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.16	12	531	13			544
21	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.17	12	531	13			544
	Total			757	81,453	2,036	28,069	2,959	58,379

The Company is actively implementing planned sales plans, which are expected to be fully realised within a year.

- Energoprojekt Niskogradnja in the amount of RSD 50,668 thousand from property and land held for sale, as shown in the following table.

Description	Location	Area in m ²	Net book value in RSD thousand
Land - Mombasa Road, Kenia	Nairobi, Kenia	12,140.55	4,066
Land "Santa Clara", Peru	Santa Clara, Lima, Peru	23,009.70	18,601
Warehouse "Santa Clara", Lima	Santa Clara, Lima, Peru	792.35	22,273
Business space - 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.

Decrease in non-current assets held for sale compared to last year on given date in the amount of RSD 54,431 thousand is the result, on the one hand, of decrease in Energoprojekt Energodata in the amount of RSD 112,810 thousand, based on the sale of office space in Palmira Toljatija Street, New Belgrade and, on the other hand, of increase in Energoprojekt Holding in RSD 58,379 thousand, based on real estate in the K1G Building in Rakovica, Belgrade.

- **Advances paid for inventories and services to other related parties** in the amount of RSD 121,904 thousand 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 306,011 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 283,547 thousand, of which advances paid in the country amount to RSD 229,122 thousand (primarily, on the project Chinese Cultural Center: RSD 45,552 thousand, Navigator 2 Bussines Center: RSD 81,260 thousand and Park 11: RSD 98,818

thousand), and abroad RSD 54,425 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 33,967 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 17,603 thousand, of which advances paid abroad amount to RSD 10,455 thousand, and RSD 7,148 thousand in the country.

Increase in advances paid for materials, spare parts and inventory compared to last year on given date in the amount of RSD 159,536 thousand, mostly is the result of, on the one hand, increase in Energoprojekt Visokogradnja: RSD 218,360 thousand (predominantly due to increased work on projects in the country: Chinese Cultural Center, Navigator 2 Bussines Center and Park 11) and on the other hand, decrease in Energoprojekt Oprema: RSD 66,234 thousand.

• **Advances paid for services** in the amount of RSD 1,023,415 thousand, relate, mostly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 859,175 thousand from advances paid to suppliers on projects in the country in the amount of RSD 824,880 thousand (primarily on the projects Railway Jajinci - Mala Krsna, Zeleni Bulevar and TPS Zemun) and on projects abroad in the amount of RSD 34,295 thousand (Uganda and Peru);

- Energoprojekt Visokogradnja in the amount of RSD 76,089 thousand, entirely related to abroad (mostly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46,815 thousand);

- Energoprojekt Industrija in the amount of RSD 37,109 thousand, primarily on the project in the country - Construction of the Water Purification System, Heineken: RSD 17,711 thousand and projects in Ghana: RSD 17,893 thousand; and

- Energoprojekt Oprema in the amount of RSD 19,389 thousand, predominantly refer to advances paid in the country: RSD 19,385 thousand (mostly on the project Dalekovod Leskovac - Macedonia: RSD 15,484 thousand).

Increase in advances paid for services compared to last year on given date, by RSD 540,989 thousand, on one hand originated from increase in Energoprojekt Niskogradnja: RSD 488,227 thousand (primary, increase in paid advances to subcontractors for new projects in the country), Energoprojekt Visokogradnja: RSD 39,856 thousand (primarily from new business abroad, on projects Z-114 Reconstruction of Siktivkar Stadium, Russia and Z-112 Hotel Hyatt Rostov 2, Russia) and in Energoprojekt Industrija: RSD 32,982 thousand, increase of advances paid to subcontractors for new projects in the country - Construction of Water Purification System, Heineken and for projects in Ghana, and on the other hand, from decrease in Energoprojekt Oprema: RSD 32,073 thousand (primarily on the project Ada Mol).

30. RECEIVABLES FROM SALES

Structure of receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Local buyers - other related parties	25,254	3,580
Foreign buyers - other related parties	561,160	693,084
Local buyers	2,665,120	3,331,261
Foreign buyers	4,838,000	5,006,108
TOTAL	8,089,534	9,034,033

Local buyers - other related parties in the amount of RSD 25,254 thousand refer, primarily, to receivables from the related company Napred Plc. in Energoprojekt Urbanizam i arhitektura in the amount of RSD 10,901 thousand and from Energoprojekt Visokogradnja in the amount of RSD 9,513 thousand and receivables from the joint venture Enjub Ltd., primarily in Energoprojekt Visokogradnja in the amount of RSD 2,121 thousand.

- **Foreign buyers– other related parties** in the amount of RSD 561,160 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, in Energoprojekt Oprema.

- **Local buyers** amounting to RSD 2,665,120 thousand primarily relate to receivables from Energoprojekt Visokogradnja: RSD 1,430,064 thousand, Energoprojekt Niskogradnja: RSD 449,654 thousand, Energoprojekt Oprema: RSD 297,151 thousand and from Energoprojekt Entel: RSD 254,701 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.

Structure of local buyers receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Visokogradnja:</i>		
Empiret Ltd. Chinese Cultural Center Project	608,039	115,406
GP Seven Ltd. project Navigator 2 Business Centar)	568,004	195,168
Beograd na vodi Ltd. (proproject Belgrade Waterfront)	212,871	368,351
Other	41,150	16,260
Total	1,430,064	695,185
<i>Energoprojekt Niskogradnja:</i>		
China Shandong Intern.E&T Branch Beograd (project Lajkovac - Ljig)	215,178	1,769,418
Hidro-Tan Ltd. (project Leveling of the river Pestan phase 2)	86,477	7,334
Infrastructure of the Serbian Railways / Colas Rail S.A.S. Belgrade Branch (Jajinci - Mala Krsna Railway Project)	72,893	
PE Putevi Srbije (project Zrenjaninska petlja)	19,505	
City of Belgrade - Secretariat for Investments/Colas Rail S.A.S. Ogranak Beograd (project Zeleni Bulevar)	16,699	
Other	38,902	28,681
Total	449,654	1,805,433
<i>Energoprojekt Oprema:</i>		
Gradina Ltd. (Ada Mall project)	226,001	328,531
Legas Group Ltd. (project Kolubara Landfill)	48,497	40,282
Hidro-Tan Ltd. (several projects)	7,295	11,972
PE Elektroprivreda Srbije (project Kolubara Landfill)	3,280	33,925
Other	12,078	79,701
Total	297,151	494,411
<i>Energoprojekt Entel:</i>		
JP Elektroprivreda Srbije	235,768	129,430
Beo Čista Energija Ltd.	8,897	
TEPSCO	6,016	15,098
Other	4,021	5,005
Total	254,701	149,533

Decrease in receivables of local buyers compared to last year on given date by RSD 666,141 thousand mainly originated, on one hand, from decrease in Energoprojekt Niskogradnja: RSD 1,355,779 thousand (primarily from China Shandong Intern. E&T Belgrade Branch on the project Lajkovac - Ljig) and, on the other hand, from increases in Energoprojekt Visokogradnja: RSD 734,879 thousand (primarily from GP Seven Ltd. on project Navigator 2 Business Center and from the company Empiret Ltd. on the project Chinese Cultural Center).

- **Foreign buyers** in the amount of RSD 4,838,000 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 2,614,440 thousand, Energoprojekt Entel in the amount of RSD 1,477,452 thousand, Energoprojekt Visokogradnja in the amount of RSD 408,071 thousand and Energoprojekt Hidroinženjering in the amount of RSD 195,258 thousand.

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

Structure of foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority	1,658,579	1,889,169
Ministry of Works and Transport	454,824	445,680
Kampala Capital City Authority	145,561	272,407
<i>Total Uganda</i>	<i>2,258,964</i>	<i>2,607,256</i>
<i>Peru:</i>		
Consorcio Energopeojekt - CCEQO	88,897	22,565
Consorcio Pericos San Ignacio, Peru	57,621	23,772
Consorcio Vial San Alejandro	56,502	183,910
Consorcio Primavera	48,870	1,457
Consorcio Chira	33,715	79,020
Sindicato Energetico SA	30,650	30,204
Other	39,221	19,148
<i>Total Peru</i>	<i>355,476</i>	<i>360,076</i>
TOTAL	<i>2,614,440</i>	<i>2,967,332</i>
<i>Energoprojekt Entel:</i>		
Company Energoprojekt Entel L.L.C., Doha, Qatar	541,079	569,506
Company Ergoconsult L.L.C., Abu Dhabi, UAE	725,889	486,101
Company Energoprojekt Entel L.L.C., Muskat, Sultanat Oman	210,484	170,124
Other		27,061
TOTAČ	<i>1,477,452</i>	<i>1,252,792</i>
<i>Energoprojekt Visokogradnja:</i>		
Wonda World - Petronia City, Ghana	100,258	
Ernest Chemist Ghana	95,364	52,429
Ecobank Ghana	69,028	68,022
MKC- RosEvroDevelpoment (Z-112 Hotel Hyatt Rostov 2, Russia)	44,667	
Cargo centar Ghana	39,297	95,589
Ziloi Property Managment (Z-105 Siktivkar, Russia)		40,714
Other	59,457	31,485
TOTAL	<i>408,071</i>	<i>288,239</i>
<i>Energoprojekt Hidroinženjering:</i>		
Agence Nationale des Barrages et Transferts, Alger (Z-14 Đedra)	39,295	47,438
Agence Nationale des Barrages et Transferts, Alger (Z-08 Seklafa)	26,818	87,867
Agence Nationale des Barrages et Transferts, Alger (Z-12 Soubella)	22,085	57,895
Agence Nationale des Barrages et Transferts, Alger (Z-09 Beni Slimane)	20,007	64,027
Other	87,053	123,571
TOTAL	<i>195,258</i>	<i>380,798</i>

Decrease in receivables from foreign buyers respecting the last year comparative period, by RSD 168,108 thousand mainly came as result, on the one hand, from decrease in Energoprojekt Niskogradnja: RSD 352,892 thousand (predominantly in Uganda: RSD 348,292 thousand, primarily from Uganda National Roads Authority) and, on the other hand, from increases in Energoprojekt Entel: RSD 224,660 thousand (mostly in Energoconsult LLC, Abu Dhabi, UAE).

31. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Receivables from special transactions from other related parties	54,835	50,892
Receivables from special transactions from other legal entities	223	55,607
TOTAL	55,058	106,499

- **Receivables from special transactions from other related parties** in the amount of RSD 54,835 thousand relate to Energoprojekt Oprema in the amount of RSD 49,552 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 5,283 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

- **Receivables from special transactions from other legal companies** in the amount of RSD 223 thousand mostly relate to Energoprojekt Entel in the amount of RSD 221 thousand.

Decrease in receivables from special transactions from other legal entities compared to last year on given date RSD 55,384 thousand refers to Energoprojekt Entel, based on collection of receivables from 2018 in the company Energoprojekt Entel LTD, Doha, Qatar.

32. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies	80,602	74,413
b) Interest agreed and default interest receivables from other companies	226	50
c) Receivables for dividends - other legal companies (Note 27)	144	
<i>Total</i>	<i>80,972</i>	<i>74,463</i>
Receivables from employees	113,730	132,040
Receivables from state institutions		
Receivables for overpaid income tax	46,111	107,939
Receivables from overpaid other taxes and contributions	8,718	8,854
Receivables for fringe benefits returns	10,856	18,906
Receivables for damage compensation	1,611	1,937
Other short-term receivables	283,640	275,052
TOTAL	545,638	619,191

- **Interest and dividend receivables from other related parties** in the amount of RSD 80,602 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 113,730 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 96,944 thousand (from pre-paid severance payments in Energoprojekt Entel LTD, Doha, Qatar RSD 86,582 and Energoprojekt Entel LLC Oman, Oman: RSD 10,362 thousand in accordance with local legal regulations), as well as to unjustifiably paid advance payments to employees leaving to work in foreign countries and to loans granted to employees etc., primarily in Energoprojekt Niskogradnja in the amount of RSD 5,343 thousand (predominantly abroad), Energoprojekt Visokogradnja in the amount of RSD 4,254 thousand (mostly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,205 thousand) and Energoprojekt Hidroinženjering in the amount of 1,550 thousand.

Decrease in receivables from employees compared to last year on given date by RSD 18,310 thousand mostly refers to Energoprojekt Entel in the amount of RSD 16,164 thousand (primarily as a net effect of changes in prepaid severance pay, namely reductions in the company in Qatar and increases in the company in Oman).

- **Receivables for overpaid income tax** in the amount of RSD 46,111 thousand, mainly relate to Energoprojekt Niskogradnja in the amount of RSD 16,527 thousand (in the country, based on the remaining receivables in the form of advance paid installments for 2019, after deducting the amount of estimated income tax liability for 2019), Energoprojekt Visokogradnja in the amount of RSD 13,492 thousand (abroad, predominantly on the project Z-103 Talan Towers, Astana, Kazakhstan: RSD 13,484 thousand) and Energoplast in the amount of RSD 7,106 thousand.

Decrease in receivables for overpaid paid income tax compared to last year on given date by RSD 61,828 thousand is mostly the result, on the one hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 34,384 thousand (on the project Z-103 Talan Towers, Astana, Kazakhstan), in Energoprojekt Niskogradnja in the amount of RSD 21,386 thousand (in the country) and in Energoprojekt Holding in the amount of RSD 16,173 thousand and, on the other hand, increases in Energoplast in the amount of RSD 5,748 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 8,718 thousand and predominantly refer to Zambia Engineering and Contracting Company Limited, in the amount of RSD 7,608 thousand, Energoprojekt Hidroinženjering in the amount of RSD 558 thousand and Energoprojekt Industrija in RSD 534 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 10,856 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 3,729 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,764 thousand, Energoprojekt Energodata in the amount of RSD 1,725 thousand and Energoprojekt Holding in the amount of RSD 991 thousand.

- **Receivables for damage compensation** in the amount of RSD 1,611 thousand entirely relate to Energoprojekt Visokogradnja, based on damage compensation from Eurologistic - project Z-089 Hospital Aktau, Kazakhstan.

- **Other short-term receivables** amounting to RSD 283,640 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 198,696 thousand mainly based on the receivables from Tax Administration for overpaid income tax in Peru: RSD 155,735 thousand and in Uganda: RSD 10,870 thousand (will be utilised in the future period for paying income taxes in Peru and Uganda), receivables from loans granted to partners in the consortium in Peru for payment of joint obligations (insurance costs, bank guarantees, lawyers' services, etc.): RSD 16,333 thousand and receivables from the tax administration for overpaid value added tax in Uganda: RSD 14,902 thousand; and

- Energoprojekt Hidroinženjering, in the amount of RSD 63,769 thousand, mostly based on receivables from client Special Project for Strengthening and Expansion of TACNA Water Resources - PET, for the amount of unwarranted protested guarantees, on the Yaraskay project, Peru (at the beginning of 2018, a positive decision was made at the Arbitration Council, which was confirmed by the decision of the higher court. The decision is final, and the collection of claims depends on the timeliness of local courts and administration).

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Short-term loans and investments - other related companies	76,521	157,836
Short-term loans and borrowings in the country		17,807
Short-term loans and borrowings abroad	853	
Portion of other long-term financial investments with maturity date up to one year	158	281
Other short-term financial investments		
a) Short-term time deposits	1,247,526	1,198,255
b) Other short-term financial investments	58,648	63,517
<i>Total</i>	<i>1,306,174</i>	<i>1,261,772</i>
TOTAL	1,383,706	1,437,696

Short-term loans and investments - other related parties in the amount of RSD 76,521 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has, as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture, blank bills of exchange with "no protest" clause and a mortgage on property (for apartments and business premises) in Jurija Gagarina Street in New Belgrade (Note 45).

Decrease in short-term loans and investment - other related parties by RSD 81,315 thousand refers to Energoprojekt Holding originated from partial collection of receivables from the joint company Enjub Ltd.. under the Loan Reprogramming Agreement no. 115, on the basis of protesting bills of exchange, on real estate Enjub d.o.o. located in Building K1G in Rakovica, Belgrade (Note 29).

- Decrease in **short-term loans and borrowings** in the country by RSD 17,807 thousand predominantly refers to Energoprojekt Niskogradnja in the amount of RSD 17,729 thousand from repayment of the loan granted to business partner for projects in Serbia to overcome current illiquidity problems.

- **Short term time deposits** in the amount of RSD 1,247,526 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 1,060,233 thousand - deposits with banks, within the companies: Energoprojekt Entel Qatar: RSD 741,762 thousand at interest rate from 1.25% to 1.75% p.a. (in QAR- Qatar Riyal), and Energo Consult LLC Abu Dhabi, UAE: RSD 199,471 thousand at interest rate from 0.80 % to 1.35% p.a (AED - Dirham), which are related to the Doha Bank Guarantee Framework, whereby the separation is only possible after the completion of work on the projects for which the guarantees were issued, as well as funds deposited with commercial banks in Serbia: RSD 119,000 thousand, at an interest rate of 1.90% p.a. (in RSD);

- - Energoprojekt Visokogradnja in the amount of RSD 177,649 thousand from short-term time funds on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia, at interest rate of 4% p.a. (in RUB rubles); and
- Dom 12 S.A.L, Lebanon in the amount of RSD 9,644 thousand relate to the foreign currencies deposits in RUB with foreign commercial banks, at interest rate from 5.99% to 6.59%.

Increase in short-term time deposits compared to last year on given date by RSD 49,271 thousand, mostly is the result, on the one hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 176,684 thousand (short-term time funds on the project Z-114 Reconstruction of Stadium Syktyvkar, Russia) and, on the other hand of decrease in Energoprojekt Entel in the amount of RSD 128,894 thousand (net effect of reductions abroad: RSD 247,894 thousand, primarily in Qatar, and increases in the country: RSD 119,000 thousand).

• **Other short term financial investments** in the amount of RSD 58.648 thousand, relate, mainly, to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 37,998 thousand, mostly for deposits held with banks for issuance of guarantees in favor of investors on projects in Peru (Z-039 Canal Via Cienguillo and Z-034 Road Puerto Bermudez): RSD 30,393 thousand, issued deposit to the insurance company in favor of guarantor on the project in Peru: RSD 5,432 thousand and for deposited funds for issuing work permits to persons who are not citizens of the Republic of Uganda in accordance with local regulations: RSD 2,155 thousand; and
- Energoprojekt Oprema in the amount of RSD 19,982 thousand for deposit for fees given to the arbitration court in Stockholm in 2018 based on a dispute with Gazprom Transgaz Belarus on the project Energocentar Minsk, Belarus (deposit for fees is issued in the amount of 50% of defined value which are paid by both parties upon the commencement of the proceedings, while the party who loses the dispute will bear the total costs of the court proceedings).

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018</i>
Current (business) account	556,086	396,818
Earmarked cash and letters of credit		35
Petty cash	541	986
Foreign currency account	1,399,764	950,357
Foreign currency petty cash	19,405	29,024
Other cash:		
a) Short term time deposits	466,419	265,967
b) Other cash	843	1,031
<i>Total</i>	<i>467,262</i>	<i>266,998</i>
Value-impaired or restricted cash	11,054	432,703
TOTAL	2,454,112	2,076,921

- **Current (business) account** of the system Energoprojekt in the amount of RSD 556,086 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Niskogradnja in the amount of RSD 254,353 thousand, Energoprojekt Hidroinženjering in the amount of RSD 61,666 thousand, Energoprojekt Holding in the amount of RSD 57,147 thousand, Energoprojekt Industrija in the amount of RSD 55,520 thousand, Energoprojekt Park 11 in the amount of RSD 37,977 thousand and Energoprojekt Visokogradnja in the amount of RSD 37,383 thousand.

The joint venture Enjub Ltd. is blocked since 20 April 2015.

- **Foreign currency account** in the amount of RSD 1,399,764 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Niskogradnja in the amount of RSD 534,014 thousand, Energoprojekt Entel in the amount of RSD 327,330 thousand, Energoprojekt Visokogradnja in the amount of RSD 168,187 thousand, Energoprojekt Park 11 in the amount of RSD 160,138 thousand, Energoprojekt Hidroinženjering in the amount of RSD 156,259 thousand.

- **Foreign currency petty cash** in the amount of RSD 19,405 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 12,721 thousand, Energoprojekt Entel in the amount of RSD 1,761 thousand, Dom 12 in the amount of RSD 1,739 thousand, Energoprojekt Guinea in the amount of RSD 1,381 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1,120 thousand.

- **Short term time deposits** in the amount of RSD 466,419 thousand recorded in Energoprojekt Visokogradnja in the amount of RSD 199,983 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 145,504 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 54,479 thousand), Energoprojekt Industrija in the amount of RSD 139,770 thousand (in the country, with Unicredit bank, Addiko bank and Erste bank) and Energoprojekt Holding in the amount of RSD 126,666 thousand (in the country, with Addiko bank).

- **Value-impaired or restricted cash** in the amount of RSD 11,054 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 6,913 thousand for collateral placed for the project Procurement and installation of OPWG on 3 transmission lines; and

- Energoprojekt Hidroinženjering in the amount of RSD 3,763 thousand, based on bank deposits serving as collateral for issuing guarantees for the project Ourkiss, Algeria. Funds will be available upon expiration of the overdraft agreement and upon release of bank guarantees.

Decrease in Value-impaired or restricted cash by RSD 421,649 thousand compared to last year on given date, predominantly is a result of decrease in Energoprojekt Visokogradnja in the amount of RSD 428,921 thousand from bank deposits in the name of collateral for overdraft loans for the company Energoprojekt Ghana Ltd., Accra, Ghana at Zenith bank, Ghana: RSD 351,062 thousand (USD 3,396 thousand) and UBA bank, Ghana: RSD 77,859 thousand (USD 753 thousand), which were used to reduce overdrafts on foreign currency accounts, while, on the other hand, of increase by RSD 7,291 thousand realized, mostly in Energoprojekt Oprema in the amount of RSD 6,913 thousand for collateral placed for the project Procurement and installation of OPWG on 3 transmission lines.

Increase in cash and cash equivalents compared to last year on given date by RSD 377,191 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja: RSD 653,967 thousand (funds in foreign currency and current accounts), in Energoprojekt Industry: RSD 130,514 thousand (mostly short-term deposits and funds in current accounts), and, on the other hand, of decrease in Energoprojekt Visokogradnja: RSD 240,159 thousand (predominantly as net effect of decrease in restricted cash, as mentioned above, and increase in short-term time deposits) and in Energoprojekt Oprema: RSD 147,069 thousand (predominantly funds on current accounts).

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of VAT	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Value added tax	74,967	360,314
TOTAL	74,967	360,314

- **Value added tax** in the amount of RSD 74,967 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Visokogradnja in the amount of RSD 25,884 thousand (in the country: RSD 24,034 thousand and abroad: RSD 1,850 thousand), Energoprojekt Niskogradnja in the amount of RSD 20,122 thousand (in the country) and in Energoprojekt Park 11 in the amount of RSD 19,545 thousand.

Decrease in VAT compared to last year on given date by RSD 285,347 thousand is mainly the result of decrease in Energoprojekt Niskogradnja in the amount of RSD 151,080 thousand (mainly in the country) and in Energoprojekt Oprema in RSD 80,478 thousand (mainly in the country).

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Prepayments:		
a) Prepaid subscriptions for expert and professional publications	1,420	1,822
b) Prepaid rental costs	65,953	84,652
c) Prepaid insurance premiums	69,665	73,247
d) Prepaid advertising and propaganda costs	14	15
e) Other prepaid expenses	247,980	173,701
<i>Total</i>	<i>385,032</i>	<i>333,437</i>
Receivables for accrued non-invoiced income:		
a) Receivables for non-invoiced income - other related companies	15,837	
b) Receivables for non-invoiced income - other legal entities	4,193,430	3,952,093
<i>Total</i>	<i>4,209,267</i>	<i>3,952,093</i>
Deferred costs based on liabilities		
Other accruals:		
a) Deferred value added tax	112,866	43,264
b) Other accruals	550,463	535,396
<i>Total</i>	<i>663,329</i>	<i>578,660</i>
Total	5,257,628	4,864,190

- **Prepaid rental costs** in the amount of RSD 65,953 thousand refer to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 48,114 thousand based on leasing of business premises and apartments for workers in companies abroad in Qatar: RSD 24,306 thousand, in UAE: RSD 19,155 thousand and in Oman: RSD 4,610 thousand (only leasing of apartments): RSD 4,653 thousand. Contractual agreements are multi-year lease agreements with payment of a full year rent in advance, payable on three-months base;

- Energoprojekt Niskogradnja in the amount of RSD 14,906 thousand entirely relate to Uganda, based on leasing quarries: RSD 9,288 thousand, lease of land: RSD 4,368 thousand and leasing of apartments for accommodation of workers in Uganda: RSD 1,250 thousand (multi-year lease agreements, for example, lease of quarry is on 1 to 3 years with payment of a full year rent in advance); and

- Energoprojekt Visokogradnja in the amount of RSD 2,933 thousand, based on leasing apartments for accommodation of workers, primarily abroad in the company Energoprojekt Ghana Ltd., Accra, Ghana in the amount of RSD 1,668 thousand and on the project Z-112 Hotel Hayatt Rostov 2, Russia in the amount of RSD 1,039 thousand (one-year to two-years lease agreements with advance payment).

• **Other prepaid expenses** in the amount of RSD 247,980 thousand refer primarily to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 144,831 thousand for consultancy service costs incurred on the arbitration procedure filed against Gazprom Transgas, Belarus for the Energocenter Minsk project, Belarus (Note 46); and

- Energoprojekt Niskogradnja in the amount of RSD 87,903 thousand, mostly for bank guarantee costs: RSD 29,084 thousand (on projects abroad: RSD 26,941 thousand, primarily in Peru: RSD 22,497 thousand, and in the country: RSD 2,143 thousand), prepaid material costs on the project Jajinci - Mala Krsna Railway: RSD 24,994 thousand, sanation of damage on the project Zeleni Bulevar, collected from the insurance company in 2020: RSD 19,219 thousand, prepaid fees of arbitrators and lawyers based on arbitration on the project Z-030 Chancay and Rucuy, Peru : RSD 7,289 thousand and commissions for maintaining the annual credit line in Uganda: RSD 4,140 thousand.

Increase in other prepaid expenses compared to last year on given date by RSD 74,279 thousand, mostly is the result, on the one hand, of increase in Energoprojekt Oprema in the amount of RSD 70,836 thousand (costs of lawyers and consultants on the project Energoconta Minsk, Belarus) and Energoprojekt Niskogradnja in the amount of RSD 46,166 thousand (primarily prepaid costs on the project Jajinci - Mala Krsna and Zeleni Bulevar) and, on the other hand, of decrease in Energoprojekt Entel in the amount of RSD 47,082 thousand (primarily from reduction of prepaid car rental costs in Qatar).

• **Receivables for accrued non-invoiced income – other related parties** in the amount of RSD 15,837 thousand relate to Energoprojekt Urbanizam i arhitektura, for performed works to Napred Plc. which were invoiced in 2020.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 4,193,430 thousand which refer to income of the current period that could not be invoiced, and for which costs were incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 1,507,992 thousand, mostly abroad in the amount of RSD 923,756 thousand (in Uganda: RSD 624,300 thousand and in Peru: RSD 299,456 thousand) and in the country in the amount of RSD 584,236 thousand, primarily from certified pre-payment certificate for performed works in 2019 on the following projects:

- Z-042 Mpigi Roads, Uganda: RSD 412,682 thousand;
- Zeleni Bulevar: RSD 233,094 thousand (receivables from participation in collection of insurance claims were recorded and calculated on the project: RSD 7,981 thousand);

- Z-041 Kampala Mukono, Uganda: RSD 146,583 thousand;
- Z-040 Irrigation system San Antonio, Peru: RSD 107,508 thousand;
- Vinča landfill: RSD 93,323 thousand;
- TPS Zemun: RSD 86,678 thousand;
- Lajkovac - Ljig: RSD 85,993 thousand;
- Z-036 Streets in Kampala Kawempe-Lubaga, Uganda: RSD 65,034 thousand;
- Z-034 Put Puerto Bermudez, Peru: RSD 51,198 thousand;
- Relocation of Peštan: 28,845 thousand dinars;
- Reconstruction of Karadorđeva Street: RSD 24,720 thousand;
- Railway Jajinci - Mala Krsna: RSD 19,238 thousand.

In addition to the calculated works for 2019, the receivables for non-invoiced income in Energoprojekt Niskogradnja also include the calculated receivables from previous years based on the arbitration decision on the project Z-016 Reconstruction of the Chavimochic water intake, Peru: 124,470 thousand dinars;

- Energoprojekt Oprema in the amount of RSD 1,457,422 thousand, receivables from projects:

- Energocentar Minsk, Belarus: RSD 1,389,386 thousand, equipment procurement costs (suppliers' invoices) and direct dependent procurement costs that were included in the customs declaration during import (transport) and customs and forwarding costs (Note 46); and
- Ada Mol: RSD 41,802 thousand and Kolubara Landfill: RSD 26,234 thousand payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet;

- Energoprojekt Visokogradnja in the amount of RSD 406,271 thousand, payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet, as follows:

- abroad: RSD 229,735 thousand, predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 160,066 thousand (mostly on projects Law house Ghana: RSD 99,201 thousand and Wonda World: RSD 27,485 thousand) and on Z-112 Hotel projects Hayatt Rostov 2, Russia: RSD 17,980 thousand, Z-109 Design Rostov, Russia: RSD 17,921 thousand, Z-114 Reconstruction of Sitkivkar Stadium, Russia: RSD 12,132 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 11,629 thousand; and
- in the country: RSD 176,536 thousand on the project Prokop Railway Station: RSD 73,055 thousand, Belgrade Waterfront: RSD 70,555 thousand and Navigator 2 Bussines Center: RSD 32,926 thousand;

- Energoprojekt Holding in the amount of RSD 373,502 thousand, predominantly from implementation of the Agreement on construction of Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, on a turnkey basis, on the first floor. parcel number 313, entered in the real estate register of Cadastral Zone A00 in the amount of RSD 373,034;

- Energoprojekt Entel in the amount of RSD 266,464 thousand for works performed in 2019 invoiced in 2020, abroad: RSD 247,923 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and in the country: RSD 18,541 thousand; and

- Energoprojekt Hidroinženjering in the amount of RSD 128,532 thousand, mostly for invoices for performed work, which have not been verified by the day of submission of the balance, on the following projects:

- Seklafa, Algeria: RSD 41,666 thousand;
- Beni Slimane, Algeria: RSD 41,097 thousand;
- Soubella, Algeria: RSD 24,775 thousand;
- Karuma, Uganda: RSD 15,134 thousand.

- Of the other legal entities in the Energoprojekt system, receivables for non-invoiced income were recorded by Energoprojekt Urbanizam i arhitektura: RSD 29,969 thousand and Energoprojekt Industrija: RSD 23,278 thousand.

Increase in receivables for non-invoiced income from other legal entities compared to last year on given date by RSD 241,337 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 273,308 thousand (increase abroad, primarily in Uganda, on the project Z-027 Mpigi - Kanoni and decrease in country, primarily on the project Lajkovac - Ljig), in Energoprojekt Visokogradnja in the amount of RSD 94,356 thousand (primarily on projects abroad: Z-112 Hotel Hayatt Rostov 2, Russia, Z-109 Design Rostov, Russia, Z-114 Reconstruction Sitkivkar Stadium, Russia and Z-107 Syktyvkar Radiology Hospital, Russia and on projects in the country: Belgrade Waterfront and Navigator 2 Bussines Center), Energoprojekt Hidroinženjering in the amount of RSD 76,905 thousand (mostly on projects in Algeria: Seklafa, Beni Slimane and Soubella) and, on the other hand, of decrease in Energoprojekt Entel in the amount of RSD 246,547 thousand (works performed in 2019 were invoiced in 2018, primarily in the company Energoprojekt Entel LTD, Doha, Qatar and in the country).

• **Accrued Value Added Tax (VAT)** in the amount of RSD 112,866 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 December of the reported year. The most important amount of accrued VAT was recorded within: Energoprojekt Visokogradnja in the amount of RSD 88,078 thousand (predominantly in the country), Energoplast in the amount of RSD 10,478 thousand, Energoprojekt Niskogradnja in the amount of RSD 6,970 thousand (predominantly in the country) and in Energoprojekt Holding in the amount of RSD 6,421 thousand.

• **Other accruals** in the amount of RSD 550,463 thousand predominantly refer to the following companies within system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 524,269 thousand. The investor Gazprom Transgas, Belarus of the project Energocehtar Minsk, Belarus (Note 38) demanded for payment under guarantee the amount of USD 5.06 million at 10 November 2017 (Note 46); and

- Energoprojekt Holding in the amount of RSD 14,931 thousand, mainly for receivables from disputed works performed in 2017 by the company Ringier Axel Springer Ltd. in the amount of RSD 13,200 thousand (in April 2018 a claim was filed) (Note 46).

36. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Equity capital – reduced for non-controlling interest in equity capital	5,818,025	5,818,025
Repurchased own shares - <i>negative item of equity</i>	49,827	49,827
Reserves	453,602	453,585
Revaluation reserves revaluation of intangible assets, property, plant and equipment	5,973,916	6,019,554
Unrealized gains on securities and other components of other comprehensive income (credit balances under accounts class 33 except 330) – <i>positive item of equity</i>	265,202	266,806
Unrealized losses on securities and other components of other comprehensive income (debit balances under accounts class 33 except 330) – <i>negative item of equity</i>	17,055	3,824
Retained earnings	7,050,068	7,150,182
Non-controlling interest - in equity capital	94,701	119,051
TOTAL	19,588,632	19,773,552

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Share capital - total	5,651,463	5,675,177
Non-controlling interest - in share capital	(76,504)	(100,218)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	12,749	13,385
Non-controlling interest - in limited liability companies	(12,749)	(13,385)
<i>Total stakes in limited liability companies</i>		
Issuing premium	162,693	162,693
Other share capital - total	85,821	85,821
Other non-controlling interest	(5,448)	(5,448)
<i>Total other share capital</i>	<i>80,373</i>	<i>80,373</i>
TOTAL	5,818,025	5,818,025

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

36.2 Purchased own shares

Structure of purchased own shares	<i>in RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Purchased own shares	49,827	49,827
TOTAL	49,827	49,827

- Pursuant to the Decision by the Supervisory Board of Energoprojekt Holding to acquire own shares on a regulated market, made on 13 February 2017, the Company acquired 97,700 of own shares on the Belgrade Stock Exchange (which amounts 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>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Legal reserves	217,943	217,943
Statutory and other reserves	235,659	235,642
TOTAL	453,602	453,585

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until 30 November 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.
- Pursuant to the Decision of the Shareholders Assembly of Energoprojekt Holding from 2017, a **dedicated reserve** in the amount of RSD 80,000 thousand for acquiring own shares for distribution to employees with the Energoprojekt Holding, or to related company, or for rewarding members of the Executive and Supervisory Board of Energoprojekt Holding, were created, according to Article 282, paragraph 4, item 2 of the Law on Business Companies.

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>31.12.2019.</i>	<i>31.12.2018.</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,052,146	3,052,146
b) Revaluation reserves from revaluation of other property	1,008,535	1,009,427
<i>Total</i>	<i>4,060,681</i>	<i>4,061,573</i>
Revaluation reserves from revaluation of investment property	1,767,519	1,809,053
Revaluation reserves from revaluation of plant and equipment	145,716	148,928
TOTAL	5,973,916	6,019,554

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,060,681 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).

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3,052,146 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at 31 December 2018, in the amount of RSD 2,918,532 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 538,614 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1,008,535 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 345,045 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business premises, Lima, Peru, residential building in Kampala, Uganda and other facilities in Serbia and Peru);
- Energoprojekt Visokogradnja: RSD 333,089 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
- Energoprojekt Industrija: RSD 92,442 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 80,231 thousand and solidarity apartments in Belgrade: RSD 12,211 thousand),
- Energo (Private) Limited, Zimbabwe: RSD 76,382 thousand (business and residential buildings in Harare, Zimbabwe); and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 64,111 thousand (business and residential buildings in Lusaka, Zambia).

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,767,519 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the system Energoprojekt:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 682,357 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540,422 thousand (office building in Moscow);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 167,675 thousand (office building in London);
- Energoprojekt Niskogradnja: RSD 144,624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 96,695 thousand (property in the country: in Belgrade and in Ub).

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)	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Unrealized gains on transaction of financial statements for international operations	265,202	266,806
TOTAL	265,202	266,806

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 265,202 thousand relate primarily to: Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, Great Britain, Energoprojekt Entel and Energoprojekt Visokogradnja.

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)	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Unrealized losses on securities available for sale	17,055	3,824
TOTAL	17,055	3,824

• **Unrealized losses on securities available for sale** in the amount of RSD 17,055 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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Retained earnings from previous years:		
a) Balance as at 01 January	7,150,182	6,881,068
b) Changes	(745,000)	(480,992)
<i>Total</i>	6,405,182	6,400,076
Retained earnings from the current year	644,886	750,106
TOTAL	7,050,068	7,150,182

- Change in retained earnings from previous years in the amount of RSD 745,000 thousand is primarily the result of the net effect, on the one hand, from decrease based on elimination of equity investments and the capital of Energoprojekt Entel from forced purchase of shares in the amount of RSD 757,437 thousand and profit adjustments from income tax in the amount of RSD 28,559 thousand (primarily due to the subsequently determined income tax in the company Energoprojekt Entel LLC, Muscat, Sultanate of Oman: RSD 27,937 thousand) and on the other hand, from increases based on exchange rate differences of opening balance of undistributed result of companies abroad: RSD 56,931 thousand.

36.8. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-controlling interest - in equity capital	94,701	119,051
TOTAL	94,701	119,051

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>31.12.2019.</i>	<i>31.12.2018.</i>
Equity capital	5.912.726	5.937.076
Non-controlling interest - in equity capital	(94.701)	(119.051)
<i>Total equity capital</i>	<i>5.818.025</i>	<i>5.818.025</i>
Purchased own shares	49.827	49.827
Non-controlling interest - purchased own shares		
<i>Total purchased own shares</i>	<i>49.827</i>	<i>49.827</i>
Reserves	453.602	453.585
Non-controlling interest - in reserves	(18.008)	(21.284)
<i>Total reserves</i>	<i>435.594</i>	<i>432.301</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	5.973.916	6.019.554
Non-controlling interest - in revaluation reserves	(249.647)	(299.555)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5.724.269</i>	<i>5.719.999</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	265.202	266.806
Non-controlling interest - in unrealized gains	(11)	(8.516)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>265.191</i>	<i>258.290</i>
Unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	17.055	3.824
Non-controlling interest - in unrealized losses	(27)	(28)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>17.028</i>	<i>3.796</i>
Retained earnings from previous year	6.405.182	6.400.076
Non-controlling interest - in retained earnings from previous year	(485.965)	(630.838)
<i>Total retained earnings from previous year</i>	<i>5.919.217</i>	<i>5.769.238</i>
Retained earnings from current year	644.886	750.106
Non-controlling interest - in retained earnings from current year	(55.437)	(270.773)
<i>Total retained earnings from current year</i>	<i>589.449</i>	<i>479.333</i>
Total capital of the companies with shares of majority sharehold	18.684.890	18.423.563
Non-controlling interest - in total capital	(903.742)	(1.349.989)
TOTAL CAPITAL	19.588.632	19.773.552

The structure of participation without the right to control - in the retained earning of the current year by the companies in the Energoprojekt system is given in the following table.

The structure of participation without the right to control - in the retained earning (net result) of the current year by the companies	% share of minority shareholders	In RSD thousand	
		31.12.2019.	31.12.2018.
Energoprojekt Entel Plc.	0.05%	196	62,922
Energoprojekt Industrija Plc.	37.23%	22,491	28,241
Energoprojekt Oprema Plc.	32.13%	8,332	159,511
Energoplast Ltd.	54.90%	24,418	20,099
TOTAL		55,437	270,773

37. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2019.	31.12.2018.
Provisions for wages and other employee benefits	285.334	283.647
Provisions for warranty period costs	606.134	501.487
Provision for legal costs	2.320	
Other long-term provisions		
<i>Total</i>	0	0
TOTAL	893.788	785.134

- **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31.12.2019.

In the projection of provision calculation pursuant to IAS 19 the deductive approach was used, meaning that all the Companies from the Energoprojekt Group 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.

Decrease of the provision amount based on current retirement bonus values (by 4.98%) in the balance sheet as at 31.12.2019 in comparison to the retirement bonus values in the balance sheet as at 31.12.2018, was the result of several changed factors:

- On one hand, changes of some factors affect the increase of the provision amount (increase in the average expected retirement bonus by 10.26% and increase in average years of service in the Company by 1.52%); and
- on the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the total number of employees by 21.24%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of 5% was accepted as the **annual discount rate**.

In the paragraph 83, IAS 19 it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of long term government bonds issued by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia, which were achieved in the relevant period. Annual yield on 10-years RSD securities issued on 05.11.2019 was 2.69%; while the annual yield on 10-years Euro securities issued on 09.10.2019 was 1.89%. By extrapolating the yield curve for a longer period (since the maturity of the reference securities is shorter than the average estimated maturity of the benefit payment that is subject to this calculation), in view of the requirements from paragraph 86, IAS 19. In extrapolation, maturity premiums were determined by using yields on high quality government bonds published on European Central Bank's website.

In determining the convertibility premium (RSD versus EUR), data from the secondary market for government bonds were used. The above data refer to transactions that occurred in the period close to the Balance Sheet date and were taken from the National Bank of Serbia website.

The annual expected salary growth in the Republic of Serbia was planned at the level of 3%.

The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2022, adopted by the Executive Board of the National Bank of Serbia, determines the target inflation rate (with permissible deviation) measured by annual percentage changes in the consumer price index, for the period from January 2020 to December 2022, in the amount of 3% with permissible deviation (positive and negative) of 1.5 percentage points.

The target inflation of 3% has been foreseen in the Memorandum for several years, but in real states it is generally lower (in 2019 - 1.5%; in 2018 - 2%; in 2017 - 3%; in 2016 - 1.6% and in 2015 - 1.5%). Therefore, it is more realistic to plan inflation 1 percentage point lower than the target.

From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2020 with Projections for 2021 and 2022), realistically achievable.

If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 3% and long-term annual discount rate of 5%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period** in the amount of RSD 606,134 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 597,868 thousand disclosed based on the provisions within Energoprojekt Entel LTD, Qatar in RSD 466,944 thousand based on project Phase 11, Phase 12, Phase 13 and Mega Reservoirs performed for Qatar General Electricity and Water Corporation KAHRAMAA, and in the country in the amount of RSD 130,924 thousand based on Vinča projects - Preparation of project documentation, Activities of the Construction Manager (FIDIC Engineer) on the construction of a new block Kostolac B3 thermal power plant and Preparation of technical documentation and permitting of the consulting service TE-TO Pancevo.

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, increase in said provisions in the amount of RSD 109,980 thousand is the result, on the one hand, of increase based on additional provision in the amount of RSD 187,384 thousand (in the country: RSD 77,661 thousand and in Qatar for the Phase 13 project: RSD 109,773 thousand) and recording of exchange rate differences in the amount of RSD 6,370 thousand (when including foreign operations in the company's books, in accordance with IAS 21 - Effects of changes in foreign exchange rates) and on the other hand, of decrease based on reversal of part of provisions in Energoprojekt Entel LTD, Qatar for the Phase 11 project amounting to RSD 83,774 thousand.

- Energoprojekt Oprema in the amount of RSD 8,266 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border: RSD 7,437 thousand and from 2015 for projects Power line Beograd - Pančevo: RSD 487 thousand and Power line over the Danube: RSD 342 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.

Compared to last year on given date, a decrease in related provisions by RSD 3,560 thousand is the result of utilised provisions in the amount of RSD 3,442 thousand (for projects Transmission line Pancevo - Romanian border: RSD 2,357 thousand, Transmission line Belgrade Pancevo: RSD 617 thousand, Transmission line across the Danube: RSD 326 thousand and Prokop: RSD 142 thousand) and cancellation of the remaining provisions for the project Prokop in the amount of RSD 118 thousand.

- Energoprojekt Visokogradnja 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.

Compared to last year on given date, decrease in related provision by RSD 1,773 thousand is the result of utilised provisions in the amount of RSD 159 thousand and cancellation of remaining provisions in the amount of RSD 1,614 thousand for the project Z-105 Residential building Tokyo Syktyvkar, Russia from 2018.

Changes in structure of long-term provisions for warranty period costs during the reporting period are broken down in the following table.

Structure of provisions for warranty period costs	<i>In RSD thousand</i>
As of 01 January 2018	593.828
Additional provision booked	1.773
Utilized in the year	(49.321)
Abolishing of unused provision	(63.426)
FX differences	18.633
As of 01 January 2019	501.487
Additional provision booked (Note 17)	187.384
Utilized in the year	(3.601)
Abolishing of unused provision (Note 21.1)	(85.506)
FX differences	6.370
As of 31 December 2019	606.134

- Provision for legal costs in the amount of RSD 2,320 thousand entirely relates to Energoprojekt Niskogradnja, based on the assessment of the expert of the company with the prosecutor Gordana and Veselin Medenica in the amount of RSD 2,295 thousand (in the amount of contingent liability with statutory default interest from 17.11.2017) and with the prosecutor Dragan Antonijević in the amount of 25 thousand dinars (Note 46 - ordinal numbers 250 and 268).

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities towards other related companies	1.196.624	
Long-term credits and loans domestic		17.729
Long-term credits and loans foreign countries	203.021	200.062
Long term liabilities from financial leasing	5.405	10.498
Other long-term liabilities	157.047	18.164
TOTAL	1.562.097	246.453
Portion of long-term liabilities with maturity date up to a year (Note 39.3)	140.462	643.584

38.1. Liabilities Towards Other Related Parties

Liabilities towards other related parties in the amount of RSD 1,196,624 thousand entirely relate to Energoprojekt Holding and long-term loan granted by Napred Razvoj Plc. (EUR 10,176 thousand, at interest rate of 6% per annum and the repayment period until 30 March 2022), for loan repayment, deposit of funds for purchase of shares of Energoprojekt Entel Plc. and giving new loans to subsidiaries. The Company issued 4 solo blank signed promissory notes to secure the loan.

38.2. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Eurobanka		17.729
<i>Total</i>	-	17.729
b) Long-term loans granted by other domestic legal entities		
<i>Total - loan in the country</i>	-	17.729
Abroad:		
Long-term loans granted by other legal entities abroad	203.021	200.062
<i>Total - loan abroad</i>	203.021	200.062
TOTAL	203.021	217.791

- **Long-term loans granted by other entities abroad** in the amount of RSD 203,021 thousand entirely relate to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Baniya 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. The change compared to last year on given date refers entirely to the change in the dinar equivalent of the stated liability expressed in foreign currency.

38.3. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018</i>
Financial leasing liabilities	5,405	10,498
TOTAL	5,405	10,498

- **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 5,405 thousand, the largest share in the amount of RSD 3,900 thousand relate to Energoprojekt Oprema and in the amount of RSD 773 thousand relate to Energoprojekt Niskogradnja.

Detailed information on total financial lease (long-term as well as short-term) liabilities of the companies to which related liability relate is presented in the following table.

Creditor	Curr.	Outstanding liability in FC	Outstanding Liability in RSD000	Repayment term and maturity date	Annual interest rate
<i>Finance lease liabilities in the country:</i>					
Energoprojekt Oprema Plc.					
OTP Leasing Srbija Ltd.	EUR	34,836	4,096	monthly to 15.05.2020 and 15.06.2022	from 2.27% to 5.07%
TOTAL		34,836	4,096		
Energoprojekt Niskogradnja Plc.					
OTP Leasing Srbija Ltd.	EUR	92,409	10,867	monthly to 15.07.2022	6m Euribor + margins from 2.99% to 3.49%
UniCredit Leasing Srbija d.o.o.	EUR	6,908	812	monthly to 15.06.2020	Paid by deliverers
UKUPNO		99,317	11,679		

Financial lease liabilities by companies on which related liabilities mainly refer (Energoprojekt Oprema and Energoprojekt Niskogradnja) denominated in RSD as at 31 December 2019 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	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liabilities</i>
Energoprojekt Oprema Plc.:			
OTP Leasing Srbija Ltd.	3,900	196	4,096
TOTAL	3,900	196	4,096
Energoprojekt Niskogradnja Plc.:			
OTP Leasing Srbija Ltd.	773	10,094	10,867
UniCredit Leasing Srbija Ltd.		812	812
TOTAL	773	10,906	11,679

38.4. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Other long-term liabilities	157,047	18,164
TOTAL	157,047	18,164

• **Other long-term liabilities** in the amount of RSD 157,047 thousand, mostly relate to the following companies of the system Energoprojekt:

- Energoplast in the amount of RSD 68,133 thousand on the basis of long-term dividend liabilities (from 2013 and 2017) to the shareholder Chartered Oil Inc. which will, in accordance with the decision of the Assembly of the company from 20.12.2019 be paid once a year in the period from 2021 to 2026 with the following dynamics: RSD 11,753 thousand by the end of each year in the period from 2021 to 2025 and RSD 9,368 thousand in 2026. The short-term liability for dividends that will be paid according to the above-mentioned decision by the end of 2020 amounts to RSD 11,753 thousand (Note 42);

- Energoprojekt Visokogradnja in the amount of RSD 42,634 thousand, relate to the obligation for retained guarantee deposit on the projects Chinese Cultural Center: RSD 40,983 thousand (from several companies) and Navigator 2 Bussines Center: RSD 1,651 thousand (from Laser Lux Ltd.);

- Energoprojekt Holding in the amount of RSD 35,549 thousand entirely relate to long-term advance received from the company Jerry catering service Ltd., for long-term lease (for 15 years) for part of the business office within the building complex "Samački hotel" in Zemun; and

- Energoprojekt Niskogradnja in the amount of RSD 10,431 thousand entirely relate to the obligation for retained guarantee deposit from the company Gemax Ltd. for the project Pancevo Railway.

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	In RSD thousand	
	31.12.2019.	31.12.2018.
Short-term credits and loans in the country	3.681.150	5.946.760
Short-term credits and loans abroad	429.149	757.440
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	140.462	643.584
b) Other short-term financial liabilities	124	286
Total	140.586	643.870
TOTAL	4.250.885	7.348.070

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	In RSD thousand	
	31.12.2019.	31.12.2018
Short-term loans granted by banks in the country:		
a) Loans in RSD	191,753	1,179,111
b) Loans with foreign currency clause	3,489,397	4,767,649
TOTAL	3,681,150	5,946,760

• **Short-term loans granted by banks in the country** in the amount of RSD 3,681,150 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 1,284,563 thousand, and specifically:

• Loans with foreign currency clause (in EUR) granted by OTP Bank, Unicredit Bank, Komercijalna Banka and Addiko Bank, interest rate ranging from 2.59% to 2.80% per annum;

- Energoprojekt Visokogradnja in the amount of RSD 1,219,854 thousand, and specifically:

• RSD loans granted by Jubmes Banka in the amount of RSD 191,753 thousand; interest rate ranging from 6.00% to 7% per annum; and

• Loans with foreign currency clause (in EUR) granted by Unicredit bank, Addiko bank and OTP Bank in the amount of RSD 1,028,101 thousand; interest rates ranging from 2.50% per annum to 3m Euribor + 3.10% per annum;

- Energoprojekt Holding in the amount of RSD 744,754 thousand, as follows:

• Loan with foreign currency clause (in EUR) granted by Erste Bank and Komercijalna Banka, at interest rate ranging from 3m Euribor + 2.90% per annum to 3M Euribor + 3.00% per annum;

- Energoprojekt Niskogradnja in the amount of RSD 342,844 thousand, as follows:

• Loans with foreign currency clause (in EUR) granted by OTP Bank, UniCredit Bank and Halk Bank, at interest rate ranging from 2.50% per annum to 3m Euribor + 3.00% per annum; and

- Energoprojekt Hidroinženjering in the amount of 89,135 thousand dinars, as follows:

- Loans with with foreign currency clause (in EUR) granted by OTP banka and Addiko banka, at interest rate from 2.80% to 3.90% 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 and subsidiaries.

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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
RSD	191,753	1,179,111
EUR	3,489,397	4,767,649
TOTAL	3,681,150	5,946,760

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Short-term loans granted by foreign banks	429,149	756,652
Short-term loans granted by other legal and physical persons abroad		788
TOTAL	429,149	757,440

- **Short-term loans granted by foreign banks** in the amount of RSD 429,149 thousand dominantly relate to Energoprojekt Niskogradnja in the amount of RSD 429,146 thousand granted by Banco GNB in Peru, presented in the table below.

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

Creditor	Curr.	Outstanding liability in FC	Outstanding Liability in RSD000	Repayment term and maturity date	Annual interest rate
Banco GNB, Peru	PEN	1,000,000	31,613	29.02.2020.	6.70%
Banco GNB, Peru	PEN	500,000	15,807	29.02.2020.	6.70%
Banco GNB, Peru	PEN	2,000,000	63,224	29.02.2020.	6.70%
Banco GNB, Peru	PEN	600,000	18,967	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	600,000	18,967	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	1,500,000	47,417	29.02.2020.	6.70%
Banco GNB, Peru	PEN	100,000	3,162	29.02.2020.	6.70%
Banco GNB, Peru	PEN	450,000	14,225	29.02.2020.	6.70%
Banco GNB, Peru	PEN	50,000	1,581	29.02.2020.	6.70%
Banco GNB, Peru	PEN	200,000	6,322	29.02.2020.	6.70%
Banco GNB, Peru	PEN	50,000	1,581	29.02.2020.	6.70%
Banco GNB, Peru	PEN	700,000	22,128	29.02.2020.	6.70%
Banco GNB, Peru	PEN	550,000	17,386	29.02.2020.	6.70%
Banco GNB, Peru	PEN	100,000	3,162	29.02.2020.	6.70%
Banco GNB, Peru	PEN	500,000	15,807	29.02.2020.	6.70%
Banco GNB, Peru	USD	15,000	1,574	29.02.2020.	4.85%
Banco GNB, Peru	USD	28,000	2,938	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	69,001	7,239	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	100,000	10,492	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	60,000	6,295	29.02.2020.	4.85%
Banco GNB, Peru	USD	60,000	6,295	29.02.2020.	4.85%
Banco GNB, Peru	USD	100,000	10,492	29.02.2020.	4.85%
Banco GNB, Peru	USD	70,000	7,334	29.02.2020.	4.85%
TOTAL			429,146		

Repayment of loans granted by Baanco GNB Peru, is secured by stand-by letter of credit in the amount of RSD 472,134 thousand (Note 44 - within the item Guarantees and letters of credit issued and received).

Decrease in short-term loans granted by foreign banks compared to last year on given date by RSD 327,503 thousand refers to decrease in Energoprojekt Visokogradnja (in the company Energoprojekt Ghana Ltd., Accra, Ghana - covering overdraft on bank accounts) in the amount of RSD 238,155 thousand and in Energoprojekt Niskogradnja in the amount of RSD 89,348 thousand (loan repayments in Uganda and Peru).

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	In RSD thousand	
	31.12.2019.	31.12.2018.
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	123,438	621,132
b) Financial lease liabilities with maturity date up to one year	12,004	18,161
c) Other long-term liabilities with maturity date up to one year	5,020	4,291
<i>Total</i>	<i>140,462</i>	<i>643,584</i>
Other short-term financial liabilities	124	286
TOTAL	140,586	643,870

• **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 123,438 thousand refers entirely to Energoprojekt Visokogradnja, as shown in the following table.

Bank	Approval date	Maturity date	Curr.	Approved amount inn FC	Outstanding balance in foreign currency	Outstanding balance in RSD thousand	Interest rate	Collateral
Addiko banka	14.01.2019./ 28.02.2020.	monthly	EUR	2,000,000	750,000	88,195	3m Euribor + 3,10% p.a.	Bills of exchange and guarantees of EP Holdinga
Eurobank	27.01.2017./ 27.01.2020.	monthly	EUR	3,000,000	299,701	35,243	3m Euribor + 2,95% p.a.	Bills of exchange and guarantees of EP Holdinga, EP Niskogradnje and EP Opreme
TOTAL					1,049,701	123,438		

Decrease in the portion of long-term loans and borrowings in the country and abroad that mature up to a year in relation to the same date of previous year by RSD 497,694 thousand relates to decrease in Energoprojekt Sunnyville in the amount of RSD 345,656 thousand (repayment of the loan granted by Erste Bank) and Energoprojekt Visokogradnja in the amount of RSD 152,038 thousand (repayment of the loan granted by Jubmes Bank and part of the loan granted by Eurobank).

- **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 12,004 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 10,906 thousand (Note 38.3).
- **Other long-term liabilities with maturity dates up to one year** in the amount of RSD 5,020 thousand mostly refer to Energoprojekt Hidroinženjering for purchase of software in the amount of RSD 4,639 thousand.

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Advances received from other related parties	34,727	41,064
Advances received from other legal entities and physical bodies in the country	3,839,822	1,650,415
Advances received from other legal entities and physical bodies, abroad	1,136,676	214,692
Deposits received in the country and abroad	9,089	10,446
TOTAL	5,020,314	1,916,617

- **Advances received from other related parties** in the amount of RSD 34,727 thousand mainly relate to liabilities towards affiliated company Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 33,132 thousand.
- **Advances received from other legal entities and physical bodies in the country** in the amount of RSD 3,839,822 thousand mostly relate to the following companies of the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 1,791,722 thousand from advances received from investors, primarily on the following projects: TPS Zemun (Serbia Voz): RSD 1,197,980 thousand, Railway Jajinci - Mala Krsna (Serbian Railway Infrastructure): RSD 370,037 thousand, Zeleni Bulevar (City Administration of the City of Belgrade, Investment Secretariat): RSD 134,165 thousand and Reconstruction of Karađorđeva Street (City Administration of the City of Belgrade, Secretariat for Communal and Housing Affairs): RSD 78,105 thousand;
 - Energoprojekt Park 11 in the amount of RSD 1,672,621 thousand from received advances based on the sale of real estate within the residential and business complex Park 11 in Block 11, New Belgrade; and
 - Energoprojekt Visokogradnja in the amount of RSD 191,085 thousand, predominantly on the basis of advances received from investors in the project Chinese Cultural Center: RSD 191,069 thousand (Empire Ltd.).

Increase in liabilities arising from advances received from other legal entities and physical bodies in the country, compared to last year on given date by RSD 2,189,407 thousand, mainly is the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 1,289,899 thousand (primarily on the projects TPS Zemun, Railway Jajinci - Mala Krsna and Zeleni Bulevar) and Energoprojekt Park 11 in the amount of RSD 1,160,660 thousand (received advances based on sale of real estate) and on the other hand, of decrease on the basis of justification of advances through performed works in the current period in Energoprojekt Oprema in the amount of RSD 172,226 thousand (primarily on the projects Ada Mol and Kolubara Landfill) and in Energoprojekt Visokogradnja in the amount of RSD 84,856 thousand (primarily project Chinese Cultural Center).

• **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 1,136,676 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 543,252 thousand, advances received, for projects in Peru: RSD 310,266 thousand, primarily projects Z-044 Control of the Ika River overflow (Proyecto Especial Tambo Ccaracocha): RSD 189,004 thousand and Z-040 Irrigation system San Antonio (Consortio Energoprojekt - CCEQO): RSD 96,560 thousand, as well as in Uganda: RSD 232,986 thousand, primarily for the project Z-042 Mpigi Roads (Uganda National Road Authority): RSD 202,175 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 464,229 thousand mostly for advances received for projects Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 283,401 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 82,613 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 83,262 thousand; and

- Energoprojekt Industrija in the amount of RSD 65,727 thousand, advance received in Ghana for the project GPM Critical Works - Drug Factory (by Ernest Chemist Limited).

Increase in liabilities for advances received from other legal entities and physical bodies, abroad compared to last year on given date by RSD 921,984 thousand, primarily refers to increase of advances received in Energoprojekt Niskogradnja in the amount of RSD 499,658 thousand (dominant for projects: Z-044 Control of the Ika River overflow, Peru: RSD 189,004 thousand, Z-040 Irrigation system San Antonio, Peru: RSD 96,560 thousand and Z-042 Mpigi Roads, Uganda: RSD 202,175 thousand) and in Energoprojekt Visokogradnja in the amount of RSD 386,357 thousand (mostly for projects Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 283,401 thousand and Z -112 Hotel Hyatt Rostov 2, Russia: RSD 82,613 thousand).

• **Deposits received in the country and abroad** in the amount of RSD 9,089 thousand relate to Zambia Engineering and Constructing Company Limited, Zambia, for rental deposits received (for office and residential space) in the amount of RSD 4,039 thousand, Energoprojekt Niskogradnja, for received deposits for renting apartments in the building "Cruz del Sur", Peru, in the amount of RSD 2,695 thousand and Dom 12 SAL, Lebanon for received deposits for renting business premises in the building in Moscow in the amount of RSD 2,098 thousand.

41. OPERATING LIABILITIES

Struktura obaveza iz poslovanja	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Suppliers - other related companies in the country	83.250	151.071
Suppliers - other related companies, abroad	5.777	5.807
Suppliers in the country	2.786.730	3.360.287
Suppliers, abroad	1.585.830	1.446.832
Other operating liabilities	2.766	8.567
TOTAL	4.464.353	4.972.564

- **Suppliers – other related parties, in the country** in the amount of RSD 83,250 thousand relate to liabilities towards Napred Plc. Belgrade in Energoprojekt Visokogradnja in the amount of RSD 79,632 thousand (primarily projects: Park 11: RSD 71,951 thousand and Navigator 2 Bussines Center: RSD 6,228 thousand) and in Energoprojekt Niskogradnja in the amount of RSD 3,618 thousand (mechanization leased).

- **Suppliers – other related parties, abroad** in the amount of RSD 5,777 thousand entirely relate to the liabilities of the Energoprojekt Oprema towards affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Suppliers, in the country** in the amount of RSD 2,786,730 thousand relate mainly to Energoprojekt Visokogradnja in the amount of RSD 1,642,372 thousand, Energoprojekt Niskogradnja in the amount of RSD 573,339 thousand and Energoprojekt Oprema in the amount of RSD 407,575 thousand.

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

Structure of suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Visokogradnja:</i>		
Chuang Yi Arspire Ltd.	233,376	
Cscod-sh Ltd.	188,148	
Almont Ltd.	104,461	
Kone Ltd.	81,645	
Termomont Ltd.	81,728	
Energy Net Solution Ltd.	80,867	
Lindner Ltd.	62,380	
Interfast Ltd.	53,716	
Euro Bravo Ltd.	21,459	108,773
Artinvest Ltd.	21,032	22,503
Metalfer Steel Mill Ltd.	16,241	113,115
DOO Gradnja Radosavljević Ćuprija	15,443	29,005
Other	681,876	424,958
Total	<i>1,642,372</i>	<i>698,354</i>
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen Ltd.	177,045	25,194
Nukleus Ltd.	88,131	952,474
Geosonda Fundiranje a.d.	44,265	163,027
Savremena gradnja d.o.o Misar	22,759	10,664
OMV Srbija Ltd.	20,393	27,634
Tempest trade Ltd.	14,375	10,257
West-Gradnja Ltd.	12,557	18,165
NIS Gasprom Neft	10,445	28,747
Other	183,369	624,369
Total	<i>573,339</i>	<i>1,860,531</i>
<i>Energoprojekt Oprema:</i>		
GP Planum Plc.	40,622	138,298
Selbi Lighting Ltd.	35,322	27,258
Kodar Energomontaža Ltd.	28,571	28,718
Energotehnika - Južna Bačka, Novi Sad Ltd.	27,535	27,676
Termo TIM Ltd.	26,118	31,976
Legas group Ltd.	25,389	26,451
Credo Ltd.	21,288	14,071
ABB Ltd.	20,732	46,252
Other	<i>181,998</i>	<i>322,621</i>
Total	<i>407,575</i>	<i>663,321</i>

Decrease in liabilities to suppliers, in the country compared to last year on given date by RSD 573,557 thousand dinars is mostly the result, on the one hand, of decrease in Energoprojekt Niskogradnja in the amount of RSD 1,287,192 thousand (payment of retained guarantee deposit on projects Lajkovac - Ljig and Ub - Lajkovac) and in Energoprojekt Oprema: RSD 255,746 thousand (primarily Ada Mol and Kolubara Landfill projects) and, on the other hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 944,018 thousand (primarily Chinese Cultural Center and Navigator 2 Business Center projects) and in Energoprojekt Industrija in the amount of RSD 66,058 thousand (primarily Construction of Water Purification System, Heineken project).

