



Under Article 71 of the Capital Market Law ("Official Gazette of the RS", no. 129/2021), the Rulebook on the content, form and manner of publication of annual, semi-annual and quarterly reports of public companies ("Official Gazette of the RS", no. 14/2012, 5/2015, 24/2017 and 14/2020) Airport Nikola Tesla Belgrade Joint Stock Company publishes:

Annual report for the year 2022



Content of the report

1. Financial report:

- Income statement for the period January- December 2022;
- Balance sheet as of December 31st 2022;
- Statement on other results for the period January- December 2022;
- Report on changes in equity for the period January- December 2022;
- Cash flow statement for the period January- December 2022;
- Notes to the financial statements as on 31st December 2022.

2. Audit report with financial report for the year 2022.

3. Business report for the period January- December 2022.

4. Statement

Note : Annual report for the year 2022 has not yet been adopted by the Assembly, as the competent body of JSC Airport Nikola Tesla Belgrade.

Under Article 73 of the Capital Market Act, within seven working days from the date of the Assembly session JSC Airport Nikola Tesla Belgrade will announce the Decision on the adoption of the Annual Financial Report for the year 2022, the Decision on the adoption of the auditor's report for the Annual Financial Report for the year 2022, the Decision on the adoption of the Business Report for the year 2022 and the Decision on the distribution of profits for the year 2022.

JSC AIRPORT NIKOLA TESLA BELGRADE

**FINANCIAL REPORTS
December 31st 2022**

- 1. INCOME STATEMENT for the period January-December 2022;**
- 2. BALANCE SHEET as of 31st December 2022;**
- 3. REPORT ON OTHER RESULTS for the period January-December 2022;**
- 4. REPORT ON CHANGES IN EQUITY for the period January-December 2022;**
- 5. REPORT ON CASH FLOWS for the period January-December 2022;**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 31st December 2022.**

March, 2023

PROFIT AND LOSS STATEMENT
for the period from 1st January to 31st December, 2022

PROFIT AND LOSS STATEMENT
For period 1st January to 31st December, 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+ 1008+1009-1010+1011+1012)	1001		704,415	538,062
60	I. REVENUE FROM THE SALE OF GOODS(1003 + 1004)	1002			
600, 602 and 604	1. Revenues from the sale on the domestic market	1003			
601, 603 and 605	2. Revenues from the sale on the foreign market	1004			
61	II. REVENUE FROM SALE OF PRODUCTS AND SERVICES (1006+1007)	1005			
610, 612 and 614	1. Revenues from sales of products and services on the domestic market	1006			
611, 613 and 615	2. Revenues from the sale of products and services on the foreign market	1007			
62	III. REVENUE FROM ACTIVATION OF GOODS AND EFFECTS	1008			
630	IV. INCREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1009			
631	V. DECREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1010			
64 and 65	VI. OTHER OPERATING REVENUES	1011	4	704,415	538,062
68, except 683, 685 and 686	VII. REVENUES FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1012			
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		883,720	891,260
50	I. PURCHASE VALUE OF GOODS SOLD	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015	5	1,996	1,958
52	III. COST OF WAGES, SALARIES AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	6	160,936	151,280
520	1. Cost of wages and salaries	1017	6	115,089	110,948
521	2. Cost of taxes and contributions for wages and salaries	1018	6	18,542	18,323
52 except 520 and 521	3. Other personal expenses	1019	6	27,305	22,009
540	IV. DEPRECIATION COSTS	1020	8	593,613	596,042
58, except 583, 585 and 586	V. COSTS FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1021			
53	VI. COST OF PRODUCTION SERVICES	1022	7	11,359	11,095
54 except 540	VII. COST OF PROVISIONS	1023	9	5,908	22,455
55	VIII. INTANGIBLE COSTS	1024	10	109,908	108,430
	C. BUSINESS PROFIT (1001-1013) ≥ 0	1025			
	D. OPERATING LOSS (1013 – 1001) ≥ 0	1026		179,305	353,198
	E. FINANCIAL REVENUES (1028+1029+1030+1031)	1027	11	56,294	34,861
660 and 661	G. FINANCIAL REVENUES FROM PARENT COMPANIES, SUBSIDIARIES AND	1028			
662	II. INTEREST REVENUES	1029	11	14,169	6,862
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	1030	11	42,125	27,999
665 and 669	IV. OTHER FINANCIAL REVENUES	1031			
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	12	29,710	6,547
560 and 561	G. FINANCIAL EXPENSES FROM PARENT, SUBSIDIARIES AND PTHER AFFILIATED COMPANIES	1033			
562	II. INTEREST EXPENSES	1034	12	17	23
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECT OF CURRENCY CLAUSE	1035	12	27,526	5,299
566 and 569	IV. OTHER FINANCIAL EXPENSES	1036	12	2,167	1,225
	G. PROFIT FROM FINANCING (1027-1032) ≥ 0	1037		26,584	28,314
	H. LOSS FROM FINANCING (1032- 1027) ≥ 0	1038			

PROFIT AND LOSS STATEMENT (continued)
in the period from 1st January to 31st December, 2022

PROFIT AND LOSS STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6

683,685 and 686	I. REVENUES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1039	13	35,428	20,714
583,585 и 586	J. EXPENSES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1040	14	9,435	45,399
67	K. OTHER REVENUES	1041	15	182,883	105,021
57	L. OTHER EXPENSES	1042	16	3,044	9,885
	M. TOTAL REVENUES (1001+1027+1039+1041)	1043		979,020	698,658
	N. TOTAL EXPENSES (1013+1032+1040+1042)	1044		925,909	953,091
	O. REGULAR OPERATING PROFIT BEFORE TAXATION (1043-1044)≥ 0	1045		53,111	
	P. REGULAR OPERATING LOSS BEFORE TAXATION (1044-1043)≥ 0	1046			254,433
69-59	Q. NET OPERATING PROFIT THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1047	17		1,706
59-69	R. NET OPERATING LOSS THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1048	17	4,541	
	S. PROFIT BEFORE TAXATION (1045-1046+1047-1048)≥ 0	1049		48,570	
	T. LOSS BEFORE TAXATION (1046-1045+1048-1047)≥ 0	1050	18		252,727
	U. PROFIT TAX				
721	I. TAX EXPENSES OF PERIOD	1051	19		
772, debit balance	II. DEFERRED TAX EXPENSES OF PERIOD	1052	19	28,342	37,287
772, credit balance	III. DEFERRED TAX REVENUES OF PERIOD	1053			
723	V. PAID SALARIES OF THE EMPLOYER	1054			
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		20,228	
	Y. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056			290,014
	I.NET PROFIT BELONGING TO MINOR STAKEHOLDERS	1057			
	II.NET PROFIT BELONGING TO MAJOR STAKEHOLDERS	1058			
	III.NET LOSS BELONGING TO MINOR STAKEHOLDERS	1059			
	IV.NET LOSS BELONGING TO MAJOR STAKEHOLDERS	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061	20	0.58	(8.28)
	2. Decreased (diluted) earnings per share	1062			

BALANCE SHEET
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED AND UNPAID CAPITAL	001				
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	002		30,784,772	29,914,822	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	003	21	8,465	20,455	
010	1. Investment in development	004				
011,012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	21	8,465	19,475	
013	3. Goodwill	0006				
015 and 016	4. Leased intangible assets and intangible assets in preparation process	0007	21	0	980	
017	5. Advance payments for intangible assets	0008				
02	II. PROPERTY, PLANTS AND EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	22	28,772,754	27,811,938	
020, 021 and 022	1. Land and constructions	0010	22	25,455,510	24,320,605	
023	2. Plants and equipment	0011	22	3,031,014	3,293,453	
024	3. Investment property	0012				
025 and 027	4. Leased property, plants and equipment and property, plants and equipment in preparation process	0013	22	286,230	197,880	
026 and 028	5. Other property, plants and equipment and Investments in other people's property, plants and equipment	0014				
029 (part)	6. Advance payments for property, plants and equipment in the country	0015				
029 (part)	7. Advance payments for property, plants and equipment abroad	0016				
03	III. BIOLOGICAL ASSETS	0017				
04 and 05	IV. LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018	23	665,231	655,412	
040 (part), 041 (part) and 042 (part)	1. Stake in the capital of companies (except stake measured in share)	0019	23a			
040 (part), 041 (part) and 042 (part)	2. Stake in the capital measured in share	0020				
043, 050 (part) and 051 (part)	3. Long-term investments in parent companies, subsidiaries and affiliated companies on domestic market	0021				
044, 050 (part) and 051 (part)	4. Long-term investments in parent companies, subsidiaries and affiliated companies in foreign markets	0022				
045 (part) and 053 (part)	5. Long-term placements (credits and loans) in the country	0023	23b	138,033	137,407	
045 (part) and 053 (part)	6. Long-term placements (credits and loans) in the foreign markets	0024				
046	7. Long-term financial investments (securities valued at depreciated cost)	0025				
047	8. Repurchased own shares and repurchased own stakes	0026				
048, 052, 054,055	9. Other long-term financial investments and other long term financial receivables	0027	23b	527,198	518,005	
28 (part), except 288	V. LONG-TERM ACTIVE ACCURALS	0028	33	1,338,322	1,427,017	
288	C. DEFERRED TAX ASSETS	0029				

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		2,724,370	2,358,876	
Class 1, except account group 14	I. STOCK (0032+0033+0034+0036)	0031		2,950	1,717	
10	1. Material, spare parts, tools and small inventory	0032				
11 and 12	2. Unfinished production and finished products	0033				
13	3. Goods	0034				
150, 152 and 154	4. Advance payments for supplies and services in the country	0035	24	2,950	1,717	
151, 153 and 155	5. Advance payments for supplies and services abroad	0036				
14	II. FIXED ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0037				
20	III. RECEIVABLES FOR SALE (0039+0040+0041+0042+0043)	0038		187,227	8,679	
204	1. Receivables from domestic buyers	0039	25	186,798	5,751	
205	2. Receivables from foreign buyers	0040	25	429	2,928	
200 and 202	3. Receivables from parent companies, subsidiaries and other affiliated companies in the country	0041				
201 and 203	4. Receivables from parent companies, subsidiaries and other affiliated companies from abroad	0042				
206	5. Other receivables from sales	0043				
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		1,717,039	1,689,218	
21, 22 except 223 and 224, 27	1. Other receivables	0045	26	143,533	116,276	
223	2. Receivables for more income tax paid	0046	27	1,572,245	1,572,245	
224	3. Receivables for more contributions paid	0047	28	1,261	697	
23	V. SHORT-TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		45,651	46,384	
230	1. Short-term loans and credits - parent and affiliated companies	0049				
231	2. Short-term loans and credits – other affiliated Companies	0050				
232, 234 (part)	3. Short-term loans and credits in the country	0051	29	12,459	13,192	
233, 234 (part)	4. Short-term loans and credits abroad	0052				
235	5. Securities valued at depreciated cost	0053				
236 (part)	6. Financial assets values at fair value in balance sheet	0054				
237	7. Repurchased own shares and repurchased own stakes	0055	31	33,192	33,192	
236 (part), except 288	8. Other short-term investments	0056	30			
24	VI. CASH EQUIVALENTS AND CASH	0057	32	770,854	612,130	
28 (part) except 288	VII SHORT-TERM ACTIVE ACCURALS	0058	33	649	748	
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 00429 +0030)	0059		33,509,142	32,273,698	
88	F. OFF-BALANCE SHEET ASSETS	0060	44	3,731,726	4,731,421	

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL (0402 + 0403 + 0404+0405+0406-0407+0408+0411-0412)≥0	0401	34	28,640,380	28,617,467	
30 except 306	I. SHARE CAPITAL	0402	34a	21,015,67	21,015,67	
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403				
306	III. EMISSION PREMIUM	0404	34b	306,856	306,856	
32	IV. RESERVES	0405	34c	5,080,960	5,370,897	
330 and credit balance of the account 331,332,333,334, 335, 336 and 337	VI. POSITIVE REVALUATION RESERVES AND UNREALIZED INCOME BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0406	34d	2,198,743	2,213,972	
debit balance of the account 331,332,333,334, 335, 336 and 337	VII. UNREALIZED LOSSES ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0407				
34	VIII. RETAINED EARNINGS (0418 + 0419)	0408	34e	38,144	79	
340	1. Retained earnings from previous years	0409	34e	17,916	79	
341	2. Retained earnings for the current year	0410		20,228		
	VIII. MINORITY STAKE	0411				
35	IX. LOSS (0422 + 0423)	0412	34e		290,01	
350	1. Loss from the previous years	0413				
351	2. Loss from the current year	0414	34e		290,01	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0418+0419)	0415		3,792,090	2,666,109	
40	I. LONG-TERM PROVISIONS (0417+0418+0419)	0416	35	95,403	126,330	
404	1. Provisions for compensation and other employee benefits	0417	35	9,901	8,924	
400	2. Provisions for costs within the warranty period	0418				
40, except 400 and 404	2. Other long term provisions	0419	35	85,502	117,406	
41	II. LONG-TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		11,873	30,819	
410	1. Liabilities that can be converted into equity	0421				
411 (part) and 412 (part)	2. Long-term credits and other long-term liabilities to parent companies, subsidies and other affiliated companies in the country	0422				
411 (part) and 412 (part)	3. Long-term credits and other long-term liabilities parent companies, subsidies and other affiliated companies abroad	0423				
414 and 416 (part)	4. Long-term loans, credits and liabilities based on leasing in the country	0424	36	11,873	30,819	
415 and 416 (part)	5. Long-term loans, credits and liabilities based on leasing abroad	0425				
413	6. Liabilities for emission of securities	0426				
419	7. Other long-term liabilities	0427				
49 (part), except 498 and 495 (part)	III. LONG-TERM PASSIVE ACCURALS	0428	42	3,684,814	2,508,960	
498	C. DEFERRED TAX LIABILITIES	0429	43	795,572	769,917	
495 (PART)	D. LONG-TERM DEFERRED REVENUES AND RECEIVED DONATIONS	0430				

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		281,100	220,205	
467	I. SHORT-TERM PROVISIONS	0432				
42, EXCEPT 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		24,282	24,606	
420 (part) and 421 (part)	1. Liabilities for loans from parent companies, subsidies and other affiliated companies in the country	0434				
420 (part) and 421 (part)	2. Liabilities for loans from parent companies, subsidies and other affiliated companies abroad	0435				
422 (part), 424 (part), 425 (part), and 429 (part)	3. Liabilities for credits and loans from entities other than domestic banks	0436	37	24,282	24,606	
422 (part), 424 (part), 425 (part), and 429 (part)	4. Liabilities for credits from domestic banks	0437				
423 (part), 424 (part), 425 (part), and 429 (part)	5. Credits, loans, liabilities from abroad	0438				
426	6. Liabilities for short-term securities	0439				
428	7. Liabilities for financial derivate	0440				
430	III. RECEIVED ADVANCE PAYMENTS, DEPOSITS AND BAILS	0441	38	35,717	44,302	
43 except 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	39	19,254	14,615	
431 and 433	1. Liabilities towards suppliers- parent companies, subsidies and other affiliated companies in the country	0443				
432 and 434	2. Liabilities towards suppliers- parent companies, subsidies and other affiliated companies abroad	0444				
435	3. Liabilities towards suppliers in the country	0445	39	18,884	14,178	
436	4. Liabilities towards suppliers abroad	0446	39	218	253	
439 (part)	5. Liabilities for bonds	0447				
439 (part)	6. Other liabilities for business activities	0448	39	152	184	
44, 45 and 46 except 467, 47 and 48	V. OTHER SHORT - TERM LIABILITIES (0450+0451+0452)	0449		15,879	15,980	
44,45 and 46 except 467	1. Other short-term liabilities	0450	40	15,361	15,368	
47, 48 except 481	2. Liabilities related to value added tax and other public revenues	0451	41	518	612	
481	3. Liabilities for income tax	0452				
427	VI. LIABILITIES FOR ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0453				
49 (part) except 498	VII. SHORT-TERM DEFERRALS	0454	42	185,968	120,702	
	F. LOSS HIGHER THAN CAPITAL VALUE (0415+0429+0430-0431-0059)≥0=(0407+0412-0402-0403-0404-0405-0406-0408-0411)≥0	0455				
	G. TOTAL LIABILITIES (0401+0415+0429+0430+0431-0455) ≥ 0	0456		33,509,142	32,273,698	
89	H. OFF-BALANCE SHEET LIABILITIES	0457	44	3,731,726	4,731,421	

STATEMENT ON OTHER COMPREHENSIVE RESULT



- in thousand dinars -

For period 1st January to 31st December, 2022

ITEM	Automatic data processing	Note	Amount	
			Current year	Previous year
2	3	4	5	6
A. NET RESULTS FOROM BUSINESS ACTIVITIES				
I. NET PROFIT (ADP 1055)	2001		20,228	
II. NET LOSS (ADP 1056)	2002	34e		290,014
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to the profit and loss statement in future periods				
1. Changes in revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004		15,229	67
2. Actuarial profits or losses on defined benefit plans				
a) profits	2005			
b) losses	2006			
3. Profits or losses based on share in other comprehensive profit or loss of affiliated companies				
a) profits	2007			
b) losses	2008			
b) Items that may subsequently be reclassified to the profit and loss statement in future periods				
1. Profits or losses on investments in equity instruments				
a) profits	2009			
b) losses	2010			
2. Profits or losses based on the translation of financial statements of foreign operations				
a) profits	2011			
b) losses	2012			
3. Profits or losses from hedging instruments of net investments in foreign operations				
a) profits	2013			
b) losses	2014			
4. Profits or losses on cash flow hedging instruments				
a) profits	2015			
b) losses	2016			
5. Profits or losses on available-for-sale securities shown at fair value in total comprehensive income				
a) profits	2017			
b) losses	2018			
I. OTHER COMPREHENISVE GROSS PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0	2019			
II. OTHER COMPREHENISVE GROSS LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0	2020		15,229	67
III. DEFERRED TAX EXPENSE ON OTHER COMPREHENISVE GROSS PROFIT OR LOSS	2021			
IV. DEFERRED TAX REVENUE ON OTHER COMPREHENISVE GROSS PROFIT OR LOSS	2022			
V. OTHER COMPREHENISVE NET PROFIT (2019 - 2020 - 2021+2022) ≥ 0	2023			
VI. OTHER COMPREHENISVE NET LOSS (2020 - 2019 + 2021- 2022) ≥ 0	2024		15,229	67
C TOTAL COMPREHENSIVE RESULT OF THE PERIOD				
I. TOTAL COMPREHENISVE NET PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0	2025		4,999	
II. TOTAL COMPREHENISVE NET LOSS (2002 - 2001 + 2024 - 2023) ≥ 0	2026			290,081
D. TOTAL COMPREHENISVE NET PROFIT OR LOSS (2028 + 2029) = ADP 2025 ≥ 0 or ADP 2026 > 0	2027			
1. Attributable to majority stakeholder	2028			
2. Attributable to minority stakeholder	2029			

STATEMENT ON CHANGES IN EQUITY
for the period from 1st January to 31st December 2022

STATEMENT ON CHANGES IN EQUITY

For period 1st January to 31st December, 2022



Position	Description	ADP	Basic equity (group 30 without 306 and 309)	ADP	Other basic equity (account 309)	ADP	Unpaid subscribed capital (group 31)	ADP	Issues premium and reserves (account 306 and group 32)	ADP	Revelation reserves and retained profit and loss (group 33)	ADP	Retained profit (group 34)	ADP	Loss (group 35)	ADP	Stakeholder without control	ADP	Total (corresponding pos. ADP 0401) (qty. 2+3+4+5+6+7+8+9) ≥ 0	ADP	Loss higher than equity (corresponding pos. ADP 0455) (qty. 2+3+4+5+6+7+8+9) < 0
			2		3		4		5		6		7		8		9		10		11
1	Initial balance on 1 st January 2021	4001	21,015,677	4010		4019		4028	6,471,052	4037	2,214,039	4046	5,823	4055	799,122	4064		4073	28,907,469	4082	
2	Effects of retroactive adjustment of materially significant errors and changes in accounting	4002		4011		4020		4029		4038		4047		4056		4065		4074		4083	
3	Corrected initial balance on 1 st January 2021 (S.N. 1+2)	4003	21,015,677	4012		4021		4030	6,471,052	4039	2,214,039	4048	5,823	4057	799,122	4066		4075	28,907,469	4084	
4	Net changes in the year 2021	4004		4013		4022		4031	(793,299)	4040	(67)	4049	(5,744)	4058	(509,108)	4067		4076	(290,002)	4085	
5	Balance on the 31 st December 2021 (S.N. 3+4)	4005	21,015,677	4014		4023		4032	5,677,753	4041	2,213,972	4050	79	4059	290,014	4068		4077	28,617,467	4086	
6	Effects of retroactive adjustment of materially significant errors and changes in accounting	4006		4015		4024		4033		4042		4051		4060		4069		4078		4087	
7	Corrected initial balance on 1 st January 2022 (S.N. 5+6)	4007	21,015,677	4016		4025		4034	5,677,753	4043	2,213,972	4052	79	4061	290,014	4070		4079	28,617,467	4088	
8	Net changes in the year 2022	4008		4017		4026		4035	(289,937)	4044	(15,229)	4053	38,065	4062	(290,014)	4071		4080	22,913	4089	
9	Balance on the 31 st December 2022 (S.N. 7+8)	4009	21,015,677	4018		4027		4036	5,387,816	4045	2,198,743	4054	38,144	4063	-	4072		4081	28,640,380	4090	

CASH FLOW STATEMENT
for the period 1st January to 31st December, 2022

CASH FLOW STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars -

ITEM	Automatic data processing	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 4)	3001	623,265	282,842
1. Proceeds form sales and advances in the country	3002	607,020	173,739
2. Proceeds form sales and advances from abroad	3003		87
3. Interest received from business activities	3004		1,307
4. Other inflows from ordinary activities	3005	16,245	107,709
II. Cash outflows from operating activities (1 to 8)	3006	358,316	325,702
1. Payments to suppliers and given advances in the country	3007	110,258	85,480
2. Payments to suppliers and given advances abroad	3008		
3. Wages, salaries and other employee benefits	3009	159,882	149,977
4. Payment of interest in the country	3010		
5. Payment of interest abroad	3011		
6. Tax on profit	3012		
7. Outflows based on other public revenues	3013	88,176	90,245
8. Other outflows from business activities	3014		
III. Net cash inflow from operating activities (I-II)	3015	264,949	
IV. Net cash outflow from operating activities (II-I)	3016		42,860
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3017	4,743	4,658
1. Proceeds from sale of shares and stakes	3018		
2. Proceeds from sale of intangible assets, property, plants, equipment and biological assets	3019		
3. Other financial investments	3020		
4. Proceeds from interest received from investing activities	3021	4,743	4,658
5. Proceeds from dividends	3022		
II. Cash outflows from investing activities (1 to 3)	3023	127,428	96,192
1. Purchase of shares and stakes	3024		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3025	127,428	96,192
3. Other financial investments	3026		
III. Net cash inflow from investing activities (I-II)	3027		
IV. Net cash outflow from investing activities (II-I)	3028	122,685	91,534
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term loans in the country	3031		
3. Long-term loans abroad	3032		
4. Short-term loans in the country	3033		
5. Short-term loans abroad	3034		
6. Other long-term liabilities	3035		
7. Other short-term liabilities	3036		

STATEMENT OF CASH FLOWS (continued)
for the period 1st January to 31st December, 2022

CASH FLOW STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars -

ITEM	Automatic data processing	Amount	
		Current year	Previous year
1	2	3	4
II. Cash outflows from financing activities (1 to 8)	3037	-	1,512
1. Repurchase of own shares and capital stakes	3038		
2. Long-term loans in the country	3039		
3. Long-term loans abroad	3040		
4. Short-term loans in the country	3041		
5. Short-term loans abroad	3042		
6. Other liabilities	3043		
7. Financial leasing	3044		
8. Dividends paid	3045		1,512
III. Net cash inflow from financing activities (I-II)	3046		
IV. Net cash outflow from financing activities (II-I)	3047	-	1,512
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	628,008	287,500
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	485,744	423,406
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	142,264	
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051		135,906
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	612,130	725,318
I. POSITIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3053	41,301	27,476
J. NEGATIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3054	24,841	4,758
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050 - 3051 + 3052 + 3053 - 3054)	3055	770,854	612,130

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS
31st December, 2022

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**1. FOUNDATION AND BUSINESS OF THE COMPANY****1.1. Basic information about the company**

The Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: "Company") was established with the aim of providing airport services (landing, take-off, taxiing and parking of aircraft, reception and dispatch of aircraft, passengers and goods). In addition to the basic activity of providing airport services, the Company, as part of ancillary activities, also provides other services at the airport complex that meet the needs of service users, domestic and foreign airlines.

The Airport's operations date back to 25th March, 1928, at the Bežanijska kosa location, and operations at the current location (Surčin) began in 1962.

By the decision of the Government of the Republic of Serbia in 1992, the Airport was re-registered into the Public Company Airport "Belgrade", and in 2006, also by the decision of the Government, it was named Public Enterprise Airport Nikola Tesla Belgrade.

On 17th June 2010, The Government of the Republic of Serbia passed Decision no. 023-4432/2010 on the change of legal form of Public Enterprise Airport Nikola Tesla Belgrade from a public company to a closed joint stock company. The aforementioned change of legal form was registered with the Business Registers Agency on 22nd June 2010, by Decision No. BD 68460/2010.

After the change of legal form, the company continued to operate under the full name Joint stock company Airport Nikola Tesla Beograd. By decision of the Agency for Business Registers number BD 7651/2011 dated 24th January 2011, the Open Joint Stock Company Airport Nikola Tesla Belgrade was registered in the register of business entities.

On 22nd March 2018, a Concession Agreement was signed for financing, development through construction and reconstruction, maintenance and infrastructure management of JSC Airport Nikola Tesla Belgrade and performing the activities of Airport operator at the Airport Nikola Tesla Belgrade, between the Government as the representative of the Republic of Serbia, JSC Airport Nikola Tesla Belgrade, on the one hand, in the capacity of Concession Grantor and "Vinci Airports" SAS France as the Most Favorable Selected Bidder and a special purpose company established by the Selected Most Favorable Bidder solely for the purpose of implementing the Concession Agreement - Vinci Airports Serbia Ltd. Belgrade ("SPC") (hereinafter: Concession Agreement).

By fulfilling all the previous conditions, including the payment of a one-time concession fee in the amount of EUR 501,000,000 to the account of JSC Airport Nikola Tesla Belgrade, executed by Vinci Airports Serbia Ltd. Belgrade on 21st December, 2018, the conditions for the commencement of the Start Day concession starting from 22nd December 2018.

From the start date of the concession on 22nd December 2018, SPC took over the management of the Airport and the performance of service activities in air transport, and from the mentioned JSC Airport Nikola Tesla Belgrade changed its basic activity from service activities in air transport (52.23) to rental and management of owned or leased property (68.20), with the primary task of providing, as the owner of all movable and fixed assets, based on the Agreement on concessions for the use and management of SPC, monitors the implementation of concession agreement in accordance with the Law on Public-Private Partnerships and Concessions with accompanying by-laws.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In accordance with the provisions of the Law on Business Companies, the Company, in addition to its main activity, can perform all other activities that are not prohibited by law, including foreign trade activities, regardless of whether these activities are determined by the founding act, i.e. the statute. The company performs activities of general interest.

<i>Main office</i>	<i>Airport Belgrade 47, 11271 Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax identification number</i>	<i>100000539</i>
<i>Code and name of activity until 21/12/2018</i>	<i>52.23 - Service activities in air traffic</i>
<i>Code and name of activity from 22/12/2018</i>	<i>68.20 – Rental and management of owned or leased real estate</i>

In July 2019, VINCI Airports Serbia Ltd Belgrade changed its business name to Belgrade Airport Ltd Belgrade (hereinafter referred to as SPC) based on the prior consent of the Concession Grantor.

According to the classification criteria from the Accounting Act, JSC Airport Nikola Tesla Belgrade (hereinafter: "Company") is classified as a small legal entity.

1.2. Management structure

Management of the Society is bicameral. The bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly consists of shareholders of the Company who have the right to participate in the work of the Assembly. A shareholder who owns 35,026 ordinary shares has the right to participate in the work of the Assembly.

The Supervisory Board consists of five (5) members, of which at least one member is independent from the Company. The members of the supervisory board are appointed by the Assembly of the Company. The supervisory board must form an audit committee, and if necessary, it can form other committees that help it in its work. The committees of the Supervisory Board have at least three members, and one of those members must always be an independent member of the Supervisory Board.

The Executive Board consists of two (2) executive directors, including the general director. Executive directors are appointed by the Supervisory Board of the Company.

1.3. Ownership structure

After the change of legal form to a closed joint-stock company, in the Central Securities Depository on 7th July 2010, 34,289,350 shares were registered, 100% owned by the Republic of Serbia.

The Government of the Republic of Serbia on 9th December 2010 passed the Decision 023-9103/2010-1, according to which citizens of the Republic of Serbia, employees and former employees of the Company acquired the right to transfer 16.85% of the Company's ownership. After the transfer of the right to free shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 number 478/11 dated 28th January, 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trading in the Company's shares on the Belgrade Stock Exchange began on 7th February, 2011.

On 31st December 2022, according to the records of the Central Securities Depository, 35,026,129 ordinary shares with the right to vote with an individual nominal value of 600.00 dinars were registered. The Republic of Serbia owns 29,616,722 ordinary shares, which represents 84.56% of the total share capital of the Company, and the other shareholders own 5,409,407 ordinary shares, which represents 15.44% of the total share capital of the Company. The structure of share- ownership of the Company is shown in Note 34a.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**1.4. Number of employees and engaged persons**

At the balance sheet date of 31st December 2022, the Company had 37 of employees, of which the Company had 36 permanent employees and 1 employee hired for temporary and occasional jobs refer to employees of (31st December 2021, the Company had 36 of hired workers, of which 35 permanent workers and 1 person hired for temporary and occasional jobs are employees of the Company.

In the period January-December 2022, the average number of employees in the Company based on the balance at the end of each month was 36, of which the average number of permanent employees in the Company being 35 and 1 average employee engaged for temporary and occasional jobs (in the course of 2021, the average number of employees in the Company based on the balance at the end of each month was 36, of which the average number of permanent employees in the Company is 35 and average number of employees engaged for temporary and occasional jobs is 1).

2. BASICS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**2.1. Basics for the preparation and presentation of financial statements**

The company's financial statements are prepared in accordance with the Law on Accounting ("Official Gazette of RS", No. 73/19 and 44/21 - hereinafter: Law).

In accordance with the Law, for the recognition, evaluation, presentation and disclosure of positions in financial statements, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e. companies that are preparing to become public, independently of size, apply International Financial Reporting Standards (hereinafter IFRS). IFRS, in accordance with the Law, represent:

- Framework for preparation and presentation of financial statements,
- International Accounting Standards (IAS), i
- International Financial Reporting Standards (IFRS) and related interpretations, issued by the Accounting Standards Interpretation Committee (IFRIC), subsequent amendments to those standards and related interpretations, approved by the International Accounting Standards Board, the translation of which was determined and published by the competent Ministry for finance affairs.

The Company's financial statements are presented in the form and content specified by the Rulebook on the content and form of financial report forms and the content and form of the Statistical Report form for companies, cooperatives and entrepreneurs ("Official Gazette of RS", no. 89/20). This rulebook, among other things, prescribes the form and content of positions in the forms of Balance Sheet, Profit and Loss Statement, Statement of Other Results, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements. According to the aforementioned Rulebook, amounts are entered in thousands of dinars in the forms of financial statements.

The accounting framework and the content of the accounts in the Accounting framework are prescribed by the Rulebook on the accounting framework and the content of the accounts in the accounting framework for economic companies, cooperatives and entrepreneurs ("Official Gazette of RS", No. 89/20 - which applies starting from the financial statements that are compiled on 12/31/2021) ("Official Gazette of RS", No. 95/14 - which is valid for compilation of financial statements as of 31st December 2021).

On preparation of the Company's financial statements, among others, the following laws and regulations have been complied with:

- ✓ Law on Corporate Income Tax (Official Gazette of RS No. 25/01, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14 - other law, 142/14, 91/15 - authentic interpretation, 112/15, 113/17, 95/18, 86/19 , 153/20 and 118/21),
- ✓ Law on Value Added Tax (Official Gazette of RS No. 84/04, 86/04 - correction, 61/05, 61/07, 93/12, 108/13, 68/14 - other law, 142/14 , 83/15, 108/16, 113/17, 30/18, 72/19, 8/20 and 153/20),

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

- ✓ Rulebook on the content of the tax balance sheet and other issues of significance for the manner of determining corporate income tax (Official Gazette of RS 20/14, 41/15, 101/16, 8/19, 94/19, 159/20 and 97/21),
- ✓ Rulebook on the content of the tax return for the calculation of corporate income tax (Official Gazette of the RS 30/15, 101/16, 44/18 - other laws, 8/19, 94/19, 159/20 and 97/21),
- ✓ Rulebook on the manner of classifying fixed assets by group and the manner of determining depreciation for tax purposes (Official Gazette of RS 116/04, 99/10, 104/18 and 8/19).

Of the legal acts that represent the Company's internal regulation, the Company applied the accounting policies explained in Note 3 when preparing these financial statements.

The Law on Capital Market (Official Gazette of RS 31/11, 112/15, 108/16, 9/20 and 153/20) prescribes what data should be included in the annual, semi-annual and quarterly reports of public companies whose securities are traded on the regulated market.

Please note that in some cases, when preparing the Company's financial statements, all relevant provisions of IFRS and Interpretations are not fully complied with.

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

- Financial statements in the Republic of Serbia for the reporting period, in accordance with the Law on Accounting ("Official Gazette of the RS" No. 73/19 and 44/21), are presented in the format prescribed by the Rulebook on the Content and Form of Forms of Financial Statements for Business Companies, Cooperatives and Entrepreneurs ("Official Gazette of the RS", No. 95/2014 and 144/2014 - which is valid until the preparation of financial statements on 31.12.2021), which deviates from the presentation and name of certain general purpose financial statements, as well as from the way of presenting certain balance sheet positions as provided by Revised IAS 1 - Presentation of financial statements i
- Off-balance sheet assets and off-balance sheet liabilities are shown on the balance sheet form. According to the definition of IFRS, these items represent neither assets nor liabilities.

In addition to the above, deviations also arise as a result of the time difference between the publication of Standards and Interpretations, which are subject to continuous changes, and the moment when those Standards and Interpretations become valid in the Republic of Serbia. Thus, for example, deviations from the Standards arise as a consequence of the fact that the published Standards and Interpretations, which have entered into force, have not yet been officially translated and adopted in the Republic of Serbia; as a consequence of the fact that the published Standards and Interpretations have not yet entered into force; or as a consequence of other reasons over which the Company has no influence, which has no significant impact on the financial position of the Company, as well as on the results of its operations.