• **Suppliers, abroad** in the amount of RSD 1,585,830 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 657,103 thousand (primarily in Peru: RSD 227,286 thousand and in Uganda: RSD 148,340 thousand, as well as in the country, supplier Arcelor Mittal Poland s.a.: RSD 281,205 thousand for Jajinci - Mala Krsna Railway project);

- Energoprojekt Entel in the amount of RSD 602,126 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar: RSD 463,905 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 55,515 thousand and Ergo Consult LLC Abu Dhabi, UAE: RSD 76,821 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 233,972 thousand (mostly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 179,932 thousand primarily on the projects Ecobank: RSD 68,444 thousand and Cargo Center: RSD 46,316 thousand).

Increase in liabilities to suppliers abroad compared to last year on given date by RSD 138,998 thousand dinars, is the result, on the one hand, of increase in Energoprojekt Niskogradnja: RSD 253,116 thousand (mostly Railway Jajinci - Mala Krsna project) and in Energoprojekt Visokogradnja: RSD 29,576 thousand (above all, Z-112 Hotel Hyatt Rostov 2, Russia project) and, on the other hand, of decrease in Energoprojekt Oprema: RSD 89,653 thousand (primarily Ada Mol, Kolubara Landfill and Ani Abuja, Nigeria projects) and in Energoplast: RSD 81,317 thousand (settling the obligation to suppliers for procurement of raw materials incurred in 2018).

• **Other operating liabilities** in the amount of RSD 2,766 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 1,075 thousand, from issued checks to suppliers in Peru in behalf of settlement of liabilities, which on 31 December 2019 were not realized and to Energoprojekt Entel in the amount of RSD 926 thousand in Qatar.

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities from special transactions - other legal entities		
Liabilities for wages, fringe benefits and compensations	733.956	810.849
Other liabilities:		
a) Liabilities for interest and financing costs	8.668	8.894
b) Liabilities for dividends	45.957	135.375
c) Liabilities to employees	26.863	47.531
d) Liabilities to General Manager, or to management and Supervisory Board members	4.057	3.181
e) Liabilities to physical persons for contractual compensations	6.665	5.140
f) Liabilities for short-term provision		
g) Other various liabilities	47.669	31.282
<i>Total</i>	<i>139.879</i>	<i>231.403</i>
TOTAL	873.835	1.042.252

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 733,956 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 363,766 thousand (abroad: RSD 319,742 thousand, in the country: RSD 44,024 thousand), Energoprojekt Niskogradnja in the amount of RSD 128,119 thousand (abroad: RSD 89,851 thousand, in the country: RSD 38,268 thousand), Energoprojekt Visokogradnja in the amount of RSD 80,033 thousand (abroad: RSD 40,522 thousand, in the country: RSD 39,511 thousand), Energoprojekt Hidroinženjering in the amount of RSD 78,903 thousand (abroad: RSD 56,675 thousand, in the country: RSD 22,228 thousand), Energoprojekt Oprema in the amount of RSD 21,124 thousand (in the country: RSD 20,976 thousand, abroad: RSD 148 thousand) and in Energoprojekt Industrija: RSD 15,491 thousand (in the country: RSD 15,472 thousand, abroad: RSD 19 thousand).

- **Liabilities for dividends** in the amount of RSD 45,957 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 20,650 thousand, dividend liabilities from 2018: RSD 4,565 thousand and from previous years: RSD 16,085 thousand, which have not been paid due to unresolved property and legal relations until the balance sheet date hearings, etc.) and unopened ownership accounts of shareholders;

- Energoplast in the amount of RSD 11,735 thousand, liability to the shareholder Chartered Oil Inc. which will be paid by the end of 2020 (Note 38.4) according to the decision of the Assembly of the company from 2019;

- Energoprojekt Entel in the amount of RSD 6,995 thousand liabilities from 2018: RSD 1,733 thousand and from previous years: RSD 5,262 thousand (since the shareholders did not open accounts, probate hearings, etc.); and

- Energoprojekt Oprema in the amount of RSD 6,269 thousand liabilities from previous years.

Other various liabilities in the amount of RSD 47,669 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 34,450 thousand dinars, predominantly liabilities to shareholders for forced purchase of shares of Energoprojekt Entel in the amount of RSD 34,057 thousand. Corporate agent M&V Investments on 15.09.2019 returned funds deposited for forced purchase of shares of Energoprojekt Entel, in respect of those shareholders with unappropriated data, payment could not be realized. The Company settles related obligations at the shareholders request;
- Energoprojekt Niskogradnja in the amount of RSD 6,412 thousand (liabilities to Trade Union, Fund for Social Assistance to Employees, liabilities to third parties based on restriction on salaries for December 2019 within legal and administrative restrictions, etc.); and
- Energoprojekt Visokogradnja in the amount of RSD 3,968 thousand (suspensions from salaries for union membership fees: RSD 1,361 thousand, alimony, 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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities for value added tax	163,963	198,398
TOTAL	163,963	198,398

- **Liabilities for value added tax** in the amount of RSD 163,963 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 79,050 thousand (entirely abroad, predominantly on WU abroad: RSD 70,522 thousand and in the company Energoprojekt Ghana Ltd., Accra: RSD 8,470 thousand), Energoprojekt Park 11 in the amount of RSD 29,485 thousand and in Energoprojekt Entel in the amount of RSD 18,393 thousand.

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities for income tax	25,693	684,494
Liabilities for other taxes, contributions and fees payable	26,638	55,567
TOTAL	52,331	742,061

- **Liabilities for income tax** in the amount of RSD 25,693 thousand mostly refer to the Energoprojekt Entel in the amount of RSD 10,788 thousand – entirely income tax duty payable in the country.

Decrease in income tax duty compared to last year on given date by RSD 660,801 thousand predominantly refers to reduction in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 593,914 thousand, from liabilities recorded in 2011 for unrecognized costs of Head Office, ie Energoprojekt Entel, by the local Tax Administration, for a period of 3 years (2008, 2009 and 2010). In this matter, a court dispute was conducted and ended in 2019 in favor of the Tax Administration in Qatar. During 2019, the entire obligation was paid from the funds deposited by Energoprojekt Entel LTD, Doha, Qatar in Doha Bank (allocated solely for negative outcome of the litigation above mentioned).

- **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 26,638 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 12,806 thousand, mostly for VAT duty based on tax return for December 2019 in Peru: RSD 10,560 thousand (liabilities were settled in due time, in January 2020);

- Energoprojekt Visokogradnja in the amount of RSD 4,797 thousand, where the most significant part refers to unpaid obligations for taxes and contributions for December 2019 for workers abroad: RSD 2,086 thousand.

44.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	In RSD thousand	
	31.12.2019.	31.12.2018.
Accrued expenses:		
a) Accrued expenses - other related companies		-
b) Accrued expenses - other legal entities	751,674	664,732
Total	751,674	664,732
Deferred income - other legal entities	132,254	439,796
Other accruals	269,962	139,893
TOTAL	1,153,890	1,244,421

- **Accrued expenses - other legal entities** in the amount of RSD 751,674 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 514,551 thousand, with no invoices received as at 31 December 2019 (cost calculation performed, mainly, based on invoices received in 2020 (for 2019), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for interim (payment) certificate verification, etc.), mostly related to:

- Accrued expenses in the country: RSD 394,668 thousand entirely related to accrued expenses in 2019, mostly on projects: Zeleni Bulevar: RSD 213,263 thousand (subcontracting services), TPS Zemun: RSD 81,252 thousand (subcontracting services: RSD 79,257 thousand), Lajkovac - Ljig Section V: RSD 40,931 thousand (subcontracting services): RSD 39,932 thousand), Reconstruction of Karadjordjeva Street: RSD 22,990 thousand (subcontracting services), Railway Jajinci - Mala Krsna: RSD 15,986 thousand (predominantly subcontracting services: RSD 15,959 thousand);

- Accrued expenses in Peru: RSD 52,016 thousand, mainly on projects: Z-034 Road Puerto - Bermudez, Peru: RSD 29,210 thousand (subcontracting services for 2019: RSD 13,222 thousand and administrative costs of the consortium - part of the contractual obligation: RSD 9,357 thousand), Z-040 Irrigation System San Antonio, Peru: RSD 8,049 thousand (costs of insurance of works, construction and property, subcontracting costs, lease costs, etc.) and Z-039 Canal Via Cienguillo, Peru: RSD 6,905 thousand (primarily, supplier costs);
 - Accrued expenses in Uganda: RSD 13,813 thousand, on projects Z-027 Mpigi - Kanoni, Uganda: RSD 11,555 thousand (mainly subcontracting services and lease of machinery), Z-041 Kampala Mukono, Uganda (predominantly lease of machinery): RSD 1,375 thousand and Z-042 Mpigi Roads, Uganda: RSD 1,000 thousand (predominantly lease of machinery); and
 - Accrued expenses for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 54,054 thousand (Note 38.2);
- Energoprojekt Hidroinženjering in the amount of RSD 79,573 thousand, abroad RSD 52,236 thousand for accrued expenses of subcontractors: RSD 36,766 thousand (primarily on projects: Yaraskay, Peru: RSD 8,580 thousand; Seklafa, Algeria: RSD 7,818 thousand; Securitisation, Algeria: RSD 6,832 thousand; Sidi Naceur, Algeria: RSD 4,465 thousand; Komarnica, Montenegro: RSD 4,114 thousand; Karuma, Uganda: RSD 2,759 thousand and Đedra, Algeria: RSD 1,757 thousand) and from accrued penalties for delayed work on projects in Algeria: RSD 15,470 thousand (primarily, Sidi Naceur project, Algeria: RSD 6,962 thousand, Tabeggart, Algeria: RSD 3,206 thousand and Rekush, Algeria: RSD 3,690 thousand), while accrued expenses of subcontractors in the country relate to: RSD 27,337 thousand (primarily Djerdap projects: RSD 10,943 thousand, Selova Dam: RSD 5,480 thousand, Vinca Landfill: RSD 3,279 thousand, Negotin Municipality: RSD 3,200 thousand and Macva: RSD 3,025 thousand).
- Energoprojekt Sunnyville in the amount of RSD 39,554 thousand for accrued expenses on behalf of the variable price for land according to the Contract on purchase and sale of real estate (city construction land k.p.2199 / 1 K.O. Višnjica) OPU: 854-2015 from 01.04.2015;
- Energoprojekt Oprema in the amount of RSD 62,949 thousand, primarily from accrued expenses of subcontractors on the projects Ada Mol: RSD 32,830 thousand, Kolubara Landfill: RSD 18,768 thousand and RTB Bor (from previous years): RSD 7,647 thousand;
- Energoprojekt Visokogradnja in the amount of RSD 29,996 thousand, for accrued expenses abroad in the amount of RSD 13,373 thousand, primarily on the project Z-107 Sitkivkar Radiology Hospital, Russia: RSD 11,261 thousand (based on accrued expenses for December 2019) and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 991 thousand (subcontractors works in 2019), while the accrued expenses in the country amount to RSD 16,623 thousand, primarily on projects Chinese Cultural Center: RSD 10,215 thousand, Park 11: RSD 3,124 thousand, Navigator 2 Business Center: RSD 2,725 thousand (realization of investors, and until the day of the balance sheet are not invoiced by suppliers and subcontractors).
- Increase in accrued expenses - other legal entities, compared to last year on given date, by RSD 86,942 thousand, mostly refers to Energoprojekt Oprema in the amount of RSD 43,098 thousand (projects Ada Mol and Kolubara Landfill) and to Energoprojekt Sunnyville in the amount of RSD 22,013 thousand (variable land prices).

- **Deferred income - other legal entities** in the amount of RSD 132,254 thousand, mainly were recorded in accordance with verified in advance interim certificate by investor for works that were not

completed in 2019, and predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 132,244 thousand, on the project Chinese Cultural Center: RSD 119,183 thousand and Navigator 2 Bussines Center: RSD 13,061 thousand.

Decrease in deferred income - other legal entities compared to last year on given date by RSD 307,542 thousand, predominantly refers to Energoprojekt Oprema in the amount of RSD 369,612 thousand on the basis of invoiced unperformed works on the Ada Mol project in the previous year.

• **Other accruals** in the amount of RSD 269,962 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 136,581 thousand for deferred liability for value added tax, primarily in the country: RSD 82,731 thousand, which was settled in January 2019;

- Energoprojekt Entel in the amount of RSD 78,656 thousand, for liability to the subcontractor for the retention - Project Mega Reservoir at Energoprojekt Entel LTD, Doha, Qatar. The retention will be closed after collection of receivable for guaranteed deposit issued by investor Qatar General Electricity & Water Corporation "Kahramaa"; and

- Energoprojekt Niskogradnja in the amount of RSD 50,159 thousand, primarily for deferred liability for value added tax in Uganda: RSD 45,305 thousand (payment certificates for work performed are verified and issued in the reporting period, but the VAT return is submitted in the period of collection from investors in accordance with local regulations - VAT payment system upon collection) and in the country: RSD 4,809 thousand, which were settled within the legal terms.

Increase in other accruals compared to last year on given date by RSD 130,069 thousand mainly refers to Energoprojekt Visokogradnja: RSD 129,329 thousand from higher amount of deferred VAT duty.

43.4 Deferred Tax Liabilities

Deferred tax assets and liabilities	In RSD thousand	
	31.12.2019.	31.12.2018.
Deferred tax assets	2,756	2,623
Deferred tax liabilities	755,238	762,741
Net effects of deferred tax assets / (liabilities)	(752,482)	(760,118)

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

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

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

Deferred tax liabilities disclosed as at 31 December refer to *taxable temporary differences* between the book value of assets subject to depreciation and their tax base. Due to different provisions used in the Company to define accounting depreciation (in compliance with the IAS/IFRS and other provisions) and provisions that define tax depreciation (in compliance with the Law on Corporate Income Tax), the Company shall pay higher amount of income tax in the future period than it would pay if the actually disclosed accounting depreciation would be acknowledged by tax legislation. For this reason, the Company recognizes the deferred tax liability, which represents income tax payable once that the Company “recovers” the accounting value of the assets. The amount of deferred tax liabilities is calculated by multiplying the amount of taxable temporary difference at the end of the year by the Company’s income tax rate (15%).

A summary of changes in balance of deferred tax liabilities of the Company is presented in the following tables.

Balance and changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Balance of deferred tax liabilities at the end of the previous year	760,118	784,075
Balance of deferred tax liabilities at the end of the current year	752,482	760,118
Changes in balance of deferred tax liabilities	(7,636)	(23,957)

Changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Deferred tax expenses of the period	(7,316)	18,490
Revaluation reserves		(42,169)
Retained earnings of the previous year	(320)	(278)
TOTAL	(7,636)	(23,957)

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2019, it can be concluded that in net effect there was decrease in the balance of deferred tax liabilities compared to last year on given date by RSD 7,636 thousand and recorded as:

- in favor of net results for 2019 (deferred tax revenues for the period) in the amount of RSD 7,316 thousand (Note 23) and
- in favor of equity (retained earnings of the previous year) in the amount of RSD 320 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period.

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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Issued and received guarantees and letters of credits	16,439,053	13,274,316
Construction land use rights	2,976,717	2,950,032
Other off balance sheet assets/liabilities	287,016	229,890
TOTAL	19,702,786	16,454,238

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 LTD., Doha, Qatar company.

- Mortgage registered against Energoprojekt Niskogradnja:

- in order to secure a guarantee line granted by the Scotiabank Peru, property was mortgaged for the amount of RSD 1,467,615 thousand (USD 13,988,134), 110.90% of the total appraised value of property mortgaged. The registration of mortgage in excess of estimated property value was proposed by the Bank explaining the need to achieve greater coverage in the financial system which allows the bank to reduce the required reserves, placing funds in a higher amount and offering more favorable conditions. The Bank's proposal is based on a projection of increase in value of real estate in future. Appraisal for which the mortgage was constituted in favor of Scotiabank was made by the appraiser "PROVALUA S.A." (authorized by the competent authority of the Superintendencia de Banca y Seguros of the Republic of Peru, according to Confirmation No. 1079-99), which was hired by the company.
- in order to secure a credit line granted by the Banco Pichincha Peru (former Banco Financiero Peru), property was mortgaged for the amount of RSD 869,092 thousand (USD 8,283,492) which is 77.50% of the total appraised value of the property mortgaged which guarantees a credit line in the amount of USD 2.500.000. The value assessment was performed by an external independent qualified appraiser "PROVALUA S.A".

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

Property	sq m	Book value	Estimated value	Estimated value
		In RSD 000	In USD	In RSD 000
Mortgage 1- Sotiabank, Peru				
Land - Camp Primavera, Sullana, Peru	95,907.47	29,479	5,031,043	527,850
Office space 16-18th floor, Lima, Peru	427.73	82,925	842,285	88,371
Building Cruz Del Sur, Lima, Peru	4,295.38	709,285	6,739,885	707,139
<i>Total (100%)</i>		821,689	12,613,213	1,323,361
Total (110,90%)			13,988,134	1,467,615
Mortgage 2 -Banco Pichincha, Peru				
Land - Santa Clara, Peru	23,009.70	40,874	10,687,950	1,121,365
<i>Total (100%)</i>		40,874	10,687,950	1,121,365
Total (77.50%)			8,283,492	869,092

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

- In Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 12 of the Loan Agreement No. 367, in the amount of RSD 16,169 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the executive extrajudicial mortgage based on Lien Statement, up to entire loan amount with added interest was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company; and
- as collateral to secure the repayment of the loan pursuant to the Annex No. 8 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,352 thousand (EUR 513 thousand), executive extrajudicial mortgage of the first order based on Lien Statement was registered, up to entire amount of the loan with added interest, provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija 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 31 December 2019, include principal amount only for each lawsuits.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First instance proceeding
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	2019	Unfounded, according to the Decision of the Court of first instance, the application was rejected; Court Decision on Plaintiffs' appeal is pending. Second instance proceeding
3.	Kovacevic Pavle, Radmila and Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Ungrounded	Administrative court	Uncertain	The request of the applicants was rejected by the final decision of the administrative body. Applicants have 30 days to initiate an administrative dispute.
4.	EP Holding Plc.	Republika Srbija, EPS Srbija, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Founded in obtaining 13% of the total area of the hotel, but the value has not been established	Basic court, Niksic	2020	Claim is grounded; first-instance court accepted the claim; in appeal Respondents Second instance proceedings was terminated due to the bankruptcy of Epsturs Ltd.
5.	Radovanac Aleksandar and Nenad	EP Holding Plc. and others	Eviction from barracks in Visnjicka Banja	Ungrounded	Higher court in Belgrade	2020	Ungrounded in relation to EP Holding First instance proceedings
6.	Marko Martinoli, Activist Ltd. Activeast ltd.	Montinvest properties Ltd., Napred razvoj Plc., Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Entel shares	RSD 176,744,730.15	Commercial Court in Belgrade	2020	Ungrounded for EP Holding First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
7.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., GP Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2020	Ungrounded for EP Holding First instance proceedings
8.	Decade Export-Import KFT Budapest	1) Vivand BT Budapest, 2) EP Holding Plc.	Determination of the nullity of the contract on assignment of EP Holding's Plc. claim to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Ungrounded	Court of City of Budapest, Commercial Department	2020	Our revision against lower court verdicts has been adopted, earlier decisions were abolished and the case was returned for re-trial. In the retrial, the court upheld the claim. We will appeal against the verdict. Second instance proceedings.
9.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
10.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
11.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision whereby to the company is	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
			denied right to vote in Energoprojekt Oprema Plc.				since the Holding has been restored the right to vote because the takeover procedure has been completed
12.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
13.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of Energoprojekt Industrija Plc.	RSD 9,193,106.10	Commercial Court in Belgrade	2020	Ungrounded in relation to EP Holding Plc. First instance procedure.
14.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby it was interrupted proceedings to decide on the request for publication of the takeover bid Energoprojekt Entel Plc.	Without any value	Administrative court	2020	Uncertain. Administrative proceeding. Second instance proceedings
15.	Zoran Petrović	Ep Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings.
16.	Zoran Petrović	Ep Holding Plc.	Compensation for damages	RSD 900,000.00	Higher court in Belgrade	2020	Uncertain First instance proceedings.
17.	Ep Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	RSD 18,000,000.00	Commercial Court in Belgrade	2020	Uncertain First instance proceedings.
18.	Milan Branković, Slobodan Vučković, Zoran Ćupin	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of	RSD 432,593.49	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
			shares of EP VG				Second instance proceedings
19.	Matijaž Rutar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed. Second instance proceedings
20.	Henigman France	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 236,533.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed. Second instance proceedings
21.	Alco Investments Holding Ltd. Cyprus	GP Napred EP Holding PLc.	Fulfilment of the contract	EUR 15,571,615.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal was lodged against the verdict. Second instance proceedings
22.	Alco Investments Holding Ltd. Cyprus	Genesis capital, GP Napred Plc. EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement	Without any value	Commercial Court in Belgrade	2020	Ungrounded in relation to EP Holding Plc. First instance procedure.
23.	Darovi Rokus Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 78,844.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
24.	Andrej Mavrić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
25.	Regvat Milan	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 78,844.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
26.	Srđan Cekić, Vladimir Šešlija	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 404,735.10	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
27.	Dečman Janez	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,037.37	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
28.	Ilin Aleksandar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 10,512.60	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
29.	Proinvestments Plc	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 3,234,201.39	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
30.	Arian Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 47,832.33	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
31.	Jenić Goran	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 73,588.20	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
32.	Igor Mitrović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 331,146.90	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
33.	Damjan Pate	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 767,419.80	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
34.	Traven Tomaž	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,051,260.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
35.	Jopo Int Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 21,025.20	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
36.	Goran Grbić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 685,421.52	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
37.	Matija Rojec	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
38.	Dušica Milić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
39.	Kolar Mihel	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
40.	Robert Žvab	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 102,497.85	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
41.	Žito Mlin Ltd. Kula	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 325,890.60	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
42.	Blaž Kolar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
43.	Edvard Kolar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 105,126.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
44.	Boris Ožegović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 17,871.42	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
45.	OVER ATLANTIC Holding Plc.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 749,548.38	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
46.	EP Holding Plc.	EP Oprema Plc. Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the Agreement	EUR 700,000.00	Commercial Court in Belgrade	2020	First instance procedure.
47.	Dragan Opanković	EP Holding Plc. Napred Razvoj Plc.	Purchase of shares of EP Industrija	RSD 1,808,724.96	Commercial Court in Belgrade	2020	First instance procedure.
48.	Željko Deretić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 144,189.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
49.	Tesla Kapital Plc.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 2,890,965.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
50.	Zečević Srbislav	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 202,367.55	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
51.	Aleksa Marijanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 306,442.29	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
52.	Milan Orlić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 444,682.98	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
53.	Stana Repić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 477,797.67	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
54.	Dragoslav Nešić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 474,118.26	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
55.	Rupnik Olivera	EP Holding Plc.	Determining the ownership of the apartment at 35 Marshala Birjuzova Street		The first basic court in Belgrade	2020	Grounded First instance proceedings
56.	Radojko Đurović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 107,754.15	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
57.	Mile Todorović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 135,086.91	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
58.	Staniša Milošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 73,588.20	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
59.	Branko Dobrota	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 96,190.29	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
60.	Marko Đurović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 420,504.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
61.	Lazo Tarlač	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 176,086.05	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
62.	Predrag Stojanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 61,498.71	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
63.	Luka Stegnjaja	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 153,483.96	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
64.	Nuro Bihorac	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 144,548.25	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
65.	Igor Minčić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 63,075.60	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
66.	Paljo Kardelis	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 132,458.76	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
67.	Dragan Mandić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 124,574.31	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
68.	Mirko Lazić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 135,086.91	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
69.	Dragomir Krstić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 709,600.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
70.	Zlatimir Jelisavac	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 99,869.70	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
71.	Tijosav Šalipur and Radomir Aščerić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,499,348.50 and RSD 2,147,702.03	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
72.	Dragan Rakić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 107,754.15	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
73.	Dragiša Popović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 105,651.63	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
74.	Luka Trivunović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,023,927.24	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
75.	Nenad Radoš	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 31,537.80	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
76.	Vlastimir Polić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 144,548.25	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
77.	Jugoslav Pejčić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 46,781.07	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
78.	Radmila Urošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 454,669.95	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
79.	Nikola Bakal	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 726,420.66	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
80.	Zoran Pendić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 138,240.69	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
81.	FINSTRAL Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 320,108.67	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
82.	SUPRA GROUP Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,051,260.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
83.	Zoran Vasiljević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 85,677.69	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
84.	Milan Beslać	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 199,739.40	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
85.	Dane Kuzmanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 262,815.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
86.	Leonarda Milošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 146,125.14	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
87.	Dragana Milić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 161,894.04	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
88.	Dejan Mraković	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 173,983.53	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
89.	Stanislav Đorđević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 52,563.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
90.	Milovan Žunić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 94,087.77	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
91.	Dragan Vojinović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 103,023.48	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
92.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed case	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina
93.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		First Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended until the end of the proceedings 17.P1.11640 / 10 on the lawsuit of the same plaintiffs against Enjub Ltd.
94.	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

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
95.	Dorđe Mikša	EP Visokogradnja Plc.	Contractual fine payment	RSD 512,000.00	3rd Basic Court in Belgrade	2020	Uncertain. Adopted our appeal and the case was returned to first instance procedure
96.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	The final completion in 2016; declared revision	By final judgment the claim is adopted; Appeal against the decision of revision
97.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2020	Grounded First-instance proceeding
98.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection
99.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2020	Grounded; proceedings suspended.
100.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606.10 in behalf of principal debt	Commercial Court in Belgrade	2020	The claim of Hala BG Ltd was adopted by final judgment Our revision was adopted and the case for remaining amount of debt was returned for re-trial. First instance proceedings
101.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2020	Grounded; proceedings suspended.
102.	Božo Tomašević	EP Visokogradnja Plc.	Annulment of employment contract termination	RSD 140,000.00	1st Basic Court in Belgrade	2020	The first instance court accepted the claim. In the process on our appeal. Second instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
103.	Aleksandar Petrović	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3,500,000.00	3rd Basic Court in Belgrade	2020	The court issued a decision declaring it incompetent for acting in this proceeding.
104.	Sava Krajinović	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269,000.00	3rd Basic Court in Belgrade	2020	The first instance verdict partially approved the claim, appealed Second instance proceedings
105.	Ljiljana Damyano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350,000.00	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceeding
106.	Nenad Dautović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2020	Ungrounded
107.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
108.	Residence building, 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
109.	EP Visokogradnja Plc.	Siniša and Dragan Romić	Contesting of share transfer agreement		Higher court in Belgrade	2020	Grounded First instance proceeding
110.	Kojić Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	1st Basic Court in Belgrade	2020	First instance proceeding
111.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court in Valjevo	Uncertain	Receivables recognized in bankruptcy procedure.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
112.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1,098,898.15	Commercial Court in Belgrade	2020	First instance court accepted the claim. On the appeal of the respondent, the Commercial Court of Appeal quashed the decision and returned the case for re-opening. First instance proceeding
113.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010	3rd Basic Court in Belgrade	2020	A decision was adopted bringing the claim to be revoked. The prosecutor appealed against this decision. Second instance proceedings.
114.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceeding
115.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Presented receivables in bankruptcy.
116.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115,776.00	Commercial Court in Belgrade	2020	Grounded. Enforced collection in process.
117.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	RSD 31,642.40	Commercial Court in Belgrade	2020	Grounded. Enforced collection in process.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
118.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2020	The claim was dismissed by the first instance verdict Second instance proceeding
119.	Milić Janković	Direkcija za građevinsko zemljište, EP Visokogradnja Plc. and Aleksić Ružica	Ownership title to be determined		1st Basic Court in Belgrade	2020	Grounded First-instance proceeding
120.	Residence building 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	2020	Uncertain First-instance proceeding
121.	Residence building 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	2020	Uncertain First-instance proceeding
122.	Dević Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5,774.42 The main debt was paid, requirements for interest remained in the lower amount than specified	3rd Basic Court in Belgrade	2020	Grounded First-instance proceeding
123.	Milorad Vasić	EP Visokogradnja Plc.	Damage compensation (Block 12)	RSD 25,732,877.55	Higher court in Belgrade	2020	Revision of the plaintiff was rejected for the amount of adopted part of the claim, compensation for defects in the apartment is in the first instance procedure
124.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 167,162.40 RSD 33,558.94	Commercial Court in Sremska Mitrovica	2020	Uncertain; First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
125.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
126.	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.
127.	EP Visokogradnja Plc.	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
128.	EP Visokogradnja Plc.	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5,236,849.31	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
129.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1,269,860.00	Commercial Court in Belgrade	Uncertain	Partly collected, cca RSD 160.000,00, remaining amount - procedure is stopped. First-instance proceeding
130.	Radoš Nenad	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
131.	Vidojević Vladan	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
132.	Paunović Ljubiša	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	The first instance court accepted the claim Arrears of salary paid in full Second-instance proceeding
133.	Alen Vasić	EP Visokogradnja Plc.	Damage compensation for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
134.	Topalović Igor	EP Visokogradnja Plc.	Annulment of employment termination		3rd Basic Court in Belgrade	Completed	Court accepted the claim. In the proceedings on our revision. Third-instance proceeding
135.	Predrag Radeka	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
136.	Danijel Šalipur	EP Visokogradnja Plc.	Fortification existence of an employment and Damage compensation	RSD 1,320,000.00	3rd Basic Court in Belgrade	2020	Uncertain The first instance court accepted the prosecutor's request in terms of compensation and refused to establish the existence of an employment relationship. The second instance
137.	Miloje Živanović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2020	By a final judgment, a claim in respect of the main debt and interest has been adopted. It remains that the court decides on the costs of the proceedings, in accordance with our complaint that was adopted The principal debt and interest paid in full.
138.	Rajko Vasiljević	EP Visokogradnja	Damage compensation on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
139.	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	2020	Uncertain First-instance proceeding
140.	Miloje Živanović	EP Visokogradnja	Damage compensation on behalf of less severance paid and payment of interest on delayed payment of salaries	EUR 2,487.94 and RSD 137,478.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
141.	Miloje Živanović	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
142.	Šerbedžija Đorđe	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
143.	Pavlović Vladimir	EP Visokogradnja	Damage compensation due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	2020	Ungrounded First-instance proceeding
144.	Stanković Nenad	EP Visokogradnja	Annulment of the decision on termination of employment contract		3rd Basic Court in Belgrade	Completed	Final judgment approved the claim. In the proceedings on our revision. Third instance proceedings.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
145.	Jovičić Dejan	EP Visokogradnja	Damage compensation based on excess of overtime	EUR 1,300.00	3rd Basic Court in Belgrade	2020	The first instance verdict approved the claim. In the proceedings on our appeal. Second instance.
146.	Dević Ljubinko	EP Visokogradnja	Protection against harassment at work and compensation for damages	RSD 200,000.00	Higher Court in Belgrade	2020	Ungrounded Decision was adopted whereby the claim is withdrawn. The prosecutor appealed. Second-instance procedure.
147.	Vladan Kovačević	EP Visokogradnja	Compensation for delays in the construction and delivery of real estate (facility Car Nikolaj II street)	RSD 555,899.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
148.	Pavić Biljana	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of earnings	RSD 1,750,643.65	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
149.	EP Visokogradnja	Mikom Ltd.	Debt Settlement	EUR 31,641.47	Commercial Court in Belgrade	2020	Grounded The parties made an out-of-court settlement where the respondent compensated entire debt. This dispute was ended in 2019.
150.	Miroslav Jovičić	EP Visokogradnja	Salaries payment for period from 01 January 2009 to September 2017		3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
151.	Miroslav Jovanović	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 1,000.00	3rd Basic Court in Belgrade	2020	Uncertain
152.	Mihailo Obrenić	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 470.00	3rd Basic Court in Belgrade	2020	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
153.	Dužanka Čobanović	EP Visokogradnja	Damage compensation for injury	RSD 1,050,000.00	3rd Basic Court in Belgrade	2020	Ungrounded
154.	EP Visokogradnja	FE Sekundar Ltd. Čortanovci	Debt for the accommodation services	RSD 81,960.64	Commercial Court in Sremska Mitrovica	2020	Grounded
155.	EP Visokogradnja	PD Anticor Ltd.	Debt for the accommodation services	RSD 16,732.40	Commercial Court in Belgrade	2020	Grounded
156.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for the accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2020	Grounded
157.	EP Visokogradnja	Entrepreneur Milorad Đorđević	Debt for the accommodation services	RSD 143,187.06	Commercial Court in Belgrade	2020	Grounded
158.	EP Visokogradnja	IG TEL Ltd.	Debt for the accommodation services	RSD 64,752.06	Commercial Court in Belgrade	2020	Grounded
159.	EP Visokogradnja	B Gips plus Niš	Debt for the accommodation services	RSD 1,128,770.46	Commercial Court in Niš	2020	Grounded
160.	EP Visokogradnja	BankPro Ltd.	Debt for the accommodation services	RSD 47,489.89	Commercial Court in Belgrade	2020	Grounded In the process of forced collection

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
161.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for undue advance payment	RSD 200,000.00 with legal default interest starting from 29 December 1997, RSD 200,000.00 with legal default interest starting from 29 January 1998 and RSD 94,500.00 cost of the procedure	Commercial Court in Belgrade	2020	EP Visokogradnja activated mortgage due to collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was terminated. In the meantime, the Reorganization Plan was adopted and its application expired so the conditions for repeated activation were met. Therefore, EP Visokogradnja continues the procedure of collection.
162.	Vesa Romić	EP Visokogradnja	Determination of the nullity of the settlement agreement		3rd Basic Court in Belgrade	2020	Ungrounded
163.	Miroslav Jovičić	EP Visokogradnja	Compensation for damages arising from differences in earnings for the period from 01 January 2015 to 31 December 2015	The amount is not defined	3rd Basic Court in Belgrade	2020	Ungrounded
164.	Dobergard Ltd.	EP Visokogradnja	Debt for services provided	RSD 1,944,367.51	Commercial Court in Belgrade	2020	Ungrounded Debt is paid off in entire amount
165.	Dobergard Ltd.	EP Visokogradnja	Debt for services provided	RSD 3,833,875.40	Commercial Court in Belgrade	2020	Ungrounded Debt is paid off in entire amount
166.	Dragoljub Milanović	NIP Politika Plc. EP Visokogradnja	Determination of ownership rights on the apartment		3rd Basic Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
167.	Tigar Plc.	EP Visokogradnja	Debt on invoice	RSD 18,856.80	Commercial Court in Belgrade	2020	Uncertain. In the meantime, the decision was made whereby the lawsuit is considered withdrawn.
168.	Hansa Flex Hidraulika	EP Visokogradnja	Debt from issued invoices for services rendered	RSD 24,106.08	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
169.	Slavoljub Kodžopeljčić	Maht Savabien Ltd. EP Visokogradnja	Compensation for injury at work	RSD 999,000.00	Basic Court in Ivanjica	2020	Uncertain
170.	Nenad Stanković	EP Visokogradnja	Compensation for lost earning	RSD 810,000.00	3rd Basic Court in Belgrade	2020	Uncertain
171.	Gras Garden Ltd.	EP Visokogradnja	Debt for performed works	EUR 11,513.25	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
172.	Rešid Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded
173.	Gluščević Radoslav	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2020	Ungrounded
174.	Pobrić Carinka	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded
175.	Nerac Mitar	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2020	Ungrounded
176.	Vidaković Bogdan	EP Visokogradnja	Fortifications property rights	EUR 61,000.00	High Court in Belgrade	2020	Ungrounded
177.	Krsmanović Milan	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2020	Ungrounded
178.	Biljana Stijepić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
179.	Jakovljević Ana	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2020	Ungrounded
180.	Vujadin Mijanović, Dragomir Vasović	EP Visokogradnja Danica Županski	Fortifications property rights		3 rd Basic Court in Belgrade	2020	Grounded
181.	Banjac Borislav	EP Visokogradnja	Fortifications property rights	RSD 550,000.00	High Court in Belgrade	2020	Ungrounded
182.	Popović Milovan	EP Visokogradnja	Fortifications property rights	RSD 6,780,000.00	High Court in Belgrade	2020	Ungrounded
183.	Axial Ltd.	EP Visokogradnja	Debt by invoices	RSD 2,748,607.27	Commercial Court in Belgrade	2020	Uncertain
184.	Vlado Baumaschinen Ltd.	EP Visokogradnja	Debt by invoices	RSD 3,056,215.10	Commercial Court in Belgrade	2020	Uncertain
185.	Art Kolor Centar Ltd.	EP Visokogradnja	Debt by invoices	RSD 1,659,402.68	Commercial Court in Belgrade	2020	Uncertain
186.	Vlajko Bosanac	Ep Visokogradnja	Fortifications property rights Stari Merkator		High Court in Belgrade	2020	Grounded
187.	Petković Vladan	Ep Visokogradnja	Fortifications property rights	RSD 4,000,000.00	High Court in Belgrade	2020	Ungrounded
188.	Marčeta Momčilo	Ep Visokogradnja	Damage compensation	RSD 27,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
189.	EP Visokogradnja Plc.	Mitrović Invest Ltd. Krupanj	Debt for accommodation	RSD 213,351.24	Commercial Court in Belgrade	2020	Grounded
190.	Marker Ltd.	EP Visokogradnja Plc.	Debt by payment certificates	RSD 3,607,301.81	Commercial Court in Belgrade	2020	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
191.	Paunović Snežana	EP Visokogradnja Plc. Cvijić Miodrag	Fortifications property rights		High Court in Belgrade	2020	Grounded
192.	Plattner Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 559,788.13	Commercial Court in Belgrade	2020	Uncertain
193.	Gras Garden Ltd.	EP Visokogradnja Plc.	Debt for performed works	RSD 2,161,171.46	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
194.	Majer Prom dd	EP Visokogradnja Plc.	Debt by invoices	RSD 209,027.33	Commercial Court in Belgrade	2020	Uncertain
195.	EP Visokogradnja Plc.	Kandić Enterijer Ltd.	Debt for accommodation	RSD 38,036.12	Commercial Court in Belgrade	2020	Grounded
196.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for injury at work	RSD 650,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
197.	Milošević Marko	EP Visokogradnja Plc.	Compensation for a stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2020	Uncertain
198.	Igor Topalović	EP Visokogradnja Plc.	Compensation for termination of employment contract	RSD 500,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
199.	WURTH Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 406,935.61	Commercial Court in Belgrade	2020	Grounded
200.	Var Mont Ltd.	EP Visokogradnja Plc.	Unjust enrichment	EUR 8,169.94	Commercial Court in Belgrade	2020	Grounded
201.	Lever Inženjering Ltd.	EP Visokogradnja Plc.	Guarantee deposit return	EUR 67,859.98	Commercial Court in Belgrade	2020	Grounded
202.	Opreming Ltd.	EP Visokogradnja Plc.	Guarantee deposit return	RSD 6,207,716.15	Commercial Court in Belgrade	2020	Grounded
203.	Delta Preving Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 708,879.60	Commercial Court in Belgrade	2020	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
204.	K.I.G.O. Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 1,235,125.14	Commercial Court in Belgrade	2020	Grounded
205.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3 rd Basic Court in Belgrade	2020	Grounded
206.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,200,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
207.	TVI Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 306,748.05	Commercial Court in Belgrade	2020	Grounded
208.	EP Oprema Plc. and EP Holding Plc.	Municipality Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain; proceeding terminated	Uncertain First-instance proceeding
209.	EP Oprema Plc.	Clinical Center of Serbia	Debt for works	EUR 240,752.13, RSD 292,335.46 and RSD 2,328,204.00	Commercial Court in Belgrade	2020	The claim was approved by final judgment. In the meantime, the Supreme Court of Cassation, after the defendant's revision, reversed judgments of the lower courts and brought the case back for re-trial. First-instance proceeding
210.	EP Oprema Plc.	Clinical Center of Serbia	Damage compensation	EUR 1,559,000.00	Commercial Court in Belgrade	2020	First instance decision adopted the claim; KCS appealed In the meantime, the appeal was adopted and the case was returned for re-opening. In February, the court closed the main hearing and the court's decision is waited. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
211.	Staniša Marinković	EP Oprema Plc.-intervener	Damage compensation	RSD 304.000.00	Basic Court in Vranje	2020	Partly justified First-instance proceeding is in progress - expertise
212.	Čedomir Ristić	EP Oprema Plc.-intervener	Damage compensation	RSD 63.000.00	Basic Court in Vranje	2020	Partly justified; by appeal EP Oprema Second-instance proceedings in process
213.	Novica Ćirović	EP Oprema Plc.-second respondent JP EMS	Damage compensation	RSD 100.000.00	Basic Court in Leskovac	2020	First instance proceedings in process
214.	Milan Cvetković	EP Oprema Plc. and JP EMS	Damage compensation	RSD 1.381.278.00	Basic Court in Vranje	2020	First instance proceedings in process
215.	Vladan Stanković	EP Oprema Plc.	Damage compensation in monthly rent	RSD 8,000.00 monthly starting from 14 March 2016	Basic Court in Bor	Uncertain	The second instance court granted our appeal and returned the case for retrial. The first instance proceedings
216.	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
217.	Ep Oprema Plc.	DGP Zlatibor	Payment of works performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed action	Grounded, difficult collection, debtor in bankruptcy
218.	Ep Oprema Plc.	Graditelj Lekovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed action	Grounded, difficult collection, debtor in bankruptcy
219.	Blue Line Ltd.	EP Oprema	Debt for performed work in Bor	RSD 58,682,609.16	Commercial Court in Belgrade	Grounded	Closed court settlement with payment period up to December 2018
220.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established receivable in the bankruptcy proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
221.	EP Oprema Ltd.	EP Holding Plc.	Payment in cash equivalent of 261 shares of BMP aPl. Belgrade	USD 1,044,000.00	Commercial Court in Belgrade	2020	In the meantime, out-of-court settlement has been concluded, and plaintiff is expected to withdraw the lawsuit.
222.	Green Trafo Ltd.	EP Oprema	Debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2020	Uncertain
223.	EP Oprema	Green Trafo Ltd.	Damage compensation and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2020	Grounded
224.	Goran Đorđević	EP Oprema	Obstructing possession		Basic Court in Kruševac	2020	Uncertain
225.	Dušan Đapić	EP Oprema	Annulment of Annex 6 to the Employment Contract		3 rd Basic Court in Belgrade	2020	Uncertain
226.	SECURITY CENTAR Ltd.	EP Oprema	Completed payment certificate	RSD 103,735.58	Commercial Court in Belgrade	2020	Grounded
227.	Metaling plus Ltd.	EP Oprema	Debt by invoices	RSD 1,444,226.70	Commercial Court in Belgrade	2020	Grounded
228.	Lawyer Ljubica Tomić	EP Oprema	Debt – costs of creditor	RSD 47,911.59	3 rd Basic Court in Belgrade	2020	Grounded
229.	Dušan Đapić	EP Oprema	Annulment of Annex 7 of the Employment Contract		3 rd Basic Court in Belgrade	2020	Grounded
230.	Dunav auto Ltd.	EP Oprema	Debt by invoices	RSD 28,945.75	Commercial Court in Belgrade	2020	Grounded
231.	UR Gurman	EP Oprema	Debt by invoices	RSD 95,570.00	Commercial Court in Belgrade	2020	Grounded
232.	SEIBL TRADE Ltd.	EP Oprema	Debt by invoices	RSD 411,157.20	Commercial Court in Belgrade	2020	Grounded
233.	WURTH Ltd.	EP Oprema	Debt by invoices	RSD 235,710.24	Commercial Court in Belgrade	2020	Grounded
234.	Jovan Čvokić and others	Ep Niskogradnja	Bonus payment	EUR 20,145.11	3 rd Basic Court in Belgrade	2020	Ungrounded Second instance proceedings
235.	Dušan Tanić	EP Niskogradnja Plc.	Annulment of decision on amount of salary		3 rd Basic Court in Belgrade	Uncertain	Ungrounded, proceeding terminated First instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
236.	EP Niskogradnja Plc.	Internacional CG in bunkruptcy	Debt	RSD 474,718.82 with added interest	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings
237.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance guarantee	KM 3,500,000.00	Municipality court in Sarajevo	Uncertain	Ungrounded. The judgment rejected the claim. Declared our revision. Third instance proceedings
238.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advances	KM 7,000,000.00	Municipality court in Sarajevo	Uncertain	Ungrounded. The judgment rejected the claim. By our appeal in process. Second instance proceedings
239.	EP Niskogradnja Plc.	JIK Banka Plc. in bunkruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded
240.	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
241.	EP Niskogradnja Plc.	Beogradska banka Plc. in bunkruptcy	Claims registration	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
242.	Nenad Strajnić	PC Putevi Srbije and EP Niskogradnja Plc. –intervener	Damage compensation	RSD 183,928.48	Basic Court in Novi Sad	2020	Uncertain First instance proceedings
243.	Dragan Sekulić	PC Putevi Srbije; Dunav osiguranje Plc.o. and EP Niskogradnja Plc.– intervener	Damage compensation	RSD 460,000.00	Basic Court in Novi Sad	2020	Uncertain First instance proceeding
244.	DIN Ltd.	EP Niskogradnja Plc.	Debt by invoices	RSD 542,836.83 the value of the recourse request RSD 400,000.00 value of the counter claim	Commercial Court in Belgrade	2020	Ungrounded First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
245.	Tomo Stanišić	EP Niskogradnja Plc.	Damage compensation	RSD 244,413.97	3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings
246.	Ljubiša, Milostiva and Gordana Matković,	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings
247.	Milan, Mirjana, Dragana and Marko Matković	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings
248.	RF PIO Filijala Beograd	EP Niskogradnja Plc.	Recourse lawsuit	RSD 419,600.10	Commercial court in Belgrade	Uncertain	Uncertain; proceeding terminated First instance proceedings
249.	Aleksandar Babić and others	EP Niskogradnja Plc.	Bonus payment	EUR 40,906.00	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceedings
250.	Gordana and Veselin Medenica	EP Niskogradnja Plc.	Damage compensation for injury at work	RSD 1,861,500.00	3rd Basic Court in Belgrade	2020	The first instance court accepted the claim. Second instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
251.	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	2020	EP Niskogradnja declared a compensation complaint. The first instance verdict established the prosecutor's claim to the EP NG in the amount of USD 4,691,598.31 and the EP NG claim against the prosecutor in the amount of USD 4,691,598.31, and the court ruled that the mutual claims break through and that there is no obligation of the EP NG towards Bosna Putevi. On the appeal of the plaintiff, the case was returned to the first instance proceedings. The process is interrupted, because the prosecutor and the intervener stated revision against the decision. First instance procedure
252.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceedings
253.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Dispute is finished	In the process of enforcement
254.	Vojislav, Mirjana, Dragana and Jovana Jovanović	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
255.	EP Niskogradnja Plc. i	Intermost Ltd.in bunkruptcy	Debt (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2020	NG lawsuit was adopted by a final judgment.
	Intermost Ltd.in bunkruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189,827,985.00	Commercial Court in Belgrade	2020	Interstom's counter-claim rejected by a final verdict. In the process of Intermost revision.
256.	Dunav osiguranje Plc.	PC Putevi Srbije EP and Niskogradnja Plc.- intervener	Damage compensation	RSD 170,536.00	Commercial Court in Belgrade	2020	Uncertain First instance proceedings
257.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings
258.	Dragan Savić	EP Niskogradnja, Koridori Srbije	Damage compensation	RSD 300,000.00	Basic court in Gornji Milanovac	2020	Uncertain First instance proceedings
259.	EP Niskogradnja Plc.	GP Gemax Ltd. in bankruptcy	Secured claims arising from guarantee deposit retained	RSD 10,431,209.72	Commercial Court in Belgrade	Completed	Grounded. Recognized secured claims
260.	EP Niskogradnja Plc.	Radislva Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pancevo	2020	Grounded First instance proceedings
261.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2020	Grounded. The first instance judgment approved the claim.
262.	EP Niskogradnja Plc.	Republic of Serbia Ministry of Agriculture and Environmental Protection. - Republic Water Directorate	Receivable for completed works on Tisa embankment	RSD 91,891,979.51	Mediation	Uncertain	Grounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
263.	EP Niskogradnja Plc.	Prlinčević Aleksandar (Hidraulik 2S)	Return of given	RSD 127,500.00	Commercial Court in Belgrade	2020	Grounded
264.	Živanović Marko	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3 rd Basic Court in Belgrade	2020	Ungrounded
265.	Živanović Miloš	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3 rd Basic Court in Belgrade	2020	Ungrounded
266.	Stevanović Ivan	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3 rd Basic Court in Belgrade	2020	Ungrounded
267.	PE Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2020	Ungrounded
268.	Dragan Antonijević	EP Niskogradnja Plc.	Annulment of the annex to the employment contract and payment of wages		3 rd Basic Court in Belgrade	2020	Grounded
269.	Miladin Radović	EP Niskogradnja Plc.	Overtime work		3 rd Basic Court in Belgrade	2020	Grounded
270.	ENEL PS	EP Niskogradnja Plc.	Debt by invoices	RSD 3,500,000.00	Commercial Court in Belgrade	2020	Ungrounded
271.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3 rd Basic Court in Belgrade	2020	Ungrounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
272.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3 rd Basic Court in Belgrade	2020	Ungrounded
273.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3 rd Basic Court in Belgrade	2020	Ungrounded
274.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3 rd Basic Court in Belgrade	2020	Ungrounded
275.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3 rd Basic Court in Belgrade	2020	Ungrounded
276.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3 rd Basic Court in Belgrade	2020	Ungrounded
277.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3 rd Basic Court in Belgrade	2020	Ungrounded
278.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3 rd Basic Court in Belgrade	2020	Ungrounded
279.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3 rd Basic Court in Belgrade	2020	Ungrounded
280.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3 rd Basic Court in Belgrade	2020	Ungrounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
281.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2020	Ungrounded
282.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2020	Ungrounded
283.	EP Niskogradnja Plc.	Italiana Construzion Branch Belgrade	Debt by invoices	RSD 3,179,510.78	Commercial Court in Belgrade	2020	Grounded
284.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3 rd Basic Court in Belgrade	2020	Ungrounded
285.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2020	Ungrounded
286.	Prima AFP	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 121,397.30			The judgment against EP has dipped to a higher instance as unfounded, and returned to baseline. A positive EP outcome is expected. The first instance proceedings
287.	AFP Horizonte	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 8,790.20			Partially acknowledged request of AFP, and fee of Sola 1,289.40 was determined. First instance proceedings.
288.	AFP Profuturo	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 4,774.10			Partially acknowledged request of AFP, and fee of Sola 1,289.40 was determined. First instance proceedings.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
289.	Prima AFP	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 207,635.74			The AFP's request was declared as unfounded, after the appeal to the higher instance. Confirmed the first instance verdict
290.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 1,203.41			Final judgment in favor of EP NG.
291.	AFP Habitat	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 2,206.53			The AFP's request was declared grounded, our appeal to higher instance is in process. Second instance proceedings
292.	Prima AFP	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 10,469.12			The process is ongoing, the outcome is unknown Fourth instance proceedings
293.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 14,674.85			The process is ongoing, the outcome is unknown Fourth instance proceedings
294.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 545.31			The AFP request was declared as grounded. Third instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
295.	Jorge Luis Garcia Roque	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 400,000.00			On 4 May 2018, a judgment was rendered declaring unfounded claim, ie. in favor of EP NG, there is no charge for the worker. However, in this judgment an appeal is possible, and the higher instance may decide otherwise or confirm the decision, which is very certain. On 11 May 2018 the judgment was challenged and on 16 May 2018 and by Resolution 04, the appeal was declared inadmissible and the employee was given a period of 03 days to pay a court fee of S/249.00. which has not been completed to date, and if payment is made, the file will be forwarded to the appropriate chamber of work so that appeal can be considered. Fourth instance proceedings
296.	Wilder Enrique Castillo Tapia	EP Niskogradnja Plc.	Injury at work				A criminal investigation issued a favorable report for EP NG. Second instance proceedings
297.	Reinaldo Romero Infante	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 191,693.95			EP NG did not accept a direct settlement considering that claim is ungrounded. A positive outcome for EP NG is expected. Four instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
298.	Miriam Elsa Gambini Jaramillo	EP Niskogradnja Plc.	Refund of personal loss	USD 100,000.00			EP NG did not accept a direct settlement considering it is not responsible for personal loss. Exemption verdict is expected. Second instance proceedings
299.	Hilario Chinini Criollo	EP Niskogradnja Plc.	Criminal acts of extortion				The investigation process completed. Second instance proceedings
300.	Abamwe Transporters Ltd	Energoprojekt Uganda	Claim for compensation due to damage to the truck	USX 150,942,500			Appealed to the first instance verdict. Second instance proceedings
301.	Foreman Kasirye Gwanga	Energoprojekt Uganda	Possession of ownership over the quarry Kung				The first instance decision from 2013 was made in our favour. Second instance proceedings
302.	Kawooya Livingstone	Energoprojekt Uganda	Land degradation lawsuit	USX 35,015,000			Annulled the judgment of the High Court and the Prosecutor requests confirmation of verdict. First instance proceedings
303.	Kitimbo Thomas	Energoprojekt Uganda	Compensation for destruction of crops	USX 3,949,500			First instance proceedings
304.	Mary Kiggundu	Energoprojekt Uganda	Unauthorized use of land for road construction	USX 209,822,560			It is highly probable that the Prosecutor will get a dispute and the settlement is advisable. The first instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
305.	Lukyamuzi Godfrey	Energoprojekt Uganda	Labour dispute due to termination of employment	USX 5,844,400			First instance proceedings
306.	Kalyesubula Brian Kigongo	Energoprojekt Uganda	House damage due to activities in the quarry	USX 37,600,000			First instance proceedings
307.	Atna Technologies Ltd	Energoprojekt Uganda	Payment according to contract	USX 10,514,493			The debt is paid out. First instance procedure
308.	Kasaliko Herman	Energoprojekt Uganda	Ponds damage due to works	USX 87,902,500			First instance proceedings
309.	Ereemye Jumire James Mawanda	Energoprojekt Uganda	Civil lawsuit	USX 20,000,000			First instance proceedings
310.	Busulwa Monday	Energoprojekt Uganda	Destruction of house due to works performed	USX 19,347,000			First instance proceedings
311.	Denis Rwentungamo	Energoprojekt Uganda	Claim for compensation for wall damage during construction	USX 22,000,000			First instance proceedings
312.	Baseke Tendo Christina	Energoprojekt Uganda	Unpaid rentals and associate costs	USX 1,000,000 – up to 10,000,000			First instance proceedings
313.	Turyatunga Wahab&7 Others	Energoprojekt Uganda	Labour dispute due to termination of employment				First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
314.	Kasule David	Energoprojekt Uganda	Claim for compensation for house damage	USX 84,702,000			First instance proceedings
315.	Salvatori Odinga And Others	Energoprojekt Uganda	Compensation for damages to property caused by quarrying				First instance proceedings
316.	Joy Asiimwe	Energoprojekt Uganda	Compensation for damages to property caused by quarrying				First instance proceedings
317.	Rehemwa Ssemwanga Nasimbwa	Energoprojekt Uganda	Compensation for damages to property				First instance proceedings
318.	Yiga Richard	Energoprojekt Uganda	Injury at work	USX 11,150,400			Not scheduled hearing - case was referred to the insurance company. First instance proceedings
319.	Moses Semuli	Energoprojekt Uganda	Labour dispute due to termination of employment and injury at work	USX 23,270,000			Not scheduled hearing - case was referred to the insurance company. First instance proceedings
320.	Ep Niskogradnja Plc.	Jasmina Marinković	Damage compensation	RSD 249,572.17	Basic Court in Milanovac	2020	The first instance verdict approved the claim.
321.	Ep Niskogradnja Plc.	MBA Miljkovic Ltd.	Debt by invoices	RSD 142,474.17	Commercial Court in Belgrade	2020	Grounded. First instance proceedings
322.	Ep Niskogradnja Plc.	GP Planum Plc.	Debt by invoices	RSD 100,000.00	Commercial Court in Belgrade	2020	Grounded. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
323.	Ep Niskogradnja Plc.	Borovica Transport in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	Uncertain	Grounded. Recognized claim in bankruptcy proceedings.
324.	Ep Niskogradnja Plc.	Water Authority of Jordan	Debt for works performed, damage compensation due to extension of period, additional and unforeseen works	JD 377,012.00 USD 122,955.00	Major felonies court in Amman, Jordan	Uncertain	First and second instance court accepted the claim of EP NG in the stated amounts
325.	Ivan Kovačević	Ep Niskogradnja Plc.	Reimbursement of costs for commuting to and from work			Uncertain	Uncertain. First instance proceedings
326.	Miloš, Radoslav, Biljana and Nataša Jovanović	Ep Niskogradnja Plc.	Damage compensation	RSD 250,000.00		Uncertain	Uncertain. First instance proceedings
327.	Dragomir, Ljiljana, Jelena, Milica and Ilija Matković	Ep Niskogradnja Plc.	Damage compensation	RSD 250,000.00		Uncertain	Uncertain. First instance proceedings
328.	Dragan Prole	Ep Niskogradnja Plc.	Annulment of the decision on termination of employment			Uncertain	Uncertain. First instance proceedings
329.	Stanoje Markeljić	Ep Niskogradnja Plc.	Protection of property right and elimination of damage emergency			Uncertain	Uncertain. First instance proceedings
330.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade	2020	The first instance verdict dismissed the claim. In the proceedings on the appeal of the second-degree. Second instance proceedings.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
331.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence employment terms for the period 1985-1991	Taxes and contributions from employment for the period from 20.01.1985-31.01.1991	3rd Basic Court in Belgrade	2020	Favourable First-instance proceeding
332.	I Pilipenko	EP Hidroinženjering Plc.	Determining that a part time employment has become full-time employment	Compensation in the amount of lost earnings, the amount of the difference in earnings, taxes and contributions	3rd Basic Court in Belgrade	Preparatory hearing was held on 15.07.2019, the decision allowing the modification of lawsuit and after modified lawsuit regarding the part of the request was passed, this Court declared itself incompetent and that part of the request is forwarded to the High Court as the actual territorial jurisdiction.	Uncertain
333.	I Pilipenko	EP Hidroinženjering Plc.	Discrimination	RSD 1,000,000.00	High Court in Belgrade	2020	First instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
334.	Técnica y Proyectos S.A.; Energoprojekt Hidroinženjering S.A. and Carlos Alfredo Machicao Pereyra y Asociados S.R.L.	Proyecto Especial de Afianzamiento y Ampliación de los Recursos Hidricos 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	The Arbitration Dispute is over and the Arbitration Council has made a decision in favor of the Consortium regarding the return of funds under the protested guarantee and payment of the last payment certificate. This procedure is being conducted through a court that will last up to 12 months.	Achieved very favorable success given the complexity of this dispute: The importance of the Yarascay Contract is recognized, the Client's request for nullity of the contract is rejected, the Yarascay Consortium is ordered to pay the last invoice issued at 30% of the contract value. S / 1,462,834.99, an order is given to refund the amounts of the protested guarantees to the Consortium, of which the amounts S / 353,166.41, S / 302,786.44 and S / 783,661.60, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were denied. It was declared that there was no place for the plaintiff to pay the costs and arbitration costs, accordingly, each party will bear its own.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
335.	Lahmeyer Agua y Energía S.A.; Energoprojekt Hidroinženjering S.A. and Técnica y Proyectos S.A.	Proyecto Especial de Irrigación e Hidroenergético del Alto PIURA - PEIHAP	Final liquidation and our request for damage compensation	USD 36,000 (FL us) USD 2,277,471.61 (FL client) and USD 541,319.18 (damage)	Arbitration Court in PIURA, Peru	The investigation phase is currently underway, lasting up to 36 months, with the possibility of extension at the request of the prosecutor. We, meanwhile, have filed a complaint on behalf of Energoprojekt Hidroinženjering S.A. and Energoprojekt Hidroinženjering S.A., Sucursal Peru requesting to exclude us from this process. Appropriate hearings related to our complaint are underway. The last hearing was held on 23.09.2019	Due to all the general police situation and scandals related to the so-called "Lava Jato" and leading Brazilian companies, it is difficult to expect that the Court will release us from administrative responsibility at this stage. No criminal proceedings are being conducted against us, but as a member of the CSAP Consortium that oversaw the Alto Piura project, we are involved in the process "as a third civilly responsible" exclusively related to the administrative approval of extensions and additions during the Alto Piura project, so we will probably have to follow the whole criminal process against the mentioned persons and the company, which can take more than 36 months. In accordance with the statements of the Legal Representative of our Consortium and also the Head of Supervision that everything was done according to the regulations related to approving the extension of deadlines and additions, it is realistic to expect that we will be released from any administrative responsibility, but unfortunately we will have to bear the costs litigation
336.	EP Energodata Plc.	Šipad komerc in bunkruptcy	Unpaid services performed	RSD 258,586.20	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy. Reported claim in bankruptcy proceedings.	Uncertain payment amount.
337.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the security	EUR 43,000.00	Commercial Court of Montenegro, Podgorica	2020	A decision was adopted bringing the claim to be revoked.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
338.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the security	EUR 10,000.00	Commercial Court of Montenegro, Podgorica	2020	A decision was adopted bringing the claim to be revoked.
339.	EP Energodata Plc.	PE EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2020	Grounded
340.	EP Energodata Montenegro Ltd.	Milan Grbić	Damage compensation	EUR 34,035.00	Basic Court Podgorica	2020	A decision was adopted bringing the claim to be revoked.
341.	PUC Gradska Cistoca	EP Energodata Plc.	Debt upon settlement	RSD 373569.00	Commercial Court in Belgrade	2020	Grounded
342.	Branislav Jerotić	EP Energodata Plc.	OD membership fee	RSD 348,498.50	3 rd Basic Court in Belgrade	2020	Grounded
343.	EP Entel Plc.	JP EPS	Debt payment on different accounts	RSD 1,375,200.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
344.	EP Entel Plc.	JP EPS	Debt payment on different accounts	RSD 580,800.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
345.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different accounts	RSD 48,937,500.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
346.	Duško Paripović	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
347.	Marko Martinoli, Đurović and Siniša Kisić	EP Entel Plc.	Denouncing the Assembly's decision	No value	Commercial Court in Belgrade	2020	Uncertain. The first instance court rejected the claim.
348.	Ep Entel Plc.	GSP Belgrade	Debt for service provided	RSD 4,200,000.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
349.	Veljko Perišić and others	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded
350.	Siniša Kisić	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded
351.	Ep Industrija Plc.	Jugoremedija Plc. in bankruptcy	Claims registration	EUR 321,146.18	Commercial Court in Zrenjanin	Uncertain	RSD 28.884.312,77 – accepted following conclusion on correction
352.	M. Martinoli, B. Janković and others	EP Industrija Plc.	Proposal to amend agenda of the Assembly		Commercial Court in Belgrade	2020	Ungrounded
353.	Slobodan Čubrilović	EP Industrija Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
354.	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
355.	Tamara Vukadinović	EP Urbanizam. i arhitektura Plc.	Annulment of dismissal	RSD 1,137,530.29	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
356.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,028,129.00	3rd Basic Court in Belgrade	Uncertain	Uncertain. Returned to first-instance proceedings
357.	Novica Veljković	EP Urbanizam i arhitektura Plc.	Annulment of Annex 3	RSD 89,425.53	3rd Basic Court in Belgrade	Uncertain	First-instance proceeding terminated

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 April 2019, the arbitration procedure with Gazprom Transgaz Belarus held in Stockholm for the project Energocentar Minsk, Belarus was completed in favour of Energoprojekt Oprema. Pursuant to Decision made by Arbitration Council, Energoroprojekt Oprema is entitled to compensation in the amount of approximately USD 30 million and default interest until up to payment date. Investor Gazprom Transgaz Belarus filed in front of Court of Appeals in Stockholm an objection to the decision. As per the lawyer opinion, it is expected that the decision of Arbitration Council will be confirmed and the certainty of collection is high (Note 35.2).