Published standards and interpretations not yet effective

On the date of issuance of these financial statements, the following standards, their amendments and interpretations were published, but not yet effective:

- IFRS 17 - Insurance contracts - published on 18th May 2017, amended in June 2020, enters into force for periods beginning on or after 1st January 2023;
- Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as long-term and short-term - published in January 2020, revised in July 2020, and effective for annual periods beginning on or after 1st January 2023;
- Amendments to IAS 1 - Presentation of financial statements - Disclosure of accounting policies - published in February 2021 and effective for annual periods beginning on or after 1st January, 2023;
- Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates - published in February 2021 and effective for annual periods beginning on or after 1st January 2023;

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

- Amendments to IAS 12 - Income Taxes - Deferred tax related to assets and liabilities arising from a single transaction - published in May 2021 and effective for annual periods beginning on or after 1st January 2023;
- Amendments to IAS 16 - Property, Plant and Equipment - Procedures before intended use - date of application 1st January 2022;
- Amendment to IFRS 3 - Business Combinations - Reference for the Conceptual Framework - date of application 1st January 2022;
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets – Expenses for Fulfillment of the Contract - date of application 1st January 2022;
- Annual improvements to standards from 2018 to 2020 - date of application 1st January 2022.

2.2. Accounting principles

When compiling the financial report a The company adheres to the following principles:

- The principle of continuity,
- The principle of constancy,
- The precautionary principle,
- The principle of essence over form,
- The principle of causality of income and expenses,
- The principle of individual assessment.

Respecting **the principle of continuity**, financial statements are prepared under the assumption that the Company operates continuously , i.e. in the indefinitely long term (going concern),

The principle of consistency implies that the way of assessing the state and changes in assets, liabilities, capital, income, expenses and the result of operations, i.e. that the manner of estimating the balance sheets position of the Company does not change for a long period of time. If, for example, due to compliance with legal regulations, the reason for the change is explained, and the effect of the change is expressed in accordance with the requirements of the professional regulations related to the method of assessment.

The precautionary principle implies the inclusion of a certain level of caution when compiling the Company's financial statements, which should result in assets and income not being overestimated, and liabilities and expenses not being underestimated. Recognition and evaluation is performed with the application of the precautionary principle, and in particular:

- Only profit realized up to the balance sheet date can be recognized;
- The Balance Sheet shows liabilities incurred during the current or previous business years, even if such liabilities become evident only between the Balance Sheet date and the date of approval for disclosure of financial statements;
- All impairments are taken into account, regardless of whether the result of the business year is profit or loss;

The principle of essence over form implies that when recording the Company's transactions, and thus also when compiling financial statements, accounting inclusion should be done in accordance with the substance of the transactions and their economic reality.

Respecting **the principle of causality of income and expenses**, the recognition of the effects of transactions and other events in the Company is not related to the moment when cash or cash equivalent, based on those transactions and events, are received or paid, but are related to the moment when they occur.

The principle of individual assessment implies that eventual group assessments of different balance sheet positions of the Company (for example, assets or liabilities), for the sake of rationalization, arise from their individual assessment.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES**

The basic accounting policies used to prepare these financial statements are listed below. These policies have been applied consistently to all years presented, unless otherwise indicated.

Significant accounting policies applied to the Company's financial statements that are the subject of these Notes, which are set forth below, are primarily based on the Rulebook on Accounting and Accounting Policies. If certain accounting aspects are not clearly specified by the Rulebook, the applied accounting policies are based on the applicable legal regulations.

3.1. Assessment

Preparation and presentation of financial statements, in accordance with the requirements of the applicable legislation in the Republic of Serbia, requires the management of the Company to use the best possible estimates and reasonable assumptions. Although, understandably, actual future results may differ, estimates and assumptions are based on information available at the balance sheet date.

The most significant assessments relate to determining the impairment of financial and non-financial assets and defining the assumptions necessary for the actuarial calculation of long-term benefits to employees based on severance pay. and jubilee awards .

In the context of evaluation, the Company's business policy is, if the fair value differs significantly from the book value, to disclose information about the fair value of assets and liabilities. In the Republic of Serbia, there is often a problem with the reliable assessment of the fair value of assets and liabilities due to the insufficiently developed financial market, lack of stability and liquidity when buying and selling, for example, financial assets and liabilities, and because market information is not always available. Despite the above, this issue is not ignored in the Company, but the management makes continuous assessments, taking into account the risks, and when it is estimated that the recoverable (fair or usable) value of the assets in the Company's books is overestimated, a value correction is made.

3.2. Effects of foreign exchange rates and foreign currency translation

Transactions in foreign currency, upon initial recognition, are recorded in the dinar equivalent, using the official middle exchange rate valid on the day of the transaction, while in the case of a different contracted currency clause, the translation of transactions is performed at the exchange rate specified in the contract.

On each balance sheet date, monetary items (foreign currency assets, receivables and liabilities) are converted using the official middle exchange rate on the balance sheet date.

Exchange rate differences arising from transactions in foreign currency are recognized as income or expense of the period in which they arise.

The official middle exchange rates of the National Bank of Serbia on the balance sheet date, for foreign currencies that were used to convert monetary items of foreign currencies into dinar equivalents, are shown in the following table.

Middle exchange rate	in RSD	
	31/12/22	31/12/21
EUR	117.3224	117.5821
USD	115.1515	103.9262
GBP	132.7026	140.2626

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Non-monetary items in the balance sheet are not recalculated on the balance sheet date, but are valued at the historical value converted at the exchange rate on the day of the transaction, except for non-monetary items that are valued at fair value, in which case they are recalculated at the exchange rate on the date of determining the fair value.

3.3. Revenues and expenses

Revenue recognition is recognized in the income statement when there is an increase in future economic benefits associated with an increase in assets or a decrease in liabilities, which can be measured reliably.

Revenue includes: operating income, financial income, other income including income from adjustment of property values and income based on the correction of errors from earlier years that are not materially significant.

The most important part of the income comes from the Concession Agreement, which is explained in point 3.9. these Notes.

Expenses are recognized when there is a reduction in future economic benefits, associated with a reduction in assets or an increase in liabilities, which can be reliably measured.

Expenditures include: business expenses, financial expenses, other expenses, including expenses from adjustment of property values and expenses based on the correction of errors from earlier years that are not materially significant.

3.4. Borrowing expenses

Borrowing costs are interest and other costs incurred by the Company in connection with borrowing funds. Based on the relevant provisions of IAS 23 - Borrowing Costs, interest and other borrowing costs are recognized as an expense in the period in which they are incurred, except in the case when they are directly attributable to the acquisition, construction or production of a certain qualifying asset, they are included in the purchase value of that asset and that is until the period when essentially all activities necessary to prepare the asset for planned use or sale have been completed. Qualifying assets refer to assets that necessarily require a significant period of time to be ready for their intended use.

3.5. Income tax

Income tax is recorded in accounting as the sum of:

- current tax
- deferred tax.

Current tax is the amount of liability payable (recoverable) on income tax related to taxable profit (tax loss) for the period. In other words, the current profit tax represents the amount calculated by applying the prescribed tax rate of 15% on the base determined by the tax balance sheet, which represents the amount of profit before taxation after deducting the effects of the adjustment of income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction of prescribed tax credits.

Deferred tax that is recorded in bookkeeping based on the relevant provisions of IAS 12 - Income tax can be expressed in the form of deferred tax assets or liabilities as a result of the time difference in the recognition of income and expenses according to accounting and tax regulations.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Deferred tax assets are amounts of income tax that will be recoverable in future periods based on:

- deductible temporary differences that arise in cases where the Company's balance sheets, on certain grounds, have already shown an expense, which will be recognized from a tax perspective in the following periods. Deductible temporary differences can arise in the following cases: the tax value of assets subject to depreciation is higher than the book value, from the tax point of view provisions that are recognized at the moment of use are not recognized, from the tax point of view expenses are not recognized when they are paid, etc.;
- unused tax losses carried forward to the next period, which is determined by applying the prescribed rate of income tax to the amount of the tax loss and is recognized only if the management estimates that in the following periods the Company will have a taxable profit that can be reduced on the basis of unused tax losses;
- unused tax credits carried forward to the next period, which are recognized only up to the amount in which it is probable that in future periods a taxable profit will be realized in the tax balance, i.e. the calculated profit tax for the reduction of which the unused tax credit can be used.

Deferred tax assets are verified at the balance sheet date and are recognized only if the Company estimates that it is probable that in future periods there will be prudential profits for the reduction of which the deferred tax assets can be utilized.

Deferred tax liabilities are the amounts of income tax payable in future periods in relation to taxable temporary differences. A taxable temporary difference arises in cases where the book value of assets subject to depreciation is greater than their tax base. The amount of the deferred tax liability is determined by applying the prescribed corporate income tax rate to the amount of the taxable temporary difference.

Deferred tax arising on the basis of a temporary difference arising from revaluation of assets at fair value (which is recognized in accounting, but not in tax terms) is changed or credited to revaluation reserves.

At each balance sheet date, deferred tax liabilities are reduced to the amount determined on the basis of the temporary difference determined on that date.

If at the end of the previous year the temporary difference was taxable, based on which deferred tax liabilities were recognized, and at the end of the current year, based on the same funds, the temporary difference is deductible, the previously formed deferred tax liabilities are canceled in their entirety, with simultaneous recognition deferred tax assets in the amount determined on the balance sheet date.

3.6. Intangible assets

Intangible assets are non-monetary assets without an identifiable physical substance, and an asset is a resource that the Company controls as a result of past events and from which future economic benefits are expected to flow to the Company. Intangible assets are software, licenses, patents, etc.

If the item does not meet all the conditions in the above definition, the expenses of its acquisition or internal generation are recognized as an expense when incurred.

Recognition of an item as an intangible asset requires the Company to demonstrate that the item satisfies:

- definition of intangible assets and
- recognition criteria which imply that it is probable that future economic benefits attributable to the asset will flow to the Company and that the acquisition value of the asset can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Intangible assets are initially measured at cost, which is their purchase price including non-refundable import duties after deduction of discounts and rebates, and any directly attributable costs of preparing the asset for its intended use.

After initial recognition, intangible assets are recorded at their cost less accumulated depreciation (impairment) and any accumulated impairment losses.

3.7. Property, plant and equipment

Property, plant and equipment are tangible items held for use in the production or delivery of goods or services, for rental to others or for administrative purposes and which are expected to be used for more than one accounting period.

Real estate, plant and equipment are recognized as fixed assets if the following conditions are met:

- future economic benefits are expected with that asset, and
- the purchase value, i.e. the cost price of the asset can be reliably determined.

The initial valuation of items of real estate, plant and equipment is carried out at their purchase price if they were acquired from other entities, or at cost price, if they were produced in-house. Purchase value includes invoice value, including non-refundable import duties, after deduction of discounts and rebates, dependent costs directly attributable to bringing the asset to location and operational readiness.

After initial recognition, real estate, plant and equipment (except for tools and inventory for which the purchase value model is applied) are stated at a revalued amount that expresses their fair value on the date of the revaluation, less the total amount of the value adjustment based on depreciation and the total amount of the adjustment value based on impairment loss.

The fair value of real estate is its market value, which is determined by appraisal. Revaluation is performed only when the fair value of the revalued asset differs materially from its stated value. Gains from revaluation are recognized in other gains and losses in favor of the revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the income statement, revaluation gains are recognized in the income statement, and the rest of the gains are recognized in other gains and losses. Revaluation losses are recognized after valuation or impairment testing, and are recognized in other gains and losses up to the amount of the previously recognized revaluation reserve in equity, and the rest of the losses are recognized in the income statement. When spending or disposing of an asset, the corresponding revaluation reserve is transferred directly to retained earnings.

The assessment of the value of real estate, plant and equipment was performed on 1st January, 2019.

Gains or losses resulting from disposal or disposal are recognized as income or expense in the income statement.

3.7. Depreciation

Depreciation is the amount of assets (intangible assets, property real estate, plant and equipment) that is amortized over the useful life of the assets. Depreciation is determined by: useful life, depreciation method, depreciation amount and depreciation period.

The useful life of the asset is determined by the Company using the time method, so that the useful life of the asset can be understood as the period of time during which the asset is expected to be available to the Company for use and use. The useful lives of assets are reviewed at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The depreciable amount is the revalued value for property, plant and equipment, i.e. the purchase value for intangible assets, less the residual value that is systematically allocated over the useful life of the assets.

Residual value is the estimated amount that the Company would receive today if it disposed of the asset, after deducting estimated costs of disposal and assuming that the asset is at the end of its useful life, and in the condition expected at the end of its useful life.

The residual value of an intangible asset is always assumed to be zero, except in the following cases:

- when there is an obligation of a third party to purchase the intangible asset at the end of its useful life or
- when there is an active market for intangible assets, assuming that such a market will exist at the end of the asset's useful life, when the residual value can be determined by referring to that market.

The residual value is verified at the end of each financial year by competent appraisers and its change in relation to previous valuations is accounted for in accordance with the relevant provisions of IAS 8.

As a result of the assessment, the residual value can be increased for an individual asset to an amount equal to or greater than the book value of that asset. In that case, the depreciation expense will be zero over the remaining useful life of that asset, unless, as a result of subsequent assessments, the residual value is reduced to an amount that is lower than the book value.

Depreciation of assets is carried out using the straight-line depreciation method (proportional method), and the calculation of depreciation starts from the day when the asset becomes available for use, i.e. use, i.e. when it is in the location and in the condition necessary for functioning, in the way foreseen by the management.

Depreciation of intangible assets is conditioned by an assessment of whether the useful life is unlimited or limited. Intangible assets are not subject to depreciation if the useful life is estimated to be indefinite, that is, if, based on the analysis of all relevant factors, the end of the period when the intangible asset is expected to generate inflows of net cash flows to the Company cannot be predicted.

Depreciation is not calculated for assets that do not lose value over time (for example, works of art) or assets that have an indefinite useful life (for example, land).

The calculation of depreciation ceases when the asset is written off (derecognized as an asset) and when it is reclassified as a fixed asset intended for sale or as part of a discontinued activity. Therefore, depreciation is calculated even when the asset is not used, i.e. when it is not actively used, if the asset has not been reclassified as a fixed asset intended for sale or within the scope of business that is being discontinued.

For the purposes of compiling the tax balance, that is, for tax purposes, the calculation of depreciation of assets is carried out according to valid legal regulations.

3.8. Impairment of value

At each balance sheet date, the Company reviews the book amounts of its tangible assets to determine whether there are any indications that losses have occurred due to a reduction in the value of said assets. If there are such indications, the recoverable amount of the asset is estimated in order to determine the eventual loss caused by the reduction. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the net selling price or the value in use, whichever is higher. For value in use purposes, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to that asset.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than the carrying amount, then the carrying amount of that asset (or cash-generating unit) is reduced to the recoverable amount. Impairment

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

losses are recognized immediately as an expense, unless the asset is land or a building not used as investment property that is stated at the revalued amount, in which case the impairment loss is stated as a decrease in value resulting from revaluation of the asset.

Upon subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of that asset, whereby the higher carrying amount does not exceed the carrying amount that would have been determined if there had been no recognized losses on that asset in previous years asset (a unit that generates money) due to impairment. The reversal of the impairment loss is immediately recognized as income, unless the asset is carried at estimated value, in which case the reversal of the impairment loss is recognized as an increase due to revaluation.

On day 31st December 2022, based on the assessment of the Company's management, there are no indications that the value of the assets has been impaired.

3.9. Leasing

Leasing is a business relationship between two persons in which one person, for a fee, assigns to another person the right to use a certain asset for the performance of his activity in the contract period.

Company as lessee

The unique model of accounting treatment for lessees is the recognition of assets and liabilities for all leasing contracts that contain the duration of the lease for a period longer than one year. The foregoing does not apply to leasing contracts, if the subject of the lease is classified as a low value asset.

The lessee makes the initial assessment of the obligations under the lease on the first day of the lease term in the amount of the present value of all future lease payments discounted at the interest rate contained in the lease (in the case of financial leasing). If the interest rate cannot be easily determined, the Company uses the incremental borrowing interest rate.

Lease payments include fixed payments (including variable payments that are fixed in nature), less any lease incentives received.

After initial recognition, lease liabilities are measured with an increase in their value based on interest and a decrease for lease payments made.

Remeasurement of lease obligations and accordingly adjusts the right-of-use value in the following cases:

- changes in the duration of the leasing contract or a significant event, as well as changes in the assessment regarding the certainty of exercising the option to purchase the leased item, in which case the liability based on the lease is re-measured by discounting the revised lease payments by applying the revised interest rate;
- changes in minimum future lease payments caused by a change in the index or utilization rate for variable lease payments or changes in the expected amount of the guaranteed residual value, in which case the lease liability is remeasured by discounting the revised payments using the unchanged interest rate;
- changes to the lease agreement that are not accounted for as a separate new lease agreement, in which case the lease liability is remeasured based on the duration of the lease according to the modified agreement by discounting the revised lease payments by applying the revised interest rate on the date of entry into the modified agreement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Right-of-use assets (assets) are depreciated over the lease period or the useful life of the leased item, whichever is shorter. Depreciation calculation begins with the lease commencement date.

The company applies IAS 36 to determine whether there has been an impairment of right-of-use assets and records any resulting impairment loss.

The company recognized the first application of IFRS 16 on 1st January, 2021, by applying a modified retrospective approach, during which it recognizes assets with the right of use in an amount equal to the lease liability.

Company as lessor

A lease is classified as financial if all the risks and benefits associated with the ownership of the asset that is the subject of the lease are transferred from the lessor to the lessee, and if this is not the case, the lease is classified as a business lease.

The Company recognizes revenues from operating leases using the straight-line method (or another basis if it better reflects the revenues that the entity generates from the use of the leased items) during the contracted lease period. Initial direct costs incurred by the Company as a lessor are added to the book value of the leased item and are recognized as an expense during the lease term on the same basis as rental income.

Concession Agreement

Bearing in mind the absence of guidelines ie. of the specific IAS/IFSI for the accounting coverage of the Concession Agreement from the perspective of the Company as one of the two Concession Providers, the Company uses its own assessment to determine and apply an adequate accounting policy (IAS 8,10).

When judging, the Company considers the applicability of requirements from IFRS that deal with similar and related issues, definitions from the Framework, as well as announcements from bodies that deal with adoption of Standards.

By analyzing the applicability of IFRS 16 Leasing Agreements, the Company judges IFRS 16 based on the recommendation and analysis of the Advisor of the Ministry of Finance, as the most appropriate standard for the accounting coverage of Concession Agreements.

IFRS 16 defines a lease as a contract, or part of a contract, that transfers the right to use a specific asset for a specific period of time in exchange for compensation. In analyzing whether the definition of leasing is fulfilled or not, it is necessary to satisfy certain criteria. Mandatory elements of the leasing contract are:

- **Identified asset** – Airport infrastructure represents a defined identified asset that is specified in the Agreement;
- **The lessee acquires almost all the economic benefits** - the lessee (Special Purpose Company (SPC) established by the Selected Most Favorable Bidder solely for the purpose of realizing the Concession Agreement as a concessionaire) realizes the entire income from the use of the airport infrastructure during the period of use, i.e. during the Concession Duration Period;
- **The lessee determines the use of the identified asset** - Since the decisions "How and for what purpose" on the use of the asset are pre- determined by the Concession Agreement in terms of the way of using the infrastructure and other things, SPC has the right to determine the use of the asset in an operational sense, based on the fact that with the obligation of public works and maintenance of the airport infrastructure SPC has the obligation to provide the public service of the airport operator. Namely, SPC makes operational decisions on the use of funds related to airport operation (approval of landings and take-offs, personnel issues, selection of suppliers, etc.) during the Concession Application Period without the Company's ability to influence them.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In accordance with the requirements of IFRS 16, the entire assets of the Company are divided into the following categories:

- Airport infrastructure;
- Closely related funds that will be used by SPC until the end of the concession period;
- Closely related assets that SPC will not use until the end of the concession period;
- Other funds that SPC will use until the end of the concession period;
- Other funds that SPC will not use until the end of the concession period.

Closely connected assets consist of assets (equipment) closely connected with the airport infrastructure and significant airport equipment.

Further below, an overview of the accounting coverage of the categories of assets (assets) is given.

Asset category	Accounting treatment
Airport infrastructure	Operating leasing Recognition of assets in accordance with IAS 16
Closely related assets that SPC will not use until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Closely related funds that will be used by SPC until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Other funds that SPC will not use until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Other funds that SPC will use until the end of the concession period	Cessation of property recognition Treatment as a transfer of the right to use on the 1st day of the start of the Concession Agreement (uninvoiced claim)

Accounting treatment in accordance with IFRS 16 - Leasing contracts of the above-mentioned categories of assets (assets) was implemented on 1st January 2019 as the start date of the Concession Agreement.

Accounting coverage of various lease payments

In accordance with IFRS 16.81, the lessor recognizes lease payments as income on a straight-line or other systematic basis over the term of the lease. Some other systematic basis is applied when that basis is more suitable for presenting a pattern in which the benefit of using the asset is reduced. According to the above, the Company recognizes the following as income:

- Income based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it arises, i.e. Variable Fees in the amount of 5% of the gross income of SPC, which depend on the amount of SPC income in the period in which it arises, whichever amount is greater for observed period.
- Income based on non-monetary compensation (CAPEX) and Additional land acquired by SPC in accordance with the Concession Agreement for the purpose of implementing its technical solution from the Binding Offer and transferred to the Company free of charge) are treated as variable fees and are recognized in the income statement in an equal amount (on a straight-line basis) during the remaining Term concessions starting from the moment when SPC is obliged to build a new asset, i.e. perform investment maintenance works on the airport infrastructure, and based on the acceptance of the built and/or upgraded facility as well as the completed works in the name of investment maintenance.

In addition to the above-mentioned payments, a part of the compensation is also set aside for the transfer of the right to use other assets (movable Concession assets) that will be used by SPC until the end of their useful life in terms of reducing income during the Concession Period.

3.10. Employee benefits

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The company hired an authorized actuary to evaluate provisions for severance pay for retirement and jubilee awards on 31st December 2021, based on the Labor Regulations, adopted on 11th January, 2019. which stipulates that the Company has the obligation to pay employees:

- Severance pay for retirement in the amount of four average monthly wages without taxes and contributions paid by the Employer in the month before the payment of the severance pay
- The jubilee award for the total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid by the Employer for the month preceding the month in which the employee became entitled to the jubilee award, for:
 - 10 years of work - in the amount of one monthly salary;
 - 20 years of work - in the amount of two monthly wages;
 - 30 years of work - in the amount of three monthly wages;
 - 35 years of work for women and men - in the amount of four monthly wages;

At the end of each business year, the company evaluates provisions for severance pay and jubilee bonuses in accordance with the requirements of IRS standards 19- Employee Benefits.

Assumptions used for actuarial calculation and changes in reservations in the current period (31st December, 2022) are disclosed in note 35a.

3.11. Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial position only when the Company becomes one of the parties to which the contractual provisions of the instrument refer.

Funding

Pursuant to IFRS 9 - Financial Instruments, a financial asset is recognized when the Company becomes one of the parties to which the contractual provisions (rights) of the financial instrument refer. The purchase or sale of a financial asset is recorded using settlement date accounting (the date the asset is delivered to the entity or the date the entity delivers the asset).

The Company ceases to recognize a financial asset:

- when the contractual rights to cash flows from the financial asset cease to be valid; or
- transfers a financial asset and that transfer qualifies as derecognition due to the transferred, to a significant extent, risk and benefit from the financial asset.

Financial assets are initially measured at their fair value, increased or decreased, in the case of a financial asset that is not measured at fair value through the income statement, for transaction costs that can be directly attributed to the acquisition or issuance of the financial instrument. In relation to the above, the difference is that the initial recognition of receivables from sales is measured at the price of the transaction (except in the case when the sale contains a significant financing component).

In the subsequent measurement of the financial asset, the group in which the Company classified the financial asset is relevant, which is conditional on:

- business model of the Company for the management of financial assets i
- characteristics of the contractual cash flows of the financial asset ("SPPI" test - Solely Payments of Principal and Interest).

From the point of view of subsequent valuation, the financial asset can be classified into the following three groups:

- financial asset measured at amortized value,
- financial asset measured at fair value through other comprehensive income, and
- financial asset measured at fair value through the profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

An asset classified in the depreciated value category should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows;
- SPPI test: whether the agreed terms give the right to cash flows that represent only the payment of principal and interest.

An asset classified in the category of fair value through other comprehensive income (FVTOCI) should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows and sales;
- SPPI test: whether the agreed terms give the right to cash flows that represent only the payment of principal and interest.

A financial asset measured at fair value through the income statement includes assets that are not classified in the previous two groups. Evaluation effects and realized gains and losses are recognized in the income statement in the period in which they arise.

All derivatives covered by IFRS 9 are measured at fair value. All changes are recognized through the income statement.

A financial asset is impaired when one or more events occur that have a detrimental effect on the estimated future cash flows of that financial asset.

Regarding assets that are measured at amortized value (loans and receivables) and at fair value through other total results, the Company should recognize impairment, that is, recognize a provision for expected credit losses.

The company should, on each reporting date, assess whether the credit risk of a certain financial asset has significantly increased since the beginning of recognition, which, among other things, entails measuring the expected losses from the financial asset in a way that reflects:

- an unbiased and probability-weighted amount determined by evaluating a series of possible outcomes,
- time value of money i
- reasonable and corroborating information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

A financial liability is any liability that is:

- in contract law:
 - delivering cash or other financial means to another company; or
 - exchange of financial assets or financial s with another company under conditions that are potentially unfavorable for the Company; or
- a contract that will be or can be settled with instruments of the Company's own capital and which is:
 - non-derivative, for which the Company is or may be obliged to deliver a variable number of instruments of the Company's own capital; or
 - derivative, which will be or can be settled otherwise than by exchanging a fixed amount of cash or another financial asset for a fixed number of instruments of the Company's own capital.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Pursuant to IFRS 9 - Financial Instruments, a financial liability is recognized when the Company becomes one of the parties to the contractual provisions of the financial instrument.

The Company ceases to recognize a financial obligation (or part of a financial obligation) when it is extinguished, that is, when the contractual obligation is fulfilled, canceled or has expired.

The exchange between an existing borrower and a lender of debt instruments with significantly different terms should be accounted for as extinguishing the original financial obligation and recognizing a new one. Similar to the above, a significant change in the terms of an existing (or part of) financial obligation should be accounted for as extinguishing the original financial obligation and recognizing a new one.

The difference between the book value of a financial liability (or part of a liability) that is extinguished or transferred to another party and the compensation paid, including any non-cash assets transferred or liabilities assumed, should be recognized in the income statement.

A financial liability is initially measured at their fair value, increased or decreased, in the case of a financial liability that is not measured at fair value through the profit and loss statement, for transaction costs that can be directly attributed to the acquisition or issuance of a financial instrument.

From the aspect of subsequent valuation, with minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at amortized value, using the effective interest rate method. By applying this method, the Company identifies fees that are an integral part of the effective interest rate of the financial obligation (all of the above also applies to the financial asset). Fees that are an integral part of the effective interest rate include start-up fees (service costs, loan application processing costs, writing a pledge, attorney's fees, etc.), commissions, etc.

The company may, upon initial recognition (no reclassification of the financial liability is carried out over time), classify the financial liability as measured at fair value through the profit and loss statement: if this prevents accounting inconsistencies due to the measurement of assets, liabilities, income and/or expenses on different bases; and if the group of financial assets and liabilities is managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Impairment of the value of financial assets

The company recognizes a provision for losses (correction of value) for expected credit losses for all financial assets that are valued at amortized value or at fair value through other results (except equity participation), as well as contracted assets.

Credit loss is the difference between all contractual cash flows of the Company that have exceeded the maturity date in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate feet. The discount factor depends on the effective interest rate at initial recognition and the maturity of the instrument. If the instrument is expected to be collected within 12 months, the discount factor is 1.

Expected credit losses represent weighted average credit losses with default risks used as weights to reflect an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.

The company applies a simplified approach for the purposes of calculating expected credit losses at the level of an individual claim, taking into account collateral, received advances and deposits, as well as subscriptions.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The Company considers that an event of default has occurred if the claim has not been collected 90 days after the due date.

On the balance sheet date, the Company makes a value adjustment based on expected credit losses, that is, it makes a value adjustment of all receivables that are more than 90 days in arrears (the occurrence of an event of default), and for which there is a risk of default.

3.12. Provisions, potential assets and potential liabilities

A provision, according to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, represents a liability of uncertain maturity or amount that exists on the balance sheet date.

The company recognizes the reservation only if the following three conditions are met:

- when the Company has a present obligation (legal or derived) as a result of a past event,
- when it is probable that an outflow of resources representing economic benefits will be required to settle the liability, and
- when a reliable estimate of the amount of the liability can be made.

The essence of the provision is that it is formed only for obligations arising from past events, which exist independently of the future actions of the Company. Hence, provisions are not recognized for future business losses.

For the purpose of recognizing a provision, it is considered probable that the required settlement of the Company's obligations will cause an outflow of resources representing economic benefits, when it is more likely than not that an outflow of resources will occur, that is, the probability that the settlement of those obligations of the Company will cause an outflow of resources is more than likely not.

Provisions can be formed on different bases, namely: for costs within the guarantee period, for costs of restoration of natural resources, for retained bails and deposits, for restructuring costs, for compensation and other benefits of employees, for costs of court disputes and on other grounds.

When measuring a provision, the amount recognized as a provision is the Company's best estimate of the expenditure required to settle the present obligation at the balance sheet date. In other words, it is the amount that the Company would pay on the balance sheet date to settle the obligation or to transfer that obligation to a third party.

Provisions for costs and risks are tracked by type, tested at each balance sheet date and adjusted to reflect current best estimates. If it is no longer probable that an outflow of resources will be required to settle the liability, the provision is reversed. Cancellation of provisions is made in favor of income.

When the effect of the time value of money is significant, the amount of the provision represents the present value of the Company's expenditures expected to be required to settle the liability. When calculating the present value, discount rates are used, i.e. pre-tax rates, which reflect current market assessments of the time value of money and liability-specific risks.

A potential liability is:

- a possible obligation that arises on the basis of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the control of the Company or
- a present obligation arising from past events, but not recognized because it is unlikely that an outflow of resources representing the Company's economic benefits will be required to settle the obligation or the amount of the obligation cannot be estimated reliably enough.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

A contingent liability is not recognized in the Company's financial statements, but, in the event that an outflow of economic benefits is possible, and the possibility of an outflow of resources is not very small, its disclosure is made.

The contingent liability is constantly reassessed (at least at the balance sheet date). When an outflow of economic benefits based on contingent liabilities becomes probable, a provision and expense are recognized in the Company's financial statements in the period in which the change in probability occurs (except in rare circumstances when a reliable estimate cannot be made).

Contingent assets are possible assets that arise based on past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the Company's control.

Potential assets are not recognized in the Company's financial statements, but, in the event that the inflow of economic benefits is probable, their disclosure is made.

Contingent assets are continuously reassessed (at least at the balance sheet date) to ensure that the financial statements adequately reflect the development of the subject event. If it becomes certain that an inflow of economic benefits based on a potential asset will occur, the asset and related income are recognized in the Company's financial statements in the period in which the change occurred.

3.12. Fair value

Fair value according to IFRS 13 - Fair value measurement is the price that would be received for the sale of an asset, or paid for the transfer of a liability in a regular transaction between market participants on the measurement date; assuming that participants are acting in their own best economic interests.

Fair value is a market-based measurement, not a company-specific measurement.

Fair value measurement is performed for a specific asset or liability, taking into account the characteristics of the asset or liability that market participants would take into account when determining the price. These are, for example, the following characteristics:

- condition and locations of property and
- restrictions, if any, on the sale and use of the property.

The measurement of fair value is done on the assumption that the transaction of sale of assets or transfer of liabilities takes place or:

- in the primary market for the asset or liability, or
- in the absence of a primary market, in the most favorable market for the asset or liability.

If a primary market exists, fair value will represent the price in that market (whether the price is directly observable or estimated using another valuation technique), even if the price in another market is potentially more favorable at the measurement date.

Basically, all fair value estimation techniques can be divided into three groups:

- market access - using prices and other relevant information generated in transactions with identical or comparable assets or liabilities;
- cost approach (replacement cost) - the price that would be charged for the property is based on the market participant's (buyer's) cost of acquiring or building a replacement property of comparable benefit, adjusted for obsolescence; and
- income approach - fair value, as the equivalent of the present value of the future net cash flows expected from the use of the asset, reflects the market's current expectations of those future amounts.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

When estimating the fair value, valuation techniques are used that are appropriate for the given circumstances and for which the available data are sufficient to measure the fair value, whereby relevant observable inputs are used as much as possible, and unobservable inputs are used as little as possible.

An input, which may be observable or unobservable, is an assumption that market participants use in pricing an asset or liability, including risk assumptions, such as the risk inherent in a given valuation technique used in measuring fair value (such as a pricing model); and the risk inherent in the inputs to the valuation technique.

The fair value hierarchy is classified into three levels, according to the inputs to the valuation technique used in determining the fair value. In the present context:

- the highest priority is given to the fair value determined on the basis of level 1 inputs,
- medium priority to fair values determined on the basis of level 2 inputs, a
- lowest priority to fair values determined based on level 3 inputs.

Level 1 inputs are price quotations (unadjusted) in an active market for identical assets and liabilities that the Company has access to on the measurement date, with emphasis on determining both of the following elements:

- the primary market for the asset or liability or, in the absence of a primary market, the most favorable market for the asset or liability; and
- whether the Company can realize the transaction related to the asset or liability at the market price on the measurement date.

Level 2 inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, etc. Depending on the characteristics (state and location of the property, volume and level of activity in the markets where the inputs were observed, etc.) of the property and "benchmarks" assets, the input is corrected when measuring the fair value.

Level 3 inputs are unobservable inputs (for example, the projected income statement or cash flow of a particular cash-generating unit) for assets and liabilities that are used in fair value measurements when there is little or no market activity related to the asset and liability at the time of measurement.

In the absence of even reliable inputs, when approximating the fair value (when estimating the fair value of illiquid securities, etc.), the purchase value can also be taken.

3.13. Review of significant accounting estimates

The presentation of financial statements requires the management of the Company to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities, as well as the disclosure of potential claims and liabilities on the date of drawing up the financial statements, as well as income and expenses during the reporting period. These estimates and assumptions are based on information available at the date of the financial statements. Actual amounts may differ from estimates.

The following shows the key assumptions related to the future and other sources of uncertainty assessment at the balance sheet date that represent a significant risk, for material corrections of the amount of the balance sheet positions in the next financial year.

Determining the lease period and the incremental interest rate

The duration of the lease is the irrevocable period during which the lessee has the right to use the property, together with:

- periods covered by any possible lease extension option if there is a realistic probability that the tenant will exercise that option, and
- periods covered by any possible lease termination option if there is a real probability that the tenant will not exercise that option.

When determining the duration of the lease, all facts and circumstances related to applying the possibility of extension, that is, not to use the option of terminating the contract, were considered.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The lease liability is initially measured at the present value of the future lease payments unpaid by that date, discounted by the interest rate contained in the lease. If that rate cannot be easily determined, which is the case with leasing contracts, the incremental borrowing rate of the lessee is applied. The incremental borrowing interest rate is the interest rate that the lessee would have to pay to borrow the funds necessary for the acquisition of property of similar value as the right-of-use property in a similar economic environment within a similar period and with similar guarantees.

The company has determined the incremental interest rate for each individual lease agreement.

The company recognized the first application of IFRS 16 on 1st January 2021 by applying a modified retrospective approach, during which it recognizes assets with the right of use in an amount equal to the lease liability.

Depreciation and depreciation rate

Depreciation calculation and depreciation rates are based on the projected economic life of real estate, plant and equipment. Once a year, the Society evaluates the economic life based on current forecasts.

Depreciation rates, which were used in the business year 2022, as well as depreciation rates calculated based on the useful life of assets that are implemented in 2021, are shown in the following table:

	%	
	2022	2021
Construction objects:		
<i>Electricity and water utility facilities</i>	2.33 - 20	2.33 - 20
<i>Roads, airports and parking lots</i>	2.27 - 50	2.27 - 50
<i>Other construction objects</i>	2.86 - 100	2.86 - 100
Equipment:		
<i>New specific equipment</i>	2.50 - 50	2.50 - 50
<i>Equipment for road traffic</i>	3.33 - 50	3.33 - 50
<i>Equipment for PTT traffic and TV</i>	33.33 - 50	33.33 - 50
<i>Equipment for air transport</i>	2.86 - 16.67	2.86 - 16.67
<i>Measuring and control devices and specific devices</i>	5 - 12.50	5 - 12.50
<i>Electronic, computing machines and computers</i>	5.26 - 33.33	5.26 - 33.33
<i>General purpose furniture and appliances</i>	2.84 - 7.69	2.84 - 7.69
<i>Equipment for road traffic taken in financial leasing</i>	6.67 - 11.11	6.67 - 11.11
<i>Equipment and plants</i>	2.94 - 100	2.94 - 100
<i>Tools and inventory</i>	- 3.57	- 3.57
Intangible assets :		
<i>Software and licenses</i>	33.33	33.33

Impairment of uncollectible receivables

On the balance sheet date, the Company makes a value adjustment based on expected credit losses, that is, it makes a value adjustment of all receivables that are more than 90 days in arrears (the occurrence of an event of default), and for which there is a risk of default. In estimating the appropriate amount of impairment loss for doubtful accounts, the Company relies on the age of the accounts receivable, prior experience with write-offs, the creditworthiness of customers and the estimated probability of default. Management believes that no additional allowance for receivables is required, other than the allowance already shown in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022***Fair value of long-term receivables***

Determining the fair value of the long-term receivable based on the annual concession fee is performed using the cash flow discounting method, that is, the present value of future cash inflows is calculated using the discount rate. The discount factor depends on the effective interest rate and maturity of the claim. The applied interest rate is the rate that the Company calculates and charges annually on the basis of deferred payment of the concession fee.

Court disputes

In general, provisions are subject to significant estimates. The Company assesses the probability that adverse events may occur as a result of past events and makes an estimate of the amount required to settle the liability. Assessment of potential liabilities based on court disputes is carried out by internal professional services or external advisers.

Although the Company respects the principle of prudence when estimating, given that there is a large amount of uncertainty, in certain cases the actual results may deviate from these estimates.

Fair value

Fair value for disclosure purposes in accordance with the requirements of IFRS 13 is defined as the price that would be received for the sale of an asset, or paid for the transfer of a liability in a regular transaction between market participants on the measurement date.

The Company's business policy is to disclose information about the fair value of assets and liabilities for which there is official market information and when the fair value differs significantly from the book value. In the Republic of Serbia, there is not enough market experience, as well as stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, since official market information is not available at all times. Therefore, fair value cannot be reliably determined in the absence of an active market. The management of the Company carries out a risk assessment and in cases where it is estimated that the value at which the property is kept in the business books will not be realized, it performs a value correction. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, under the circumstances, is the most reliable and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use when determining the price of the asset or liability, assuming that market participants are acting in their best economic interest. Fair value is the price that would be charged, i.e. paid for the transfer of the liability in a regular transaction on the primary or most favorable market on the measurement date, under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. Techniques valuations applied to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

In order to increase consistency and comparability in fair value measurement and related disclosures, a fair value hierarchy is established that classifies into three levels inputs for valuation techniques, which are used in fair value measurement according to the following structure:

Level 1 inputs – are quoted prices (unadjusted) in an active market for identical assets and liabilities to which the entity has access at the measurement date.

Level 2 inputs – are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in an active market .

Level 3 inputs – are unobservable inputs for assets or liabilities, which the entity develops using the best information available in the circumstances. Therefore, all reasonably available information about market participants' assumptions is considered. Unobservable inputs are considered assumptions of market participants and meet the objective of fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

4. OTHER BUSINESS INCOME

Structure of other operating revenue	in 000 RSD	
	I-XII 2022	I-XII 2021
Stamp revenue	8,500	8,500
Revenue from the periodic concession fee	595,320	562,948
Reduction of revenues based on OS transferred to AVR (assets made available for use on the 1 st day of the start of the Concession Agreement)	(88,695)	(159,137)
Income from non-monetary compensation (property) - Land	119,474	119,474
Income from non-monetary compensation (property) - Objects	64,767	-
Income from pre-invoiced expenses	5,049	6,277
Total	704,415	538,062

As explained in point 3.9. Note, the Company recognized the following as income:

- Revenue based on the Minimum annual concession fee in accordance with the Concession Agreement in the period in which it arises. Revenue on this basis is RSD 595,320 thousand.
- Part of the compensation based on the transfer of the right to use other assets (movable concession assets that are not airport infrastructure and closely related assets to the infrastructure that will be used by SPC until the end of their useful life) in terms of revenue reduction during the concession period, which amounts to, for the period from January- December 2022, RSD 88,695 thousand of which RSD 23,830 thousand refers to expenses, in accordance with the requirements of IFRS 16.
- Revenue based on non-monetary compensation related to accrued income for Additional land based on the transfer of ownership rights in the amount of RSD 119,474 thousand.
- Income based on non-monetary compensation related to accrued income for Mandatory works , works on construction and reconstruction, maintenance and arrangement of the infrastructure of AD Aerodroma Nikola Tesla (CAPEX) which represent investment maintenance, and based on the receipt of constructed facilities: Remote parking , Substation "Parking", Solid waste treatment plant - land zone, Solid waste treatment plant - restricted zone, First phase of expansion of platform C, Reconstruction and extension of platform B, Reconstruction of power supply for parking positions A3-A5 in the total amount of RSD 64,767 thousand.

5. COSTS OF MATERIALS, FUEL AND ENERGY

Material, fuel and energy cost structure	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of overhead materials (office and other materials)	658	679
Inventory costs	44	86
Gasoline and diesel fuel costs	1,294	1,193
Total	1,996	1,958

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**6. SALARY COSTS, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES**

Structure of salary expenses, salary allowances and other personal income	in 000 RSD	
	I-XII 2022	I-XII 2021
Gross wages and salary allowances	115,089	110,948
Taxes and contributions borne by the employer	18,542	18,323
Costs of fees according to the work and author's work contract	1,160	702
Costs of benefits under the contract on temporary and occasional jobs	5,108	5,130
Fees for members of the Supervisory Board, SA, Audit Committee	9,793	8,511
Other personal expenses:		
<i>Transportation costs</i>	1,249	1,091
<i>Business trip expenses</i>	1,444	1
<i>Severance pay</i>	1,062	-
<i>Premiums for voluntary insurance</i>	5,851	4,635
<i>Solidarity aid (newborns, treatments, elem. Nep. etc.)</i>	1,230	1,605
<i>Other personal expenses</i>	408	334
Subtotal	11,244	7,666
Total	160,936	151,280

7. COSTS OF PRODUCTION SERVICES

Cost structure of production services	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of telephone and other telecommunication services	3,376	3,655
Costs of maintenance services	7,481	6,796
Rental costs	431	299
Costs of other production services:		
<i>Costs of occupational health and safety services</i>	24	283
<i>Costs of other services</i>	47	62
Subtotal	71	345
Total	11,359	11,095

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**8. DEPRECIATION COSTS**

Structure of depreciation costs	in 000 RSD	
	I-XII 2022	I-XII 2021
Depreciation costs - Intangible assets	15,209	14,604
Depreciation costs – Property	288,714	278,315
Depreciation costs - Equipment	263,128	274,815
Depreciation expenses - Leased real estate and equipment	26,562	28,308
Total	593,613	596,042

9. RESERVATION COSTS

Booking cost structure	in 000 RSD	
	I-XII 2022	I-XII 2021
Provisions for severance pay in retirement	275	620
Provisions for jubilee awards	1,783	1,835
Provisions for litigation	3,850	20,000
Total	5,908	22,455

10. INTANGIBLE COSTS

The structure of intangible costs	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of non-production services:		
<i>Costs of cleaning services</i>	503	503
<i>Costs of consulting services</i>	2,831	2,014
<i>Costs of professional development services</i>	348	155
<i>Costs for services on existing PIS software</i>	2,266	2,640
<i>Costs of other non-production services</i>	2,358	3,130
Subtotal	8,306	8,442
Representation expenses	4,082	1,747
Insurance costs	734	773
Payment transaction costs	570	550
Costs of membership fees	548	483
Tax expenses	88,884	89,247
Other intangible costs	6,784	7,188
Total	109,908	108,430

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

11. FINANCIAL REVENUES

Structure of financial income	in 000 RSD	
	I-XII 2022	I-XII 2021
Interest income	14,169	6,862
Positive exchange differences and positive effects of the currency clause:		
<i>Positive exchange differences</i>	42,103	27,994
<i>Income from the effects of the currency clause</i>	22	5
Subtotal	42,125	27,999
Other financial income		
Total	56,294	34,861

12. FINANCIAL EXPENSES

Structure of financial expenditures	in 000 RSD	
	I-XII 2022	I-XII 2021
Interest expense	17	23
Negative exchange differences and negative effects of the currency clause:		
<i>Negative exchange rate differences</i>	26,720	5,283
<i>Negative effects of the currency clause</i>	806	16
Subtotal	27,526	5,299
Other financial expenses	2,167	1,225
Total	29,710	6,547

13. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS

The structure of income from the adjustment of the value of financial assets that is reported at fair value in Profit and Loss Statement	in 000 RSD	
	I-XII 2022	I-XII 2021
Income from adjusting the value of receivables from natural persons for housing loans based on fair value assessment	24,590	20,214
Income from the adjustment of the value of long-term receivables and receivables for advances for services	10,838	500
Total	35,428	20,714

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**14. EXPENSES FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS**

The structure of expenses from the adjustment of the value of financial assets, which is reported at fair value in Profit and Loss Statement	in 000 RSD	
	I-XII 2022	I-XII 2021
Impairment of long-term receivables	-	44,944
Expenses from adjusting the value of other receivables	-	455
Expenses from adjusting the value of receivables from natural persons for housing loans based on fair value assessment	9,435	-
Total	9,435	45,399

15. OTHER REVENUES

Structure of other revenues	in 000 RSD	
	I-XII 2022	I-XII 2021
Profits from the sale of scrapped equipment - sale of vehicles	23,390	1,150
Collected written off receivables	120,702	2,100
Income from the cancellation of long-term provisions for litigation	6,912	-
Income from agreed revaluation	2,097	629
Income from reduction of liabilities	708	2,936
Other unmentioned income:		
<i>Income from collected court costs and out-of-court settlements</i>	29,036	98,182
<i>Other</i>	38	24
Subtotal	29,074	98,206
Total	182,883	105,021

Other income mostly relates to the collection of claims from Jat-Tehnika based on the Protocol in the total amount of RSD 105,831,349 thousand, as well as the collection of claims from "AirSerbia catering" based on the judgment in the amount of 38,463 thousand.

16. OTHER EXPENSES

Structure of other expenditures	in 000 RSD	
	I-XII 2022	I-XII 2021
Losses from the sale/expenditure of real estate and equipment	1,404	4,289
Other expenses not mentioned:		
<i>Court costs</i>	1,633	5,596
<i>Other</i>	7	-
Subtotal	1,640	5,596
Total	3,044	9,885

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**17. NET PROFIT/LOSS ON THE BASIS OF CORRECTION OF ERRORS FROM THE PREVIOUS PERIOD**

Structure of net profit/loss based on corrections of errors from the previous period	in 000 RSD	
	I-XII 2022	I-XII 2021
Subsequently determined income from earlier years	538	5,124
Subsequently established (expenses) from earlier years	(5,079)	(3,418)
Net gain/(loss) based on corrections of prior period errors	(4,541)	1,706

18. PROFIT/LOSS BEFORE TAXATION

Structure of the gross result	in 000 RSD	
	I-XII 2022	I-XII 2021
Operating income	704,415	538,062
Operating expenses	883,720	891,260
Operating result	(179,305)	(353,198)
Financial income	56,294	34,861
Financial expenses	29,710	6,547
Financial result	26,584	28,314
Income from adjustments to the value of financial assets that are reported at fair value through the Profit and Loss Statement	35,428	20,714
Other income	182,883	105,021
Expenses from adjusting the value of financial assets that are reported at fair value through the Income Statement	9,435	45,399
Other expenses	3,044	9,885
The result of other income and expenses	205,832	70,451
Net profit (loss) of discontinued operations, changes in accounting policies and corrections of errors from an earlier period	(4,541)	1,706
Net loss from discontinuing operations, changes in accounting policies and corrections of prior period errors		
TOTAL INCOME	979,558	703,782
TOTAL EXPENDITURE	930,988	956,509
PROFIT/(LOSS) BEFORE TAX	48,570	(252,727)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**19. INCOME TAX AND NET PROFIT/(LOSS)**

Structure of calculation of profit tax and net profit / (loss)	in 000 RSD	
	I-XII 2022	I-XII 2021
Profit/(Loss) before tax	48,570	(252,727)
Capital gains/(losses) reported in the Income Statement	-	-
Adjustment and correction of income/(expenditure) in the tax balance	(454,695)	13,086
Taxable profit/(loss)	(406,125)	(239,641)
The amount of loss from the tax balance from previous years up to the amount of taxable profit		
The rest of the taxable profit	-	-
Capital gains/(losses) calculated in accordance with the Law		
Capital losses carried forward from previous years up to the amount of capital gains in accordance with the Law		
Remainder of capital gain	-	-
tax base	-	-
Calculated tax (15% of the tax base)		-
Total deductions of calculated tax		
Calculate the tax by deduction	-	-
Profit/(Loss) before tax	48,570	(252,727)
Tax (expenditure) period	-	-
Deferred tax income/(expense) of the period	(28,342)	(37,287)
Net Gain/(Loss)	20,228	(290,014)
Effective tax rate	58.35%	-14.75%

20. EARNINGS PER SHARE

Indicator	in 000 RSD	
	I-XII 2022	I-XII 2021
Net profit/ (Loss) belonging to the owners	20,228	(290,014)
Weighted average number of shares	35,026,129	35,026,129
Earnings per share (in dinars)	0.58	(8.28)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

21. INTANGIBLE PROPERTY

in 000 RSD

Structure of intangible assets	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Total
Purchase value			
Initial balance, 1st January 2021	43,817		43,817
Correction of the initial state			0
Balance on 1st January 2021 after correction	43,817	-	43,817
Procurement during the year		980	980
Transfer from intangible assets in preparation			-
Other			-
Balance on 31st December 2021	43,817	980	44,797
Correction of the initial state			0
Balance on 1st January 2022 after correction	43,817	980	44,797
Procurement during the year		3,219	3,219
Transfer from intangible assets in preparation	4,199	(4,199)	-
Other			-
Balance on 31st December 2022	48,016	-	48,016
Value correction			
Initial balance, 1st January 2021	9,738		9,738
Correction of the initial state			-
Balance on 1st January 2021 after correction	9,738	-	9,738
Depreciation in the current year	14,604		14,604
Other			-
Balance on 31st December 2021	24,342	-	24,342
Correction of the initial state			-
Balance on 1st January 2022 after correction	24,342	-	24,342
Depreciation in the current year	15,209		15,209
Disposal, scrapping and sale			-
Other			-
Balance on 31st December 2022	39,551	-	39,551
Net present value			
31st December 2021	19,475	980	20,455
31st December 2022	8,465	-	8,465

During 2022, an investment was made in intangible assets - licenses in the amount of RSD 3,219 thousand.

NOTES TO THE FINANCIAL STATEMENTS – 31st December, 2022

22. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL AGENTS – year 2021

in 000 RSD

Structure of Property, plant and equipment for 2021	Land	Construction objects	Equipment	Property and equipment leased with the right of use for over a year	Investments in progress	Total-property, plant and equipment
Purchase value						
Initial balance, 1st January 2021	14,180,349	11,220,498	4,119,338	-	61,160	29,581,345
Correction of the initial state						-
Balance on 1st January 2021 after correction	14,180,349	11,220,498	4,119,338	-	61,160	29,581,345
Procurement during the year				84,868	80,400	165,268
Transfer from investments in progress			240		(240)	-
Disposals, scrapping and sales			(7,453)			(7,453)
Other		4,306				4,306
Final balance, 31st December 2021	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Value correction						
Initial balance, 1st January 2021	-	806,234	547,021	-	-	1,353,255
Correction of the initial state	-	-	-	-	-	-
Balance on 1st January 2021 after correction	-	806,234	547,021	-	-	1,353,255
Depreciation in the current year	-	278,315	274,815	28,308	-	581,438
Disposals, scrapping and sales	-		(3,164)	-	-	(3,164)
Other		(1)	-	-	-	(1)
Final balance, 31st December 2021	-	1,084,548	818,672	28,308	-	1,931,528
Net present value						
1st January 2021	14,180,349	10,414,264	3,572,317	-	61,160	28,228,090
31st December 2021	14,180,349	10,140,256	3,293,453	56,560	141,320	27,811,938

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

22 a. PROPERTY, PLANT AND EQUIPMENT – year 2022

in 000 RSD

Structure of Property, plants and equipment and biological resources for the year 2022	Land	Construction objects	Equipment	Real estate and equipment leased with the right of use for over a year	Investments in progress	Total-property, plant and equipment
Purchase value						
Initial balance, 1st January 2022	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Correction of the initial state	-	-	-	-	-	-
Balance 1st January 2022 after correction	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Procurement during the year				6,869	1,533,755	1,540,624
Transfer from investments in progress		1,424,861	852		(1,425,713)	-
alienation, disposal and sale		(121,678)	(653)	(12,702)		(135,033)
Other						-
Final state, 31st December 2022	14,180,349	12,527,987	4,112,324	79,035	249,362	31,149,057
Value correction						
Initial balance, 1st January 2022	-	1,084,548	818,672	28,308	-	1,931,528
Correction of the initial state	-	-	-	-	-	-
Balance on 1st January 2022 after correction	-	1,084,548	818,672	28,308	-	1,931,528
Depreciation in the current year	-	288,715	263,128	26,561	-	578,404
alienation, disposal and sale	-	(120.37)	(490)	(12,702)	-	(133,629)
Other			-	-	-	-
Final state, 31st December 2022	-	1,252,826	1,081,310	42,167	-	2,376,303
Net present value						
1st January 2022	14,180,349	10,140,256	3,293,453	56,560	141,320	27,811,938
31st December 2022	14,180,349	11,275,161	3,031,014	36,868	249,362	28,772,754

NOTES TO THE FINANCIAL STATEMENTS – 31ST December 2022

Total investments in property, plants and equipment in period January- December 2022 amount to RSD 1,533,755 thousand and mostly refer to the receipt of constructed facilities by SPC and transferred to the Company free of charge: Remote parking lot, Substation "Parking" and Solid waste treatment plant - land area, Solid waste treatment plant - restrictive zone, First phase of extension of platform C, Reconstruction and extension of platform B, Reconstruction of power supply of parking positions A3-A5 in the total amount of RSD 1,424,861 thousand on the basis of Obligatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of JSC Airport Nikola Tesla (CAPEX), as well as expert supervision in connection with the implementation of Obligatory works by SPC in the amount of RSD 108,042 thousand.

Property, plants and equipment total RSD 28,772,754 thousand on day 31st December 2022 and refer to Concession funds given for use in the amount of RSD 28,398,345 thousand, while the funds used by the Company amount to RSD 125,046 thousand and ongoing investments of RSD 249,362 thousand.

23. LONG TERM INVESTMENTS

Structure of long-term financial placements	in 000 RSD	
	31/12/2022	31/12/2021
Shares in the capital of legal entities	20,086	378,684
Long-term placements given to former employees	169,454	183,989
Other long-term financial placements	4,429	4,179
Long-term receivables	561,705	562,948
Subtotal	755,674	1,129,800
Value correction	(90,443)	(474,388)
Total	665,231	655,412

23 a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES

Structure of participation in the capital	in 000 RSD	
	31/12/2022	31/12/2021
Participation in the capital of banks in liquidation:		
<i>Privredna banka jsc Belgrade</i>	392	392
<i>Union Bank jsc Belgrade - in liquidation</i>	667	667
<i>Beogradska banka JSC Belgrade- in liquidation</i>	18,988	18,988
<i>Beobanka JSC Belgrade- in liquidation</i>	38	38
<i>Minus: Value correction</i>	(20,085)	(20,085)
Subtotal	-	-
Participation in the capital of foreign legal entities:		
<i>Mondial-Bodrum - Turkey</i>	-	358,598
<i>Societe Internationale de Telecommun. Aeronautiques Swisse (SITA)</i>	1	1
<i>Minus: Value correction</i>	(1)	(358,599)
Subtotal	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

23b. OTHER LONG-TERM PLACES AND LONG-TERM RECEIVABLES

Structure of long-term financial placements and long-term receivables	in 000 RSD	
	31/12/2022	31/12/2021
Long-term placements given to former employees:		
<i>Long-term housing loans given to former employees without revaluation</i>	44	48
<i>Long-term housing loans given to former employees - currency clause</i>	151,226	159,199
<i>Long-term housing loans given to former employees with revaluation and interest</i>	17,083	23,559
<i>Long-term housing loans given to former employees with a revaluation of 6m</i>	163	176
<i>Long-term housing loans given to former employees with revaluation</i>	938	1,007
<i>Minus: Value adjustment - reduction to fair value</i>	(31,421)	(46,582)
Subtotal	138,033	137,407
Other long-term placements:		
<i>Funds for membership/deposit in Societe International de Telecommunications Aeronautiques Swisse (SITA)</i>	4,429	3,847
<i>Minus: Value correction</i>	(4,429)	(3,847)
Subtotal	-	-
Long-term receivables:		
<i>Belgrade Airport ltd - Concession fee for 2021</i>	561,705	562,948
<i>Minus: Value adjustment - reduction to fair value</i>	(34,507)	(44,943)
Subtotal	527,198	518,005
Total	665,231	655,412

Total fair value of receivables from former employees for long-term loans for the purchase and redemption of apartments on day 31st December 2022 amounts to RSD 148,165 thousand. The foregoing refers to approved loans to employees for housing needs granted for a period of 20 - 40 years. Assessment of the fair value of housing loans with balance as of 31st December 2022 was carried out by an authorized appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from -5.9 % to 9.7 % , depending on whether and in what time intervals housing loans are revalued or contracted with a currency clause, whether they have a contracted interest rate or are contracted without an interest rate.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**24. ADVANCES PAID FOR SUPPLIES AND SERVICES**

Structure of paid advances for supplies and services	in 000 RSD	
	31/12/2022	31/12/2021
Advances for services in the country	4,947	5,013
Advances for foreign services	240	240
Minus: Value correction	(2,237)	(3,536)
Total	2,950	1,717

25. RECEIVABLES ON A SALES BASIS

Structure of receivables based on sales	in 000 RSD	
	31/12/2022	31/12/2021
Customers in the country:		
<i>Customers in the country</i>	283,620	240,591
<i>Minus: Value correction</i>	(96,822)	(234,840)
Subtotal	186,798	5,751
Foreign buyers:		
<i>Foreign buyers</i>	43,723	46,130
<i>Minus: Value correction</i>	(43,294)	(43,202)
Subtotal	429	2,928
Total	187,227	8,679

Changes in the allowance account are shown in the following table.

Change in allowance for receivables based on sales	in 000 RSD	
	31/12/2022	31/12/2021
Balance on 1 st January	278,042	279,378
Foreign exchange rate differences	92	241
Additional value adjustment		
Corrected receivables collected	(120,656)	(1,577)
Direct write-off of previously corrected receivables	(17,362)	
Total	140,116	278,042

The total amount of the correction of the value of claims from customers in the country amounts to RSD 96,822 thousand, which mainly refer to the correction of the value of claims from the sued domestic customers in the amount of RSD 94,401 thousand and other domestic customers RSD 2,421 thousand . During 2022, corrected receivables from customers in the total amount of RSD 120,656 thousand were collected, of which RSD 96,231 thousand refers to Jat - Tehnik and " Airserbia catering" in the amount of 24,333 thousand, while previously corrected receivables of RSD 17,362 thousand were directly written off due to non-recognition the same according to the verdict.

Total correction of receivables from foreign customers in the amount of RSD 43,294 thousand refers to the correction of the value of receivables from the defendant customers in the amount of RSD 27,198 thousand and other foreign customers in the amount of RSD 16,096 thousand .

The structure of receivables from customers is shown in Note 47.II.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**26. OTHER RECEIVABLES**

Structure of other receivables	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for interest and dividends:		
<i>Receivables from customers in the country for default interest</i>	1,817	1,817
<i>Receivables for interest on term funds and via vista interest</i>	563	385
<i>Receivables for interest on housing loans</i>	1,076	297
<i>Minus: Value correction</i>	(1,817)	(1,817)
Subtotal	1,639	682
Receivables from employees		
<i>Receivables from employees</i>	604	597
<i>Minus: Value correction</i>	(592)	(592)
Subtotal	12	5
Reimbursable wage receivables		
<i>Reimbursable wage receivables</i>	15,613	15,468
<i>Minus: Value correction</i>	(15,259)	(15,295)
Subtotal	354	173
Other receivables		
<i>Other receivables</i>	31,582	31,906
<i>Minus: Value correction</i>	(22,189)	(22,108)
Subtotal	9,393	9,798
Receivables for overpaid VAT	132,135	105,618
Total	143,533	116,276

27. RECEIVABLES FOR OVERPAID INCOME TAX

Structure of claims for profit tax	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for overpaid income tax	1,572,245	1,572,245
Total	1,572,245	1,572,245

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**28. RECEIVABLES ON THE BASIS OF PREPAID OTHER TAXES AND CONTRIBUTIONS**

Structure of receivables based on prepaid other taxes and contributions	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for prepaid taxes and withholding tax	342	342
Receivables for the prepaid fee for highlighting the company		29
Receivables based on prepaid property tax	277	122
Receivables for prepaid fees for the protection and improvement of the environment	496	546
Receivables for drainage fees	6	
Receivables for prepaid fee for Serbian Chamber of Commerce	482	
Minus: Value correction	(342)	(342)
Total	1,261	697

29. SHORT-TERM CREDITS, LOANS AND PLACEMENTS IN THE COUNTRY

Structure of short-term credits and loans in the country	in 000 RSD	
	31/12/2022	31/12/2021
Short-term loans and loans in the country - Short-term loan to employees (winter, firewood - 6 months)	1,802	1,607
Short-term financial placements given to former employees:		
<i>Current maturity of long-term housing loans given to former employees</i>	10,841	11,764
<i>Minus: Value correction</i>	(184)	(179)
Subtotal	10,657	11,585
Total	12,459	13,192

30. OTHER SHORT-TERM FINANCIAL PLACEMENTS

Structure of other short-term financial placements	in 000 RSD	
	31/12/2022	31/12/2021
<i>The debt is currently due. placement in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	709	669
<i>Minus: Value correction</i>	(709)	(669)
Total	-	-

31. TREASURY SHARES

Structure of repurchased own shares	in 000 RSD	
	31/12/2022	31/12/2021
Own shares bought back	33,192	33,192
Total	33,192	33,192

On day 31st December 2022, the company owns 55,320 own shares.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**32. CASH EQUIVALENTS AND CASH**

Structure of cash equivalents and cash	in 000 RSD	
	31/12/2022	31/12/2021
Current account – dinar	148,989	75,829
Current account - foreign currency	621,857	536,290
Cashier - foreign currency	8	11
Total	770,854	612,130

33. ACTIVE ACCRUALS

Structure of active accruals	in 000 RSD	
	31/12/2022	31/12/2021
Short-term active accruals:		
Prepaid expenses related to a future period	228	221
Receivables for uninvoiced income relating to the current period	421	527
Subtotal	649	748
Long-term active accruals:		
<i>Other AVR - Fixed assets made available for use on the 1st day of the start of the Concession Agreement</i>	1,338,322	1,427,017
Subtotal	1,338,322	1,427,017
Total	1,338,971	1,427,765

Receivable from the transfer of the right to use fixed assets on the Concession Start Date

Pursuant to point 3.9 of the Notes, other assets that will be used by SPC until the end of the concession period, which are not recognized as assets in accordance with IAS 16 on the Concession Start Day, but are treated as a transfer of the right to use on the first day of the concession, represent other assets that are not closely related to the infrastructure and airport equipment. The initial claim on the basis of these funds reported on the AVR totals RSD 1,760,374 thousand (Intangible assets (RSD 290,086 thousand), Equipment (RSD 1,466,573 thousand), Other equipment (RSD 3,619 thousand) and Basic herd (RSD 96 thousand)). These receivables are reduced by the amount of compensation for the transfer of the right to use these assets during the concession period, which affects the reduction of income. For the period I-XII 2022, the reduction of receivables/income amounts to a total of RSD 88,695 thousand of which RSD 23,830 thousand refers to expenditure

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

34. EQUITY

Equity structure	in 000 RSD	
	31/12/2022	31/12/2021
Basic capital:		
<i>Share capital</i>	21,015,677	21,015,677
<i>Issue premium</i>	306,856	306,856
Subtotal	21,322,533	21,322,533
Statutory reserves	5,080,960	5,370,897
Revaluation reserves	2,198,743	2,213,972
Retained Earnings/(Loss):		
<i>Retained earnings from previous years</i>	17,916	79
<i>Retained earnings of the current year</i>	20,228	
<i>(Loss) of earlier years</i>	-	-
<i>(Loss) of the current year</i>	-	(290,014)
Subtotal	38,144	(289,935)
Total	28,640,380	28,617,467

34 a. SHARE CAPITAL

Based on the Law on Amendments to the Law on the Right to Free Shares and Financial Compensation that Citizens Get in the Privatization Procedure, the Company was obliged to change its legal form by 30th June 2010, and to express its share capital in shares of a certain nominal value at the basis of the adjusted book value of capital. During 2010, based on the Conclusion of the Government of the Republic of Serbia No. 023-448/2010-1, recommendations were made to the Company to select the most favorable consultant who will evaluate the market value of the capital and provide professional assistance in the preparation and implementation of the procedure for changing the legal forms from a public company to a joint-stock company.

On 17th June, 2010, the Government of the Republic of Serbia passed Decision No. 023-4432/2010 on changing the legal form of the Company from a public company to a closed joint stock company.

The aforementioned change was registered with the Agency for Business Registers by Resolution No. BD 68460/2010 on 22nd June, 2010, which registered capital in the total amount of EUR 214,556,965, which on the date of registration amounted to RSD 20,573,610 thousand.

On 7th July, 2010, 34,289,350 shares with a nominal value of RSD 600 per share were registered in the Central Register of Securities, which on 31st December, 2010 were owned by the Republic of Serbia.

In accordance with the Law on the right to free shares and monetary compensation that citizens receive in the privatization process ("Official Gazette of the RS" No. 123/07 and 30/10) dated 9th December, 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103/2010-1, citizens of the Republic of Serbia, employees and former employees of the Company acquired the right to transfer 16.85% of the Company's ownership.

On 21st January, 2011, the Assembly of the Company passed Decision No. 21-2/1 on the conversion of the Company from a closed to an open joint-stock company. The aforementioned change was registered with the Business Registers Agency by Decision No. BD 765/2011 on 24th January, 2011.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The structure of capital after the transfer of ownership based on data from the Central Registry, Securities Depository and Clearing as of 25th January, 2011, was as follows:

Share capital on 25th January 2011 - (transformation to JSC)	Value in thousands RSD	Number of shares	% share
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
Total	20,573,610	34,289,350	100%

In 2018, the share capital was increased by 736,779 shares with a nominal value of 600.00 dinars per share, based on recapitalization by the majority owner of the Republic of Serbia, based on the registration of the second emission (120,521 shares), the third emission (470,904 shares) and the fourth emission (145,354 shares), which in total increased the share capital by 442,067 thousand dinars.

Share capital structure as of 31st December, 2022 is as follows:

Shareholder structure	31/12/2022		
	Value in thousands RSD	Number of shares	% share
Republic of Serbia	17,770,033	29,616,722	84.56%
Domestic and foreign natural persons	1,907,512	3,179,187	9.08%
Domestic and foreign legal entities	104,166	173,610	0.50%
Custodians	1,233,966	2,056,610	5.87%
Total	21,015,677	35,026,129	100%

Overview of the ten largest shareholders of 31st December, 2022 is given below.

Shareholder	Number of shares	Often e _
REPUBLIC OF SERBIA	29,616,722	84.56%
OTP BANK OF SERBIA - Custody	900,593	2.57 %
OTP BANK OF SERBIA - Collective	630,894	1.80 %
OTP BANK OF SERBIA - Custody	366,177	1.05%
RAIFFEISEN BANK AD - Custody	66,707	0.19 %
NIKOLA TESLA AIRPORT JSC	55,320	0.16%
UNICREDIT BANK SERBIA JSC	36,065	0.10%
KERAMIKA JOVANOVIĆ LTD	32,384	0.09%
DUNAV RE JSC	28,231	0.08%
AMS INSURANCE ADO	23,586	0.07%

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**34b. ISSUE PREMIUM**

The structure of the issue premium	in 000 RSD	
	31/12/2022	31/12/2021
Issue premium - issue of shares	718,665	718,665
Issue premium - repurchase of own shares	(411,809)	(411,809)
Total	306,856	306,856

34c. RESERVES

Structure of reserves	in 000 RSD	
	31/12/2022	31/12/2021
Statutory reserves	5,080,960	5,370,897
Total	5,080,960	5,370,897

Reserves were created in accordance with the Company's Articles of Association.