47. POST BALANCE SHEET EVENTS

47.1. Mortgage on Property - Energoprojekt Office Building

Pursuant to the Decision made by Energoprojekt Holding Shareholders Assembly dated 15 January 2020, and according to the bank arrangements made with:

- Erste Bank Plc. Novi Sad in the amount of EUR 32,200,000.00 under the Multi-Purpose Framework Limit Agreement No. OLC003/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Energoprojekt Energodata);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 5,100,000.00 under the Revolving Line Agreement for issuing bank guarantees no. RL 0028/20 (mortgage borrower Energoprojekt Holding and debtors: debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 8,688,287.47 under the Short-term Loan Agreement No. RL 0029/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema);
- OTP Bank Serbia in the amount of EUR 14,159,060.12 under the General Agreement on Short-Term Multipurpose Revolving Line no. 01/13, as amended, including in particular Annex 25 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering); and
- OTP Bank Serbia in the amount of EUR 3,218,846.31 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2125/16, as amended including in particular Annex 14 (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema).

on 31 January 2020, on Energoprojekt office building, executive out-of-court mortgage was established. The property is registered in the List of Properties No. 2652, CM Novi Beograd. The mortgage was established in favour of creditors in question and in accordance with Line Statement of the Company certified by competent authority comply with the Serbian Mortgage Law.

47.2. Mortgage on Property – Stara Pazova Complex

Pursuant to the Decision made by Energoprojekt Visokogradnja Shareholders Assembly dated 12 February 2020, and according to the bank arrangement made with:

- OTP Bank Serbia Plc. - Annex 1 of the General Agreement on short-term multi-purpose revolving line no. MRL 11/20 in EUR 21,123,000 and all possible future annexes (Mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on 19 February 2020, on land and facilities of Stara Pazova Complex an executive out-of-court mortgage was established. All units of property are registered in the List of Properties no. 10503 CM Stara Pazova as private property of the company Energoprojekt Visokogradnja Plc. Belgrade share volume 1/1. The mortgage was established in favour of OTP Banka Srbija Plc., in accordance with the Line Statement of Energoprojekt Visokogradnja Plc. certified before the competent

authority comply with the Serbian Mortgage Law.

47.3. Mortgage on Property – Samački Hotel Complex

Pursuant to the Decision made by Energoprojekt Holding Supervisory Board dated 20 March 2020, and according to the bank arrangement made with:

- OTP Bank Serbia Plc. - Annex 2 of the General Agreement on short-term multi-purpose revolving line no. MRL 11/20 in EUR 21,123,000 and all possible future annexes (Mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on 13 March 2020, on Samački hotel and accompanying facilities an executive out-of-court mortgage was established. All units of property are registered in the List of Properties no. 2734 CP Zemun Polje as private property of the company Energoprojekt Holding Plc. Belgrade share volume 1/1. The mortgage was established in favour of OTP Banka Srbija Plc., in accordance with the Line Statement of Energoprojekt Holding Plc. certified before the competent authority comply with the Serbian Mortgage Law.

47.4. Line Statement over Receivables – Project Energocenter Minsk Belarus

Pursuant to the decision made on 38th Extraordinary Assembly of Energoprojekt Oprema dated 30 January 2020, a pledge over receivables for delivered equipment under the Arbitration Award for the project Energocenter Minsk, Belarus in the amount of USD 18,928,532.76 in favor of banks for the amount of credit sub-limit in accordance with bank arrangements / guarantee-credit lines, was approved to be established, as follows:

- OTP bank Srbija Plc., Belgrade up to the amount of credit sub-limit in EUR 11,073,180.63 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract;
- Erste bank Plc. Novi Sad up to the amount of credit sub-limit in EUR 8,000,000.00 increased by the accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract; and
- Unicredit bank Srbija Plc. Belgrade up to the amount of credit sub-limit in EUR 8,688,287.47 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract.

Pursuant to the Decision no. 821-1 / 2020 dated 14 February 2020, Receivable Pledge Registration Agreement was entered in the Register of Pledges on Immovable Property and Rights.

47.5. State of Emergency Caused by Declared COVID-19 Pandemic

After the reporting period, the World Health Organization (WHO) and on 15 March 2020, Republic of Serbia has introduced a to halt the spread of coronavirus.

At this time with the constant deepening of RS Government's measures, the Management is not in position to make assessment of overall impact on the Company's operations and the financial result for 2020.

Management takes all necessary measures to ensure continuity of smooth operations and so that not to cast any doubt on the Company's ability to continue as a going concern.

In respect of aforementioned, the financial statements for the period 01 January – 31 December 2019 are not required to be adjusted.

After the reporting period, except for the above-mentioned non-adjusting events, there were no other that could significantly impact the credibility of financial statements.

Belgrade,

16 April 2020

Legal Representative



Stojan Čolakov
M.Sc.C.E.

2. INDEPENDENT AUDITOR'S REPORT (complete report)

ENERGOPROJEKT HOLDING PLC, BELGRADE

Independent Auditor's Report
on the Audit of the
Consolidated Financial Statements for the Year 2019



This version of our report/the accompanying documents is a translation from the original which was prepared in Serbian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

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Notes to the consolidated financial statements

This version of our report/ the accompanying documents is a translation from the original. which was prepared in Serbian. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions. The original language version of our report takes precedence over this translation.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade

Qualified Opinion

We have audited the accompanying consolidated annual financial statements of "Energoprojekt Holding" Plc., Belgrade (the "Parent Company") and its subsidiaries and affiliated company (the "Group"), which comprise the consolidated balance sheet as at 31 December 2019, the consolidated income statements, the consolidated statement of other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the financial position of the "Energoprojekt Holding" Plc., Belgrade and its subsidiaries and affiliated company as at 31 December 2019, and of its consolidated financial performances and its consolidated cash flows for the year then ended in accordance with the current accounting regulations in effect in the Republic of Serbia and accounting policies disclosed in the notes to the consolidated financial statements.

Basis for Qualified Opinion

The amount of RSD 121,904 thousand within the item Advances paid for inventories and services, and the amount of RSD 49,552 thousand within the item Receivables from special transactions are disclosed, in respect of subsidiary's "Energoprojekt Oprema" Plc. Belgrade claim from "Energo Nigeria". In addition, the receivables of "Energoprojekt Oprema" Plc, Belgrade from: "Energo Nigeria" in RSD 311,206 thousand, Energo Nigeria FZE in RSD 226,217 thousand and Energo Rwanda LTD in RSD 23,737 thousand are shown within the balance sheet item Buyers abroad - other related parties. Stated receivables originate from previous years, and as of the audit date they are not collected, although the figure existence is not confirmed by the debtor. Any value adjustment or provision have not been booked in the Group's consolidated financial, in the case of unavailability of a collection.

We conducted our audit in accordance with International Standards on Auditing (ISAs) and Law on Audit of the Republic of Serbia. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Serbia, and have fulfilled our other responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (Continued)

Emphasis of Matter

We draw attention to Note 35.2 to the consolidated financial statements where the amount of RSD 2,058,486 thousand within the item Accruals in the Balance Sheet is shown related to the company "Energoprojekt Oprema" Plc. Belgrade in regard to:

- Receivables for non-invoiced income from OAO "Gazprom Transgas Belarus" (GTB), Minsk in the amount of RSD 1,389,386 thousand;
- Other prepaid expenses in the amount of RSD 144,831 thousand for lawyer fee and consulting services for the arbitration proceedings initiated against OAO "Gazprom Transgas Belarus"; and
- Other accruals in the amount of RSD 524,269 thousand related to OAO "Gazprom Transgas Belarus" (GTB), Minsk.

Consequently, we note that on 24 April 2019, the Tribunal in Stockholm made a judgment approving compensation to the subsidiary "Energoprojekt Oprema" Plc., Belgrade where all litigation costs will be covered. This ended the arbitration, but immediately afterwards the proceeding was resumed at the Stockholm Court of Appeal and was not completed by the audit date.

We draw attention to Note 27. to the consolidated financial statements where it is disclosed that affiliated company "Energo Nigeria" did not submit financial statements for the year 2019 until the date of consolidated financial statements, and therefore the effects of applying equity method are not included in the consolidated financial statements of the Group as at 31 December 2019.

We draw attention to Note 47.5 to the consolidated financial statements - Events after the reporting period regarding the COVID 19 pandemic and that on 15 March 2020, Republic of Serbia has introduced a state of emergency to halt the spread of coronavirus, together with the measures taken by the Group's management to respond to the business challenges.

Our opinion is not qualified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of the audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (Continued)

Key Audit Matters (Continued)

Valuation of Receivables of the Subsidiary "Energoprojekt Oprema" Plc. Belgrade and the Manner of Including the Affiliated Company "Energo Nigeria" in the Consolidated Financial Statements

Key Audit Matter	How our audit addressed the key audit matter
<p><i>Valuation of receivables disclosed in the consolidated financial statements of the subsidiary "Energoprojekt Oprema" Plc. Belgrade as of 31 December 2019 was identified as a key audit matter during the audit of the Group's consolidated financial statements as at 31 December 2019. The key audit matters were identified as open issues during the audit of the consolidated financial statements of the Group as at 31 December 2018.</i></p>	<p><i>During our audit, we have noted the following to answer on identified key audit matter:</i></p> <p><i>The audit opinion on the consolidated FS of the subsidiary "Energoprojekt Oprema" Plc. Belgrade as of 31 December 2019 was reviewed and in relation to the identified key audit matters, qualifications were presented in the audit opinion on the consolidated financial statements of "Energoprojekt Oprema" as of 31 December 2019 (Basis for Qualified Opinion Paragraph).</i></p> <p><i>Given the above and the fact that the cumulative audit qualifications in the consolidated financial statements of "Energoprojekt Oprema" Plc. Belgrade exceeds general audit materiality determined at the level of Group's consolidated financial statements, the qualifications were issued in the audit opinion on the consolidated financial statements of the Group as at 31 December 2019.</i></p>

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (Continued)

Key Audit Matters (Continued)

Internal Eliminations and Corrections in Sales of Machinery Performed Between the Members of the Group

Key Audit Matter	How our audit addressed the key audit matter
<p>Verification of internal eliminations and corrections of sales of machinery transactions performed during 2019, between two subsidiaries the "Energoprojekt Visokogradnja" Plc., Belgrade acted as seller and "Energoprojekt Niskogradnja" Plc., Belgrade as buyer for consolidation purpose, was a key audit matter during the audit of the Group's consolidated financial statements as at 31 December 2019. It is about material significant transactions that have specific treatment in the consolidation process.</p>	<p>By audit procedures during the audit of the consolidated financial statements in relation to the identified key matters, we have confirmed that all procedures related to identified key matter during the preparation of consolidated financial statements of the Group were properly performed. We present them below:</p> <p>The elimination of internal gains realized in sales of machinery between "Energoprojekt Visokogradnja" and "Energoprojekt Niskogradnja", was checked. From the Groups, treatment the figures are unrealized gains and thus Group's current result is reduced by the same with simultaneous decrease in value of mechanization.</p> <p>At the same time, it was verified whether the consolidation procedure correctly determined the effect of correction, which is the difference between the amount of depreciation calculated on the value of machinery after internal sales and the amount of depreciation that would be determined (taking into account additional investments during 2019) if the machinery was not sold to "EP Niskogradnja". From the Group's treatment, the figures are unrealized losses and thus Group's current result is increased with simultaneous increase in value of mechanization.</p> <p>In addition, a corrections during consolidation in respects of reversal of revaluation reserves at the time of internal sale, was checked. Since the mechanization was not sold externally, the revaluation reserves that were reversed at the time of sale, were re-formed during consolidation and thus Group's current result is reduced as regard. During implementation of our procedure, cases were machinery purchased from "Energoprojekt Visokogranje" during 2019 was sold to external buyers, was taken into account.</p>

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (Continued)

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the current accounting regulations in effect in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Persons authorized for management are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;*
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;*
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;*
- Conclude on the appropriateness of the Management use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;*
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.*

INDEPENDENT AUDITOR'S REPORT

To the shareholders of "Energoprojekt Holding" Plc., Belgrade (Continued)

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Continued)

We communicate with the Management regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current reporting period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter, or when, in extremely rare circumstances, we determine that a matter should not be communicated in the auditor's report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Information

Compliance of the 2019 Annual Business Report with the Consolidated Financial Statements

Management is responsible for other information. Other information is all information provided in the 2019 Annual Business Report, other than the consolidated financial statements and the Auditor's Report. Our opinion on the consolidated financial statements does not cover other information and we do not provide assurance thereon.

Pursuant to the requirements of the Law on Auditing of the Republic of Serbia and Rulebook on Conditions for Auditing Financial Statements of Public Enterprises, we have checked the compliance of the Annual Business Report and the consolidated Financial Statements of the Group.

In conjunction with our audit, it is our responsibility, in accordance with the International Standards on Auditing 720 - Auditor's Responsibility Relating to Other Information, to read this other information and to assess whether based on knowledge gained during our audit, it contains any material inconsistencies with the consolidated financial statements or any apparent material misstatement of fact. If we conclude that there is a material misstatement of fact in other information, we must report that fact. We have nothing to report in this regard.

Belgrade, 30 April 2020

„MOORE STEPHENS
Revizija i Računovodstvo“ d.o.o. Beograd
4 Studentski Trg, 5th floor

Bogoljub Aleksić
Managing Partner



CONSOLIDATED BALANCE SHEET
as at 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED CAPITAL UNPAID	0001		-	-	-
	B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)	0002		15.244.845	15.550.522	-
01	I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003		63.899	50.149	-
010 & part 019	1. Investments in development	0004		-	-	-
011, 012 & part 019	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	25.	63.429	50.149	-
013 & part 019	3. Goodwill	0006		-	-	-
014 & part 019	4. Other intangible assets	0007		-	-	-
015 & part 019	5. Intangible assets in progress	0008	25.	470	-	-
016 & part 019	6. Advances paid on intangible assets	0009		-	-	-
02	II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010		12.741.255	13.153.191	-
020, 021 & part 029	1. Land	0011	26.	633.593	633.472	-
022 & part 029	2. Buildings	0012	26.	6.816.541	6.829.710	-
023 & part 029	3. Plant and equipment	0013	26.	2.329.260	2.661.662	-
024 & part 029	4. Investment property	0014	26.	2.837.068	2.896.942	-
025 & part 029	5. Other property, plant and equipment	0015	26.	68.304	79.404	-
026 & part 029	6. Property, plant and equipment in progress	0016	26.	2.641	1.536	-
027 & part 029	7. Investments in property, plant and equipment, not owned	0017	26.	4.184	5.566	-
028 & part 029	8. Advances paid on property, plant and equipment	0018	26.	49.664	44.899	-
03	III. NATURAL ASSETS (0020+0021+0022+0023)	0019		-	-	-
030, 031 & part 039	1. Forests and growing crops	0020		-	-	-
032 & part 039	2. Livestock	0021		-	-	-
037 & part 039	3. Natural assets in progress	0022		-	-	-
038 & part 039	4. Advances paid for natural assets	0023		-	-	-
04, excl. 047	IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024		1.101.822	1.030.217	-
040 & part 049	1. Shares in subsidiaries	0025		-	-	-
041 & part 049	2. Shares in affiliated companies and joint ventures	0026	27.	729.439	729.159	-
042 & part 049	3. Shares in other companies and other available for sale securities	0027	27.	31.116	44.346	-
part 043, part 044 & part 049	4. Long term investments in parent companies and subsidiaries	0028		-	-	-
part 043, part 044 & part 049	5. Long term investments in other affiliated companies	0029		-	-	-
part 045 & part 049	6. Long term investments, domestic	0030		-	-	-
part 045 & part 049	7. Long term investments, foreign countries	0031		-	-	-
046 & part 049	8. Securities held to maturity	0032		-	-	-
048 & part 049	9. Other long term financial investments	0033		341.267	256.712	-
05	V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		1.337.869	1.316.965	-
050 & part 059	1. Receivables from parent company and subsidiaries	0035		-	-	-
051 & part 059	2. Receivables from other affiliated companies	0036		-	-	-
052 & part 059	3. Receivables from credit sales	0037		-	-	-
053 & part 059	4. Receivables from financial leasing contracts	0038		-	-	-
054 & part 059	5. Receivables from pledged assets	0039		-	-	-
055 & part 059	6. Bad debts and uncollectible claims	0040		-	-	-
056 & part 059	7. Other long term receivables	0041	28.	1.337.869	1.316.965	-
288	C. DEFERRED TAX ASSETS	0042		-	-	-
	D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)	0043		23.531.725	23.479.118	-
Class 1	I. INVENTORIES (0045+0046+0047+0048+0049+0050)	0044		5.671.082	4.980.274	-
10	1. Material ,parts, tools and small inventories	0045	29.	927.165	1.047.453	-
11	2. Work and services in progress	0046	29.	2.555.541	1.643.413	-
12	3. Finished products	0047	29.	605.909	1.331.456	-
13	4. Goods	0048	29.	21.980	23.513	-
14	5. Non-current assets held for sale	0049	29.	109.157	163.588	-
15	6. Advances paid for inventories and services	0050	29.	1.451.330	770.851	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
20	II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	0051		8.089.534	9.034.033	-
200 & part 209	1. Local buyers - parent company and subsidiaries	0052		-	-	-
201 & part 209	2. Foreign buyers - parent company and subsidiaries	0053		-	-	-
202 & part 209	3. Local buyers - other affiliated companies	0054	30.	25.254	3.580	-
203 & part 209	4. Foreign buyers - other affiliated companies	0055	30.	561.160	693.084	-
204 & part 209	5. Local buyers	0056	30.	2.665.120	3.331.261	-
205 & part 209	6. Foreign buyers	0057	30.	4.838.000	5.006.108	-
206 & part 209	7. Other receivables from sales	0058		-	-	-
21	III. RECEIVABLES FROM SPECIAL TRANSACTIONS	0059	31.	55.058	106.499	-
22	IV. OTHER RECEIVABLES	0060	32.	545.638	619.191	-
236	V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	0061		-	-	-
23 excl. 236 & 237	VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	0062		1.383.706	1.437.696	-
230 & part 239	1. Short term loans and investments - parent company and subsidiaries	0063		-	-	-
231 & part 239	2. Short term loans and investments - other affiliated companies	0064	33.	76.521	157.836	-
232 & part 239	3. Short term credits and loans, domestic	0065		-	17.807	-
233 & part 239	4. Short term credits and loans, foreign countries	0066	33.	853	-	-
234, 235, 238 & part 239	5. Other short term financial investments	0067	33.	1.306.332	1.262.053	-
24	VII. CASH AND CASH EQUIVALENTS	0068	34.	2.454.112	2.076.921	-
27	VIII. VALUE ADDED TAX	0069	35.1.	74.967	360.314	-
28 excl. 288	IX. PREPAYMENTS AND ACCRUED INCOME	0070	35.2.	5.257.628	4.864.190	-
	E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)	0071		38.776.570	39.029.640	-
88	F. OFF-BALANCE SHEET ASSETS	0072	44.	19.702.786	16.454.238	-
	CAPITAL AND LIABILITIES					
	A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401		19.588.632	19.773.552	-
30	I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402		5.818.025	5.818.025	-
300	1. Share capital	0403	36.1.	5.574.959	5.574.959	-
301	2. Shares of limited liability companies	0404		-	-	-
302	3. Investments	0405		-	-	-
303	4. State owned capital	0406		-	-	-
304	5. Socially owned capital	0407		-	-	-
305	6. Shares of cooperatives	0408		-	-	-
306	7. Issuing premium	0409	36.1.	162.693	162.693	-
309	8. Other share capital	0410	36.1.	80.373	80.373	-
31	II. SUBSCRIBED CAPITAL UNPAID	0411		-	-	-
047 & 237	III. TREASURY SHARES REPURCHASED	0412	36.2.	49.827	49.827	-
32	IV. RESERVES	0413	36.3.	453.602	453.585	-
330	V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	36.4.	5.973.916	6.019.554	-
33 excl. 330	VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415	36.5.	265.202	266.806	-
33 excl. 330	VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	36.6.	17.055	3.824	-
34	VIII. RETAINED EARNINGS (0418+0419)	0417		7.050.068	7.150.182	-
340	1. Retained earnings from previous years	0418	36.7.	6.405.182	6.400.076	-
341	2. Retained earnings from current year	0419	36.7.	644.886	750.106	-
	IX. NON-CONTROLLING INTEREST	0420	36.8.	94.701	119.051	-
35	X. LOSSES (0422+0423)	0421		-	-	-
350	1. Losses from previous years	0422		-	-	-
351	2. Losses from current year	0423		-	-	-
	B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)	0424		2.455.885	1.031.587	-
40	I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425		893.788	785.134	-
400	1. Provisions for warranty costs	0426	37.	606.134	501.487	-
401	2. Provisions for recovery of natural resources	0427		-	-	-
403	3. Provisions for restructuring costs	0428		-	-	-
404	4. Provisions for wages and other employee benefits	0429	37.	285.334	283.647	-
405	5. Provisions for legal expenses	0430	37.	2.320	-	-
402 & 409	6. Other long term provisions	0431		-	-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total		
				Current year	Previous year	
					Closing balance on 31.12.2018.	Opening balance on 01.01.2018.
1	2	3	4	5	6	7
41	II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		1.562.097	246.453	-
410	1. Liabilities convertible into capital	0433		-	-	-
411	2. Liabilities to parent company and subsidiaries	0434		-	-	-
412	3. Liabilities to other affiliated companies	0435	38.1.	1.196.624	-	-
413	4. Liabilities for issued securities for more than one year	0436		-	-	-
414	5. Long term credits and loans, domestic	0437		-	17.729	-
415	6. Long term credits and loans, foreign countries	0438	38.2.	203.021	200.062	-
416	7. Long term liabilities from financial leasing	0439	38.3.	5.405	10.498	-
419	8. Other long term liabilities	0440	38.4.	157.047	18.164	-
498	C. DEFERRED TAX LIABILITIES	0441	43.4	752.482	760.118	-
42 to 49 (excl. 498)	D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)	0442		15.979.571	17.464.383	-
42	I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443		4.250.885	7.348.070	-
420	1. Short term loans from parent company and subsidiaries	0444		-	-	-
421	2. Short term loans from other affiliated companies	0445		-	-	-
422	3. Short term credits and loans, domestic	0446	39.1.	3.681.150	5.946.760	-
423	4. Short term credits and loans, foreign countries	0447	39.2.	429.149	757.440	-
427	5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		-	-	-
424,425,426 & 429	6. Other short term financial liabilities	0449	39.3.	140.586	643.870	-
430	II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	40.	5.020.314	1.916.617	-
43 excl. 430	III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451		4.464.353	4.972.564	-
431	1. Suppliers - parent company and subsidiaries, local	0452		-	-	-
432	2. Suppliers - parent company and subsidiaries, foreign countries	0453		-	-	-
433	3. Suppliers - other affiliated companies, local	0454	41.	83.250	151.071	-
434	4. Suppliers - other affiliated companies, foreign countries	0455	41.	5.777	5.807	-
435	5. Suppliers, local	0456	41.	2.786.730	3.360.287	-
436	6. Suppliers, foreign countries	0457	41.	1.585.830	1.446.832	-
439	7. Other operating liabilities	0458	41.	2.766	8.567	-
44, 45 & 46	IV. OTHER SHORT TERM LIABILITIES	0459	42.	873.835	1.042.252	-
47	V. VALUE ADDED TAX	0460	43.1.	163.963	198.398	-
48	VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	43.2.	52.331	742.061	-
49 excl. 498	VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	43.3.	1.153.890	1.244.421	-
	D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402) ≥ 0 = (0441+0424+0442-0071) ≥ 0	0463		-	-	-
	E. TOTAL CAPITAL AND LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464		38.776.570	39.029.640	-
89	F. OFF-BALANCE SHEET LIABILITIES	0465	44.	19.702.786	16.454.238	-

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



Poljens

[Signature]

CONSOLIDATED INCOME STATEMENT
from 01.01. until 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. INCOME FROM NORMAL ACTIVITIES				
60 to 65, excl. 62 & 63	A. OPERATING INCOME (1002+1009+1016+1017)	1001		26.454.843	23.122.123
60	I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002		202.080	177.686
600	1. Income from sale of goods to parent company and subsidiaries on local market	1003		-	-
601	2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004		-	-
602	3. Income from sale of goods to other affiliated companies on local market	1005		-	-
603	4. Income from sale of goods to other affiliated companies on foreign markets	1006		-	-
604	5. Income from sale of goods on local market	1007	11.1.	142.487	92.720
605	6. Income from sale of goods on foreign markets	1008	11.1.	59.593	84.966
61	II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009		26.085.289	22.646.845
610	1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010		-	-
611	2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011		-	-
612	3. Income from sale of finished products and services to other affiliated companies on local market	1012	11.2.	47.230	-
613	4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013	11.2.	155.158	134.284
614	5. Income from sale of finished products and services on local market	1014	11.2.	17.197.430	12.527.570
615	6. Income from sale of finished products and services on foreign markets	1015	11.2.	8.685.471	9.984.991
64	III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016		-	43
65	IV. OTHER OPERATING INCOME	1017	11.3.	167.474	297.549
	EXPENSES FROM NORMAL ACTIVITIES				
55 to 55, 62 & 63	B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0	1018		25.774.621	23.079.743
50	I. COST PRICE OF GOODS SOLD	1019	12.	204.552	159.236
62	II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020	13.	20.197	30.360
630	III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021	13.	943.370	896.716
631	IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022	13.	756.117	653.613
51 excl. 513	V. MATERIAL COSTS	1023	14.	3.677.586	3.986.851
513	VI. FUEL AND ENERGY COSTS	1024	14.	733.997	1.033.639
52	VII. EMPLOYEE EXPENSES AND BENEFITS	1025	15.	7.361.902	7.505.366
53	VIII. PRODUCTION SERVICE COSTS	1026	16.	11.864.211	8.058.178
540	IX. DEPRECIATION EXPENSES	1027	17.	563.863	683.566
541 to 549	X. PROVISION EXPENSES	1028	17.	233.036	55.375
55	XI. INTANGIBLE EXPENSES	1029	18.	1.342.924	1.870.995
	C. OPERATING INCOME (1001-1018) ≥ 0	1030		680.222	42.380
	D. OPERATING LOSSES (1018-1001) ≥ 0	1031		-	-
66	E. FINANCIAL REVENUES (1033+1038+1039)	1032		665.269	770.753
66, excl. 662, 663 & 664	I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033		172.721	133.794
660	1. Financial income from parent company and subsidiaries	1034		-	-
661	2. Financial income from other affiliated companies	1035	19.1.	17.885	10.369
665	3. Share of profits in associated companies and joint ventures	1036	19.1.	73.743	67.382
669	4. Other financial revenues	1037	19.1.	81.093	56.043
662	II. INTEREST INCOME (THIRD PARTY)	1038	19.1.	128.492	128.491
663 & 664	III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	19.1.	364.056	508.468
56	F. FINANCIAL EXPENSES (1041+1046+1047)	1040		558.111	760.584
56, excl. 562, 563 & 564	I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		45.461	12.168
560	1. Financial expenses from transactions with parent company and subsidiaries	1042		-	-
561	2. Financial expenses from transactions with other affiliated companies	1043	19.2.	45.060	2.364
565	3. Share of losses in affiliated companies and joint ventures	1044		-	9.748
566 & 569	4. Other financial expenditure	1045	19.2.	401	56
562	II. INTEREST EXPENSES (THIRD PARTY)	1046	19.2.	266.491	364.532
563 & 564	III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	19.2.	246.159	383.884
	G. FINANCIAL GAINS (1032-1040)	1048		107.158	10.169
	H. FINANCIAL LOSSES (1040-1032)	1049		-	-

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
683 & 685	I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1050	20.1.	112.810	9.862
583 & 585	J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT	1051	20.2.	121.393	46.120
67 & 68, excl. 683 & 685	K. OTHER INCOME	1052	21.1.	303.316	1.367.763
57 & 58, excl. 583 & 585	L. OTHER EXPENSES	1053	21.2.	297.044	333.411
	M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)	1054		785.069	1.050.643
	N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)	1055		-	-
69-59	O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1056	22.	18.205	-
59-69	P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS	1057		-	56.176
	Q. PROFIT BEFORE TAX (1054-1055+1056-1057)	1058	23.	803.274	994.467
	R. LOSSES BEFORE TAX (1055-1054+1057-1056)	1059		-	-
	S. INCOME TAX				
721	I. TAXABLE EXPENSES FOR THE PERIOD	1060		169.741	261.192
part 722	II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061		-	18.490
part 722	III. DEFERRED TAX INCOME FOR THE PERIOD	1062		7.316	-
723	T. MANAGEMENT EARNINGS	1063		-	-
	U. NET PROFIT (1058-1059-1060-1061+1062-1063)	1064		640.849	714.785
	V. NET LOSSES (1059-1058+1060+1061-1062+1063)	1065		-	-
	I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066		55.437	269.192
	II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067		585.412	445.593
	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		-	-

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



[Handwritten signature]

Name

ENERGOPROJEKT HOLDING PLC, BELGRADE

CONSOLIDATED STATEMENT OF OTHER RESULTS
from 01.01. until 31.12.2019.

RSD thousand

Account class, account	DESCRIPTION	EDP	Note No.	Total	
				Current year	Previous year
1	2	3	4	5	6
	A. NET OPERATING RESULTS				
	I. NET PROFIT (EDP 1064)	2001		640.849	714.785
	II. NET LOSSES (EDP 1065)	2002			
	B. OTHER COMPREHENSIVE RESULTS OR LOSSES				
	a) Items not reclassifiable in the balance sheet in future periods				
330	1. Change of revaluation of intangibles, property, plant and equipment				
	a) increase in revaluation reserves	2003		62.774	146.397
	b) decrease in revaluation reserves	2004			105.214
331	2. Actuarial gains or losses from defined income plans				
	a) gains	2005			
	b) losses	2006			
332	3. Gains and losses from equity instrument investments				
	a) gains	2007			
	b) losses	2008			
333	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				
334	1. Gains and losses from translation of financial statements for foreign operations				
	a) gains	2011		30.029	165.846
	b) losses	2012		31.633	13.464
335	2. Gains and losses from hedging of net investments in foreign operations				
	a) gains	2013			
	b) losses	2014			
336	3. Gains and losses from cash flow hedging				
	a) gains	2015			
	b) losses	2016			
337	4. Gains and losses from available for sale securities				
	a) gains	2017		1.091	14.807
	b) losses	2018		14.322	
	I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		47.939	208.372
	II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020			
	III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021			5.096
	IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		47.939	203.276
	V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023			
	C. TOTAL COMPREHENSIVE NET RESULTS FOR THE PERIOD				
	I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024		688.788	918.061
	II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025			
	D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 > 0	2026		688.788	918.061
	1. Payable to majority shareholders	2027		628.389	785.488
	2. Payable to non-controlling shareholders	2028		60.399	132.573

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company



CONSOLIDATED CASH FLOW STATEMENT
from 01.01. until 31.12.2019.

RSD thousand

Description	EDP	Total	
		Current year	Previous year
1	2	3	4
A. CASH FLOWS FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 3)	3001	32.627.006	26.773.888
1. Sales and prepayments	3002	31.552.755	25.558.427
2. Interests from operating activities	3003	50.734	77.454
3. Other inflow from normal operations	3004	1.023.517	1.138.007
II. Cash outflow from operating activities (1 to 5)	3005	29.573.676	25.681.227
1. Payments to suppliers and prepayments	3006	19.983.398	16.319.830
2. Employee expenses and benefits	3007	7.349.374	7.517.016
3. Interests paid	3008	285.083	361.138
4. Income tax	3009	863.632	323.608
5. Payments based on other public revenues	3010	1.092.189	1.159.635
III. Net cash inflow from operating activities (I-II)	3011	3.053.330	1.092.661
IV. Net cash outflow from operating activities (II-I)	3012	-	-
B. CASH FLOWS FROM INVESTING ACTIVITIES			
I. Cash inflow from investing activities (1 to 5)	3013	1.109.626	931.224
1. Sale of shares and stocks (net inflow)	3014	-	780.683
2. Sale of intangible investments, property, plant, equipment and natural assets	3015	54.172	93.854
3. Other financial investments (net inflow)	3016	1.018.868	-
4. Interest received from investment activities	3017	12.140	24.797
5. Dividends received	3018	24.446	31.890
II. Cash outflow from investing activities (1 to 3)	3019	832.517	233.922
1. Purchase of shares and stocks (net outflow)	3020	714.596	-
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	117.921	119.251
3. Other financial investments (net outflow)	3022	-	114.671
III. Net cash inflow from investing activities (I-II)	3023	277.109	697.302
IV. Net cash outflow from investing activities (II-I)	3024	-	-
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflow from financing activities (1 to 5)	3025	176.396	479
1. Equity increase	3026	-	-
2. Long term loans (net inflow)	3027	176.211	-
3. Short term loans (net inflow)	3028	-	-
4. Other long term liabilities	3029	139	272
5. Other short term liabilities	3030	46	207
II. Cash outflow from financing activities (1 to 6)	3031	3.216.727	2.647.637
1. Repurchase of own shares and stocks	3032	-	-
2. Long term loans (net outflow)	3033	-	-
3. Short term loans (net outflow)	3034	3.136.137	2.268.891
4. Other liabilities	3035	33.196	16.705
5. Financial leasing	3036	34.878	61.919
6. Dividends paid	3037	12.516	300.122
III. Net cash inflow from financing activities (I -II)	3038	-	-
D. Net cash outflow from financing activities (II-I)	3039	3.040.331	2.647.158
E. TOTAL CASH INFLOW (3001+3013+3025)	3040	33.913.028	27.705.591
F. TOTAL CASH OUTFLOW (3005+3019+3031)	3041	33.622.920	28.562.786
G. NET CASH INFLOW (3040-3041)	3042	290.108	-
H. NET CASH OUTFLOW (3041-3040)	3043	-	857.195
I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD	3044	2.076.921	2.953.758
J. EXCHANGE RATE GAINS FROM CASH TRANSLATION	3045	113.222	70.787
K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION	3046	26.139	90.429
L. CASH BALANCE AT END OF REPORTING PERIOD (3042-3043+3044+3045-3046)	3047	2.454.112	2.076.921

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
as at 31.12.2019.

No.	DESCRIPTION	Equity component															
		EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 & 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP	331 Actuarial gains or losses
1	2		3		4		5		6		7		8		9		10
1	Opening balance on 01.01.2018.																
	a) debit balance	4001	-	4019	-	4037	-	4055	-	4073	49.827	4091	-	4109	-	4127	-
	b) credit balance	4002	5.982.522	4020	-	4038	454.450	4056	-	4074	-	4092	6.881.068	4110	6.110.601	4128	-
2	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4003	-	4021	-	4039	-	4057	-	4075	-	4093	-	4111	-	4129	-
	b) adjustment of credit balance	4004	-	4022	-	4040	-	4058	-	4076	-	4094	-	4112	-	4130	-
3	Adjustment of opening balance on 01.01.2018.																
	a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005	-	4023	-	4041	-	4059	-	4077	49.827	4095	-	4113	-	4131	-
	b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	5.982.522	4024	-	4042	454.450	4060	-	4078	-	4096	6.881.068	4114	6.110.601	4132	-
4	Changes in previous 2018. year																
	a) debit balance activity	4007	45.446	4025	-	4043	914	4061	-	4079	-	4097	619.071	4115	244.419	4133	-
	b) credit balance activity	4008	-	4026	-	4044	49	4062	-	4080	-	4098	888.185	4116	153.372	4134	-
5	Closing balance previous year at 31.12.2018.																
	a) debit balance (3a+4a-4b) ≥ 0	4009	-	4027	-	4045	-	4063	-	4081	49.827	4099	-	4117	-	4135	-
	b) credit balance (3b-4a+4b) ≥ 0	4010	5.937.076	4028	-	4046	453.585	4064	-	4082	-	4100	7.150.182	4118	6.019.554	4136	-
6	Adjustment for materially significant errors and changes in accounting policies																
	a) adjustment of debit balance	4011	-	4029	-	4047	-	4065	-	4083	-	4101	-	4119	-	4137	-
	b) adjustment of credit balance	4012	-	4030	-	4048	-	4066	-	4084	-	4102	-	4120	-	4138	-
7	Adjustment of opening balance current year at 01.01.2019.																
	a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013	-	4031	-	4049	-	4067	-	4085	49.827	4103	-	4121	-	4139	-
	b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	5.937.076	4032	-	4050	453.585	4068	-	4086	-	4104	7.150.182	4122	6.019.554	4140	-
8	Changes in current 2019. year																
	a) debit balance activity	4015	24.350	4033	-	4051	-	4069	-	4087	-	4105	865.373	4123	120.267	4141	-
	b) credit balance activity	4016	-	4034	-	4052	17	4070	-	4088	-	4106	765.259	4124	74.629	4142	-
9	Closing balance at 31.12.2019.																
	a) debit balance (7a+8a-8b) ≥ 0	4017	-	4035	-	4053	-	4071	-	4089	49.827	4107	-	4125	-	4143	-
	b) credit balance (7b-8a+8b) ≥ 0	4018	5.912.726	4036	-	4054	453.602	4072	-	4090	-	4108	7.050.068	4126	5.973.916	4144	-

Belgrade,

Date: 16.04.2020.

Name ENERGOPROJEKT HOLDING PLC, BELGRADE

RSD thousand

No.	DESCRIPTION	Other results component								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		
		EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from share of other profits and losses of affiliates	EDP	334 & 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
1	2		11		12		13		14		15		16		17
1	Opening balance on 01.01.2018. a) debit balance b) credit balance	4145	-	4163	-	4181	-	4199	-	4217	18.631	4235	19.474.607	4244	-
		4146	-	4164	-	4182	114.424	4200	-	4218	-				
2	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4147	-	4165	-	4183	-	4201	-	4219	-	4236		4245	-
		4148	-	4166	-	4184	-	4202	-	4220	-				
3	Adjustment of opening balance on 01.01.2018. a) adjustment of debit balance (1a+2a-2b) ≥ 0 b) adjustment of credit balance (1b-2a+2b) ≥ 0	4149	-	4167	-	4185	-	4203	-	4221	18.631	4237	19.474.607	4246	-
		4150	-	4168	-	4186	114.424	4204	-	4222	-				
4	Changes in previous 2018. year a) debit balance activity b) credit balance activity	4151	-	4169	-	4187	13.464	4205	-	4223	-	4238		4247	-
		4152	-	4170	-	4188	165.846	4206	-	4224	14.807				
5	Closing balance previous year at 31.12.2018. a) debit balance (3a+4a-4b) ≥ 0 b) credit balance (3b-4a+4b) ≥ 0	4153	-	4171	-	4189	-	4207	-	4225	3.824	4239	19.773.552	4248	-
		4154	-	4172	-	4190	266.806	4208	-	4226	-				
6	Adjustment for materially significant errors and changes in accounting policies a) adjustment of debit balance b) adjustment of credit balance	4155	-	4173	-	4191	-	4209	-	4227	-	4240		4249	-
		4156	-	4174	-	4192	-	4210	-	4228	-				
7	Adjustment of opening balance current year at 01.01.2019. a) adjustment of debit balance (5a+6a-6b) ≥ 0 b) adjustment of credit balance (5b-6a+6b) ≥ 0	4157	-	4175	-	4193	-	4211	-	4229	3.824	4241	19.773.552	4250	-
		4158	-	4176	-	4194	266.806	4212	-	4230	-				
8	Changes in current 2019. year a) debit balance activity b) credit balance activity	4159	-	4177	-	4195	31.633	4213	-	4231	14.322	4242		4251	
		4160	-	4178	-	4196	30.029	4214	-	4232	1.091				
9	Closing balance at 31.12.2019. a) debit balance (7a+8a-8b) ≥ 0 b) credit balance (7b-8a+8b) ≥ 0	4161	-	4179	-	4197	-	4215	-	4233	17.055	4243	19.588.632	4252	-
		4162	-	4180	-	4198	265.202	4216	-	4234	-				

Belgrade,

Date: 16.04.2020.

Legal Representative of the Company




**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
ENERGOPROJEKT HOLDING PLC
FOR 2019**

Belgrade, April 2020

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1. COMPANY BACKGROUND

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

- 11 subsidiary companies in the country, 10 of which are direct subsidiaries (8 share-based and 2 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, and
- 7 direct subsidiaries abroad.

Subsidiary companies comprise of operating units for investments work and branch offices in foreign countries (the total of 96) 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.

During the reporting period and according to business activities, the companies within Energoprojekt were organized in the following manner:

Activity	No. of entities in the country	No. of business units for investment works and branch offices abroad	No. of entities abroad
Planning and research	4	42	5
Construction and fitting	6	54	13
Holding	1		
Other	3		4
Total	14	96	22

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

In 2019, the average number of employees within group for consolidation of Energoprojekt Holding Plc. (further in text: also system Energoprojekt), based on the actual number of employees at the end of each month, was 1,841 (compared to 2,129 in 2018), not including the local workforce in foreign entities.

The Energoprojekt Holding shares are Prime-Listed on the Belgrade Stock Exchange and these are traded in a regulated stock market.

Financial statements for 2019 that are subject to these Notes are **consolidated financial statements of the Energoprojekt Holding Plc.** approved by the Supervisory Board of the Company, on April 30, 2020 in the 87. meeting of Supervisory Board of the Company and are subject of audit conducted by an independent auditor.

Comparable data and opening balance consist of data incorporated in consolidated financial statements for 2018, which were audited by independent external auditor.

The Company's management assesses that companies within consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in the business, and thus the consolidated financial statements for 2019 are prepared in accordance with the going concern.

2. CONSOLIDATION GROUP

The consolidation group of the Energoprojekt Holding Plc. (hereinafter: the System Energoprojekt) consists of parent company Energoprojekt Holding and its local subsidiaries, joint venture and related parties and foreign subsidiary companies listed below:

Local subsidiaries, joint ventures and related parties

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.	99.95
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	42.36
	(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)	

Joint ventures

Building Construction and Fitting

12.	Enjub Ltd.	50.00
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In 2018, from the consolidation group Energoprojekt Holding Plc., the company Energoprojekt Promet Ltd. was excluded due since 2010 it has been dormant company. Energoprojekt Promet Ltd. since then has not performed any activities, has not owned any assets, and that from 2019, the Serbian Business Registers Agency (SBRA) initiated a procedure of enforced liquidation for all companies that have not submitted financial statements in accordance with the accounting regulations for the last two consecutive years preceding the year in which the financial statements are submitted. Energoprojekt Promet Ltd. does

not submit financial statements to SBRA starting from the financial statements for 2017.

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. Although Energoprojekt Holding (indirectly) has a share of 42.36%, Energoplast Ltd., the consolidated financial statements of Energoprojekt Holding a.d. included Energoplast Ltd. financial statements by fully consolidation, given the fact that Energoprojekt Holding, indirectly, has controlled Energoplast (although it does not have majority owner).

On the occasion of inclusion of the Energoprojekt Holding Plc. joint venture company Enjub Ltd. in compliance with IFRS 11 - Joint Arrangements, equity method was applied.

In 2019, affiliated company CEF Fima Southern Europe Activist Plc. Belgrade - in liquidation was liquidated and deleted from the Register of Business Entities and the Central Securities Register (Note 27).

Subsidiaries abroad - overseas companies

No.	Company Name	% ownership
<i>Subsidiary Companies</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, Libanon	100.00

On 30 July 2019, Energoprojekt Holding sold its entire shareholding in the subsidiary Encom GmbH Consulting, Engineering & Trading, Germany (100.00%) (Note 21.2).

A number of above listed overseas companies (Energoprojekt Holding Guinee S.A., Guinea, 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 and foreign subsidiaries, Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Industrija, Energoprojekt Entel, Energoprojekt Hidroinženjering, Energoprojekt Energodata and Zambia Engineering and Contracting Company Limited, Zambia are at the same time parent companies that prepare consolidated financial statements, so that their subsidiary and related parties 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, Bahrain	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 (24.92%)	EP Oprema Plc.
Domestic		
<i>Affiliated Local Companies</i>		
<i>Other</i>		
16.	Energopet Ltd. (33.33 %)	EP Industrija Plc.

The company OOO Belgrade, Belarus ceased operations on 21 November 2019 when the company was closed by liquidation in accordance with the Decision of the City Executive Committee of the City of Minsk on exclusion from the unified state register of legal entities and entrepreneurs.

The Company's management estimates that the companies that make up the consolidation group of Energoprojekt Holding Plc. continue to operate for an indefinite period of time and does not expect significant changes in operations, so in accordance with such an assessment, the consolidated financial statements of Energoprojekt Holding Plc. for 2019 are prepared on a going concern principle.

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 and 30/2018– 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 ("Official Gazette of RS", No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 - other law, 142/2014, 91/2015 - authentic interpretation, 112/2015, 113/2017, 95/2018 and 86/2019);
- Law on Added Value Tax ("Official Gazette of RS", No. 84/2004, 86/2014 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 5/2015, 83/2015, 108/2016, 113/2017, 30/2018 and 72/2019);
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 20/2014, 41/2015, 101/2016, 8/2019 and 94/2019);
- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax ("Official Gazette of RS", No. 30/2015, 101/2016, 44/2018 – other laws, 8/2019 and 94/2019);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes ("Official Gazette of RS", No. 116/2004, 99/2010, 104/2018 and 8/2019);

- Rules on Transfer Pricing and Methods Applied in compliance with the “arm’s length” principle in determining the price of transactions among related parties ("Official Gazette of RS", No. 61/2013, 8/2014 and 94/2019) and others.

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 November 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.

Basic accounting policies applied in preparation of these financial statements were listed in the Note no. 7.

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 and 30/2018) , the financial statements in the Republic of Serbia 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.

Published standards and interpretations in force in the previous and current period that have not yet been officially translated or adopted

On the day of publication of these financial statements, below stated standards as well as the amendments thereto were issued by the International Accounting Standards Board, and the following interpretations were published by the International Financial Reporting Standards' Interpretations Committee, but have not yet been officially adopted in the Republic of Serbia:

- Amendments to IAS 32 "Financial Instruments: Presentation" - Offsetting Financial Assets and Financial Liabilities (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of Interests in Other Entities" and IAS 27 "Separate Financial Statements" - Exemption of subsidiaries from consolidation under IFRS 10 (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IAS 36 "Impairment of Assets" - Recoverable Amount Disclosures for Non-Financial Assets (effective for the annual periods beginning on or after 1 January, 2014);
- Amendments to IAS 19, Employee Benefits - Defined benefit plans (effective for annual periods beginning on or after 1 July, 2014);
- Annual improvements for the period from 2010 to 2012, which are the result of the Annual Qualitative Improvement Project IFRS (IFRS 2, IFRS 3, IFRS 8, IFRS 13, IAS 16, IAS 24 and IAS 38) in order to eliminate inconsistencies and clarify formulations (effective for annual periods beginning on or after 1 July 2014),
- Amendments to various standards (IFRS 1, IFRS 3, IFRS 13 and IAS 40) and interpretations to standards are part of the IASB's annual improvements project "Cycle 2011-2013" published by IASB in December 2013, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 July, 2014);
- Amendments to IFRS 11 "Joint Arrangements" - Accounting for acquisition of participation in joint businesses (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 38 "Intangible Assets" - Interpretation of the accepted methods of depreciation (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 16 "Property, Plant and Equipment" and IAS 41 "Agriculture" - Industrial plants (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 27 "Separate Financial Statements" - Equity method in separate financial statements (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" - The sale or transfer of assets between the investor and its associates or joint ventures (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IFRS 10 "Consolidated Financial Statements", IFRS 12 "Disclosure of interests in other entities" and IAS 28 "Investments in Associates and Joint Ventures" - investing companies: exception of application for consolidation (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 1 "Presentation of Financial Statements" - Initiative for disclosure (effective for annual periods beginning on or after 1 January, 2016);

- Amendments to various standards "Improvements IFRS" (for period from 2012 to 2014), which are the result of Project annual improvement IFRS (IFRS 5, IFRS 7, IAS 19, IAS 34) primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January, 2016);
- Amendments to IAS 7 "Cash Flow Statement" - request for disclosures that allow users to assess changes in liabilities arising from financing activities (effective from 1 January, 2017);
- Clarifications related to IAS 12 "Income Tax" aimed in reduction of diversity in practice when it is about deferred tax assets arise from unrealized losses (effective from 1 January, 2017);
- Amendments to IFRS 12 "Disclosures of Interests in Other Entities" (effective from 1 January, 2017);
- IFRS 16 "Lease" - published in January 2016, the application is for business periods beginning on or after 1 January, 2019. The standards will replace current IAS 17;
- IFRS 3 "Business Combinations" - a supplement relating to clarifications when one party acquires control in a previous joint venture. The change shall enter into force for business combinations whose date of purchase is on or after the first annual reporting period beginning on or after 1 January 2019. It may be contrary to amendments to IFRS 11;
- IFRIC 23 - interpretation relating to IAS 12. Interpretation shall enter into force on or after 1 January 2019, but an earlier application is permitted;
- Interpretations to IFRS 11 related to transactions in which entity obtains joint control on or after the beginning of the first annual reporting period beginning on or after 1 January 2019. This may be contrary to IFRS 3;
- Amendments to various standards and interpretations IFRS (IFRS 1 and IAS 28) which are part of the IFRS annual improvements project 2014-2016 cycle, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 2 "Share-based Payments" - clarifications on how to record certain types of share-based transactions (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 4 "Insurance Contracts" - amendments related to Implementation of IFRS 9 'Financial Instruments' (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IAS 40 "Investment Property" - clarification of the principle of classification of investment property (effective for annual periods beginning on or after 1 January 2018);
- Amendments to IFRS 9 „Financial Instruments“ - defining the conditions for measuring financial assets at amortized cost or at fair value through other comprehensive results (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" – clarification about recording of long-term investments in associates and joint ventures (effective for annual periods beginning on or after 1 January 2019);
- Amendments to various standards and interpretations IFRS (IFRS 3, IFRS 11, IAS 12, IAS 23) which are part of the IFRS annual improvements project 2015-2017 cycle, primarily through the elimination of inconsistencies and explanations of the text (effective for annual periods beginning on or after 1 January 2019);
- Amendments to IAS 19 Employee Benefits - defining how to calculate defined benefit plans when changes, limits, or settlements occur during the reporting period (effective for annual periods beginning on or after 1 January 2019).

Published standards and interpretations that have not yet come into force

On the day of publication of these financial statements, the following standards, their amendments and interpretations were published, but have not yet entered into force:

- IFRS 9 “Financial Instruments” and subsequent amendments, which replaces the requirements of IAS 39 “Financial Instruments: Recognition and Measurement”, relating to the classification and measurement of financial assets. Standard eliminates the existing categories of IAS 39 – Assets held to maturity, available for sale and loans and receivables. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted.

In accordance with IFRS 9, financial assets will be classified into one of two categories listed at initial recognition: financial assets measured at amortized cost or financial assets measured at fair value. A financial asset will be recognized at amortized cost if the following two criteria are met: assets related to the business model, which aims to apply the agreed cash flows and contractual terms provide a basis for payment on certain dates the cash flows that are solely the collection of principal and interest on the principal outstanding. All other assets will be valued at fair value.

Gains and losses on valuation of financial assets at fair value will be recognized in the income statement, except for investments in equity instruments with non trading, where IFRS 9 permits, at initial recognition, the selection of unchangeable later that all changes in fair value recognized in within other gains and losses in the statement of comprehensive income. The amount thus be recognized within the statement of comprehensive income will not be able later to be recognized in the income statement;

- IFRS 15 “Revenue from contracts with customers”, which defines the framework for the recognition of revenue. IFRS 15 supersedes IAS 18 “Revenue”, IAS 11 “Construction contracts”, IFRIC 13 “Customer loyalty programmes”, IFRIC 15 “Agreements for the construction of real estate”, IFRIC 18 “Transfers of assets from customers” and SIC-31 - Revenue – barter transactions involving advertising services”. IFRS 15 is effective for annual periods beginning on or after 1 January 2018, with earlier application permitted;
- Amendments to IFRS 4 relate to IFRS 9, applied before applying IFRS 17 that will replace IFRS 4;
- Amendments to IFRS 7 relate to IFRS 9;
- IFRS 17 replaces IFRS 4 - application to Financial Statements beginning 1 January 2021. Early application is conditioned by adoption of IFRS 9 and IFRS 15;
- Amendments to IFRS 3 “Business Combinations” - clarifying the definition of business (effective for annual periods beginning on or after 1 January 2020);
- Amendments to IAS 1 “Presentation of Financial Statements” and IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” - mainly elimination of inconsistencies and clarification of formulations (effective for annual periods beginning on or after 1 January 2020);
- Revised Conceptual Framework for Financial Reporting determines the objective of financial reporting, general purposes, qualitative characteristics of useful financial information, description of reporting entity and limitations, definitions of assets, liabilities, equity, income and expenses and additional guidelines, criteria for recognition of assets and liabilities in the financial statements and guidelines for derecognition, presentation and disclosure concepts and guidelines, equity maintenance concept (effective for annual periods beginning after 1 January 2020).

Despite all the above mentioned potential discrepancies, application of all changes of the above listed Standards would not bear any significant influence on the financial position of the system Energoprojekt or to the results of its operations.

4. MANAGEMENT ESTIMATION AND ASSESSMENT

Preparation of consolidated 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. The goal of this approach by management is to reach that achieved results do not differ significantly from the estimated ones (Note 7.1).

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 fulfils 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 variability 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 Group for consolidation of the System Energoprojekt, is presented in Note 2.

6. ACCOUNTING PRINCIPLES

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

- 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 („*Going Concern*“ principle).

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 that are applied in the preparation of these consolidated financial statements of Energoprojekt Holding Plc. are presented herein. These policies are consistently applied to all included years, unless otherwise stated.

Significant accounting policies applied to consolidated financial statements of the Energoprojekt Holding Plc. that are subject of these Notes and presented in the following text, are primarily based on the Rules on Accounting and Accounting Policies of the Company. If certain accounting aspects are not clearly defined in the Rules, the applied accounting policies are based on the current legislation.

According to aforementioned, from 01 January 2018, the companies within system Energoprojekt, apply prospectively, IFRIC Interpretation 22 - Foreign Currency Transactions and Advance Consideration adopted by IFRS Interpretations Committee at the end of 2016.

As for the general data, we are hereby noting that in compliance with IAS 21 – The Effects of Changes in Foreign Exchange Rates, the RSD is the **functional and presentation reporting currency** in consolidated financial statements of the Energoprojekt Holding Plc.

In preparation of consolidated financial statements of Energoprojekt Holding Plc., relevant provisions IAS 10 – Events after the Reporting period were considered. They refer to events that occur between the balance sheet date and the date when the financial statements were authorized for issue. More precisely, **for effects of the event that provide evidence on circumstances at the balance sheet date**, already recognized amounts in financial statements of the Company were corrected in order to mirror corrected events after the balance sheet date; and **for effects of the event that provide evidence on circumstances after the balance sheet date**, no adjustments of recognized amounts were applied, and if there were any, these Notes will disclose the nature of events and the valuation of their financial effects, or, if impossible to evaluate the financial effects thereof, it is disclosed that such estimate cannot be made.

7.1. Valuation

In preparation and presentation of financial statements in compliance with the requirements of the legal regulations in force in the Republic of Serbia, the Company management is required to use the best possible valuations and reasonable assumptions. Although, understandably, the actual future results may vary, valuations and assumptions are based on information available at the balance sheet date.

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

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

7.2. Effects of Foreign Exchange Rates

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

Official middle exchange rates of the National Bank of Serbia, at the balance sheet date, for foreign currencies used for the recalculation of monetary items in dinar counter value, are presented in the following table.

Official Middle Exchange Rates of the National Bank of Serbia

<i>Currency</i>	<i>31.12.2019</i>	<i>31.12.2018</i>
	<i>Amount in RSD</i>	
EUR 1	117.5928	118.1946
USD 1	104.9186	103.3893
GBP 1	137.5998	131.1816

Applied average FX rates for the Income Statement items in 2019 and 2018 were as follows:

<i>Currency</i>	<i>31.12.2019</i>	<i>31.12.2018</i>
	<i>Amount in RSD</i>	
EUR 1	117.8524	118.2716
USD 1	105.2762	100.2784
GBP 1	134.3444	133.6401

7.3. Income

Incomes in accordance with IAS 18 - Revenues, comprise income from economic benefits in the respective period that lead to the increase in capital, other than the increase that relate to investments from existing equity holders, and are measured according to the fair value of received or claimed benefits.

Incomes include: operating revenues, financial revenues, other revenues (including also revenues from the property value adjustment), and net profit from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous years.

Among the **operating incomes**, the most important are the sales revenues from the sales of goods, products and services, and as other revenues the following may appear: income from the own use of products, services and merchandize, increase of finished goods, work in progress and services in progress (if there were any reductions in the finished goods, work in progress and services in progress, during the year, the total operating revenues shall be reduced by the amount of such reduction), income from premiums, subventions, donations, etc.; and other operating income.

For the purpose of financial reporting, within the operating revenues in Income Statement no income from the own use of products, services and merchandize and income from the change in value of products, services and merchandize (increases, ie. decreases in the value of inventories of unfinished and finished products and unfinished services), and instead operating expenses are corrected by such amounts in the Income Statement.

Income from the sales of merchandize is recognized when the following conditions are met cumulatively:

- The company has transferred to the buyer significant risks and benefits from the ownership of the product and goods;
- The company does not keep the share in management of the product sold and merchandize that is usually related to ownership, nor does it keep the control over products and goods sold;
- The amount of income cannot be measured in a reliable manner;
- Economic benefit for the Company related to such transaction is probable, and
- Costs incurred or cost that will be incurred in such transactions can be measured in a reliable manner.

Operating income from provision of services, in compliance with the relevant provisions of IAS 18 – Revenue, *revenues from a specific transaction are recognized by reference to the stage of completion of the transaction at the balance sheet date*. The transaction result may be reliably valued: if the revenue amount may be reliably measured, if the level of completion of the transaction at the balance sheet date may be reliably measured and if transaction-related expenses and transaction completion expenses may be reliably measured.

Financial incomes include financial revenues from the related parties, gains arising from foreign currency fluctuations, income from interest and other forms of financial revenues.

Incomes from dividends are recognized when the right to receive the dividend is established.

Within **other income** (that additionally include income from value adjustments of other assets disclosed at fair value through Income Statement), in addition to other income, gains are presented that may, but do not have to result from the usual activities of the Company. Gains are increases in economic benefits of the Company and as such, by their nature, are not different from other revenues. For example, gains include gains from the sales of property, plant and equipment; at greater value from accounting one at the moment of sale.

Within **income from the disposal of discontinuing operations, effects from change in accounting policy and correction of prior periods errors and transfer of income**, income according to the names of account of this groups are presented and the transfer of total income at the end of the period, which are, for the purposes of financial reporting, presented as net effect, after the decrease for the relevant expenses.

7.4. Expenses

Expenses are the outflow of economic benefits over a given period that result in the decrease of the capital of the Company, except for the reduction that refers to the allocation of profit to owners or reduction that resulted from partial withdrawal of capital from operations by the owner. Expenses include outflow of assets, impairment of assets and/or increase of liabilities.

Expenses include operating expenses, financial expenses, other expenses (including expenses from value adjustments of other property assets disclosed at fair value through Income Statement) and net losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year.

Operating expenses include: cost price of goods sold, material cost, employee expenses and benefits, production service cost, intangible expenses, depreciation expenses and provisions expenses, etc.

For the purposes of financial reporting, operating expenses are corrected in the Income Statement for the amount of income from the own use of products and merchandize and income from the depreciation of inventories of products (increase, ie. decrease of inventories of intermediate and finished products and services in progress).

Financial expenses include financial expenses arising from the related legal entities, gains arising on the translation of foreign currency, interest-related expenses and other financial expenses.

Other expenses (that additionally include expenses from value adjustments of other property assets disclosed at fair value through Income Statement), include losses that may or may not arise from usual activities of the Company. Losses (for example, shortages or losses that result from the sale of assets at a less value than the accounting value) represent a decrease of economic benefits and, as such, do not vary from other expenses.

Within **losses from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year and transfer of expenses**, expenses according to the names of accounts comprising this group are presented and the transfer of total expenses at the end of accounting period, which are for the purposes of financial reporting presented in net effect, after offsetting against relevant income.

7.5. Interest and Other Borrowing Costs

Borrowing costs include interest and other costs borne by the Company in relation to the borrowing of funds. Based on relevant provisions IAS 23 – Borrowing Costs, interest and other borrowing costs are recognized as expenses at the moment of occurrence, unless they are directly attributed to the acquisition, construction or production of a certain asset (asset that needs significant time to be brought to working condition for its intended use or sale), in which case the interest and other borrowing costs are capitalized as a part of the purchase price (cost) of that asset.

7.6. Income Tax

Income tax is recorded in Company books as the sum of:

- The current tax, and
- The deferred tax.

The current tax is the amount of obligation for the payable (recoverable) income tax that refers to the taxable income (tax loss) for the respective period. In other words, the current tax is payable income tax defined in the tax return pursuant to tax regulations.

The deferred tax includes:

- Deferred tax assets or
- Deferred tax liabilities.

Deferred tax is recorded in books pursuant to respective provisions IAS 12 – Income Taxes that, inter alia, specify that *deferred tax assets and liabilities should not be discounted*.

Deferred tax assets include income tax, recoverable in future periods in respect of:

- Deductible temporary differences;
- Unused tax losses transferred to the following period, and
- Unused tax credit transferred to the following period.

Deductible temporary difference arises in cases where an expense has already been recorded in Company books, on certain bases, which, from the taxation aspect, is to be recognized in the following periods. Some typical examples of cases where the deductible temporary differences arise include the following: tax value of assets that are subject to depreciation exceeds the accounting value thereof; from the taxation aspect, certain provisions are not recognized (IAS 19, issued guarantees and other sureties), impairment of assets (merchandise, materials, etc.) and impairment of investment immovable property; from the taxation aspect expenses for unpaid public revenues that do not depend on business performance and losses occurring when securities are measured at fair value and effect is presented through the Income Statement.