34d . REVALUATION RESERVES

Structure of revaluation reserves based on assessment	in 000 RSD	
	31/12/2022	31/12/2021
Revaluation reserves for intangible assets	-	-
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	551,965	567,194
Revaluation reserves for equipment	297,409	297,409
Total	2,198,743	2,213,972

Revaluation reserves include related deferred tax liabilities.

34e. RETAINED PROFIT/LOSS

Structure of retained earnings involving changes	in 000 RSD	
	31/12/2022	31/12/2021
Balance as of 1st January	79	5,823
Allocation of retained earnings - dividend		
Allocation of retained earnings - loss coverage	(79)	(5,823)
Allocation of undistributed profits - participation of employees in the distribution of profits		
Subtotal	-	-
Profit from previous years, the result of the transfer of revaluation reserves to profit on disposal of fixed assets in the current year	17,916	79
Net profit from the current period	20,228	-
Total	38,144	79

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Loss structure involving changes	in 000 RSD	
	31/12/2022	31/12/2021
Balance as of 1st January	290,014	799,122
Loss coverage from the distribution of retained earnings	(79)	(5,823)
Loss coverage from statutory reserves	(289,935)	(793,299)
Subtotal	-	-
Current period loss	-	290,014
Total	-	290,014

Based on the decision of the Assembly, the loss from 2021 was covered in the amount of RSD 290,014 thousand at the expense of retained earnings in the amount of RSD 79 thousand and statutory reserves in the amount of RSD 289,935 thousand.

The company achieved a net profit from current operations in the period January- December 2022 in the amount of RSD 20,228 thousand.

35. LONG TERM RESERVATIONS

Structure of long-term provisions	in 000 RSD	
	31/12/2022	31/12/2021
Provisions for compensation and other employee benefits	9,901	8,924
Provisions for litigation expenses	85,502	117,406
Total	95,403	126,330

Changes to long-term reservations based on severance pay, jubilee awards and court cases in the January-December 2022, as well as in the period 2021 are shown in the following table.

Description of the change	Severance pay	Jubilee awards	Total	In 000 dinars
				Court disputes
Balance as of 1st January 2021	1,329	5,544	6,873	97,406
Additional reservations	620	1,834	2,454	20,000
Used during the year		(403)	(403)	
Cancellation of unused amounts				
Balance as of 31st December 2021	1,949	6,975	8,924	117,406
Additional reservations	275	1,784	2,059	3,850
Used during the year		(1,082)	(1,082)	(28,842)
Cancellation of unused amounts			-	(6,912)
Balance as of 31st December 2021	2,224	7,677	9,901	85,502

35a. Provisions for compensation and other employee benefits

Provisions for compensation and other benefits of employees (provisions for undue severance pay upon retirement and jubilee awards) are shown on the basis of actuarial calculations 31st December 2021. In the period from 1st January to 31st December 2022 are shown changes in terms of utilization of the aforementioned provisions.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Assumptions used when calculating provisions for severance pay upon retirement and for jubilee awards as of 31st December 2021 are given below.

Assumptions used in calculation	2022	2021
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance	Articles 19 and 69 of Law on pension and disability insurance
Mortality tables	Serbia, 2012	Serbia, 2012
Discount rate	6.80%	3.25%
Earnings growth rate	7.00%	5.00%
Percentage of fluctuation	2.00%	2.00%
The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for September 2022 (RSD 103,476) or double the average salary of the Employer without taxes and contributions, whichever is more favorable	Double the average salary of employees in Serbia for October 2021 (RSD 91,132) double the average salary of the Employer without taxes and contributions, whichever is more favorable
Basis for jubilee awards	The average salary without taxes and contributions with the Employer	The average salary without taxes and contributions with the Employer
Total number of the employees as of 31 st December	36	35

The calculation of provisions for severance pay upon retirement and for jubilee awards based on assumptions is as follows:

Calculation of provisions	In 000 RSD	
	Severance pay for retirement	Jubilee awards
Reservation as of 31st December 2021	1,949	6,975
Interest expense	64	227
Cost of current labor service	710	2,318
Cost of past labor service	0	
Actuarial (gain) / loss	(499)	(1,144)
Cancellation of provisions during the year in the Company's business books		(699)
Total net change in reserved amount in 2022	275	702
Reservation balance as of 31st December 2022	2,224	7,677

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**35b. Provisions for litigation**

The Company has court cases that are being conducted against the Company. The amounts of final losses on the basis of court disputes may be increased based on the calculated default interest until the date of termination of disputes, that is, until the date of final payments on disputes. Society on day 31st December 2022, it has provisions for potential losses based on these court cases in the amount of RSD 85,502 thousand.

36. LONG-TERM LIABILITIES ON THE BASIS OF LEASING IN THE COUNTRY

Structure of long-term liabilities based on leasing in the country	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on leasing in the country:		
Liabilities for leased property	32,932	54,978
Liabilities for leased equipment	3,223	447
Subtotal	36,155	55,425
Short-term maturity of liabilities based on leasing in the country		
Liabilities due up to one year for property leased	(21,500)	(24,159)
Liabilities due up to one year for leased equipment	(2,782)	(447)
Subtotal	(24,282)	(24,606)
Total	11,873	30,819

37. SHORT-TERM LIABILITIES ON THE BASIS OF LEASING IN THE COUNTRY

Structure of short-term maturity of liabilities based on leasing in the country	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities due up to one year for real estate leased	21,500	24,159
Liabilities due up to one year for leased equipment	2,782	447
Total	24,282	24,606

38. ADVANCES RECEIVED DEPOSITS AND BAILS

Structure of received advances, deposits and sureties	in 000 RSD	
	31/12/2022	31/12/2021
Received advances from domestic customers	662	662
Received advances from foreign customers	2	2
Deposits received from domestic customers	2,306	1,962
Deposits received from foreign customers	1,223	1,226
Subscriptions from domestic customers	1,624	7,088
Subscriptions from foreign customers	29,900	33,362
Total	35,717	44,302

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**39. OPERATIONS LIABILITIES**

Structure of liabilities from business	in 000 RSD	
	31/12/2022	31/12/2021
Suppliers in the country	18,884	14,178
Suppliers abroad	218	253
Other liabilities from business:		
<i>Liabilities based on payment cards</i>	23	56
<i>Wrongly remitted payments</i>	129	128
Subtotal	152	184
Total	19,254	14,615

40. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on wages and salary benefits	-	-
Other liabilities:		
<i>Liabilities for dividends</i>	15,086	15,086
<i>Liabilities for profit participation</i>	275	275
<i>Liabilities to employees</i>		7
Subtotal	15,361	15,368
Total	15,361	15,368

41. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of liabilities for other taxes, contributions and other duties	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on VAT	-	-
Liabilities for taxes, customs duties and other duties	466	567
Other Liabilities for taxes, contributions and other duties	52	45
Total	518	612

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**42. PASSIVE ACCRUALS**

Structure of passive accruals	in 000 RSD	
	31/12/2022	31/12/2021
Short-term passive accruals:		
Current maturity of income from non-monetary compensation (assets) - Land and buildings	184,241	119,474
Pre-calculated costs of the current period	902	1,228
Prepaid/accrued income	825	-
Subtotal	185,968	120,702
Long-term passive accruals:		
Other PVR - Deferred income from non-monetary compensation (assets) - Land and buildings	3,869,055	2,628,434
Current maturity	(184,241)	(119,474)
Subtotal	3,684,814	2,508,960
Total	3,870,782	2,629,662

During 2019, the ownership rights of two cadastral plots 5251 and 5252 with a total area of 107,650 m² were transferred to the Company. The entry of the land into the Company's business books was made on the basis of an assessment by an authorized appraiser in the amount of RSD 2,986,857 thousand. Since the land transfer represents a non-monetary leasing fee, it is allocated and recognized as income during the concession period in the amount of RSD 119,474 thousand per year.

During 2022, the takeover of facilities built by SPC was carried out: Remote parking lot, Substation "Parking" and Solid waste treatment plant - land zone, Solid waste treatment plant - restrictive zone, First phase of extension of platform C, Reconstruction and extension of platform B, Reconstruction of the power supply of parking positions A3-A5 based on Obligatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of JSC Airport Nikola Tesla (CAPEX), which represent investment maintenance in the total amount of RSD 1,424,861 thousand. The stated amount is accrued and recognized as income during the remaining period of the concession in the amount of RSD 64,766 thousand per year.

43. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	in 000 RSD	
	31/12/2022	31/12/2021
Deferred tax assets	19,564	25,783
Deferred tax liabilities)	(815,136)	(795,700)
Net effect of deferred tax assets/(liabilities)	(795,572)	(769,917)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Deferred tax assets are amounts of income tax that will be recoverable in future periods based on: deductible temporary differences and unused tax credits carried forward. A deductible temporary difference arises in cases where the Company's balance sheets, on certain grounds, have already shown an expense, which will be recognized from the tax point of view in the following periods. Deferred tax assets are reviewed as of 31st December and are recognized only if the Company estimates that it is probable that in future periods there will be a prudent profit for the reduction of which the deferred tax assets can be used.

Pursuant to the current Income Tax Law, taking into account the assumption of unlimited duration, as a rule, deferred tax assets are recognized on the basis of deductible temporary differences. On the other hand, for the recognition of deferred tax assets based on unused tax losses and tax credits, it is necessary to make a projection of the tax balance for the period when, on these grounds, it is possible to reduce the liability for income tax, in accordance with legal regulations.

The amount of deferred tax assets is calculated by multiplying the amount of the deductible temporary difference with the profit tax rate (15%) at the end of the year.

Deferred tax liabilities that have been reported relate to prudential temporary differences between the book value of assets subject to depreciation and their tax base. Namely, due to the different provisions on the basis of which the accounting depreciation is determined in the Company and the provisions which determine the tax depreciation (Act on Profit Tax of Legal Entities), the Company will pay a higher profit tax in future periods than it would have paid if it had been of the tax legislation, the actual accounting depreciation is recognized. For the stated reason, the Company recognizes a deferred tax liability, which represents the profit tax that will be payable when the Company "recovers" the book value of the asset.

The amount of deferred tax liabilities is calculated by multiplying the amount of the taxable temporary difference with the profit tax rate (15%) at the end of the year.

Changes in the balance of deferred tax (liabilities)/assets during the period are shown in the table.

000 RSD

Changes in deferred tax liabilities	Intangible assets, real estate, plants, equipment	Provisions for compensation and other employee benefits	Provisions for litigation	- term liabilities (Liabilities for taxes, contributions and other duties)	Correction of the value of receivables that are not recognized in PB based on impairment	Total
Balance as of 1st January 2021	(748,363)	1,031	14,611	79	-	(732,642)
In favour of Profit and Loss Statement	(47,349)	307	3,000	13	6,742	(37,287)
In favour of Equity	12					12
Balance as of 31st December 2021	(795,700)	1,338	17,611	92	6,742	(769,917)
In favour of Profit and Loss Statement	(22,124)	147	(4,786)	(14)	(1,566)	(28,343)
In favour of Equity	2,688					2,688
Balance as of 31st December 2022	(815,136)	1,485	12,825	78	5,176	(795,572)

44. OFF-BALANCE SHEET RECORDS

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Persuant to the legal provisions (Rulebook on the content and form of forms of financial statements for companies, cooperatives, other legal entities and entrepreneurs), the Company disclosed off-balance sheet assets and off-balance sheet liabilities in its financial statements. The items shown under off-balance sheet assets and off-balance sheet liabilities, which are shown in the following table, do not represent assets or liabilities of the Company, but primarily serve in the context of the informative role of users of financial statements.

Off-balance sheet records	in 000 RSD	
	31/12/2022	31/12/2021
<i>Bills of exchange received in blank</i>	19	13
<i>Given domestic blank bills of exchange-pieces</i>	8	6
Received dinar guarantees	41,909	163,893
Foreign currency guarantees received	3,684,480	4,562,383
Dinar guarantees given	4,714	4,524
Foreign exchange guarantees given		
Solidarity funds from employees' salaries	623	621
Total	3,731,726	4,731,421

45. FAIR VALUE

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

RESOURCE S	Book value in 000 RSD on 31 st Decebmer 2022	Fair value in 000 RSD on 31 st Decebmer 2022	Book value in 000 RSD on 31 st Decebmer 2021	Fair value in 000 RSD on 31 st Decebmer 2021	Fair value hierarchy - levels	Evaluation techniques and inputs
Fixed assets and NU	28,531,857	28,531,857	27,690,093	27,690,093	Level 3	The appraisal was done by an certified appraiser with the balance as of 1 st January, 2019 (KPMG-Belgrade). When evaluating intangible assets property, plant and equipment , the following methodologies were used: the method of amortized replacement costs - the cost approach in the evaluation of equipment and buildings, then the method of direct comparison of sales prices - the market approach in the evaluation of land and apartments and the method of discounted cash flows - yield approach to determining the existence of an economic write-off.
Equity shares	-	-	1	1	Level 2	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial placements-housing loans	148,690	148,690	148,992	148,992	Level 3	Certified actuary's assessment with the balance as of 12/31/2022 - By discounting cash flows, namely 9.7% for housing loans that are not revalued; -5.9% for housing loans that are revalued annually and have an interest rate of 0.5%, 5 % for housing loans with a currency clause and an interest rate of 0.5%; -5.6% for housing loans that are revalued semi-annually and -5.4 % for housing loans that are revalued annually
Long-term receivables	527,198	527,198	518,005	518,005	Level 3	Fair value determined by discounting cash flows applying a 2% interest rate.
Trade receivables	187,227	187,227	8,679	8,679	Level 3	Management's assessment of collectability
Other receivables	1,584,904	1,584,904	1,583,600	1,583,600	Level 3	Management's assessment of collectability

NOTES TO THE FINANCIAL STATEMENTS – 31st December, 2022

46. FINANCIAL INSTRUMENTS AND GOALS OF FINANCIAL RISK MANAGEMENT

in 000 dinars

	31/12/2022		
	gross amount	correction value	net amount
Funding	3,657,653	(271,651)	3,386,002
Long-term financial provisions	755,674	(90,443)	665,231
- Long-term deposits	4,429	(4,429)	-
- Shares in the capital of banks	20,085	(20,085)	-
- Share in the capital of foreign legal entities	1	(1)	-
- Long-term housing loans for employees	169,454	(31,421)	138,033
- Other long-term receivables	561,705	(34,507)	527,198
Short-term financial provisions	2,131,125	(181,208)	1,949,917
- Buyer receivables	327,343	(140,116)	187,227
- Short-term financial provisions	46,544	(893)	45,651
- Receivables for interest	3,456	(1,817)	1,639
- Other receivables and VAT	1,753,782	(38,382)	1,715,400
Cash and cash equivalents	770,854	-	770,854
Financial liabilities	55,409	-	55,409
- Long-term leasing liabilities	11,873	-	11,873
- Current maturity of long-term leasing liabilities	24,282	-	24,282
- Short-term liabilities (Liabilities from business)	19,254	-	19,254

31/12/2021		
gross amount	correction value	net amount
3,805,255	(793,432)	3,011,823
1,129,800	(474,388)	655,412
4,179	(4,179)	-
20,085	(20,085)	-
358,599	(358,599)	-
183,989	(46,582)	137,407
562,948	(44,943)	518,005
2,063,325	(319,044)	1,744,281
286,721	(278,042)	8,679
47,232	(848)	46,384
2,499	(1,817)	682
1,726,873	(38,337)	1,688,536
612,130	-	612,130
70,040	-	70,040
30,819	-	30,819
24,606	-	24,606
14,615	-	14,615

The Company's basic financial instruments are cash and cash equivalents, receivables, financial placements arising from the Company's operations, as well as long-term leasing liabilities, liabilities to suppliers or other liabilities whose primary purpose is to finance the Company's current operations.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**47. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT
(continued)****Objectives of financial risk management**

Financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. Financial risks are considered on a time basis and are primarily avoided by reducing the Company's exposure to these risks. The company does not use any financial instruments in order to avoid the impact of financial risks on the business because such instruments are not widely used, and there is no organized market for such instruments in the Republic of Serbia.

I - MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign currency exchange rates and changes in interest rates. Exposure to market risk is assessed through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, nor in the way the Company manages or measures that risk.

a) Currency risk (foreign exchange risk)

The company is exposed to foreign exchange risk primarily through cash and cash equivalents, short-term financial placements, receivables from customers, liabilities based on long-term loans and liabilities to foreign suppliers.

The company does not use special financial instruments as risk protection, considering that such instruments are not common in the Republic of Serbia.

The stability of the economic environment in which the Company operates depends to a large extent on the Government's measures in the economy, including the establishment of an appropriate legal and legislative framework.

The book values of financial assets and liabilities in 000 dinars, expressed in foreign currency on the reporting date in the Company are as follows:

Currency description	Total assets				Total liabilities	
	31/12/2022		31/12/2021		31/12/2022	31/12/2021
	gross	net	gross	net		
EUR	1,102,519	962,411	463,967	369,456	32,505	49,067
USD	291,857	291,857	297,152	297,152		
GBP	92	92	97	97		
Total dinar equivalent of assets and liabilities expressed in currency	1,394,468	1,254,360	761,216	666,705	32,505	49,067
Value of assets and liabilities expressed in RSD.	2,263,185	2,131,642	3,044,039	2,345,118	22,904	20,973
Total	3,657,653	3,386,002	3,805,255	3,011,823	55,409	70,040

in 000
dinars

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

By analysing of the currency structure of financial assets and liabilities as of 31st December 2022, compared to the situation as of 31st December 2021, it can be stated that the financial assets in the currency are greater than the contracted financial liabilities in the currency.

The company is sensitive mainly to changes in the exchange rate of the euro (EUR) and the US dollar (USD).

The following table presents an analysis of the Company's sensitivity to a 10% rise and fall in the exchange rate of the dinar, in relation to the observed foreign currency. The sensitivity analysis includes only outstanding (balance) claims and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in foreign currency exchange rates. A positive number from the table indicates an increase in the results of the current period in cases where the dinar is stronger in relation to the currency in question. In the case of a 10% weakening of the dinar in relation to a given foreign currency, the impact on the result of the current period would be negative.

in 000 dinars

31/12/2022	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes						
Profit/Loss	92,991	(92,991)	29,186	(29,186)	9	(9)

in 000 dinars

31/12/2021	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes						
Profit/Loss	32,039	(32,039)	29,715	(29,715)	10	(10)

b) Risk of interest rate changes

The Company is exposed to the risk of changes in interest rates on assets and liabilities where the interest rate is variable.

The Company classified cash and cash equivalents in the group of interest-bearing financial assets with a variable interest rate, because "a vista" interest of a variable nature was agreed with the banks, depending on the amount of funds in current accounts and the amount of the reference interest rate.

The risk of interest rate changes does not represent a significant risk for the Company, because the categories of financial instruments that have an agreed interest rate are generally defined by a fixed interest rate.

Financial instruments classified into the categories of interest-bearing and non-interest-bearing assets are shown in the following overview:

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In 000 RSD

Funds	31/12/2022			31/12/2021		
	gross	correction	net amount	gross	correction	net amount
Non-interest bearing:						
Equity share	20,086	(20,086)	-	378,684	(378,684)	-
Trade receivables	327,343	(140,116)	187,227	286,721	(278,042)	8,679
Receivables for interest and other claims	1,757,238	(40,199)	1,717,039	1,729,372	(40,154)	1,689,218
Short-term investments	35,703	(709)	34,994	35,468	(669)	34,799
Subtotal	2,140,370	(201,110)	1,939,260	2,430,245	(697,549)	1,732,696
Fixed interest rate:						
Long-term receivables	561,705	(34,507)	527,198	562,948	(44,943)	518,005
Long-term fin. placements	169,454	(31,421)	138,033	183,989	(46,582)	137,407
Short-term fin. placements	10,841	(184)	10,657	11,764	(179)	11,585
Subtotal	742,000	(66,112)	675,888	758,701	(91,704)	666,997
Variable interest rate:						
Cash and cash equivalents	770,854	-	770,854	612,130	-	612,130
Subtotal	770,854	-	770,854	612,130	-	612,130
Total	3,653,224	(267,222)	3,386,002	3,801,076	(789,253)	3,011,823

in 000
dinars

Financial obligations	31/12/2022			31/12/2021		
	gross	correction	net amount	gross	correction	net amount
Non-interest bearing						
Business operation liabilities	19,254		19,254	14,615		14,615
Subtotal	19,254		19,254	14,615		14,615
Fixed interest rate						
Long-term leasing	11,873		11,873	30,819		30,819
Current payable long-term liabilities	24,282		24,282	24,606		24,606
Subtotal	36,155		36,155	55,425		55,425
Total	55,409		55,409	70,040		70,040

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

c) Risk of price changes

The Company estimates that there is no risk of price changes because the categories of financial instruments available to the Company are not subject to price changes on the market.

The company does not deal with securities that are subject to price changes on the market. Also, the Company does not sell goods that are subject to price changes.

II - CREDIT RISK

The Company estimates that of all the risks to which financial instruments may be exposed, the biggest is credit risk, which represents the risk that debtors will not be able to pay their debts in full and on time, which would result in a financial loss for the Company. The Company's exposure to this risk is limited to the amount of receivables from customers on the balance sheet date.

The structure of trade receivables is given below.

Structure of receivables from customers	31/12/2022			31/12/2022	
	in 000 RSD	share	Adjustment done	in 000 RSD	share
Jat Technology	-	0.00%	-	96,231	33.56%
Belgrade Airport ltd	182,989	55.90%	(11)	11	0.00%
International CG	28,643	8.75%	(28,643)	28,643	9.99%
Air Serbia-Ketering ltd	-	0.00%	-	42,347	14.77%
Aviogenex ltd	50,820	15.52%	(50,820)	50,820	17.72%
Avaco ltd	2,962	0.90%		3,949	1.42%
Eco Union	853	0.26%		1,150	
Other domestic customers	17,353	5.30%	(17,348)	17,440	6.08%
Total domestic customers	283,620	86.64%	(96,822)	240,591	83.91%
Wizz Air	-	0.00%		2,473	0.86%
ARKIA	1,596	0.49%	(1,596)	1,600	0.56%
Air Cairo Company	675	0.21%	(675)	677	0.24%
AEROTRANS AIRLINES, CYPRUS	3,611	1.10%	(3,611)	3,449	1.20%
Allitalia	20,855	6.37%	(20,855)	20,901	7.29%
FLY DUBAI	2,647	0.81%	(2,647)	2,649	0.92%
Pegasus	5,181	1.58%	(5,181)	5,192	1.81%
Other foreign buyers	9,158	2.80%	(8,729)	9,189	3.20%
Total foreign buyers	43,723	13.36%	(43,294)	46,130	16.09%
Total gross receivables from domestic and foreign customers	327,343	100.00%		286,721	100.00%
Total value adjustment	(140,116)		(140,116)	(278,042)	
Total net receivables	187,227			8,679	

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Below is the age structure of receivables from customers that were not impaired as of 31st December 2022

Age structure of trade receivables for which no value adjustment was made	in 000 RSD	share
Customers in the country		
Immature	173,399	92.61%
0-30 days	8,737	4.67%
31-60 days	421	0.22%
61-90 days	426	0.23%
Over 90 days	3,815	2.04%
Subtotal customers in the country	186,798	99.77%
Foreign buyers		
Immature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	429	0.23%
Subtotal foreign customers	429	0.23%
Total sales from customers (net)	187,227	100.00%

Due uncorrected trade receivables in the country and abroad older than 90 days amount to RSD 4,244 thousand. The above receivables have not been corrected due to the existence of subscriptions based on book approvals.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity represents the ability of the Company to settle its obligations on their due dates. Therefore, the liquidity risk is the risk that the Company will have difficulty in paying off the due obligations, while maintaining the necessary volume and structure of working capital and maintaining a good credit rating.

The final responsibility for liquidity risk management rests with the Company's management, which has established an appropriate management system for the needs of the Company's short-term, medium-term and long-term financing as well as liquidity management. By continuously monitoring the planned and actual cash flow, the Company maintains adequate cash reserves, and also maintains an adequate ratio of maturities of financial assets and liabilities.

The following table shows the most significant liquidity indicators of the Company:

- **General liquidity ratio** (quotient of current assets and short-term liabilities) which shows how many dinars of current assets cover each dinar of short-term liabilities;
- **Rigorous liquidity ratio** (quotient of liquid assets, which includes current assets minus inventories, and short-term liabilities) that shows how many dinars of liquid assets cover each dinar of short-term liabilities;
- **Cash liquidity ratio** (quotient of cash and short-term liabilities) which shows how many dinars of cash assets cover each dinar of short-term liabilities;
- **Net current assets** as the difference between current assets and current liabilities.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Liquidity indicators	Satisfactory and general standards	31/12/2022	31/12/2021
General liquidity ratio	2 : 1	9.69 : 1	10.71 : 1
Rigorous liquidity ratio	1 : 1	9.68 : 1	10.70 : 1
Cash liquidity ratio		2.74 : 1	2.78 : 1
Net working capital (in 000 dinars)		2,443,270	2,138,671

Capital risk management

The goal of capital risk management is for the Company to retain the ability to continue operating for an unlimited period of time in order to provide the Company's owners with a satisfactory return (profit), while maintaining an adequate structure of sources of funds, i.e. a good credit rating.

Although there are several criteria on the basis of which conclusions can be drawn about the sustainability of the assumption about the long-term existence of the Company, it is certain that profitable operations, as well as a satisfactory financial structure, are one of the basic criteria.

The best representative of profitability is the rate of return on average equity capital, which shows how much the Company earns on one dinar of average equity capital employed. When calculating this profitability indicator, the average equity capital is determined as the arithmetic mean of the capital value at the beginning and end of the year.

Capital risk management		in 000 RSD	
		31/12/2022	31/12/2021
1	Indebtedness (AOP 0420 + AOP 0433)	36,155	55,425
2	Cash and cash equivalents (AOP 0057)	770,854	612,130
I	GROSS DEBT (1-2)	(734,699)	(556,705)
3	Debt to equity ratio (I/5)	-0.0257	-0.0195
4	Short-term financial placements (AOP 0048)	45,651	46,384
II	NET DEBT (I - 4)	(780,350)	(603,089)
5	Capital (AOP 0401)	28,640,380	28,617,467
6	Debt-to-equity ratio (II/5)	-0.0272	-0.0211

The adequacy of the financial structure is reflected in the level and character of indebtedness .

The following tables show the most important indicators of the Company:

- The share of borrowed funds in the total sources of funds, which shows how much one dinar of the Company's funds is financed from borrowed funds,
- The share of long-term funds in the total sources of funds, which shows how much one dinar of the Company is financed from long-term sources.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Financial structure indicators	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities	4,868,762	3,656,231
Total funds	33,509,142	32,273,698
Ratio of borrowed funds in the total sources of funds	0.15 : 1	0.11 : 1
Long-term funds		
Capital	28,640,380	28,617,467
Longterm provisions and liabilities	4,587,662	3,436,026
Subtotal long-term funds	33,228,042	32,053,493
Total funds	33,509,142	32,273,698
Ratio of long-term assets in total assets	0.99 : 1	0.99 : 1

The net debt ratio shows how much each dinar of net debt is covered by the Company's capital. Net indebtedness means the difference between:

- Total (long-term and short-term) financial obligations of the Company (Total liabilities less capital, long-term provisions and deferred tax liabilities) and
- Cash and cash equivalents.

Parameters for calculating the ratio of net indebtedness to total capital	in 000 RSD	
	31/12/2022	31/12/2021
Net indebtedness		
Financial liabilities	4,073,190	2,886,314
Cash and cash equivalents	770,854	612,130
Total - Net indebtedness	3,302,336	2,274,184
Capital	28,640,380	28,617,467
Ratio of net indebtedness to total capital	8.67	12.58

45. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. The management believes that the tax liabilities are adequately calculated and recorded.

46. LITIGATION

The Company has court cases that are being conducted against the Company. The amounts of final losses on the basis of court disputes may be increased based on the calculated default interest until the date of termination of disputes, that is, until the date of final payments on disputes. Society on day 31st December 2022 has provisions for potential losses based on these court cases in the amount of RSD 85,502 thousand (31st December, 2021 - RSD 117,406 thousand) - Note 35.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**47. EVENTS AFTER THE REPORTING PERIOD**

It is not to be expected that the war between the Russian Federation and the Republic of Ukraine will have any significant impact on the concession project, bearing in mind that the smooth continuation of the implementation of the contract in question, which is the basis for the Company's future business plans, has been ensured.

Although the consequences of the impact of the pandemic caused by the COVID 19 virus are still reflected in the volume of passenger traffic everywhere in the world, the recovery at Nikola Tesla Airport is taking place significantly faster than in other European metropolises, and it is expected that the mentioned trend will consequently have a positive impact on the business of SPC, and consequently, on the Company's operations in the following period. At the same time, SPC continued with the execution of Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure in the contracted dynamics and without downtime, for which it regularly provides financing.

In accordance with the above, the management's assessment is that the Company's financial condition is still such that there is no uncertainty regarding the ability to continue operations on a going concern basis and that there is no material impact on operations.

Due to the existence of market risks that affect financial instruments, the management of the Company studiously monitors the developments that lead to risks and undertakes the necessary measures for risk management. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the liquidity of the company and the market position in the future period that could violate the principle of continuity of operations.

In accordance with IAS 10 - "Events After the Reporting Period", we have not identified other events, except those mentioned above in the Notes, which may affect or affect the truthfulness and objectivity of the financial statements for the period ended on 31st December 2022, nor would they require corrections to the financial statements.

In Belgrade, March 2023

Legal representative

Saša Vlasisavljević

AD „AERODROM NIKOLA TESLA“, BELGRADE

**INDEPENDENT AUDITOR'S REPORT
AND FINANCIAL STATEMENTS
FOR THE YEAR 2022**

CONTENT

	Page
INDEPENDENT AUDITOR'S REPORT	1 – 6
FINANCIAL STATEMENTS	
Translation income statement	
Translation balance sheet	
Translation statement on other results	
Translation statement of changes in equity	
Translation statement of cash flows	
Translation notes to the financial statements	
Appendix: Translation annual business report	

INDEPENDENT AUDITOR'S REPORT

TO THE AUDIT COMMITTEE, SUPERVISORY BOARD AND SHAREHOLDERS 'ASSEMBLY OF AD „AERODROM NIKOLA TESLA“, BELGRADE

Opinion

We have audited the financial statements of AD „Aerodrom Nikola Tesla“, Belgrade (hereinafter referred to as the „Company“), which comprise the balance sheet as at December 31, 2022, and the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with accounting regulations prevailing in the Republic of Serbia.

Basis for Opinion

We conducted our audit in accordance with the requirements of the Law on Accounting and accounting regulation effective in 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 Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Republic of Serbia, and have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

As disclosed in Note No. 47 to the financial statements, the Company's Management has assessed the future impact of the pandemic caused by the "COVID 19" virus on the Company's financial position in the coming period, as well as the possible impact of the pandemic on the Company's operations on a going concern basis. Although it has weakened, the consequences of the impact of the pandemic caused by the COVID 19 virus are still reflected in the volume of passenger traffic all over the world, the recovery at Nikola Tesla Airport is taking place significantly faster than in other European metropolises, and the said trend is expected to be positively reflected on the operations of DPN, and on the operations of the Company in the following period.

Also, as disclosed in Note No. 47 to the financial statements, the Company's Management has assessed the possible impact of the war between the Russian Federation and the Republic of Ukraine on the Company's financial position. According to the assessment of the Company's Management, the consequences of the aforementioned conflict cannot have a significant impact on the concession project, given that the smooth continuation of the implementation of the contract in question, which is the basis for the future business plans of the Company, is ensured.

Also, the Management believes that there are no significant risks related to the fulfillment of legal norms, the liquidity of the Company and the market position in the future period that could violate the principle of continuity of operations.

Our opinion is not modified in respect of the matter.

This is a translation of the original Independent Auditors' Report issued in the Serbian language. All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Serbian version of the document shall prevail.

TC Stari Merkator | Palmira Toljatija 5/III | 11070 Novi Beograd | Republika Srbija | Tel/fax: +381 11 30 18 445
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INDEPENDENT AUDITOR'S REPORT (Continued)

Key Audit Matters

Key Audit Matters are those matters that, in the auditor's professional judgment, were of most significance in the audit of the financial statements of the current period. These issues are considered in the context of the audit of the financial statements as a whole and in the formation of the audit opinion, but not in order to express a specific opinion on these issues.

Key Audit Matter	Appropriate audit procedure
Accounting treatment of the Concession Agreement	
<p>As disclosed in Note 3.9 to the financial statements for the purposes of accounting for the Concession Agreement, the Company has decided to apply <i>IFRS 16 - Lease</i>. In accordance with the mentioned standard, the Company has reclassified all movable and immovable property into the following categories:</p> <ul style="list-style-type: none"> - Airport infrastructure; - Closely related funds that SPC (Special Purpose Company) will use until the end of the concession; - Closely related funds that SPC will not use until the end of the concession; - Other funds that SPC will use until the end of the concession; - Other funds that SPC will not use until the end of the concession. <p>In accordance with paragraph 81 of <i>IFRS 16 - Lease</i>, the Company recognizes a lease payment as income on a straight-line or other systematic basis over the term of the lease. The Company applies another systemic basis when that basis is more appropriate for presenting forms in which the benefit from the use of funds is reduced. Pursuant to the above, the Company recognized the following income in the financial statements for 2022:</p> <ul style="list-style-type: none"> - Revenue based on the Minimum Annual Concession Fee, ie variable fee as a percentage of gross income of SPC, whichever is higher, in accordance with the Concession Agreement in the amount of RSD 595,320 thousand; - Part of the fee based on the transfer of the right to use movable Concession funds that SPC will use until the end of their useful life in terms of reducing revenues during the concession period in the amount of RSD 88,695 thousand; 	<p>In the process of auditing the financial statements, we conducted the necessary audit procedures to:</p> <ul style="list-style-type: none"> - confirmation of the adequacy of the valuation of the leased property on the basis of the concluded Concession Agreement; - revenue recognition in accordance with <i>IFRS 16 - Lease</i>; - necessary disclosures in the Notes to the financial statements. <p>Based on the conducted procedures, we are satisfied to a reasonable extent that the Company has adequately applied <i>IFRS 16 - Lease</i> and made adequate disclosures in the financial statements.</p>

This is a translation of the original Independent Auditors' Report issued in the Serbian language. All due care has been taken to produce a translation that is as faithful as possible to the original. However, if any questions arise related to interpretation of the information contained in the translation, the Serbian version of the document shall prevail.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Key Audit Matters (Continued)

Key Audit Matter	Appropriate audit procedure
Accounting treatment of the Concession Agreement (Continued)	
<ul style="list-style-type: none">- Income based on non-monetary compensation related to deferred income for Additional land based on the transfer of ownership in the amount of RSD 119,474 thousand.- Income based on non-monetary compensation related to accrued income for Obligatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of AD Aerodroma Nikola Tesla (CAPEX) which represent investment maintenance in the amount of RSD 64,767 thousand.	