For assets that are subject to depreciation, deferred tax assets are recognized for all deductible temporary differences between the accounting value of assets that are subject to depreciation and their tax base (values allocated to these assets for tax purposes).

Deductible temporary differences exist if the accounting value of assets is less than their tax base. In that case, deferred tax assets are recognized, if it is estimated that there will be a taxable income in future periods for which the Company may use deferred tax assets.

The amount of deferred tax assets is determined by applying the prescribed (or notified) income tax rate on Company income on the amount of deductible temporary difference that is determined as at the Balance Sheet date.

If at the end of previous year, the temporary difference was deductible, on the basis of which the deferred tax assets were recognized, and at the end of current year, on the basis of the same assets, the temporary difference is taxable, the previously established deferred tax assets are released in their entirety, and at the same time the deferred tax liabilities are recognized in the amount determined as at the Balance Sheet date.

A deferred tax asset based on **unused tax losses** is recognized only in case that the Company management may reliably assess that the Company will generate taxable income in future periods that may be reduced based on unused tax losses.

A deferred tax asset based on **unused tax credit** for investments in fixed assets is recognized only up to the amount for which a taxable income in the tax balance will be realized in future periods or calculated income tax for the reduction of which the unused tax credit may be used, only until this type of tax credit may be used in the legally prescribed manner.

Deferred tax assets may be recognized on other grounds for which the Company assesses income tax will be recoverable in future (for example, for provisions for non-due retirement bonus, specified pursuant to provisions IAS 19 – Employee Benefits).

Deferred tax liabilities include income taxes payable in future periods against deductible temporary differences.

Taxable temporary difference arises in cases where a certain expense is recognized from the taxation aspect, while from the accounting aspect it will be recognized in the Company books in the following periods.

With respect to assets that are subject to depreciation, deferred tax liabilities are recognized always if there is a deductible temporary difference between the accounting value of assets that are subject to depreciation and their tax base.

Deductible temporary difference occurs if the accounting value is greater than its tax base.

The amount of deferred tax liability is determined by applying the prescribed (or expected) tax rate on the Company profit on the amount of taxable temporary difference that is determined as at the Balance Sheet date.

On each Balance Sheet date, the deferred tax liabilities are reduced to the amount determined based on temporary difference as at that date. If at the end of the previous year the temporary difference was

taxable, on the basis of which the deferred tax liabilities were recognized, and at the end of the current year, based on the same assets, the temporary difference is deductible, the previously established deferred tax liabilities are released in their entirety, and at the same time the deferred tax assets of the Company are recognized in the amount determined as at the Balance Sheet date.

Deferred tax liabilities may be recognized on other grounds for which the Company assesses income tax will be recoverable in future against taxable temporary differences.

7.7. Intangible Assets

Intangible assets are assets without identifiable physical substance, such as: software, licenses, concession, copyrights, investment in other properties, trademarks, etc.

The property fulfils criteria to be identified if: it is detachable or it can be detached from the Company and sold, transferred, licensed, rented or traded, separately or with a related contract, property or liability; or that derives from contractual and other legal rights, regardless if these rights are transferable or separable from the Company or other rights or obligations.

To recognize an intangible asset, it must comply with the provisions of IAS 38 – Intangible Assets:

- that it is likely that future economic benefits, attributable to assets, will flow to the Company;
- that the Company has control over the asset, and
- that the purchase price (cost) can be reliably measured.

If one of the requirements is not fulfilled, expenses on the basis of intangible investments are recognized as debit to expenses in the period in which the expenses incurred.

Accounting recognition of internally generated intangibles assets is dependent upon an assessment of whether they are created:

- In the research phase, or
- In the development phase.

Intangible assets generated from *research or research phase of an internal project*, will not be recognized as intangible asset. Expenditures related to research or to a research phase of an internal project are recognized as expenses in the period of occurrence.

The cost of an internally generated intangibles assets generated from *development* activities (or the research phase of an internal project) includes all the directly attributable expenses necessary to generate, produce and prepare the asset for the use as intended by the Company management.

Initial measuring of an intangible asset is performed at its cost (purchase price).

Subsequent measuring of intangible asset, after initial recognition, is performed at their cost (purchase price) reduced by the accumulated depreciation and accumulated losses from impairment (in compliance with the provisions of IAS 36 – Impairment of Assets).

7.8. Property, Plant and Equipment

Property, plant and equipment are tangible assets that are: used in production, supply of goods and services, for rental to others or for administrative purpose; and which are expected to be used for more than one accounting period.

The above general principle for the recognition of property, plants and equipment is not applied exclusively in cases of recognition of assets of lesser value that are registered as inventory items (such as, for example, spare parts and servicing equipment). The total value of such assets is transferred to current expenses when the item is first put in service.

Property, plant and equipment are tangible assets: if it is probable that future economic benefits associated with the item will flow to the entity; and if the purchase price (cost) of the item can be reliably measured.

Initial measuring of property, plant and equipment is performed at purchase cost (purchase price), which includes: the purchase price and all the related costs of acquisition, that is, all the directly attributable costs of bringing the assets to the condition of functional readiness.

With the aim to perform subsequent measuring of property, plant and equipment, these are grouped in the following categories:

- a) Land;
- b) Facilities;
- c) Plants and equipment, and
- d) Other.

Subsequent measuring of the category “Buildings” is performed according to the fair value, which imply the market value, or the most probable value that can realistically be achieved in the market, at the Balance Sheet date. The fair value is to be determined by appraisal, which is to be performed by appraiser expert, based on the evidence collected on the market. Where there is no evidence of the fair value on the market, due to the specific nature of facilities and due to the fact that such items are only rarely sold, except as a part of continuous business operation, it may be necessary that the Company performs an assessment of the fair value by using the income approach or the approach of depreciated costs of replacement. Any change in the fair value of facilities is to be recognized in principle in the total equity, within the revaluation reserve position.

Subsequent measuring of all other categories within the Property, Plant and Equipment position, other than the facilities, is to be performed in compliance with the cost (purchase price) decreased by the accumulated depreciation and accumulated losses due to impairment (pursuant to IAS 36).

Measuring of subsequent expenses for property, plant and equipment is performed when:

- It is a case of the investments that extend the useful life of the use of such asset;
- It increases the capacity;
- It improves the asset, whereby the quality of product is improved, or
- It reduces the production costs compared with the costs prior to such investment.

The costs of servicing, technical maintenance, minor repairs and other, do not increase the value of an

asset, but comprise the expense for the period.

Investments in other person's property, plant and equipment are presented and recognized in a special account, if it is probable that the Company will make the future economic benefits related to such asset. Amortization of investment in other person's property, plant and equipment is performed on the basis of the estimated useful life of such assets, which may be equal or shorter than the validity period of the lease agreement.

7.9. Lease

Lease is an agreement according to which the lessor transfers the right to use the object of lease to the lessee for an agreed period of time in exchange for a single payment or for a series of payments.

In case of a **financial lease** (lease whereby all the risks and benefits related to ownership of the assets are essentially transferred, and upon expiry of the lease period, the property right may, but does not necessarily need to, be transferred), in compliance with the provisions of the IAS 17 - Leases, the lessee performs the **initial measurement** by recognizing the lease as an asset and liability in their Balance Sheet, according to the amounts of its fair value at the beginning of the lease, or according to the present value of the minimum payments for the lease, whichever is lower. The *fair value* is the amount for which the lease can be exchanged between knowledgeable, willing parties in an at arm's length transaction.

In calculation of the present value of minimum payments for the lease, the discount rate is generally defined based on the interest rate included in the lease. If the interest rate cannot be determined, the incremental interest rate on the debt amount is used as the discount rate or as the expected interest rate the Company would pay in case of borrowed assets under similar conditions and similar guarantees for the purchase of the asset identical to the lease.

All initial direct expenses borne by the lessee are added to the amount that was recognized as the asset.

In case of **subsequent measurement**, the minimum lease payments should be divided between financial expenses and the reduction of outstanding obligations. The financial expenditure is allocated to periods within the leasing term and a constant periodic interest rate is applied to the outstanding balance.

In case of **business (operational) lease** (the lease whereby all the risks and benefits related to the ownership of the assets are not essentially transferred), the lease payments are recognized as expense, and in general at the linear basis during the lease period.

7.10. Amortisation of Intangibles assets, Property, Plant and Equipment

Asset value (of intangible assets, property, plants and equipment) is allocated by **amortisation** to the period of its useful life.

The lifetime of an asset is determined by applying the time method, so that the lifetime of the asset may be understood as a time period when the asset is at Company's disposal for use.

The amount to be depreciated, or the acquisition price or some other amount used as a substitute for the acquisition price in financial statements of the Company, reduced by the residual value (remaining value)

is to be systematically allocated over the lifetime of the asset.

Residual value is the evaluated amount that the Company would have received today, if it had disposed of an asset, after the deduction of the estimated disposal costs and under the assumption that the asset is at the end of its lifetime and in a condition as expected at the end of a useful lifetime.

The residual value of intangible assets is always presumed to be zero, except in the following cases:

- When there is an obligation of a third party to purchase intangible asset at the end of its useful life, or
- When there is an active market for the intangible asset, with the presumption that such market will exist at the end of the useful lifetime of the asset as well, when the residual value may be determined by referring to such market.

The residual value and the remaining useful lifetime of the asset are examined at the end of each financial year by the competent valuers. In case that the new valuations are different from the previous valuations, the change is treated by changing the accounting assessment and it is recognized in the books on the basis of IAS 8 – Accounting Policies, Changes in Accounting Policies and Errors.

The residual value may be increased as the result of a valuation for an individual asset to the amount that is equal to the book value of such asset or larger than such value. In that case, the depreciation cost will, during the remaining useful lifetime of such asset, be zero, unless, as the result of subsequent valuations, the residual value is reduced to the amount that is lower than the book value.

Amortization of assets is performed by the **linear write-off** (proportional method), and the **calculation of amortisation starts** from the beginning of the following month from the moment when the asset becomes available for use, i.e. employment, or when it is at the location and ready-for-use as intended by the Company.

Amortization of intangible assets is conditional on the assessment of whether the useful lifetime is unlimited or limited. Intangible assets are not subject to amortization if it is estimated that the useful lifetime is unlimited, that is, if, based on the analysis of all the relevant factors, the end of the period when it is expected that the intangible asset will cease to generate incoming net cash flows for the Company cannot be foreseen.

Amortisation is not calculated for assets the value of which is not impaired over time (such as, for example, the works of art) nor for assets with unlimited lifetime (land, for example).

For an assets acquired by means of financial lease, amortization is calculated in the same manner as for other assets, except when it is not known whether the Company will acquire the ownership right on such asset, when the assets is amortized in its entirety in a shorter period than the lease period or the useful lifetime.

Calculation of amortization ceases when the asset is derecognized (ceases to be recognized as an asset) and when it is reclassified as a non-current asset held for sale or within discontinuing operations. Thus, amortization is calculated even when the asset is not used, that is, even when the asset is not being used actively, if such asset is not reclassified as a non-current asset held for sale or within the discontinuing operations.

Calculation of assets' amortisation is performed for tax balance purposes in compliance with the applicable legislation.

Assets that are, in accordance with the IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations, classified as assets held for sale, as at the balance sheet date are presented as working capital and are assessed at the lower value of the accounting value and fair value reduced by the costs of sale.

7.11. Impairment of Intangibles Assets, Property, Plant and Equipment

At each balance sheet date, competent persons, from the Company or external, check if there are indications that the accounting value of an asset (intangible assets, property, plant and/or equipment) is impaired, that is, if the accounting value exceeds the recoverable amount for the asset in question.

If there are indications of impairment, appraisal of recoverable amount is performed in compliance with the relevant provisions of IAS 36.

Recoverable amount is the higher amount of:

- The fair value, reduced by the costs of sales, and
- The use value.

Fair value reduced by the costs of sales is the expected net selling price of the asset or the amount that can be achieved in the sale of an asset in an at arm's length transaction between knowledgeable, willing parties, reduced by the disposal costs.

Use value is the present value of estimated future cash flows expected to occur from the continuous use of the property during its lifetime and sale at the end of that period. The discount rate used in determining the asset's present value reflects current market estimates of the time value of money, as well as the risks characteristic for the asset in question.

Recoverable amount is estimated for each asset separately or, if that is not possible, for the unit that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows, mostly independent from the cash flow related to other assets of group of assets that generates cash related to that asset. The unit that generates cash is the smallest recognizable group of assets that generates cash flows independent to the greatest degree from the cash flow related to other assets or groups of assets.

If it has been established that the value is decreased, the accounting value is reduced to the recoverable amount. The loss due to the decrease is captured as follows:

- If the revaluation reserves were previously created for that asset, the loss is indicated by decreasing revaluation reserves, and
- If the revaluation reserves were not previously created for that asset, the loss is indicated as expenses for the respective period.

7.12. Investment Property

An investment property is a property held by the owner or the lessee in the financial lease in order to receive income from rentals or increase in capital value, or both, and not:

- To use it in the production, acquisition of goods and services or for administration purposes, or
- The sale within the scope of usual business activities.

The investment property is recognized, pursuant to IAS 40 – Investment Property, as an asset: if there is a chance that the Company may have economic benefit in the future from that investment property; and if its purchase price (cost) can be measured reliably.

An **investment property should be measured initially** at its cost. Related expenses are included in the price.

Subsequent expenditure related to an already recognized investment property is attributed to the expressed amount of the investment property if it can be recognized as an asset, if it is likely that future economic benefits related to that expenditure will flow to the Company and if the purchase price (cost) of that expenditure can be measured reliably. In the opposite case, the subsequent expenditure is presented as an operating expense in the period in which it was incurred.

After the initial recognition, the **subsequent measurement of the investment property** is performed according to the fair value, meaning its market value or most probable value that can be achieved on the market at the balance sheet date.

The change in the fair value of an investment property over a specific period is included in the result of the period when the increase/decrease has occurred.

Investment properties are not subject to the calculation of depreciation or to the valuation of the decrease in value of the property.

Investment property is not recognized as such any more upon the disposal thereof or if it is not in use any more and no future benefits are expected from the disposal thereof. Profits or losses from decommissioning or disposal of investment property are recognized in Income Statement in the year in which the asset was disposed of or decommissioned.

7.13. Inventories

Inventories are assets: kept for sale in the usual line of activities, assets in production, but intended for sale; or primary and secondary materials used in the production or provision of services.

Inventories include: primary and secondary materials (including spare parts, tools and stock) used in the production, unfinished products that are being produced, finished products manufactured by the Company and goods.

Inventories are (pursuant to IAS 2 - Inventories) **measured** at lower value:

- The purchase price (cost), and
- Net realizable value.

The purchase price (cost) includes all:

- Purchase expenses;
- Conversion expenses, and
- Other costs incurred in bringing the inventories to their present location and condition.

The costs of purchase of materials and goods as basis for the valuation of inventories of materials and goods, include the cost price, import duties and other fiscal expenditure (other than the recoverable tax amounts, such as the input value added tax), transportation costs, handling costs and other costs that are directly attributable to the purchase costs. Discounts, rebates and other similar items are deducted on the occasion of determining the purchase costs.

Valuation of material and goods inventories *spent* is performed by applying the **weighted average cost formulas**.

In the recognition of assets of lower value (for example small inventory items, spare parts and servicing equipment), upon its use, the entire value (100% write-off) is transferred to expenses of the respective period.

Conversion costs and other costs incurred in bringing the inventories to their present location and condition are important in the valuation of inventories of unfinished products and finished products. These costs include: direct labour costs, direct material costs and indirect costs, or general production costs and non-production costs and borrowing costs.

Net realizable value is the valuated price of sale within regular business activities reduced by completion costs and valuated costs necessary for the realization of the sale. The valuation of the net realizable value is performed based on the most reliable evidence available at the time of valuation with regard amounts that may be achieved.

The amount of any write-off of inventories to the net realizable value and all losses of inventories are recognized as expenses for the period when the write-off or loss occurred.

7.14. Non-Current Assets Held for Sale

The Company recognizes and presents a non-current asset (or available group of assets) as an **asset held for sale** in compliance with IFRS 5 – Non-Current Assets Held for Sale and Discontinued Operations if its accounting value can primarily be recovered by means of a sales transaction and not by means of its further use. To fulfil this requirement:

- The asset (or group for disposal) must be available for immediate sale in the current condition, solely under the usual conditions for the sale of such property (or disposal group), and
- The sale of the asset must be very probable.

A non-current asset recognized as an asset held for sale **is to be measured** (presented) at a lower value than:

- The accounting value, and
- The fair value reduced by the costs of sale.

The accounting value is the present (non-write-off) value stated in business books of the Company.

The fair value is the amount at which the asset may be traded between knowledgeable and willing parties in an at arm's length transaction, or the market value on the date of sale.

Costs of sale are costs directly attributable to the sale of assets.

Non-current assets held for sale are not depreciated.

Written-off assets, as well as assets with insignificant non-write off value will not be recognized as assets held for sale.

7.15. Financial Instruments

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instrument and related accounting records is conditional upon their classification that is to be performed by the Company in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four possible types of financial instruments as specified by provisions of IAS 39:

- Financial assets at fair value through the profit and loss account;
- Held-to-maturity financial assets (investments);
- Loans (credits) and receivables, and
- Financial assets available for sale.

Financial assets or liabilities at fair value through profit and loss include financial assets and liabilities the changes in fair value of which are recorded as revenues or expenses in the balance sheet.

A financial asset or liability classified in this category must fulfil either one of the following conditions:

- Classified as held for trading, or

- After initial recognition, it will be classified and stated as a financial asset (liability) through profit and loss statement.

A financial asset of liability is classified as held for sale, if: it was acquired or created for sale or repurchase in the nearest future, a part of portfolio of identified financial instruments managed jointly and for which there is proof of recent short-term revenue model or derivate (other than the derivate as a *hedging* instrument).

The Company may indicate that a financial instrument is disclosed through the profit and loss account only if relevant information is obtained, since the inconsistency of measurement or recognition that would occur in the measurement of assets or liabilities or recognition of gains or losses is eliminated or considerably prevented; or a group of financial assets, liabilities or both is managed and performances valuated based on the fair value in accordance with the risk management strategy or investment management strategy and the information on the group is internally collected accordingly and presented to the key management of the Company.

Held-to-maturity financial assets (investments) are non-derivative financial assets with fixed or identifiable payments and fixed maturity that the Company intends and may hold to maturity, excluding those marked by the Company at fair value through the profit and loss account after initial recognition or those marked as available-for-sale and those defined as loans and receivables.

Loans (credits) and receivables are non-derivative financial assets of the Company with fixed or identifiable payments and fixed maturity that are not quoted in an active market, other than:

- The assets that the Company intends to sell immediately or within a short period of time and that would then be classified as assets held for sale;
- The assets marked by the Company at fair value through the profit and loss account after initial recognition;
- The assets marked by the Company as available for sale after their initial recognition, or
- The assets for which the owner cannot recover the entire amount of their initial investment to any significant degree, which will be classified as assets available for sale.

Available-for-sale financial assets are non-derivative financial assets marked as available-for-sale and not classified in any previously defined type of financial instruments.

On the occasion of the **initial measurement** of a financial instrument, the Company performs the measurement at fair value through the balance sheet increased, in case that the financial instrument has not been marked for measurement at fair value with changes of fair value through the Income Statement, by the transaction costs that are directly attributable to the acquisition thereof.

Subsequent measurement of financial instruments is performed at fair values, without deducting transaction costs that may arise from the sale or disposal of the instrument, the following financial assets excluded:

- Loans and receivables, measured at amortized cost using the effective interest method;
- Financial assets (investments) held-to-maturity, measured at amortized cost using the effective interest method; and

- Investments in capital instruments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured, and it is measured at cost.

The fair value of assets is the amount at which the asset can be traded for or liability settled between informed and willing parties as an independent transaction. If there is an active market for the financial instrument, the fair value is determined according to information obtained from that market; if there is no active market, the fair value is determined using valuation techniques specified in IAS 39. Positive (adverse) effects of the change of fair value are expressed as gain (loss) in the period of change, for financial instruments at fair value through the profit and loss account. Available-for-sale financial instruments are expressed within unrealized gain/losses based on available-for-sale securities up to the sales date, when the effect are transferred to gains (losses). An exception of the above are expenses related to permanent depreciation and gains (losses) in foreign currency that are recognized immediately as gain (losses) for financial instruments classified as available-for-sale.

Amortized cost is the present value of all expected future made or received cash payments during the expected life expectancy of a financial instrument. The discount method with the effective interest rate is applied in the calculation of the amortized cost of a financial instrument. Gains/losses from changes in the depreciated value of financial instruments are recognized as of the moment when the financial instrument is no longer recognized, unless a decrease in value was performed, in that case the loss is recognized immediately.

7.16. Cash and Cash Equivalents

The most liquid forms of financial assets of the Company are **cash and cash equivalents**, valued at nominal or fair value. Cash and cash equivalents consist of: securities, petty cash in RSD and in foreign currencies, deposits in accounts in RSD and foreign currencies with banks, allocated monetary assets for letters of credit opened in the country, letters of credit in foreign currencies, short-term high liquidity investments with short maturity period which may be transferred into cash that are not under the influence of significant risk of value changes, monetary assets the use of which is limited or value decreased, etc.

Criteria according to which the Company assets are classified within cash and cash equivalents are specified in the relevant provisions of IAS 7 – Statement of Cash Flows, according to which:

- Cash includes cash and demand deposits, and
- Cash equivalents and short-term, highly liquid investments, that can be quickly turned into known cash amount and that are not under the influence of significant risk of value changes, which implies investments with short maturity term (of three months or shorter).

7.17. Short-Term Receivables

Short term receivables comprise receivables from the sale of products, goods and services to related parties and other legal and physical entities in the country and abroad, as well as the receivables on other bases (receivables for interest and dividend, receivables from employees, receivables from state authorities and organizations, receivables from overpaid taxes and contributions, etc.), expected to be realized within 12 months from the balance sheet date.

Short term trade receivables from the sale are measured by the cost stated in the issued invoice, and subsequently at invoice value reduced by the correction of value based on uncollectible receivables. If the cost on the invoice is stated in the foreign currency, translation to the functional currency is done by applying the average exchange rate ruling on the date of transaction. Changes in exchange rate from the date of transaction to the collection date are presented as gains and losses from exchange posted in favour of revenues or against expenses. Receivables stated in the foreign currency as at the balance sheet date are translated by the ruling average exchange rate and gains and losses arose are booked as revenue or expense for that period.

At the balance sheet date, the Company performs an assessment of realisability and probability of default for all receivables or if receivables have a decrease in value.

In the assessment of the decrease in value, the Company has endured losses due to the decrease in value if there is objective proof (for example, large financial difficulties of the debtor, unusual breach of contract by the debtor, potential bankruptcy of the debtor, etc.) to support the decrease in value as a result of an event that took place after the initial recognition of assets and the respective loss affects estimated future cash flows from financial assets or group of financial assets that may be reliably valued. If there is no evidence, valuers will use their experience and sound judgment in the valuation of the collectability of receivables.

If there is a decrease in value of receivables, the following steps are taken:

- Indirect write-off, or
- Direct write-off.

Indirect write-off of receivables for which the Company is debited is performed on the value adjustment account. The decision on indirect write-off (value adjustment) of receivables on the value adjustment account, upon proposal by the Committee for Inventory of Liabilities and Receivables within the regular inventory, or upon proposal of the expert services in the course of the year, is made by the authorized Company body.

Direct write-off of receivables is performed based on the assessment of Company management if there is almost no probability of recovery (in cases where the receivables are outdated, debtors are bankrupt, etc.). The decision on direct write-off of receivables, after consideration and upon proposal by the Committee for Inventory of liabilities and receivables within the regular inventory, or upon proposal by the expert services in the course of the year, is adopted by the authorized Company body.

The indirect and direct write-off of receivables is applied only based on relevant circumstances and the balances as at the balance sheet date, i.e. during the year.

Expected losses from future events, or events after the balance sheet date, regardless how probable, are not recognizable, but disclosed in Notes to the Financial Statements.

7.18. Financial Investments

Short term investments refer to loans, securities and other short term investments with maturity date of one year from the balance sheet date.

Short-term financial investments include a part of granted long-term loans that are expected to be recovered within one year from the balance sheet date.

As for other assets that are presented as short-term assets, Company securities the realization (collection) of which is expected within the period of one year from the balance sheet date are also presented within the short-term financial investments. Thus, for example, securities that are classified as securities held to maturity are presented as short-term financial investments – the portion thereof that will mature within the period of one year.

Long-term financial investments include investments in long-term financial assets, such as: the long-term loans, securities and other long-term financial investments with maturity date over one year from the balance sheet date.

Shares in subsidiary companies and other affiliated companies, based on the relevant provisions of IAS 27 – Separate Financial Statements, investments in subsidiary companies, jointly controlled companies and associated legal entities are carried in the Company's books at their cost, in compliance with the cost method. If, however, in compliance with the provisions of IAS 36 – Impairment of Assets, it should be established that the recoverable amount of costs does not exceed the purchase (booking) price, the Company carries the equity investment amount at its recoverable amount, and the decrease (impairment) in equity investment is presented as an expense in the period in which such impairment was established.

The classification performed by the management of the Company according to the features of the financial investment (financial assets at fair value through Income Statement, held-to-maturity financial assets (investments), loans (credits) and available-for-sale financial assets) is relevant for subsequent measurement of long-term financial investments.

7.19. Liabilities

A liability is a result of past transactions or events and the settlement of the liability implies usually a loss of economic benefits of the Company to comply with other party's request.

In the **valuation of liabilities** pursuant to the Framework for the preparation and presentation of financial statements, the liability is stated in the balance sheet:

- If there is a probability that an outflow of resources with economic benefits will result in the settlement of present liabilities, and
- If settlement amount may be reliably measured.

In addition to that, the *prudence principle* may be applied. This means applying caution in the valuation to prevent overstatement of the property and revenues and understatement of liabilities and expenses. The prudence principle should not result in forming of substantial hidden reserves (for example, as a result of deliberate overstatement of liabilities or expenses), the financial statements to become impartial and therefore unreliable.

Liabilities include: long-term liabilities (liabilities to related parties; long-term loans and credits in the country and abroad, liabilities for long-term securities, liabilities for long-term financial lease and other long-term liabilities); short-term liabilities (short-term credits and loans related parties, short-term credits and loans in the country and abroad, part of the long-term credits and loans as well as other

short-term financial liabilities), short-term liabilities from operations (suppliers and other liabilities from operations) and other short-term liabilities.

Short-term liabilities are liabilities expected to be settled within one year from the balance sheet date including the part of *long-term liabilities* and long-term liabilities are liabilities expected to be settled over a longer period.

For liabilities presented in a foreign currency, as well as for the liabilities with foreign currency clause, translation in functional currency is performed at the middle exchange rate on the transaction date. The change in exchange rate until the settlement date is presented as positive (negative) differences in exchange rate. Liabilities in a foreign currency are calculated on the balance sheet date by using the exchange rate valid as at the balance sheet date, and any differences in exchange rates are recognized as income or expenses of that period.

Decrease of liability upon court order, out-of-court settlement etc. is applied by direct write-off.

7.20. Provisions, Contingent Liabilities and Contingent Assets

A provision, according to IAS 37 - Provisions, Contingent Liability and Contingent Assets, means a liability of uncertain due date or amount.

The Company recognizes provisions only if the following conditions are met:

- The Company has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources will be required to settle the obligation, and
- A reliable estimate can be made of the amount of the obligation.

The essence of provisions is to form provisions only for liabilities from past events that exist independently from future events. Therefore, provisions are not recognized for future operating losses.

For purposes of recognition of provisions, it is considered as probable that the requested settlement of Company's liabilities will cause an outflow of resources representing an economic benefit when it is more probable than not that an outflow of resources will occur, or when the probability that settlement of these liabilities by the Company will cause an outflow of resources, is greater than the probability that it will not.

Provisions may be made on various bases, and specifically, these may include: provisions for costs during the warranty period, provisions for recovery of natural resources, provisions for retained deposits and caution money, provisions for restructuring costs, provisions for fees and other employee benefits, provisions for lawsuits and for other purposes.

In the measurement of provisions, the amount recognized as provision is the best valuation of Company's expenditure requested to settle a present liability at the balance sheet date. In other words, it is the amount the Company has to pay at the balance sheet date to settle liabilities or to transfer liabilities to third parties.

Long term provision for expenses and risks are tracked by sorts, they are examined at each balance sheet date and corrected to reflect the best present valuation. If it is no longer probable that an outflow of resources will be required to settle the obligation, the provision is cancelled. Cancellation of provisions is credited as income.

When the performance of the time value of money is significant, the provision amount represents the present value of expenditure expected to settle the obligation. Discount rates are used in the calculation of the present value or pre-tax rates that reflect current market valuations of the time value and liability-related risks.

Contingent liability is:

- possible liability that arises from past events and may be confirmed only if one or several uncertain future events, that are not entirely in the scope of influence of the Company, occur or not; or
- present liability that arises from past events, yet not recognized, because it is not probable that an outflow of resources that represents economic benefit of the Company will be required to settle the obligation or because the amount of liability cannot be reliably valued.

A contingent liability is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible and this possibility is not very small.

A contingent liability is permanently revalued (at least at the balance sheet date). If the outflow of economic benefits based on contingent liabilities becomes possible, provisions and expenses are recognized in financial statements of the Company for the period when the change occurred (unless in rare cases when a reliable valuation is not possible).

A contingent asset is an asset that may arise from past events and its existence will be confirmed only if one or several future events, which are not entirely in the scope of influence of the Company, occur.

A contingent asset is not recognized in financial statements of the Company, but is disclosed in case that the outflow of economic benefit is possible.

Contingent assets are permanently revalued (at least at the balance sheet date) to ensure that financial statements reflect the development of the event. If it is certain that the outflow of economic benefit based on contingent assets, related asset and revenue are recognized in financial statements of the Company for the period when they occurred.

7.21. Employee Benefits

In terms of **taxes and compulsory social security contributions**, the Company shall, according to regulations applied in the Republic of Serbia, pay for contributions to various public funds for social security. These liabilities include contributions paid by employees and contributions paid by the employer in amounts calculated according to prescribed rates. The Company has legal obligation to suspend calculated contributions from gross earnings of employees and to transfer the amount on their behalf to public funds.

Contributions paid by employees and contributions paid by the employer are recorded as expenses of the Company for the respective period. The company, upon retirement of employees, keeps no obligation to pay them any benefits.

For the valuation of provisions based on contributions and other employee benefits, relevant provisions of the IAS 19 – Employee Benefits, are applied. Provisions for contributions and other employee benefits include, for example: provisions for non-due retirement benefits upon regular retirement and provisions for retirement bonus paid by the Company upon termination of employment prior to the retirement date or paid upon decision of the employee to take voluntary redundancy in exchange for those benefits.

In the valuation of liabilities upon employment termination and pursuant to respective IAS 19 provisions, the discount rate is determined according to the market yield at the balance sheet date for high yield corporate bonds. Alternatively, also specified in IAS 19, until a developed market for corporate bonds in the Republic of Serbia is established, market yields for government bonds will be used for the (for discount rate of) valuation of liabilities of the Company upon employment termination (at the balance sheet date). The value date and deadline for corporate or government bonds should be in accordance with the value date and deadline for obligations related to the income after employment termination. If the Company, for the valuation of obligations upon employment termination and due to undeveloped market for government bonds, uses the government bond yield as reference with maturity date shorter than the estimated maturity of payments based on respective income, the discount rate is defined by valuating the reference securities yield for longer periods.

Retirement bonus is paid by the Company to employees in compliance with the newly amended provisions of the Collective Agreement, adjusted with legislation (at the level of two average gross earnings in Republic of Serbia, pursuant to the ultimate data published by national institution in charge for statistics).

7.22. Information on Business Segments

A business segment is a part of assets and business operations that provide products or services that are subject to risks and benefits different from those present in some other business segments.

The geographical segment provides products or services within a specific economic environment that are subject to risks and benefits different from the segments operating in some other economic environments.

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**.

In the financial statements in question, the data for the comparative year 2018 were adjusted in accordance with the changes made in the separate financial statements of Energoprojekt Sunnyville based on the calculation of costs for 2018 on behalf of variable price for land according to the Real Estate Purchase Agreement (city construction land kp2199 / 1 KO Višnjica) OPU: 854-2015 dated 01 April 2015. which are included in the cost price of the built residential - business complex Sunnyville in Belgrade.

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 are 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.

Adverse impacts on the Company's liquidity have significant amounts of immobilized assets in some subsidiaries, as well as a slowdown in payment in certain segments (regions) due to economic and geopolitical reasons.

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.

10. INFORMATION OF BUSINESS SEGMENTS

System Energoprojekt, locally as well as abroad, was on 31 December 2019, organized in main business segments as follows:

- Planning and Research;
- Construction and Fitting, and
- Other.

Business and geographical segments of system Energoprojekt are presented in tables below, at the balance sheet date.

Energoprojekt Holding Plc. Belgrade

Business segments

	Design and research		Construction and fitting		Other		Total		Eliminations		Consolidated	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from sales	7,148,684	6,385,258	19,999,508	16,578,749	756,711	1,004,675	27,904,903	23,968,682	(1,617,534)	(1,144,151)	26,287,369	22,824,531
SEGMENT RESULT												
Operating profit/loss	509,849	523,125	315,693	(504,168)	(46,892)	36,862	778,650	55,819	(98,428)	(13,439)	680,222	42,380
Interest income (third party)	12,833	40,719	114,229	74,394	1,430	13,378	128,492	128,491			128,492	128,491
Interest expenses (third party)	4,236	6,122	232,488	322,752	29,767	35,658	266,491	364,532			266,491	364,532
Profit/loss from regular operations before tax	591,312	677,090	510,894	(310,313)	(38,604)	774,910	1,063,602	1,141,687	(278,533)	(91,044)	785,069	1,050,643
Net profit/loss from discontinued operations, effects of changes in accounting policies and adjustment of errors from previous year	(11,493)	(6,618)	26,537	(49,687)	3,101	23	18,145	(56,282)	60	106	18,205	(56,176)
Income tax	39,222	83,142	120,802	143,340	2,401	53,200	162,425	279,682			162,425	279,682
Net profit/loss	540,597	587,330	416,629	(503,340)	(37,904)	721,733	919,322	805,723	(278,473)	(90,938)	640,849	714,785
Total assets	9,306,244	9,152,070	26,134,643	25,490,290	13,651,735	12,756,869	49,092,622	47,399,229	(10,316,052)	(8,369,589)	38,776,570	39,029,640
Total liabilities	9,306,244	9,152,070	26,134,643	25,490,290	13,651,735	12,756,869	49,092,622	47,399,229	(10,316,052)	(8,369,589)	38,776,570	39,029,640
Depreciation	91,861	89,994	427,928	536,939	47,158	52,882	566,947	679,815	(3,084)	3,751	563,863	683,566

Geographical segments

	Serbia		Commonwealth of Independent States (CIS)		Europe		Africa		Asia		America		TOTAL	
	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018	2019	2018
Income from sales	17,400,450	12,620,291	876,584	600,491	197,185	114,051	2,327,048	3,027,179	4,580,315	4,498,896	905,787	1,963,623	26,287,369	22,824,531
Income from the sales of goods to other affiliated companies in the international market (Energoprojekt Ltd., Lagos, Nigeria)														
Income from the sales of goods - external	142,487	92,721		1,056	1,051	2,313	39,326	44,692			19,216	36,904	202,080	177,686
Income from the sales of goods	142,487	92,721		1,056	1,051	2,313	39,326	44,692			19,216	36,904	202,080	177,686
Income from the sales of products and services to other affiliated companies (Energoprojekt Ltd., Enjub Ltd., Napred plc., Napred Razvoj plc. i Energoprojekt Ltd., Lagos, Nigeria)	47,230						155,158	134,284					202,388	134,284
Income from the sales of products and services - external	17,210,733	12,527,570	876,584	599,435	196,134	111,738	2,132,564	2,848,203	4,580,315	4,498,896	886,571	1,926,719	25,882,901	22,512,561
Income from the sales of products and services	17,257,963	12,527,570	876,584	599,435	196,134	111,738	2,287,722	2,982,487	4,580,315	4,498,896	886,571	1,926,719	26,085,289	22,646,845

INCOME STATEMENT

11. OPERATING INCOME

11.1. Income from Sale of Goods

Structure of income from the sales of good	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Income from sale of goods on local market	142,487	92,720
Income from sale of goods on foreign market	59,593	84,966
TOTAL	202,080	177,686

• **Income from sale of goods on local market** in the amount of RSD 142,487 thousand, relate mostly to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 85,333 thousand, sales of goods to subcontractors on the Kolubara Landfill project, in order to ensure continuity of works;

- Energoprojekt Visokogradnja in the amount of RSD 27,148 thousand, primarily from sales of stocks of materials and spare parts to subcontractors; and

- Energoprojekt Niskogradnja in the amount of RSD 14,061 thousand, sales to subcontractors, primarily on the projects Bridge on Ada: RSD 8,616 thousand and Lajkovac - Ljig: RSD 3,488 thousand. The supply of subcontractors with stocks (sales) necessary for flow of works, was done in order to avoid the consequences of downtime (deadlines defined by the contract) at the expense of the Company as the principal contractor (Note 12).

• **Income from sale of goods on foreign market** in the amount of RSD 59,593 thousand are related, predominantly, to Energoprojekt Niskogradnja, in the amount of RSD 58,542 thousand, based on stock sales, under contract with subcontractors on projects in Uganda: RSD 39,326 thousand (dominant on project Z-036 Streets in Kampala Kawempe-Lubaga: RSD 29,676 thousand) and in Peru: RSD 19,216 thousand (dominant on project Z-040 Irrigation system San Antonio: RSD 11,360 thousand) in order to ensure flow of works and avoid the consequences of delays in works (contractually agreed deadlines) at the expense of the Company as the principal contractor.

11.2. Income from Sale of Products and Services

Structure of income from sale of products and services	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Income from sale of finished products and services to other related parties on local market	47,230	
Income from sale of finished products and services to other related parties on foreign market	155,158	134,284
Income from sale of finished products and services on local market	17,197,430	12,527,570
Income from sale of finished products and services on foreign markets	8,685,471	9,984,991
TOTAL	26,085,289	22,646,845

- **Income from sale of products and services to other related parties on local market** in the amount of RSD 47,230 thousand dominantly pertain to Energoprojekt Urbanizam I Arhitektura from sale of services to company Napred Razvoj Plc. in RSD 35,313 thousand.
- **Income from sale of products and services to other related parties on foreign market** in the amount of RSD 155,158 thousand entirely pertain to Energoprojekt Oprema from sale of products and services to the related company Energo Nigeria Ltd., Lagos, Nigeria.
- **Income from sale of products and services on local market** in the amount of RSD 17,197,430 thousand, are related, mostly, to the following companies within system Energoprojekt:
 - Energoprojekt Niskogradnja, in the amount of RSD 7,450,659 thousand, primarily for project Lajkovac-Ljig: RSD 2,650,136 thousand and the projects Zeleni Bulevar: RSD 895,445 thousand, Bridge on Ada: RSD 838,660 thousand, Ub - Lajkovac IV phase: RSD 838,538 thousand, Railway Jajinci - Mala Krsna: RSD 748,310 thousand;
 - Energoprojekt Visokogradnja in the amount of RSD 4,608,855 thousand, primarily for projects: Navigator 2 Bussines Center: RSD 2,430,175 thousand, Chinese Cultural Center: RSD 1,986,949 thousand, Belgrade Waterfront: RSD 70,556 thousand and from sales of finished products on its own investment in Cara Nikolaja Street in Belgrade: RSD 30,099 thousand;
 - Energoprojekt Oprema, in the amount of RSD 2,153,742 thousand, dominantly for the projects Kolubara Landfill: RSD 1,465,324 thousand and Ada Mall: RSD 641,676 thousand;
 - Energoprojekt Entel, in the amount of RSD 1,092,790 thousand, first of all, for several projects performed for PE Elektroprivreda Srbije: RSD 509,476 thousand and project Vinca - preparation of project documentation and obtaining conditions, permits and approvals from the Construction Industrielles de la mediterrabee - CNIM SA - SR Belgrade branch: RSD 330,458 thousand and project of the Gas Power Plant in Pancevo: RSD 191,628 thousand; and
 - Energoprojekt Sunnyville, in the amount of RSD 753,895 thousand - sold apartments and garage places in residential / business complex "Sunnyville" in Belgrade.

• **Income from sale of products and services on foreign market** in the amount of RSD 8,685,471 thousand, related, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 4,576,688 thousand derived from companies of the System abroad: Energoprojekt Entel LTD, Doha, Qatar: RSD 2,056,717 thousand, (dominantly on projects performed for Qatar General Electricity & Water Corporation “Kahramaa”: RSD 1,371,748 thousand), Energoconsult LLC, Abu Dhabi, UAE: RSD 1,831,003 thousand: primarily on projects for the Dubai Electricity and Water Authority (DEWA): RSD 619,512 thousand, Abu Dhabi Transmission and Despatch Company (TRANSCO): RSD 248,045 thousand and MERRAS: RSD 167,835 thousand) and Energoprojekt Entel LLC Muscat, Sultanate of Oman: RSD 666,683 thousand (primarily on projects for the Oman Electricity Transmission Company (OETC): RSD 332,711 thousand and the Public Authority for Electricity and Water (PEWA): 249,812 thousand dinars);

- Energoprojekt Niskogradnja, in the amount of RSD 2,088,853 thousand, on projects in Uganda: RSD 1,210,370 thousand (primarily, on projects Z-042 Mpigi Roads: RSD 412,682 thousand, Z-036 Streets in Kampala Kawempe-Lubaga: RSD 371,338 thousand and Z-041 Kampala Mukono: RSD 339,784 thousand) and in Peru: RSD 878,484 thousand (dominant, on the Z-040 San Antonio Irrigation System project: RSD 567,114 thousand); and

- Energoprojekt Visokogradnja, in the amount of RSD RSD 1,490,083 thousand, based on works for investors, primarily in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 614,947 thousand (mostly on Wonda World projects: RSD 213,417 thousand and Ernest Chemist Limited: RSD 202,585 thousand) and on projects Z-112 Hotel Hyatt Rostov 2, Russia: RSD 391,456 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 389,063 thousand.

11.3. Other Operating Income

Structure of other operating income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Incomes from the rent collected from parent, subsidiary and other related parties	60	
Incomes from the rent collected from other legal entities on local market	20,848	29,649
Incomes from the rent collected from other legal entities on foreign market	91,546	76,429
Other operating income	55,020	191,471
TOTAL	167,474	297,549

• **Incomes from the rents collected from parent, subsidiaries and other related parties** in the amount of RSD 60 thousand entirely relate to EP Niskogradnja from lease of machinery to the company Napred Plc.

- **Incomes from the rents collected from other legal entities on local market** in the amount of RSD 20,848 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 9,306 thousand, primarily based on the rental of: a part of the building complex "Samački hotel" on Batajnicki road no. 24, Zemun to the company Jerry Catering Service Ltd. in RSD 7,737 thousand and a part of Energoprojekt's business building to Energoprojekt Garant in the amount of RSD 7,737 thousand; and

- Energoprojekt Visokogradnja in the amount of RSD 7,282 thousand, primarily based on the rental of facility in Ub in RSD 4,242 thousand and facility in Preradoviceva Street in Belgrade in RSD 2,749 thousand.

- **Income from the rents collected from other legal entities on foreign market** in the amount of RSD 91,546 thousand was predominantly generated by the following companies of the system Energoprojekt:

- Dom 12 S.A.L., Lebanon in the amount of RSD 27,695 thousand, based based on the rental of office building in Moscow;

- Energoprojekt Niskogradnja in the amount of RSD 24,393 thousand, based on the rental of a part of the office building Cruz del Sur in Lima, Peru in RSD 10,091 thousand and machinery in Peru: RSD 14,302 thousand;

- Zambia Engineering and Contracting Company Limited, Zambia in the amount of RSD 20,499 thousand, based on the rents of several properties in Lusaka, Zambia,

- Energo (Private) Limited, Zimbabwe in the amount of RSD 6,822 thousand, based on the rents of several properties in Harare, Zimbabwe; and

- I.N.E.C. Engineering Company Limited, United Kingdom in the amount of RSD 5,842 thousand, based on the rental of office building in London.

- **Other operating income** in the amount of RSD 55,020 thousand was primarily generated in the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 33,560 thousand, primarily on the basis of re-charged costs in the amount of RSD 28,974 thousand, on the projects Bridge on Ada, Railway Jajinci - Mala Krsna, Zeleni Bulevar and TPS Zemun; and

- Energoprojekt Visokogradnja in the amount of RSD 16,510 thousand, predominantly from income generated under contractual agreements with subcontractors on the project Chinese Cultural Center in the amount of RSD 13,778 thousand.

12. COST PRICE OF GOODS SOLD

Structure of cost price of goods sold	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Cost price value of goods sold:		
a) Cost price of goods sold on local market	146,114	91,037
b) Cost price of goods sold on foreign market	58,438	68,199
TOTAL	204,552	159,236

● **Cost price of goods sold on local market** in the amount of RSD 146,114 thousand primarily is related to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 85,280 thousand, for the procurement of materials sold to subcontractors on the Kolubara Landfill project;
- Energoprojekt Visokogradnja in the amount of RSD 27,987 thousand, primarily for the procurement of materials sold to subcontractors,
- Energoprojekt Niskogradnja in the amount of RSD 13,298 thousand, for purchase of inventory of material, with the aim to provide the subcontractor 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; and
- Energoplast in the amount of RSD 13,224 thousand, for purchasing of finished lock-patent delivered for further sales.

● **Cost price of goods sold on foreign market** in the amount of RSD 58,438 thousand dominantly related to Energoprojekt Niskogradnja, in the amount of RSD 58,363 thousand (for inventory costs sold as per agreements to subcontractors for projects in Uganda: RSD 40,717 thousand and in Peru RSD 17,646 thousand, in performance of works).

13. 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.- 31.12. 2019	01.01.- 31.12. 2018
Income from use of own products and merchandise	20,197	30,360
Increase in inventories of intermediate and finished goods and services in progress	943,370	896,716
Decrease in inventories of intermediate and finished goods and services in progress	756,117	653,613
TOTAL	207,450	273,463

- **Income from use of own products and merchandise** in the amount of RSD 20,197 thousand predominantly relate to Energoprojekt Niskogradnju in RSD 20,171 thousand on the basis of mechanization overhaul: (in Uganda: RSD 15,395 thousand and in the country: RSD 4,776 thousand).
- In the reporting period, the **increase in inventories of intermediate and finished goods and services in progress** amounting to RSD 943,370 thousand predominantly relate to increase in inventories of intermediate in Energoprojekt Park 11 in the amount of RSD 913,440 thousand (construction of business and residential complex Park 11 - Block 11a in New Belgrade) and to Energoprojekt Sunnyville in the amount of RSD 22,164 thousand (based on the calculated costs for 2019 for variable price of land according to the Contract on purchase and sale of real estate (city construction land kp2199 / 1 KO Višnjica) OPU: 854-2015 dated 01.04.2015, which are included in the cost price of the built real estate in the residential and business complex Sannyville in Belgrade - Note 18).
- **Decrease in inventories of the intermediate and finished goods and services in progress** in the amount of RSD 756,117 thousand primarily related to the following companies of the system Energoprojekt:
 - Energoprojekt Sunnyville in the amount of RSD 699,515 thousand (sale of finished goods (real estate) - residential and business complex Sunnyville in Belgrade); and
 - Energoprojekt Visokogradnja in the amount of RSD 31,934 thousand, dominantly based on sold finished products (property) in Cara Nikolaja Street in Belgrade: RSD 31,697 thousand.

14. MATERIAL COSTS AND FUEL AND ENERGY COSTS

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Cost of materials:		
a) Costs of materials in production	3,280,561	3,518,188
b) Costs of other materials (overhead)	154,259	215,716
c) Spare parts costs	131,545	164,064
d) Costs of one-off write-off of tools and inventory	111,221	88,883
<i>Total</i>	<i>3,677,586</i>	<i>3,986,851</i>
Fuel and energy costs:		
a) Fuel costs	543,443	831,670
b) Costs of electrical energy and heating	190,554	201,969
<i>Total</i>	<i>733,997</i>	<i>1,033,639</i>
TOTAL	4,411,583	5,020,490

• **Cost of materials used in production** in the amount of RSD 3,280,561 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja, in the amount of RSD 1,208,282 thousand, out of which costs incurred in Projects realized abroad (in Peru and Uganda) amount to RSD 230,902 thousand, meanwhile the projects in the country amount to RSD 977,380 thousand.

- Energoprojekt Visokogradnja, in the amount of RSD 1,129,497 thousand, of which RSD 826,495 thousand refer to costs on projects in the country (primarily on projects Navigator 2 Bussines Center: RSD 413,264 thousand, Park 11: RSD 273,598 thousand and Chinese Cultural Center: RSD 107,533 thousand), while abroad refers RSD 303,002 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 195,989 thousand and project Z-107 Radiology Hospital Syktyvkar, Russia: RSD 84,823 thousand);

- Energoprojekt Oprema, in the amount of RSD 732,553 thousand, out of which costs incurred in projects in the country amount RSD 606,485 thousand (mostly on projects Ada Mall: RSD 511,433 thousand and Kolubara Landfill: RSD 80,288 thousand), meanwhile RSD 126,068 thousand related on abroad (above all on TS Ihiala 330 KV project, Nigeria: RSD 124,525 thousand); and

- Energoplast in the amount of RSD 208,540 thousand for costs of raw materials and packaging for the production of finished products - fasteners.

• The largest shares in **costs of other materials (overhead)** (cost of office supplies, safety equipment and other material) amounting to RSD 154,259 thousand are those of Energoprojekt Niskogradnja, in the amount of RSD 83,213 thousand (abroad: RSD 77,074 thousand, in the country: RSD 6,139 thousand), Energoprojekt Entel, in the amount of RSD 43,674 thousand, Energoprojekt Visokogradnja in the amount of RSD 6,213 thousand and Energoprojekt Hidroinženjering in RSD 7,144 thousand.

- **Costs of spare parts** in the amount of RSD 131,545 thousand relate, dominantly, to Energoprojekt Niskogradnja in the amount of RSD 115,921 thousand (abroad: RSD 95,687 thousand, in the country: RSD 20,234 thousand) and to Energoprojekt Visokogradnja in the amount of RSD 14,229 thousand.
- **Costs of one-off write-off of tools and inventory** in the amount of RSD 111,221 thousand relate predominantly to Energoprojekt Niskogradnja in the amount of RSD 92,026 thousand and Energoprojekt Visokogradnja in the amount of RSD 13,258 thousand.
- The largest share in **fuel and energy costs** amounting to RSD 733,997 thousand are those of Energoprojekt Niskogradnja in the amount of RSD 460,228 thousand, which were predominantly incurred abroad, of Energoprojekt Visokogradnja in the amount of RSD 92,353 thousand and Energoprojekt Entel in the amount of RSD 96,054 thousand.

15. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	In RSD thousand	
	01.01.- 31.12. 2019.	01.01.- 31.12. 2018.
Expenses of wages and fringe benefits (gross)	6,099,006	6,174,305
Taxes and contributions on wages and contributions on wages payable by employer	558,486	597,652
Service agreements contributions	10,980	9,461
Copyright agreements contributions	57,765	32,098
Costs of contributions for contract fees for temporary and periodical engagement	143,389	178,678
Considerations to physical persons based on other agreements	15,665	10,102
Considerations to General Manager and/or Management and Supervisory Board members	42,150	26,144
Other personnel expenses and fringe benefits	434,461	476,926
TOTAL	7,361,902	7,505,366

- **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 6,657,492 thousand relate primarily to Energoprojekt Entel in the amount of RSD 3,215,599 thousand, Energoprojekt Visokogradnja in the amount of RSD 1,053,567 thousand, Energoprojekt Niskogradnja in the amount of RSD 1,072,253 thousand, Energoprojekt Oprema in the amount of RSD 351,431 thousand and to Energoprojekt Hidroinženjering in the amount of RSD 335,296 thousand.
- **Copyright agreements contributions** in the amount of RSD 57,765 thousand relate, mainly, to the following companies of the system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 22,900 thousand, due to increased work in the country and the lack of professionally qualified workers in all fields;

- Energoprojekt Hidroinženjering in the amount of RSD 21,103 thousand, primarily in the country in the amount of RSD 19,340 thousand due to increased work and lack of manpower with appropriate qualification structures in certain fields; and

- Energoprojekt Industrija in the amount of RSD 13,344 thousand, in the country: RSD 4,360 thousand and abroad: RSD 8,984 thousand.

• **Costs of contributions for contract fees for temporary and periodical engagement** amounting to RSD 143,389 thousand were predominantly incurred in following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 59,123 thousand (dominantly abroad: RSD 58,221 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;

- Energoprojekt Oprema of RSD 46,178 thousand for projects in the country (primary on the projects Ada Mall: RSD 18,728 thousand and Kolubara Landliff: RSD 13,257 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 17,251 thousand, in the country, primarily in the Samacki hotel: RSD 6,557 thousand and in restaurant within the business building Energoprojekt: RSD 5,792 thousand.

• **Other personnel expenses and fringe benefits** amounting to RSD 434,461 thousand (costs of accommodation, meals on field works, transport and other costs of workers, severance pay for solving the problem of redundancy, business trips cost, solidarity aid, scholarships and other benefits) relate to the following companies within system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 144,467 thousand, in the country RSD 82,031 thousand (of which the severance payments for solving the problem of redundancy amount to RSD 60,812 thousand) and abroad: RSD 62,436 thousand (out of that to Energoprojekt Ghana Ltd., Accra, Ghana of RSD 29,785 related);

- Energoprojekt Niskogradnja amounting to RSD 118,535 thousand, in the country: RSD 77,180 thousand and abroad: RSD 41,355 thousand (primarily, based on food costs in the field: RSD 62,566 thousand, transportation costs: RSD 19,081 thousand, accommodation costs: RSD 12,573 thousand, severance payments for solving the problem of redundancy: RSD 11,417 thousand and other labor costs);

- Energoprojekt Entel in the amount of RSD 77,239 thousand (dominantly abroad);

- Energoprojekt Hidroinženjering in the amount of RSD 36,152 thousand; and

- Energoprojekt Oprema in the amount of RSD 20,106 thousand.

16. PRODUCTION SERVICE COSTS

Structure of costs of production services	<i>In RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Production service costs	10,683,216	6,638,605
Transportation service costs	373,588	385,554
Repairs and maintenance services' costs	103,952	119,540
Rental costs	529,656	713,710
Fair costs	24,835	1,571
Advertising costs	16,756	12,585
Research costs	4,407	299
Costs of other services	127,801	186,314
TOTAL	11,864,211	8,058,178

• **Production service costs** in the amount of RSD 10,683,216 thousand are predominantly related to the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 5,153,88 thousand for the costs mainly based on subcontracting agreements incurred within projects in the country amounting to RSD 5,16,320 thousand (mostly on the projects Lajkovac - Ljig: RSD 1,458,444 thousand, Bridge on Ada: RSD 821,740 thousand, Zeleni Bulevar: RSD 823,704 thousand, Ub-Lajkovac: RSD 729,294 thousand and Reconstruction of Karadjordjeva Street: RSD 314,569 thousand) and abroad: RSD 137,568 thousand (primarily on the projects Z-036 Streets in Kampala Kawempe-Lubaga, Uganda: RSD 66,870 thousand and Z-034 Road Puerto Bermudez, Peru: RSD 23,084 thousand). Significant engagement of subcontractors on projects is conditioned by a specific type of necessary works, ie mechanization for their execution;
- Energoprojekt Visokogradnja in the amount of RSD 3,852,510 thousand comprise of the costs of associates and subcontractors incurred within projects in the country in the amount of RSD 3,562,057 thousand (mainly on projects: Navigator 2 Business Center: RSD 1,586,606 thousand, Chinese Cultural Center: RSD 1,565,909 thousand and Park 11: RSD 387,993 thousand) and abroad, in the amount of RSD 290,453 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18,201 thousand and on projects Z-122 Hotel Hayatt Rostov 2, Russia: RSD 170,369 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 92,937 thousand);
- Energoprojekt Oprema in the amount of RSD 933,330 thousand relate to costs of subcontractors and consortium partners mostly on projects in the country in the amount of RSD 932,856 thousand (primarily, Ada Mol: RSD 574,144 thousand and Kolubara Landfill: RSD 356,334 thousand); and
- Energoprojekt Entel, in the amount of RSD 405,964 thousand, consists of the subcontractors costs engaged on works for which the company does not have personnel or for specialized works performed only by certain companies. The costs in this country amount to RSD 193,967 thousand, while abroad: RSD 211,997 thousand (mainly in UAE: RSD 134,382 thousand).

- **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 373,588 thousand and relate predominantly to Energoprojekt Entel in the amount of RSD 246,351 thousand (abroad: mainly, cost of air tickets for employees and rent-a-cars costs, predominantly in Qatar and UAE), Energoprojekt Niskogradnja in the amount of RSD 81,017 thousand, Energoprojekt Visokogradnja in the amount of RSD 20,062 thousand and Energoprojekt Oprema in the amount of RSD 8,413 thousand.
- **Repair and maintenance services' costs** amounting to RSD 103,952 thousand were incurred primarily in Energoprojekt Niskogradnja in the amount of RSD 39,298 thousand, in Energoprojekt Entel in the amount of RSD 23,524 thousand, in Energoprojekt Oprema in the amount of RSD 9,828 thousand and Energoprojekt Visokogradnja in the amount of RSD 9,274 thousand. These costs were predominantly incurred for regular equipment maintenance.
- **Rental costs** amount to RSD 529,656 thousand and are predominantly related to the following Companies of the system Energoprojekt:
 - Energoprojekt Entel in the amount of RSD 261,810 thousand mainly relate to costs of renting apartments in the company's companies abroad (predominantly in Qatar);
 - Energoprojekt Niskogradnja in the amount of RSD 113,423 thousand , comprising of the rental costs of equipment, sites, business, residential and warehousing facilities abroad amounting to RSD 81,151 thousand (in Peru and Uganda) and in the country in the amount of RSD 32,272 thousand where the rent of large machinery for the Projects in the country and abroad, representing the result of inability to meet needs of available equipment (defined by dynamics of works) at the several projects simultaneously;
 - Energoprojekt Visokogradnja in the amount of RSD 129,502 thousand are predominantly related to the rental costs of office spaces, apartments and machinery abroad, amounting to RSD 35,000 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 18,947 thousand and on projects, Z-103 Talan Towers, Astana, Kazakhstan: RSD 7,384 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 6,615 thousand), while RSD 94,502 thousand are incurred in the country (based on the lease of equipment); and
 - Energoprojekt Oprema in the amount of RSD 16,681 thousand are predominantly related to the rental costs of apartments, office spaces and equipment (heavy booms and cranes).
- **Trade fairs' costs** in the amount of RSD 24,835 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 24,716 thousand (participation at the World Energy Fair VETEX held in Dubai).
- **Advertising costs** amounting to RSD 16,756 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 7,096 thousand (based on promotional costs, advertising, brochure and catalogue production, market researching, etc.), to Energoprojekt Visokogradnja in the amount of RSD 3,297 thousand (primarily on the Z-103 Talan Towers project, Astana, Kazakhstan: RSD 2,818 thousand), Energoprojekt Sunnyville in the amount of RSD 2,286 thousand (costs of advertising - sale of apartments via websites) and Energoprojekt Park 11 in the amount of RSD 2,335 thousand (costs of advertising - sale of apartments via websites).

• **Costs of other services** in the amount of RSD 127,801 thousand were primarily incurred in the following Companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 40,788 thousand, primarily, based on the construction sites' security costs, utility services' costs, graphic services, expert services, license fees, vehicle registration, occupational safety costs, etc.;
- Energoprojekt Visokogradnja in the amount of RSD 27,344 thousand primarily based on cost of utility services, costs of personal protection at work, registration of vehicles and photocopying costs.
- Energoprojekt Entel in the amount of RSD 15,465 thousand, primarily from costs of procurement of tender documents, costs of licenses and photocopying; and
- Energoprojekt Oprema in the amount of RSD 8,533 thousand dinars refer to other ancillary project costs (primarily on the Ada Mol, Kolubara Landfill and TPS Zemun projects - hiring professional workers), vehicle registration costs, graphic services, utilities, tolls, etc.

17. DEPRECIATION EXPENSES AND PROVISION EXPENSES

Structure of depreciation expenses and provision expenses	In RSD thousand	
	01.01-31.12.2019.	01.01-31.12.2018.
Depreciation expenses:		
a) Depreciation of intangible assets (Note 25)	19,714	20,178
b) Depreciation of property, plant and equipment (Note 26)	544,149	663,388
<i>Total</i>	<i>563,863</i>	<i>683,566</i>
Provisions expenses:		
a) Warranty period provisions' expenses	187,384	1,773
b) Provisions for contributions and other personnel benefits	43,332	53,602
c) Other provisions expenses (Note 37)	2,320	
<i>Total</i>	<i>233,036</i>	<i>55,375</i>
Total	796,899	738,941

• 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 31 December 2019.

Effects of the change in the accounting valuation impact the change in **amortisation expenses** for 2019, and thus, consequently, the change in the booking value of assets as at 31 December 2019.

• **Warranty period provisions' expenses** amount to RSD 187,384 thousand.

The management of companies within Energoprojekt appraises provision expenses for future guarantees based on information of applications from previous periods, as well as based on recent trends which could announce that information on previous expenses could differ from those from future demands. Final amount of liability to be paid could differ from the one defined before, depending on future circumstances.

Pursuant to the above mentioned, the fund reservation for warranty period provisions' expenses in the related period was performed in Energoprojekt Entel in the amount of RSD 187,384 thousand on the project Phasa 13 in Energoprojekt Entel LTD, Qatar: RSD 109,773 thousand and on projects in the country in the amount of RSD 77,611 thousand (Note 37).

- **Provisions for contributions and other personnel benefits** in the amount of RSD 43,332 thousand relate, mostly, to Energoprojekt Entel, in the amount of RSD 36,254 thousand which are carried out with the company Energoprojekt Entel LTD, Qatar: RSD 27,534 thousand and Energoprojekt Entel L.L.C Muscat, Sultanate of Oman: RSD 5,913 thousand, while the provisions costs in the country amount to RSD 2,807 thousand.

In 2019, the companies within Energoprojekt recorded provisions for contribution and other personnel benefits according to actuarial calculation (Note 37).

18. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Intangible expenses	623,725	1,043,074
Expense account	42,930	43,000
Insurance premiums expenses	177,186	181,854
Payment operations' expenses	277,793	196,487
Membership fee expenses	17,187	14,922
Tax duties	93,976	88,654
Contributions paid	1,515	188,680
Other non-operating expenses	108,612	114,324
TOTAL	1,342,924	1,870,995

- **Intangible expenses** in the amount of RSD 623,725 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, health services, security services of construction site and other costs) are predominantly related to the following companies of the system Energoprojekt:

- Energoprojekt Entel amounting to RSD 342,370 thousand primarily abroad: RSD 328,831 thousand (mostly incurred in the company Energoprojekt Entel LTD, Doha, Qatar: RSD 250,619 thousand, for sponsor's and agents expenses paid for conclusion of the largest contracts with the state investor "Kahramaa." Namely, in the area of Middle East is not possible to run the company without making a contract with a local sponsor, which fee does not amount less than 2.5% of invoiced income, while in Oman these percentages are higher, depending on the contract value) and in the country: RSD 13,539 thousand;

- Energoprojekt Niskogradnju in the amount of RSD 123,540 thousand abroad: RSD 88,090 thousand (primarily on the project Z-023 Pericos - San Ignacio, Peru - cost of legal services) and in the country: RSD 35,450 thousand;

- Energoprojekt Visokogradnju in the amount of RSD 53,725 thousand, in the country: RSD 30,650 thousand (mostly based on the costs of securing the construction site on current projects) and abroad: RSD 23,075 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 10,765 thousand and on projects Z- 112 Hotel Hayatt Rostov 2, Russia and Z-107 Radiology Hospital Syktyvkar, Russia);

- Energoprojekt Sunnyville in the amount of RSD 24,137 thousand, predominantly calculated variable costs for land according to the Contract on purchase and sale of real estate OPU: 854-2015 from 01.04.2015 which are included in the cost of built real estate in the residential - business complex Sunnyville in Belgrade in the amount of RSD 22,164 thousand (Note 13),

- Energoprojekt Holding in the amount of RSD 23,133 thousand, mostly legal, consulting and intellectual services; and

- Energoprojekt Oprema in the amount of RSD 18,179 thousand, in the country: RSD 15,620 thousand and abroad: RSD 2,559 thousand.

• **Insurance premium expenses** amounting to RSD 177,186 thousand were incurred based on the insurance of works, property and persons, primarily in the Energoprojekt Niskogradnja in the amount of RSD 94,946 thousand, in Energoprojekt Entel in the amount of RSD 50,841 thousand, in Energoprojekt Visokogradnja in the amount of RSD 12,145 thousand, Energoprojekt Urbanizam I arhitektura in the amount of RSD 7,343 thousand and in Energoprojekt Oprema in the amount of RSD 4,973 thousand.

• **Payment operation expenses** in the amount of RSD 277,793 thousand predominantly relate to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja amounting to RSD 167,167 thousand, abroad: RSD 93,167 thousand (dominant in Peru: RSD 69,377 thousand and Uganda: RSD 23,709 thousand) and the country: RSD 74,000 thousand (primarily on the projects Zeleni Bulevar, Railway Jajinci - Mala Krsna and TPS Zemun) , mostly based on the costs of bank commissions for issued guarantees in the amount of RSD 160,664 thousand (abroad: RSD 89,312 thousand and in the country: RSD 71,352 thousand);

- Energoprojekt Visokogradnja amounting to RSD 37,355 thousand, abroad: RSD 22,550 thousand (primarily on the Project Z-114 Reconstruction Syktyvkar Stadium, Russia: RSD 10,985 thousand and in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 7,424 thousand) and in the country: RSD 14,805 thousand primarily on the projects Belgrade Waterfront, Chinese Cultural Center and Navigator 2 Bussines Center), mostly based on the costs of bank commissions for issued guarantees in the amount of RSD 22,445 thousand (abroad: RSD 13,714 thousand and in the country: RSD 8,731 thousand on listed above projects);

- Energoprojekt Entel amounting RSD 32,142 thousand, predominantly, based on bank fees for guarantees providing expenses, in the amount of RSD 18,588 thousand and cost of payment transactions: RSD 13,554 thousand (dominantly within Energoprojekt Entel LTD, Qatar: RSD 15,740 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 12,461 thousand);

- Energoprojekt Hidroinženjering amounting RSD 20,783 thousand, primarily costs of issuing bank guarantees: RSD 18,532 thousand and cost of payment transactions: RSD 2,018 thousand (primarily on supervision and designs works performed in Algeria);

- Energoprojekt Oprema amounting RSD 11,127 thousand, primarily costs of issuing bank guarantees in the country: RSD 11,064 thousand (primarily on projects Kolubara Landfills and TPS Zemun).

• **Tax duties** in the amount of RSD 93,976 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 20,772 thousand, in the country: RSD 17,214 thousand (mostly, based on property tax: RSD 10,690 thousand) and abroad: RSD 3,558 thousand (dominately, based on property tax with the company Energoprojekt Montenegro: RSD 1,098 thousand);

- Energoprojekt Entel in the amount of RSD 19,225 thousand, abroad: RSD 16,545 thousand (mainly paid taxes for local workers in Oman), in the country: RSD 2,680 thousand (mostly, based on property tax: RSD 2,298 thousand);

- Energoprojekt Holding in the amount of RSD 18,775 thousand, in the country, dominantly based on property tax: RSD 18,385 thousand; and

- Energoprojekt Niskogradnja in the amount of RSD 16,120 thousand, abroad: RSD 10,350 thousand (in Peru: RSD 3,976 thousand and in Uganda: RSD 6,374 thousand) and in the country: RSD 5,770 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, quality control costs, protection equipment purchasing, etc.) amounting to the total of RSD 108,612 thousand consist primarily to the costs incurred by Energoprojekt Entel in the amount of RSD 43,176 thousand (abroad: RSD 39,055 thousand, in the country: RSD 4,121 thousand), Energoprojekt Visokogradnja in the amount of RSD 23,744 thousand (abroad: RSD 18,548 thousand, in the country: RSD 5,196 thousand), Energoprojekt Oprema in the amount of RSD 14,226 thousand (primarily costs of company OOO Belgrade, Belarus: RSD 9,863 thousand) and Energoprojekt Niskogradnja in the amount of RSD 5,661 thousand (predominantly court and administrative fees: RSD 5,521 thousand).

19. FINANCIAL INCOME AND FINANCIAL EXPENSE

19.1. Financial Income

Structure of financial income	In RSD thousand	
	01.01- 31.12.2019.	01.01- 31.12.2018.
Financial income from other related parties	17,885	10,369
Income from profit share of affiliated companies and joint ventures	73,743	67,382
Other financial income:		
a) Dividend income (Note 27)	17,350	68
b) Other financial income	63,743	55,975
<i>ITotal</i>	<i>81,093</i>	<i>56,043</i>
<i>Total financial income from related parties and other financial income</i>	<i>172,721</i>	<i>133,794</i>
Interest income (from third parties)	128,492	128,491
Foreign exchange gains and positive currency clause effect	364,056	508,468
TOTAL	665,269	770,753

Financial income from other related parties in the amount of RSD 17,885 thousand consist of the financial income from:

- Affiliated Company Energo Nigeria Ltd., Lagos, Nigeria, in the amount of RSD 6,838 thousand, which were recorded in Energoprojekt Oprema from dividend income in the amount of RSD 6,689 thousand (dividend receivables were collected in 2019) and foreign exchange gains in the amount of RSD 149 thousand;
- Joint Venture Company Enjub Ltd. in the amount of RSD 6,581 thousand, which were recorded, in Energoprojekt Holding as income from interest on loan granted;
- company Napred Razvoj Plc. in the amount of RSD 3,755 thousand, which were recorded, in Energoprojekt Holding as positive currency clause effects – liability for granted loan; and
- Napred Plc. in the amount of RSD 709 thousand, which were recorded in Energoprojekt Visokogradnja as positive currency clause effects.

• **Income from profit share of affiliated companies and joint ventures** in the amount of RSD 73,743 thousand relate to realized net result in the reporting period of associated companies Energopet Ltd. in the amount of RSD 56,619 thousand and the joint venture company Enjub Ltd. in the amount of RSD 17,124 thousand.

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 subsidiary companies Energoprojekt Oprema and Energoprojekt Industrija, and consequently into consolidated financial statements of Energoprojekt Holding (Note 27).

• **Interest income (third party)** in the amount of RSD 128,492 thousand are mainly related to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 85,902 thousand predominantly from the agreed default interest invoiced to the Investor in Uganda for unpaid receivables till defined date of payment: RSD 72,240 thousand (Project Z-027 Mpigi-Kanoni: RSD 25,785 thousand, Z-036 Kampala Streets Kawempe-Lubaga, Uganda: RSD 46,455 thousand) and interest from arbitration in Peru settled in favor of the Contractor (Consortium Percos San Ignacio), collected in accordance with the final settlement under the Contract / final liquidation of the projects;

- Energoprojekt Oprema in the amount of RSD 20,339 thousand, predominantly on the basis of interest collected on behalf of the company SNC Lavalin on the RTB Bor project, from arbitration award: RSD 20,309 thousand;

- Energoprojekt Entel in the amount of RSD 11,134 thousand, mostly from term deposits with commercial banks in the amount of RSD 9,777 thousand, predominantly abroad in the amount of RSD 8,962 thousand (in the company Energoprojekt Entel LTD, Qatar: RSD 5,218 thousand and Energoconsult LLC, Abu Dhabi, UAE: RSD 3,744 thousand); and

- Energoprojekt Visokogradnja, in the amount of RSD 8,571 thousand, mainly based on short-term time deposits incurred abroad: RSD 8,001 thousand (primarily within the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 5,479 thousand).

• **Exchange rate gains and positive currency clauses effects (third party)** amounted to RSD 364,056 thousand dinars, while exchange rate losses and negative currency clause effects amounted to RSD 246,159 thousand, so that in the reporting period recorded net exchange rate gains and positive currency clauses effects in the amount of RSD 117,897 thousand.

From the beginning of the year until 31 December 2019, RSD was appreciated to EUR by 0.51% (in 2018: was appreciated by 0.23%) and to USD was depreciated by 1.48% (in 2018: by 4.31%), and RSD was depreciated to RUB by 14.00% (in 2018 was appreciated by 13.75%).

19.2. Financial Expense

Structure of financial expenses	In RSD thousand	
	01.01-31.12.2019.	01.01-31.12.2018.
Financial expenses from transactions with other related parties	45,060	2,364
Financial expense from the losses of affiliated companies and joint ventures		9,748
Other financial expenses	401	56
<i>Total financial expenses from transactions with other related parties and other financial expenses</i>	<i>45,461</i>	<i>12,168</i>
Interest expenses (by third parties)	266,491	364,532
Foreign exchange losses and negative currency clause (towards third parties)	246,159	383,884
TOTAL	558,111	760,584

- **Financial expense from transactions with other related parties** in the amount of RSD 45,060 thousand were mostly recorded within following companies in the Energoprojekt system:

- Energoprojekt Holding in the amount of up to RSD 41,334 thousand, interest on the loan (RSD 33,187 thousand), one-time loan approval costs (RSD 7,202 thousand) and currency clause effects for granted loan (RSD 3 thousand) from Napred Razvoj: RSD 40,392 thousand and expenses from effects of the currency clause based on loans and interest on loans granted to the joint venture Enjub Ltd.: RSD 942 thousand; and

- Energoprojekt Oprema in the amount of RSD 3,623 thousand, exchange losses incurred in transactions with associated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Interest expense (by third party)** comprise of expenses from interest on loans and default interest incurred in debtor – creditor transactions and interest costs for public charges in the country. Interest expenses in the amount of RSD 266,491 thousand relate predominantly to the companies within system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 91,191 thousand primarily incurred from interest on loans granted by commercial banks and interest on leasing contracts in RSD 84,189 thousand (in the country: RSD 36,461 thousand and abroad (Peru and Uganda): RSD 47,728 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 88,373 thousand, in the country: RSD 55,649 thousand (primarily interest on borrowings: RSD 51,416 thousand) and abroad: RSD 32,724 thousand (predominantly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 32,319 thousand interest on overdrafts on accounts with commercial banks);

- Energoprojekt Oprema in the amount of RSD 49,776 thousand, mostly from interest on loans from commercial banks in the country for the project Energoentar Minsk, Belarus in the amount of RSD 44,796 thousand; and

- Energoprojekt Holding in the amount of RSD 28,036 thousand, primarily related to interest expenses on loans from banks in the country: RSD 21,444 thousand and default interest: RSD 6,297 thousand (lost lawsuit with R. Ljubojević on the basis of land expropriation: RSD 3,347 thousand and from Komercijalna banka: RSD 2,950 thousand).

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

20.1. 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.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Income from value adjustment of long-term financial investments and securities available for sale	44	671
Income from value adjustment of receivables and short-term financial investments	112,766	9,191
TOTAL	112,810	9,862

- **Income from value adjustment of long-term financial investments and securities available for sale** in the amount of RSD 44 thousand relate entirely to Energoprojekt Niskogradnja for revaluation of the loan instalment for apartments sold to employees.

- **Income from value adjustment of receivables and short-term financial investments** in the amount of RSD 112,766 thousand mostly relate to the following companies in the Energoprojekt system:

- Energoprojekt Oprema in the amount of RSD 101,675 thousand, based on collection of part of previously impaired receivables from the company SNC Lavalin on the RTB Bor project, as of Arbitration Award of the International Arbitration Court at the International Chamber of Commerce in Paris from 09.05.2019;

- Energoprojekt Hidroinženjering in the amount of RSD 10,511 thousand from collected previously impaired receivables from investors in the Urkis, Algeria; and

- Energoprojekt Niskogradnja in the amount of RSD 453 thousand from collected receivables from bankruptcy debtors (primarily from Inter - most Plc. under decision of the Belgrade Commercial Court), which were written off indirectly in the previous period.

20.2. 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.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Expenses from value adjustment of long-term financial investments and securities available for sale		588
Expenses from value adjustment of receivables and short-term financial investments	121,393	45,532
TOTAL	121,393	46,120

- **Expenses from value adjustment of receivables and short-term financial investments** in the amount of RSD 121,393 thousand relate mostly to the following companies of system Energoprojekt:

- Energoprojekt Hidroinženjering in the amount of RSD 74,178 thousand for impairment of receivables on projects in Algeria: RSD 72,058 thousand (mostly on projects Z-23 65 Dam: RSD 29,359 thousand, Z-09 Beni Sliman: RSD 24,058 thousand, Z-04 Tarzut: RSD 15,720 thousand) and in Jordan: RSD 2,120 thousand (on the project Z-15 Kufranja), due to a large delay in investor payment (mainly invoices from 2017);

- Energoprojekt Oprema in the amount of RSD 44,457 thousand from impaired receivables for the project Clinical Center of Serbia, based on the annulment of the final judgment of the Commercial Court of Appeals and the Belgrade Commercial Court from 2018 by the Supreme Court of Cassation of the Republic of Serbia from 24.01.2019, and after revision of the defendant Clinical Center of Serbia, Belgrade.

- Energoprojekt Visokogradnja in the amount of RSD 2,464 thousand based from impaired receivables in the country from customers: RSD 1,874 thousand and abroad: RSD 590 thousand.

21. OTHER INCOME AND OTHER EXPENSE

21.1. Other Income

Structure of other income	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Gains on sale of intangible assets, property, plant and equipment	27,040	100,019
Gains on sale of shares and securities		354,523
Gains on sale of material	2,600	6,103
Surpluses	2,337	3,407
Collected previously written-off receivables	4,040	142,383
Income from effects of agreed risk protection, which cannot be disclosed under other comprehensive result	359	333
Income from reduction in liabilities	32,374	50,241
Income from reversal of long and short-term provisions	89,672	559,551
Other income not posted elsewhere	107,542	61,865
Income from value adjustment of property, plant and equipment	37,352	89,338
TOTAL	303,316	1,367,763

• **Gains on sale of intangibles assets, property, plant and equipment** in the amount of RSD 27,040 thousand relate mostly to the following companies of Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 15,951 thousand from sale of equipment: RSD 8,995 thousand and disposal of equipment: RSD 6,956 thousand;

- Energoprojekt Visokogradnja in the amount of RSD 7,337 thousand, primarily based on the sale of equipment in Aktau, Kazakhstan; and

- Energoprojekt Holding in the amount of RSD 2,960 thousand, predominantly from sale of non-current assets held for sale (property Facility K1G in Rakovica, Belgrade) in the amount of RSD 2,959 thousand (Note 29).

• **Gains on sale of material** in the amount of RSD 2,600 thousand mostly refer to Energoprojekt Visokogradnja in the amount of RSD 1,367 thousand, mostly abroad in the amount of RSD 1,108 thousand (primarily in the company Energoprojekt Ghana Ltd: RSD 663 thousand and on the project Z-068 Hotel Aktau, Kazakhstan: RSD 237 thousand).

• **Surpluses** in the amount of RSD 2,337 thousand, mostly related to surplus stocks of materials and equipment determined by the regular annual inventory count conducted in Energoprojekt Niskogradnja in the amount of RSD 2,081 thousand, predominantly in the country: RSD 2,079 thousand.

- **Collected written-off receivables** in the amount of RSD 4,040 thousand predominantly relate to:
 - Energo (Private) Limited, Zimbabwe in the amount of RSD 2,155 thousand - collection of written-off funds from banks; and
 - Energoprojekt Entel in the amount of RSD 1,181 thousand - collection of written-off receivables in the company Energoprojekt Entel LTD, Doha, Qatar.

- **Income from reduction of liabilities** in the amount of RSD 32,374 thousand predominantly were recorded in the following companies in the system Energoprojekt:
 - Energoprojekt Oprema in the amount of RSD 12,624 thousand, primarily from reduction of accrued liabilities from 2015 for the RTB Bor project: RSD 9,024 thousand and liability to SNC Lavalin: RSD 2,914 thousand under Decision on write-off made on the basis of completed arbitration proceedings;
 - Energoprojekt Visokogradnja in the amount of RSD 11,233 thousand, predominantly from write-offs due to obsolescence, in the country: RSD 6,637 thousand and abroad (on project Z-089 Aktau Hospital, Kazakhstan): RSD 4,596 thousand;
 - Energoprojekt Holding in the amount of RSD 6,122 thousand relate to collection of liabilities for dividends in the amount of RSD 6,025 thousand and liabilities for dividend tax in the amount of RSD 97 thousand due to expiration of the general statute of limitations of ten years; and
 - Energoprojekt Niskogradnja in the amount of RSD 1,550 thousand, from subsequently approved rebates from suppliers in the country: RSD 1,409 thousand and write-off of obsolete liabilities: RSD 141 thousand.

- **Income from reversal of long-term and short-term provisions** in the amount of RSD 89,672 thousand mostly to:
 - income from reversal of provisions for costs in the warranty period in the amount of RSD 85,506 thousand, in Energoprojekt Entel in the amount of RSD 83,774 thousand (part of provision for the project in Qatar Phase 11), Energoprojekt Visokogradnja in the amount of RSD 1,614 thousand (for project Z -105 Residential building Syktyvkar, Russia) and Energoprojekt Oprema in the amount of RSD 118 thousand (remaining amount of provision for the project Prokop) (Note 37); and
 - income from reversal of provisions for severance pay upon retirement in the amount of RSD 3,443 thousand, in Energoprojekt Visokogradnja: RSD 2,669 thousand and Energoprojekt Oprema: RSD 774 thousand.

- **Other income not posted elsewhere** in the amount of RSD 107,542 thousand relate mostly to the following companies of system Energoprojekt:
 - Energoprojekt Visokogradnja in the amount of RSD 51,383 thousand, abroad in the amount of: RSD 29,319 thousand (primarily in the foreign company Energoprojekt Ghana ltd: RSD 27,676 thousand - reduction of VAT duty and on the project Z-089 Aktau Hospital, Kazakhstan: RSD 1,244 thousand based from correction of liabilities for taxes and contributions) and in the country in the amount of RSD 22,064 thousand (primarily, from collection of agreed fine on projects Navigator 2 Bissines Center: RSD 9,078 thousand and Park 11: RSD 665 thousand and collection of damages from insurance on the Park 11 project: RSD 4,683 thousand);

- Energoprojekt Oprema in the amount of RSD 34,589 thousand, primarily from income recorded in the company OOO Belgrade, Belarus in the amount of RSD 26,303 thousand and income recorded on the basis of reimbursement of court costs from completed arbitration proceedings with SNC Lavalin in the amount of RSD 4,606 thousand;
- Energoprojekt Niskogradnja in the amount of RSD 15,091 thousand, primarily from insurance claims arising from the destruction of equipment in the amount of RSD 8,333 thousand (on projects in the country: RSD 1,795 thousand and on projects abroad: RSD 6,538 thousand, predominantly in Uganda), sales of secondary raw materials (scrap iron) in the country in the amount of RSD 2,230 thousand and income from collection of contracted fines from subcontractors for penalties due to delays in the execution of works on the project Asphalting of streets P-11373 in the amount of RSD 3,844 thousand.
- **Income from value adjustment of property, plant and equipment** in the amount of RSD 37,352 thousand relate to settlement of investment property value on its fair value at the balance sheet date in accordance with IAS 40, Investment Property in the following companies in the Energoprojekt system:
 - Energoprojekt Niskogradnja in the amount of RSD 27,361 thousand (part of the residential complex Cruz del Sur in Peru);
 - Energoprojekt Holding in the amount of RSD 7,211 thousand (part of complex "Samački hotel" in Zemun);
 - Dom 12 S.A.L., Lebanon in the amount of RSD 2,685 thousand (business buildings in Moscow); and
 - Energoprojekt Industrija in the amount of RSD 95 thousand (real estate in Toše Jovanovića Street in Belgrade).

21.2. Other Expense

Structure of other expenses	In RSD thousand	
	01.01.-31.12. 2019.	01.01.-31.12. 2018.
Losses from sales of intangible assets, property, plant and equipment	16,123	120,099
Loss from sales of equity shares and securities	3,493	
Losses from sales of material	374	16,296
Shortages	8,503	3,018
Expense from direct write-off of receivables	81,579	40,670
Expense from disposal of inventory of material and goods	2,180	10,739
Other not mentioned expense	182,691	74,130
Impairment of property, plant and equipment	787	68,459
Impairment of inventory of material and merchandise	1,314	
TOTAL	297,044	333,411

• **Losses from sales of intangible assets, property, plant and equipment** in the amount of RSD 16,123 thousand relate to the following companies in the Energoprojekt system:

- Energoprojekt Visokogradnja in the amount of RSD 9,308 thousand, in the country: RSD 2,278 thousand (primarily disposal of equipment) and abroad: RSD 7,030 thousand (primarily, equipment sales in the Aktau base: RSD 6,091 thousand);

- Energoprojekt Niskogradnja in the amount of RSD 4,721 thousand from purchase value of sold fixed assets: RSD 4,141 thousand and disposal of fixed assets according to the regular annual inventory count: RSD 580 thousand; and

- Energoprojekt Entel in the amount of RSD 1,555 thousand, abroad: RSD 1,500 thousand (in the company Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman - car sales) and in the country: RSD 55 thousand (disposal of equipment - IT equipment and office furniture).

• **Losses from sale of equity shares and securities** in the amount of RSD 3,493 thousand entirely relate to Energoprojekt Holding due to losses realised from sale of equity investments in Encom GmbH Consulting, Engineering & Trading, Germany (Note 2).

• **Shortages** in the amount of RSD 8,503 thousand, mostly related to shortages of stocks of materials and equipment determined by the regular annual inventory count conducted in Energoprojekt Niskogradnja in the amount of RSD 7,724 thousand, predominantly in the country: RSD 7,708 thousand, primarily from current period turnover.

• **Expenses from direct write-off of receivables** in the amount of RSD 81,579 thousand (primarily for the outcome of assessment of reality balance sheet items in accordance with the provisions of IAS 39 and prudence principle), relate, mostly, to the following companies of system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 45,321 thousand, entirely abroad, mostly in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 44,551 thousand from written off receivables older than 3 years from companies that due to the imposed sanctions on Qatar, had to close their companies in Qatar;

- Energoprojekt Oprema in the amount of RSD 33,009 thousand, entirely in the country, from direct write-off of uncollected receivables (receivables from issued payment certificates and uninvoiced income) from the company SNC Lavalin on the RTB Bor project, based on the Arbitration Award dated 09.05 .2019; and

- Energoprojekt Visokogradnja in the amount of RSD 3,249 thousand, abroad in the amount of RSD 2,189 thousand from written-off receivables for uninvoiced income on project Z-099 Design of sports center Aktau, Kazakhstan and in the country: RSD 1,060 thousand from write-off of trade receivables due to obsolescence and inability to collect them.

• **Other not mentioned expenses** in the amount of RSD 182,691 thousand predominantly relate to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 34,572 thousand predominantly refers to compensation for damages to R. Ljubojevic from lost court dispute (land expropriation) in the amount of RSD 32,370 thousand, bank penalty costs due to violated financial obligations from the contract - level of Net Debt / Ebitd in the amount of RSD 1,772 thousand and donations in the amount of RSD 200 thousand;

- Energoprojekt Oprema in the amount of RSD 31,585 thousand, primarily in the company OOO Belgrade, Belarus: RSD 26,031 thousand, paid fines for economic offenses and misdemeanors: RSD 1,380 thousand, costs of approved rebates: RSD 2,008 thousand and fines and penalties: RSD 1,019 thousand;

- Energoprojekt Hidroinženjering in the amount of RSD 21,776 thousand, primarily from penalties for delays in the preparation of project documentation for projects in Algeria (Sidi Naceurr: RSD 11,487 thousand, Rekhouché: RSD 5,226 thousand and Beni Slimane: RSD 1,779 thousand);

- Energoprojekt Entel in the amount of RSD 21,247 thousand, primarily from tuition fees and donations abroad; and

- Energoprojekt Niskogradnja in the amount of RSD 10,212 thousand, mostly from agreed penalty due to delays in execution of works on the Project P-11373 Asphaltting of Streets: RSD 3,798 thousand and costs of damages in Uganda: RSD 2,254 thousand.

• **Impairment of inventories of materials and merchandise** in the amount of RSD 1,314 thousand refers entirely to Energoprojekt Visokogradnja for project Navigator 2 Bussines Center: RSD 1,141 thousand and Park 11: RSD 173 thousand.

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	18,205	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		56,176
TOTAL	18,205	(56,176)

- **Net profit from discontinued operations, effects of changes in accounting policies and adjustments of errors from previous years** in the amount of RSD 18,205 thousand is the result of subsequently determined income, ie expenses from the previous period in amounts that are not material and on the basis of which recognition is charged, in favor of the current period, primarily on the one hand, due to reported net profit from correction of material insignificant errors from previous years in Energoprojekt Niskogradnja in the amount of RSD 42,965 thousand (mostly on the project Lajkovac-Ljig) and on the other hand, net loss on the same basis incurred in Energoprojekt Oprema in the amount of RSD 13,979 thousand and in Energoprojekt Entel in the amount of RSD 11,371 thousand.

23. PROFIT BEFORE TAX AND NET PROFIT

Structure of gross result	<i>in RSD thousand</i>	
	<i>01.01-31.12.2019.</i>	<i>01.01-31.12.2018.</i>
Operating income	26,454,843	23,122,123
Operating expenses	25,774,621	23,079,743
<i>Operating result</i>	<i>680,222</i>	<i>42,380</i>
Financial income	665,269	770,753
Financial expenses	558,111	760,584
<i>Financial result</i>	<i>107,158</i>	<i>10,169</i>
Income from value adjustment of other assets at fair value through profit or loss	112,810	9,862
Other income	303,316	1,367,763
Expenses from value adjustment of other assets at fair value through profit or loss	121,393	46,120
Other expenses	297,044	333,411
<i>Result of other income and expenses</i>	<i>(2,311)</i>	<i>998,094</i>
<i>Result from ordinary activities before taxes</i>	<i>785,069</i>	<i>1,050,643</i>
Net profit from discontinued operations, changes in accounting policies and corrections of errors from the previous period	18,205	
Net loss of discontinued operations, changes in accounting policies and corrections of errors from the previous period		56,176
PROFIT BEFORE TAX	803,274	994,467
Tax expense period	169,741	261,192
Deferred tax expense of period		18,490
Deferred tax income of period	7,316	
NET PROFIT	640,849	714,785
TOTAL INCOME	27,554,443	25,270,501
TOTAL EXPENSES	26,751,169	24,276,034

Energoprojekt system's incurred profit before tax (gross profit) in the reporting year amounted to RSD 803,274 thousand and is, first of all the result of:

- operating profit in the amount of RSD 680,222 thousand, primarily realised in Energoprojekt Entel, Energoprojekt Niskogradnja and Energoprojekt Hidroinženjering; and
- financial gain in the amount of RSD 107,158 thousand, primarily from net gains on exchange and positive currency clause.

Compared to last year on given date, decrease in **gross results** of the Energoprojekt system in the amount of 191,193 thousand was recorded in 2019, despite a significant increase in operating profit by RSD 637,842 thousand and increase in financial gain in the amount of RSD 96,989 thousand, due there was a decrease in other income in the amount of RSD 1,064,447 thousand in 2019 (in 2018: RSD 1,367,763 thousand, while in 2019 amounted to RSD 303,316 thousand).

Other income in the amount of RSD 1,367,763 thousand incurred in 2018, are mostly the result of recording the following figures:

- income from reversal of provisions for the project Energocentar Minsk, Belarus in the amount of RSD 496,125 thousand;
- income from sale of equity shares in Energoprojekt Garant a.d.o. and Beogradsko Mešovito Preduzeće a.d. in the amount of RSD 354,523 thousand; and
- income from collected written-off receivables in Energoprojekt Oprema (from the company International Project Services ltd. - branch on the project RTB Bor on the basis of an agreement and from the Clinical Center of Serbia on the basis of a lawsuit) in the amount of RSD 120,195 thousand.

24. EARNINGS PER SHARE

Indicator	<i>In RSD thousand</i>	
	<i>01.01.- 31.12. 2019.</i>	<i>01.01.- 31.12. 2018.</i>
Net-profit pertaining to parent company shareholders	585,412	445,593
The weighted average number of shares during the year	10,833,592	10,833,592
Earnings / (loss) per share (In RSD)	54.04	41.13

Earnings per share is calculated by dividing the profit for ordinary shareholders by the average weighted number of ordinary shares in circulation for the period and does not include ordinary shares that the Company (companies within System) purchased and held as treasury shares.

BALANCE SHEET

25. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Investment in development	Software and other rights	Intangible assets in process	Total
<i>Cost or valuation</i>				
Opening balance as of 01.01.2019		222,642		222,642
Additions		33,564	470	34,034
Transfer from investment in process				
Other transfers from / to				
Disposals				
FX differences				
Other increases / (decreases)				
As of 31.12.2019		256,206	470	256,676
<i>Accumulated depreciation</i>				
Opening balance as of 01.01.2019		172,493		172,493
Charges in the year		19,714		19,714
Disposals				
Other transfers from / to				
FX differences		570		570
Other increases / (decreases)				
As of 31.12.2019		192,777		192,777
<i>Net book value</i>				
As of 31.12.2018		50,149		50,149
As of 31.12.2019		63,429	470	63,899

Software and other rights as at 31 December 2019 relate to various software used by the system Energoprojekt for own purposes, which are depreciated in compliance with the relevant accounting policy.

Investments in software and other rights in the amount of RSD 34,034 thousand, primarily refer to Energoprojekt Holding in the amount of RSD 25,879 thousand, Energoprojekt Industrija in the amount of RSD 2,580 thousand, Energoprojekt Entel in the amount of RSD 2,370 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1,458 thousand.

26. PROPERTY, PLANT AND EQUIPMENT

In RSD thousand

Structure of property, plant and equipment	Land	Buildings	Plant and equipment	Investment property and IP under construction	Other PPE	PPE under construction	Investment in third parties PPE	Advances for PPE	Total
<i>Cost or valuation</i>									
Opening balance as of 01.01.2019	633,472	6,913,683	9,796,908	2,896,942	183,283	1,536	101,668	44,899	20,572,391
Additions		1,627	134,293		41	1,105		5,000	142,066
Transfer from investment in preparation									
Transfer of inventories - non-current assets held for sale and work in progress									
Other transfers from / to - from the advance, etc.			235					(235)	
Disposals			(241,670)		(1,056)		(97,317)		(340,043)
Gains / (losses) included in "Other result" (acc. 330)		62,774							62,774
Gains / (losses) included in the Income Statement		7,211		29,758					36,969
Impairments			(1,455)						(1,455)
FX differences	121	(3,323)	19,891	(89,632)					(72,943)
Other increases / (decreases)			2,810						2,810
As of 31.12.2019	633,593	6,981,972	9,711,012	2,837,068	182,268	2,641	4,351	49,664	20,402,569
<i>Ispravka vrednosti</i>									
Opening balance as of 01.01.2019		83,973	7,135,246		103,879		96,102		7,419,200
Charges in the year		87,753	444,143		10,872		1,381		544,149
Disposals			(208,846)		(787)		(97,316)		(306,949)
Transfer to inventories - non-current assets held for sale									
Other transfers from / to									
Impairments			(1,051)						(1,051)
FX differences		1,010	12,142						13,152
Other increases / (decreases)		(7,305)	118						(7,187)
As of 31.12.2019		165,431	7,381,752		113,964		167		7,661,314
<i>Net book value</i>									
As of 31.12.2018	633,472	6,829,710	2,661,662	2,896,942	79,404	1,536	5,566	44,899	13,153,191
As of 31.12.2019	633,593	6,816,541	2,329,260	2,837,068	68,304	2,641	4,184	49,664	12,741,255

• **Land**

Value of land of the system Energoprojekt amounting to RSD 633,593 thousand primarily relate to the Energoprojekt Visokogradnja in the amount of RSD 517,482 (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) and Energoprojekt Niskogradnja in the amount of RSD 97,292 (land in Peru and in the country – in Stara Pazova).

• **Buildings**

Measuring of buildings after their initial recognition, transition was made from Cost model to the Revalorization model (Note 7.8).

The fair value of buildings usually is their market value defined by valuation made by independent qualified appraisers, based on market evidence.

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

As of 31 December 2019, the residual value and remaining useful life of buildings was appraised, which resulted in change of depreciation costs for the year 2019.

In accordance with the relevant provisions of IAS 16, it was not necessary to estimate the fair value of Energoprojekt system building at the balance sheet date for which fair value movements were insignificant (already every three or five years). A significant change in fair value has facility part of the buildings complex "Samački hotel" in Zemun, for which the fair value was appraised on 31 December 2019 by a professionally qualified appraiser. In this regard, the revalued value of buildings as of 31 December 2019, in the amount of RSD 6,816,541 thousand represents their fair value.

Outcome of adjustments of buildings value at fair value part of the buildings complex of "Samacki Hotel" in Zemun as of 31 December 2019, was entered through item of equity - Revaluation reserve of property (shown in the table above through Profits included in item Other Result: RSD 56,459 thousand) and profit and loss account - Income from value adjustment of property (shown in the above table, up to levels of previous years reported expenses, through Profits included in profit or loss: RSD 7,211 thousand).

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

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

Investments in facility in the amount of RSD 1,627 thousand relate to Energoprojekt Visokogradnja for acquiring facility for the accommodation of workers and material assets in Siktivkar, Russia

• **Plant and Equipment**

As at 31 December 2019, appraisal of the residual value and the remaining useful lifetime of the equipment with significant accounting value were performed. Changes in accounting estimates impacted depreciation costs for 2019, and, consequently, the carrying value of assets as of 31 December 2019.

Of the total items in the reporting period, the amount of RSD 18,209 thousand relates to equipment regulated by the Financial Lease Agreement, which is entirely related to Energoprojekt Niskogradnja.

Liabilities of the system Energoprojekt based on the financial lease are explained in the Note 38.3.

Purchases of plant and equipment in the reporting period in the amount of RSD 134,293 thousand is recorded in the following companies:

- Energoprojekt Niskogradnja amounted to RSD 45,397 thousand (in the country: RSD 28,455 thousand, primarily for project Jajinci - Mala Krsna Railway and abroad: RSD 16,942 thousand in Peru and Uganda);
- Energoplast in the amount of RSD 27,845 thousand;
- Energoprojekt Entel in the amount of RSD 21,188 thousand (primarily in the country: RSD 15,603 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 3,730 thousand); and
- Energoprojekt Visokogradnja in the amount of RSD 18,835 thousand (primarily in the country: RSD 11,447 thousand).

Disposal of plant and equipment of net value in the amount of RSD 32,824 thousand (shown in the table above in the item "Disposal", purchase value in the amount of RSD 241,670 thousand and value adjustments in the amount of RSD 208,846 thousand) refers mostly to Energoprojekt Visokogradnja in the amount of RSD 25,156 thousand (primarily from sale of equipment in the Aktau Branch, Kazakhstan in the amount of RSD 21,192 thousand) and to Energoprojekt Entel in the amount of RSD 4,658 thousand (primarily from sale of cars in companies abroad and disposal of computer equipment).

• **Investment property**

According to adopted accounting policies, after initial recognition, an item of investment property is measured at fair value (Note 7.12.).

Investment property is stated at fair value as at 31 December 2019 in the amount of RSD 2,837,068 thousand. Valuation of the fair value of investment property as at 31 December 2018 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.

The most significant investment properties on the level of system Energoprojekt 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;
- Part of the building "Samački hotel" complex of the Energoprojekt Holding in Zemun.

In the reporting period, the system Energoprojekt generated income from the rent of investment property in the amount of RSD 85,889 thousand primarily from: rent of the office building in Moscow (within Dom 12 S.A.L, Lebanon), in the amount of RSD 27,695 thousand, from the rent of a number of properties in Lusaka, Zambia, in the amount of RSD 20,499 thousand (in company Zambia Engineering and Contracting Company Limited, Zambia): RSD 20,499 thousand, parts of the business building "Cruz del Sur" in Peru (in Energoprojekt Niskogradnja): RSD 10,091 thousand, parts of building complex "Samački hotel" (in Energoprojekt Holding): RSD 7,737 thousand, real estate in Ub and Višnjička Banja: RSD 6,991 thousand (in Energoprojekt Visokogradnja), more real estate in Harare, Zimbabwe (in the company Energo (Private) Limited, Zimbabwe): RSD 6,822 thousand and office buildings in London (in the company INEC Engineering Company Limited, Great Britain): RSD 5,842 thousand (Note 11.3).

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

- **Advances paid for property, plant and equipment** in the amount of RSD 49,664 thousand predominately relate to advance payment to the Republic of Serbia for the property purchase in Uganda, Peru and Nigeria in RSD 44,664 thousand.

27. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12. 2019.</i>	<i>31.12. 2018.</i>
Shares in affiliated companies and joint ventures	729,439	729,159
Shares in other legal entities and other available for sale securities	31,116	44,346
Other long-term financial investments	341,267	256,712
TOTAL	1,101,822	1,030,217

- **Shares in affiliated companies and joint ventures** in the amount of RSD 729,439 thousand are presented in the following table.

Equity investments in affiliated legal entities and joint ventures	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Energo Nigeria Ltd., Lagos, Nigeria	131.386	152.968
Energopet Ltd. Belgrade	563.491	524.625
Closed-end investment fund Fima "Southeastern Europe Activist" Plc. Belgrade - in liquidation		34.128
Enjub Ltd., Belgrade	34.562	17.438
TOTAL	729.439	729.159

Financial data pertaining to affiliate Energo Nigeria Ltd., Lagos, Nigeria on the 24,92% equity share of the Energoprojekt Oprema in the affiliate is presented in the following table.

Energo Nigeria Ltd., Lagos, Nigeria	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Capital	131,386	152,968
Income		
Net profit of the current period		

The affiliated company Energo Nigeria Ltd., Lagos, Nigeria is included into consolidation financial statements of Energoprojekt Oprema (Note 2) by equity method through the first consolidation level, based on its financial statements for 2018, considering that until the day of preparation the consolidated financial statements of Energoprojekt Holding for 2019, any financial statements have not been received from Energo Nigeria Ltd., Lagos, Nigeria as of the balance sheet date.

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

Energojet Ltd., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets	437,477	400,695
Operating assets	474,143	546,617
Assets	911,620	947,312
Liabilities	348,129	422,687
Capital	563,491	524,625
Income	1,291,446	1,298,849
Net profit/(loss) of the current period	56,619	67,382

In 2019, the associate company Closed-end investment fund Fima Southern Europe Activist Plc. Belgrade - in liquidation was liquidated and deleted from the Register of Business Entities and the Central Registry of Securities (based on the distribution of liquidation balance, Energoprojekt Holding in its business books, based on equity shares of (30.45%), recorded payment in cash in the amount of RSD 3,117 thousand, receivables from Komercijalna banka in the amount of RSD 144 thousand and dividend income in the amount of RSD 17,261 thousand), and therefore, in the following table are given only financial information for the company for the previous year .

Fima See Activist Plc., Belgrade	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets		
Operating assets		34,261
Assets		34,261
Liabilities		133
Capital		34,128
Income		6,228
Net (loss) of the current period		(396)

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>31.12.2019.</i>	<i>31.12.2018.</i>
Non-current assets	128,927	128,927
Operating assets	107,709	138,994
Assets	236,636	267,921
Liabilities	202,074	250,483
Capital	34,562	17,438
Income	65,242	3,784
Net profit / (loss) of the current period	17,124	(9,352)

• **Shares in other legal entities and available for sale securities** in the amount of RSD 31,116 thousand are presented in the following table.

Shares in other legal entities and available for sale securities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
a) Banks, financial organisations and other legal entities	31,096	44,329
b) Other securities available for sale	20	17
TOTAL	31,116	44,346

Share in banks, financial organizations and other legal entities in the amount of RSD 31,116 thousand relate, mostly, to Energoprojekt Holding, in the amount of RSD 30,240 thousand (Jubmes Banka Plc., Dunav Osiguranje Plc., Belgrade, Beogradska Berza Plc., and other).

Shares in banks, financial organisation and other legal entities and other securities available for sale are measured at their market (fair) value, if it is possible to determine it.

Decrease in share in banks, financial organizations and other legal entities compared to last year on given date by RSD 13,230 thousand primarily originated from negative outcome of value adjustments of securities from portfolio and their fair value on the secondary securities market as of the preparation the financial statements date dominantly in Energoprojekt Holding: RSD 13,107 thousand (Jubmes Bank Plc. and Dunav osiguranje Plc.).

- **Other long-term financial investments** in the amount of RSD 341,267 thousand are presented in the following table.

Other long-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Housing loans granted to employees	30,937	33,709
Long-term time deposits	78,135	
Deposits for bank guarantees	117,511	109,394
Other	114,684	113,609
TOTAL	341,267	256,712

- **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 30,937 thousand, the largest portion relates to Energoprojekt Visokogradnja in the amount of RSD 20,532 thousand, Energoprojekt Oprema in the amount of RSD 6,548 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,441 thousand and Energoprojekt Holding in the amount of RSD 993 thousand.

- **Long-term time deposits** in the amount of RSD 78,135 thousand refer to Energoprojekt Visokogradnja in the amount of RSD 76,135 thousand (for the project Z-114 Reconstruction of Syktyvkar Stadium, Russia) and to Energoprojekt Urbanizam i arhitektura in the amount of RSD 2,000 thousand (for the project Pozarevac Penitentiary).

- **Deposits for bank guarantees** in the amount of RSD 117,511 thousand entirely relate to Energoprojekt Entel (within Energoprojekt Entel LTD, Doha, Qatar: RSD 23,202 thousand and Energoconsult L.L.C., Abu Dhabi, UAE: RSD 94,309 thousand).

Increase in deposits for bank guarantees compared to last year on given date by RSD 8,117 thousand refers to Energoprojekt Entel primary to the company Energoconsult L.L.C., Abu Dhabi, UAE, in the amount of RSD 7,779 thousand.

- **Other long-term financial investments** in the amount of RSD 114,684 thousand mainly relate to the following Companies of the system Energoprojekt:

- 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 20,385 thousand, relate to deposits for working visas in the amount of RSD 13,886 thousand (within Energoconsult L.L.C., Abu Dhabi, UAE) and the deposits for apartments abroad in the amount of RSD 6,499 thousand (mainly within Energoconsult L.L.C., Abu Dhabi, UAE: RSD 3,239 thousand and Energoprojekt Entel LTD, Doha, Qatar: RSD 2,395 thousand).

28. LONG-TERM RECEIVABLES

Structure of long-term receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Other long-term receivables	1,337,869	1,316,965
TOTAL	1,337,869	1,316,965

• **Other long-term receivables** in the amount of RSD 1,337,869 thousand comprise of the receivables of the Energoprojekt Entel in RSD 1,318,295 thousand 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 1,090,819 thousand (for projects re. Qatar General Electricity & Water Corporation "Kahramaa"), Energoconsult L.L.C., Abu Dhabi, UAE: RSD 133,664 thousand and Energoprojekt Entel L.L.C., Muscat, Sultanate of Oman: RSD 93,812 thousand) and within Energoprojekt Visokogradnja: RSD 19,574 thousand based on collateral placed to investor for project Z-107 Radiology Clinic Siktivkar, Russia.

Increase in other long-term receivables compared to last year on given date by RSD 20,904 thousand refers, on the one hand, to increase in Energoprojekt Entel in the amount of RSD 120,639 thousand (primarily in the company Energoprojekt Entel LTD, Doha, Qatar) and, on the other hand, to decrease in receivables for the guarantee deposit in Energoprojekt Visokogradnja in the amount of RSD 99,735 thousand, from release of retained guarantee deposit by the investor GP Seven on the project Navigator 2 Bussines Center: RSD 58,728 thousand and collateral given to the investor on the project Z-107 Radiology Hospital Syktyvkar, Russia: RSD 41,007 thousand.

29. INVENTORIES

Structure of inventories	In RSD thousand	
	31.12.2019.	31.12.2018.
Material, spare parts, tools and small inventory	927,165	1,047,453
Work and service in progress	2,555,541	1,643,413
Finished Products	605,909	1,331,456
Goods	21,980	23,513
Non-current assets held for sale	109,157	163,588
Advances paid for inventories and services:		
a) Advances paid for inventories and services to other related legal entities	121,904	121,904
b) Advances paid for materials, spare parts and inventory	306,011	146,475
c) Advances paid for goods		65
d) Advances paid for services	1,023,415	502,407
<i>Total</i>	<i>1,451,330</i>	<i>770,851</i>
TOTAL	5,671,082	4,980,274

Material, parts, tools and small inventories in the amount of RSD 927,165 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 465,548 thousand, out of which inventories abroad amount to RSD 345,169 thousand (Uganda: RSD 233,582 thousand, Peru: RSD 111,587 thousand), and inventories in the country amount to RSD 120,379 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 232,268 thousand, out of which inventories in the country amount to RSD 156,581 thousand (primarily on the projects Chinese Cultural Center: RSD 22,981 thousand and Navigator 2 Bussines Center: RSD 80,815 thousand - residential complex Park 11: RSD 15,444 thousand, while inventories abroad amount to RSD 75,687 thousand (primarily on projects Z-103 Talan Towers, Astana, Kazakhstan: RSD 20,076 thousand, Z-107 Syktyvkar Radiology Hospital, Russia: RSD 19,227 thousand and Z-096 Forte Bank, Astana, Kazakhstan: RSD 14,629 thousand);
- Energoplast in the amount of RSD 153,779 thousand, out of which material inventories amount to RSD 128,510 thousand, parts inventories amount to RSD 24,505 thousand and tools inventories amount to RSD 764 thousand; and
- Energoprojekt Oprema in the amount of RSD 66,229 thousand, of which the largest part refers to the central warehouse: RSD 39,503 thousand, warehouse for the Ada Mol project: RSD 9,443 thousand and the warehouse for energy projects: RSD 8,309 thousand.

Decrease in inventories of materials, spare parts, tools and small inventory compared to last year on given date in the amount of RSD 120,288 thousand is the result, on the one hand, of decrease in Energoprojekt Oprema: RSD 188,237 thousand (predominantly on the Ada Mol project) and on the other hand, increase in Energoprojekt Visokogradnja: RSD 63,683 thousand (primarily, due to the intensification of work on projects in the country: Navigator 2 Bussines Center and Park 11, as well as projects abroad: Z-107 Radiology Hospital Syktyvkar, Russia).

- **Work and services in progress** in the amount of RSD 2,555,541 thousand primarily relate to following companies of the system Energoprojekt:

- Energoprojekt Park 11 in the amount of RSD 1,766,218 thousand, relate to production in progress based on construction of business and residential complex "Park 11" in Block 11a, New Belgrade;

- Energoprojekt Visokogradnja in the amount of RSD 757,304 thousand, out of which work in progress in the country amounts to RSD 240,355 thousand (based on own investments in Belgrade, in Knez Danilova Street: RSD 81,337 thousand, in Bezanijska Kosa: RSD 48,374 thousand, in Vozdovac: RSD 25,938 thousand and 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 28,454 thousand relate to production of crashed stone and concrete agregate in projects abroad (Peru).

Increase in inventories of work in progress and service compared to last year on given date in the amount of RSD 912,128 thousand refers, on the one hand, to increase in Energoprojekt Park 11 in the amount of RSD 913,440 thousand from construction of business - residential complex Park 11 in Block 11a in New Belgrade and, on the other hand, decrease in Energoprojekt Niskogradnja in the amount of RSD 1,312 thousand from inventories of produced material for the projects in Peru.

- **Finished products** in the amount of RSD 605,909 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Sunnyville in the amount of RSD 516,254 thousand, from constructed and unsold real estate in the residential - business complex Sunnyville in Belgrade;

- Energoprojekt Visokogradnja in the amount of RSD 46,485 thousand mostly relate to constructed and sold property: in Car Nikolaj street: RSD 28,973 thousand and in Bezanijska Kosa in the amount of RSD 17,512 thousand; and

- Energoplast in the amount of RSD 43,170 thousand that relate to the finished plastic stoppers.

Increase / (decrease) in inventories of work in progress and finished products is entered within operating expenses in the income statement.

Decrease in inventories of finished products compared to last year on given date in the amount of RSD 725,547 thousand mostly refers to Energoprojekt Sunnyville in the amount of RSD 678,022 thousand arose from sale of real estate in the residential - business complex Sunnyville in Belgrade.

- The total value of **goods** in the amount of RSD 21,980 thousand primarily relate to: Energoprojekt Niskogradnja in the amount of RSD 13,122 thousand (invoiced purchase of inventories of materials and spare parts on projects abroad - Peru and Uganda, which were not received as of 31 December 2019 - Goods on the road) and to Energoplast in the amount of RSD 6,248 thousand (purchased ready-made closures for resale).

• **Non-current assets held for sale** amount to RSD 109,157 thousand primarily relate to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 58,379 thousand based on real estate in the K1G Building in Rakovica, Belgrade.

Pursuant to the Decision made by the Executive Board of the Energoprojekt Holding and to Conclusion on partial settlement and costs of the procedure I.IV 122/19 dated 17.05.2019 and the Contract on sale of real estate by direct agreement under the agreement of the parties I.Iv 122/19 dated 17.05.2019. The Energoprojekt Holding on behalf of partial collection of receivables from Enjub Ltd. Belgrade and under the Agreement on Reprogramming of the Debt no. 115 dated 18.04.2012, as of promissory note, on real estate of Enjub Ltd. Belgrade, which are located in the K1G Building in Rakovica, was recorded in its business books the figure under the item non-current assets held for sale the amount of RSD 81,453 thousand. During the reporting period, part of real estate was sold and thus income from sales was realized in the amount of RSD 2,959 thousand.

Summary of non-current assets held for sale is presented below:

In RSD thousand									
no.	Item	Address	No.	Area m2	Cost	Calculated tax on transfer of absolute rights	Sale price	Gain/ (loss) from sale	Net value
1	Two bedroom apartment	Petra Konjovića 14	Lamela 1, 2nd floor, no.15	51	6,072	152			6,224
2	Two and half bedroom app.	Petra Konjovića 14	Lamela 1, 3rd floor, no.16	78	9,234	231			9,465
3	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 3rd floor, no.17	46	5,417	135	6,179	627	
4	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 3rd floor, no. 20	50	5,856	146			6,002
5	Two bedroom apartmants	Petra Konjovića 14	Lamela 1, 4th floor, no.26	45	5,350	134	6,100	616	
6	Three bedroom apartmants	Petra Konjovića 14a	Lamela 2, 1st floor, no.4	80	9,384	235			9,619
7	Two bedroom apartmants	Petra Konjovića 14a	Lamela 2, 3rd floor, No.17	60	7,105	178			7,283
8	Studio	Petra Konjovića 14b	Lamella 3, basement, no.2	29	3,421	85	3,901	395	
9	Office space	Petra Konjovića 14b	Lamella 3, basement, no.5	46	5,442	136			5,578
10	Studio	Petra Konjovića 14b	Lamela 3, II floor, no.13	33	3,948	99	4,634	587	
11	Two and a half bedroom ap	Petra Konjovića 14b	Lamela 3, II floor, no.14	77	9,083	227			9,310
12	Apartment	Petra Konjovića 14b	Lamela 3, attic, no.15	54	6,361	159	7,255	735	
13	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.7	12	531	14			545
14	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.8	12	531	14			545
15	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.9	12	531	13			544
16	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.10	12	531	13			544
17	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.11	12	531	13			544
18	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.12	12	531	13			544
19	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.13	12	531	13			544
20	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.16	12	531	13			544
21	Garage place	Petra Konjovića 14a	Lamela 2, basement 2, no.17	12	531	13			544
	Total			757	81,453	2,036	28,069	2,959	58,379

The Company is actively implementing planned sales plans, which are expected to be fully realised within a year.

- Energoprojekt Niskogradnja in the amount of RSD 50,668 thousand from property and land held for sale, as shown in the following table.

Description	Location	Area in m ²	Net book value in RSD thousand
Land - Mombasa Road, Kenia	Nairobi, Kenia	12,140.55	4,066
Land "Santa Clara", Peru	Santa Clara, Lima, Peru	23,009.70	18,601
Warehouse "Santa Clara", Lima	Santa Clara, Lima, Peru	792.35	22,273
Business space - 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.

Decrease in non-current assets held for sale compared to last year on given date in the amount of RSD 54,431 thousand is the result, on the one hand, of decrease in Energoprojekt Energodata in the amount of RSD 112,810 thousand, based on the sale of office space in Palmira Toljatija Street, New Belgrade and, on the other hand, of increase in Energoprojekt Holding in RSD 58,379 thousand, based on real estate in the K1G Building in Rakovica, Belgrade.

- **Advances paid for inventories and services to other related parties** in the amount of RSD 121,904 thousand 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 306,011 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 283,547 thousand, of which advances paid in the country amount to RSD 229,122 thousand (primarily, on the project Chinese Cultural Center: RSD 45,552 thousand, Navigator 2 Bussines Center: RSD 81,260 thousand and Park 11: RSD 98,818

thousand), and abroad RSD 54,425 thousand (primarily in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 33,967 thousand); and

- Energoprojekt Niskogradnja in the amount of RSD 17,603 thousand, of which advances paid abroad amount to RSD 10,455 thousand, and RSD 7,148 thousand in the country.

Increase in advances paid for materials, spare parts and inventory compared to last year on given date in the amount of RSD 159,536 thousand, mostly is the result of, on the one hand, increase in Energoprojekt Visokogradnja: RSD 218,360 thousand (predominantly due to increased work on projects in the country: Chinese Cultural Center, Navigator 2 Bussines Center and Park 11) and on the other hand, decrease in Energoprojekt Oprema: RSD 66,234 thousand.

• **Advances paid for services** in the amount of RSD 1,023,415 thousand, relate, mostly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 859,175 thousand from advances paid to suppliers on projects in the country in the amount of RSD 824,880 thousand (primarily on the projects Railway Jajinci - Mala Krsna, Zeleni Bulevar and TPS Zemun) and on projects abroad in the amount of RSD 34,295 thousand (Uganda and Peru);

- Energoprojekt Visokogradnja in the amount of RSD 76,089 thousand, entirely related to abroad (mostly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 46,815 thousand);

- Energoprojekt Industrija in the amount of RSD 37,109 thousand, primarily on the project in the country - Construction of the Water Purification System, Heineken: RSD 17,711 thousand and projects in Ghana: RSD 17,893 thousand; and

- Energoprojekt Oprema in the amount of RSD 19,389 thousand, predominantly refer to advances paid in the country: RSD 19,385 thousand (mostly on the project Dalekovod Leskovac - Macedonia: RSD 15,484 thousand).

Increase in advances paid for services compared to last year on given date, by RSD 540,989 thousand, on one hand originated from increase in Energoprojekt Niskogradnja: RSD 488,227 thousand (primary, increase in paid advances to subcontractors for new projects in the country), Energoprojekt Visokogradnja: RSD 39,856 thousand (primarily from new business abroad, on projects Z-114 Reconstruction of Siktivkar Stadium, Russia and Z-112 Hotel Hyatt Rostov 2, Russia) and in Energoprojekt Industrija: RSD 32,982 thousand, increase of advances paid to subcontractors for new projects in the country - Construction of Water Purification System, Heineken and for projects in Ghana, and on the other hand, from decrease in Energoprojekt Oprema: RSD 32,073 thousand (primarily on the project Ada Mol).

30. RECEIVABLES FROM SALES

Structure of receivables from sale	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Local buyers - other related parties	25,254	3,580
Foreign buyers - other related parties	561,160	693,084
Local buyers	2,665,120	3,331,261
Foreign buyers	4,838,000	5,006,108
TOTAL	8,089,534	9,034,033

Local buyers - other related parties in the amount of RSD 25,254 thousand refer, primarily, to receivables from the related company Napred Plc. in Energoprojekt Urbanizam i arhitektura in the amount of RSD 10,901 thousand and from Energoprojekt Visokogradnja in the amount of RSD 9,513 thousand and receivables from the joint venture Enjub Ltd., primarily in Energoprojekt Visokogradnja in the amount of RSD 2,121 thousand.

- **Foreign buyers– other related parties** in the amount of RSD 561,160 thousand relate to receivables from the affiliate company Energo Nigeria Ltd., Lagos, Nigeria, in Energoprojekt Oprema.

- **Local buyers** amounting to RSD 2,665,120 thousand primarily relate to receivables from Energoprojekt Visokogradnja: RSD 1,430,064 thousand, Energoprojekt Niskogradnja: RSD 449,654 thousand, Energoprojekt Oprema: RSD 297,151 thousand and from Energoprojekt Entel: RSD 254,701 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.

Structure of local buyers receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Visokogradnja:</i>		
Empiret Ltd. Chinese Cultural Center Project	608,039	115,406
GP Seven Ltd. project Navigator 2 Business Centar)	568,004	195,168
Beograd na vodi Ltd. (proproject Belgrade Waterfront)	212,871	368,351
Other	41,150	16,260
Total	1,430,064	695,185
<i>Energoprojekt Niskogradnja:</i>		
China Shandong Intern.E&T Branch Beograd (project Lajkovac - Ljig)	215,178	1,769,418
Hidro-Tan Ltd. (project Leveling of the river Pestan phase 2)	86,477	7,334
Infrastructure of the Serbian Railways / Colas Rail S.A.S. Belgrade Branch (Jajinci - Mala Krsna Railway Project)	72,893	
PE Putevi Srbije (project Zrenjaninska petlja)	19,505	
City of Belgrade - Secretariat for Investments/Colas Rail S.A.S. Ogranak Beograd (project Zeleni Bulevar)	16,699	
Other	38,902	28,681
Total	449,654	1,805,433
<i>Energoprojekt Oprema:</i>		
Gradina Ltd. (Ada Mall project)	226,001	328,531
Legas Group Ltd. (project Kolubara Landfill)	48,497	40,282
Hidro-Tan Ltd. (several projects)	7,295	11,972
PE Elektroprivreda Srbije (project Kolubara Landfill)	3,280	33,925
Other	12,078	79,701
Total	297,151	494,411
<i>Energoprojekt Entel:</i>		
JP Elektroprivreda Srbije	235,768	129,430
Beo Čista Energija Ltd.	8,897	
TEPSCO	6,016	15,098
Other	4,021	5,005
Total	254,701	149,533

Decrease in receivables of local buyers compared to last year on given date by RSD 666,141 thousand mainly originated, on one hand, from decrease in Energoprojekt Niskogradnja: RSD 1,355,779 thousand (primarily from China Shandong Intern. E&T Belgrade Branch on the project Lajkovac - Ljig) and, on the other hand, from increases in Energoprojekt Visokogradnja: RSD 734,879 thousand (primarily from GP Seven Ltd. on project Navigator 2 Business Center and from the company Empiret Ltd. on the project Chinese Cultural Center).

- **Foreign buyers** in the amount of RSD 4,838,000 thousand relate predominantly to Energoprojekt Niskogradnja, in the amount of RSD 2,614,440 thousand, Energoprojekt Entel in the amount of RSD 1,477,452 thousand, Energoprojekt Visokogradnja in the amount of RSD 408,071 thousand and Energoprojekt Hidroinženjering in the amount of RSD 195,258 thousand.

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

Structure of foreign buyers	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Niskogradnja:</i>		
<i>Uganda:</i>		
Uganda National Roads Authority	1,658,579	1,889,169
Ministry of Works and Transport	454,824	445,680
Kampala Capital City Authority	145,561	272,407
<i>Total Uganda</i>	<i>2,258,964</i>	<i>2,607,256</i>
<i>Peru:</i>		
Consorcio Energopeojekt - CCEQO	88,897	22,565
Consorcio Pericos San Ignacio, Peru	57,621	23,772
Consorcio Vial San Alejandro	56,502	183,910
Consorcio Primavera	48,870	1,457
Consorcio Chira	33,715	79,020
Sindicato Energetico SA	30,650	30,204
Other	39,221	19,148
<i>Total Peru</i>	<i>355,476</i>	<i>360,076</i>
TOTAL	<i>2,614,440</i>	<i>2,967,332</i>
<i>Energoprojekt Entel:</i>		
Company Energoprojekt Entel L.L.C., Doha, Qatar	541,079	569,506
Company Ergoconsult L.L.C., Abu Dhabi, UAE	725,889	486,101
Company Energoprojekt Entel L.L.C., Muskat, Sultanat Oman	210,484	170,124
Other		27,061
TOTAČ	<i>1,477,452</i>	<i>1,252,792</i>
<i>Energoprojekt Visokogradnja:</i>		
Wonda World - Petronia City, Ghana	100,258	
Ernest Chemist Ghana	95,364	52,429
Ecobank Ghana	69,028	68,022
MKC- RosEvroDevelpoment (Z-112 Hotel Hyatt Rostov 2, Russia)	44,667	
Cargo centar Ghana	39,297	95,589
Ziloi Property Managment (Z-105 Siktivkar, Russia)		40,714
Other	59,457	31,485
TOTAL	<i>408,071</i>	<i>288,239</i>
<i>Energoprojekt Hidroinženjering:</i>		
Agence Nationale des Barrages et Transferts, Alger (Z-14 Đedra)	39,295	47,438
Agence Nationale des Barrages et Transferts, Alger (Z-08 Seklafa)	26,818	87,867
Agence Nationale des Barrages et Transferts, Alger (Z-12 Soubella)	22,085	57,895
Agence Nationale des Barrages et Transferts, Alger (Z-09 Beni Slimane)	20,007	64,027
Other	87,053	123,571
TOTAL	<i>195,258</i>	<i>380,798</i>

Decrease in receivables from foreign buyers respecting the last year comparative period, by RSD 168,108 thousand mainly came as result, on the one hand, from decrease in Energoprojekt Niskogradnja: RSD 352,892 thousand (predominantly in Uganda: RSD 348,292 thousand, primarily from Uganda National Roads Authority) and, on the other hand, from increases in Energoprojekt Entel: RSD 224,660 thousand (mostly in Energoconsult LLC, Abu Dhabi, UAE).

31. RECEIVABLES FROM SPECIFIC TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Receivables from special transactions from other related parties	54,835	50,892
Receivables from special transactions from other legal entities	223	55,607
TOTAL	55,058	106,499

- **Receivables from special transactions from other related parties** in the amount of RSD 54,835 thousand relate to Energoprojekt Oprema in the amount of RSD 49,552 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 5,283 thousand, based on the transfer of expenses to the Enjub Ltd. joint venture.

- **Receivables from special transactions from other legal companies** in the amount of RSD 223 thousand mostly relate to Energoprojekt Entel in the amount of RSD 221 thousand.

Decrease in receivables from special transactions from other legal entities compared to last year on given date RSD 55,384 thousand refers to Energoprojekt Entel, based on collection of receivables from 2018 in the company Energoprojekt Entel LTD, Doha, Qatar.

32. OTHER RECEIVABLES

Structure of other receivables	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Interest and dividend receivables:		
a) Interest and dividends receivables from other related companies	80,602	74,413
b) Interest agreed and default interest receivables from other companies	226	50
c) Receivables for dividends - other legal companies (Note 27)	144	
<i>Total</i>	<i>80,972</i>	<i>74,463</i>
Receivables from employees	113,730	132,040
Receivables from state institutions		
Receivables for overpaid income tax	46,111	107,939
Receivables from overpaid other taxes and contributions	8,718	8,854
Receivables for fringe benefits returns	10,856	18,906
Receivables for damage compensation	1,611	1,937
Other short-term receivables	283,640	275,052
TOTAL	545,638	619,191

- **Interest and dividend receivables from other related parties** in the amount of RSD 80,602 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 113,730 thousand relate predominantly to Energoprojekt Entel in the amount of RSD 96,944 thousand (from pre-paid severance payments in Energoprojekt Entel LTD, Doha, Qatar RSD 86,582 and Energoprojekt Entel LLC Oman, Oman: RSD 10,362 thousand in accordance with local legal regulations), as well as to unjustifiably paid advance payments to employees leaving to work in foreign countries and to loans granted to employees etc., primarily in Energoprojekt Niskogradnja in the amount of RSD 5,343 thousand (predominantly abroad), Energoprojekt Visokogradnja in the amount of RSD 4,254 thousand (mostly in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 3,205 thousand) and Energoprojekt Hidroinženjering in the amount of 1,550 thousand.

Decrease in receivables from employees compared to last year on given date by RSD 18,310 thousand mostly refers to Energoprojekt Entel in the amount of RSD 16,164 thousand (primarily as a net effect of changes in prepaid severance pay, namely reductions in the company in Qatar and increases in the company in Oman).

- **Receivables for overpaid income tax** in the amount of RSD 46,111 thousand, mainly relate to Energoprojekt Niskogradnja in the amount of RSD 16,527 thousand (in the country, based on the remaining receivables in the form of advance paid installments for 2019, after deducting the amount of estimated income tax liability for 2019), Energoprojekt Visokogradnja in the amount of RSD 13,492 thousand (abroad, predominantly on the project Z-103 Talan Towers, Astana, Kazakhstan: RSD 13,484 thousand) and Energoplast in the amount of RSD 7,106 thousand.

Decrease in receivables for overpaid paid income tax compared to last year on given date by RSD 61,828 thousand is mostly the result, on the one hand, decrease in Energoprojekt Visokogradnja in the amount of RSD 34,384 thousand (on the project Z-103 Talan Towers, Astana, Kazakhstan), in Energoprojekt Niskogradnja in the amount of RSD 21,386 thousand (in the country) and in Energoprojekt Holding in the amount of RSD 16,173 thousand and, on the other hand, increases in Energoplast in the amount of RSD 5,748 thousand.

- **Receivables in respect of prepaid other taxes and contributions** amount to RSD 8,718 thousand and predominantly refer to Zambia Engineering and Contracting Company Limited, in the amount of RSD 7,608 thousand, Energoprojekt Hidroinženjering in the amount of RSD 558 thousand and Energoprojekt Industrija in RSD 534 thousand.

- **Receivables for fringe benefits' returns** (sick leaves longer exceeding 30 days, maternity leave, etc.) in the amount of RSD 10,856 thousand relate primarily to Energoprojekt Visokogradnja in the amount of RSD 3,729 thousand, Energoprojekt Niskogradnja in the amount of RSD 2,764 thousand, Energoprojekt Energodata in the amount of RSD 1,725 thousand and Energoprojekt Holding in the amount of RSD 991 thousand.

- **Receivables for damage compensation** in the amount of RSD 1,611 thousand entirely relate to Energoprojekt Visokogradnja, based on damage compensation from Eurologistic - project Z-089 Hospital Aktau, Kazakhstan.

- **Other short-term receivables** amounting to RSD 283,640 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 198,696 thousand mainly based on the receivables from Tax Administration for overpaid income tax in Peru: RSD 155,735 thousand and in Uganda: RSD 10,870 thousand (will be utilised in the future period for paying income taxes in Peru and Uganda), receivables from loans granted to partners in the consortium in Peru for payment of joint obligations (insurance costs, bank guarantees, lawyers' services, etc.): RSD 16,333 thousand and receivables from the tax administration for overpaid value added tax in Uganda: RSD 14,902 thousand; and

- Energoprojekt Hidroinženjering, in the amount of RSD 63,769 thousand, mostly based on receivables from client Special Project for Strengthening and Expansion of TACNA Water Resources - PET, for the amount of unwarranted protested guarantees, on the Yaraskay project, Peru (at the beginning of 2018, a positive decision was made at the Arbitration Council, which was confirmed by the decision of the higher court. The decision is final, and the collection of claims depends on the timeliness of local courts and administration).

33. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Short-term loans and investments - other related companies	76,521	157,836
Short-term loans and borrowings in the country		17,807
Short-term loans and borrowings abroad	853	
Portion of other long-term financial investments with maturity date up to one year	158	281
Other short-term financial investments		
a) Short-term time deposits	1,247,526	1,198,255
b) Other short-term financial investments	58,648	63,517
<i>Total</i>	<i>1,306,174</i>	<i>1,261,772</i>
TOTAL	1,383,706	1,437,696

Short-term loans and investments - other related parties in the amount of RSD 76,521 thousand relate entirely to Energoprojekt Holding based on the loans granted to the Enjub Ltd. joint venture.

Energoprojekt Holding has, as collateral for the collection of payments pursuant to loan agreements concluded with the Enjub Ltd. joint venture, blank bills of exchange with "no protest" clause and a mortgage on property (for apartments and business premises) in Jurija Gagarina Street in New Belgrade (Note 45).

Decrease in short-term loans and investment - other related parties by RSD 81,315 thousand refers to Energoprojekt Holding originated from partial collection of receivables from the joint company Enjub Ltd.. under the Loan Reprogramming Agreement no. 115, on the basis of protesting bills of exchange, on real estate Enjub d.o.o. located in Building K1G in Rakovica, Belgrade (Note 29).

- Decrease in **short-term loans and borrowings** in the country by RSD 17,807 thousand predominantly refers to Energoprojekt Niskogradnja in the amount of RSD 17,729 thousand from repayment of the loan granted to business partner for projects in Serbia to overcome current illiquidity problems.

- **Short term time deposits** in the amount of RSD 1,247,526 thousand mostly relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 1,060,233 thousand - deposits with banks, within the companies: Energoprojekt Entel Qatar: RSD 741,762 thousand at interest rate from 1.25% to 1.75% p.a. (in QAR- Qatar Riyal), and Energo Consult LLC Abu Dhabi, UAE: RSD 199,471 thousand at interest rate from 0.80 % to 1.35% p.a (AED - Dirham), which are related to the Doha Bank Guarantee Framework, whereby the separation is only possible after the completion of work on the projects for which the guarantees were issued, as well as funds deposited with commercial banks in Serbia: RSD 119,000 thousand, at an interest rate of 1.90% p.a. (in RSD);

- - Energoprojekt Visokogradnja in the amount of RSD 177,649 thousand from short-term time funds on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia, at interest rate of 4% p.a. (in RUB rubles); and
- Dom 12 S.A.L, Lebanon in the amount of RSD 9,644 thousand relate to the foreign currencies deposits in RUB with foreign commercial banks, at interest rate from 5.99% to 6.59%.

Increase in short-term time deposits compared to last year on given date by RSD 49,271 thousand, mostly is the result, on the one hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 176,684 thousand (short-term time funds on the project Z-114 Reconstruction of Stadium Syktyvkar, Russia) and, on the other hand of decrease in Energoprojekt Entel in the amount of RSD 128,894 thousand (net effect of reductions abroad: RSD 247,894 thousand, primarily in Qatar, and increases in the country: RSD 119,000 thousand).

• **Other short term financial investments** in the amount of RSD 58.648 thousand, relate, mainly, to the following companies within Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 37,998 thousand, mostly for deposits held with banks for issuance of guarantees in favor of investors on projects in Peru (Z-039 Canal Via Cienguillo and Z-034 Road Puerto Bermudez): RSD 30,393 thousand, issued deposit to the insurance company in favor of guarantor on the project in Peru: RSD 5,432 thousand and for deposited funds for issuing work permits to persons who are not citizens of the Republic of Uganda in accordance with local regulations: RSD 2,155 thousand; and
- Energoprojekt Oprema in the amount of RSD 19,982 thousand for deposit for fees given to the arbitration court in Stockholm in 2018 based on a dispute with Gazprom Transgaz Belarus on the project Energocentar Minsk, Belarus (deposit for fees is issued in the amount of 50% of defined value which are paid by both parties upon the commencement of the proceedings, while the party who loses the dispute will bear the total costs of the court proceedings).

34. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018</i>
Current (business) account	556,086	396,818
Earmarked cash and letters of credit		35
Petty cash	541	986
Foreign currency account	1,399,764	950,357
Foreign currency petty cash	19,405	29,024
Other cash:		
a) Short term time deposits	466,419	265,967
b) Other cash	843	1,031
<i>Total</i>	<i>467,262</i>	<i>266,998</i>
Value-impaired or restricted cash	11,054	432,703
TOTAL	2,454,112	2,076,921

• **Current (business) account** of the system Energoprojekt in the amount of RSD 556,086 thousand mostly refers to the current accounts of the following companies in Energoprojekt system: Energoprojekt Niskogradnja in the amount of RSD 254,353 thousand, Energoprojekt Hidroinženjering in the amount of RSD 61,666 thousand, Energoprojekt Holding in the amount of RSD 57,147 thousand, Energoprojekt Industrija in the amount of RSD 55,520 thousand, Energoprojekt Park 11 in the amount of RSD 37,977 thousand and Energoprojekt Visokogradnja in the amount of RSD 37,383 thousand.

The joint venture Enjub Ltd. is blocked since 20 April 2015.

• **Foreign currency account** in the amount of RSD 1,399,764 thousand predominantly refer to the foreign currency accounts of the following companies in the system Energoprojekt: Energoprojekt Niskogradnja in the amount of RSD 534,014 thousand, Energoprojekt Entel in the amount of RSD 327,330 thousand, Energoprojekt Visokogradnja in the amount of RSD 168,187 thousand, Energoprojekt Park 11 in the amount of RSD 160,138 thousand, Energoprojekt Hidroinženjering in the amount of RSD 156,259 thousand.

• **Foreign currency petty cash** in the amount of RSD 19,405 thousand primarily refer to Energoprojekt Visokogradnja in the amount of RSD 12,721 thousand, Energoprojekt Entel in the amount of RSD 1,761 thousand, Dom 12 in the amount of RSD 1,739 thousand, Energoprojekt Guinea in the amount of RSD 1,381 thousand and Energoprojekt Hidroinženjering in the amount of RSD 1,120 thousand.

- **Short term time deposits** in the amount of RSD 466,419 thousand recorded in Energoprojekt Visokogradnja in the amount of RSD 199,983 thousand (abroad, on the project Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 145,504 thousand and Z-112 Hotel Hayatt Rostov 2, Russia: RSD 54,479 thousand), Energoprojekt Industrija in the amount of RSD 139,770 thousand (in the country, with Unicredit bank, Addiko bank and Erste bank) and Energoprojekt Holding in the amount of RSD 126,666 thousand (in the country, with Addiko bank).

- **Value-impaired or restricted cash** in the amount of RSD 11,054 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 6,913 thousand for collateral placed for the project Procurement and installation of OPWG on 3 transmission lines; and

- Energoprojekt Hidroinženjering in the amount of RSD 3,763 thousand, based on bank deposits serving as collateral for issuing guarantees for the project Ourkiss, Algeria. Funds will be available upon expiration of the overdraft agreement and upon release of bank guarantees.

Decrease in Value-impaired or restricted cash by RSD 421,649 thousand compared to last year on given date, predominantly is a result of decrease in Energoprojekt Visokogradnja in the amount of RSD 428,921 thousand from bank deposits in the name of collateral for overdraft loans for the company Energoprojekt Ghana Ltd., Accra, Ghana at Zenith bank, Ghana: RSD 351,062 thousand (USD 3,396 thousand) and UBA bank, Ghana: RSD 77,859 thousand (USD 753 thousand), which were used to reduce overdrafts on foreign currency accounts, while, on the other hand, of increase by RSD 7,291 thousand realized, mostly in Energoprojekt Oprema in the amount of RSD 6,913 thousand for collateral placed for the project Procurement and installation of OPWG on 3 transmission lines.

Increase in cash and cash equivalents compared to last year on given date by RSD 377,191 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja: RSD 653,967 thousand (funds in foreign currency and current accounts), in Energoprojekt Industry: RSD 130,514 thousand (mostly short-term deposits and funds in current accounts), and, on the other hand, of decrease in Energoprojekt Visokogradnja: RSD 240,159 thousand (predominantly as net effect of decrease in restricted cash, as mentioned above, and increase in short-term time deposits) and in Energoprojekt Oprema: RSD 147,069 thousand (predominantly funds on current accounts).

35. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED INCOME

35.1. Value Added Tax

Structure of VAT	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Value added tax	74,967	360,314
TOTAL	74,967	360,314

- **Value added tax** in the amount of RSD 74,967 thousand refer to the difference between calculated tax and input tax, and primarily in Energoprojekt Visokogradnja in the amount of RSD 25,884 thousand (in the country: RSD 24,034 thousand and abroad: RSD 1,850 thousand), Energoprojekt Niskogradnja in the amount of RSD 20,122 thousand (in the country) and in Energoprojekt Park 11 in the amount of RSD 19,545 thousand.

Decrease in VAT compared to last year on given date by RSD 285,347 thousand is mainly the result of decrease in Energoprojekt Niskogradnja in the amount of RSD 151,080 thousand (mainly in the country) and in Energoprojekt Oprema in RSD 80,478 thousand (mainly in the country).

35.2. Prepayments and Accrued Income and Deferred Expenses

Structure of prepayments and accrued income and deferred expenses	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Prepayments:		
a) Prepaid subscriptions for expert and professional publications	1,420	1,822
b) Prepaid rental costs	65,953	84,652
c) Prepaid insurance premiums	69,665	73,247
d) Prepaid advertising and propaganda costs	14	15
e) Other prepaid expenses	247,980	173,701
<i>Total</i>	<i>385,032</i>	<i>333,437</i>
Receivables for accrued non-invoiced income:		
a) Receivables for non-invoiced income - other related companies	15,837	
b) Receivables for non-invoiced income - other legal entities	4,193,430	3,952,093
<i>Total</i>	<i>4,209,267</i>	<i>3,952,093</i>
Deferred costs based on liabilities		
Other accruals:		
a) Deferred value added tax	112,866	43,264
b) Other accruals	550,463	535,396
<i>Total</i>	<i>663,329</i>	<i>578,660</i>
Total	5,257,628	4,864,190

- **Prepaid rental costs** in the amount of RSD 65,953 thousand refer to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 48,114 thousand based on leasing of business premises and apartments for workers in companies abroad in Qatar: RSD 24,306 thousand, in UAE: RSD 19,155 thousand and in Oman: RSD 4,610 thousand (only leasing of apartments): RSD 4,653 thousand. Contractual agreements are multi-year lease agreements with payment of a full year rent in advance, payable on three-months base;

- Energoprojekt Niskogradnja in the amount of RSD 14,906 thousand entirely relate to Uganda, based on leasing quarries: RSD 9,288 thousand, lease of land: RSD 4,368 thousand and leasing of apartments for accommodation of workers in Uganda: RSD 1,250 thousand (multi-year lease agreements, for example, lease of quarry is on 1 to 3 years with payment of a full year rent in advance); and

- Energoprojekt Visokogradnja in the amount of RSD 2,933 thousand, based on leasing apartments for accommodation of workers, primarily abroad in the company Energoprojekt Ghana Ltd., Accra, Ghana in the amount of RSD 1,668 thousand and on the project Z-112 Hotel Hayatt Rostov 2, Russia in the amount of RSD 1,039 thousand (one-year to two-years lease agreements with advance payment).

• **Other prepaid expenses** in the amount of RSD 247,980 thousand refer primarily to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 144,831 thousand for consultancy service costs incurred on the arbitration procedure filed against Gazprom Transgas, Belarus for the Energocenter Minsk project, Belarus (Note 46); and

- Energoprojekt Niskogradnja in the amount of RSD 87,903 thousand, mostly for bank guarantee costs: RSD 29,084 thousand (on projects abroad: RSD 26,941 thousand, primarily in Peru: RSD 22,497 thousand, and in the country: RSD 2,143 thousand), prepaid material costs on the project Jajinci - Mala Krsna Railway: RSD 24,994 thousand, sanation of damage on the project Zeleni Bulevar, collected from the insurance company in 2020: RSD 19,219 thousand, prepaid fees of arbitrators and lawyers based on arbitration on the project Z-030 Chancay and Rucuy, Peru : RSD 7,289 thousand and commissions for maintaining the annual credit line in Uganda: RSD 4,140 thousand.

Increase in other prepaid expenses compared to last year on given date by RSD 74,279 thousand, mostly is the result, on the one hand, of increase in Energoprojekt Oprema in the amount of RSD 70,836 thousand (costs of lawyers and consultants on the project Energoconta Minsk, Belarus) and Energoprojekt Niskogradnja in the amount of RSD 46,166 thousand (primarily prepaid costs on the project Jajinci - Mala Krsna and Zeleni Bulevar) and, on the other hand, of decrease in Energoprojekt Entel in the amount of RSD 47,082 thousand (primarily from reduction of prepaid car rental costs in Qatar).

• **Receivables for accrued non-invoiced income – other related parties** in the amount of RSD 15,837 thousand relate to Energoprojekt Urbanizam i arhitektura, for performed works to Napred Plc. which were invoiced in 2020.

• **Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 4,193,430 thousand which refer to income of the current period that could not be invoiced, and for which costs were incurred in the current period, primarily relate to the following companies in the Energoprojekt system:

- Energoprojekt Niskogradnja in the amount of RSD 1,507,992 thousand, mostly abroad in the amount of RSD 923,756 thousand (in Uganda: RSD 624,300 thousand and in Peru: RSD 299,456 thousand) and in the country in the amount of RSD 584,236 thousand, primarily from certified pre-payment certificate for performed works in 2019 on the following projects:

- Z-042 Mpigi Roads, Uganda: RSD 412,682 thousand;
- Zeleni Bulevar: RSD 233,094 thousand (receivables from participation in collection of insurance claims were recorded and calculated on the project: RSD 7,981 thousand);

- Z-041 Kampala Mukono, Uganda: RSD 146,583 thousand;
- Z-040 Irrigation system San Antonio, Peru: RSD 107,508 thousand;
- Vinča landfill: RSD 93,323 thousand;
- TPS Zemun: RSD 86,678 thousand;
- Lajkovac - Ljig: RSD 85,993 thousand;
- Z-036 Streets in Kampala Kawempe-Lubaga, Uganda: RSD 65,034 thousand;
- Z-034 Put Puerto Bermudez, Peru: RSD 51,198 thousand;
- Relocation of Peštan: 28,845 thousand dinars;
- Reconstruction of Karadorđeva Street: RSD 24,720 thousand;
- Railway Jajinci - Mala Krsna: RSD 19,238 thousand.

In addition to the calculated works for 2019, the receivables for non-invoiced income in Energoprojekt Niskogradnja also include the calculated receivables from previous years based on the arbitration decision on the project Z-016 Reconstruction of the Chavimochic water intake, Peru: 124,470 thousand dinars;

- Energoprojekt Oprema in the amount of RSD 1,457,422 thousand, receivables from projects:

- Energocentar Minsk, Belarus: RSD 1,389,386 thousand, equipment procurement costs (suppliers' invoices) and direct dependent procurement costs that were included in the customs declaration during import (transport) and customs and forwarding costs (Note 46); and
- Ada Mol: RSD 41,802 thousand and Kolubara Landfill: RSD 26,234 thousand payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet;

- Energoprojekt Visokogradnja in the amount of RSD 406,271 thousand, payment certificate submitted to the investor for verification, but were not verified until the day of submitting the balance sheet, as follows:

- abroad: RSD 229,735 thousand, predominantly in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 160,066 thousand (mostly on projects Law house Ghana: RSD 99,201 thousand and Wonda World: RSD 27,485 thousand) and on Z-112 Hotel projects Hayatt Rostov 2, Russia: RSD 17,980 thousand, Z-109 Design Rostov, Russia: RSD 17,921 thousand, Z-114 Reconstruction of Sitkivkar Stadium, Russia: RSD 12,132 thousand and Z-107 Radiology Hospital Syktyvkar, Russia: RSD 11,629 thousand; and
- in the country: RSD 176,536 thousand on the project Prokop Railway Station: RSD 73,055 thousand, Belgrade Waterfront: RSD 70,555 thousand and Navigator 2 Bussines Center: RSD 32,926 thousand;

- Energoprojekt Holding in the amount of RSD 373,502 thousand, predominantly from implementation of the Agreement on construction of Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, on a turnkey basis, on the first floor. parcel number 313, entered in the real estate register of Cadastral Zone A00 in the amount of RSD 373,034;

- Energoprojekt Entel in the amount of RSD 266,464 thousand for works performed in 2019 invoiced in 2020, abroad: RSD 247,923 thousand (in the company Energoprojekt Entel LTD, Doha, Qatar) and in the country: RSD 18,541 thousand; and

- Energoprojekt Hidroinženjering in the amount of RSD 128,532 thousand, mostly for invoices for performed work, which have not been verified by the day of submission of the balance, on the following projects:

- Seklafa, Algeria: RSD 41,666 thousand;
- Beni Slimane, Algeria: RSD 41,097 thousand;
- Soubella, Algeria: RSD 24,775 thousand;
- Karuma, Uganda: RSD 15,134 thousand.

- Of the other legal entities in the Energoprojekt system, receivables for non-invoiced income were recorded by Energoprojekt Urbanizam i arhitektura: RSD 29,969 thousand and Energoprojekt Industrija: RSD 23,278 thousand.

Increase in receivables for non-invoiced income from other legal entities compared to last year on given date by RSD 241,337 thousand is mostly the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 273,308 thousand (increase abroad, primarily in Uganda, on the project Z-027 Mpigi - Kanoni and decrease in country, primarily on the project Lajkovac - Ljig), in Energoprojekt Visokogradnja in the amount of RSD 94,356 thousand (primarily on projects abroad: Z-112 Hotel Hayatt Rostov 2, Russia, Z-109 Design Rostov, Russia, Z-114 Reconstruction Sitkivkar Stadium, Russia and Z-107 Syktyvkar Radiology Hospital, Russia and on projects in the country: Belgrade Waterfront and Navigator 2 Bussines Center), Energoprojekt Hidroinženjering in the amount of RSD 76,905 thousand (mostly on projects in Algeria: Seklafa, Beni Slimane and Soubella) and, on the other hand, of decrease in Energoprojekt Entel in the amount of RSD 246,547 thousand (works performed in 2019 were invoiced in 2018, primarily in the company Energoprojekt Entel LTD, Doha, Qatar and in the country).

• **Accrued Value Added Tax (VAT)** in the amount of RSD 112,866 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 December of the reported year. The most important amount of accrued VAT was recorded within: Energoprojekt Visokogradnja in the amount of RSD 88,078 thousand (predominantly in the country), Energoplast in the amount of RSD 10,478 thousand, Energoprojekt Niskogradnja in the amount of RSD 6,970 thousand (predominantly in the country) and in Energoprojekt Holding in the amount of RSD 6,421 thousand.

• **Other accruals** in the amount of RSD 550,463 thousand predominantly refer to the following companies within system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 524,269 thousand. The investor Gazprom Transgas, Belarus of the project Energoentar Minsk, Belarus (Note 38) demanded for payment under guarantee the amount of USD 5.06 million at 10 November 2017 (Note 46); and

- Energoprojekt Holding in the amount of RSD 14,931 thousand, mainly for receivables from disputed works performed in 2017 by the company Ringier Axel Springer Ltd. in the amount of RSD 13,200 thousand (in April 2018 a claim was filed) (Note 46).

36. CAPITAL

Structure of capital	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Equity capital – reduced for non-controlling interest in equity capital	5,818,025	5,818,025
Repurchased own shares - <i>negative item of equity</i>	49,827	49,827
Reserves	453,602	453,585
Revaluation reserves revaluation of intangible assets, property, plant and equipment	5,973,916	6,019,554
Unrealized gains on securities and other components of other comprehensive income (credit balances under accounts class 33 except 330) – <i>positive item of equity</i>	265,202	266,806
Unrealized losses on securities and other components of other comprehensive income (debit balances under accounts class 33 except 330) – <i>negative item of equity</i>	17,055	3,824
Retained earnings	7,050,068	7,150,182
Non-controlling interest - in equity capital	94,701	119,051
TOTAL	19,588,632	19,773,552

36.1. Equity Capital

Structure of equity capital where non-controlling interest is defined for equity capital items	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Share capital - total	5,651,463	5,675,177
Non-controlling interest - in share capital	(76,504)	(100,218)
<i>Total share capital (Energoprojekt Holding)</i>	<i>5,574,959</i>	<i>5,574,959</i>
Stakes in limited liability companies - total	12,749	13,385
Non-controlling interest - in limited liability companies	(12,749)	(13,385)
<i>Total stakes in limited liability companies</i>		
Issuing premium	162,693	162,693
Other share capital - total	85,821	85,821
Other non-controlling interest	(5,448)	(5,448)
<i>Total other share capital</i>	<i>80,373</i>	<i>80,373</i>
TOTAL	5,818,025	5,818,025

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

36.2 Purchased own shares

Structure of purchased own shares	<i>in RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Purchased own shares	49,827	49,827
TOTAL	49,827	49,827

- Pursuant to the Decision by the Supervisory Board of Energoprojekt Holding to acquire own shares on a regulated market, made on 13 February 2017, the Company acquired 97,700 of own shares on the Belgrade Stock Exchange (which amounts 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>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Legal reserves	217,943	217,943
Statutory and other reserves	235,659	235,642
TOTAL	453,602	453,585

- **Legal reserves** were formed in compliance with the Law on Enterprises that was in force until 30 November 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.
- Pursuant to the Decision of the Shareholders Assembly of Energoprojekt Holding from 2017, a **dedicated reserve** in the amount of RSD 80,000 thousand for acquiring own shares for distribution to employees with the Energoprojekt Holding, or to related company, or for rewarding members of the Executive and Supervisory Board of Energoprojekt Holding, were created, according to Article 282, paragraph 4, item 2 of the Law on Business Companies.

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>31.12.2019.</i>	<i>31.12.2018.</i>
Revaluation reserves from revaluation of property:		
a) Revaluation reserves from revaluation of property - Energoprojekt office building	3,052,146	3,052,146
b) Revaluation reserves from revaluation of other property	1,008,535	1,009,427
<i>Total</i>	<i>4,060,681</i>	<i>4,061,573</i>
Revaluation reserves from revaluation of investment property	1,767,519	1,809,053
Revaluation reserves from revaluation of plant and equipment	145,716	148,928
TOTAL	5,973,916	6,019,554

- **Revaluation reserves from revaluation of property** in the amount of RSD 4,060,681 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).

The revaluation reserves based on revaluation of property - Energoprojekt office building in the amount of RSD 3,052,146 thousand, relate to:

- the fair value booking effects of Energoprojekt office building as at 31 December 2018, in the amount of RSD 2,918,532 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 538,614 thousand.

The most significant amounts of revaluation reserves based on revaluation of other property in the amount of RSD 1,008,535 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja: RSD 345,045 thousand (a part of the “Cruz del Sur“ office building in Lima, Peru, business premises, Lima, Peru, residential building in Kampala, Uganda and other facilities in Serbia and Peru);
- Energoprojekt Visokogradnja: RSD 333,089 thousand (hotel Spintex in Akra, Ghana and buildings in Belgrade - in Vozdovac and in Stara Pazova);
- Energoprojekt Industrija: RSD 92,442 thousand (real estate of the affiliated company Energopet Ltd. (33.33%): RSD 80,231 thousand and solidarity apartments in Belgrade: RSD 12,211 thousand),
- Energo (Private) Limited, Zimbabwe: RSD 76,382 thousand (business and residential buildings in Harare, Zimbabwe); and
- Zambia Engineering and Contracting Company Limited, Zambia: RSD 64,111 thousand (business and residential buildings in Lusaka, Zambia).

• **Revaluation reserves from revaluation of investment property** in the amount of RSD 1,767,519 thousand relate to the adjustment of fair value of such investment properties, and specifically, primarily to the following companies of the system Energoprojekt:

- Zambia Engineering and Contracting Company Limited, Zambia: RSD 682,357 thousand (business and residential facility in Zambia);
- Dom 12 S.A.L, Liban: RSD 540,422 thousand (office building in Moscow);
- I.N.E.C. Engineering Company Limited, Great Britain: RSD 167,675 thousand (office building in London);
- Energoprojekt Niskogradnja: RSD 144,624 (a part of the “Cruz del Sur“ office building in Peru); and
- Energoprojekt Visokogradnja: RSD 96,695 thousand (property in the country: in Belgrade and in Ub).

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)	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Unrealized gains on transaction of financial statements for international operations	265,202	266,806
TOTAL	265,202	266,806

• **Unrealized gains on transaction of financial statements for international operations** in the amount of RSD 265,202 thousand relate primarily to: Dom 12 S.A.L., Lebanon, I.N.E.C. Engineering Company Limited, Great Britain, Energoprojekt Entel and Energoprojekt Visokogradnja.

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)	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Unrealized losses on securities available for sale	17,055	3,824
TOTAL	17,055	3,824

• **Unrealized losses on securities available for sale** in the amount of RSD 17,055 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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Retained earnings from previous years:		
a) Balance as at 01 January	7,150,182	6,881,068
b) Changes	(745,000)	(480,992)
<i>Total</i>	6,405,182	6,400,076
Retained earnings from the current year	644,886	750,106
TOTAL	7,050,068	7,150,182

- Change in retained earnings from previous years in the amount of RSD 745,000 thousand is primarily the result of the net effect, on the one hand, from decrease based on elimination of equity investments and the capital of Energoprojekt Entel from forced purchase of shares in the amount of RSD 757,437 thousand and profit adjustments from income tax in the amount of RSD 28,559 thousand (primarily due to the subsequently determined income tax in the company Energoprojekt Entel LLC, Muscat, Sultanate of Oman: RSD 27,937 thousand) and on the other hand, from increases based on exchange rate differences of opening balance of undistributed result of companies abroad: RSD 56,931 thousand.

36.8. Non-Controlling Interest

Non-controlling interest	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Non-controlling interest - in equity capital	94,701	119,051
TOTAL	94,701	119,051

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>31.12.2019.</i>	<i>31.12.2018.</i>
Equity capital	5.912.726	5.937.076
Non-controlling interest - in equity capital	(94.701)	(119.051)
<i>Total equity capital</i>	<i>5.818.025</i>	<i>5.818.025</i>
Purchased own shares	49.827	49.827
Non-controlling interest - purchased own shares		
<i>Total purchased own shares</i>	<i>49.827</i>	<i>49.827</i>
Reserves	453.602	453.585
Non-controlling interest - in reserves	(18.008)	(21.284)
<i>Total reserves</i>	<i>435.594</i>	<i>432.301</i>
Revaluation reserves from revaluation of intangibles, property, plant and equipment	5.973.916	6.019.554
Non-controlling interest - in revaluation reserves	(249.647)	(299.555)
<i>Total revaluation reserves from revaluation of intangibles, property, plant and equipment</i>	<i>5.724.269</i>	<i>5.719.999</i>
Unrealized gains from securities and other components of other comprehensive result (credit balances under account class 33 except 330)	265.202	266.806
Non-controlling interest - in unrealized gains	(11)	(8.516)
<i>Total unrealized gains from securities and other components of other comprehensive result</i>	<i>265.191</i>	<i>258.290</i>
Unrealized losses from securities and other components of other comprehensive result (debit balances under account class 33 except 330)	17.055	3.824
Non-controlling interest - in unrealized losses	(27)	(28)
<i>Total unrealized losses from securities and other components of other comprehensive result</i>	<i>17.028</i>	<i>3.796</i>
Retained earnings from previous year	6.405.182	6.400.076
Non-controlling interest - in retained earnings from previous year	(485.965)	(630.838)
<i>Total retained earnings from previous year</i>	<i>5.919.217</i>	<i>5.769.238</i>
Retained earnings from current year	644.886	750.106
Non-controlling interest - in retained earnings from current year	(55.437)	(270.773)
<i>Total retained earnings from current year</i>	<i>589.449</i>	<i>479.333</i>
Total capital of the companies with shares of majority sharehold	18.684.890	18.423.563
Non-controlling interest - in total capital	(903.742)	(1.349.989)
TOTAL CAPITAL	19.588.632	19.773.552

The structure of participation without the right to control - in the retained earning of the current year by the companies in the Energoprojekt system is given in the following table.

The structure of participation without the right to control - in the retained earning (net result) of the current year by the companies	% share of minority shareholders	In RSD thousand	
		31.12.2019.	31.12.2018.
Energoprojekt Entel Plc.	0.05%	196	62,922
Energoprojekt Industrija Plc.	37.23%	22,491	28,241
Energoprojekt Oprema Plc.	32.13%	8,332	159,511
Energoplast Ltd.	54.90%	24,418	20,099
TOTAL		55,437	270,773

37. LONG-TERM PROVISIONS

Structure of long-term provisions	In RSD thousand	
	31.12.2019.	31.12.2018.
Provisions for wages and other employee benefits	285.334	283.647
Provisions for warranty period costs	606.134	501.487
Provision for legal costs	2.320	
Other long-term provisions		
<i>Total</i>	0	0
TOTAL	893.788	785.134

- **Provisions for wages and other employee benefits** (provisions for non-due retirement bonuses) are disclosed based on actuarial calculation made on 31.12.2019.

In the projection of provision calculation pursuant to IAS 19 the deductive approach was used, meaning that all the Companies from the Energoprojekt Group 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.

Decrease of the provision amount based on current retirement bonus values (by 4.98%) in the balance sheet as at 31.12.2019 in comparison to the retirement bonus values in the balance sheet as at 31.12.2018, was the result of several changed factors:

- On one hand, changes of some factors affect the increase of the provision amount (increase in the average expected retirement bonus by 10.26% and increase in average years of service in the Company by 1.52%); and
- on the other hand, changes of some factors affect the decrease of the provision amount (a decrease in the total number of employees by 21.24%).

In addition to the above mentioned, the change in the provision structure per individual companies came as the result of the change in the aliquot part of the number of employees in individual companies against the total number of employees in the entire Company.

By taking into account the relevant provisions of IAS 19, the provision projections procedure was performed by following these steps:

- Firstly, according to employee gender, working experience and years of service in the Company; considering the expected annual fluctuation and mortality rate (estimated annual fluctuation and mortality rate), an estimation was made of the number of employees that will exercise the right to retirement bonus, as well as the period during which this bonus will be paid out;
- Secondly, considering provisions of the Company Collective Agreement, the bonus amount was appraised for each year of service indicated on the balance sheet date; and
- Thirdly, the discount factor, representing the discount rate to expected salary growth ratio, was used to determine the present value of the expected retirement bonus outflows.

The retirement bonus is, as of the beginning of 2015, pursuant to the provisions of the Collective Agreement in force, paid in the Company in compliance with the Article 57 of the Collective Agreement regulating employment in the country, according to which the Employer is to pay to the Employee retirement bonus amounting to two average gross salaries in the Republic of Serbia according to the latest data published by the relevant Republic authority in charge of statistics. In compliance with the legislation in force, the above mentioned amount is non-taxable.

Since the annual discount rate is necessary to determine the present value of (undue) retirement bonuses, as well as the average annual growth of salaries in the Republic of Serbia, these values shall be specified later in the text.

The rate of 5% was accepted as the **annual discount rate**.

In the paragraph 83, IAS 19 it is explicitly stated that the rate used for discount should be defined according to market yields at the balance sheet date for high yield corporate bonds. In countries where there is no developed market for such bonds, market yields (at the balance sheet date) for government bonds should be used. The currency and term of the bonds should be consistent with the currency and estimated term of the post-employment benefit obligations.

Since the financial market of Serbia is insufficiently developed, the actual annual yield from the purchase of government bonds with the Republic of Serbia as the guarantor should be used as a reference for the determination of the discount rate as at the balance sheet date. In compliance to the above stated, the discount rate was determined according to the annual yield of long term government bonds issued by the Public Debt Administration of the Ministry of Finance of the Republic of Serbia, which were achieved in the relevant period. Annual yield on 10-years RSD securities issued on 05.11.2019 was 2.69%; while the annual yield on 10-years Euro securities issued on 09.10.2019 was 1.89%. By extrapolating the yield curve for a longer period (since the maturity of the reference securities is shorter than the average estimated maturity of the benefit payment that is subject to this calculation), in view of the requirements from paragraph 86, IAS 19. In extrapolation, maturity premiums were determined by using yields on high quality government bonds published on European Central Bank's website.

In determining the convertibility premium (RSD versus EUR), data from the secondary market for government bonds were used. The above data refer to transactions that occurred in the period close to the Balance Sheet date and were taken from the National Bank of Serbia website.

The annual expected salary growth in the Republic of Serbia was planned at the level of 3%.

The annual discount rate and annual salaries' growth depend on inflation rate.

The Memorandum of the National Bank of Serbia on the target inflation rates by 2022, adopted by the Executive Board of the National Bank of Serbia, determines the target inflation rate (with permissible deviation) measured by annual percentage changes in the consumer price index, for the period from January 2020 to December 2022, in the amount of 3% with permissible deviation (positive and negative) of 1.5 percentage points.

The target inflation of 3% has been foreseen in the Memorandum for several years, but in real states it is generally lower (in 2019 - 1.5%; in 2018 - 2%; in 2017 - 3%; in 2016 - 1.6% and in 2015 - 1.5%). Therefore, it is more realistic to plan inflation 1 percentage point lower than the target.

From the above stated, it can be concluded that the planned long-term annual growth in real salaries in the Republic of Serbia is 1%, which is, bearing in mind the planned growth in domestic product in the following period (Source: the Government of the Republic of Serbia "Fiscal Strategy for 2020 with Projections for 2021 and 2022), realistically achievable.

If the inflation rate would change in the future, the applied logic would result in the change of nominal wages, but also in the discount rate (that is predominantly defined by the inflation rate), so that the change would not lead to the change in results presented in this document. The methodology used, indicating the long-term planned annual growth of wages in the Republic of Serbia of 3% and long-term annual discount rate of 5%, assumes the same, unchanged inflation rate in future. This assumption is requested in the paragraph 78 of IAS 19.

• **Provisions for warranty period** in the amount of RSD 606,134 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Entel in the amount of RSD 597,868 thousand disclosed based on the provisions within Energoprojekt Entel LTD, Qatar in RSD 466,944 thousand based on project Phase 11, Phase 12, Phase 13 and Mega Reservoirs performed for Qatar General Electricity and Water Corporation KAHRAMAA, and in the country in the amount of RSD 130,924 thousand based on Vinča projects - Preparation of project documentation, Activities of the Construction Manager (FIDIC Engineer) on the construction of a new block Kostolac B3 thermal power plant and Preparation of technical documentation and permitting of the consulting service TE-TO Pancevo.

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, increase in said provisions in the amount of RSD 109,980 thousand is the result, on the one hand, of increase based on additional provision in the amount of RSD 187,384 thousand (in the country: RSD 77,661 thousand and in Qatar for the Phase 13 project: RSD 109,773 thousand) and recording of exchange rate differences in the amount of RSD 6,370 thousand (when including foreign operations in the company's books, in accordance with IAS 21 - Effects of changes in foreign exchange rates) and on the other hand, of decrease based on reversal of part of provisions in Energoprojekt Entel LTD, Qatar for the Phase 11 project amounting to RSD 83,774 thousand.

- Energoprojekt Oprema in the amount of RSD 8,266 thousand, based on remaining amount of provision from 2017, for the project Power line Pančevo - Romanian border: RSD 7,437 thousand and from 2015 for projects Power line Beograd - Pančevo: RSD 487 thousand and Power line over the Danube: RSD 342 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.

Compared to last year on given date, a decrease in related provisions by RSD 3,560 thousand is the result of utilised provisions in the amount of RSD 3,442 thousand (for projects Transmission line Pancevo - Romanian border: RSD 2,357 thousand, Transmission line Belgrade Pancevo: RSD 617 thousand, Transmission line across the Danube: RSD 326 thousand and Prokop: RSD 142 thousand) and cancellation of the remaining provisions for the project Prokop in the amount of RSD 118 thousand.

- Energoprojekt Visokogradnja 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.

Compared to last year on given date, decrease in related provision by RSD 1,773 thousand is the result of utilised provisions in the amount of RSD 159 thousand and cancellation of remaining provisions in the amount of RSD 1,614 thousand for the project Z-105 Residential building Tokyo Syktyvkar, Russia from 2018.

Changes in structure of long-term provisions for warranty period costs during the reporting period are broken down in the following table.

Structure of provisions for warranty period costs	<i>In RSD thousand</i>
As of 01 January 2018	593.828
Additional provision booked	1.773
Utilized in the year	(49.321)
Abolishing of unused provision	(63.426)
FX differences	18.633
As of 01 January 2019	501.487
Additional provision booked (Note 17)	187.384
Utilized in the year	(3.601)
Abolishing of unused provision (Note 21.1)	(85.506)
FX differences	6.370
As of 31 December 2019	606.134

- Provision for legal costs in the amount of RSD 2,320 thousand entirely relates to Energoprojekt Niskogradnja, based on the assessment of the expert of the company with the prosecutor Gordana and Veselin Medenica in the amount of RSD 2,295 thousand (in the amount of contingent liability with statutory default interest from 17.11.2017) and with the prosecutor Dragan Antonijević in the amount of 25 thousand dinars (Note 46 - ordinal numbers 250 and 268).

38. LONG-TERM LIABILITIES

Structure of long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities towards other related companies	1.196.624	
Long-term credits and loans domestic		17.729
Long-term credits and loans foreign countries	203.021	200.062
Long term liabilities from financial leasing	5.405	10.498
Other long-term liabilities	157.047	18.164
TOTAL	1.562.097	246.453
Portion of long-term liabilities with maturity date up to a year (Note 39.3)	140.462	643.584

38.1. Liabilities Towards Other Related Parties

Liabilities towards other related parties in the amount of RSD 1,196,624 thousand entirely relate to Energoprojekt Holding and long-term loan granted by Napred Razvoj Plc. (EUR 10,176 thousand, at interest rate of 6% per annum and the repayment period until 30 March 2022), for loan repayment, deposit of funds for purchase of shares of Energoprojekt Entel Plc. and giving new loans to subsidiaries. The Company issued 4 solo blank signed promissory notes to secure the loan.

38.2. Long-Term Credits and Loans

Structure of long-term credits and loans	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
In the country:		
a) Long-term loans granted by banks in the country:		
Eurobanka		17.729
<i>Total</i>	-	17.729
b) Long-term loans granted by other domestic legal entities		
<i>Total - loan in the country</i>	-	17.729
Abroad:		
Long-term loans granted by other legal entities abroad	203.021	200.062
<i>Total - loan abroad</i>	203.021	200.062
TOTAL	203.021	217.791

- **Long-term loans granted by other entities abroad** in the amount of RSD 203,021 thousand entirely relate to Energoprojekt Niskogradnja, based on liabilities towards associates engaged on the former SFRY Republics on the HPP Baniya 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. The change compared to last year on given date refers entirely to the change in the dinar equivalent of the stated liability expressed in foreign currency.

38.3. Long Term Liabilities from Financial Leasing

Structure financial leasing liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018</i>
Financial leasing liabilities	5,405	10,498
TOTAL	5,405	10,498

- **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 5,405 thousand, the largest share in the amount of RSD 3,900 thousand relate to Energoprojekt Oprema and in the amount of RSD 773 thousand relate to Energoprojekt Niskogradnja.

Detailed information on total financial lease (long-term as well as short-term) liabilities of the companies to which related liability relate is presented in the following table.

Creditor	Curr.	Outstanding liability in FC	Outstanding Liability in RSD000	Repayment term and maturity date	Annual interest rate
<i>Finance lease liabilities in the country:</i>					
Energoprojekt Oprema Plc.					
OTP Leasing Srbija Ltd.	EUR	34,836	4,096	monthly to 15.05.2020 and 15.06.2022	from 2.27% to 5.07%
TOTAL		34,836	4,096		
Energoprojekt Niskogradnja Plc.					
OTP Leasing Srbija Ltd.	EUR	92,409	10,867	monthly to 15.07.2022	6m Euribor + margins from 2.99% to 3.49%
UniCredit Leasing Srbija d.o.o.	EUR	6,908	812	monthly to 15.06.2020	Paid by deliverers
UKUPNO		99,317	11,679		

Financial lease liabilities by companies on which related liabilities mainly refer (Energoprojekt Oprema and Energoprojekt Niskogradnja) denominated in RSD as at 31 December 2019 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	<i>In RSD thousand</i>		
	<i>Long-term liability</i>	<i>Short-term liability</i>	<i>Total liabilities</i>
Energoprojekt Oprema Plc.:			
OTP Leasing Srbija Ltd.	3,900	196	4,096
TOTAL	3,900	196	4,096
Energoprojekt Niskogradnja Plc.:			
OTP Leasing Srbija Ltd.	773	10,094	10,867
UniCredit Leasing Srbija Ltd.		812	812
TOTAL	773	10,906	11,679

38.4. Other Long-Term Liabilities

Structure of other long-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Other long-term liabilities	157,047	18,164
TOTAL	157,047	18,164

• **Other long-term liabilities** in the amount of RSD 157,047 thousand, mostly relate to the following companies of the system Energoprojekt:

- Energoplast in the amount of RSD 68,133 thousand on the basis of long-term dividend liabilities (from 2013 and 2017) to the shareholder Chartered Oil Inc. which will, in accordance with the decision of the Assembly of the company from 20.12.2019 be paid once a year in the period from 2021 to 2026 with the following dynamics: RSD 11,753 thousand by the end of each year in the period from 2021 to 2025 and RSD 9,368 thousand in 2026. The short-term liability for dividends that will be paid according to the above-mentioned decision by the end of 2020 amounts to RSD 11,753 thousand (Note 42);

- Energoprojekt Visokogradnja in the amount of RSD 42,634 thousand, relate to the obligation for retained guarantee deposit on the projects Chinese Cultural Center: RSD 40,983 thousand (from several companies) and Navigator 2 Bussines Center: RSD 1,651 thousand (from Laser Lux Ltd.);

- Energoprojekt Holding in the amount of RSD 35,549 thousand entirely relate to long-term advance received from the company Jerry catering service Ltd., for long-term lease (for 15 years) for part of the business office within the building complex "Samački hotel" in Zemun; and

- Energoprojekt Niskogradnja in the amount of RSD 10,431 thousand entirely relate to the obligation for retained guarantee deposit from the company Gemax Ltd. for the project Pancevo Railway.

39. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Short-term credits and loans in the country	3.681.150	5.946.760
Short-term credits and loans abroad	429.149	757.440
Other short-term financial liabilities:		
a) Portion of long-term liabilities with maturity dates up to one year	140.462	643.584
b) Other short-term financial liabilities	124	286
Total	140.586	643.870
TOTAL	4.250.885	7.348.070

39.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans in the country	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018</i>
Short-term loans granted by banks in the country:		
a) Loans in RSD	191,753	1,179,111
b) Loans with foreign currency clause	3,489,397	4,767,649
TOTAL	3,681,150	5,946,760

• **Short-term loans granted by banks in the country** in the amount of RSD 3,681,150 thousand relate to the following companies of the system Energoprojekt:

- Energoprojekt Oprema in the amount of RSD 1,284,563 thousand, and specifically:

- Loans with foreign currency clause (in EUR) granted by OTP Bank, Unicredit Bank, Komercijalna Banka and Addiko Bank, interest rate ranging from 2.59% to 2.80% per annum;

- Energoprojekt Visokogradnja in the amount of RSD 1,219,854 thousand, and specifically:

- RSD loans granted by Jubmes Banka in the amount of RSD 191,753 thousand; interest rate ranging from 6.00% to 7% per annum; and

- Loans with foreign currency clause (in EUR) granted by Unicredit bank, Addiko bank and OTP Bank in the amount of RSD 1,028,101 thousand; interest rates ranging from 2.50% per annum to 3m Euribor + 3.10% per annum;

- Energoprojekt Holding in the amount of RSD 744,754 thousand, as follows:

- Loan with foreign currency clause (in EUR) granted by Erste Bank and Komercijalna Banka, at interest rate ranging from 3m Euribor + 2.90% per annum to 3M Euribor + 3.00% per annum;

- Energoprojekt Niskogradnja in the amount of RSD 342,844 thousand, as follows:

- Loans with foreign currency clause (in EUR) granted by OTP Bank, UniCredit Bank and Halk Bank, at interest rate ranging from 2.50% per annum to 3m Euribor + 3.00% per annum; and

- Energoprojekt Hidroinženjering in the amount of 89,135 thousand dinars, as follows:

- Loans with with foreign currency clause (in EUR) granted by OTP banka and Addiko banka, at interest rate from 2.80% to 3.90% 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 and subsidiaries.

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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
RSD	191,753	1,179,111
EUR	3,489,397	4,767,649
TOTAL	3,681,150	5,946,760

39.2. Short-Term Credits and Loans Foreign Countries

Structure of short-term credits and loans abroad	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Short-term loans granted by foreign banks	429,149	756,652
Short-term loans granted by other legal and physical persons abroad		788
TOTAL	429,149	757,440

- **Short-term loans granted by foreign banks** in the amount of RSD 429,149 thousand dominantly relate to Energoprojekt Niskogradnja in the amount of RSD 429,146 thousand granted by Banco GNB in Peru, presented in the table below.

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

Creditor	Curr.	Outstanding liability in FC	Outstanding Liability in RSD000	Repayment term and maturity date	Annual interest rate
Banco GNB, Peru	PEN	1,000,000	31,613	29.02.2020.	6.70%
Banco GNB, Peru	PEN	500,000	15,807	29.02.2020.	6.70%
Banco GNB, Peru	PEN	2,000,000	63,224	29.02.2020.	6.70%
Banco GNB, Peru	PEN	600,000	18,967	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	600,000	18,967	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	300,000	9,484	29.02.2020.	6.70%
Banco GNB, Peru	PEN	150,000	4,742	29.02.2020.	6.70%
Banco GNB, Peru	PEN	1,500,000	47,417	29.02.2020.	6.70%
Banco GNB, Peru	PEN	100,000	3,162	29.02.2020.	6.70%
Banco GNB, Peru	PEN	450,000	14,225	29.02.2020.	6.70%
Banco GNB, Peru	PEN	50,000	1,581	29.02.2020.	6.70%
Banco GNB, Peru	PEN	200,000	6,322	29.02.2020.	6.70%
Banco GNB, Peru	PEN	50,000	1,581	29.02.2020.	6.70%
Banco GNB, Peru	PEN	700,000	22,128	29.02.2020.	6.70%
Banco GNB, Peru	PEN	550,000	17,386	29.02.2020.	6.70%
Banco GNB, Peru	PEN	100,000	3,162	29.02.2020.	6.70%
Banco GNB, Peru	PEN	500,000	15,807	29.02.2020.	6.70%
Banco GNB, Peru	USD	15,000	1,574	29.02.2020.	4.85%
Banco GNB, Peru	USD	28,000	2,938	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	69,001	7,239	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	100,000	10,492	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	50,000	5,246	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	20,000	2,098	29.02.2020.	4.85%
Banco GNB, Peru	USD	30,000	3,148	29.02.2020.	4.85%
Banco GNB, Peru	USD	60,000	6,295	29.02.2020.	4.85%
Banco GNB, Peru	USD	60,000	6,295	29.02.2020.	4.85%
Banco GNB, Peru	USD	100,000	10,492	29.02.2020.	4.85%
Banco GNB, Peru	USD	70,000	7,334	29.02.2020.	4.85%
TOTAL			429,146		

Repayment of loans granted by Baanco GNB Peru, is secured by stand-by letter of credit in the amount of RSD 472,134 thousand (Note 44 - within the item Guarantees and letters of credit issued and received).

Decrease in short-term loans granted by foreign banks compared to last year on given date by RSD 327,503 thousand refers to decrease in Energoprojekt Visokogradnja (in the company Energoprojekt Ghana Ltd., Accra, Ghana - covering overdraft on bank accounts) in the amount of RSD 238,155 thousand and in Energoprojekt Niskogradnja in the amount of RSD 89,348 thousand (loan repayments in Uganda and Peru).

39.3. Other Short-Term Financial Liabilities

Structure of other short-term financial liabilities	In RSD thousand	
	31.12.2019.	31.12.2018.
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	123,438	621,132
b) Financial lease liabilities with maturity date up to one year	12,004	18,161
c) Other long-term liabilities with maturity date up to one year	5,020	4,291
<i>Total</i>	<i>140,462</i>	<i>643,584</i>
Other short-term financial liabilities	124	286
TOTAL	140,586	643,870

• **Portion of long-term loans domestic and foreign with maturity date up to one year** in the amount of RSD 123,438 thousand refers entirely to Energoprojekt Visokogradnja, as shown in the following table.

Bank	Approval date	Maturity date	Curr.	Approved amount inn FC	Outstanding balance in foreign currency	Outstanding balance in RSD thousand	Interest rate	Collateral
Addiko banka	14.01.2019./ 28.02.2020.	monthly	EUR	2,000,000	750,000	88,195	3m Euribor + 3,10% p.a.	Bills of exchange and guarantees of EP Holdinga
Eurobank	27.01.2017./ 27.01.2020.	monthly	EUR	3,000,000	299,701	35,243	3m Euribor + 2,95% p.a.	Bills of exchange and guarantees of EP Holdinga, EP Niskogradnje and EP Opreme
TOTAL					1,049,701	123,438		

Decrease in the portion of long-term loans and borrowings in the country and abroad that mature up to a year in relation to the same date of previous year by RSD 497,694 thousand relates to decrease in Energoprojekt Sunnyville in the amount of RSD 345,656 thousand (repayment of the loan granted by Erste Bank) and Energoprojekt Visokogradnja in the amount of RSD 152,038 thousand (repayment of the loan granted by Jubmes Bank and part of the loan granted by Eurobank).

- **Financial lease liabilities with maturity dates up to one year** in the amount of RSD 12,004 thousand predominantly refer to Energoprojekt Niskogradnja in the amount of RSD 10,906 thousand (Note 38.3).
- **Other long-term liabilities with maturity dates up to one year** in the amount of RSD 5,020 thousand mostly refer to Energoprojekt Hidroinženjering for purchase of software in the amount of RSD 4,639 thousand.

40. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Advances received from other related parties	34,727	41,064
Advances received from other legal entities and physical bodies in the country	3,839,822	1,650,415
Advances received from other legal entities and physical bodies, abroad	1,136,676	214,692
Deposits received in the country and abroad	9,089	10,446
TOTAL	5,020,314	1,916,617

- **Advances received from other related parties** in the amount of RSD 34,727 thousand mainly relate to liabilities towards affiliated company Energo Nigeria Ltd., Lagos, Nigeria, recorded predominantly within Energoprojekt Oprema in the amount of RSD 33,132 thousand.
- **Advances received from other legal entities and physical bodies in the country** in the amount of RSD 3,839,822 thousand mostly relate to the following companies of the system Energoprojekt:
 - Energoprojekt Niskogradnja in the amount of RSD 1,791,722 thousand from advances received from investors, primarily on the following projects: TPS Zemun (Serbia Voz): RSD 1,197,980 thousand, Railway Jajinci - Mala Krsna (Serbian Railway Infrastructure): RSD 370,037 thousand, Zeleni Bulevar (City Administration of the City of Belgrade, Investment Secretariat): RSD 134,165 thousand and Reconstruction of Karađorđeva Street (City Administration of the City of Belgrade, Secretariat for Communal and Housing Affairs): RSD 78,105 thousand;
 - Energoprojekt Park 11 in the amount of RSD 1,672,621 thousand from received advances based on the sale of real estate within the residential and business complex Park 11 in Block 11, New Belgrade; and
 - Energoprojekt Visokogradnja in the amount of RSD 191,085 thousand, predominantly on the basis of advances received from investors in the project Chinese Cultural Center: RSD 191,069 thousand (Empire Ltd.).

Increase in liabilities arising from advances received from other legal entities and physical bodies in the country, compared to last year on given date by RSD 2,189,407 thousand, mainly is the result, on the one hand, of increase in Energoprojekt Niskogradnja in the amount of RSD 1,289,899 thousand (primarily on the projects TPS Zemun, Railway Jajinci - Mala Krsna and Zeleni Bulevar) and Energoprojekt Park 11 in the amount of RSD 1,160,660 thousand (received advances based on sale of real estate) and on the other hand, of decrease on the basis of justification of advances through performed works in the current period in Energoprojekt Oprema in the amount of RSD 172,226 thousand (primarily on the projects Ada Mol and Kolubara Landfill) and in Energoprojekt Visokogradnja in the amount of RSD 84,856 thousand (primarily project Chinese Cultural Center).

• **Advances received from other legal entities and physical bodies, abroad** in the amount of RSD 1,136,676 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 543,252 thousand, advances received, for projects in Peru: RSD 310,266 thousand, primarily projects Z-044 Control of the Ika River overflow (Proyecto Especial Tambo Ccaracocha): RSD 189,004 thousand and Z-040 Irrigation system San Antonio (Consortio Energoprojekt - CCEQO): RSD 96,560 thousand, as well as in Uganda: RSD 232,986 thousand, primarily for the project Z-042 Mpigi Roads (Uganda National Road Authority): RSD 202,175 thousand);

- Energoprojekt Visokogradnja in the amount of RSD 464,229 thousand mostly for advances received for projects Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 283,401 thousand and Z-112 Hotel Hyatt Rostov 2, Russia: RSD 82,613 thousand and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 83,262 thousand; and

- Energoprojekt Industrija in the amount of RSD 65,727 thousand, advance received in Ghana for the project GPM Critical Works - Drug Factory (by Ernest Chemist Limited).

Increase in liabilities for advances received from other legal entities and physical bodies, abroad compared to last year on given date by RSD 921,984 thousand, primarily refers to increase of advances received in Energoprojekt Niskogradnja in the amount of RSD 499,658 thousand (dominant for projects: Z-044 Control of the Ika River overflow, Peru: RSD 189,004 thousand, Z-040 Irrigation system San Antonio, Peru: RSD 96,560 thousand and Z-042 Mpigi Roads, Uganda: RSD 202,175 thousand) and in Energoprojekt Visokogradnja in the amount of RSD 386,357 thousand (mostly for projects Z-114 Reconstruction of Syktyvkar Stadium, Russia: RSD 283,401 thousand and Z -112 Hotel Hyatt Rostov 2, Russia: RSD 82,613 thousand).

• **Deposits received in the country and abroad** in the amount of RSD 9,089 thousand relate to Zambia Engineering and Constructing Company Limited, Zambia, for rental deposits received (for office and residential space) in the amount of RSD 4,039 thousand, Energoprojekt Niskogradnja, for received deposits for renting apartments in the building "Cruz del Sur", Peru, in the amount of RSD 2,695 thousand and Dom 12 SAL, Lebanon for received deposits for renting business premises in the building in Moscow in the amount of RSD 2,098 thousand.

41. OPERATING LIABILITIES

Struktura obaveza iz poslovanja	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Suppliers - other related companies in the country	83.250	151.071
Suppliers - other related companies, abroad	5.777	5.807
Suppliers in the country	2.786.730	3.360.287
Suppliers, abroad	1.585.830	1.446.832
Other operating liabilities	2.766	8.567
TOTAL	4.464.353	4.972.564

- **Suppliers – other related parties, in the country** in the amount of RSD 83,250 thousand relate to liabilities towards Napred Plc. Belgrade in Energoprojekt Visokogradnja in the amount of RSD 79,632 thousand (primarily projects: Park 11: RSD 71,951 thousand and Navigator 2 Bussines Center: RSD 6,228 thousand) and in Energoprojekt Niskogradnja in the amount of RSD 3,618 thousand (mechanization leased).

- **Suppliers – other related parties, abroad** in the amount of RSD 5,777 thousand entirely relate to the liabilities of the Energoprojekt Oprema towards affiliated company Energo Nigeria Ltd., Lagos, Nigeria.

- **Suppliers, in the country** in the amount of RSD 2,786,730 thousand relate mainly to Energoprojekt Visokogradnja in the amount of RSD 1,642,372 thousand, Energoprojekt Niskogradnja in the amount of RSD 573,339 thousand and Energoprojekt Oprema in the amount of RSD 407,575 thousand.

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

Structure of suppliers in the country	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
<i>Energoprojekt Visokogradnja:</i>		
Chuang Yi Arspire Ltd.	233,376	
Cscod-sh Ltd.	188,148	
Almont Ltd.	104,461	
Kone Ltd.	81,645	
Termomont Ltd.	81,728	
Energy Net Solution Ltd.	80,867	
Lindner Ltd.	62,380	
Interfast Ltd.	53,716	
Euro Bravo Ltd.	21,459	108,773
Artinvest Ltd.	21,032	22,503
Metalfer Steel Mill Ltd.	16,241	113,115
DOO Gradnja Radosavljević Ćuprija	15,443	29,005
Other	681,876	424,958
Total	<i>1,642,372</i>	<i>698,354</i>
<i>Energoprojekt Niskogradnja:</i>		
Bauwesen Ltd.	177,045	25,194
Nukleus Ltd.	88,131	952,474
Geosonda Fundiranje a.d.	44,265	163,027
Savremena gradnja d.o.o Misar	22,759	10,664
OMV Srbija Ltd.	20,393	27,634
Tempest trade Ltd.	14,375	10,257
West-Gradnja Ltd.	12,557	18,165
NIS Gasprom Neft	10,445	28,747
Other	183,369	624,369
Total	<i>573,339</i>	<i>1,860,531</i>
<i>Energoprojekt Oprema:</i>		
GP Planum Plc.	40,622	138,298
Selbi Lighting Ltd.	35,322	27,258
Kodar Energomontaža Ltd.	28,571	28,718
Energotehnika - Južna Bačka, Novi Sad Ltd.	27,535	27,676
Termo TIM Ltd.	26,118	31,976
Legas group Ltd.	25,389	26,451
Credo Ltd.	21,288	14,071
ABB Ltd.	20,732	46,252
Other	<i>181,998</i>	<i>322,621</i>
Total	<i>407,575</i>	<i>663,321</i>

Decrease in liabilities to suppliers, in the country compared to last year on given date by RSD 573,557 thousand dinars is mostly the result, on the one hand, of decrease in Energoprojekt Niskogradnja in the amount of RSD 1,287,192 thousand (payment of retained guarantee deposit on projects Lajkovac - Ljig and Ub - Lajkovac) and in Energoprojekt Oprema: RSD 255,746 thousand (primarily Ada Mol and Kolubara Landfill projects) and, on the other hand, of increase in Energoprojekt Visokogradnja in the amount of RSD 944,018 thousand (primarily Chinese Cultural Center and Navigator 2 Business Center projects) and in Energoprojekt Industrija in the amount of RSD 66,058 thousand (primarily Construction of Water Purification System, Heineken project).