Key Audit Matter	Appropriate audit procedure
Valuation of intangible assets and property, plant and equipment	
<p>As at 31 December 2020, the Company reported the present value of intangible assets in the amount of RSD 34,079 thousand, as well as the present value of property, plant and equipment in the amount of RSD 28,228,090 thousand.</p> <p>As disclosed in Notes No. 3.4. and 3.5. in addition to the financial statements, in accordance with the adopted accounting policies, the Company uses the revaluation model for the subsequent valuation of intangible assets and property, plant and equipment, which expresses the fair value of these assets on the day of revaluation.</p> <p>The assessment of the value of intangible assets and property, plant and equipment was performed as of January 1, 2019 by an independent appraiser. The effects of the assessment are recorded in the financial statements and disclosed in Notes 22 and 23 to the financial statements.</p>	<p>In the process of auditing the financial statements, we conducted the necessary audit procedures to ensure that:</p> <ul style="list-style-type: none">- adequacy of applied accounting policies in the part of valuation of fixed assets by applying the revalued value model;- checking the accuracy of recording the effects of the assessment of intangible assets, property, plant and equipment;- adequacy of disclosure in the Notes to the financial statements. <p>Based on the conducted procedures, we are satisfied to a reasonable extent that the Company has valued the fixed assets in accordance with the adopted accounting policy, that the effects of the assessment have been properly recorded and adequately disclosed in the financial statements.</p>

Other matters

Financial statements of the Company for 2021 were audited by other auditor who, in his Report on March 31, 2022, expressed unqualified opinion on financial statements.

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INDEPENDENT AUDITOR'S REPORT (Continued)

Other information contained in the annual business report

Other information relates to the information contained in the annual business report, but does not include the financial statements and the auditor's report on them. The management of the Company is responsible for the preparation of other information in accordance with the regulations of the Republic of Serbia.

Our opinion on the financial statements does not include other information. In relation to the audit of financial statements, it is our responsibility to read other information and thereby consider whether other information is consistent in all material respects with the financial statements with our knowledge gained during the audit or otherwise appears materially inaccurate. In addition, we assessed whether other information was prepared, in all material respects, in accordance with the Law on Accounting of the Republic of Serbia, especially whether other information in the formal sense is in accordance with the requirements and procedures for preparing other information of the Law on Accounting, in the context of materiality, ie whether any non-compliance with these requirements could affect the judgments based on this other information.

Only based on the implemented procedures, to the extent that we are able to assess them, we report that other information describing the facts that are also presented in the financial statements are, in all material respects, in accordance with the financial statements and prepared in accordance with requirements Law on Accounting of the Republic of Serbia.

In addition, if, based on the work we have done, we conclude that there is a material misstatement of other information, we are required to disclose that fact in a report. Based on the procedures we performed in relation to the other information obtained, we did not identify any material misstatements.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting regulations prevailing in the Republic of Serbia, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the 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 management's 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 there is material uncertainty, we are obliged in our report to draw attention to related disclosures in the financial statements or, if such disclosures are not adequate, to modify our opinion. Our conclusions are based on audit evidence collected up to the date of the auditor's report. However, future events or conditions may result in the entity ceasing to operate in accordance with the going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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 comply with relevant ethical requirements regarding independence and will inform them of all relationships and other matters that may reasonably be expected to affect our independence, and where applicable, related measures protection.

Of the matters communicated to those charged with governance, we determine which matters were of greatest importance in the audit of the financial statements for the current period and are therefore key audit matters.

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Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

We describe these matters in the auditor's report unless law or regulation precludes public disclosure of the matter or when, in extremely rare circumstances, we determine that the matter should not be included in the auditor's report because it is reasonable to expect that the adverse consequences would be greater than benefits from such communication.

The engagement partner in the audit on the basis of which this independent auditor's report was compiled is Slobodan Škurtić.

Belgrade, March 22nd 2023


Slobodan Škurtić
Certified auditor

for PKF d.o.o., Beograd
Palmira Toljatija 5/III
11010 New Belgrade

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JSC AIRPORT NIKOLA TESLA BELGRADE

**FINANCIAL REPORTS
December 31st 2022**

- 1. INCOME STATEMENT for the period January-December 2022;**
- 2. BALANCE SHEET as of 31st December 2022;**
- 3. REPORT ON OTHER RESULTS for the period January-December 2022;**
- 4. REPORT ON CHANGES IN EQUITY for the period January-December 2022;**
- 5. REPORT ON CASH FLOWS for the period January-December 2022;**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 31st December 2022.**

March, 2023

PROFIT AND LOSS STATEMENT
for the period from 1st January to 31st December, 2022

PROFIT AND LOSS STATEMENT
For period 1st January to 31st December, 2022



- In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6
	A. OPERATING REVENUES (1002 + 1005+ 1008+1009-1010+1011+1012)	1001		704,415	538,062
60	I. REVENUE FROM THE SALE OF GOODS(1003 + 1004)	1002			
600, 602 and 604	1. Revenues from the sale on the domestic market	1003			
601, 603 and 605	2. Revenues from the sale on the foreign market	1004			
61	II. REVENUE FROM SALE OF PRODUCTS AND SERVICES (1006+1007)	1005			
610, 612 and 614	1. Revenues from sales of products and services on the domestic market	1006			
611, 613 and 615	2. Revenues from the sale of products and services on the foreign market	1007			
62	III. REVENUE FROM ACTIVATION OF GOODS AND EFFECTS	1008			
630	IV. INCREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1009			
631	V. DECREASE IN THE VALUE OF STOCK OF UNFINISHED AND FINISHED PRODUCTS	1010			
64 and 65	VI. OTHER OPERATING REVENUES	1011	4	704.415	538,062
68, except 683, 685 and 686	VII. REVENUES FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1012			
	B. BUSINESS EXPENSES (1014+1015+1016+1020+1021+1022+1023+1024)	1013		883,720	891,260
50	I. PURCHASE VALUE OF GOODS SOLD	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015	5	1,996	1,958
52	III. COST OF WAGES, SALARIES AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	6	160,936	151,280
520	1. Cost of wages and salaries	1017	6	115,089	110,948
521	2. Cost of taxes and contributions for wages and salaries	1018	6	18,542	18,323
52 except 520 and 521	3. Other personal expenses	1019	6	27,305	22,009
540	IV. DEPRECIATION COSTS	1020	8	593,613	596,042
58, except 583, 585 and 586	V. COSTS FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1021			
53	VI. COST OF PRODUCTION SERVICES	1022	7	11,359	11,095
54 except 540	VII. COST OF PROVISIONS	1023	9	5,908	22,455
55	VIII. INTANGIBLE COSTS	1024	10	109,908	108,430
	C. BUSINESS PROFIT (1001-1013) ≥ 0	1025			
	D. OPERATING LOSS (1013 – 1001) ≥ 0	1026		179,305	353,198
	E. FINANCIAL REVENUES (1028+1029+1030+1031)	1027	11	56,294	34,861
660 and 661	G. FINANCIAL REVENUES FROM PARENT COMPANIES, SUBSIDIARIES AND	1028			
662	II. INTEREST REVENUES	1029	11	14,169	6,862
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	1030	11	42,125	27,999
665 and 669	IV. OTHER FINANCIAL REVENUES	1031			
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	12	29,710	6,547
560 and 561	G. FINANCIAL EXPENSES FROM PARENT, SUBSIDIARIES AND PTHER AFFILIATED COMPANIES	1033			
562	II. INTEREST EXPENSES	1034	12	17	23
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECT OF CURRENCY CLAUSE	1035	12	27,526	5,299
566 and 569	IV. OTHER FINANCIAL EXPENSES	1036	12	2,167	1,225
	G. PROFIT FROM FINANCING (1027-1032) ≥ 0	1037		26,584	28,314
	H. LOSS FROM FINANCING (1032- 1027) ≥ 0	1038			

PROFIT AND LOSS STATEMENT (continued)
in the period from 1st January to 31st December, 2022

PROFIT AND LOSS STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note	Amount	
				Current year	Last year
1	2	3	4	5	6

683,685 and 686	I. REVENUES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1039	13	35,428	20,714
583,585 и 586	J. EXPENSES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1040	14	9,435	45,399
67	K. OTHER REVENUES	1041	15	182,883	105,021
57	L. OTHER EXPENSES	1042	16	3,044	9,885
	M. TOTAL REVENUES (1001+1027+1039+1041)	1043		979,020	698,658
	N. TOTAL EXPENSES (1013+1032+1040+1042)	1044		925,909	953,091
	O. REGULAR OPERATING PROFIT BEFORE TAXATION (1043-1044)≥ 0	1045		53,111	
	P. REGULAR OPERATING LOSS BEFORE TAXATION (1044-1043)≥ 0	1046			254,433
69-59	Q. NET OPERATING PROFIT THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1047	17		1,706
59-69	R. NET OPERATING LOSS THAT IS WITHHELD, THE EFFECT OF THE CHANGE IN ACCOUNTING POLICY AND CORRECTION OF MISTAKES FROM PREVIOUS PERIODS	1048	17	4,541	
	S. PROFIT BEFORE TAXATION (1045-1046+1047-1048)≥ 0	1049		48,570	
	T. LOSS BEFORE TAXATION (1046-1045+1048-1047)≥ 0	1050	18		252,727
	U. PROFIT TAX				
721	I. TAX EXPENSES OF PERIOD	1051	19		
772, debit balance	II. DEFERRED TAX EXPENSES OF PERIOD	1052	19	28,342	37,287
772, credit balance	III. DEFERRED TAX REVENUES OF PERIOD	1053			
723	V. PAID SALARIES OF THE EMPLOYER	1054			
	W. NET PROFIT (1049-1050-1051-1052+1053-1054)≥ 0	1055		20,228	
	Y. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056			290,014
	I.NET PROFIT BELONGING TO MINOR STAKEHOLDERS	1057			
	II.NET PROFIT BELONGING TO MAJOR STAKEHOLDERS	1058			
	III.NET LOSS BELONGING TO MINOR STAKEHOLDERS	1059			
	IV.NET LOSS BELONGING TO MAJOR STAKEHOLDERS	1060			
	V. EARNINGS PER SHARE				
	1. Basic earnings per share	1061	20	0.58	(8.28)
	2. Decreased (diluted) earnings per share	1062			

BALANCE SHEET
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED AND UNPAID CAPITAL	001				
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	002		30,784,772	29,914,822	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007 + 0008)	003	21	8,465	20,455	
010	1. Investment in development	004				
011,012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	21	8,465	19,475	
013	3. Goodwill	0006				
015 and 016	4. Leased intangible assets and intangible assets in preparation process	0007	21	0	980	
017	5. Advance payments for intangible assets	0008				
02	II. PROPERTY, PLANTS AND EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 + 0016)	0009	22	28,772,754	27,811,938	
020, 021 and 022	1. Land and constructions	0010	22	25,455,510	24,320,605	
023	2. Plants and equipment	0011	22	3,031,014	3,293,453	
024	3. Investment property	0012				
025 and 027	4. Leased property, plants and equipment and property, plants and equipment in preparation process	0013	22	286,230	197,880	
026 and 028	5. Other property, plants and equipment and Investments in other people's property, plants and equipment	0014				
029 (part)	6. Advance payments for property, plants and equipment in the country	0015				
029 (part)	7. Advance payments for property, plants and equipment abroad	0016				
03	III. BIOLOGICAL ASSETS	0017				
04 and 05	IV. LONG-TERM FINANCIAL INVESTMENTS AND RECEIVABLES (0019+0020+0021+0022+0023+0024+0025+0026+0027)	0018	23	665,231	655,412	
040 (part), 041 (part) and 042 (part)	1. Stake in the capital of companies (except stake measured in share)	0019	23a			
040 (part), 041 (part) and 042 (part)	2. Stake in the capital measured in share	0020				
043, 050 (part) and 051 (part)	3. Long-term investments in parent companies, subsidiaries and affiliated companies on domestic market	0021				
044, 050 (part) and 051 (part)	4. Long-term investments in parent companies, subsidiaries and affiliated companies in foreign markets	0022				
045 (part) and 053 (part)	5. Long-term placements (credits and loans) in the country	0023	23b	138,033	137,407	
045 (part) and 053 (part)	6. Long-term placements (credits and loans) in the foreign markets	0024				
046	7. Long-term financial investments (securities valued at depreciated cost)	0025				
047	8. Repurchased own shares and repurchased own stakes	0026				
048, 052, 054,055	9. Other long-term financial investments and other long term financial receivables	0027	23b	527,198	518,005	
28 (part), except 288	V. LONG-TERM ACTIVE ACCURALS	0028	33	1,338,322	1,427,017	
288	C. DEFERRED TAX ASSETS	0029				

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		2,724,370	2,358,876	
Class 1, except account group 14	I. STOCK (0032+0033+0034+0036)	0031		2,950	1,717	
10	1. Material, spare parts, tools and small inventory	0032				
11 and 12	2. Unfinished production and finished products	0033				
13	3. Goods	0034				
150, 152 and 154	4. Advance payments for supplies and services in the country	0035	24	2,950	1,717	
151, 153 and 155	5. Advance payments for supplies and services abroad	0036				
14	II. FIXED ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0037				
20	III. RECEIVABLES FOR SALE (0039+0040+0041+0042+0043)	0038		187,227	8,679	
204	1. Receivables from domestic buyers	0039	25	186,798	5,751	
205	2. Receivables from foreign buyers	0040	25	429	2,928	
200 and 202	3. Receivables from parent companies, subsidies and other affiliated companies in the country	0041				
201 and 203	4. Receivables from parent companies, subsidies and other affiliated companies from abroad	0042				
206	5. Other receivables from sales	0043				
21, 22 and 27	IV. OTHER SHORT-TERM RECEIVABLES (0045+0046+0047)	0044		1,717,039	1,689,218	
21, 22 except 223 and 224, 27	1. Other receivables	0045	26	143,533	116,276	
223	2. Receivables for more income tax paid	0046	27	1,572,245	1,572,245	
224	3. Receivables for more contributions paid	0047	28	1,261	697	
23	V. SHORT-TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		45,651	46,384	
230	1. Short-term loans and credits - parent and affiliated companies	0049				
231	2. Short-term loans and credits – other affiliated Companies	0050				
232, 234 (part)	3. Short-term loans and credits in the country	0051	29	12,459	13,192	
233, 234 (part)	4. Short-term loans and credits abroad	0052				
235	5. Securities valued at depreciated cost	0053				
236 (part)	6. Financial assets values at fair value in balance sheet	0054				
237	7. Repurchased own shares and repurchased own stakes	0055	31	33,192	33,192	
236 (part), except 288	8. Other short-term investments	0056	30			
24	VI. CASH EQUIVALENTS AND CASH	0057	32	770,854	612,130	
28 (part) except 288	VII SHORT-TERM ACTIVE ACCURALS	0058	33	649	748	
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 00429 +0030)	0059		33,509,142	32,273,698	
88	F. OFF-BALANCE SHEET ASSETS	0060	44	3,731,726	4,731,421	

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL (0402 + 0403 + 0404+0405+0406-0407+0408+0411-0412)≥0	0401	34	28,640,380	28,617,467	
30 except 306	I. SHARE CAPITAL	0402	34a	21,015,67	21,015,67	
31	II. SUBSCRIBED AND UNPAID CAPITAL	0403				
306	III. EMISSION PREMIUM	0404	34b	306,856	306,856	
32	IV. RESERVES	0405	34c	5,080,960	5,370,897	
330 and credit balance of the account 331,332,333,334, 335, 336 and 337	VI. POSITIVE REVALUATION RESERVES AND UNREALIZED INCOME BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0406	34d	2,198,743	2,213,972	
debit balance of the account 331,332,333,334, 335, 336 and 337	VII. UNREALIZED LOSSES ON SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0407				
34	VIII. RETAINED EARNINGS (0418 + 0419)	0408	34e	38,144	79	
340	1. Retained earnings from previous years	0409	34e	17,916	79	
341	2. Retained earnings for the current year	0410		20,228		
	VIII. MINORITY STAKE	0411				
35	IX. LOSS (0422 + 0423)	0412	34e		290,01	
350	1. Loss from the previous years	0413				
351	2. Loss from the current year	0414	34e		290,01	
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0418+0419)	0415		3,792,090	2,666,109	
40	I. LONG-TERM PROVISIONS (0417+0418+0419)	0416	35	95,403	126,330	
404	1. Provisions for compensation and other employee benefits	0417	35	9,901	8,924	
400	2. Provisions for costs within the warranty period	0418				
40, except 400 and 404	2. Other long term provisions	0419	35	85,502	117,406	
41	II. LONG-TERM LIABILITIES (0421+0422+0423+0424+0425+0426+0427)	0420		11,873	30,819	
410	1. Liabilities that can be converted into equity	0421				
411 (part) and 412 (part)	2. Long-term credits and other long-term liabilities to parent companies, subsidies and other affiliated companies in the country	0422				
411 (part) and 412 (part)	3. Long-term credits and other long-term liabilities parent companies, subsidies and other affiliated companies abroad	0423				
414 and 416 (part)	4. Long-term loans, credits and liabilities based on leasing in the country	0424	36	11,873	30,819	
415 and 416 (part)	5. Long-term loans, credits and liabilities based on leasing abroad	0425				
413	6. Liabilities for emission of securities	0426				
419	7. Other long-term liabilities	0427				
49 (part), except 498 and 495 (part)	III. LONG-TERM PASSIVE ACCURALS	0428	42	3,684,814	2,508,960	
498	C. DEFERRED TAX LIABILITIES	0429	43	795,572	769,917	
495 (PART)	D. LONG-TERM DEFERRED REVENUES AND RECEIVED DONATIONS	0430				

BALANCE SHEET (continued)
As of 31st December 2022

BALANCE SHEET
As of 31st December 2022



In thousand dinars

Group of accounts, account	ITEM	Automatic data processing	Note no	Amount		
				Current year 31/12/22	Previous year	
					Closing balance 31/12/21	Opening balance 01/01/21
1	2	3	4	5	6	7
	E. SHORT-TERM PROVISIONS AND LIABILITIES (0432+0433+0441+0442+0449+0453+0454)	0431		281,100	220,205	
467	I. SHORT-TERM PROVISIONS	0432				
42, EXCEPT 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+0440)	0433		24,282	24,606	
420 (part) and 421 (part)	1. Liabilities for loans from parent companies, subsidiaries and other affiliated companies in the country	0434				
420 (part) and 421 (part)	2. Liabilities for loans from parent companies, subsidiaries and other affiliated companies abroad	0435				
422 (part), 424 (part), 425 (part), and 429 (part)	3. Liabilities for credits and loans from entities other than domestic banks	0436	37	24,282	24,606	
422 (part), 424 (part), 425 (part), and 429 (part)	4. Liabilities for credits from domestic banks	0437				
423 (part), 424 (part), 425 (part), and 429 (part)	5. Credits, loans, liabilities from abroad	0438				
426	6. Liabilities for short-term securities	0439				
428	7. Liabilities for financial derivate	0440				
430	III. RECEIVED ADVANCE PAYMENTS, DEPOSITS AND BAILS	0441	38	35,717	44,302	
43 except 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+0448)	0442	39	19,254	14,615	
431 and 433	1. Liabilities towards suppliers- parent companies, subsidiaries and other affiliated companies in the country	0443				
432 and 434	2. Liabilities towards suppliers- parent companies, subsidiaries and other affiliated companies abroad	0444				
435	3. Liabilities towards suppliers in the country	0445	39	18,884	14,178	
436	4. Liabilities towards suppliers abroad	0446	39	218	253	
439 (part)	5. Liabilities for bonds	0447				
439 (part)	6. Other liabilities for business activities	0448	39	152	184	
44, 45 and 46 except 467, 47 and 48	V. OTHER SHORT - TERM LIABILITIES (0450+0451+0452)	0449		15,879	15,980	
44,45 and 46 except 467	1. Other short-term liabilities	0450	40	15,361	15,368	
47, 48 except 481	2. Liabilities related to value added tax and other public revenues	0451	41	518	612	
481	3. Liabilities for income tax	0452				
427	VI. LIABILITIES FOR ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0453				
49 (part) except 498	VII. SHORT-TERM DEFERRALS	0454	42	185,968	120,702	
	F. LOSS HIGHER THAN CAPITAL VALUE (0415+0429+0430-0431-0059)≥0=(0407+0412-0402-0403-0404-0405-0406-0408-0411)≥0	0455				
	G. TOTAL LIABILITIES (0401+0415+0429+0430+0431-0455) ≥ 0	0456		33,509,142	32,273,698	
89	H. OFF-BALANCE SHEET LIABILITIES	0457	44	3,731,726	4,731,421	

STATEMENT ON OTHER COMPREHENSIVE RESULT



- in thousand dinars -

For period 1st January to 31st December, 2022

ITEM	Automatic data processing	Note	Amount	
			Current year	Previous year
2	3	4	5	6
A. NET RESULTS FOROM BUSINESS ACTIVITIES				
I. NET PROFIT (ADP 1055)	2001		20,228	
II. NET LOSS (ADP 1056)	2002	34e		290,014
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Items that will not be reclassified to the profit and loss statement in future periods				
1. Changes in revaluation of intangible assets, property, plant and equipment				
a) increase in revaluation reserves	2003			
b) decrease in revaluation reserves	2004		15,229	67
2. Actuarial profits or losses on defined benefit plans				
a) profits	2005			
b) losses	2006			
3. Profits or losses based on share in other comprehensive profit or loss of affiliated companies				
a) profits	2007			
b) losses	2008			
b) Items that may subsequently be reclassified to the profit and loss statement in future periods				
1. Profits or losses on investments in equity instruments				
a) profits	2009			
b) losses	2010			
2. Profits or losses based on the translation of financial statements of foreign operations				
a) profits	2011			
b) losses	2012			
3. Profits or losses from hedging instruments of net investments in foreign operations				
a) profits	2013			
b) losses	2014			
4. Profits or losses on cash flow hedging instruments				
a) profits	2015			
b) losses	2016			
5. Profits or losses on available-for-sale securities shown at fair value in total comprehensive income				
a) profits	2017			
b) losses	2018			
I. OTHER COMPREHENSIVE GROSS PROFIT (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) - (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) ≥ 0				
	2019			
II. OTHER COMPREHENSIVE GROSS LOSS (2004 + 2006 + 2008 + 2010 + 2012 + 2014 + 2016 + 2018) - (2003 + 2005 + 2007 + 2009 + 2011 + 2013 + 2015 + 2017) ≥ 0				
	2020		15,229	67
III. DEFERRED TAX EXPENSE ON OTHER COMPREHENSIVE GROSS PROFIT OR LOSS				
	2021			
IV. DEFERRED TAX REVENUE ON OTHER COMPREHENSIVE GROSS PROFIT OR LOSS				
	2022			
V. OTHER COMPREHENSIVE NET PROFIT (2019 - 2020 - 2021+2022) ≥ 0				
	2023			
VI. OTHER COMPREHENSIVE NET LOSS (2020 - 2019 + 2021- 2022) ≥ 0				
	2024		15,229	67
C TOTAL COMPREHENSIVE RESULT OF THE PERIOD				
I. TOTAL COMPREHENSIVE NET PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0				
	2025		4,999	
II. TOTAL COMPREHENSIVE NET LOSS (2002 - 2001 + 2024 - 2023) ≥ 0				
	2026			290,081
D. TOTAL COMPREHENSIVE NET PROFIT OR LOSS (2028 + 2029) = ADP 2025 ≥ 0 or ADP 2026 > 0				
	2027			
1. Attributable to majority stakeholder				
	2028			
2. Attributable to minority stakeholder				
	2029			

STATEMENT ON CHANGES IN EQUITY
for the period from 1st January to 31st December 2022

STATEMENT ON CHANGES IN EQUITY

For period 1st January to 31st December, 2022



Position	Description	ADP	Basic equity (group 30 without 306 and 309)	ADP	Other basic equity (account 309)	ADP	Unpaid subscribed capital (group 31)	ADP	Issues premium and reserves (account 306 and group 32)	ADP	Reveloration reserves and retained profit and loss (group 33)	ADP	Retained profit (group 34)	ADP	Loss (group 35)	ADP	Stakeholder without control	ADP	Total (corresponding pos. ADP 0401) (qty. 2+3+4+5+6+7+8+9) ≥ 0	ADP	Loss higher than equity (corresponding pos. ADP 0455) (qty. 2+3+4+5+6+7+8+9) < 0
	1		2		3		4		5		6		7		8		9		10		11
1	Initial balance on 1 st January 2021	4001	21,015,677	4010		4019		4028	6,471,052	4037	2,214,039	4046	5,823	4055	799,122	4064		4073	28,907,469	4082	
2	Effects of retroactive adjustment of materially significant errors and changes in accounting	4002		4011		4020		4029		4038		4047		4056		4065		4074		4083	
3	Corrected initial balance on 1 st January 2021 (S.N. 1+2)	4003	21,015,677	4012		4021		4030	6,471,052	4039	2,214,039	4048	5,823	4057	799,122	4066		4075	28,907,469	4084	
4	Net changes in the year 2021	4004		4013		4022		4031	(793,299)	4040	(67)	4049	(5,744)	4058	(509,108)	4067		4076	(290,002)	4085	
5	Balance on the 31 st December 2021 (S.N. 3+4)	4005	21,015,677	4014		4023		4032	5,677,753	4041	2,213,972	4050	79	4059	290,014	4068		4077	28,617,467	4086	
6	Effects of retroactive adjustment of materially significant errors and changes in accounting	4006		4015		4024		4033		4042		4051		4060		4069		4078		4087	
7	Corrected initial balance on 1 st January 2022 (S.N. 5+6)	4007	21,015,677	4016		4025		4034	5,677,753	4043	2,213,972	4052	79	4061	290,014	4070		4079	28,617,467	4088	
8	Net changes in the year 2022	4008		4017		4026		4035	(289,937)	4044	(15,229)	4053	38,065	4062	(290,014)	4071		4080	22,913	4089	
9	Balance on the 31 st December 2022 (S.N. 7+8)	4009	21,015,677	4018		4027		4036	5,387,816	4045	2,198,743	4054	38,144	4063	-	4072		4081	28,640,380	4090	

CASH FLOW STATEMENT
for the period 1st January to 31st December, 2022

CASH FLOW STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars -

ITEM	Automatic data processing	Amount	
		Current year	Previous year
1	2	3	4
A. CASH FLOW FROM OPERATING ACTIVITIES			
I. Cash inflow from operating activities (1 to 4)	3001	623,265	282,842
1. Proceeds form sales and advances in the country	3002	607,020	173,739
2. Proceeds form sales and advances from abroad	3003		87
3. Interest received from business activities	3004		1,307
4. Other inflows from ordinary activities	3005	16,245	107,709
II. Cash outflows from operating activities (1 to 8)	3006	358,316	325,702
1. Payments to suppliers and given advances in the country	3007	110,258	85,480
2. Payments to suppliers and given advances abroad	3008		
3. Wages, salaries and other employee benefits	3009	159,882	149,977
4. Payment of interest in the country	3010		
5. Payment of interest abroad	3011		
6. Tax on profit	3012		
7. Outflows based on other public revenues	3013	88,176	90,245
8. Other outflows from business activities	3014		
III. Net cash inflow from operating activities (I-II)	3015	264,949	
IV. Net cash outflow from operating activities (II-I)	3016		42,860
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3017	4,743	4,658
1. Proceeds from sale of shares and stakes	3018		
2. Proceeds from sale of intangible assets, property, plants, equipment and biological assets	3019		
3. Other financial investments	3020		
4. Proceeds from interest received from investing activities	3021	4,743	4,658
5. Proceeds from dividends	3022		
II. Cash outflows from investing activities (1 to 3)	3023	127,428	96,192
1. Purchase of shares and stakes	3024		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3025	127,428	96,192
3. Other financial investments	3026		
III. Net cash inflow from investing activities (I-II)	3027		
IV. Net cash outflow from investing activities (II-I)	3028	122,685	91,534
C. CASH FLOWS FROM FINANCING ACTIVITIES			
I. Cash inflows from financing activities (1 to 7)	3029	-	-
1. Increase in share capital	3030		
2. Long-term loans in the country	3031		
3. Long-term loans abroad	3032		
4. Short-term loans in the country	3033		
5. Short-term loans abroad	3034		
6. Other long-term liabilities	3035		
7. Other short-term liabilities	3036		

STATEMENT OF CASH FLOWS (continued)
for the period 1st January to 31st December, 2022

CASH FLOW STATEMENT
For period 1st January to 31st December, 2022



- in thousand dinars -

ITEM	Automatic data processing	Amount	
		Current year	Previous year
1	2	3	4
II. Cash outflows from financing activities (1 to 8)	3037	-	1,512
1. Repurchase of own shares and capital stakes	3038		
2. Long-term loans in the country	3039		
3. Long-term loans abroad	3040		
4. Short-term loans in the country	3041		
5. Short-term loans abroad	3042		
6. Other liabilities	3043		
7. Financial leasing	3044		
8. Dividends paid	3045		1,512
III. Net cash inflow from financing activities (I-II)	3046		
IV. Net cash outflow from financing activities (II-I)	3047	-	1,512
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	628,008	287,500
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	485,744	423,406
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	142,264	
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051		135,906
H. CASH AT THE BEGINNING OF THE ACCOUNTING PERIOD	3052	612,130	725,318
I. POSITIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3053	41,301	27,476
J. NEGATIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3054	24,841	4,758
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050 - 3051 + 3052 + 3053 - 3054)	3055	770,854	612,130

JSC AIRPORT NIKOLA TESLA BELGRADE

NOTES TO THE FINANCIAL STATEMENTS
31st December, 2022

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**1. FOUNDATION AND BUSINESS OF THE COMPANY****1.1. Basic information about the company**

The Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: "Company") was established with the aim of providing airport services (landing, take-off, taxiing and parking of aircraft, reception and dispatch of aircraft, passengers and goods). In addition to the basic activity of providing airport services, the Company, as part of ancillary activities, also provides other services at the airport complex that meet the needs of service users, domestic and foreign airlines.

The Airport's operations date back to 25th March, 1928, at the Bežanijska kosa location, and operations at the current location (Surčin) began in 1962.

By the decision of the Government of the Republic of Serbia in 1992, the Airport was re-registered into the Public Company Airport "Belgrade", and in 2006, also by the decision of the Government, it was named Public Enterprise Airport Nikola Tesla Belgrade.

On 17th June 2010, The Government of the Republic of Serbia passed Decision no. 023-4432/2010 on the change of legal form of Public Enterprise Airport Nikola Tesla Belgrade from a public company to a closed joint stock company. The aforementioned change of legal form was registered with the Business Registers Agency on 22nd June 2010, by Decision No. BD 68460/2010.

After the change of legal form, the company continued to operate under the full name Joint stock company Airport Nikola Tesla Beograd. By decision of the Agency for Business Registers number BD 7651/2011 dated 24th January 2011, the Open Joint Stock Company Airport Nikola Tesla Belgrade was registered in the register of business entities.

On 22nd March 2018, a Concession Agreement was signed for financing, development through construction and reconstruction, maintenance and infrastructure management of JSC Airport Nikola Tesla Belgrade and performing the activities of Airport operator at the Airport Nikola Tesla Belgrade, between the Government as the representative of the Republic of Serbia, JSC Airport Nikola Tesla Belgrade, on the one hand, in the capacity of Concession Grantor and "Vinci Airports" SAS France as the Most Favorable Selected Bidder and a special purpose company established by the Selected Most Favorable Bidder solely for the purpose of implementing the Concession Agreement - Vinci Airports Serbia Ltd. Belgrade ("SPC") (hereinafter: Concession Agreement).

By fulfilling all the previous conditions, including the payment of a one-time concession fee in the amount of EUR 501,000,000 to the account of JSC Airport Nikola Tesla Belgrade, executed by Vinci Airports Serbia Ltd. Belgrade on 21st December, 2018, the conditions for the commencement of the Start Day concession starting from 22nd December 2018.

From the start date of the concession on 22nd December 2018, SPC took over the management of the Airport and the performance of service activities in air transport, and from the mentioned JSC Airport Nikola Tesla Belgrade changed its basic activity from service activities in air transport (52.23) to rental and management of owned or leased property (68.20), with the primary task of providing, as the owner of all movable and fixed assets, based on the Agreement on concessions for the use and management of SPC, monitors the implementation of concession agreement in accordance with the Law on Public-Private Partnerships and Concessions with accompanying by-laws.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In accordance with the provisions of the Law on Business Companies, the Company, in addition to its main activity, can perform all other activities that are not prohibited by law, including foreign trade activities, regardless of whether these activities are determined by the founding act, i.e. the statute. The company performs activities of general interest.

<i>Main office</i>	<i>Airport Belgrade 47, 11271 Surčin</i>
<i>Registration number</i>	<i>07036540</i>
<i>Tax identification number</i>	<i>100000539</i>
<i>Code and name of activity until 21/12/2018</i>	<i>52.23 - Service activities in air traffic</i>
<i>Code and name of activity from 22/12/2018</i>	<i>68.20 – Rental and management of owned or leased real estate</i>

In July 2019, VINCI Airports Serbia Ltd Belgrade changed its business name to Belgrade Airport Ltd Belgrade (hereinafter referred to as SPC) based on the prior consent of the Concession Grantor.

According to the classification criteria from the Accounting Act, JSC Airport Nikola Tesla Belgrade (hereinafter: "Company") is classified as a small legal entity.

1.2. Management structure

Management of the Society is bicameral. The bodies of the Company are the Assembly, the Supervisory Board and the Executive Board.

The Assembly consists of shareholders of the Company who have the right to participate in the work of the Assembly. A shareholder who owns 35,026 ordinary shares has the right to participate in the work of the Assembly.

The Supervisory Board consists of five (5) members, of which at least one member is independent from the Company. The members of the supervisory board are appointed by the Assembly of the Company. The supervisory board must form an audit committee, and if necessary, it can form other committees that help it in its work. The committees of the Supervisory Board have at least three members, and one of those members must always be an independent member of the Supervisory Board.

The Executive Board consists of two (2) executive directors, including the general director. Executive directors are appointed by the Supervisory Board of the Company.