• **Suppliers, abroad** in the amount of RSD 1,585,830 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 657,103 thousand (primarily in Peru: RSD 227,286 thousand and in Uganda: RSD 148,340 thousand, as well as in the country, supplier Arcelor Mittal Poland s.a.: RSD 281,205 thousand for Jajinci - Mala Krsna Railway project);

- Energoprojekt Entel in the amount of RSD 602,126 thousand (primarily in Energoprojekt Entel LTD, Doha, Qatar: RSD 463,905 thousand, Energoprojekt Entel LLC Oman, Oman: RSD 55,515 thousand and Ergo Consult LLC Abu Dhabi, UAE: RSD 76,821 thousand); and

- Energoprojekt Visokogradnja in the amount of RSD 233,972 thousand (mostly, in Energoprojekt Ghana Ltd., Accra, Ghana: RSD 179,932 thousand primarily on the projects Ecobank: RSD 68,444 thousand and Cargo Center: RSD 46,316 thousand).

Increase in liabilities to suppliers abroad compared to last year on given date by RSD 138,998 thousand dinars, is the result, on the one hand, of increase in Energoprojekt Niskogradnja: RSD 253,116 thousand (mostly Railway Jajinci - Mala Krsna project) and in Energoprojekt Visokogradnja: RSD 29,576 thousand (above all, Z-112 Hotel Hyatt Rostov 2, Russia project) and, on the other hand, of decrease in Energoprojekt Oprema: RSD 89,653 thousand (primarily Ada Mol, Kolubara Landfill and Ani Abuja, Nigeria projects) and in Energoplast: RSD 81,317 thousand (settling the obligation to suppliers for procurement of raw materials incurred in 2018).

• **Other operating liabilities** in the amount of RSD 2,766 thousand primarily refer to Energoprojekt Niskogradnja in the amount of RSD 1,075 thousand, from issued checks to suppliers in Peru in behalf of settlement of liabilities, which on 31 December 2019 were not realized and to Energoprojekt Entel in the amount of RSD 926 thousand in Qatar.

42. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities from special transactions - other legal entities		
Liabilities for wages, fringe benefits and compensations	733.956	810.849
Other liabilities:		
a) Liabilities for interest and financing costs	8.668	8.894
b) Liabilities for dividends	45.957	135.375
c) Liabilities to employees	26.863	47.531
d) Liabilities to General Manager, or to management and Supervisory Board members	4.057	3.181
e) Liabilities to physical persons for contractual compensations	6.665	5.140
f) Liabilities for short-term provision		
g) Other various liabilities	47.669	31.282
<i>Total</i>	<i>139.879</i>	<i>231.403</i>
TOTAL	873.835	1.042.252

- **Liabilities for wages, fringe benefits and compensations** in the amount of RSD 733,956 thousand (liabilities for net salaries and fringe benefits, taxes and contributions, etc.) relate predominantly to Energoprojekt Entel in the amount of RSD 363,766 thousand (abroad: RSD 319,742 thousand, in the country: RSD 44,024 thousand), Energoprojekt Niskogradnja in the amount of RSD 128,119 thousand (abroad: RSD 89,851 thousand, in the country: RSD 38,268 thousand), Energoprojekt Visokogradnja in the amount of RSD 80,033 thousand (abroad: RSD 40,522 thousand, in the country: RSD 39,511 thousand), Energoprojekt Hidroinženjering in the amount of RSD 78,903 thousand (abroad: RSD 56,675 thousand, in the country: RSD 22,228 thousand), Energoprojekt Oprema in the amount of RSD 21,124 thousand (in the country: RSD 20,976 thousand, abroad: RSD 148 thousand) and in Energoprojekt Industrija: RSD 15,491 thousand (in the country: RSD 15,472 thousand, abroad: RSD 19 thousand).

- **Liabilities for dividends** in the amount of RSD 45,957 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 20,650 thousand, dividend liabilities from 2018: RSD 4,565 thousand and from previous years: RSD 16,085 thousand, which have not been paid due to unresolved property and legal relations until the balance sheet date hearings, etc.) and unopened ownership accounts of shareholders;

- Energoplast in the amount of RSD 11,735 thousand, liability to the shareholder Chartered Oil Inc. which will be paid by the end of 2020 (Note 38.4) according to the decision of the Assembly of the company from 2019;

- Energoprojekt Entel in the amount of RSD 6,995 thousand liabilities from 2018: RSD 1,733 thousand and from previous years: RSD 5,262 thousand (since the shareholders did not open accounts, probate hearings, etc.); and

- Energoprojekt Oprema in the amount of RSD 6,269 thousand liabilities from previous years.

Other various liabilities in the amount of RSD 47,669 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Holding in the amount of RSD 34,450 thousand dinars, predominantly liabilities to shareholders for forced purchase of shares of Energoprojekt Entel in the amount of RSD 34,057 thousand. Corporate agent M&V Investments on 15.09.2019 returned funds deposited for forced purchase of shares of Energoprojekt Entel, in respect of those shareholders with unappropriated data, payment could not be realized. The Company settles related obligations at the shareholders request;
- Energoprojekt Niskogradnja in the amount of RSD 6,412 thousand (liabilities to Trade Union, Fund for Social Assistance to Employees, liabilities to third parties based on restriction on salaries for December 2019 within legal and administrative restrictions, etc.); and
- Energoprojekt Visokogradnja in the amount of RSD 3,968 thousand (suspensions from salaries for union membership fees: RSD 1,361 thousand, alimony, 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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities for value added tax	163,963	198,398
TOTAL	163,963	198,398

- **Liabilities for value added tax** in the amount of RSD 163,963 thousand relate to the difference between the calculated tax and input tax, primarily in Energoprojekt Visokogradnja in the amount of RSD 79,050 thousand (entirely abroad, predominantly on WU abroad: RSD 70,522 thousand and in the company Energoprojekt Ghana Ltd., Accra: RSD 8,470 thousand), Energoprojekt Park 11 in the amount of RSD 29,485 thousand and in Energoprojekt Entel in the amount of RSD 18,393 thousand.

43.2. Liabilities for Other Taxes, Contributions and Fees Payable

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Liabilities for income tax	25,693	684,494
Liabilities for other taxes, contributions and fees payable	26,638	55,567
TOTAL	52,331	742,061

- **Liabilities for income tax** in the amount of RSD 25,693 thousand mostly refer to the Energoprojekt Entel in the amount of RSD 10,788 thousand – entirely income tax duty payable in the country.

Decrease in income tax duty compared to last year on given date by RSD 660,801 thousand predominantly refers to reduction in the company Energoprojekt Entel LTD, Doha, Qatar in the amount of RSD 593,914 thousand, from liabilities recorded in 2011 for unrecognized costs of Head Office, ie Energoprojekt Entel, by the local Tax Administration, for a period of 3 years (2008, 2009 and 2010). In this matter, a court dispute was conducted and ended in 2019 in favor of the Tax Administration in Qatar. During 2019, the entire obligation was paid from the funds deposited by Energoprojekt Entel LTD, Doha, Qatar in Doha Bank (allocated solely for negative outcome of the litigation above mentioned).

- **Liabilities for other taxes, contributions and fees payable** in the amount of RSD 26,638 thousand primarily refer to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 12,806 thousand, mostly for VAT duty based on tax return for December 2019 in Peru: RSD 10,560 thousand (liabilities were settled in due time, in January 2020);

- Energoprojekt Visokogradnja in the amount of RSD 4,797 thousand, where the most significant part refers to unpaid obligations for taxes and contributions for December 2019 for workers abroad: RSD 2,086 thousand.

44.3. Accrued Expenses and Deferred Income

Liabilities for accrued expenses and deferred income	In RSD thousand	
	31.12.2019.	31.12.2018.
Accrued expenses:		
a) Accrued expenses - other related companies		-
b) Accrued expenses - other legal entities	751,674	664,732
Total	751,674	664,732
Deferred income - other legal entities	132,254	439,796
Other accruals	269,962	139,893
TOTAL	1,153,890	1,244,421

- **Accrued expenses - other legal entities** in the amount of RSD 751,674 thousand relate, mainly, to the following companies of the system Energoprojekt:

- Energoprojekt Niskogradnja in the amount of RSD 514,551 thousand, with no invoices received as at 31 December 2019 (cost calculation performed, mainly, based on invoices received in 2020 (for 2019), as well as valuation costs by experts for projects in the country and abroad, based on appropriate records: construction log, surveying, subcontractors demands for interim (payment) certificate verification, etc.), mostly related to:

- Accrued expenses in the country: RSD 394,668 thousand entirely related to accrued expenses in 2019, mostly on projects: Zeleni Bulevar: RSD 213,263 thousand (subcontracting services), TPS Zemun: RSD 81,252 thousand (subcontracting services: RSD 79,257 thousand), Lajkovac - Ljig Section V: RSD 40,931 thousand (subcontracting services): RSD 39,932 thousand), Reconstruction of Karadjordjeva Street: RSD 22,990 thousand (subcontracting services), Railway Jajinci - Mala Krsna: RSD 15,986 thousand (predominantly subcontracting services: RSD 15,959 thousand);

- Accrued expenses in Peru: RSD 52,016 thousand, mainly on projects: Z-034 Road Puerto - Bermudez, Peru: RSD 29,210 thousand (subcontracting services for 2019: RSD 13,222 thousand and administrative costs of the consortium - part of the contractual obligation: RSD 9,357 thousand), Z-040 Irrigation System San Antonio, Peru: RSD 8,049 thousand (costs of insurance of works, construction and property, subcontracting costs, lease costs, etc.) and Z-039 Canal Via Cienguillo, Peru: RSD 6,905 thousand (primarily, supplier costs);
 - Accrued expenses in Uganda: RSD 13,813 thousand, on projects Z-027 Mpigi - Kanoni, Uganda: RSD 11,555 thousand (mainly subcontracting services and lease of machinery), Z-041 Kampala Mukono, Uganda (predominantly lease of machinery): RSD 1,375 thousand and Z-042 Mpigi Roads, Uganda: RSD 1,000 thousand (predominantly lease of machinery); and
 - Accrued expenses for long-term liabilities interests towards other legal entities for project HE Banieya II, Guinea: RSD 54,054 thousand (Note 38.2);
- Energoprojekt Hidroinženjering in the amount of RSD 79,573 thousand, abroad RSD 52,236 thousand for accrued expenses of subcontractors: RSD 36,766 thousand (primarily on projects: Yaraskay, Peru: RSD 8,580 thousand; Seklafa, Algeria: RSD 7,818 thousand; Securitisation, Algeria: RSD 6,832 thousand; Sidi Naceur, Algeria: RSD 4,465 thousand; Komarnica, Montenegro: RSD 4,114 thousand; Karuma, Uganda: RSD 2,759 thousand and Đedra, Algeria: RSD 1,757 thousand) and from accrued penalties for delayed work on projects in Algeria: RSD 15,470 thousand (primarily, Sidi Naceur project, Algeria: RSD 6,962 thousand, Tabeggart, Algeria: RSD 3,206 thousand and Rekush, Algeria: RSD 3,690 thousand), while accrued expenses of subcontractors in the country relate to: RSD 27,337 thousand (primarily Djerdap projects: RSD 10,943 thousand, Selova Dam: RSD 5,480 thousand, Vinca Landfill: RSD 3,279 thousand, Negotin Municipality: RSD 3,200 thousand and Macva: RSD 3,025 thousand).
- Energoprojekt Sunnyville in the amount of RSD 39,554 thousand for accrued expenses on behalf of the variable price for land according to the Contract on purchase and sale of real estate (city construction land k.p.2199 / 1 K.O. Višnjica) OPU: 854-2015 from 01.04.2015;
- Energoprojekt Oprema in the amount of RSD 62,949 thousand, primarily from accrued expenses of subcontractors on the projects Ada Mol: RSD 32,830 thousand, Kolubara Landfill: RSD 18,768 thousand and RTB Bor (from previous years): RSD 7,647 thousand;
- Energoprojekt Visokogradnja in the amount of RSD 29,996 thousand, for accrued expenses abroad in the amount of RSD 13,373 thousand, primarily on the project Z-107 Sitkivkar Radiology Hospital, Russia: RSD 11,261 thousand (based on accrued expenses for December 2019) and in the company Energoprojekt Ghana Ltd., Accra, Ghana: RSD 991 thousand (subcontractors works in 2019), while the accrued expenses in the country amount to RSD 16,623 thousand, primarily on projects Chinese Cultural Center: RSD 10,215 thousand, Park 11: RSD 3,124 thousand, Navigator 2 Bussines Center: RSD 2,725 thousand (realization of investors, and until the day of the balance sheet are not invoiced by suppliers and subcontractors).
- Increase in accrued expenses - other legal entities, compared to last year on given date, by RSD 86,942 thousand, mostly refers to Energoprojekt Oprema in the amount of RSD 43,098 thousand (projects Ada Mol and Kolubara Landfill) and to Energoprojekt Sunnyville in the amount of RSD 22,013 thousand (variable land prices).

- **Deferred income - other legal entities** in the amount of RSD 132,254 thousand, mainly were recorded in accordance with verified in advance interim certificate by investor for works that were not

completed in 2019, and predominantly refer to Energoprojekt Visokogradnja in the amount of RSD 132,244 thousand, on the project Chinese Cultural Center: RSD 119,183 thousand and Navigator 2 Bussines Center: RSD 13,061 thousand.

Decrease in deferred income - other legal entities compared to last year on given date by RSD 307,542 thousand, predominantly refers to Energoprojekt Oprema in the amount of RSD 369,612 thousand on the basis of invoiced unperformed works on the Ada Mol project in the previous year.

• **Other accruals** in the amount of RSD 269,962 thousand relate predominantly to the following companies of the system Energoprojekt:

- Energoprojekt Visokogradnja in the amount of RSD 136,581 thousand for deferred liability for value added tax, primarily in the country: RSD 82,731 thousand, which was settled in January 2019;

- Energoprojekt Entel in the amount of RSD 78,656 thousand, for liability to the subcontractor for the retention - Project Mega Reservoir at Energoprojekt Entel LTD, Doha, Qatar. The retention will be closed after collection of receivable for guaranteed deposit issued by investor Qatar General Electricity & Water Corporation "Kahramaa"; and

- Energoprojekt Niskogradnja in the amount of RSD 50,159 thousand, primarily for deferred liability for value added tax in Uganda: RSD 45,305 thousand (payment certificates for work performed are verified and issued in the reporting period, but the VAT return is submitted in the period of collection from investors in accordance with local regulations - VAT payment system upon collection) and in the country: RSD 4,809 thousand, which were settled within the legal terms.

Increase in other accruals compared to last year on given date by RSD 130,069 thousand mainly refers to Energoprojekt Visokogradnja: RSD 129,329 thousand from higher amount of deferred VAT duty.

43.4 Deferred Tax Liabilities

Deferred tax assets and liabilities	In RSD thousand	
	31.12.2019.	31.12.2018.
Deferred tax assets	2,756	2,623
Deferred tax liabilities	755,238	762,741
Net effects of deferred tax assets / (liabilities)	(752,482)	(760,118)

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

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

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

Deferred tax liabilities disclosed as at 31 December refer to *taxable temporary differences* between the book value of assets subject to depreciation and their tax base. Due to different provisions used in the Company to define accounting depreciation (in compliance with the IAS/IFRS and other provisions) and provisions that define tax depreciation (in compliance with the Law on Corporate Income Tax), the Company shall pay higher amount of income tax in the future period than it would pay if the actually disclosed accounting depreciation would be acknowledged by tax legislation. For this reason, the Company recognizes the deferred tax liability, which represents income tax payable once that the Company “recovers” the accounting value of the assets. The amount of deferred tax liabilities is calculated by multiplying the amount of taxable temporary difference at the end of the year by the Company’s income tax rate (15%).

A summary of changes in balance of deferred tax liabilities of the Company is presented in the following tables.

Balance and changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Balance of deferred tax liabilities at the end of the previous year	760,118	784,075
Balance of deferred tax liabilities at the end of the current year	752,482	760,118
Changes in balance of deferred tax liabilities	(7,636)	(23,957)

Changes in balance of deferred tax liabilities	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Deferred tax expenses of the period	(7,316)	18,490
Revaluation reserves		(42,169)
Retained earnings of the previous year	(320)	(278)
TOTAL	(7,636)	(23,957)

Based on the change in the balance of deferred tax assets and deferred tax liabilities in 2019, it can be concluded that in net effect there was decrease in the balance of deferred tax liabilities compared to last year on given date by RSD 7,636 thousand and recorded as:

- in favor of net results for 2019 (deferred tax revenues for the period) in the amount of RSD 7,316 thousand (Note 23) and
- in favor of equity (retained earnings of the previous year) in the amount of RSD 320 thousand, based on the correction of deferred tax assets and deferred tax liabilities from the previous period.

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	<i>In RSD thousand</i>	
	<i>31.12.2019.</i>	<i>31.12.2018.</i>
Issued and received guarantees and letters of credits	16,439,053	13,274,316
Construction land use rights	2,976,717	2,950,032
Other off balance sheet assets/liabilities	287,016	229,890
TOTAL	19,702,786	16,454,238

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 LTD., Doha, Qatar company.

- Mortgage registered against Energoprojekt Niskogradnja:

- in order to secure a guarantee line granted by the Scotiabank Peru, property was mortgaged for the amount of RSD 1,467,615 thousand (USD 13,988,134), 110.90% of the total appraised value of property mortgaged. The registration of mortgage in excess of estimated property value was proposed by the Bank explaining the need to achieve greater coverage in the financial system which allows the bank to reduce the required reserves, placing funds in a higher amount and offering more favorable conditions. The Bank's proposal is based on a projection of increase in value of real estate in future. Appraisal for which the mortgage was constituted in favor of Scotiabank was made by the appraiser "PROVALUA S.A." (authorized by the competent authority of the Superintendencia de Banca y Seguros of the Republic of Peru, according to Confirmation No. 1079-99), which was hired by the company.
- in order to secure a credit line granted by the Banco Pichincha Peru (former Banco Financiero Peru), property was mortgaged for the amount of RSD 869,092 thousand (USD 8,283,492) which is 77.50% of the total appraised value of the property mortgaged which guarantees a credit line in the amount of USD 2.500.000. The value assessment was performed by an external independent qualified appraiser "PROVALUA S.A".

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

Property	sq m	Book value	Estimated value	Estimated value
		In RSD 000	In USD	In RSD 000
Mortgage 1- Sotiabank, Peru				
Land - Camp Primavera, Sullana, Peru	95,907.47	29,479	5,031,043	527,850
Office space 16-18th floor, Lima, Peru	427.73	82,925	842,285	88,371
Building Cruz Del Sur, Lima, Peru	4,295.38	709,285	6,739,885	707,139
<i>Total (100%)</i>		821,689	12,613,213	1,323,361
Total (110,90%)			13,988,134	1,467,615
Mortgage 2 -Banco Pichincha, Peru				
Land - Santa Clara, Peru	23,009.70	40,874	10,687,950	1,121,365
<i>Total (100%)</i>		40,874	10,687,950	1,121,365
Total (77.50%)			8,283,492	869,092

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

- In Energoprojekt Holding:

- as collateral to secure the repayment of loan pursuant to the Annex No. 12 of the Loan Agreement No. 367, in the amount of RSD 16,169 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the executive extrajudicial mortgage based on Lien Statement, up to entire loan amount with added interest was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company; and
- as collateral to secure the repayment of the loan pursuant to the Annex No. 8 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 60,352 thousand (EUR 513 thousand), executive extrajudicial mortgage of the first order based on Lien Statement was registered, up to entire amount of the loan with added interest, provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija 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 31 December 2019, include principal amount only for each lawsuits.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
1.	Sreta Ivanišević	EP Holding Plc.	Compensation for expropriated property (Bezanija)	Ungrounded	1st Basic Court in Belgrade	Uncertain	Uncertain First instance proceeding
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	2019	Unfounded, according to the Decision of the Court of first instance, the application was rejected; Court Decision on Plaintiffs' appeal is pending. Second instance proceeding
3.	Kovacevic Pavle, Radmila and Milan	EP Holding Plc. and others	Compensation for expropriated land (in Block 26)	Ungrounded	Administrative court	Uncertain	The request of the applicants was rejected by the final decision of the administrative body. Applicants have 30 days to initiate an administrative dispute.
4.	EP Holding Plc.	Republika Srbija, EPS Srbija, Epsturs Ltd. and Rep. of Montenegro	Determining the ideal ownership share of the Park Hotel in Budva	Founded in obtaining 13% of the total area of the hotel, but the value has not been established	Basic court, Niksic	2020	Claim is grounded; first-instance court accepted the claim; in appeal Respondents Second instance proceedings was terminated due to the bankruptcy of Epsturs Ltd.
5.	Radovanac Aleksandar and Nenad	EP Holding Plc. and others	Eviction from barracks in Visnjicka Banja	Ungrounded	Higher court in Belgrade	2020	Ungrounded in relation to EP Holding First instance proceedings
6.	Marko Martinoli, Activist Ltd. Activeast ltd.	Montinvest properties Ltd., Napred razvoj Plc., Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Entel shares	RSD 176,744,730.15	Commercial Court in Belgrade	2020	Ungrounded for EP Holding First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
7.	Nikola Malbaša, Marko Martinoli and other small shareholders of EP Industrija Plc.	Montinvest properties Ltd., Napred razvoj Plc., GP Napred Plc. Dobroslav Bojović, EP Holding Plc.	Forced purchase of EP Industrija Plc. shares	RSD 280,427,106.40	Commercial Court in Belgrade	2020	Ungrounded for EP Holding First instance proceedings
8.	Decade Export-Import KFT Budapest	1) Vivand BT Budapest, 2) EP Holding Plc.	Determination of the nullity of the contract on assignment of EP Holding's Plc. claim to Vivand BT and Optional Sale&Purchase Agreement on sale of Real Estate	Ungrounded	Court of City of Budapest, Commercial Department	2020	Our revision against lower court verdicts has been adopted, earlier decisions were abolished and the case was returned for re-trial. In the retrial, the court upheld the claim. We will appeal against the verdict. Second instance proceedings.
9.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Oprema Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
10.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's temporary decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
11.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision whereby to the company is	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
			denied right to vote in Energoprojekt Oprema Plc.				since the Holding has been restored the right to vote because the takeover procedure has been completed
12.	EP Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision whereby to the company is denied right to vote in Energoprojekt Industrija Plc.	Without any value	Administrative court	2020	Administrative dispute. Second instance procedure. The procedure is irrelevant since the Holding has been restored the right to vote because the takeover procedure has been completed
13.	Edmond Gašpar Gojko Babić Petar Rajačić	EP Holding Plc. Napred razvoj Plc.	Forced purchase of shares of Energoprojekt Industrija Plc.	RSD 9,193,106.10	Commercial Court in Belgrade	2020	Ungrounded in relation to EP Holding Plc. First instance procedure.
14.	Ep Holding Plc.	RS Securities Commission	Annulment of the Commission's final decision, whereby it was interrupted proceedings to decide on the request for publication of the takeover bid Energoprojekt Entel Plc.	Without any value	Administrative court	2020	Uncertain. Administrative proceeding. Second instance proceedings
15.	Zoran Petrović	Ep Holding Plc.	Annulment of the decision on termination of employment service contract		3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings.
16.	Zoran Petrović	Ep Holding Plc.	Compensation for damages	RSD 900,000.00	Higher court in Belgrade	2020	Uncertain First instance proceedings.
17.	Ep Holding Plc.	Ringier Axel Springer Ltd. Belgrade	Determination of nullity of the contract and return of paid advance	RSD 18,000,000.00	Commercial Court in Belgrade	2020	Uncertain First instance proceedings.
18.	Milan Branković, Slobodan Vučković, Zoran Ćupin	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of	RSD 432,593.49	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed.

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
			shares of EP VG				Second instance proceedings
19.	Matijaž Rutar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed. Second instance proceedings
20.	Henigman France	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 236,533.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal filed. Second instance proceedings
21.	Alco Investments Holding Ltd. Cyprus	GP Napred EP Holding PLc.	Fulfilment of the contract	EUR 15,571,615.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal was lodged against the verdict. Second instance proceedings
22.	Alco Investments Holding Ltd. Cyprus	Genesis capital, GP Napred Plc. EP Holding Plc.	Determination of nullity of Annex 1 of the Joint Construction Agreement	Without any value	Commercial Court in Belgrade	2020	Ungrounded in relation to EP Holding Plc. First instance procedure.
23.	Darovi Rokus Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 78,844.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
24.	Andrej Mavrić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
25.	Regvat Milan	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 78,844.50	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
26.	Srđan Cekić, Vladimir Šešlija	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 404,735.10	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
27.	Dečman Janez	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,037.37	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
28.	Ilin Aleksandar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 10,512.60	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
29.	Proinvestments Plc	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 3,234,201.39	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
30.	Arian Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 47,832.33	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
31.	Jenić Goran	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 73,588.20	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
32.	Igor Mitrović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 331,146.90	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
33.	Damjan Pate	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 767,419.80	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
34.	Traven Tomaž	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 1,051,260.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
35.	Jopo Int Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 21,025.20	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
36.	Goran Grbić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 685,421.52	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
37.	Matija Rojec	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
38.	Dušica Milić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
39.	Kolar Mihel	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 26,281.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
40.	Robert Žvab	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 102,497.85	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
41.	Žito Mlin Ltd. Kula	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 325,890.60	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
42.	Blaž Kolar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 52,563.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
43.	Edvard Kolar	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 105,126.00	Commercial Court in Belgrade	2020	The first instance court accepted the claim. Appeal announced. Second instance proceedings
44.	Boris Ožegović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 17,871.42	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
45.	OVER ATLANTIC Holding Plc.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 749,548.38	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
46.	EP Holding Plc.	EP Oprema Plc. Jadran Ltd. Viacom VS Ltd.	Determination of nullity of the Agreement	EUR 700,000.00	Commercial Court in Belgrade	2020	First instance procedure.
47.	Dragan Opanković	EP Holding Plc. Napred Razvoj Plc.	Purchase of shares of EP Industrija	RSD 1,808,724.96	Commercial Court in Belgrade	2020	First instance procedure.
48.	Željko Deretić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 144,189.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
49.	Tesla Kapital Plc.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 2,890,965.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
50.	Zečević Srbislav	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the purchase price of shares of EP VG	RSD 202,367.55	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
51.	Aleksa Marijanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 306,442.29	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
52.	Milan Orlić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 444,682.98	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
53.	Stana Repić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 477,797.67	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
54.	Dragoslav Nešić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 474,118.26	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
55.	Rupnik Olivera	EP Holding Plc.	Determining the ownership of the apartment at 35 Marshala Birjuzova Street		The first basic court in Belgrade	2020	Grounded First instance proceedings
56.	Radojko Đurović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 107,754.15	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
57.	Mile Todorović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 135,086.91	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
58.	Staniša Milošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 73,588.20	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
59.	Branko Dobrota	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 96,190.29	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
60.	Marko Đurović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 420,504.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
61.	Lazo Tarlač	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 176,086.05	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
62.	Predrag Stojanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 61,498.71	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
63.	Luka Stegnjaja	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 153,483.96	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
64.	Nuro Bihorac	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 144,548.25	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
65.	Igor Minčić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 63,075.60	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
66.	Paljo Kardelis	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 132,458.76	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
67.	Dragan Mandić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 124,574.31	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
68.	Mirko Lazić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 135,086.91	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
69.	Dragomir Krstić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 709,600.50	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
70.	Zlatimir Jelisavac	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 99,869.70	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
71.	Tijosav Šalipur and Radomir Aščerić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,499,348.50 and RSD 2,147,702.03	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
72.	Dragan Rakić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 107,754.15	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
73.	Dragiša Popović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 105,651.63	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
74.	Luka Trivunović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,023,927.24	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
75.	Nenad Radoš	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 31,537.80	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
76.	Vlastimir Polić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 144,548.25	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
77.	Jugoslav Pejčić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 46,781.07	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
78.	Radmila Urošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 454,669.95	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
79.	Nikola Bakal	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 726,420.66	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
80.	Zoran Pendić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 138,240.69	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
81.	FINSTRAL Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 320,108.67	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
82.	SUPRA GROUP Ltd.	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 1,051,260.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
83.	Zoran Vasiljević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 85,677.69	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
84.	Milan Beslać	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 199,739.40	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
85.	Dane Kuzmanović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 262,815.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
86.	Leonarda Milošević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 146,125.14	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
87.	Dragana Milić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 161,894.04	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
88.	Dejan Mraković	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 173,983.53	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
89.	Stanislav Đorđević	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 52,563.00	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
90.	Milovan Žunić	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 94,087.77	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
91.	Dragan Vojinović	EP Holding Plc. and EP Visokogradnja Plc.	Payment of the difference in the price of VG shares from the forced redemption	RSD 103,023.48	Commercial Court in Belgrade	2020	Uncertain. First instance proceedings
92.	EP Visokogradnja Plc.	Promex TV Zvornik	Debt	RSD 667,104.25	Commercial Court in Belgrade	Completed case	Final judgment approved the claim. Enforced collection must be carried out in Bosnia and Herzegovina
93.	Milan Branković	EP Visokogradnja Plc.	Annulment of the limited time employment contract		First Basic Court in Belgrade	Uncertain	Ungrounded; proceedings suspended until the end of the proceedings 17.P1.11640 / 10 on the lawsuit of the same plaintiffs against Enjub Ltd.
94.	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

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
95.	Dorđe Mikša	EP Visokogradnja Plc.	Contractual fine payment	RSD 512,000.00	3rd Basic Court in Belgrade	2020	Uncertain. Adopted our appeal and the case was returned to first instance procedure
96.	Nataša Milojević	EP Visokogradnja Plc.	Ownership title to be determined		3rd Basic Court in Belgrade	The final completion in 2016; declared revision	By final judgment the claim is adopted; Appeal against the decision of revision
97.	EP Visokogradnja Plc.	Beton gradnja Ltd.	Debt	RSD 271,813.90	Commercial Court in Belgrade	2020	Grounded First-instance proceeding
98.	EP Visokogradnja Plc.	Veso Romić	Unfounded acquisition	RSD 35,301,780.00	Commercial Court in Belgrade	Completed	Grounded In the process of enforced collection
99.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 290,385,390.00	Commercial Court in Belgrade	2020	Grounded; proceedings suspended.
100.	EP Visokogradnja Plc.	City of Belgrade, BG Hala Ltd.	Debt (Arena)	RSD 208,000,245.40 Adopted in court: RSD 34,115,606.10 in behalf of principal debt	Commercial Court in Belgrade	2020	The claim of Hala BG Ltd was adopted by final judgment Our revision was adopted and the case for remaining amount of debt was returned for re-trial. First instance proceedings
101.	EP Visokogradnja Plc.	JP Železnice, Beočvor	Debt (Prokop)	RSD 153,674,990.16	Commercial Court in Belgrade	2020	Grounded; proceedings suspended.
102.	Božo Tomašević	EP Visokogradnja Plc.	Annulment of employment contract termination	RSD 140,000.00	1st Basic Court in Belgrade	2020	The first instance court accepted the claim. In the process on our appeal. Second instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
103.	Aleksandar Petrović	EP Visokogradnja Plc.	Agreement termination and damage compensation	RSD 3,500,000.00	3rd Basic Court in Belgrade	2020	The court issued a decision declaring it incompetent for acting in this proceeding.
104.	Sava Krajinović	EP Visokogradnja Plc.	Unfounded acquisition	RSD 269,000.00	3rd Basic Court in Belgrade	2020	The first instance verdict partially approved the claim, appealed Second instance proceedings
105.	Ljiljana Damyano	EP Visokogradnja Plc.	Performance and damage compensation	RSD 350,000.00	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceeding
106.	Nenad Dautović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2020	Ungrounded
107.	SIEN Ltd.	EP Visokogradnja Plc.	Debt, SMIP	RSD 438,530.00	Commercial Court in Belgrade	Uncertain	Partly grounded, lawsuit stopped due to plaintiffs' bankruptcy.
108.	Residence building, 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
109.	EP Visokogradnja Plc.	Siniša and Dragan Romić	Contesting of share transfer agreement		Higher court in Belgrade	2020	Grounded First instance proceeding
110.	Kojić Milan	EP Visokogradnja Plc.	Debt - salaries	EUR 1,130.00	1st Basic Court in Belgrade	2020	First instance proceeding
111.	EP Visokogradnja Plc.	Farmakom MB Ltd. in bankruptcy	Debt	RSD 1,340,520.00	Commercial Court in Valjevo	Uncertain	Receivables recognized in bankruptcy procedure.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
112.	EP Visokogradnja Plc.	LP Gas Ltd.	Debt	RSD 1,098,898.15	Commercial Court in Belgrade	2020	First instance court accepted the claim. On the appeal of the respondent, the Commercial Court of Appeal quashed the decision and returned the case for re-opening. First instance proceeding
113.	Husein Smailović	EP Visokogradnja Plc.	Adjustment of monthly rent for damage compensation	RSD 59,000.00 monthly starting from January 2010	3rd Basic Court in Belgrade	2020	A decision was adopted bringing the claim to be revoked. The prosecutor appealed against this decision. Second instance proceedings.
114.	Naim Hajdari	EP Visokogradnja Plc.	Monthly rent for damage compensation	RSD 15,000.00 monthly starting from 21 January 1989	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceeding
115.	EP Visokogradnja Plc.	PIK Zemun in bankruptcy	Debt	RSD 33,705.46	Commercial Court in Belgrade	Uncertain	Presented receivables in bankruptcy.
116.	EP Visokogradnja Plc.	GZR Krstic, with Krstic Radomir as owner	Debt	RSD 115,776.00	Commercial Court in Belgrade	2020	Grounded. Enforced collection in process.
117.	EP Visokogradnja Plc.	SZR Kvirin, with Tanaskovic Milan as owner	Debt	RSD 31,642.40	Commercial Court in Belgrade	2020	Grounded. Enforced collection in process.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
118.	Dragan Petrović	EP Visokogradnja Plc.	Annulment of employment contract termination		3rd Basic Court in Belgrade	2020	The claim was dismissed by the first instance verdict Second instance proceeding
119.	Milić Janković	Direkcija za građevinsko zemljište, EP Visokogradnja Plc. and Aleksić Ružica	Ownership title to be determined		1st Basic Court in Belgrade	2020	Grounded First-instance proceeding
120.	Residence building 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	2020	Uncertain First-instance proceeding
121.	Residence building 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	2020	Uncertain First-instance proceeding
122.	Dević Ljubinko	EP Visokogradnja Plc.	Salary payment	EUR 5,774.42 The main debt was paid, requirements for interest remained in the lower amount than specified	3rd Basic Court in Belgrade	2020	Grounded First-instance proceeding
123.	Milorad Vasić	EP Visokogradnja Plc.	Damage compensation (Block 12)	RSD 25,732,877.55	Higher court in Belgrade	2020	Revision of the plaintiff was rejected for the amount of adopted part of the claim, compensation for defects in the apartment is in the first instance procedure
124.	JP ViK Stara Pazova	EP Visokogradnja	Debt	RSD 167,162.40 RSD 33,558.94	Commercial Court in Sremska Mitrovica	2020	Uncertain; First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
125.	EP Visokogradnja Plc.	Utva silosi Plc. Kovin in restructuring	Debt		Commercial Court in Pančevo	Uncertain	Receivables grounded but payment depending on restructuring plan.
126.	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.
127.	EP Visokogradnja Plc.	Бон-Апетит ООО, Ростов, РФ	Debt based on loan	RUB 5,048,082.19	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
128.	EP Visokogradnja Plc.	Тандем-Интер ООО, Ростов, РФ	Debt based on loan	RUB 5,236,849.31	Arbitration Court in Rostov, RF	Completed	Collection possibility is minimal
129.	Kombit	EP Visokogradnja Plc.	Debt (Prokop)	RSD 1,269,860.00	Commercial Court in Belgrade	Uncertain	Partly collected, cca RSD 160.000,00, remaining amount - procedure is stopped. First-instance proceeding
130.	Radoš Nenad	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
131.	Vidojević Vladan	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
132.	Paunović Ljubiša	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	The first instance court accepted the claim Arrears of salary paid in full Second-instance proceeding
133.	Alen Vasić	EP Visokogradnja Plc.	Damage compensation for injury at work	RSD 600,000.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
134.	Topalović Igor	EP Visokogradnja Plc.	Annulment of employment termination		3rd Basic Court in Belgrade	Completed	Court accepted the claim. In the proceedings on our revision. Third-instance proceeding
135.	Predrag Radeka	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries and differences from overtime and performance		3rd Basic Court in Belgrade	2020	Uncertain; arrears of salary paid in their entirety First-instance proceeding
136.	Danijel Šalipur	EP Visokogradnja Plc.	Fortification existence of an employment and Damage compensation	RSD 1,320,000.00	3rd Basic Court in Belgrade	2020	Uncertain The first instance court accepted the prosecutor's request in terms of compensation and refused to establish the existence of an employment relationship. The second instance
137.	Miloje Živanović	EP Visokogradnja Plc.	Damage compensation due to unpaid salaries	RSD 39,000.00	3rd Basic Court in Belgrade	2020	By a final judgment, a claim in respect of the main debt and interest has been adopted. It remains that the court decides on the costs of the proceedings, in accordance with our complaint that was adopted The principal debt and interest paid in full.
138.	Rajko Vasiljević	EP Visokogradnja	Damage compensation on behalf of less paid overtime	EUR 2,500.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
139.	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	2020	Uncertain First-instance proceeding
140.	Miloje Živanović	EP Visokogradnja	Damage compensation on behalf of less severance paid and payment of interest on delayed payment of salaries	EUR 2,487.94 and RSD 137,478.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
141.	Miloje Živanović	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	RSD 420,000.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
142.	Šerbedžija Đorđe	EP Visokogradnja	Damage compensation based on excess of overtime and individual performance	EUR 1,500.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
143.	Pavlović Vladimir	EP Visokogradnja	Damage compensation due to delays in construction	RSD 2,628,897.70	3rd Basic Court in Belgrade	2020	Ungrounded First-instance proceeding
144.	Stanković Nenad	EP Visokogradnja	Annulment of the decision on termination of employment contract		3rd Basic Court in Belgrade	Completed	Final judgment approved the claim. In the proceedings on our revision. Third instance proceedings.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
145.	Jovičić Dejan	EP Visokogradnja	Damage compensation based on excess of overtime	EUR 1,300.00	3rd Basic Court in Belgrade	2020	The first instance verdict approved the claim. In the proceedings on our appeal. Second instance.
146.	Dević Ljubinko	EP Visokogradnja	Protection against harassment at work and compensation for damages	RSD 200,000.00	Higher Court in Belgrade	2020	Ungrounded Decision was adopted whereby the claim is withdrawn. The prosecutor appealed. Second-instance procedure.
147.	Vladan Kovačević	EP Visokogradnja	Compensation for delays in the construction and delivery of real estate (facility Car Nikolaj II street)	RSD 555,899.00	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
148.	Pavić Biljana	EP Visokogradnja	Compensation for damages due to overtime and payment of interest on delay in payment of earnings	RSD 1,750,643.65	3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
149.	EP Visokogradnja	Mikom Ltd.	Debt Settlement	EUR 31,641.47	Commercial Court in Belgrade	2020	Grounded The parties made an out-of-court settlement where the respondent compensated entire debt. This dispute was ended in 2019.
150.	Miroslav Jovičić	EP Visokogradnja	Salaries payment for period from 01 January 2009 to September 2017		3rd Basic Court in Belgrade	2020	Uncertain First-instance proceeding
151.	Miroslav Jovanović	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 1,000.00	3rd Basic Court in Belgrade	2020	Uncertain
152.	Mihailo Obrenić	EP Visokogradnja	Damage compensation for less overtime pay for hours worked over.	EUR 470.00	3rd Basic Court in Belgrade	2020	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
153.	Dužanka Čobanović	EP Visokogradnja	Damage compensation for injury	RSD 1,050,000.00	3rd Basic Court in Belgrade	2020	Ungrounded
154.	EP Visokogradnja	FE Sekundar Ltd. Čortanovci	Debt for the accommodation services	RSD 81,960.64	Commercial Court in Sremska Mitrovica	2020	Grounded
155.	EP Visokogradnja	PD Anticor Ltd.	Debt for the accommodation services	RSD 16,732.40	Commercial Court in Belgrade	2020	Grounded
156.	EP Visokogradnja	Stroj RU Inženjering Ltd.	Debt for the accommodation services	RSD 139,239.02	Commercial Court in Belgrade	2020	Grounded
157.	EP Visokogradnja	Entrepreneur Milorad Đorđević	Debt for the accommodation services	RSD 143,187.06	Commercial Court in Belgrade	2020	Grounded
158.	EP Visokogradnja	IG TEL Ltd.	Debt for the accommodation services	RSD 64,752.06	Commercial Court in Belgrade	2020	Grounded
159.	EP Visokogradnja	B Gips plus Niš	Debt for the accommodation services	RSD 1,128,770.46	Commercial Court in Niš	2020	Grounded
160.	EP Visokogradnja	BankPro Ltd.	Debt for the accommodation services	RSD 47,489.89	Commercial Court in Belgrade	2020	Grounded In the process of forced collection

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
161.	EP Visokogradnja	Kosmaj mermer Plc.	Debt for undue advance payment	RSD 200,000.00 with legal default interest starting from 29 December 1997, RSD 200,000.00 with legal default interest starting from 29 January 1998 and RSD 94,500.00 cost of the procedure	Commercial Court in Belgrade	2020	EP Visokogradnja activated mortgage due to collection, but the bankruptcy proceedings against the debtor was initiated and thus activation of mortgage was terminated. In the meantime, the Reorganization Plan was adopted and its application expired so the conditions for repeated activation were met. Therefore, EP Visokogradnja continues the procedure of collection.
162.	Vesa Romić	EP Visokogradnja	Determination of the nullity of the settlement agreement		3rd Basic Court in Belgrade	2020	Ungrounded
163.	Miroslav Jovičić	EP Visokogradnja	Compensation for damages arising from differences in earnings for the period from 01 January 2015 to 31 December 2015	The amount is not defined	3rd Basic Court in Belgrade	2020	Ungrounded
164.	Dobergard Ltd.	EP Visokogradnja	Debt for services provided	RSD 1,944,367.51	Commercial Court in Belgrade	2020	Ungrounded Debt is paid off in entire amount
165.	Dobergard Ltd.	EP Visokogradnja	Debt for services provided	RSD 3,833,875.40	Commercial Court in Belgrade	2020	Ungrounded Debt is paid off in entire amount
166.	Dragoljub Milanović	NIP Politika Plc. EP Visokogradnja	Determination of ownership rights on the apartment		3rd Basic Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
167.	Tigar Plc.	EP Visokogradnja	Debt on invoice	RSD 18,856.80	Commercial Court in Belgrade	2020	Uncertain. In the meantime, the decision was made whereby the lawsuit is considered withdrawn.
168.	Hansa Flex Hidraulika	EP Visokogradnja	Debt from issued invoices for services rendered	RSD 24,106.08	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
169.	Slavoljub Kodžopeljčić	Maht Savabien Ltd. EP Visokogradnja	Compensation for injury at work	RSD 999,000.00	Basic Court in Ivanjica	2020	Uncertain
170.	Nenad Stanković	EP Visokogradnja	Compensation for lost earning	RSD 810,000.00	3rd Basic Court in Belgrade	2020	Uncertain
171.	Gras Garden Ltd.	EP Visokogradnja	Debt for performed works	EUR 11,513.25	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
172.	Rešid Pobrić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded
173.	Gluščević Radoslav	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2020	Ungrounded
174.	Pobrić Carinka	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded
175.	Nerac Mitar	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2020	Ungrounded
176.	Vidaković Bogdan	EP Visokogradnja	Fortifications property rights	EUR 61,000.00	High Court in Belgrade	2020	Ungrounded
177.	Krsmanović Milan	EP Visokogradnja	Fortifications property rights	EUR 49,000.00	High Court in Belgrade	2020	Ungrounded
178.	Biljana Stijepić	EP Visokogradnja	Fortifications property rights	EUR 54,000.00	High Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
179.	Jakovljević Ana	EP Visokogradnja	Fortifications property rights	EUR 50,000.00	High Court in Belgrade	2020	Ungrounded
180.	Vujadin Mijanović, Dragomir Vasović	EP Visokogradnja Danica Županski	Fortifications property rights		3 rd Basic Court in Belgrade	2020	Grounded
181.	Banjac Borislav	EP Visokogradnja	Fortifications property rights	RSD 550,000.00	High Court in Belgrade	2020	Ungrounded
182.	Popović Milovan	EP Visokogradnja	Fortifications property rights	RSD 6,780,000.00	High Court in Belgrade	2020	Ungrounded
183.	Axial Ltd.	EP Visokogradnja	Debt by invoices	RSD 2,748,607.27	Commercial Court in Belgrade	2020	Uncertain
184.	Vlado Baumaschinen Ltd.	EP Visokogradnja	Debt by invoices	RSD 3,056,215.10	Commercial Court in Belgrade	2020	Uncertain
185.	Art Kolor Centar Ltd.	EP Visokogradnja	Debt by invoices	RSD 1,659,402.68	Commercial Court in Belgrade	2020	Uncertain
186.	Vlajko Bosanac	Ep Visokogradnja	Fortifications property rights Stari Merkator		High Court in Belgrade	2020	Grounded
187.	Petković Vladan	Ep Visokogradnja	Fortifications property rights	RSD 4,000,000.00	High Court in Belgrade	2020	Ungrounded
188.	Marčeta Momčilo	Ep Visokogradnja	Damage compensation	RSD 27,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
189.	EP Visokogradnja Plc.	Mitrović Invest Ltd. Krupanj	Debt for accommodation	RSD 213,351.24	Commercial Court in Belgrade	2020	Grounded
190.	Marker Ltd.	EP Visokogradnja Plc.	Debt by payment certificates	RSD 3,607,301.81	Commercial Court in Belgrade	2020	Uncertain

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
191.	Paunović Snežana	EP Visokogradnja Plc. Cvijić Miodrag	Fortifications property rights		High Court in Belgrade	2020	Grounded
192.	Plattner Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 559,788.13	Commercial Court in Belgrade	2020	Uncertain
193.	Gras Garden Ltd.	EP Visokogradnja Plc.	Debt for performed works	RSD 2,161,171.46	Commercial Court in Belgrade	2020	Ungrounded Main debt is paid off in entire amount
194.	Majer Prom dd	EP Visokogradnja Plc.	Debt by invoices	RSD 209,027.33	Commercial Court in Belgrade	2020	Uncertain
195.	EP Visokogradnja Plc.	Kandić Enterijer Ltd.	Debt for accommodation	RSD 38,036.12	Commercial Court in Belgrade	2020	Grounded
196.	Radoš Lončar	EP Visokogradnja Plc.	Compensation for injury at work	RSD 650,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
197.	Milošević Marko	EP Visokogradnja Plc.	Compensation for a stray dog bite	RSD 100,000.00	Basic Court in Stara Pazova	2020	Uncertain
198.	Igor Topalović	EP Visokogradnja Plc.	Compensation for termination of employment contract	RSD 500,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
199.	WURTH Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 406,935.61	Commercial Court in Belgrade	2020	Grounded
200.	Var Mont Ltd.	EP Visokogradnja Plc.	Unjust enrichment	EUR 8,169.94	Commercial Court in Belgrade	2020	Grounded
201.	Lever Inženjering Ltd.	EP Visokogradnja Plc.	Guarantee deposit return	EUR 67,859.98	Commercial Court in Belgrade	2020	Grounded
202.	Opreming Ltd.	EP Visokogradnja Plc.	Guarantee deposit return	RSD 6,207,716.15	Commercial Court in Belgrade	2020	Grounded
203.	Delta Preving Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 708,879.60	Commercial Court in Belgrade	2020	Grounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
204.	K.I.G.O. Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 1,235,125.14	Commercial Court in Belgrade	2020	Grounded
205.	Boško Pražić	EP Visokogradnja Plc.	Annulment of the decision on dismissal and unpaid severance	RSD 55,166.00	3 rd Basic Court in Belgrade	2020	Grounded
206.	Slavoljub Simjanović	EP Visokogradnja Plc.	Compensation for injury at work	RSD 1,200,000.00	3 rd Basic Court in Belgrade	2020	Uncertain
207.	TVI Ltd.	EP Visokogradnja Plc.	Debt by invoices	RSD 306,748.05	Commercial Court in Belgrade	2020	Grounded
208.	EP Oprema Plc. and EP Holding Plc.	Municipality Medveđa	Return	RSD 120,000,000.00	Commercial Court in Leskovac	Uncertain; proceeding terminated	Uncertain First-instance proceeding
209.	EP Oprema Plc.	Clinical Center of Serbia	Debt for works	EUR 240,752.13, RSD 292,335.46 and RSD 2,328,204.00	Commercial Court in Belgrade	2020	The claim was approved by final judgment. In the meantime, the Supreme Court of Cassation, after the defendant's revision, reversed judgments of the lower courts and brought the case back for re-trial. First-instance proceeding
210.	EP Oprema Plc.	Clinical Center of Serbia	Damage compensation	EUR 1,559,000.00	Commercial Court in Belgrade	2020	First instance decision adopted the claim; KCS appealed In the meantime, the appeal was adopted and the case was returned for re-opening. In February, the court closed the main hearing and the court's decision is waited. First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
211.	Staniša Marinković	EP Oprema Plc.-intervener	Damage compensation	RSD 304.000.00	Basic Court in Vranje	2020	Partly justified First-instance proceeding is in progress - expertise
212.	Čedomir Ristić	EP Oprema Plc.-intervener	Damage compensation	RSD 63.000.00	Basic Court in Vranje	2020	Partly justified; by appeal EP Oprema Second-instance proceedings in process
213.	Novica Ćirović	EP Oprema Plc.-second respondent JP EMS	Damage compensation	RSD 100.000.00	Basic Court in Leskovac	2020	First instance proceedings in process
214.	Milan Cvetković	EP Oprema Plc. and JP EMS	Damage compensation	RSD 1.381.278.00	Basic Court in Vranje	2020	First instance proceedings in process
215.	Vladan Stanković	EP Oprema Plc.	Damage compensation in monthly rent	RSD 8,000.00 monthly starting from 14 March 2016	Basic Court in Bor	Uncertain	The second instance court granted our appeal and returned the case for retrial. The first instance proceedings
216.	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
217.	Ep Oprema Plc.	DGP Zlatibor	Payment of works performed works	RSD 42,000,000.00	Commercial Court in Belgrade	Completed action	Grounded, difficult collection, debtor in bankruptcy
218.	Ep Oprema Plc.	Graditelj Lekovac	Works performed in accordance with contracts	RSD 71,129,042.82	Commercial Court in Leskovac	Completed action	Grounded, difficult collection, debtor in bankruptcy
219.	Blue Line Ltd.	EP Oprema	Debt for performed work in Bor	RSD 58,682,609.16	Commercial Court in Belgrade	Grounded	Closed court settlement with payment period up to December 2018
220.	EP Oprema	GP Rad in bankruptcy	Debt	USD 1,100,000.00	Commercial Court	Grounded	Established receivable in the bankruptcy proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
221.	EP Oprema Ltd.	EP Holding Plc.	Payment in cash equivalent of 261 shares of BMP aPl. Belgrade	USD 1,044,000.00	Commercial Court in Belgrade	2020	In the meantime, out-of-court settlement has been concluded, and plaintiff is expected to withdraw the lawsuit.
222.	Green Trafo Ltd.	EP Oprema	Debt for performed work	EUR 43,952.00	Commercial Court in Belgrade	2020	Uncertain
223.	EP Oprema	Green Trafo Ltd.	Damage compensation and return of advance	EUR 138,995.28	Commercial Court in Belgrade	2020	Grounded
224.	Goran Đorđević	EP Oprema	Obstructing possession		Basic Court in Kruševac	2020	Uncertain
225.	Dušan Đapić	EP Oprema	Annulment of Annex 6 to the Employment Contract		3 rd Basic Court in Belgrade	2020	Uncertain
226.	SECURITY CENTAR Ltd.	EP Oprema	Completed payment certificate	RSD 103,735.58	Commercial Court in Belgrade	2020	Grounded
227.	Metaling plus Ltd.	EP Oprema	Debt by invoices	RSD 1,444,226.70	Commercial Court in Belgrade	2020	Grounded
228.	Lawyer Ljubica Tomić	EP Oprema	Debt – costs of creditor	RSD 47,911.59	3 rd Basic Court in Belgrade	2020	Grounded
229.	Dušan Đapić	EP Oprema	Annulment of Annex 7 of the Employment Contract		3 rd Basic Court in Belgrade	2020	Grounded
230.	Dunav auto Ltd.	EP Oprema	Debt by invoices	RSD 28,945.75	Commercial Court in Belgrade	2020	Grounded
231.	UR Gurman	EP Oprema	Debt by invoices	RSD 95,570.00	Commercial Court in Belgrade	2020	Grounded
232.	SEIBL TRADE Ltd.	EP Oprema	Debt by invoices	RSD 411,157.20	Commercial Court in Belgrade	2020	Grounded
233.	WURTH Ltd.	EP Oprema	Debt by invoices	RSD 235,710.24	Commercial Court in Belgrade	2020	Grounded
234.	Jovan Čvokić and others	Ep Niskogradnja	Bonus payment	EUR 20,145.11	3 rd Basic Court in Belgrade	2020	Ungrounded Second instance proceedings
235.	Dušan Tanić	EP Niskogradnja Plc.	Annulment of decision on amount of salary		3 rd Basic Court in Belgrade	Uncertain	Ungrounded, proceeding terminated First instance proceeding

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
236.	EP Niskogradnja Plc.	Internacional CG in bunkruptcy	Debt	RSD 474,718.82 with added interest	Commercial Court in Belgrade	Uncertain	Recognized receivable in bankruptcy proceedings
237.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Performance guarantee	KM 3,500,000.00	Municipality court in Sarajevo	Uncertain	Ungrounded. The judgment rejected the claim. Declared our revision. Third instance proceedings
238.	EP Niskogradnja Plc.	UniCredit bank Plc. Mostar	Guarantees for regular repayment of advances	KM 7,000,000.00	Municipality court in Sarajevo	Uncertain	Ungrounded. The judgment rejected the claim. By our appeal in process. Second instance proceedings
239.	EP Niskogradnja Plc.	JIK Banka Plc. in bunkruptcy	Claims registration	USD 218,000.00	Commercial Court in Belgrade	Uncertain	Grounded
240.	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
241.	EP Niskogradnja Plc.	Beogradska banka Plc. in bunkruptcy	Claims registration	USD 4,546.10 and RSD 16,278,517.00	Commercial Court in Belgrade	Uncertain	Grounded
242.	Nenad Strajnić	PC Putevi Srbije and EP Niskogradnja Plc. –intervener	Damage compensation	RSD 183,928.48	Basic Court in Novi Sad	2020	Uncertain First instance proceedings
243.	Dragan Sekulić	PC Putevi Srbije; Dunav osiguranje Plc.o. and EP Niskogradnja Plc.– intervener	Damage compensation	RSD 460,000.00	Basic Court in Novi Sad	2020	Uncertain First instance proceeding
244.	DIN Ltd.	EP Niskogradnja Plc.	Debt by invoices	RSD 542,836.83 the value of the recourse request RSD 400,000.00 value of the counter claim	Commercial Court in Belgrade	2020	Ungrounded First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
245.	Tomo Stanišić	EP Niskogradnja Plc.	Damage compensation	RSD 244,413.97	3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings
246.	Ljubiša, Milostiva and Gordana Matković,	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 290,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings
247.	Milan, Mirjana, Dragana and Marko Matković	Koridori Srbije, Azvirt; EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings
248.	RF PIO Filijala Beograd	EP Niskogradnja Plc.	Recourse lawsuit	RSD 419,600.10	Commercial court in Belgrade	Uncertain	Uncertain; proceeding terminated First instance proceedings
249.	Aleksandar Babić and others	EP Niskogradnja Plc.	Bonus payment	EUR 40,906.00	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceedings
250.	Gordana and Veselin Medenica	EP Niskogradnja Plc.	Damage compensation for injury at work	RSD 1,861,500.00	3rd Basic Court in Belgrade	2020	The first instance court accepted the claim. Second instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
251.	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	2020	EP Niskogradnja declared a compensation complaint. The first instance verdict established the prosecutor's claim to the EP NG in the amount of USD 4,691,598.31 and the EP NG claim against the prosecutor in the amount of USD 4,691,598.31, and the court ruled that the mutual claims break through and that there is no obligation of the EP NG towards Bosna Putevi. On the appeal of the plaintiff, the case was returned to the first instance proceedings. The process is interrupted, because the prosecutor and the intervener stated revision against the decision. First instance procedure
252.	Vladimir Marinković	EP Niskogradnja Plc.	Overtime, Peru	USD 5,552.84	3rd Basic Court in Belgrade	2020	Ungrounded First instance proceedings
253.	EP Niskogradnja Plc.	Dejan Vujić PR Dey trade Vreoci	Unjust enrichment	RSD 275,999.90	Commercial Court in Belgrade	Dispute is finished	In the process of enforcement
254.	Vojislav, Mirjana, Dragana and Jovana Jovanović	Koridori Srbije, Azvirt and EP Niskogradnja Plc.	Damage compensation	RSD 380,000.00	Basic Court in Gornji Milanovac	2020	Uncertain First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
255.	EP Niskogradnja Plc. i	Intermost Ltd.in bunkruptcy	Debt (Novi Sad)	RSD 62,505,042.00	Commercial Court in Belgrade	2020	NG lawsuit was adopted by a final judgment.
	Intermost Ltd.in bunkruptcy	EP Niskogradnja Plc.	Debt (Novi Sad)	RSD 189,827,985.00	Commercial Court in Belgrade	2020	Interstom's counter-claim rejected by a final verdict. In the process of Intermost revision.
256.	Dunav osiguranje Plc.	PC Putevi Srbije EP and Niskogradnja Plc.- intervener	Damage compensation	RSD 170,536.00	Commercial Court in Belgrade	2020	Uncertain First instance proceedings
257.	Radislav Živković	Evro gradnja 2000 and EP Niskogradnja Plc.	Compensation for injury at work	RSD 560,000.00	3rd Basic Court in Belgrade	2020	Uncertain First instance proceedings
258.	Dragan Savić	EP Niskogradnja, Koridori Srbije	Damage compensation	RSD 300,000.00	Basic court in Gornji Milanovac	2020	Uncertain First instance proceedings
259.	EP Niskogradnja Plc.	GP Gemax Ltd. in bankruptcy	Secured claims arising from guarantee deposit retained	RSD 10,431,209.72	Commercial Court in Belgrade	Completed	Grounded. Recognized secured claims
260.	EP Niskogradnja Plc.	Radislva Nestorović	Debt from housing loan granted	RSD 342,567.62	Basic Court in Pancevo	2020	Grounded First instance proceedings
261.	EP Niskogradnja Plc.	Jovanka Kunarac-Prelić	Debt from housing loan granted	RSD 188,253.07	2nd Basic Court in Belgrade	2020	Grounded. The first instance judgment approved the claim.
262.	EP Niskogradnja Plc.	Republic of Serbia Ministry of Agriculture and Environmental Protection. - Republic Water Directorate	Receivable for completed works on Tisa embankment	RSD 91,891,979.51	Mediation	Uncertain	Grounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
263.	EP Niskogradnja Plc.	Prlinčević Aleksandar (Hidraulik 2S)	Return of given	RSD 127,500.00	Commercial Court in Belgrade	2020	Grounded
264.	Živanović Marko	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 76,844.00	3 rd Basic Court in Belgrade	2020	Ungrounded
265.	Živanović Miloš	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 361,233.88	3 rd Basic Court in Belgrade	2020	Ungrounded
266.	Stevanović Ivan	EP Niskogradnja Plc.	Payment of travel expenses and overtime work	RSD 190,612.00	3 rd Basic Court in Belgrade	2020	Ungrounded
267.	PE Putevi Srbije	EP Niskogradnja Plc.	Recourse lawsuit	RSD 2,136,944.06	Commercial Court in Belgrade	2020	Ungrounded
268.	Dragan Antonijević	EP Niskogradnja Plc.	Annulment of the annex to the employment contract and payment of wages		3 rd Basic Court in Belgrade	2020	Grounded
269.	Miladin Radović	EP Niskogradnja Plc.	Overtime work		3 rd Basic Court in Belgrade	2020	Grounded
270.	ENEL PS	EP Niskogradnja Plc.	Debt by invoices	RSD 3,500,000.00	Commercial Court in Belgrade	2020	Ungrounded
271.	Vladimir Muškinja	EP Niskogradnja Plc.	Payment of travel expenses	RSD 109,152.00	3 rd Basic Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
272.	Dejan Jaredić	EP Niskogradnja Plc.	Transformation of employment into work for an indefinite period of time		3 rd Basic Court in Belgrade	2020	Ungrounded
273.	Bojan Šićarević	EP Niskogradnja Plc.	Payment of travel expenses	RSD 117,792.00	3 rd Basic Court in Belgrade	2020	Ungrounded
274.	Živan Erski	EP Niskogradnja Plc.	Payment of travel expenses	RSD 173,520.00	3 rd Basic Court in Belgrade	2020	Ungrounded
275.	Marko Radovanović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 60,112.00	3 rd Basic Court in Belgrade	2020	Ungrounded
276.	Dejan Jaredić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 112,032.00	3 rd Basic Court in Belgrade	2020	Ungrounded
277.	Danijela Dostanić	EP Niskogradnja Plc.	Payment of travel expenses	RSD 150,000.00	3 rd Basic Court in Belgrade	2020	Ungrounded
278.	Goran Marković	EP Niskogradnja Plc.	Payment of travel expenses	RSD 143,712.00	3 rd Basic Court in Belgrade	2020	Ungrounded
279.	Goran Petrović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 83,232.00	3 rd Basic Court in Belgrade	2020	Ungrounded
280.	Dejan Jaredić	EP Niskogradnja Plc.	Illegal dismissal and return to work		3 rd Basic Court in Belgrade	2020	Ungrounded