1.3. Ownership structure

After the change of legal form to a closed joint-stock company, in the Central Securities Depository on 7th July 2010, 34,289,350 shares were registered, 100% owned by the Republic of Serbia.

The Government of the Republic of Serbia on 9th December 2010 passed the Decision 023-9103/2010-1, according to which citizens of the Republic of Serbia, employees and former employees of the Company acquired the right to transfer 16.85% of the Company's ownership. After the transfer of the right to free shares to citizens, employees and former employees, the Republic of Serbia owns 28,511,988 ordinary shares, which represents 83.15% of the total share capital of the Company.

By the decision on admission of shares to Listing A-Prime market 04/4 number 478/11 dated 28th January, 2011, the Company's shares were admitted to Listing A of the Belgrade Stock Exchange. Trading in the Company's shares on the Belgrade Stock Exchange began on 7th February, 2011.

On 31st December 2022, according to the records of the Central Securities Depository, 35,026,129 ordinary shares with the right to vote with an individual nominal value of 600.00 dinars were registered. The Republic of Serbia owns 29,616,722 ordinary shares, which represents 84.56% of the total share capital of the Company, and the other shareholders own 5,409,407 ordinary shares, which represents 15.44% of the total share capital of the Company. The structure of share- ownership of the Company is shown in Note 34a.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**1.4. Number of employees and engaged persons**

At the balance sheet date of 31st December 2022, the Company had 37 of employees, of which the Company had 36 permanent employees and 1 employee hired for temporary and occasional jobs refer to employees of (31st December 2021, the Company had 36 of hired workers, of which 35 permanent workers and 1 person hired for temporary and occasional jobs are employees of the Company.

In the period January-December 2022, the average number of employees in the Company based on the balance at the end of each month was 36, of which the average number of permanent employees in the Company being 35 and 1 average employee engaged for temporary and occasional jobs (in the course of 2021, the average number of employees in the Company based on the balance at the end of each month was 36, of which the average number of permanent employees in the Company is 35 and average number of employees engaged for temporary and occasional jobs is 1).

2. BASICS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**2.1. Basics for the preparation and presentation of financial statements**

The company's financial statements are prepared in accordance with the Law on Accounting ("Official Gazette of RS", No. 73/19 and 44/21 - hereinafter: Law).

In accordance with the Law, for the recognition, evaluation, presentation and disclosure of positions in financial statements, large legal entities, legal entities that have the obligation to prepare consolidated financial statements (parent legal entities), public companies, i.e. companies that are preparing to become public, independently of size, apply International Financial Reporting Standards (hereinafter IFRS). IFRS, in accordance with the Law, represent:

- Framework for preparation and presentation of financial statements,
- International Accounting Standards (IAS), i
- International Financial Reporting Standards (IFRS) and related interpretations, issued by the Accounting Standards Interpretation Committee (IFRIC), subsequent amendments to those standards and related interpretations, approved by the International Accounting Standards Board, the translation of which was determined and published by the competent Ministry for finance affairs.

The Company's financial statements are presented in the form and content specified by the Rulebook on the content and form of financial report forms and the content and form of the Statistical Report form for companies, cooperatives and entrepreneurs ("Official Gazette of RS", no. 89/20). This rulebook, among other things, prescribes the form and content of positions in the forms of Balance Sheet, Profit and Loss Statement, Statement of Other Results, Statement of Cash Flows, Statement of Changes in Equity and Notes to Financial Statements. According to the aforementioned Rulebook, amounts are entered in thousands of dinars in the forms of financial statements.

The accounting framework and the content of the accounts in the Accounting framework are prescribed by the Rulebook on the accounting framework and the content of the accounts in the accounting framework for economic companies, cooperatives and entrepreneurs ("Official Gazette of RS", No. 89/20 - which applies starting from the financial statements that are compiled on 12/31/2021) ("Official Gazette of RS", No. 95/14 - which is valid for compilation of financial statements as of 31st December 2021).

On preparation of the Company's financial statements, among others, the following laws and regulations have been complied with:

- ✓ Law on Corporate Income Tax (Official Gazette of RS No. 25/01, 80/02 - other law, 43/03, 84/04, 18/10, 101/11, 119/12, 47/13, 108/13, 68/14 - other law, 142/14, 91/15 - authentic interpretation, 112/15, 113/17, 95/18, 86/19 , 153/20 and 118/21),
- ✓ Law on Value Added Tax (Official Gazette of RS No. 84/04, 86/04 - correction, 61/05, 61/07, 93/12, 108/13, 68/14 - other law, 142/14 , 83/15, 108/16, 113/17, 30/18, 72/19, 8/20 and 153/20),

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

- ✓ Rulebook on the content of the tax balance sheet and other issues of significance for the manner of determining corporate income tax (Official Gazette of RS 20/14, 41/15, 101/16, 8/19, 94/19, 159/20 and 97/21),
- ✓ Rulebook on the content of the tax return for the calculation of corporate income tax (Official Gazette of the RS 30/15, 101/16, 44/18 - other laws, 8/19, 94/19, 159/20 and 97/21),
- ✓ Rulebook on the manner of classifying fixed assets by group and the manner of determining depreciation for tax purposes (Official Gazette of RS 116/04, 99/10, 104/18 and 8/19).

Of the legal acts that represent the Company's internal regulation, the Company applied the accounting policies explained in Note 3 when preparing these financial statements.

The Law on Capital Market (Official Gazette of RS 31/11, 112/15, 108/16, 9/20 and 153/20) prescribes what data should be included in the annual, semi-annual and quarterly reports of public companies whose securities are traded on the regulated market.

Please note that in some cases, when preparing the Company's financial statements, all relevant provisions of IFRS and Interpretations are not fully complied with.

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

- Financial statements in the Republic of Serbia for the reporting period, in accordance with the Law on Accounting ("Official Gazette of the RS" No. 73/19 and 44/21), are presented in the format prescribed by the Rulebook on the Content and Form of Forms of Financial Statements for Business Companies, Cooperatives and Entrepreneurs ("Official Gazette of the RS", No. 95/2014 and 144/2014 - which is valid until the preparation of financial statements on 31.12.2021), which deviates from the presentation and name of certain general purpose financial statements, as well as from the way of presenting certain balance sheet positions as provided by Revised IAS 1 - Presentation of financial statements i
- Off-balance sheet assets and off-balance sheet liabilities are shown on the balance sheet form. According to the definition of IFRS, these items represent neither assets nor liabilities.

In addition to the above, deviations also arise as a result of the time difference between the publication of Standards and Interpretations, which are subject to continuous changes, and the moment when those Standards and Interpretations become valid in the Republic of Serbia. Thus, for example, deviations from the Standards arise as a consequence of the fact that the published Standards and Interpretations, which have entered into force, have not yet been officially translated and adopted in the Republic of Serbia; as a consequence of the fact that the published Standards and Interpretations have not yet entered into force; or as a consequence of other reasons over which the Company has no influence, which has no significant impact on the financial position of the Company, as well as on the results of its operations.

Published standards and interpretations not yet effective

On the date of issuance of these financial statements, the following standards, their amendments and interpretations were published, but not yet effective:

- IFRS 17 - Insurance contracts - published on 18th May 2017, amended in June 2020, enters into force for periods beginning on or after 1st January 2023;
- Amendments to IAS 1 - Presentation of financial statements - Classification of liabilities as long-term and short-term - published in January 2020, revised in July 2020, and effective for annual periods beginning on or after 1st January 2023;
- Amendments to IAS 1 - Presentation of financial statements - Disclosure of accounting policies - published in February 2021 and effective for annual periods beginning on or after 1st January, 2023;
- Amendments to IAS 8 - Accounting policies, Changes in Accounting Estimates and Errors - Definition of accounting estimates - published in February 2021 and effective for annual periods beginning on or after 1st January 2023;

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

- Amendments to IAS 12 - Income Taxes - Deferred tax related to assets and liabilities arising from a single transaction - published in May 2021 and effective for annual periods beginning on or after 1st January 2023;
- Amendments to IAS 16 - Property, Plant and Equipment - Procedures before intended use - date of application 1st January 2022;
- Amendment to IFRS 3 - Business Combinations - Reference for the Conceptual Framework - date of application 1st January 2022;
- Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets – Expenses for Fulfillment of the Contract - date of application 1st January 2022;
- Annual improvements to standards from 2018 to 2020 - date of application 1st January 2022.

2.2. Accounting principles

When compiling the financial report a The company adheres to the following principles:

- The principle of continuity,
- The principle of constancy,
- The precautionary principle,
- The principle of essence over form,
- The principle of causality of income and expenses,
- The principle of individual assessment.

Respecting **the principle of continuity**, financial statements are prepared under the assumption that the Company operates continuously, i.e. in the indefinitely long term (going concern),

The principle of consistency implies that the way of assessing the state and changes in assets, liabilities, capital, income, expenses and the result of operations, i.e. that the manner of estimating the balance sheets position of the Company does not change for a long period of time. If, for example, due to compliance with legal regulations, the reason for the change is explained, and the effect of the change is expressed in accordance with the requirements of the professional regulations related to the method of assessment.

The precautionary principle implies the inclusion of a certain level of caution when compiling the Company's financial statements, which should result in assets and income not being overestimated, and liabilities and expenses not being underestimated. Recognition and evaluation is performed with the application of the precautionary principle, and in particular:

- Only profit realized up to the balance sheet date can be recognized;
- The Balance Sheet shows liabilities incurred during the current or previous business years, even if such liabilities become evident only between the Balance Sheet date and the date of approval for disclosure of financial statements;
- All impairments are taken into account, regardless of whether the result of the business year is profit or loss;

The principle of essence over form implies that when recording the Company's transactions, and thus also when compiling financial statements, accounting inclusion should be done in accordance with the substance of the transactions and their economic reality.

Respecting **the principle of causality of income and expenses**, the recognition of the effects of transactions and other events in the Company is not related to the moment when cash or cash equivalent, based on those transactions and events, are received or paid, but are related to the moment when they occur.

The principle of individual assessment implies that eventual group assessments of different balance sheet positions of the Company (for example, assets or liabilities), for the sake of rationalization, arise from their individual assessment.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**3. OVERVIEW OF SIGNIFICANT ACCOUNTING POLICIES**

The basic accounting policies used to prepare these financial statements are listed below. These policies have been applied consistently to all years presented, unless otherwise indicated.

Significant accounting policies applied to the Company's financial statements that are the subject of these Notes, which are set forth below, are primarily based on the Rulebook on Accounting and Accounting Policies. If certain accounting aspects are not clearly specified by the Rulebook, the applied accounting policies are based on the applicable legal regulations.

3.1. Assessment

Preparation and presentation of financial statements, in accordance with the requirements of the applicable legislation in the Republic of Serbia, requires the management of the Company to use the best possible estimates and reasonable assumptions. Although, understandably, actual future results may differ, estimates and assumptions are based on information available at the balance sheet date.

The most significant assessments relate to determining the impairment of financial and non-financial assets and defining the assumptions necessary for the actuarial calculation of long-term benefits to employees based on severance pay. and jubilee awards .

In the context of evaluation, the Company's business policy is, if the fair value differs significantly from the book value, to disclose information about the fair value of assets and liabilities. In the Republic of Serbia, there is often a problem with the reliable assessment of the fair value of assets and liabilities due to the insufficiently developed financial market, lack of stability and liquidity when buying and selling, for example, financial assets and liabilities, and because market information is not always available. Despite the above, this issue is not ignored in the Company, but the management makes continuous assessments, taking into account the risks, and when it is estimated that the recoverable (fair or usable) value of the assets in the Company's books is overestimated, a value correction is made.

3.2. Effects of foreign exchange rates and foreign currency translation

Transactions in foreign currency, upon initial recognition, are recorded in the dinar equivalent, using the official middle exchange rate valid on the day of the transaction, while in the case of a different contracted currency clause, the translation of transactions is performed at the exchange rate specified in the contract.

On each balance sheet date, monetary items (foreign currency assets, receivables and liabilities) are converted using the official middle exchange rate on the balance sheet date.

Exchange rate differences arising from transactions in foreign currency are recognized as income or expense of the period in which they arise.

The official middle exchange rates of the National Bank of Serbia on the balance sheet date, for foreign currencies that were used to convert monetary items of foreign currencies into dinar equivalents, are shown in the following table.

Middle exchange rate	in RSD	
	31/12/22	31/12/21
EUR	117.3224	117.5821
USD	115.1515	103.9262
GBP	132.7026	140.2626

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Non-monetary items in the balance sheet are not recalculated on the balance sheet date, but are valued at the historical value converted at the exchange rate on the day of the transaction, except for non-monetary items that are valued at fair value, in which case they are recalculated at the exchange rate on the date of determining the fair value.

3.3. Revenues and expenses

Revenue recognition is recognized in the income statement when there is an increase in future economic benefits associated with an increase in assets or a decrease in liabilities, which can be measured reliably.

Revenue includes: operating income, financial income, other income including income from adjustment of property values and income based on the correction of errors from earlier years that are not materially significant.

The most important part of the income comes from the Concession Agreement, which is explained in point 3.9. these Notes.

Expenses are recognized when there is a reduction in future economic benefits, associated with a reduction in assets or an increase in liabilities, which can be reliably measured.

Expenditures include: business expenses, financial expenses, other expenses, including expenses from adjustment of property values and expenses based on the correction of errors from earlier years that are not materially significant.

3.4. Borrowing expenses

Borrowing costs are interest and other costs incurred by the Company in connection with borrowing funds. Based on the relevant provisions of IAS 23 - Borrowing Costs, interest and other borrowing costs are recognized as an expense in the period in which they are incurred, except in the case when they are directly attributable to the acquisition, construction or production of a certain qualifying asset, they are included in the purchase value of that asset and that is until the period when essentially all activities necessary to prepare the asset for planned use or sale have been completed. Qualifying assets refer to assets that necessarily require a significant period of time to be ready for their intended use.

3.5. Income tax

Income tax is recorded in accounting as the sum of:

- current tax
- deferred tax.

Current tax is the amount of liability payable (recoverable) on income tax related to taxable profit (tax loss) for the period. In other words, the current profit tax represents the amount calculated by applying the prescribed tax rate of 15% on the base determined by the tax balance sheet, which represents the amount of profit before taxation after deducting the effects of the adjustment of income and expenses, in accordance with the tax regulations of the Republic of Serbia, with a reduction of prescribed tax credits.

Deferred tax that is recorded in bookkeeping based on the relevant provisions of IAS 12 - Income tax can be expressed in the form of deferred tax assets or liabilities as a result of the time difference in the recognition of income and expenses according to accounting and tax regulations.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Deferred tax assets are amounts of income tax that will be recoverable in future periods based on:

- deductible temporary differences that arise in cases where the Company's balance sheets, on certain grounds, have already shown an expense, which will be recognized from a tax perspective in the following periods. Deductible temporary differences can arise in the following cases: the tax value of assets subject to depreciation is higher than the book value, from the tax point of view provisions that are recognized at the moment of use are not recognized, from the tax point of view expenses are not recognized when they are paid, etc.;
- unused tax losses carried forward to the next period, which is determined by applying the prescribed rate of income tax to the amount of the tax loss and is recognized only if the management estimates that in the following periods the Company will have a taxable profit that can be reduced on the basis of unused tax losses;
- unused tax credits carried forward to the next period, which are recognized only up to the amount in which it is probable that in future periods a taxable profit will be realized in the tax balance, i.e. the calculated profit tax for the reduction of which the unused tax credit can be used.

Deferred tax assets are verified at the balance sheet date and are recognized only if the Company estimates that it is probable that in future periods there will be prudential profits for the reduction of which the deferred tax assets can be utilized.

Deferred tax liabilities are the amounts of income tax payable in future periods in relation to taxable temporary differences. A taxable temporary difference arises in cases where the book value of assets subject to depreciation is greater than their tax base. The amount of the deferred tax liability is determined by applying the prescribed corporate income tax rate to the amount of the taxable temporary difference.

Deferred tax arising on the basis of a temporary difference arising from revaluation of assets at fair value (which is recognized in accounting, but not in tax terms) is changed or credited to revaluation reserves.

At each balance sheet date, deferred tax liabilities are reduced to the amount determined on the basis of the temporary difference determined on that date.

If at the end of the previous year the temporary difference was taxable, based on which deferred tax liabilities were recognized, and at the end of the current year, based on the same funds, the temporary difference is deductible, the previously formed deferred tax liabilities are canceled in their entirety, with simultaneous recognition deferred tax assets in the amount determined on the balance sheet date.

3.6. Intangible assets

Intangible assets are non-monetary assets without an identifiable physical substance, and an asset is a resource that the Company controls as a result of past events and from which future economic benefits are expected to flow to the Company. Intangible assets are software, licenses, patents, etc.

If the item does not meet all the conditions in the above definition, the expenses of its acquisition or internal generation are recognized as an expense when incurred.

Recognition of an item as an intangible asset requires the Company to demonstrate that the item satisfies:

- definition of intangible assets and
- recognition criteria which imply that it is probable that future economic benefits attributable to the asset will flow to the Company and that the acquisition value of the asset can be reliably measured.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Intangible assets are initially measured at cost, which is their purchase price including non-refundable import duties after deduction of discounts and rebates, and any directly attributable costs of preparing the asset for its intended use.

After initial recognition, intangible assets are recorded at their cost less accumulated depreciation (impairment) and any accumulated impairment losses.

3.7. Property, plant and equipment

Property, plant and equipment are tangible items held for use in the production or delivery of goods or services, for rental to others or for administrative purposes and which are expected to be used for more than one accounting period.

Real estate, plant and equipment are recognized as fixed assets if the following conditions are met:

- future economic benefits are expected with that asset, and
- the purchase value, i.e. the cost price of the asset can be reliably determined.

The initial valuation of items of real estate, plant and equipment is carried out at their purchase price if they were acquired from other entities, or at cost price, if they were produced in-house. Purchase value includes invoice value, including non-refundable import duties, after deduction of discounts and rebates, dependent costs directly attributable to bringing the asset to location and operational readiness.

After initial recognition, real estate, plant and equipment (except for tools and inventory for which the purchase value model is applied) are stated at a revalued amount that expresses their fair value on the date of the revaluation, less the total amount of the value adjustment based on depreciation and the total amount of the adjustment value based on impairment loss.

The fair value of real estate is its market value, which is determined by appraisal. Revaluation is performed only when the fair value of the revalued asset differs materially from its stated value. Gains from revaluation are recognized in other gains and losses in favor of the revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the income statement, revaluation gains are recognized in the income statement, and the rest of the gains are recognized in other gains and losses. Revaluation losses are recognized after valuation or impairment testing, and are recognized in other gains and losses up to the amount of the previously recognized revaluation reserve in equity, and the rest of the losses are recognized in the income statement. When spending or disposing of an asset, the corresponding revaluation reserve is transferred directly to retained earnings.

The assessment of the value of real estate, plant and equipment was performed on 1st January, 2019.

Gains or losses resulting from disposal or disposal are recognized as income or expense in the income statement.

3.7. Depreciation

Depreciation is the amount of assets (intangible assets, property real estate, plant and equipment) that is amortized over the useful life of the assets. Depreciation is determined by: useful life, depreciation method, depreciation amount and depreciation period.

The useful life of the asset is determined by the Company using the time method, so that the useful life of the asset can be understood as the period of time during which the asset is expected to be available to the Company for use and use. The useful lives of assets are reviewed at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The depreciable amount is the revalued value for property, plant and equipment, i.e. the purchase value for intangible assets, less the residual value that is systematically allocated over the useful life of the assets.

Residual value is the estimated amount that the Company would receive today if it disposed of the asset, after deducting estimated costs of disposal and assuming that the asset is at the end of its useful life, and in the condition expected at the end of its useful life.

The residual value of an intangible asset is always assumed to be zero, except in the following cases:

- when there is an obligation of a third party to purchase the intangible asset at the end of its useful life or
- when there is an active market for intangible assets, assuming that such a market will exist at the end of the asset's useful life, when the residual value can be determined by referring to that market.

The residual value is verified at the end of each financial year by competent appraisers and its change in relation to previous valuations is accounted for in accordance with the relevant provisions of IAS 8.

As a result of the assessment, the residual value can be increased for an individual asset to an amount equal to or greater than the book value of that asset. In that case, the depreciation expense will be zero over the remaining useful life of that asset, unless, as a result of subsequent assessments, the residual value is reduced to an amount that is lower than the book value.

Depreciation of assets is carried out using the straight-line depreciation method (proportional method), and the calculation of depreciation starts from the day when the asset becomes available for use, i.e. use, i.e. when it is in the location and in the condition necessary for functioning, in the way foreseen by the management.

Depreciation of intangible assets is conditioned by an assessment of whether the useful life is unlimited or limited. Intangible assets are not subject to depreciation if the useful life is estimated to be indefinite, that is, if, based on the analysis of all relevant factors, the end of the period when the intangible asset is expected to generate inflows of net cash flows to the Company cannot be predicted.

Depreciation is not calculated for assets that do not lose value over time (for example, works of art) or assets that have an indefinite useful life (for example, land).

The calculation of depreciation ceases when the asset is written off (derecognized as an asset) and when it is reclassified as a fixed asset intended for sale or as part of a discontinued activity. Therefore, depreciation is calculated even when the asset is not used, i.e. when it is not actively used, if the asset has not been reclassified as a fixed asset intended for sale or within the scope of business that is being discontinued.

For the purposes of compiling the tax balance, that is, for tax purposes, the calculation of depreciation of assets is carried out according to valid legal regulations.

3.8. Impairment of value

At each balance sheet date, the Company reviews the book amounts of its tangible assets to determine whether there are any indications that losses have occurred due to a reduction in the value of said assets. If there are such indications, the recoverable amount of the asset is estimated in order to determine the eventual loss caused by the reduction. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the net selling price or the value in use, whichever is higher. For value in use purposes, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to that asset.

If the estimated recoverable amount of an asset (or cash-generating unit) is less than the carrying amount, then the carrying amount of that asset (or cash-generating unit) is reduced to the recoverable amount. Impairment

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

losses are recognized immediately as an expense, unless the asset is land or a building not used as investment property that is stated at the revalued amount, in which case the impairment loss is stated as a decrease in value resulting from revaluation of the asset.

Upon subsequent reversal of an impairment loss, the carrying amount of the asset (cash-generating unit) is increased to the revised estimated recoverable amount of that asset, whereby the higher carrying amount does not exceed the carrying amount that would have been determined if there had been no recognized losses on that asset in previous years asset (a unit that generates money) due to impairment. The reversal of the impairment loss is immediately recognized as income, unless the asset is carried at estimated value, in which case the reversal of the impairment loss is recognized as an increase due to revaluation.

On day 31st December 2022, based on the assessment of the Company's management, there are no indications that the value of the assets has been impaired.

3.9. Leasing

Leasing is a business relationship between two persons in which one person, for a fee, assigns to another person the right to use a certain asset for the performance of his activity in the contract period.

Company as lessee

The unique model of accounting treatment for lessees is the recognition of assets and liabilities for all leasing contracts that contain the duration of the lease for a period longer than one year. The foregoing does not apply to leasing contracts, if the subject of the lease is classified as a low value asset.

The lessee makes the initial assessment of the obligations under the lease on the first day of the lease term in the amount of the present value of all future lease payments discounted at the interest rate contained in the lease (in the case of financial leasing). If the interest rate cannot be easily determined, the Company uses the incremental borrowing interest rate.

Lease payments include fixed payments (including variable payments that are fixed in nature), less any lease incentives received.

After initial recognition, lease liabilities are measured with an increase in their value based on interest and a decrease for lease payments made.

Remeasurement of lease obligations and accordingly adjusts the right-of-use value in the following cases:

- changes in the duration of the leasing contract or a significant event, as well as changes in the assessment regarding the certainty of exercising the option to purchase the leased item, in which case the liability based on the lease is re-measured by discounting the revised lease payments by applying the revised interest rate;
- changes in minimum future lease payments caused by a change in the index or utilization rate for variable lease payments or changes in the expected amount of the guaranteed residual value, in which case the lease liability is remeasured by discounting the revised payments using the unchanged interest rate;
- changes to the lease agreement that are not accounted for as a separate new lease agreement, in which case the lease liability is remeasured based on the duration of the lease according to the modified agreement by discounting the revised lease payments by applying the revised interest rate on the date of entry into the modified agreement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Right-of-use assets (assets) are depreciated over the lease period or the useful life of the leased item, whichever is shorter. Depreciation calculation begins with the lease commencement date.

The company applies IAS 36 to determine whether there has been an impairment of right-of-use assets and records any resulting impairment loss.

The company recognized the first application of IFRS 16 on 1st January, 2021, by applying a modified retrospective approach, during which it recognizes assets with the right of use in an amount equal to the lease liability.

Company as lessor

A lease is classified as financial if all the risks and benefits associated with the ownership of the asset that is the subject of the lease are transferred from the lessor to the lessee, and if this is not the case, the lease is classified as a business lease.

The Company recognizes revenues from operating leases using the straight-line method (or another basis if it better reflects the revenues that the entity generates from the use of the leased items) during the contracted lease period. Initial direct costs incurred by the Company as a lessor are added to the book value of the leased item and are recognized as an expense during the lease term on the same basis as rental income.

Concession Agreement

Bearing in mind the absence of guidelines ie. of the specific IAS/IFSI for the accounting coverage of the Concession Agreement from the perspective of the Company as one of the two Concession Providers, the Company uses its own assessment to determine and apply an adequate accounting policy (IAS 8,10).

When judging, the Company considers the applicability of requirements from IFRS that deal with similar and related issues, definitions from the Framework, as well as announcements from bodies that deal with adoption of Standards.

By analyzing the applicability of IFRS 16 Leasing Agreements, the Company judges IFRS 16 based on the recommendation and analysis of the Advisor of the Ministry of Finance, as the most appropriate standard for the accounting coverage of Concession Agreements.

IFRS 16 defines a lease as a contract, or part of a contract, that transfers the right to use a specific asset for a specific period of time in exchange for compensation. In analyzing whether the definition of leasing is fulfilled or not, it is necessary to satisfy certain criteria. Mandatory elements of the leasing contract are:

- **Identified asset** – Airport infrastructure represents a defined identified asset that is specified in the Agreement;
- **The lessee acquires almost all the economic benefits** - the lessee (Special Purpose Company (SPC) established by the Selected Most Favorable Bidder solely for the purpose of realizing the Concession Agreement as a concessionaire) realizes the entire income from the use of the airport infrastructure during the period of use, i.e. during the Concession Duration Period;
- **The lessee determines the use of the identified asset** - Since the decisions "How and for what purpose" on the use of the asset are pre- determined by the Concession Agreement in terms of the way of using the infrastructure and other things, SPC has the right to determine the use of the asset in an operational sense, based on the fact that with the obligation of public works and maintenance of the airport infrastructure SPC has the obligation to provide the public service of the airport operator. Namely, SPC makes operational decisions on the use of funds related to airport operation (approval of landings and take-offs, personnel issues, selection of suppliers, etc.) during the Concession Application Period without the Company's ability to influence them.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In accordance with the requirements of IFRS 16, the entire assets of the Company are divided into the following categories:

- Airport infrastructure;
- Closely related funds that will be used by SPC until the end of the concession period;
- Closely related assets that SPC will not use until the end of the concession period;
- Other funds that SPC will use until the end of the concession period;
- Other funds that SPC will not use until the end of the concession period.

Closely connected assets consist of assets (equipment) closely connected with the airport infrastructure and significant airport equipment.

Further below, an overview of the accounting coverage of the categories of assets (assets) is given.

Asset category	Accounting treatment
Airport infrastructure	Operating leasing Recognition of assets in accordance with IAS 16
Closely related assets that SPC will not use until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Closely related funds that will be used by SPC until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Other funds that SPC will not use until the end of the concession period	Operating leasing Recognition of assets in accordance with IAS 16
Other funds that SPC will use until the end of the concession period	Cessation of property recognition Treatment as a transfer of the right to use on the 1st day of the start of the Concession Agreement (uninvoiced claim)

Accounting treatment in accordance with IFRS 16 - Leasing contracts of the above-mentioned categories of assets (assets) was implemented on 1st January 2019 as the start date of the Concession Agreement.

Accounting coverage of various lease payments

In accordance with IFRS 16.81, the lessor recognizes lease payments as income on a straight-line or other systematic basis over the term of the lease. Some other systematic basis is applied when that basis is more suitable for presenting a pattern in which the benefit of using the asset is reduced. According to the above, the Company recognizes the following as income:

- Income based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it arises, i.e. Variable Fees in the amount of 5% of the gross income of SPC, which depend on the amount of SPC income in the period in which it arises, whichever amount is greater for observed period.
- Income based on non-monetary compensation (CAPEX) and Additional land acquired by SPC in accordance with the Concession Agreement for the purpose of implementing its technical solution from the Binding Offer and transferred to the Company free of charge) are treated as variable fees and are recognized in the income statement in an equal amount (on a straight-line basis) during the remaining Term concessions starting from the moment when SPC is obliged to build a new asset, i.e. perform investment maintenance works on the airport infrastructure, and based on the acceptance of the built and/or upgraded facility as well as the completed works in the name of investment maintenance.

In addition to the above-mentioned payments, a part of the compensation is also set aside for the transfer of the right to use other assets (movable Concession assets) that will be used by SPC until the end of their useful life in terms of reducing income during the Concession Period.

3.10. Employee benefits

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The company hired an authorized actuary to evaluate provisions for severance pay for retirement and jubilee awards on 31st December 2021, based on the Labor Regulations, adopted on 11th January, 2019. which stipulates that the Company has the obligation to pay employees:

- Severance pay for retirement in the amount of four average monthly wages without taxes and contributions paid by the Employer in the month before the payment of the severance pay
- The jubilee award for the total time spent in employment with the Employer in the amount of the average monthly salary without taxes and contributions paid by the Employer for the month preceding the month in which the employee became entitled to the jubilee award, for:
 - 10 years of work - in the amount of one monthly salary;
 - 20 years of work - in the amount of two monthly wages;
 - 30 years of work - in the amount of three monthly wages;
 - 35 years of work for women and men - in the amount of four monthly wages;

At the end of each business year, the company evaluates provisions for severance pay and jubilee bonuses in accordance with the requirements of IRS standards 19- Employee Benefits.

Assumptions used for actuarial calculation and changes in reservations in the current period (31st December, 2022) are disclosed in note 35a.

3.11. Financial instruments

The Company recognizes a financial asset or financial liability in its statement of financial position only when the Company becomes one of the parties to which the contractual provisions of the instrument refer.

Funding

Pursuant to IFRS 9 - Financial Instruments, a financial asset is recognized when the Company becomes one of the parties to which the contractual provisions (rights) of the financial instrument refer. The purchase or sale of a financial asset is recorded using settlement date accounting (the date the asset is delivered to the entity or the date the entity delivers the asset).

The Company ceases to recognize a financial asset:

- when the contractual rights to cash flows from the financial asset cease to be valid; or
- transfers a financial asset and that transfer qualifies as derecognition due to the transferred, to a significant extent, risk and benefit from the financial asset.

Financial assets are initially measured at their fair value, increased or decreased, in the case of a financial asset that is not measured at fair value through the income statement, for transaction costs that can be directly attributed to the acquisition or issuance of the financial instrument. In relation to the above, the difference is that the initial recognition of receivables from sales is measured at the price of the transaction (except in the case when the sale contains a significant financing component).

In the subsequent measurement of the financial asset, the group in which the Company classified the financial asset is relevant, which is conditional on:

- business model of the Company for the management of financial assets i
- characteristics of the contractual cash flows of the financial asset ("SPPI" test - Solely Payments of Principal and Interest).

From the point of view of subsequent valuation, the financial asset can be classified into the following three groups:

- financial asset measured at amortized value,
- financial asset measured at fair value through other comprehensive income, and
- financial asset measured at fair value through the profit and loss statement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

An asset classified in the depreciated value category should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows;
- SPPI test: whether the agreed terms give the right to cash flows that represent only the payment of principal and interest.

An asset classified in the category of fair value through other comprehensive income (FVTOCI) should meet both criteria:

- Business model: the financial asset is held for the purpose of collecting contracted cash flows and sales;
- SPPI test: whether the agreed terms give the right to cash flows that represent only the payment of principal and interest.

A financial asset measured at fair value through the income statement includes assets that are not classified in the previous two groups. Evaluation effects and realized gains and losses are recognized in the income statement in the period in which they arise.

All derivatives covered by IFRS 9 are measured at fair value. All changes are recognized through the income statement.

A financial asset is impaired when one or more events occur that have a detrimental effect on the estimated future cash flows of that financial asset.

Regarding assets that are measured at amortized value (loans and receivables) and at fair value through other total results, the Company should recognize impairment, that is, recognize a provision for expected credit losses.

The company should, on each reporting date, assess whether the credit risk of a certain financial asset has significantly increased since the beginning of recognition, which, among other things, entails measuring the expected losses from the financial asset in a way that reflects:

- an unbiased and probability-weighted amount determined by evaluating a series of possible outcomes,
- time value of money i
- reasonable and corroborating information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

Financial liabilities

A financial liability is any liability that is:

- in contract law:
 - delivering cash or other financial means to another company; or
 - exchange of financial assets or financial s with another company under conditions that are potentially unfavorable for the Company; or
- a contract that will be or can be settled with instruments of the Company's own capital and which is:
 - non-derivative, for which the Company is or may be obliged to deliver a variable number of instruments of the Company's own capital; or
 - derivative, which will be or can be settled otherwise than by exchanging a fixed amount of cash or another financial asset for a fixed number of instruments of the Company's own capital.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Pursuant to IFRS 9 - Financial Instruments, a financial liability is recognized when the Company becomes one of the parties to the contractual provisions of the financial instrument.

The Company ceases to recognize a financial obligation (or part of a financial obligation) when it is extinguished, that is, when the contractual obligation is fulfilled, canceled or has expired.

The exchange between an existing borrower and a lender of debt instruments with significantly different terms should be accounted for as extinguishing the original financial obligation and recognizing a new one. Similar to the above, a significant change in the terms of an existing (or part of) financial obligation should be accounted for as extinguishing the original financial obligation and recognizing a new one.

The difference between the book value of a financial liability (or part of a liability) that is extinguished or transferred to another party and the compensation paid, including any non-cash assets transferred or liabilities assumed, should be recognized in the income statement.

A financial liability is initially measured at their fair value, increased or decreased, in the case of a financial liability that is not measured at fair value through the profit and loss statement, for transaction costs that can be directly attributed to the acquisition or issuance of a financial instrument.

From the aspect of subsequent valuation, with minor exceptions (derivatives, financial guarantees, etc.), financial liabilities are measured at amortized value, using the effective interest rate method. By applying this method, the Company identifies fees that are an integral part of the effective interest rate of the financial obligation (all of the above also applies to the financial asset). Fees that are an integral part of the effective interest rate include start-up fees (service costs, loan application processing costs, writing a pledge, attorney's fees, etc.), commissions, etc.

The company may, upon initial recognition (no reclassification of the financial liability is carried out over time), classify the financial liability as measured at fair value through the profit and loss statement: if this prevents accounting inconsistencies due to the measurement of assets, liabilities, income and/or expenses on different bases; and if the group of financial assets and liabilities is managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

Impairment of the value of financial assets

The company recognizes a provision for losses (correction of value) for expected credit losses for all financial assets that are valued at amortized value or at fair value through other results (except equity participation), as well as contracted assets.

Credit loss is the difference between all contractual cash flows of the Company that have exceeded the maturity date in accordance with the contract and all cash flows that the Company expects to receive, discounted at the original effective interest rate fees. The discount factor depends on the effective interest rate at initial recognition and the maturity of the instrument. If the instrument is expected to be collected within 12 months, the discount factor is 1.

Expected credit losses represent weighted average credit losses with default risks used as weights to reflect an unbiased and probability-weighted amount determined by evaluating a range of possible outcomes.

The company applies a simplified approach for the purposes of calculating expected credit losses at the level of an individual claim, taking into account collateral, received advances and deposits, as well as subscriptions.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The Company considers that an event of default has occurred if the claim has not been collected 90 days after the due date.

On the balance sheet date, the Company makes a value adjustment based on expected credit losses, that is, it makes a value adjustment of all receivables that are more than 90 days in arrears (the occurrence of an event of default), and for which there is a risk of default.

3.12. Provisions, potential assets and potential liabilities

A provision, according to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets, represents a liability of uncertain maturity or amount that exists on the balance sheet date.

The company recognizes the reservation only if the following three conditions are met:

- when the Company has a present obligation (legal or derived) as a result of a past event,
- when it is probable that an outflow of resources representing economic benefits will be required to settle the liability, and
- when a reliable estimate of the amount of the liability can be made.

The essence of the provision is that it is formed only for obligations arising from past events, which exist independently of the future actions of the Company. Hence, provisions are not recognized for future business losses.

For the purpose of recognizing a provision, it is considered probable that the required settlement of the Company's obligations will cause an outflow of resources representing economic benefits, when it is more likely than not that an outflow of resources will occur, that is, the probability that the settlement of those obligations of the Company will cause an outflow of resources is more than likely not.

Provisions can be formed on different bases, namely: for costs within the guarantee period, for costs of restoration of natural resources, for retained bails and deposits, for restructuring costs, for compensation and other benefits of employees, for costs of court disputes and on other grounds.

When measuring a provision, the amount recognized as a provision is the Company's best estimate of the expenditure required to settle the present obligation at the balance sheet date. In other words, it is the amount that the Company would pay on the balance sheet date to settle the obligation or to transfer that obligation to a third party.

Provisions for costs and risks are tracked by type, tested at each balance sheet date and adjusted to reflect current best estimates. If it is no longer probable that an outflow of resources will be required to settle the liability, the provision is reversed. Cancellation of provisions is made in favor of income.

When the effect of the time value of money is significant, the amount of the provision represents the present value of the Company's expenditures expected to be required to settle the liability. When calculating the present value, discount rates are used, i.e. pre-tax rates, which reflect current market assessments of the time value of money and liability-specific risks.

A potential liability is:

- a possible obligation that arises on the basis of past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the control of the Company or
- a present obligation arising from past events, but not recognized because it is unlikely that an outflow of resources representing the Company's economic benefits will be required to settle the obligation or the amount of the obligation cannot be estimated reliably enough.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

A contingent liability is not recognized in the Company's financial statements, but, in the event that an outflow of economic benefits is possible, and the possibility of an outflow of resources is not very small, its disclosure is made.

The contingent liability is constantly reassessed (at least at the balance sheet date). When an outflow of economic benefits based on contingent liabilities becomes probable, a provision and expense are recognized in the Company's financial statements in the period in which the change in probability occurs (except in rare circumstances when a reliable estimate cannot be made).

Contingent assets are possible assets that arise based on past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events that are not fully under the Company's control.

Potential assets are not recognized in the Company's financial statements, but, in the event that the inflow of economic benefits is probable, their disclosure is made.

Contingent assets are continuously reassessed (at least at the balance sheet date) to ensure that the financial statements adequately reflect the development of the subject event. If it becomes certain that an inflow of economic benefits based on a potential asset will occur, the asset and related income are recognized in the Company's financial statements in the period in which the change occurred.

3.12. Fair value

Fair value according to IFRS 13 - Fair value measurement is the price that would be received for the sale of an asset, or paid for the transfer of a liability in a regular transaction between market participants on the measurement date; assuming that participants are acting in their own best economic interests.

Fair value is a market-based measurement, not a company-specific measurement.

Fair value measurement is performed for a specific asset or liability, taking into account the characteristics of the asset or liability that market participants would take into account when determining the price. These are, for example, the following characteristics:

- condition and locations of property and
- restrictions, if any, on the sale and use of the property.

The measurement of fair value is done on the assumption that the transaction of sale of assets or transfer of liabilities takes place or:

- in the primary market for the asset or liability, or
- in the absence of a primary market, in the most favorable market for the asset or liability.

If a primary market exists, fair value will represent the price in that market (whether the price is directly observable or estimated using another valuation technique), even if the price in another market is potentially more favorable at the measurement date.

Basically, all fair value estimation techniques can be divided into three groups:

- market access - using prices and other relevant information generated in transactions with identical or comparable assets or liabilities;
- cost approach (replacement cost) - the price that would be charged for the property is based on the market participant's (buyer's) cost of acquiring or building a replacement property of comparable benefit, adjusted for obsolescence; and
- income approach - fair value, as the equivalent of the present value of the future net cash flows expected from the use of the asset, reflects the market's current expectations of those future amounts.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

When estimating the fair value, valuation techniques are used that are appropriate for the given circumstances and for which the available data are sufficient to measure the fair value, whereby relevant observable inputs are used as much as possible, and unobservable inputs are used as little as possible.

An input, which may be observable or unobservable, is an assumption that market participants use in pricing an asset or liability, including risk assumptions, such as the risk inherent in a given valuation technique used in measuring fair value (such as a pricing model); and the risk inherent in the inputs to the valuation technique.

The fair value hierarchy is classified into three levels, according to the inputs to the valuation technique used in determining the fair value. In the present context:

- the highest priority is given to the fair value determined on the basis of level 1 inputs,
- medium priority to fair values determined on the basis of level 2 inputs, a
- lowest priority to fair values determined based on level 3 inputs.

Level 1 inputs are price quotations (unadjusted) in an active market for identical assets and liabilities that the Company has access to on the measurement date, with emphasis on determining both of the following elements:

- the primary market for the asset or liability or, in the absence of a primary market, the most favorable market for the asset or liability; and
- whether the Company can realize the transaction related to the asset or liability at the market price on the measurement date.

Level 2 inputs are quoted prices for similar assets or liabilities in an active market, quoted prices for identical or similar assets or liabilities in markets that are not active, etc. Depending on the characteristics (state and location of the property, volume and level of activity in the markets where the inputs were observed, etc.) of the property and "benchmarks" assets, the input is corrected when measuring the fair value.

Level 3 inputs are unobservable inputs (for example, the projected income statement or cash flow of a particular cash-generating unit) for assets and liabilities that are used in fair value measurements when there is little or no market activity related to the asset and liability at the time of measurement.

In the absence of even reliable inputs, when approximating the fair value (when estimating the fair value of illiquid securities, etc.), the purchase value can also be taken.

3.13. Review of significant accounting estimates

The presentation of financial statements requires the management of the Company to use the best possible estimates and reasonable assumptions, which have an effect on the presented values of assets and liabilities, as well as the disclosure of potential claims and liabilities on the date of drawing up the financial statements, as well as income and expenses during the reporting period. These estimates and assumptions are based on information available at the date of the financial statements. Actual amounts may differ from estimates.

The following shows the key assumptions related to the future and other sources of uncertainty assessment at the balance sheet date that represent a significant risk, for material corrections of the amount of the balance sheet positions in the next financial year.

Determining the lease period and the incremental interest rate

The duration of the lease is the irrevocable period during which the lessee has the right to use the property, together with:

- periods covered by any possible lease extension option if there is a realistic probability that the tenant will exercise that option, and
- periods covered by any possible lease termination option if there is a real probability that the tenant will not exercise that option.

When determining the duration of the lease, all facts and circumstances related to applying the possibility of extension, that is, not to use the option of terminating the contract, were considered.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The lease liability is initially measured at the present value of the future lease payments unpaid by that date, discounted by the interest rate contained in the lease. If that rate cannot be easily determined, which is the case with leasing contracts, the incremental borrowing rate of the lessee is applied. The incremental borrowing interest rate is the interest rate that the lessee would have to pay to borrow the funds necessary for the acquisition of property of similar value as the right-of-use property in a similar economic environment within a similar period and with similar guarantees.

The company has determined the incremental interest rate for each individual lease agreement.

The company recognized the first application of IFRS 16 on 1st January 2021 by applying a modified retrospective approach, during which it recognizes assets with the right of use in an amount equal to the lease liability.

Depreciation and depreciation rate

Depreciation calculation and depreciation rates are based on the projected economic life of real estate, plant and equipment. Once a year, the Society evaluates the economic life based on current forecasts.

Depreciation rates, which were used in the business year 2022, as well as depreciation rates calculated based on the useful life of assets that are implemented in 2021, are shown in the following table:

	%	
	2022	2021
Construction objects:		
<i>Electricity and water utility facilities</i>	2.33 - 20	2.33 - 20
<i>Roads, airports and parking lots</i>	2.27 - 50	2.27 - 50
<i>Other construction objects</i>	2.86 - 100	2.86 - 100
Equipment:		
<i>New specific equipment</i>	2.50 - 50	2.50 - 50
<i>Equipment for road traffic</i>	3.33 - 50	3.33 - 50
<i>Equipment for PTT traffic and TV</i>	33.33 - 50	33.33 - 50
<i>Equipment for air transport</i>	2.86 - 16.67	2.86 - 16.67
<i>Measuring and control devices and specific devices</i>	5 - 12.50	5 - 12.50
<i>Electronic, computing machines and computers</i>	5.26 - 33.33	5.26 - 33.33
<i>General purpose furniture and appliances</i>	2.84 - 7.69	2.84 - 7.69
<i>Equipment for road traffic taken in financial leasing</i>	6.67 - 11.11	6.67 - 11.11
<i>Equipment and plants</i>	2.94 - 100	2.94 - 100
<i>Tools and inventory</i>	- 3.57	- 3.57
Intangible assets :		
<i>Software and licenses</i>	33.33	33.33

Impairment of uncollectible receivables

On the balance sheet date, the Company makes a value adjustment based on expected credit losses, that is, it makes a value adjustment of all receivables that are more than 90 days in arrears (the occurrence of an event of default), and for which there is a risk of default. In estimating the appropriate amount of impairment loss for doubtful accounts, the Company relies on the age of the accounts receivable, prior experience with write-offs, the creditworthiness of customers and the estimated probability of default. Management believes that no additional allowance for receivables is required, other than the allowance already shown in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022***Fair value of long-term receivables***

Determining the fair value of the long-term receivable based on the annual concession fee is performed using the cash flow discounting method, that is, the present value of future cash inflows is calculated using the discount rate. The discount factor depends on the effective interest rate and maturity of the claim. The applied interest rate is the rate that the Company calculates and charges annually on the basis of deferred payment of the concession fee.

Court disputes

In general, provisions are subject to significant estimates. The Company assesses the probability that adverse events may occur as a result of past events and makes an estimate of the amount required to settle the liability. Assessment of potential liabilities based on court disputes is carried out by internal professional services or external advisers.

Although the Company respects the principle of prudence when estimating, given that there is a large amount of uncertainty, in certain cases the actual results may deviate from these estimates.

Fair value

Fair value for disclosure purposes in accordance with the requirements of IFRS 13 is defined as the price that would be received for the sale of an asset, or paid for the transfer of a liability in a regular transaction between market participants on the measurement date.

The Company's business policy is to disclose information about the fair value of assets and liabilities for which there is official market information and when the fair value differs significantly from the book value. In the Republic of Serbia, there is not enough market experience, as well as stability and liquidity in the purchase and sale of receivables and other financial assets and liabilities, since official market information is not available at all times. Therefore, fair value cannot be reliably determined in the absence of an active market. The management of the Company carries out a risk assessment and in cases where it is estimated that the value at which the property is kept in the business books will not be realized, it performs a value correction. In the opinion of the Company's management, the amounts in these financial statements reflect the value that, under the circumstances, is the most reliable and useful for reporting purposes.

The Company measures the fair value of assets and liabilities using assumptions that market participants would use when determining the price of the asset or liability, assuming that market participants are acting in their best economic interest. Fair value is the price that would be charged, i.e. paid for the transfer of the liability in a regular transaction on the primary or most favorable market on the measurement date, under current market conditions, regardless of whether that price is directly observable or estimated using another valuation technique. Techniques valuations applied to measure fair value should maximize the use of relevant observable inputs and minimize the use of unobservable inputs.

In order to increase consistency and comparability in fair value measurement and related disclosures, a fair value hierarchy is established that classifies into three levels inputs for valuation techniques, which are used in fair value measurement according to the following structure:

Level 1 inputs – are quoted prices (unadjusted) in an active market for identical assets and liabilities to which the entity has access at the measurement date.

Level 2 inputs – are inputs other than quoted prices included in level 1 that are observable for the asset or liability, either directly or indirectly. These inputs include the following: quoted prices for similar assets or liabilities in an active market .

Level 3 inputs – are unobservable inputs for assets or liabilities, which the entity develops using the best information available in the circumstances. Therefore, all reasonably available information about market participants' assumptions is considered. Unobservable inputs are considered assumptions of market participants and meet the objective of fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

4. OTHER BUSINESS INCOME

Structure of other operating revenue	in 000 RSD	
	I-XII 2022	I-XII 2021
Stamp revenue	8,500	8,500
Revenue from the periodic concession fee	595,320	562,948
Reduction of revenues based on OS transferred to AVR (assets made available for use on the 1 st day of the start of the Concession Agreement)	(88,695)	(159,137)
Income from non-monetary compensation (property) - Land	119,474	119,474
Income from non-monetary compensation (property) - Objects	64,767	-
Income from pre-invoiced expenses	5,049	6,277
Total	704,415	538,062

As explained in point 3.9. Note, the Company recognized the following as income:

- Revenue based on the Minimum annual concession fee in accordance with the Concession Agreement in the period in which it arises. Revenue on this basis is RSD 595,320 thousand.
- Part of the compensation based on the transfer of the right to use other assets (movable concession assets that are not airport infrastructure and closely related assets to the infrastructure that will be used by SPC until the end of their useful life) in terms of revenue reduction during the concession period, which amounts to, for the period from January- December 2022, RSD 88,695 thousand of which RSD 23,830 thousand refers to expenses, in accordance with the requirements of IFRS 16.
- Revenue based on non-monetary compensation related to accrued income for Additional land based on the transfer of ownership rights in the amount of RSD 119,474 thousand.
- Income based on non-monetary compensation related to accrued income for Mandatory works , works on construction and reconstruction, maintenance and arrangement of the infrastructure of AD Aerodroma Nikola Tesla (CAPEX) which represent investment maintenance, and based on the receipt of constructed facilities: Remote parking , Substation "Parking", Solid waste treatment plant - land zone, Solid waste treatment plant - restricted zone, First phase of expansion of platform C, Reconstruction and extension of platform B, Reconstruction of power supply for parking positions A3-A5 in the total amount of RSD 64,767 thousand.

5. COSTS OF MATERIALS, FUEL AND ENERGY

Material, fuel and energy cost structure	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of overhead materials (office and other materials)	658	679
Inventory costs	44	86
Gasoline and diesel fuel costs	1,294	1,193
Total	1,996	1,958

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**6. SALARY COSTS, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES**

Structure of salary expenses, salary allowances and other personal income	in 000 RSD	
	I-XII 2022	I-XII 2021
Gross wages and salary allowances	115,089	110,948
Taxes and contributions borne by the employer	18,542	18,323
Costs of fees according to the work and author's work contract	1,160	702
Costs of benefits under the contract on temporary and occasional jobs	5,108	5,130
Fees for members of the Supervisory Board, SA, Audit Committee	9,793	8,511
Other personal expenses:		
<i>Transportation costs</i>	1,249	1,091
<i>Business trip expenses</i>	1,444	1
<i>Severance pay</i>	1,062	-
<i>Premiums for voluntary insurance</i>	5,851	4,635
<i>Solidarity aid (newborns, treatments, elem. Nep. etc.)</i>	1,230	1,605
<i>Other personal expenses</i>	408	334
Subtotal	11,244	7,666
Total	160,936	151,280

7. COSTS OF PRODUCTION SERVICES

Cost structure of production services	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of telephone and other telecommunication services	3,376	3,655
Costs of maintenance services	7,481	6,796
Rental costs	431	299
Costs of other production services:		
<i>Costs of occupational health and safety services</i>	24	283
<i>Costs of other services</i>	47	62
Subtotal	71	345
Total	11,359	11,095

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

8. DEPRECIATION COSTS

Structure of depreciation costs	in 000 RSD	
	I-XII 2022	I-XII 2021
Depreciation costs - Intangible assets	15,209	14,604
Depreciation costs – Property	288,714	278,315
Depreciation costs - Equipment	263,128	274,815
Depreciation expenses - Leased real estate and equipment	26,562	28,308
Total	593,613	596,042

9. RESERVATION COSTS

Booking cost structure	in 000 RSD	
	I-XII 2022	I-XII 2021
Provisions for severance pay in retirement	275	620
Provisions for jubilee awards	1,783	1,835
Provisions for litigation	3,850	20,000
Total	5,908	22,455

10. INTANGIBLE COSTS

The structure of intangible costs	in 000 RSD	
	I-XII 2022	I-XII 2021
Costs of non-production services:		
<i>Costs of cleaning services</i>	503	503
<i>Costs of consulting services</i>	2,831	2,014
<i>Costs of professional development services</i>	348	155
<i>Costs for services on existing PIS software</i>	2,266	2,640
<i>Costs of other non-production services</i>	2,358	3,130
Subtotal	8,306	8,442
Representation expenses	4,082	1,747
Insurance costs	734	773
Payment transaction costs	570	550
Costs of membership fees	548	483
Tax expenses	88,884	89,247
Other intangible costs	6,784	7,188
Total	109,908	108,430

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

11. FINANCIAL REVENUES

Structure of financial income	in 000 RSD	
	I-XII 2022	I-XII 2021
Interest income	14,169	6,862
Positive exchange differences and positive effects of the currency clause:		
<i>Positive exchange differences</i>	42,103	27,994
<i>Income from the effects of the currency clause</i>	22	5
Subtotal	42,125	27,999
Other financial income		
Total	56,294	34,861

12. FINANCIAL EXPENSES

Structure of financial expenditures	in 000 RSD	
	I-XII 2022	I-XII 2021
Interest expense	17	23
Negative exchange differences and negative effects of the currency clause:		
<i>Negative exchange rate differences</i>	26,720	5,283
<i>Negative effects of the currency clause</i>	806	16
Subtotal	27,526	5,299
Other financial expenses	2,167	1,225
Total	29,710	6,547

13. INCOME FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS

The structure of income from the adjustment of the value of financial assets that is reported at fair value in Profit and Loss Statement	in 000 RSD	
	I-XII 2022	I-XII 2021
Income from adjusting the value of receivables from natural persons for housing loans based on fair value assessment	24,590	20,214
Income from the adjustment of the value of long-term receivables and receivables for advances for services	10,838	500
Total	35,428	20,714

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**14. EXPENSES FROM ADJUSTMENT OF THE VALUE OF FINANCIAL ASSETS**

The structure of expenses from the adjustment of the value of financial assets, which is reported at fair value in Profit and Loss Statement	in 000 RSD	
	I-XII 2022	I-XII 2021
Impairment of long-term receivables	-	44,944
Expenses from adjusting the value of other receivables	-	455
Expenses from adjusting the value of receivables from natural persons for housing loans based on fair value assessment	9,435	-
Total	9,435	45,399

15. OTHER REVENUES

Structure of other revenues	in 000 RSD	
	I-XII 2022	I-XII 2021
Profits from the sale of scrapped equipment - sale of vehicles	23,390	1,150
Collected written off receivables	120,702	2,100
Income from the cancellation of long-term provisions for litigation	6,912	-
Income from agreed revaluation	2,097	629
Income from reduction of liabilities	708	2,936
Other unmentioned income:		
<i>Income from collected court costs and out-of-court settlements</i>	29,036	98,182
<i>Other</i>	38	24
Subtotal	29,074	98,206
Total	182,883	105,021

Other income mostly relates to the collection of claims from Jat-Tehnika based on the Protocol in the total amount of RSD 105,831,349 thousand, as well as the collection of claims from "AirSerbia catering" based on the judgment in the amount of 38,463 thousand.

16. OTHER EXPENSES

Structure of other expenditures	in 000 RSD	
	I-XII 2022	I-XII 2021
Losses from the sale/expenditure of real estate and equipment	1,404	4,289
Other expenses not mentioned:		
<i>Court costs</i>	1,633	5,596
<i>Other</i>	7	-
Subtotal	1,640	5,596
Total	3,044	9,885

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**17. NET PROFIT/LOSS ON THE BASIS OF CORRECTION OF ERRORS FROM THE PREVIOUS PERIOD**

Structure of net profit/loss based on corrections of errors from the previous period	in 000 RSD	
	I-XII 2022	I-XII 2021
Subsequently determined income from earlier years	538	5,124
Subsequently established (expenses) from earlier years	(5,079)	(3,418)
Net gain/(loss) based on corrections of prior period errors	(4,541)	1,706

18. PROFIT/LOSS BEFORE TAXATION

Structure of the gross result	in 000 RSD	
	I-XII 2022	I-XII 2021
Operating income	704,415	538,062
Operating expenses	883,720	891,260
Operating result	(179,305)	(353,198)
Financial income	56,294	34,861
Financial expenses	29,710	6,547
Financial result	26,584	28,314
Income from adjustments to the value of financial assets that are reported at fair value through the Profit and Loss Statement	35,428	20,714
Other income	182,883	105,021
Expenses from adjusting the value of financial assets that are reported at fair value through the Income Statement	9,435	45,399
Other expenses	3,044	9,885
The result of other income and expenses	205,832	70,451
Net profit (loss) of discontinued operations, changes in accounting policies and corrections of errors from an earlier period	(4,541)	1,706
Net loss from discontinuing operations, changes in accounting policies and corrections of prior period errors		
TOTAL INCOME	979,558	703,782
TOTAL EXPENDITURE	930,988	956,509
PROFIT/(LOSS) BEFORE TAX	48,570	(252,727)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

19. INCOME TAX AND NET PROFIT/(LOSS)

Structure of calculation of profit tax and net profit / (loss)	in 000 RSD	
	I-XII 2022	I-XII 2021
Profit/(Loss) before tax	48,570	(252,727)
Capital gains/(losses) reported in the Income Statement	-	-
Adjustment and correction of income/(expenditure) in the tax balance	(454,695)	13,086
Taxable profit/(loss)	(406,125)	(239,641)
The amount of loss from the tax balance from previous years up to the amount of taxable profit		
The rest of the taxable profit	-	-
Capital gains/(losses) calculated in accordance with the Law		
Capital losses carried forward from previous years up to the amount of capital gains in accordance with the Law		
Remainder of capital gain	-	-
tax base	-	-
Calculated tax (15% of the tax base)		-
Total deductions of calculated tax		
Calculate the tax by deduction	-	-
Profit/(Loss) before tax	48,570	(252,727)
Tax (expenditure) period	-	-
Deferred tax income/(expense) of the period	(28,342)	(37,287)
Net Gain/(Loss)	20,228	(290,014)
Effective tax rate	58.35%	-14.75%

20. EARNINGS PER SHARE

Indicator	in 000 RSD	
	I-XII 2022	I-XII 2021
Net profit/ (Loss) belonging to the owners	20,228	(290,014)
Weighted average number of shares	35,026,129	35,026,129
Earnings per share (in dinars)	0.58	(8.28)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

21. INTANGIBLE PROPERTY

in 000 RSD

Structure of intangible assets	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Total
Purchase value			
Initial balance, 1st January 2021	43,817		43,817
Correction of the initial state			0
Balance on 1st January 2021 after correction	43,817	-	43,817
Procurement during the year		980	980
Transfer from intangible assets in preparation			-
Other			-
Balance on 31st December 2021	43,817	980	44,797
Correction of the initial state			0
Balance on 1st January 2022 after correction	43,817	980	44,797
Procurement during the year		3,219	3,219
Transfer from intangible assets in preparation	4,199	(4,199)	-
Other			-
Balance on 31st December 2022	48,016	-	48,016
Value correction			
Initial balance, 1st January 2021	9,738		9,738
Correction of the initial state			-
Balance on 1st January 2021 after correction	9,738	-	9,738
Depreciation in the current year	14,604		14,604
Other			-
Balance on 31st December 2021	24,342	-	24,342
Correction of the initial state			-
Balance on 1st January 2022 after correction	24,342	-	24,342
Depreciation in the current year	15,209		15,209
Disposal, scrapping and sale			-
Other			-
Balance on 31st December 2022	39,551	-	39,551
Net present value			
31st December 2021	19,475	980	20,455
31st December 2022	8,465	-	8,465

During 2022, an investment was made in intangible assets - licenses in the amount of RSD 3,219 thousand.

NOTES TO THE FINANCIAL STATEMENTS – 31st December, 2022

22. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL AGENTS – year 2021

in 000 RSD

Structure of Property, plant and equipment for 2021	Land	Construction objects	Equipment	Property and equipment leased with the right of use for over a year	Investments in progress	Total-property, plant and equipment
Purchase value						
Initial balance, 1 st January 2021	14,180,349	11,220,498	4,119,338	-	61,160	29,581,345
Correction of the initial state						-
Balance on 1st January 2021 after correction	14,180,349	11,220,498	4,119,338	-	61,160	29,581,345
Procurement during the year				84,868	80,400	165,268
Transfer from investments in progress			240		(240)	-
Disposals, scrapping and sales			(7,453)			(7,453)
Other		4,306				4,306
Final balance, 31st December 2021	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Value correction						
Initial balance, 1 st January 2021	-	806,234	547,021	-	-	1,353,255
Correction of the initial state	-	-	-	-	-	-
Balance on 1st January 2021 after correction	-	806,234	547,021	-	-	1,353,255
Depreciation in the current year	-	278,315	274,815	28,308	-	581,438
Disposals, scrapping and sales	-		(3,164)	-	-	(3,164)
Other		(1)	-	-	-	(1)
Final balance, 31st December 2021	-	1,084,548	818,672	28,308	-	1,931,528
Net present value						
1 st January 2021	14,180,349	10,414,264	3,572,317	-	61,160	28,228,090
31 st December 2021	14,180,349	10,140,256	3,293,453	56,560	141,320	27,811,938

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

22 a. PROPERTY, PLANT AND EQUIPMENT – year 2022

in 000 RSD

Structure of Property, plants and equipment and biological resources for the year 2022	Land	Construction objects	Equipment	Real estate and equipment leased with the right of use for over a year	Investments in progress	Total-property, plant and equipment
Purchase value						
Initial balance, 1st January 2022	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Correction of the initial state	-	-	-	-	-	-
Balance 1st January 2022 after correction	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Procurement during the year				6,869	1,533,755	1,540,624
Transfer from investments in progress		1,424,861	852		(1,425,713)	-
alienation, disposal and sale		(121,678)	(653)	(12,702)		(135,033)
Other						-
Final state, 31st December 2022	14,180,349	12,527,987	4,112,324	79,035	249,362	31,149,057
Value correction						
Initial balance, 1st January 2022	-	1,084,548	818,672	28,308	-	1,931,528
Correction of the initial state	-	-	-	-	-	-
Balance on 1st January 2022 after correction	-	1,084,548	818,672	28,308	-	1,931,528
Depreciation in the current year	-	288,715	263,128	26,561	-	578,404
alienation, disposal and sale	-	(120.37)	(490)	(12,702)	-	(133,629)
Other			-	-	-	-
Final state, 31st December 2022	-	1,252,826	1,081,310	42,167	-	2,376,303
Net present value						
1st January 2022	14,180,349	10,140,256	3,293,453	56,560	141,320	27,811,938
31st December 2022	14,180,349	11,275,161	3,031,014	36,868	249,362	28,772,754

NOTES TO THE FINANCIAL STATEMENTS – 31ST December 2022

Total investments in property, plants and equipment in period January- December 2022 amount to RSD 1,533,755 thousand and mostly refer to the receipt of constructed facilities by SPC and transferred to the Company free of charge: Remote parking lot, Substation "Parking" and Solid waste treatment plant - land area, Solid waste treatment plant - restrictive zone, First phase of extension of platform C, Reconstruction and extension of platform B, Reconstruction of power supply of parking positions A3-A5 in the total amount of RSD 1,424,861 thousand on the basis of Obligatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of JSC Airport Nikola Tesla (CAPEX), as well as expert supervision in connection with the implementation of Obligatory works by SPC in the amount of RSD 108,042 thousand.

Property, plants and equipment total RSD 28,772,754 thousand on day 31st December 2022 and refer to Concession funds given for use in the amount of RSD 28,398,345 thousand, while the funds used by the Company amount to RSD 125,046 thousand and ongoing investments of RSD 249,362 thousand.

23. LONG TERM INVESTMENTS

Structure of long-term financial placements	in 000 RSD	
	31/12/2022	31/12/2021
Shares in the capital of legal entities	20,086	378,684
Long-term placements given to former employees	169,454	183,989
Other long-term financial placements	4,429	4,179
Long-term receivables	561,705	562,948
Subtotal	755,674	1,129,800
Value correction	(90,443)	(474,388)
Total	665,231	655,412

23 a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES

Structure of participation in the capital	in 000 RSD	
	31/12/2022	31/12/2021
Participation in the capital of banks in liquidation:		
<i>Privredna banka jsc Belgrade</i>	392	392
<i>Union Bank jsc Belgrade - in liquidation</i>	667	667
<i>Beogradska banka JSC Belgrade- in liquidation</i>	18,988	18,988
<i>Beobanka JSC Belgrade- in liquidation</i>	38	38
<i>Minus: Value correction</i>	(20,085)	(20,085)
Subtotal	-	-
Participation in the capital of foreign legal entities:		
<i>Mondial-Bodrum - Turkey</i>	-	358,598
<i>Societe Internationale de Telecommun. Aeronautiques Swisse (SITA)</i>	1	1
<i>Minus: Value correction</i>	(1)	(358,599)
Subtotal	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

23b. OTHER LONG-TERM PLACES AND LONG-TERM RECEIVABLES

Structure of long-term financial placements and long-term receivables	in 000 RSD	
	31/12/2022	31/12/2021
Long-term placements given to former employees:		
<i>Long-term housing loans given to former employees without revaluation</i>	44	48
<i>Long-term housing loans given to former employees - currency clause</i>	151,226	159,199
<i>Long-term housing loans given to former employees with revaluation and interest</i>	17,083	23,559
<i>Long-term housing loans given to former employees with a revaluation of 6m</i>	163	176
<i>Long-term housing loans given to former employees with revaluation</i>	938	1,007
<i>Minus: Value adjustment - reduction to fair value</i>	(31,421)	(46,582)
Subtotal	138,033	137,407
Other long-term placements:		
<i>Funds for membership/deposit in Societe International de Telecommunications Aeronautiques Swisse (SITA)</i>	4,429	3,847
<i>Minus: Value correction</i>	(4,429)	(3,847)
Subtotal	-	-
Long-term receivables:		
<i>Belgrade Airport ltd - Concession fee for 2021</i>	561,705	562,948
<i>Minus: Value adjustment - reduction to fair value</i>	(34,507)	(44,943)
Subtotal	527,198	518,005
Total	665,231	655,412

Total fair value of receivables from former employees for long-term loans for the purchase and redemption of apartments on day 31st December 2022 amounts to RSD 148,165 thousand. The foregoing refers to approved loans to employees for housing needs granted for a period of 20 - 40 years. Assessment of the fair value of housing loans with balance as of 31st December 2022 was carried out by an authorized appraiser by projecting future cash flows based on the collection of receivables for housing loans, using discount rates: from -5.9 % to 9.7 % , depending on whether and in what time intervals housing loans are revalued or contracted with a currency clause, whether they have a contracted interest rate or are contracted without an interest rate.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**24. ADVANCES PAID FOR SUPPLIES AND SERVICES**

Structure of paid advances for supplies and services	in 000 RSD	
	31/12/2022	31/12/2021
Advances for services in the country	4,947	5,013
Advances for foreign services	240	240
Minus: Value correction	(2,237)	(3,536)
Total	2,950	1,717

25. RECEIVABLES ON A SALES BASIS

Structure of receivables based on sales	in 000 RSD	
	31/12/2022	31/12/2021
Customers in the country:		
<i>Customers in the country</i>	283,620	240,591
<i>Minus: Value correction</i>	(96,822)	(234,840)
Subtotal	186,798	5,751
Foreign buyers:		
<i>Foreign buyers</i>	43,723	46,130
<i>Minus: Value correction</i>	(43,294)	(43,202)
Subtotal	429	2,928
Total	187,227	8,679

Changes in the allowance account are shown in the following table.

Change in allowance for receivables based on sales	in 000 RSD	
	31/12/2022	31/12/2021
Balance on 1 st January	278,042	279,378
Foreign exchange rate differences	92	241
Additional value adjustment		
Corrected receivables collected	(120,656)	(1,577)
Direct write-off of previously corrected receivables	(17,362)	
Total	140,116	278,042

The total amount of the correction of the value of claims from customers in the country amounts to RSD 96,822 thousand, which mainly refer to the correction of the value of claims from the sued domestic customers in the amount of RSD 94,401 thousand and other domestic customers RSD 2,421 thousand. During 2022, corrected receivables from customers in the total amount of RSD 120,656 thousand were collected, of which RSD 96,231 thousand refers to Jat - Tehnik and " Airserbia catering" in the amount of 24,333 thousand, while previously corrected receivables of RSD 17,362 thousand were directly written off due to non-recognition the same according to the verdict.

Total correction of receivables from foreign customers in the amount of RSD 43,294 thousand refers to the correction of the value of receivables from the defendant customers in the amount of RSD 27,198 thousand and other foreign customers in the amount of RSD 16,096 thousand.