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
281.	Goran Marković	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2020	Ungrounded
282.	Miloš Jeremić	EP Niskogradnja Plc.	Illegal dismissal		3 rd Basic Court in Belgrade	2020	Ungrounded
283.	EP Niskogradnja Plc.	Italiana Construzion Branch Belgrade	Debt by invoices	RSD 3,179,510.78	Commercial Court in Belgrade	2020	Grounded
284.	Milan Bursać	EP Niskogradnja Plc.	Compensation of salary	RSD 570,000.00	3 rd Basic Court in Belgrade	2020	Ungrounded
285.	Predrag Vojinović	EP Niskogradnja Plc.	Payment of travel expenses	RSD 100,000.00	Basic Court in Gornji Milanovac	2020	Ungrounded
286.	Prima AFP	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 121,397.30			The judgment against EP has dipped to a higher instance as unfounded, and returned to baseline. A positive EP outcome is expected. The first instance proceedings
287.	AFP Horizonte	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 8,790.20			Partially acknowledged request of AFP, and fee of Sola 1,289.40 was determined. First instance proceedings.
288.	AFP Profuturo	Consortium Energoprojekt NG SA - Bartos	Compensation for unfulfilled obligations	PEN 4,774.10			Partially acknowledged request of AFP, and fee of Sola 1,289.40 was determined. First instance proceedings.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
289.	Prima AFP	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 207,635.74			The AFP's request was declared as unfounded, after the appeal to the higher instance. Confirmed the first instance verdict
290.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 1,203.41			Final judgment in favor of EP NG.
291.	AFP Habitat	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 2,206.53			The AFP's request was declared grounded, our appeal to higher instance is in process. Second instance proceedings
292.	Prima AFP	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 10,469.12			The process is ongoing, the outcome is unknown Fourth instance proceedings
293.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 14,674.85			The process is ongoing, the outcome is unknown Fourth instance proceedings
294.	AFP Integra	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 545.31			The AFP request was declared as grounded. Third instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
295.	Jorge Luis Garcia Roque	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 400,000.00			On 4 May 2018, a judgment was rendered declaring unfounded claim, ie. in favor of EP NG, there is no charge for the worker. However, in this judgment an appeal is possible, and the higher instance may decide otherwise or confirm the decision, which is very certain. On 11 May 2018 the judgment was challenged and on 16 May 2018 and by Resolution 04, the appeal was declared inadmissible and the employee was given a period of 03 days to pay a court fee of S/249.00. which has not been completed to date, and if payment is made, the file will be forwarded to the appropriate chamber of work so that appeal can be considered. Fourth instance proceedings
296.	Wilder Enrique Castillo Tapia	EP Niskogradnja Plc.	Injury at work				A criminal investigation issued a favorable report for EP NG. Second instance proceedings
297.	Reinaldo Romero Infante	EP Niskogradnja Plc.	Compensation for unfulfilled obligations	PEN 191,693.95			EP NG did not accept a direct settlement considering that claim is ungrounded. A positive outcome for EP NG is expected. Four instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
298.	Miriam Elsa Gambini Jaramillo	EP Niskogradnja Plc.	Refund of personal loss	USD 100,000.00			EP NG did not accept a direct settlement considering it is not responsible for personal loss. Exemption verdict is expected. Second instance proceedings
299.	Hilario Chinini Criollo	EP Niskogradnja Plc.	Criminal acts of extortion				The investigation process completed. Second instance proceedings
300.	Abamwe Transporters Ltd	Energoprojekt Uganda	Claim for compensation due to damage to the truck	USX 150,942,500			Appealed to the first instance verdict. Second instance proceedings
301.	Foreman Kasirye Gwanga	Energoprojekt Uganda	Possession of ownership over the quarry Kung				The first instance decision from 2013 was made in our favour. Second instance proceedings
302.	Kawooya Livingstone	Energoprojekt Uganda	Land degradation lawsuit	USX 35,015,000			Annulled the judgment of the High Court and the Prosecutor requests confirmation of verdict. First instance proceedings
303.	Kitimbo Thomas	Energoprojekt Uganda	Compensation for destruction of crops	USX 3,949,500			First instance proceedings
304.	Mary Kiggundu	Energoprojekt Uganda	Unauthorized use of land for road construction	USX 209,822,560			It is highly probable that the Prosecutor will get a dispute and the settlement is advisable. The first instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
305.	Lukyamuzi Godfrey	Energoprojekt Uganda	Labour dispute due to termination of employment	USX 5,844,400			First instance proceedings
306.	Kalyesubula Brian Kigongo	Energoprojekt Uganda	House damage due to activities in the quarry	USX 37,600,000			First instance proceedings
307.	Atna Technologies Ltd	Energoprojekt Uganda	Payment according to contract	USX 10,514,493			The debt is paid out. First instance procedure
308.	Kasaliko Herman	Energoprojekt Uganda	Ponds damage due to works	USX 87,902,500			First instance proceedings
309.	Ereemye Jumire James Mawanda	Energoprojekt Uganda	Civil lawsuit	USX 20,000,000			First instance proceedings
310.	Busulwa Monday	Energoprojekt Uganda	Destruction of house due to works performed	USX 19,347,000			First instance proceedings
311.	Denis Rwentungamo	Energoprojekt Uganda	Claim for compensation for wall damage during construction	USX 22,000,000			First instance proceedings
312.	Baseke Tendo Christina	Energoprojekt Uganda	Unpaid rentals and associate costs	USX 1,000,000 – up to 10,000,000			First instance proceedings
313.	Turyatunga Wahab&7 Others	Energoprojekt Uganda	Labour dispute due to termination of employment				First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
314.	Kasule David	Energoprojekt Uganda	Claim for compensation for house damage	USX 84,702,000			First instance proceedings
315.	Salvatori Odinga And Others	Energoprojekt Uganda	Compensation for damages to property caused by quarrying				First instance proceedings
316.	Joy Asiimwe	Energoprojekt Uganda	Compensation for damages to property caused by quarrying				First instance proceedings
317.	Rehemwa Ssemwanga Nasimbwa	Energoprojekt Uganda	Compensation for damages to property				First instance proceedings
318.	Yiga Richard	Energoprojekt Uganda	Injury at work	USX 11,150,400			Not scheduled hearing - case was referred to the insurance company. First instance proceedings
319.	Moses Semuli	Energoprojekt Uganda	Labour dispute due to termination of employment and injury at work	USX 23,270,000			Not scheduled hearing - case was referred to the insurance company. First instance proceedings
320.	Ep Niskogradnja Plc.	Jasmina Marinković	Damage compensation	RSD 249,572.17	Basic Court in Milanovac	2020	The first instance verdict approved the claim.
321.	Ep Niskogradnja Plc.	MBA Miljkovic Ltd.	Debt by invoices	RSD 142,474.17	Commercial Court in Belgrade	2020	Grounded. First instance proceedings
322.	Ep Niskogradnja Plc.	GP Planum Plc.	Debt by invoices	RSD 100,000.00	Commercial Court in Belgrade	2020	Grounded. First instance proceedings

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
323.	Ep Niskogradnja Plc.	Borovica Transport in bankruptcy	Debt by invoices	RSD 570,013.06	Commercial Court in Sremska Mitrovica	Uncertain	Grounded. Recognized claim in bankruptcy proceedings.
324.	Ep Niskogradnja Plc.	Water Authority of Jordan	Debt for works performed, damage compensation due to extension of period, additional and unforeseen works	JD 377,012.00 USD 122,955.00	Major felonies court in Amman, Jordan	Uncertain	First and second instance court accepted the claim of EP NG in the stated amounts
325.	Ivan Kovačević	Ep Niskogradnja Plc.	Reimbursement of costs for commuting to and from work			Uncertain	Uncertain. First instance proceedings
326.	Miloš, Radoslav, Biljana and Nataša Jovanović	Ep Niskogradnja Plc.	Damage compensation	RSD 250,000.00		Uncertain	Uncertain. First instance proceedings
327.	Dragomir, Ljiljana, Jelena, Milica and Ilija Matković	Ep Niskogradnja Plc.	Damage compensation	RSD 250,000.00		Uncertain	Uncertain. First instance proceedings
328.	Dragan Prole	Ep Niskogradnja Plc.	Annulment of the decision on termination of employment			Uncertain	Uncertain. First instance proceedings
329.	Stanoje Markeljić	Ep Niskogradnja Plc.	Protection of property right and elimination of damage emergency			Uncertain	Uncertain. First instance proceedings
330.	P. Stanišić and J. Blagojević	EP Hidroinženjering Plc.	Annulment of Decision of Housing Committee	Not a pecuniary claim	3rd Basic Court in Belgrade	2020	The first instance verdict dismissed the claim. In the proceedings on the appeal of the second-degree. Second instance proceedings.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
331.	Z. Crnobrnja	EP Hidroinženjering Plc.	Fortifications of existence employment terms for the period 1985-1991	Taxes and contributions from employment for the period from 20.01.1985-31.01.1991	3rd Basic Court in Belgrade	2020	Favourable First-instance proceeding
332.	I Pilipenko	EP Hidroinženjering Plc.	Determining that a part time employment has become full-time employment	Compensation in the amount of lost earnings, the amount of the difference in earnings, taxes and contributions	3rd Basic Court in Belgrade	Preparatory hearing was held on 15.07.2019, the decision allowing the modification of lawsuit and after modified lawsuit regarding the part of the request was passed, this Court declared itself incompetent and that part of the request is forwarded to the High Court as the actual territorial jurisdiction.	Uncertain
333.	I Pilipenko	EP Hidroinženjering Plc.	Discrimination	RSD 1,000,000.00	High Court in Belgrade	2020	First instance proceedings

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
334.	Técnica y Proyectos S.A.; Energoprojekt Hidroinženjering S.A. and Carlos Alfredo Machicao Pereyra y Asociados S.R.L.	Proyecto Especial de Afianzamiento y Ampliación de los Recursos Hidricos 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	The Arbitration Dispute is over and the Arbitration Council has made a decision in favor of the Consortium regarding the return of funds under the protested guarantee and payment of the last payment certificate. This procedure is being conducted through a court that will last up to 12 months.	Achieved very favorable success given the complexity of this dispute: The importance of the Yarascay Contract is recognized, the Client's request for nullity of the contract is rejected, the Yarascay Consortium is ordered to pay the last invoice issued at 30% of the contract value. S / 1,462,834.99, an order is given to refund the amounts of the protested guarantees to the Consortium, of which the amounts S / 353,166.41, S / 302,786.44 and S / 783,661.60, the contract is terminated to the detriment of the Client, thus there is no preparation of the Final Liquidation. All claims for damages were denied. It was declared that there was no place for the plaintiff to pay the costs and arbitration costs, accordingly, each party will bear its own.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
335.	Lahmeyer Agua y Energía S.A.; Energoprojekt Hidroinženjering S.A. and Técnica y Proyectos S.A.	Proyecto Especial de Irrigación e Hidroenergético del Alto PIURA - PEIHAP	Final liquidation and our request for damage compensation	USD 36,000 (FL us) USD 2,277,471.61 (FL client) and USD 541,319.18 (damage)	Arbitration Court in PIURA, Peru	The investigation phase is currently underway, lasting up to 36 months, with the possibility of extension at the request of the prosecutor. We, meanwhile, have filed a complaint on behalf of Energoprojekt Hidroinženjering S.A. and Energoprojekt Hidroinženjering S.A., Sucursal Peru requesting to exclude us from this process. Appropriate hearings related to our complaint are underway. The last hearing was held on 23.09.2019	Due to all the general police situation and scandals related to the so-called "Lava Jato" and leading Brazilian companies, it is difficult to expect that the Court will release us from administrative responsibility at this stage. No criminal proceedings are being conducted against us, but as a member of the CSAP Consortium that oversaw the Alto Piura project, we are involved in the process "as a third civilly responsible" exclusively related to the administrative approval of extensions and additions during the Alto Piura project, so we will probably have to follow the whole criminal process against the mentioned persons and the company, which can take more than 36 months. In accordance with the statements of the Legal Representative of our Consortium and also the Head of Supervision that everything was done according to the regulations related to approving the extension of deadlines and additions, it is realistic to expect that we will be released from any administrative responsibility, but unfortunately we will have to bear the costs litigation
336.	EP Energodata Plc.	Šipad komerc in bunkruptcy	Unpaid services performed	RSD 258,586.20	Commercial Court in Belgrade	Executive decision granted, defendant in bankruptcy. Reported claim in bankruptcy proceedings.	Uncertain payment amount.
337.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the security	EUR 43,000.00	Commercial Court of Montenegro, Podgorica	2020	A decision was adopted bringing the claim to be revoked.

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No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
338.	EP Energodata Montenegro Ltd.	SOGE Banka Milan Grbić	Determination of the nullity of the security	EUR 10,000.00	Commercial Court of Montenegro, Podgorica	2020	A decision was adopted bringing the claim to be revoked.
339.	EP Energodata Plc.	PE EPS	Unjustified collection of performance guarantee	RSD 1,980,000.00	Commercial Court in Belgrade	2020	Grounded
340.	EP Energodata Montenegro Ltd.	Milan Grbić	Damage compensation	EUR 34,035.00	Basic Court Podgorica	2020	A decision was adopted bringing the claim to be revoked.
341.	PUC Gradska Cistoca	EP Energodata Plc.	Debt upon settlement	RSD 373569.00	Commercial Court in Belgrade	2020	Grounded
342.	Branislav Jerotić	EP Energodata Plc.	OD membership fee	RSD 348,498.50	3 rd Basic Court in Belgrade	2020	Grounded
343.	EP Entel Plc.	JP EPS	Debt payment on different accounts	RSD 1,375,200.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
344.	EP Entel Plc.	JP EPS	Debt payment on different accounts	RSD 580,800.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
345.	EP Entel Plc.	JP EPS (RB Kolubara)	Debt payment on different accounts	RSD 48,937,500.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
346.	Duško Paripović	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
347.	Marko Martinoli, Đurović and Siniša Kisić	EP Entel Plc.	Denouncing the Assembly's decision	No value	Commercial Court in Belgrade	2020	Uncertain. The first instance court rejected the claim.
348.	Ep Entel Plc.	GSP Belgrade	Debt for service provided	RSD 4,200,000.00	Commercial Court in Belgrade	2020	Grounded First instance proceeding
349.	Veljko Perišić and others	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded
350.	Siniša Kisić	EP Entel Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded
351.	Ep Industrija Plc.	Jugoremedija Plc. in bankruptcy	Claims registration	EUR 321,146.18	Commercial Court in Zrenjanin	Uncertain	RSD 28.884.312,77 – accepted following conclusion on correction
352.	M. Martinoli, B. Janković and others	EP Industrija Plc.	Proposal to amend agenda of the Assembly		Commercial Court in Belgrade	2020	Ungrounded
353.	Slobodan Čubrilović	EP Industrija Plc.	Determination of shares value		Commercial Court in Belgrade	2020	Ungrounded

Energoprojekt Holding Plc. Belgrade

No.	Plaintiff	Defendant	Legal grounds	Claim amount	Court of relevant jurisdiction	Expected date of closure	Expected outcome and on-going phase
354.	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
355.	Tamara Vukadinović	EP Urbanizam. i arhitektura Plc.	Annulment of dismissal	RSD 1,137,530.29	3rd Basic Court in Belgrade	Uncertain	Uncertain First-instance proceedings
356.	Jelena Davidović	EP Urbanizam i arhitektura Plc.	Annulment of dismissal	RSD 1,028,129.00	3rd Basic Court in Belgrade	Uncertain	Uncertain. Returned to first-instance proceedings
357.	Novica Veljković	EP Urbanizam i arhitektura Plc.	Annulment of Annex 3	RSD 89,425.53	3rd Basic Court in Belgrade	Uncertain	First-instance proceeding terminated

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 April 2019, the arbitration procedure with Gazprom Transgaz Belarus held in Stockholm for the project Energocentar Minsk, Belarus was completed in favour of Energoprojekt Oprema. Pursuant to Decision made by Arbitration Council, Energoprojekt Oprema is entitled to compensation in the amount of approximately USD 30 million and default interest until up to payment date. Investor Gazprom Transgaz Belarus filed in front of Court of Appeals in Stockholm an objection to the decision. As per the lawyer opinion, it is expected that the decision of Arbitration Council will be confirmed and the certainty of collection is high (Note 35.2).

47. POST BALANCE SHEET EVENTS

47.1. Mortgage on Property - Energoprojekt Office Building

Pursuant to the Decision made by Energoprojekt Holding Shareholders Assembly dated 15 January 2020, and according to the bank arrangements made with:

- Erste Bank Plc. Novi Sad in the amount of EUR 32,200,000.00 under the Multi-Purpose Framework Limit Agreement No. OLC003/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Energoprojekt Energodata);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 5,100,000.00 under the Revolving Line Agreement for issuing bank guarantees no. RL 0028/20 (mortgage borrower Energoprojekt Holding and debtors: debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema);
- Unicredit Bank Serbia Plc. Belgrade in the amount of EUR 8,688,287.47 under the Short-term Loan Agreement No. RL 0029/20 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema);
- OTP Bank Serbia in the amount of EUR 14,159,060.12 under the General Agreement on Short-Term Multipurpose Revolving Line no. 01/13, as amended, including in particular Annex 25 (mortgage borrower Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering); and
- OTP Bank Serbia in the amount of EUR 3,218,846.31 under the Framework Agreement on Issuance of Bank Guarantees, Letters of Credit and Binding Letters of Intent no. OUG 2125/16, as amended including in particular Annex 14 (debtor Energoprojekt Hidroinženjering, mortgage borrower Energoprojekt Holding and joint debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema).

on 31 January 2020, on Energoprojekt office building, executive out-of-court mortgage was established. The property is registered in the List of Properties No. 2652, CM Novi Beograd. The mortgage was established in favour of creditors in question and in accordance with Line Statement of the Company certified by competent authority comply with the Serbian Mortgage Law.

47.2. Mortgage on Property – Stara Pazova Complex

Pursuant to the Decision made by Energoprojekt Visokogradnja Shareholders Assembly dated 12 February 2020, and according to the bank arrangement made with:

- OTP Bank Serbia Plc. - Annex 1 of the General Agreement on short-term multi-purpose revolving line no. MRL 11/20 in EUR 21,123,000 and all possible future annexes (Mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on 19 February 2020, on land and facilities of Stara Pazova Complex an executive out-of-court mortgage was established. All units of property are registered in the List of Properties no. 10503 CM Stara Pazova as private property of the company Energoprojekt Visokogradnja Plc. Belgrade share volume 1/1. The mortgage was established in favour of OTP Banka Srbija Plc., in accordance with the Line Statement of Energoprojekt Visokogradnja Plc. certified before the competent

authority comply with the Serbian Mortgage Law.

47.3. Mortgage on Property – Samački Hotel Complex

Pursuant to the Decision made by Energoprojekt Holding Supervisory Board dated 20 March 2020, and according to the bank arrangement made with:

- OTP Bank Serbia Plc. - Annex 2 of the General Agreement on short-term multi-purpose revolving line no. MRL 11/20 in EUR 21,123,000 and all possible future annexes (Mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on 13 March 2020, on Samački hotel and accompanying facilities an executive out-of-court mortgage was established. All units of property are registered in the List of Properties no. 2734 CP Zemun Polje as private property of the company Energoprojekt Holding Plc. Belgrade share volume 1/1. The mortgage was established in favour of OTP Banka Srbija Plc., in accordance with the Line Statement of Energoprojekt Holding Plc. certified before the competent authority comply with the Serbian Mortgage Law.

47.4. Line Statement over Receivables – Project Energocenter Minsk Belarus

Pursuant to the decision made on 38th Extraordinary Assembly of Energoprojekt Oprema dated 30 January 2020, a pledge over receivables for delivered equipment under the Arbitration Award for the project Energocenter Minsk, Belarus in the amount of USD 18,928,532.76 in favor of banks for the amount of credit sub-limit in accordance with bank arrangements / guarantee-credit lines, was approved to be established, as follows:

- OTP bank Srbija Plc., Belgrade up to the amount of credit sub-limit in EUR 11,073,180.63 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract;
- Erste bank Plc. Novi Sad up to the amount of credit sub-limit in EUR 8,000,000.00 increased by the accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract; and
- Unicredit bank Srbija Plc. Belgrade up to the amount of credit sub-limit in EUR 8,688,287.47 increased by accrued interest, default interest, fees, damages, regular costs or any other costs and fees under the contract.

Pursuant to the Decision no. 821-1 / 2020 dated 14 February 2020, Receivable Pledge Registration Agreement was entered in the Register of Pledges on Immovable Property and Rights.

47.5. State of Emergency Caused by Declared COVID-19 Pandemic

After the reporting period, the World Health Organization (WHO) and on 15 March 2020, Republic of Serbia has introduced a to halt the spread of coronavirus.

At this time with the constant deepening of RS Government's measures, the Management is not in position to make assessment of overall impact on the Company's operations and the financial result for 2020.

Management takes all necessary measures to ensure continuity of smooth operations and so that not to cast any doubt on the Company's ability to continue as a going concern.

In respect of aforementioned, the financial statements for the period 01 January – 31 December 2019 are not required to be adjusted.

After the reporting period, except for the above-mentioned non-adjusting events, there were no other that could significantly impact the credibility of financial statements.

Belgrade,

16 April 2020

Legal Representative



Stojan Čolakov
M.Sc.C.E.

3. ANNUAL BUSINESS REPORT OF ENERGOPROJEKT HOLDING PLC. FOR 2019

- Company background;
 - Summary of Company's business operations and organizational structure;
 - Overview of Company's development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information;
 - Description of Company's expected development in the following period, changes in its business policies and main risks and threats to which its business is exposed;
 - Significant events after the end of the reporting business year;
 - Significant transactions with related parties;
 - Company's research and development activities;
 - Information on investments aimed at environmental protection;
 - Information on redemption of own stock and/or shares;
 - Company branches;
 - Financial instruments of significance for the assessment of Company's financial position and business results;
 - Objectives and policies related to financial risk management and protection policy for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and assessment of their effectiveness;
 - Statement on Code of Corporate Governance.
-

Note:

Annual Business Report and Consolidated Annual Business Report of Energoprojekt Holding Plc. for 2019 were presented as a single report and these contain information of significance for the economic entity.

Company Background

Business name: Energoprojekt Holding Plc.

Head office and address: Belgrade, *Bulevar Mihaila Pupina 12*

Registration number: 07023014

TIN: 100001513

Web site and e-mail address: www.energoprojekt.rs ; ep@energoprojekt.rs

Number and date of the Decision on Company Registration with the Companies Register: BD 8020/2005

Registered business activity (code and description): 06420 - Holding Company

Number of employees (average number of employees in 2019): 75

Auditor's business name, head office and business address: MOORE STEPHENS *Revizija i Računovodstvo d.o.o, Beograd, Studentski Trg 4/V*

Number of shareholders (as at December 31, 2019): 3.741

Ten principal Company's shareholders (as at December 31, 2019):

No.	Name and family name (business name)	No. of shares	% of share capital
1.	Napred Razvoj Plc. New Belgrade	4,530,034	41.44%
2.	Republic of Serbia	3,671,205	33.58%
3.	Montinvest Properties Ltd.	564,699	5.17%
4.	Jopag AG	560,731	5.13%
5.	Tezoro broker Plc. – summ. acc.	251,976	2.31%
6.	OTP bank Serbia - custody acc - fo	124,405	1.14%
7.	Energoprojekt Holding Plc.	97,700	0.89%
8.	Tezoro broker Plc.	81,150	0.74%
9.	Global Macro Capital Opportuni	74,772	0.68%
10.	Bojović Dobroslov	47,004	0.43%

Equity capital: Share capital RSD 5,574,958,920

Shares issued: 10,931,292 common shares

Share nominal value: RSD 510

ISIN number: RSHOLDE58279

CIF code: ESVUFR

Price of shares over the reported period:

- Last price (as at December 31, 2019): RSD 670/share
- Highest price (as at April 17, 2019): RSD 758/share
- Lowest price (as at January 24, 2019): RSD 600/share

Market capitalization (as at December 31, 2019): RSD 7,323,965,640

Organized market for shares trading: Belgrade Stock Exchange,

New Belgrade, *Omladinskih brigada 1*

Energoprojekt Holding Plc. shares are quoted and traded on regulated market – Belgrade Stock Exchange Prime Listing.

Overview of Company's Business Activities and Organizational Structure

Energoprojekt Group comprises of the Energoprojekt Holding Plc. as the controlling - parent company and its subsidiaries (in the country and abroad), and joint venture company (in the country). Based on equity investments, companies of the Energoprojekt Group are related companies.

Energoprojekt Holding Plc. is the controlling – parent company pursuing financing and management of subsidiaries. In addition to energy and water management, the business activity of Energoprojekt Group includes design and construction of industrial plants, public and residential complexes, telecommunication systems, service provision in the fields of urbanism and environmental protection, information technologies, trade and real estate.

According to the Company's turnover, except for the domestic market, the most important markets are those in the African countries (Uganda, Ghana, Algeria), Kazakhstan, Russia, Middle East (Qatar, UAE, Oman) and South America (Peru).

Information about Company management:

Supervisory Board members (as at December 31, 2019):

Name and family name	Educational background	No. of ENHL shares
1. Dobroslav Bojović, President	VII-1 degree, B.Sc.Ecc.	47,004
2. Miodrag Zečević, member	VIII degree, M.Sc.E.E.	7,254
3. Nada Bojović, member	VII-1 degree, B.Sc. Labour Organization Eng.	0
4. Vitomir Perić, member	VII-1 degree, B.Sc.Mech.	1,108
5. Branislav Ivković, member	VIII degree, M.Sc.C.E.	1,000
6. Marko Milojević, member	VII-2 MA in European Business Law	0
7. Dragan Ugrčić, member	VII-2 M.Econ.	0

Executive Board members (as at December 31, 2019):

Name and family name	Educational background	No. of ENHL shares
1. Stojan Čolakov, General Manager	VII-1 degree, M.Sc.C.E	0
2. Siniša Tekić, Executive Manager for Finance, Accounting and Plan	VII-1 degree, B.Sc.Econ.	0
3. Milan Mamula, Executive Manager for Legal Issues	VII-1 degree, B.Sc.Law	0
4. Bogdan Uzelac, Executive Manager for Operational Issues	VII-1 degree, M.Sc.C.E.	0

Overview of Company’s development, financial position and business results, including relevant financial and non-financial indicators and personnel-related information

The consolidated financial statements of Energoprojekt Holding Plc. aside of parent company “Energoprojekt Holding” Plc., Belgrade (hereinafter referred as: “Energoprojekt Holding“ or „Company“), also includes:

- 11 subsidiary companies in the country, out of which 10 are directly subsidiaries (8 as plc. and 2 as limited companies) and 1 is subsidiary indirectly, through other subsidiaries (1 limited liability company),
- 1 joint-venture, hereinafter: Joint-venture (1 limited liability company) with capital share of 50%, and
- 7 directly subsidiary companies abroad.

Within subsidiary companies units for investment works and representative branches abroad are organized (96 in total) as well as own companies in the country and abroad (14 subsidiaries abroad, 1 affiliated company abroad and 1 affiliated company in the country), which jointly conduct construction, design, equipping, making of studies, research, programming of investment facilities and systems, sales of goods and services and other business activities.

Based on its business activities, companies within Energoprojekt Group, in reported period, are organized as follows:

Business Activity	No. of subsidiaries, affiliates and joint-ventures in the country	No. of units for investment works abroad and branch offices abroad	No. of subsidiaries and affiliates abroad
Design and Research	4	42	5
Construction and Equipping	6	54	13
Holding	1		
Other	3		4
Total	14	96	22

The average number of employees in Consolidation Group of the Energoprojekt Holding (hereinafter: Energoprojekt Group) in 2019, as of the end of each month, not including local workers abroad, is 1,841 (2,129 in 2018).

Consolidation Group comprises of the Energoprojekt Holding parent company and of the following subsidiary and affiliated companies and joint undertakings in the country listed below, and of the subsidiary companies abroad – international companies:

Subsidiaries, joint-ventures and affiliated companies in the country

No.	N a m e	% ownership share
<i>Subsidiary Companies</i>		
<i>Construction and Equipping</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>Design and Research</i>		
6.	Energoprojekt Urbanizam i arhitektura Plc.	100.00
7.	Energoprojekt Industrija Plc.	62.77
8.	Energoprojekt Entel Plc.	99.95
9.	Energoprojekt Hidroinženjering Plc.	100.00
<i>Other</i>		
10.	Energoprojekt Energodata Plc.	100.00
11.	Energoplast Ltd.	42.36
(Energoprojekt Industrija Plc. 40.00% and Energoprojekt Entel Plc. 20.00%)		

Joint Ventures

Construction and Equipping

12. Enjub Ltd. 50.00

Energoprojekt Promet Ltd. was excluded from the Consolidation group for 2018, since it was inactive from 2010 (in dormant status), having no business activities since then, having no property at all, and having in mind that the Business Registers Agency, starting from 2019, has started the forced liquidation procedure for all companies which did not presented their financial statements, pursuant to the accounting legislation, for last two years precedent to the year related to financial statement. Energoprojekt Promet Ltd. did not presented its financial statements to the Business Registers Agency since 2017 financial statements.

Applying the total consolidation method, the consolidated financial statements of the Energoprojekt Group 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 (20.00%), made through primary consolidation. However, Energoprojekt Holding has an equity share in mentioned company (indirectly) of 42.36%, but it is included in consolidated financial statement by the method of total consolidation, since Energoprojekt Holding, indirectly, has controllling rights in Energoplast (althoug without the mayority of shares).

On the occasion of the inclusion of Enjub Ltd. joint venture in the consolidated financial statements of the Energoprojekt Group, equity method was used in compliance with IFRS 11 – Joint Arrangements, both for the reporting period and for the comparable period of the preceding year).

In 2019, affiliated company Closed Investment Fund Fima Southern Europe Activist Plc. Belgrad – in liquidation, was liquidated and deleted from Busines Registers Agency registers and Central Securities Depository and Clearing House (Note 27).

Subsidiary companies abroad – international companies

No.	N a m e	% ownership share
<i>Subsidiary Companies</i>		
<i>Construction and Equipping</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 d.o.o., Kazakhstan	100.00
<i>Other</i>		
5.	I.N.E.C. Engineering Company Limited, UK	100.00
6.	Encom GmbH Consulting, Engineering & Trading, Germany	100.00
7.	Dom 12 S.A.L, Lebanon	100.00

On July 30, 2019, Energoprojekt Holding has sold his complete ownership share in equity capital of subsidiary company Encom GmbH Consulting, Engineering & Trading, Germany (100.00%) (Note 21.2.).

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

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

No.	Name	Included through primary consolidation
<i>Abroad</i>		
<i>Subsidiary companies abroad – international companies</i>		
<i>Constructing and Equipping</i>		
1.	Energoprojekt Ghana Ltd., Akra, Ghana	EP Visokogradnja Plc.
2.	Energoprojekt Montenegro d.o.o., Montenegro	EP Visokogradnja Plc.
3.	Energoprojekt Rus d.o.o., Moskva, Russia	EP Visokogradnja Plc.
4.	Energo Uganda Company Ltd, Kampala, Uganda	EP Niskogradnja Plc.
5.	Enlisa S.A., Lima, Peru	EP Niskogradnja Plc.
6.	Energoprojekt Oprema Crna Gora d.o.o., Podgorica, Montenegro	EP Oprema Ltd.
7.	OOO Belgorod, Belarus	EP Oprema Ltd.
8.	Energoprojekt Zambia Limited, Zambia	Zambia Engineering and Contracting Company Limited, Zambia
<i>Design 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.	Energococonsult L.L.C., Abu Dhabi, UAE	EP Entel Plc.
12.	Energoprojekt Entel kompanija, Bahrein	EP Entel Plc.
13.	Enhisa S.A., Lima, Peru	EP Hidroinženjering Plc.
<i>Other</i>		
14.	Energoprojekt Energodata Montenegro d.o.o., Montenegro	EP Energodata Plc.
<i>Affiliated companies abroad</i>		
<i>Construction and Equipping</i>		
15.	Energo Nigeria Ltd., Lagos, Nigeria (24.92%)	EP Oprema Plc.

In the country

Affiliated companies in the country

Other

16. Energopet Ltd. (33.33 %) EP Industrija Plc.

Company OOO Belgrade, Belarus has finished its business activities on November 21, 2019, when the company was liquidated, as per Decision of Municipal Executive Board of the City of Minsk, on deleting the company from state register of legal and private business entities.

Company management predicts that companies who are making the Energoprojekt Holding Plc. consolidation group, will continue its business activities in undefined period, and do not expect any crucial changes in ongoing business, resulting that consolidated financial statements of Energoprojekt Holding Plc. for the 2019, were prepared according to the going concern principle.

Authentic overview of the development and business results of the Company, its financial position and information of significance for the assessment of the Company's assets are presented in detail and explained in the "Notes to Consolidated Financial Statements of Energoprojekt Holding Plc. for 2019".

Only some of the relevant parameters of the parent company's (Energoprojekt Holding Plc.) and of the Energoprojekt Group's business operations are presented below, which are of significance for adequate understanding of the presented subject matter.

Structure of the total business result of Energoprojekt Holding Plc. (parent company) in 2019

Structure of gross result	In RSD thousand	
	01/01-31/12/2019	01/01-31/12/2018
Operating income	271.736	341.959
Operating expenses	344.617	362.247
Operating result	-72.881	-20.288
Financial revenues	98.358	628.645
Financial expenses	87.212	37.209
Financial result	11.146	591.436
Revenues from valuation adjustment of other assets disclosed at fair value through Profit or Loss		
Other revenues	69.771	274.396
Expenses from valuation adjustment of other assets disclosed at fair value through Profit or Loss		
Other expenses	38.140	37.582
Result of other revenues and expenses	31.631	236.814
Net income from discontinuing operations, changes in accounting policy and correction of errors from previous period	3.758	2.232
Net expense from discontinuing operations, changes in accounting policy and correction of errors from previous period		
TOTAL INCOME	443.623	1.247.232
TOTAL EXPENSE	469.969	437.038
PROFIT/LOSS BEFORE TAX	-26.346	810.194

Earnings per Share

Earnings per Share is calculated by dividing the profit for ordinary shareholders with the average weighted number of common shares in circulation for the period.

Indicator	In RSD thousand	
	01/01-31/12/2019	01/01-31/12/2018
Net profit	-28.262	763.473
Average number of shares per year	10.833.592	10.833.592
Earnings (loss) per share (in RSD)	-2,61	70,47

The most important liquidity indicators for the Company's business in 2019 are presented in the following table, and specifically:

- The current liquidity ratio (ratio of working capital and short-term liabilities), indicating the short-term liabilities coverage against working capital;
- Quick ratio (ratio of liquid assets, which include total working capital reduced by inventories, and short-term liabilities), indicating the short-term liabilities coverage against liquid assets;
- Operating cash flow liquidity ratio (ratio of cash flow increased by cash equivalents and short-term liabilities), indicating the short-term liabilities coverage against cash assets; and
- Net working capital (the excess of working capital over short-term liabilities).

Drawing conclusions on liquidity indicators based on the ratio analysis means, *inter alia*, comparison of these indicators against satisfactory general standards, which are presented in the following table.

Liquidity Indicators	Satisfactory General Standards	2019	2018
Current liquidity ratio	2:1	2,66:1	3,06:1
Quick ratio	1:1	2,59:1	3,06:1
Operating cash flow ratio		0,20:1	0,19:1
Net working capital (in RSD thousand)	Positive Value	1.496.979	2.229.903

The results of the ratio analysis indicate that the Company was liquid during 2019 meaning that it had no difficulties to meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good standings.

The best **profitability** indicator is the *return on average equity capital employed* that indicates the average return on own assets per dinar invested. In the calculation of this profitability indicator, average own capital is defined as an arithmetic average value at the beginning and at the end of a year.

Profitability indicators	In RSD thousand	
	2019	2018
Net profit	(28.262)	763.473
Average capital:		
a) Capital at the beginning of the year	9.094.008	8.529.997
b) Capital at the end of the year	9.052.010	9.094.008
Total	<i>9.073.009</i>	<i>8.812.003</i>
Average return rate on own capital at the end of the year	-0,31%	8,66%

Financial adequacy structure is reflected in the amounts and types of debts.

The most significant indicators of Company's financial structure are presented in the following Tables, and specifically:

- The ratio of borrowed funds to total assets, indicating coverage per dinar of the Company's assets from borrowed sources;
and
- The ratio of long-term funds to total assets, indicating coverage per dinar of the Company's assets from long-term sources.

Financial structure indicators	In RSD thousand	
	31.12.2019	31.12.2018
Liabilities	2.134.967	1.081.887
Total assets	11.346.292	10.332.844
Ratio of borrowed funds to total assets	0,19 : 1	0,10 : 1
Long-term assets:		
a) Capital	9.052.010	9.094.008
b) Long-term provisions and long-term liabilities (deferred tax liabilities included)	1.391.488	156.949
Total	<i>10.443.498</i>	<i>9.250.957</i>
Total assets	11.346.292	10.332.844
Ratio of long-term to total assets	0,92 : 1	0,90 : 1

The net debt ratio indicates the Company's capital coverage against Company's net debt.

Net debt means the difference between:

- Total (long-term and short-term) financial liabilities of the Company (total liabilities reduced by the capital, long-term provisions and deferred tax liabilities of the Company plus Loss Above Equity)
and
- Cash and cash equivalents.

Parameters for the net debt to capital ratio	<i>In RSD thousand</i>	
	<i>31.12.2019</i>	<i>31.12.2018</i>
Net debt:		
a) Liabilities	2.134.967	1.081.887
b) Cash and cash equivalents	184.016	200.519
<i>Total</i>	<i>1.950.951</i>	<i>881.368</i>
Capital	9.052.010	9.094.008
Net debt to capital ratio	1 : 4,64	1 : 10,32

Energoprojekt Group operating income structure for 2019

Structure of gross operating income	<i>In RSD thousand</i>	
	<i>01/01-31/12/19</i>	<i>01/01-31/12/18</i>
Operating income	26.454.843	23.122.123
Operating expense	25.774.621	23.079.743
<i>Operating income</i>	<i>680.222</i>	<i>42.380</i>
Financial income	665.269	770.753
Financial expenses	558.111	760.584
<i>Financial income</i>	<i>107.158</i>	<i>10.169</i>
Revenues from valuation adjustment of other assets disclosed at fair value through Profit or Loss	112.810	9.862
Other income	303.316	1.367.763
Expenses from valuation adjustment of other assets disclosed at fair value through Profit or Loss	121.393	46.120
Other expense	297.044	333.411
<i>Result of other revenues and expenses</i>	<i>-2.311</i>	<i>998.094</i>
<i>Result from regular operations before tax</i>	<i>785.069</i>	<i>1.050.643</i>
Net income from disposal of discontinuing operations, effects of change in accounting policy and corrections of errors from previous periods	18.205	
Net loss from disposal of discontinuing operations, effects of change in accounting policy and corrections of errors from previous periods		56.176
<i>INCOME BEFORE TAX</i>	<i>803.274</i>	<i>994.467</i>
Tax expenses for period	169.741	261.192
Deferred tax expenses for period		18.490
Deferred tax income for period	7.316	
<i>NET INCOME</i>	<i>640.849</i>	<i>714.785</i>
<i>TOTAL INCOME</i>	<i>27.554.443</i>	<i>25.270.501</i>
<i>TOTAL EXPENSES</i>	<i>26.751.169</i>	<i>24.276.034</i>

Realized **income before tax (gross income)** of the Energoprojekt Group for the reported year, in the amount of RSD 803,274 thousand, mainly came as result of:

- business income in the amount of RSD 680,222 thousand, first of all in Energoprojekt Entel, Energoprojekt Niskogradnja and Energoprojekt Hidroinženjering; and
- financial surplus in the amount of RSD 107,158 thousand, mainly based on net positive exchange rates and income based on FX clauses.

Comparing to the same reported period last year, the decrease of **gross result** of Energoprojekt Group in 2019, in the amount of RSD 191,193 thousand has been recorded, despite the significant increase of business profit, in the amount of RSD 637,842 thousand and increase of financial income in the amount of RSD 96,989 thousand as well, mainly because of decrease of other income in 2019, in the amount of RSD 1,064,447 thousand (in 2018, other income were in the amount of RSD 1,367,763 thousand, comparing to RSD 303,316 thousand in 2019).

Other income in 2018, in the amount of RSD 1,367,763 thousand, mainly came as result of recording of types of income as follows:

- income based on reservation suspensions for Energocehtar Minsk Project, Belarus, in the amount of RSD 496,125 thousand,
- income based on equity capital share of Energoprojekt Garant Ltd. and Beogradsko mešovito preduzeće Ltd. in the amount of RSD 354,523 thousand, and
- income based on collected write-off receivables in Energoprojekt Oprema (originated from International Project Services Ltd. – branch office RTB Bor Project – according to agreements made, and Clinical Center of Serbia – based on lawsuit won) in the amount of RSD 120,195 thousand.

Earnings per Share

Indicator	01/01-31/12/19	01/01-31/12/18
Net earnings belonging to parent company's shareholders (in RSD thousand)	585.412	445.593
Average weighted number of ordinary shares in the reporting period	10.833.592	10.833.592
Earnings per share (in RSD)	54,04	41,13

Net Earnings per share is calculated by dividing net profit of the parent company's shareholders with the average weighted number of ordinary shares in circulation for the period, excluding the ordinary shares that Group (companies within the Group) acquired, which are recorded as own shares.

Reached trading price (as at the last day of calculated period – December 31, 2019) of the parent company Energoprojekt Holding Plc. amounts RSD 670.00 per share (during 2019. the price of a share was between RSD 600.00 to 758.00), which was equivalent to the capital market of the

company in the amount of RSD 7,323,965,640. Ratio between the market and the accounting (calculated) value (P/B) was 0,81. Total share trade of Energoprojekt Holding Plc. in 2019 was RSD 142,074,678, which puts ENHL on 9th place of the most-traded shares on Belgrade Stock Exchange in 2019. The average trade was RSD 563,788. The average achieved trading price was RSD 642.00 per share.

Description of the Company's expected development 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 2020:

Priority tasks:

- Contracting of new business and providing conditions for continued working activities within Energoprojekt Group;
- Providing liquidity – activities aimed to collect receivables and optimize credit-loans liabilities of Energoprojekt Group;
- Providing conditions to realize business activities of the companies within Energoprojekt Group;

Other business-related tasks:

- Realization of all business activities, followed by suitable completing of contracts and relevant contract issues, with an imperative goal of reaching satisfactory profit level on every single project;
- Maintaining business and financial stability of the Group, with activities oriented to collecting of old financial claims;
- Adapting new market activities and creating conditions for new contract deals, followed by maximum engagement of present capacities;
- Applying rational concept of business, with high-quality planning and supervising, maintaining technology and organizational development;

- Using all the resources and assets of the companies in business activities;
- Location development, joining concessions and private investments;
- Reinforcement of business cooperation by project and functional cooperation, with constant consolidation of corporate functions;
- Group development will be scheduled and perceived through possible structural changes and market adjustments;
- 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 one of the principal functions of the Company's internal audit. In the following period, efforts on risk management development strategy will be intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2020.

Significant events after the end of the reported business year

Real Estate Mortgage – Office Building “Energoprojekt”

According to the Decision of General Meeting of Shareholders, dated on January 15, 2020, based on banking arrangements with:

- Erste bank Plc. Novi Sad, in the amount of EUR 32,200,000.00 upon the Agreement on multipurpose frameworked limit, No.OVLC003/20 (mortgage debtor Energoprojekt

Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema, Energoprojekt Hidroinženjering, Energoprojekt Industrija and Energoprojekt Energodata),

- Unicredit bank Serbia Plc. Belgrade, in the amount of EUR 5,100,000.00 upon the Agreement on revolving credit line for bank warranties, No. RL 0028/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema),

- Unicredit bank Serbia Plc. Belgrade, in the amount of EUR 8,688,287.47 upon the Agreement on short-term loan, No. RL 0029/20 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema),

- OTP bank Serbia, in the amount of EUR 14,159,060.12 upon General Agreement on short-term multipurpose revolving line, No. 01/13, with all changes, including specifically Annex 25 (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), and

- OTP bank Serbia, in the amount of EUR 3,218,846.31 upon Framework Agreement on bank warranties, credit letters and obligatory letters of intention issuing, No. OUG 2125/16, with all changes, including specifically Annex 14 (debtor Energoprojekt Hidroinženjering, mortgage debtor Energoprojekt Holding and solidary debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja and Energoprojekt Oprema)

have constitute on January 31, 2020, the executive extrajudicial mortgage for office building Energoprojekt, Real Estate Folio No. 2652, Cadastral municipality of New Belgrade, in favor of subject creditors, and based upon Lien Statement of the Company, verified with the authorized institution, according to the Mortgage Law.

Real Estate Mortgage – “Stara Pazova” Complex

According to the Decision of General Meeting of Energoprojekt Visokogradnja Shareholders, dated on February 12, 2020, based on banking arrangements with:

- OTP Bank Serbia Plc. based upon the Annex 1 of the General Agreement on short-term multipurpose revolving line, No. MRL 11/20 in the amount of EUR 21,123,000, as well as all other eventual annexes (mortgage debtor Energoprojekt Visokogradnja and debtors: Energoprojekt Holding, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on February 19, 2020, it was constituted the executive extrajudicial mortgage for the land plot and premisses of „Stara Pazova“ Complex, which was recorded in Real Estate Folio No.10503, Cadastral municipality of Stara Pazova, as private property of Energoprojekt Visokogradnja, ownership share 1/1, in favor of OTP Bank

Serbia Plc, based upon Lien Statement of Energoprojekt Visokogradnja, verified with authorized institution, according to the Mortgage Law.

Real Estate Mortgage – “Samački hotel” Complex

According to the Decision of Energoprojekt Holding Supervisory Board, dated on March 20, 2020, based on banking arrangements with:

- OTP Bank Serbia Plc. based upon Annex 2 of the General Agreement on short-term multipurpose revolving line, No. MRL 11/20 in the amount of EUR 21,123,000, as well as all other eventual annexes (mortgage debtor Energoprojekt Holding and debtors: Energoprojekt Visokogradnja, Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Hidroinženjering), on March 13, 2020 it was constituted the executive extrajudicial mortgage for the object „Samački hotel“ and surrounding premisses, which was recorded in Real Estate Folio No.2734, Cadastral municipality Zemun Polje, as private property of Energoprojekt Holding, ownership share 1/1, in favor of OTP Bank Serbia Plc, based upon Lien Statement of Energoprojekt Holding, verified with authorized institution, according to the Mortgage Law.

Lien Statement for receivables on Energocentar Minsk Project, Belarus

According to Decision of 38th Extraordinary General Meeting of Energoprojekt Oprema, dated on January 30, 2020, it has been approved constitution of lien on receivables for the equipment delivered, pursuant to arbitral awards for Energocentar Minsk Project, Belarus, in the amount of USD 18,928,532.76 in favor of banks, for the credit under-limit based upon banking arrangements/warranties for credit lines, namely:

- OTP bank Serbia Plc, Belgrade, up to the credit under-limit in the amount of EUR 11,073,180.63, increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement,
- Erste bank Plc. Novi Sad, up to the credit under-limit in the amount of EUR 8,000,000.00 increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement, and
- Unicredit bank Serbia Plc. Belgrade, up to the credit under-limit in the amount of EUR 8,688,287.47 increased for the interest expenses, default interest, fees, damage compensations, regular costs or any other costs and fees based upon the agreement.

The Agreement on Lien Statement for receivables was recorded in Lien Register for Real Estate and Rights, pursuant to Decision No.821-1/2020 dated on February 14, 2020.

Satate of emergency measures as a consequence of global pandemic of COVID 19

After the Balance Sheet date, the global pandemic of COVID 19 was proclaimed, and state of emergency measures were introduced in Serbia, as of March 15, 2020.

In this moment, having in mind constant increase in protective measures ruled by the Government of the Republic of Serbia, the management is not capable to assess total effects and influence of these conditions on business activities of Energoprojekt Group, as well as on financial results in 2020.

The management is taking all measures focused to provide conditions for smooth business of the company, so that ongoing activities would not be jeopardized.

Mentioned facts do not require adjustment of financial statements for the January 1, 2019-December 31, 2019 period.

Aside of the above mentioned incorrective events occurred after the reported period, there were no significant business events from the balance date to the date of publication of the said statements, which would exert any impact on the authenticity of the disclosed financial statements.

Relevant business news on significant 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.

Significant business transactions with the related parties

In compliance with the requirements contained in the IAS 24 – Related Parties Disclosures, relationship, transactions, etc. between the Company and its related parties are disclosed below.

From the point of view of the **related parties**, transactions resulting in revenues and expenses in the Income Statement and in the disclosed receivables and liabilities (for the purpose of disclosure of relationships with the related parties, we included all the balances in the Company assets within it) in the Balance Sheet are presented in the following two Tables.

Income and expenses from related parties	In RSD thousand	
	2019	2018
<i>Income:</i>		
a) EP Garant Plc.		865
b) EP Visokogradnja Plc.	71.984	102.495
c) EP Niskogradnja Plc.	95.869	234.245
d) EP Hidroinženjering Plc.	13.059	12.783
e) EP Entel Plc.	44.960	472.985
f) EP Energodata Plc.	6.022	8.144
g) EP Industrija Plc.	6.236	6.143
h) EP Urbanizam i arhitektura Plc.	3.688	4.133
i) EP Oprema Plc.	43.391	46.757
j) EP Sunnyville Ltd.	24.870	25.785
k) EP Park 11 Ltd.	16.978	21.681
l) I.N.E.C. Engineering Company Limited, UK	4	
m) Encom GmbH Consulting, Engineering & Trading		10
n) Dom 12 S.A.L.		
o) Zambia Engineering and Contracting Company Limited, Zambia	1	
p) Enjub Ltd.	6.580	9.752
q) Napred Razvoj Plc.	3.756	
<i>Total</i>	<i>337.398</i>	<i>945.778</i>
<i>Expenses:</i>		
a) EP Garant Plc.		491
b) EP Visokogradnja Plc.	15.278	10.719
c) EP Niskogradnja Plc.	6.791	5.661
d) EP Hidroinženjering Plc.	57	43
e) EP Entel Plc.	197	237
f) EP Energodata Plc.	12.030	15.762
g) EP Industrija Plc.	2.001	50
h) EP Urbanizam i arhitektura Plc.	150	27.926
i) EP Oprema Plc.	17.181	14.502
j) EP Sunnyville Ltd.	3.843	1.496
k) EP Park 11 Ltd.	181	24
l) I.N.E.C. Engineering Company Limited, UK	1	
m) Encom GmbH Consulting, Engineering & Trading	1.767	
n) Dom 12 S.A.L.		
o) Zambia Engineering and Contracting Company Limited, Zambia	13	
p) Enjub Ltd.	942	529
q) Napred Razvoj Plc.	40.391	
<i>Total</i>	<i>100.823</i>	<i>77.440</i>

Receivables and liabilities from related parties	In RSD thousand	
	31.12.2019	31.12.2018
<i>Receivables:</i>		
a) EP Garant Plc.		
b) EP Visokogradnja Plc.	735.436	1.183.045
c) EP Niskogradnja Plc.	246.791	770
d) EP Hidroinženjering Plc.	8.609	19.186
e) EP Entel Plc.	3.524	686
f) EP Energodata Plc.	10.067	130.929
g) EP Industrija Plc.	134	637
h) EP Promet Ltd.		
i) EP Urbanizam i arhitektura Plc.	18.637	16.252
j) EP Oprema Plc.	5.108	269.173
k) EP Sunnyville Ltd.	455.852	796.141
l) EP Park 11 Ltd.	93.161	191.856
m) I.N.E.C. Engineering Company Limited, UK	362	359
n) Dom 12 S.A.L.		
o) Enjub Ltd.	162.407	235.025
p) Zambia Engineering and Contracting Company Limited, Zambia	1.503	836
q) Napred Razvoj Plc.		
<i>Total</i>	<i>1.741.591</i>	<i>2.844.895</i>
<i>Liabilities:</i>		
a) EP Garant Plc.		
b) EP Visokogradnja Plc.	406	683
c) EP Niskogradnja Plc.	2.895	2.471
d) EP Hidroinženjering Plc.	3.840	
e) EP Entel Plc.	3.841	
f) EP Energodata Plc.	4.667	
g) EP Industrija Plc.	5.866	14
h) EP Promet Ltd.		
i) EP Urbanizam i arhitektura Plc.	2.298	693
j) EP Oprema Plc.	1.488	
k) EP Sunnyville Ltd.		
l) EP Park 11 Ltd.		
m) I.N.E.C. Engineering Company Limited, UK		
n) Dom 12 S.A.L.		
o) Enjub Ltd.		
p) Zambia Engineering and Contracting Company Limited, Zambia		
q) Napred Razvoj Plc.	1.202.807	
<i>Total</i>	<i>1.228.108</i>	<i>3.861</i>

Receivables from the related parties arise primarily from the sale of services and are mature and collectible within 15 days from invoicing date.

Liabilities from the related parties arise primarily from purchasing transactions and are mature and collectible within 5 to 30 days from purchasing date. Liabilities do not include interest rates.

Payment securities for liabilities to related legal entities were not provided by the Company.

Company's research and development activities

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, as well as activities related to implementation of integrated Document Management System (DMS) in Energoprojekt Group.

Information on investments aimed at environmental protection

In June of 2019, Energoprojekt Holding Plc. has finished all the activities in harmonizing the adopted three integrated management systems, according to standards ISO 9001:2015 Quality Management, ISO 14001:2015 Environment Protection Standard and OHSAS 18001:2007 Occupational Health and Safety Assessment Series.

The external auditing by „Lloyd's Register“ was successfully finished on June 26, 2019, and the certificate was prolonged for three years.

Pursuant to official terms and conditions for adopting new version of standards, the mentined harmonization was also ejecuted by all other subsidiary companies within Energoprojekt Group..

Company's business activities are regularly harmonized with the applicable requirements of the positive legal regulations in the field of environmental protection, environmental protection programs are adopted and efforts are made towards the strict compliance with such requirements and programs. The said programs are being implemented through impact and/or risk analyses and assessments in the field of environmental protection, as well as through the implementation of relevant technical and technological solutions and instructions for elimination and/or reduction of adverse environmental effects. In that sense, Energoprojekt management organize and continuously monitor, review and direct activities of all the organizational units, services and individuals in order to completely implement the said IMS policy.

Company's activities aimed at environmental protection are integrated and implemented in compliance with the business philosophy and through joint activities on the level of the Energoprojekt Group. Thus, the "Waste Management Project" is an example of the said activities, which is being implemented in a coordinated manner, in compliance with the Rulebook on Waste Management in the Energoprojekt Building. Participation of the representatives of each Company of the Energoprojekt Group in the waste management working group serves as a guarantee that all the planned activities will be implemented in the least expensive and most effective manner: such as, for example, the selection of various office waste materials (used paper, used batteries, car batteries, discarded electrical and electronic appliances and devices), recycling of these items, as well as the disposal of such items in compliance with the legally prescribed standards, etc.

Information on redemption of own stock and/or shares

Based on Resolution on Acquiring of Own Shares at the organized market, made by Supervisory Board on February 13, 2017, the Company has acquired, trading on Belgrade Stock Exchange, 97,700 own shares (meaning 0.89376% out of total shares with right to vote), amounting RSD 124,148 thousand, with the nominal value reaching RSD 49,827 thousand.

During 2019, there were no redemption nor selling of own shares.

Company branches

Energoprojekt Holding Plc. does not have any registered branches in Serbia.

The official seat of the Parent Company and its subsidiaries is located in 12 Mihaila Pupina Av. in New Belgrade.

Detailed reviews of and comments on the business operations of the (foreign) entities of the Energoprojekt Group are presented in the Notes to the Consolidated Financial Statements of the Energoprojekt Group and in the Notes to the Consolidated Financial Statements of its subsidiary companies.

Financial instruments of significance for the assessment of Company's financial position and business results

Financial instruments include financial assets and liabilities recorded in the balance sheet of the Company as of the moment when the Company becomes legally bound by the financial instrument and until the loss of control over rights derived from that financial asset (by

realization, activation, assignment, etc.), or by settlement, cancellation or activation of the financial liability.

Pursuant to IAS 32, **financial assets and liabilities** may have many manifestations, such as: cash, instrument of equity of another entity, contractual right to collect cash or another financial asset or trade in financial assets and liabilities with another entity, potentially favourable to the Company, contractual right to give cash or another financial asset to another entity, or the right to trade financial assets or liabilities with another entity under potentially unfavourable conditions to the Company, etc.

Disclosure of financial instruments and related accounting records is conditional upon their classification that is to be performed by the Company management in compliance with the characteristics of the financial instruments in question.

The management of the Company may classify each financial instrument in one of four available types of financial instruments as specified by provisions of IAS 39:

- Financial asset or liability at fair value through the profit and loss account,
- Held-to-maturity investments;
- Loans and receivables, and
- Financial assets available for sale.

All the relevant financial instruments of significance for the assessment of the financial position and business results of the Company are presented in greater detail in the Notes to the Financial Statements.

Objectives and policies related to financial risk management and protection policies for each type of planned significant transaction for which protection is applied; Exposure to price risk, credit risk, liquidity risk and cash flow risk, management strategy for these risks and the assessment of their effectiveness

Uncertainty referred to future events is one of the principal business characteristics of trading commercial surroundings, reflected through variety of possible outcomes. As a result of this uncertainty, i.e. insecure and unknown possible events which are going to happen, legal entities are exposed to different business risks which could interfere their future market position.

Looking from the aspect of the Company, there are many potential risks of different possible impact on condition and business activity of the Company itself.

Some (specific) risks are affected by some internal causes, such as *concentration risk*, in this case reflected as exposure to a certain or small group of buyers or suppliers; *operational risk*, manifested by the possibility of emerging of negative effects, caused by willing or unwilling operational errors, unsuitable internal procedures and processes, inadequate managing of

information system in the Company, etc.; *reputation risk* presents the possibility of aggravation of market position of the Company caused by lack of confidence, i.e. creating a negative public image (with state institutions, suppliers, buyers, etc.) about the business activities of the Company; *legal risk*, reflected as the possibility of emerging negative effects caused by legal sanctions and penalties of lawsuits for contractual and legal obligations unfulfilled; etc.

As those mentioned, and some other risks have been treated in Notes and some other internal Company acts (f.eg. to minimize the operational risk by procedures and working instructions adopted, is treated by Rulebook on Accounting and Company Accounting Policy), in continuation we will put our focus on considering **financial risks**, mainly referred to:

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

Financial risk is significantly affected by (external) causes which are not directly under the control of the Company. Having that in mind, the impact of financial risk is dominantly affected by Company surroundings, which was not influenced only by economic development, but also by legal, financial and other relevant aspects to define the size of system risks.

Generally, comparing to developed economies markets, companies active on markets of low developed level and macroeconomic stability, with high rate of insolvency, as we face in Republic of Serbia, are extremely exposed to financial risk. Furthermore, undeveloped financial market makes impossible use of variety of „*hedging*“ instruments, present on developed markets. Thus, companies having business in Republic of Serbia have no possibility of use different financial instruments in financial risks management, because those instruments are not widely applied, nor there is an organized continued market of 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.

Credit Risk

A **credit risk** is a risk of adverse effects to the financial result and capital of the Company due to a debtor's failure to fulfill 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 buyers with long lending periods due to poor liquidity.

Market Risk

A **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:

- Currency risk,
 - Interest risk and
 - Price risk.
- **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, first of all in Euros.

The sensitivity analysis indicates that variations in the exchange rate will significantly affect variations in financial results of the Company and it can therefore be concluded that the Company is exposed to the currency risk to a significant extent.

• **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 to a significant extent due to financial obligations related to loans with potentially fluctuating interest rates (Euribor). **Sensitivity analysis showed that the Company is exposed to the interest risk.**

• **Price risk** is a risk of fair value or future cash flow of the financial instrument fluctuation due to market price changes (but not caused by currency or interest risk), whether those changes occurred due to specific financial instrument or its issuer, or due to some similar financial

instruments present on the market. **This type of risk is not noted within the Company.**

Liquidity Risk

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

The results of the ratio analysis indicate that the Company had satisfactory level of liquidity during the year, meaning that it had no difficulties to meet its due liabilities or to maintain the necessary scope and structure of the working capital and to preserve its good standing.

Therefore we emphasise that:

- Considering the dynamic nature of the Company's business, the finance department aims to maintain financial flexibility, which means, among other things, to keep the existing lines of credit available and to expand them; and
- The management performs continuous monitoring of Company's liquidity reserves that include available unused lines of credit, cash and cash equivalents, as well as the liquid potentials according to the expected cash flows.

This subject matter was defined in and it is being implemented in compliance with the following adopted internal acts of the Company:

- *“Rulebook on the Basic Elements of the Internal Control System and Risk Management in Energoprojekt Holding Plc.”,*
- *“Rulebook on the Operations of the Internal Supervision Sector of Energoprojekt Holding Plc.”,*
- *“Rulebook on Accounting and Accounting Policies of Energoprojekt Holding Plc.”.*

All the Companies in the Energoprojekt Group have adopted and are implementing their own individual acts regulating the said subject matter.

Most of the above listed risks, as well as some other risks not mentioned herein, are presented in greater detail in the Notes to the Financial Statements (which are primarily focusing on the review of the financial risks: the credit risk, market risk and liquidity risk) and/or other internal acts of the Company.

Statement on Code of Corporate Governance Implementation

Energoprojekt Holding Plc. implements its own Code of Corporate Governance (as adopted in 11th meeting of the Management Board of the Energoprojekt Holding Plc. held on January 26, 2012). The Code has been made publicly available on the Company's Internet page (at www.energoprojekt.rs).

The Energoprojekt Holding Plc. Code on Corporate Governance set out the principles of corporate practices and organizational culture that the principal holders of the corporate governance function of the Energoprojekt Holding Plc. comply with, with regard to the shareholders' rights, corporate governance frameworks and methods, public relations and transparency of the Company's business operations. The main objective of this Code is to introduce good business practice in the field of corporate management, which should provide for the right balance between the influences exerted by the principal corporate governance holders, consistency of the control system and strengthening of shareholders' and investors' trust in the Company, all with the aim to achieve long-term development of the Company.

Relevant Company's bodies make a point of presenting the principles laid down in the Code in greater detail in other general acts of the Company, whenever necessary. In the application thereof, there are no significant deviations from the rules of the Code of Corporate Governance.

In compliance with the Rules on Listing and Quotation of the Belgrade Stock Exchange, parallel with the disclosure of its Annual Business Report, Energoprojekt Holding Plc. delivers and discloses the completed "Questionnaire on Corporate Governance Practices" and has agreed to its online publication on the Internet page of the Belgrade Stock Exchange.

All the Companies of the Energoprojekt Group have adopted and are now implementing their own codes of corporate governance regulating the said subject matter.

Energoprojekt Holding Plc.

Executive Director for Finance, Accounting and Planning

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Siniša Tekić, B.Sc. Ecc.



Energoprojekt Holding Plc.

Chief Executive Officer

Stojan Čolakov, M.Sc.C.E.

4. STATEMENT BY PERSONS RESPONSIBLE FOR REPORT PREPARATION

To the best of our knowledge, Consolidated Annual Financial Statements of the Energoprojekt Holding Plc. for 2019 were prepared in compliance with the relevant International Financial Reporting Standards and these 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 Consolidated Statements.

Person responsible for preparation of the Annual Report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding Plc.




Siniša Tekić, B.Sc.Ecc.

Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.




Stojan Čolakov, M.Sc.C.E

5. DECISION OF COMPETENT COMPANY BODY ON THE ADOPTION OF COMPANY'S ANNUAL CONSOLIDATED FINANCIAL STATEMENTS *

Note *:

- Consolidated Financial Statements of Energoprojekt Holding Plc. for the year 2019 were approved on April 30, 2020, in the 87st meeting of the Supervisory Board of the Issuer. At the moment when the Consolidated Annual Report of the Company is published, it has not yet been adopted by the competent Company's body (Shareholders' Assembly). The Company shall publish the complete the Decision of the competent body on the adoption of Company's Consolidated Annual Report at a later date.

6. DECISION ON DISTRIBUTION OF PROFIT OR COVERAGE OF LOSSES *

Note *:

- Decisions on distribution of profit of the Energoprojekt Holding Plc. and all its subsidiaries in the Energoprojekt Group for 2019 shall be passed in the regular annual Shareholders' Assembly meetings.

A public company is legally obliged to prepare their annual consolidated financial statements, to disclose them and to deliver them to the Commission, and, providing that the securities of such company are admitted for trading, to deliver these Statements to the regulated market or to the MTP four months after the end of each business year at the latest, and to ensure that the annual financial statements are available to the general public over the course of five years at the minimum from the date of its disclosure.

The Company shall be held responsible for the accuracy and veracity of data presented in the Annual Consolidated Report.


In Belgrade, April 2020

Person responsible for preparation of Annual Report:

Executive Director for Finance, Accounting and Planning

Energoprojekt Holding Plc.





Siniša Tekić, B.Sc.Ecc.

Legal Representative:

Chief Executive Officer

Energoprojekt Holding Plc.




Stojan Čolakov, M.Sc.C.E