The structure of receivables from customers is shown in Note 47.II.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**26. OTHER RECEIVABLES**

Structure of other receivables	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for interest and dividends:		
<i>Receivables from customers in the country for default interest</i>	1,817	1,817
<i>Receivables for interest on term funds and via vista interest</i>	563	385
<i>Receivables for interest on housing loans</i>	1,076	297
<i>Minus: Value correction</i>	(1,817)	(1,817)
Subtotal	1,639	682
Receivables from employees		
<i>Receivables from employees</i>	604	597
<i>Minus: Value correction</i>	(592)	(592)
Subtotal	12	5
Reimbursable wage receivables		
<i>Reimbursable wage receivables</i>	15,613	15,468
<i>Minus: Value correction</i>	(15,259)	(15,295)
Subtotal	354	173
Other receivables		
<i>Other receivables</i>	31,582	31,906
<i>Minus: Value correction</i>	(22,189)	(22,108)
Subtotal	9,393	9,798
Receivables for overpaid VAT	132,135	105,618
Total	143,533	116,276

27. RECEIVABLES FOR OVERPAID INCOME TAX

Structure of claims for profit tax	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for overpaid income tax	1,572,245	1,572,245
Total	1,572,245	1,572,245

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**28. RECEIVABLES ON THE BASIS OF PREPAID OTHER TAXES AND CONTRIBUTIONS**

Structure of receivables based on prepaid other taxes and contributions	in 000 RSD	
	31/12/2022	31/12/2021
Receivables for prepaid taxes and withholding tax	342	342
Receivables for the prepaid fee for highlighting the company		29
Receivables based on prepaid property tax	277	122
Receivables for prepaid fees for the protection and improvement of the environment	496	546
Receivables for drainage fees	6	
Receivables for prepaid fee for Serbian Chamber of Commerce	482	
Minus: Value correction	(342)	(342)
Total	1,261	697

29. SHORT-TERM CREDITS, LOANS AND PLACEMENTS IN THE COUNTRY

Structure of short-term credits and loans in the country	in 000 RSD	
	31/12/2022	31/12/2021
Short-term loans and loans in the country - Short-term loan to employees (winter, firewood - 6 months)	1,802	1,607
Short-term financial placements given to former employees:		
<i>Current maturity of long-term housing loans given to former employees</i>	10,841	11,764
<i>Minus: Value correction</i>	(184)	(179)
Subtotal	10,657	11,585
Total	12,459	13,192

30. OTHER SHORT-TERM FINANCIAL PLACEMENTS

Structure of other short-term financial placements	in 000 RSD	
	31/12/2022	31/12/2021
<i>The debt is currently due. placement in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	709	669
<i>Minus: Value correction</i>	(709)	(669)
Total	-	-

31. TREASURY SHARES

Structure of repurchased own shares	in 000 RSD	
	31/12/2022	31/12/2021
Own shares bought back	33,192	33,192
Total	33,192	33,192

On day 31st December 2022, the company owns 55,320 own shares.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**32. CASH EQUIVALENTS AND CASH**

Structure of cash equivalents and cash	in 000 RSD	
	31/12/2022	31/12/2021
Current account – dinar	148,989	75,829
Current account - foreign currency	621,857	536,290
Cashier - foreign currency	8	11
Total	770,854	612,130

33. ACTIVE ACCRUALS

Structure of active accruals	in 000 RSD	
	31/12/2022	31/12/2021
Short-term active accruals:		
Prepaid expenses related to a future period	228	221
Receivables for uninvoiced income relating to the current period	421	527
Subtotal	649	748
Long-term active accruals:		
<i>Other AVR - Fixed assets made available for use on the 1st day of the start of the Concession Agreement</i>	1,338,322	1,427,017
Subtotal	1,338,322	1,427,017
Total	1,338,971	1,427,765

Receivable from the transfer of the right to use fixed assets on the Concession Start Date

Pursuant to point 3.9 of the Notes, other assets that will be used by SPC until the end of the concession period, which are not recognized as assets in accordance with IAS 16 on the Concession Start Day, but are treated as a transfer of the right to use on the first day of the concession, represent other assets that are not closely related to the infrastructure and airport equipment. The initial claim on the basis of these funds reported on the AVR totals RSD 1,760,374 thousand (Intangible assets (RSD 290,086 thousand), Equipment (RSD 1,466,573 thousand), Other equipment (RSD 3,619 thousand) and Basic herd (RSD 96 thousand)). These receivables are reduced by the amount of compensation for the transfer of the right to use these assets during the concession period, which affects the reduction of income. For the period I-XII 2022, the reduction of receivables/income amounts to a total of RSD 88,695 thousand of which RSD 23,830 thousand refers to expenditure

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

34. EQUITY

Equity structure	in 000 RSD	
	31/12/2022	31/12/2021
Basic capital:		
<i>Share capital</i>	21,015,677	21,015,677
<i>Issue premium</i>	306,856	306,856
Subtotal	21,322,533	21,322,533
Statutory reserves	5,080,960	5,370,897
Revaluation reserves	2,198,743	2,213,972
Retained Earnings/(Loss):		
<i>Retained earnings from previous years</i>	17,916	79
<i>Retained earnings of the current year</i>	20,228	
<i>(Loss) of earlier years</i>	-	-
<i>(Loss) of the current year</i>	-	(290,014)
Subtotal	38,144	(289,935)
Total	28,640,380	28,617,467

34 a. SHARE CAPITAL

Based on the Law on Amendments to the Law on the Right to Free Shares and Financial Compensation that Citizens Get in the Privatization Procedure, the Company was obliged to change its legal form by 30th June 2010, and to express its share capital in shares of a certain nominal value at the basis of the adjusted book value of capital. During 2010, based on the Conclusion of the Government of the Republic of Serbia No. 023-448/2010-1, recommendations were made to the Company to select the most favorable consultant who will evaluate the market value of the capital and provide professional assistance in the preparation and implementation of the procedure for changing the legal forms from a public company to a joint-stock company.

On 17th June, 2010, the Government of the Republic of Serbia passed Decision No. 023-4432/2010 on changing the legal form of the Company from a public company to a closed joint stock company.

The aforementioned change was registered with the Agency for Business Registers by Resolution No. BD 68460/2010 on 22nd June, 2010, which registered capital in the total amount of EUR 214,556,965, which on the date of registration amounted to RSD 20,573,610 thousand.

On 7th July, 2010, 34,289,350 shares with a nominal value of RSD 600 per share were registered in the Central Register of Securities, which on 31st December, 2010 were owned by the Republic of Serbia.

In accordance with the Law on the right to free shares and monetary compensation that citizens receive in the privatization process ("Official Gazette of the RS" No. 123/07 and 30/10) dated 9th December, 2010 based on the Decision of the Government of the Republic of Serbia No. 023- 9103/2010-1, citizens of the Republic of Serbia, employees and former employees of the Company acquired the right to transfer 16.85% of the Company's ownership.

On 21st January, 2011, the Assembly of the Company passed Decision No. 21-2/1 on the conversion of the Company from a closed to an open joint-stock company. The aforementioned change was registered with the Business Registers Agency by Decision No. BD 765/2011 on 24th January, 2011.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

The structure of capital after the transfer of ownership based on data from the Central Registry, Securities Depository and Clearing as of 25th January, 2011, was as follows:

Share capital on 25th January 2011 - (transformation to JSC)	Value in thousands RSD	Number of shares	% share
Republic of Serbia	17,107,193	28,511,988	83.15%
Employees and former employees of the Company	574,004	956,673	2.79%
Citizens of the Republic of Serbia	2,892,413	4,820,689	14.06%
Total	20,573,610	34,289,350	100%

In 2018, the share capital was increased by 736,779 shares with a nominal value of 600.00 dinars per share, based on recapitalization by the majority owner of the Republic of Serbia, based on the registration of the second emission (120,521 shares), the third emission (470,904 shares) and the fourth emission (145,354 shares), which in total increased the share capital by 442,067 thousand dinars.

Share capital structure as of 31st December, 2022 is as follows:

Shareholder structure	31/12/2022		
	Value in thousands RSD	Number of shares	% share
Republic of Serbia	17,770,033	29,616,722	84.56%
Domestic and foreign natural persons	1,907,512	3,179,187	9.08%
Domestic and foreign legal entities	104,166	173,610	0.50%
Custodians	1,233,966	2,056,610	5.87%
Total	21,015,677	35,026,129	100%

Overview of the ten largest shareholders of 31st December, 2022 is given below.

Shareholder	Number of shares	Often e _
REPUBLIC OF SERBIA	29,616,722	84.56%
OTP BANK OF SERBIA - Custody	900,593	2.57 %
OTP BANK OF SERBIA - Collective	630,894	1.80 %
OTP BANK OF SERBIA - Custody	366,177	1.05%
RAIFFEISEN BANK AD - Custody	66,707	0.19 %
NIKOLA TESLA AIRPORT JSC	55,320	0.16%
UNICREDIT BANK SERBIA JSC	36,065	0.10%
KERAMIKA JOVANOVIĆ LTD	32,384	0.09%
DUNAV RE JSC	28,231	0.08%
AMS INSURANCE ADO	23,586	0.07%

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**34b. ISSUE PREMIUM**

The structure of the issue premium	in 000 RSD	
	31/12/2022	31/12/2021
Issue premium - issue of shares	718,665	718,665
Issue premium - repurchase of own shares	(411,809)	(411,809)
Total	306,856	306,856

34c. RESERVES

Structure of reserves	in 000 RSD	
	31/12/2022	31/12/2021
Statutory reserves	5,080,960	5,370,897
Total	5,080,960	5,370,897

Reserves were created in accordance with the Company's Articles of Association.

34d . REVALUATION RESERVES

Structure of revaluation reserves based on assessment	in 000 RSD	
	31/12/2022	31/12/2021
Revaluation reserves for intangible assets	-	-
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	551,965	567,194
Revaluation reserves for equipment	297,409	297,409
Total	2,198,743	2,213,972

Revaluation reserves include related deferred tax liabilities.

34e. RETAINED PROFIT/LOSS

Structure of retained earnings involving changes	in 000 RSD	
	31/12/2022	31/12/2021
Balance as of 1st January	79	5,823
Allocation of retained earnings - dividend		
Allocation of retained earnings - loss coverage	(79)	(5,823)
Allocation of undistributed profits - participation of employees in the distribution of profits		
Subtotal	-	-
Profit from previous years, the result of the transfer of revaluation reserves to profit on disposal of fixed assets in the current year	17,916	79
Net profit from the current period	20,228	-
Total	38,144	79

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Loss structure involving changes	in 000 RSD	
	31/12/2022	31/12/2021
Balance as of 1st January	290,014	799,122
Loss coverage from the distribution of retained earnings	(79)	(5,823)
Loss coverage from statutory reserves	(289,935)	(793,299)
Subtotal	-	-
Current period loss	-	290,014
Total	-	290,014

Based on the decision of the Assembly, the loss from 2021 was covered in the amount of RSD 290,014 thousand at the expense of retained earnings in the amount of RSD 79 thousand and statutory reserves in the amount of RSD 289,935 thousand.

The company achieved a net profit from current operations in the period January- December 2022 in the amount of RSD 20,228 thousand.

35. LONG TERM RESERVATIONS

Structure of long-term provisions	in 000 RSD	
	31/12/2022	31/12/2021
Provisions for compensation and other employee benefits	9,901	8,924
Provisions for litigation expenses	85,502	117,406
Total	95,403	126,330

Changes to long-term reservations based on severance pay, jubilee awards and court cases in the January-December 2022, as well as in the period 2021 are shown in the following table.

Description of the change	Severance pay	Jubilee awards	Total	In 000 dinars	
				Court disputes	
Balance as of 1st January 2021	1,329	5,544	6,873	97,406	
Additional reservations	620	1,834	2,454	20,000	
Used during the year		(403)	(403)		
Cancellation of unused amounts					
Balance as of 31st December 2021	1,949	6,975	8,924	117,406	
Additional reservations	275	1,784	2,059	3,850	
Used during the year		(1,082)	(1,082)	(28,842)	
Cancellation of unused amounts			-	(6,912)	
Balance as of 31st December 2021	2,224	7,677	9,901	85,502	

35a. Provisions for compensation and other employee benefits

Provisions for compensation and other benefits of employees (provisions for undue severance pay upon retirement and jubilee awards) are shown on the basis of actuarial calculations 31st December 2021. In the period from 1st January to 31st December 2022 are shown changes in terms of utilization of the aforementioned provisions.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Assumptions used when calculating provisions for severance pay upon retirement and for jubilee awards as of 31st December 2021 are given below.

Assumptions used in calculation	2022	2021
Limits for retirement	Articles 19 and 69 of Law on pension and disability insurance	Articles 19 and 69 of Law on pension and disability insurance
Mortality tables	Serbia, 2012	Serbia, 2012
Discount rate	6.80%	3.25%
Earnings growth rate	7.00%	5.00%
Percentage of fluctuation	2.00%	2.00%
The amount of severance pay in case of retirement at the time of provisioning	Double the average salary of employees in Serbia for September 2022 (RSD 103,476) or double the average salary of the Employer without taxes and contributions, whichever is more favorable	Double the average salary of employees in Serbia for October 2021 (RSD 91,132) double the average salary of the Employer without taxes and contributions, whichever is more favorable
Basis for jubilee awards	The average salary without taxes and contributions with the Employer	The average salary without taxes and contributions with the Employer
Total number of the employees as of 31 st December	36	35

The calculation of provisions for severance pay upon retirement and for jubilee awards based on assumptions is as follows:

Calculation of provisions	In 000 RSD	
	Severance pay for retirement	Jubilee awards
Reservation as of 31st December 2021	1,949	6,975
Interest expense	64	227
Cost of current labor service	710	2,318
Cost of past labor service	0	
Actuarial (gain) / loss	(499)	(1,144)
Cancellation of provisions during the year in the Company's business books		(699)
Total net change in reserved amount in 2022	275	702
Reservation balance as of 31st December 2022	2,224	7,677

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**35b. Provisions for litigation**

The Company has court cases that are being conducted against the Company. The amounts of final losses on the basis of court disputes may be increased based on the calculated default interest until the date of termination of disputes, that is, until the date of final payments on disputes. Society on day 31st December 2022, it has provisions for potential losses based on these court cases in the amount of RSD 85,502 thousand.

36. LONG-TERM LIABILITIES ON THE BASIS OF LEASING IN THE COUNTRY

Structure of long-term liabilities based on leasing in the country	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on leasing in the country:		
Liabilities for leased property	32,932	54,978
Liabilities for leased equipment	3,223	447
Subtotal	36,155	55,425
Short-term maturity of liabilities based on leasing in the country		
Liabilities due up to one year for property leased	(21,500)	(24,159)
Liabilities due up to one year for leased equipment	(2,782)	(447)
Subtotal	(24,282)	(24,606)
Total	11,873	30,819

37. SHORT-TERM LIABILITIES ON THE BASIS OF LEASING IN THE COUNTRY

Structure of short-term maturity of liabilities based on leasing in the country	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities due up to one year for real estate leased	21,500	24,159
Liabilities due up to one year for leased equipment	2,782	447
Total	24,282	24,606

38. ADVANCES RECEIVED DEPOSITS AND BAILS

Structure of received advances, deposits and sureties	in 000 RSD	
	31/12/2022	31/12/2021
Received advances from domestic customers	662	662
Received advances from foreign customers	2	2
Deposits received from domestic customers	2,306	1,962
Deposits received from foreign customers	1,223	1,226
Subscriptions from domestic customers	1,624	7,088
Subscriptions from foreign customers	29,900	33,362
Total	35,717	44,302

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**39. OPERATIONS LIABILITIES**

Structure of liabilities from business	in 000 RSD	
	31/12/2022	31/12/2021
Suppliers in the country	18,884	14,178
Suppliers abroad	218	253
Other liabilities from business:		
<i>Liabilities based on payment cards</i>	23	56
<i>Wrongly remitted payments</i>	129	128
Subtotal	152	184
Total	19,254	14,615

40. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on wages and salary benefits	-	-
Other liabilities:		
<i>Liabilities for dividends</i>	15,086	15,086
<i>Liabilities for profit participation</i>	275	275
<i>Liabilities to employees</i>		7
Subtotal	15,361	15,368
Total	15,361	15,368

41. LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of liabilities for other taxes, contributions and other duties	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities based on VAT	-	-
Liabilities for taxes, customs duties and other duties	466	567
Other Liabilities for taxes, contributions and other duties	52	45
Total	518	612

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**42. PASSIVE ACCRUALS**

Structure of passive accruals	in 000 RSD	
	31/12/2022	31/12/2021
Short-term passive accruals:		
Current maturity of income from non-monetary compensation (assets) - Land and buildings	184,241	119,474
Pre-calculated costs of the current period	902	1,228
Prepaid/accrued income	825	-
Subtotal	185,968	120,702
Long-term passive accruals:		
Other PVR - Deferred income from non-monetary compensation (assets) - Land and buildings	3,869,055	2,628,434
Current maturity	(184,241)	(119,474)
Subtotal	3,684,814	2,508,960
Total	3,870,782	2,629,662

During 2019, the ownership rights of two cadastral plots 5251 and 5252 with a total area of 107,650 m² were transferred to the Company. The entry of the land into the Company's business books was made on the basis of an assessment by an authorized appraiser in the amount of RSD 2,986,857 thousand. Since the land transfer represents a non-monetary leasing fee, it is allocated and recognized as income during the concession period in the amount of RSD 119,474 thousand per year.

During 2022, the takeover of facilities built by SPC was carried out: Remote parking lot, Substation "Parking" and Solid waste treatment plant - land zone, Solid waste treatment plant - restrictive zone, First phase of extension of platform C, Reconstruction and extension of platform B, Reconstruction of the power supply of parking positions A3-A5 based on Obligatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of JSC Airport Nikola Tesla (CAPEX), which represent investment maintenance in the total amount of RSD 1,424,861 thousand. The stated amount is accrued and recognized as income during the remaining period of the concession in the amount of RSD 64,766 thousand per year.

43. DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	in 000 RSD	
	31/12/2022	31/12/2021
Deferred tax assets	19,564	25,783
Deferred tax liabilities)	(815,136)	(795,700)
Net effect of deferred tax assets/(liabilities)	(795,572)	(769,917)

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Deferred tax assets are amounts of income tax that will be recoverable in future periods based on: deductible temporary differences and unused tax credits carried forward. A deductible temporary difference arises in cases where the Company's balance sheets, on certain grounds, have already shown an expense, which will be recognized from the tax point of view in the following periods. Deferred tax assets are reviewed as of 31st December and are recognized only if the Company estimates that it is probable that in future periods there will be a prudent profit for the reduction of which the deferred tax assets can be used.

Pursuant to the current Income Tax Law, taking into account the assumption of unlimited duration, as a rule, deferred tax assets are recognized on the basis of deductible temporary differences. On the other hand, for the recognition of deferred tax assets based on unused tax losses and tax credits, it is necessary to make a projection of the tax balance for the period when, on these grounds, it is possible to reduce the liability for income tax, in accordance with legal regulations.

The amount of deferred tax assets is calculated by multiplying the amount of the deductible temporary difference with the profit tax rate (15%) at the end of the year.

Deferred tax liabilities that have been reported relate to prudential temporary differences between the book value of assets subject to depreciation and their tax base. Namely, due to the different provisions on the basis of which the accounting depreciation is determined in the Company and the provisions which determine the tax depreciation (Act on Profit Tax of Legal Entities), the Company will pay a higher profit tax in future periods than it would have paid if it had been of the tax legislation, the actual accounting depreciation is recognized. For the stated reason, the Company recognizes a deferred tax liability, which represents the profit tax that will be payable when the Company "recovers" the book value of the asset.

The amount of deferred tax liabilities is calculated by multiplying the amount of the taxable temporary difference with the profit tax rate (15%) at the end of the year.

Changes in the balance of deferred tax (liabilities)/assets during the period are shown in the table.

000 RSD

Changes in deferred tax liabilities	Intangible assets, real estate, plants, equipment	Provisions for compensation and other employee benefits	Provisions for litigation	- term liabilities (Liabilities for taxes, contributions and other duties	Correction of the value of receivables that are not recognized in PB based on impairment	Total
Balance as of 1st January 2021	(748,363)	1,031	14,611	79	-	(732,642)
In favour of Profit and Loss Statement	(47,349)	307	3,000	13	6,742	(37,287)
In favour of Equity	12					12
Balance as of 31st December 2021	(795,700)	1,338	17,611	92	6,742	(769,917)
In favour of Profit and Loss Statement	(22,124)	147	(4,786)	(14)	(1,566)	(28,343)
In favour of Equity	2,688					2,688
Balance as of 31st December 2022	(815,136)	1,485	12,825	78	5,176	(795,572)

44. OFF-BALANCE SHEET RECORDS

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Persuant to the legal provisions (Rulebook on the content and form of forms of financial statements for companies, cooperatives, other legal entities and entrepreneurs), the Company disclosed off-balance sheet assets and off-balance sheet liabilities in its financial statements. The items shown under off-balance sheet assets and off-balance sheet liabilities, which are shown in the following table, do not represent assets or liabilities of the Company, but primarily serve in the context of the informative role of users of financial statements.

Off-balance sheet records	in 000 RSD	
	31/12/2022	31/12/2021
<i>Bills of exchange received in blank</i>	19	13
<i>Given domestic blank bills of exchange-pieces</i>	8	6
Received dinar guarantees	41,909	163,893
Foreign currency guarantees received	3,684,480	4,562,383
Dinar guarantees given	4,714	4,524
Foreign exchange guarantees given		
Solidarity funds from employees' salaries	623	621
Total	3,731,726	4,731,421

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

RESOURCE S	Book value in 000 RSD on 31 st Decebmer 2022	Fair value in 000 RSD on 31 st Decebmer 2022	Book value in 000 RSD on 31 st Decebmer 2021	Fair value in 000 RSD on 31 st Decebmer 2021	Fair value hierarchy - levels	Evaluation techniques and inputs
Fixed assets and NU	28,531,857	28,531,857	27,690,093	27,690,093	Level 3	The appraisal was done by an certified appraiser with the balance as of 1 st January, 2019 (KPMG-Belgrade). When evaluating intangible assets property, plant and equipment , the following methodologies were used: the method of amortized replacement costs - the cost approach in the evaluation of equipment and buildings, then the method of direct comparison of sales prices - the market approach in the evaluation of land and apartments and the method of discounted cash flows - yield approach to determining the existence of an economic write-off.
Equity shares	-	-	1	1	Level 2	Management's assessment that they are not recoverable - banks in bankruptcy
Long-term and short-term financial placements-housing loans	148,690	148,690	148,992	148,992	Level 3	Certified actuary's assessment with the balance as of 12/31/2022 - By discounting cash flows, namely 9.7% for housing loans that are not revalued; -5.9% for housing loans that are revalued annually and have an interest rate of 0.5%, 5 % for housing loans with a currency clause and an interest rate of 0.5%; -5.6% for housing loans that are revalued semi-annually and -5.4 % for housing loans that are revalued annually
Long-term receivables	527,198	527,198	518,005	518,005	Level 3	Fair value determined by discounting cash flows applying a 2% interest rate.
Trade receivables	187,227	187,227	8,679	8,679	Level 3	Management's assessment of collectability
Other receivables	1,584,904	1,584,904	1,583,600	1,583,600	Level 3	Management's assessment of collectability

NOTES TO THE FINANCIAL STATEMENTS – 31st December, 2022

46. FINANCIAL INSTRUMENTS AND GOALS OF FINANCIAL RISK MANAGEMENT

in 000 dinars

	31/12/2022		
	gross amount	correction value	net amount
Funding	3,657,653	(271,651)	3,386,002
Long-term financial provisions	755,674	(90,443)	665,231
- Long-term deposits	4,429	(4,429)	-
- Shares in the capital of banks	20,085	(20,085)	-
- Share in the capital of foreign legal entities	1	(1)	-
- Long-term housing loans for employees	169,454	(31,421)	138,033
- Other long-term receivables	561,705	(34,507)	527,198
Short-term financial provisions	2,131,125	(181,208)	1,949,917
- Buyer receivables	327,343	(140,116)	187,227
- Short-term financial provisions	46,544	(893)	45,651
- Receivables for interest	3,456	(1,817)	1,639
- Other receivables and VAT	1,753,782	(38,382)	1,715,400
Cash and cash equivalents	770,854	-	770,854
Financial liabilities	55,409	-	55,409
- Long-term leasing liabilities	11,873	-	11,873
- Current maturity of long-term leasing liabilities	24,282	-	24,282
- Short-term liabilities (Liabilities from business)	19,254	-	19,254

31/12/2021		
gross amount	correction value	net amount
3,805,255	(793,432)	3,011,823
1,129,800	(474,388)	655,412
4,179	(4,179)	-
20,085	(20,085)	-
358,599	(358,599)	-
183,989	(46,582)	137,407
562,948	(44,943)	518,005
2,063,325	(319,044)	1,744,281
286,721	(278,042)	8,679
47,232	(848)	46,384
2,499	(1,817)	682
1,726,873	(38,337)	1,688,536
612,130	-	612,130
70,040	-	70,040
30,819	-	30,819
24,606	-	24,606
14,615	-	14,615

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The Company's basic financial instruments are cash and cash equivalents, receivables, financial placements arising from the Company's operations, as well as long-term leasing liabilities, liabilities to suppliers or other liabilities whose primary purpose is to finance the Company's current operations.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**47. FINANCIAL INSTRUMENTS AND OBJECTIVES OF FINANCIAL RISK MANAGEMENT**
(continued)**Objectives of financial risk management**

Financial risks include market risk (foreign exchange, interest rate and price risk), credit risk and liquidity risk. Financial risks are considered on a time basis and are primarily avoided by reducing the Company's exposure to these risks. The company does not use any financial instruments in order to avoid the impact of financial risks on the business because such instruments are not widely used, and there is no organized market for such instruments in the Republic of Serbia.

I - MARKET RISK

In its operations, the Company is exposed to financial risks from changes in foreign currency exchange rates and changes in interest rates. Exposure to market risk is assessed through sensitivity analysis. There were no significant changes in the Company's exposure to market risk, nor in the way the Company manages or measures that risk.

a) Currency risk (foreign exchange risk)

The company is exposed to foreign exchange risk primarily through cash and cash equivalents, short-term financial placements, receivables from customers, liabilities based on long-term loans and liabilities to foreign suppliers.

The company does not use special financial instruments as risk protection, considering that such instruments are not common in the Republic of Serbia.

The stability of the economic environment in which the Company operates depends to a large extent on the Government's measures in the economy, including the establishment of an appropriate legal and legislative framework.

The book values of financial assets and liabilities in 000 dinars, expressed in foreign currency on the reporting date in the Company are as follows:

Currency description	<u>Total assets</u>				<u>Total liabilities</u>	
	31/12/2022		31/12/2021		31/12/2022	31/12/2021
	gross	net	gross	net		
EUR	1,102,519	962,411	463,967	369,456	32,505	49,067
USD	291,857	291,857	297,152	297,152		
GBP	92	92	97	97		
Total dinar equivalent of assets and liabilities expressed in currency	1,394,468	1,254,360	761,216	666,705	32,505	49,067
Value of assets and liabilities expressed in RSD.	2,263,185	2,131,642	3,044,039	2,345,118	22,904	20,973
Total	3,657,653	3,386,002	3,805,255	3,011,823	55,409	70,040

in 000
dinars

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

By analysing of the currency structure of financial assets and liabilities as of 31st December 2022, compared to the situation as of 31st December 2021, it can be stated that the financial assets in the currency are greater than the contracted financial liabilities in the currency.

The company is sensitive mainly to changes in the exchange rate of the euro (EUR) and the US dollar (USD).

The following table presents an analysis of the Company's sensitivity to a 10% rise and fall in the exchange rate of the dinar, in relation to the observed foreign currency. The sensitivity analysis includes only outstanding (balance) claims and liabilities in foreign currency and shows their change of 10% at the end of the reporting period in foreign currency exchange rates. A positive number from the table indicates an increase in the results of the current period in cases where the dinar is stronger in relation to the currency in question. In the case of a 10% weakening of the dinar in relation to a given foreign currency, the impact on the result of the current period would be negative.

in 000 dinars

31/12/2022	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes						
Profit/Loss	92,991	(92,991)	29,186	(29,186)	9	(9)

in 000 dinars

31/12/2021	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes						
Profit/Loss	32,039	(32,039)	29,715	(29,715)	10	(10)

b) Risk of interest rate changes

The Company is exposed to the risk of changes in interest rates on assets and liabilities where the interest rate is variable.

The Company classified cash and cash equivalents in the group of interest-bearing financial assets with a variable interest rate, because "a vista" interest of a variable nature was agreed with the banks, depending on the amount of funds in current accounts and the amount of the reference interest rate.

The risk of interest rate changes does not represent a significant risk for the Company, because the categories of financial instruments that have an agreed interest rate are generally defined by a fixed interest rate.

Financial instruments classified into the categories of interest-bearing and non-interest-bearing assets are shown in the following overview:

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

In 000 RSD

Funds	31/12/2022			31/12/2021		
	gross	correction	net amount	gross	correction	net amount
Non-interest bearing:						
Equity share	20,086	(20,086)	-	378,684	(378,684)	-
Trade receivables	327,343	(140,116)	187,227	286,721	(278,042)	8,679
Receivables for interest and other claims	1,757,238	(40,199)	1,717,039	1,729,372	(40,154)	1,689,218
Short-term investments	35,703	(709)	34,994	35,468	(669)	34,799
Subtotal	2,140,370	(201,110)	1,939,260	2,430,245	(697,549)	1,732,696
Fixed interest rate:						
Long-term receivables	561,705	(34,507)	527,198	562,948	(44,943)	518,005
Long-term fin. placements	169,454	(31,421)	138,033	183,989	(46,582)	137,407
Short-term fin. placements	10,841	(184)	10,657	11,764	(179)	11,585
Subtotal	742,000	(66,112)	675,888	758,701	(91,704)	666,997
Variable interest rate:						
Cash and cash equivalents	770,854	-	770,854	612,130	-	612,130
Subtotal	770,854	-	770,854	612,130	-	612,130
Total	3,653,224	(267,222)	3,386,002	3,801,076	(789,253)	3,011,823

in 000
dinars

Financial obligations	31/12/2022			31/12/2021		
	gross	correction	net amount	gross	correction	net amount
Non-interest bearing						
Business operation liabilities	19,254		19,254	14,615		14,615
Subtotal	19,254		19,254	14,615		14,615
Fixed interest rate						
Long-term leasing	11,873		11,873	30,819		30,819
Current payable long-term liabilities	24,282		24,282	24,606		24,606
Subtotal	36,155		36,155	55,425		55,425
Total	55,409		55,409	70,040		70,040

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

c) Risk of price changes

The Company estimates that there is no risk of price changes because the categories of financial instruments available to the Company are not subject to price changes on the market.

The company does not deal with securities that are subject to price changes on the market. Also, the Company does not sell goods that are subject to price changes.

II - CREDIT RISK

The Company estimates that of all the risks to which financial instruments may be exposed, the biggest is credit risk, which represents the risk that debtors will not be able to pay their debts in full and on time, which would result in a financial loss for the Company. The Company's exposure to this risk is limited to the amount of receivables from customers on the balance sheet date.

The structure of trade receivables is given below.

Structure of receivables from customers	31/12/2022			31/12/2022	
	in 000 RSD	share	Adjustment done	in 000 RSD	share
Jat Technology	-	0.00%	-	96,231	33.56%
Belgrade Airport ltd	182,989	55.90%	(11)	11	0.00%
International CG	28,643	8.75%	(28,643)	28,643	9.99%
Air Serbia-Ketering ltd	-	0.00%	-	42,347	14.77%
Aviogenex ltd	50,820	15.52%	(50,820)	50,820	17.72%
Avaco ltd	2,962	0.90%		3,949	1.42%
Eco Union	853	0.26%		1,150	
Other domestic customers	17,353	5.30%	(17,348)	17,440	6.08%
Total domestic customers	283,620	86.64%	(96,822)	240,591	83.91%
Wizz Air	-	0.00%		2,473	0.86%
ARKIA	1,596	0.49%	(1,596)	1,600	0.56%
Air Cairo Company	675	0.21%	(675)	677	0.24%
AEROTRANS AIRLINES, CYPRUS	3,611	1.10%	(3,611)	3,449	1.20%
Allitalia	20,855	6.37%	(20,855)	20,901	7.29%
FLY DUBAI	2,647	0.81%	(2,647)	2,649	0.92%
Pegasus	5,181	1.58%	(5,181)	5,192	1.81%
Other foreign buyers	9,158	2.80%	(8,729)	9,189	3.20%
Total foreign buyers	43,723	13.36%	(43,294)	46,130	16.09%
Total gross receivables from domestic and foreign customers	327,343	100.00%		286,721	100.00%
Total value adjustment	(140,116)		(140,116)	(278,042)	
Total net receivables	187,227			8,679	

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Below is the age structure of receivables from customers that were not impaired as of 31st December 2022

Age structure of trade receivables for which no value adjustment was made	in 000 RSD	share
Customers in the country		
Immature	173,399	92.61%
0-30 days	8,737	4.67%
31-60 days	421	0.22%
61-90 days	426	0.23%
Over 90 days	3,815	2.04%
Subtotal customers in the country	186,798	99.77%
Foreign buyers		
Immature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	429	0.23%
Subtotal foreign customers	429	0.23%
Total sales from customers (net)	187,227	100.00%

Due uncorrected trade receivables in the country and abroad older than 90 days amount to RSD 4,244 thousand. The above receivables have not been corrected due to the existence of subscriptions based on book approvals.

III - LIQUIDITY AND CASH FLOW RISK

Liquidity represents the ability of the Company to settle its obligations on their due dates. Therefore, the liquidity risk is the risk that the Company will have difficulty in paying off the due obligations, while maintaining the necessary volume and structure of working capital and maintaining a good credit rating.

The final responsibility for liquidity risk management rests with the Company's management, which has established an appropriate management system for the needs of the Company's short-term, medium-term and long-term financing as well as liquidity management. By continuously monitoring the planned and actual cash flow, the Company maintains adequate cash reserves, and also maintains an adequate ratio of maturities of financial assets and liabilities.

The following table shows the most significant liquidity indicators of the Company:

- **General liquidity ratio** (quotient of current assets and short-term liabilities) which shows how many dinars of current assets cover each dinar of short-term liabilities;
- **Rigorous liquidity ratio** (quotient of liquid assets, which includes current assets minus inventories, and short-term liabilities) that shows how many dinars of liquid assets cover each dinar of short-term liabilities;
- **Cash liquidity ratio** (quotient of cash and short-term liabilities) which shows how many dinars of cash assets cover each dinar of short-term liabilities;
- **Net current assets** as the difference between current assets and current liabilities.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Liquidity indicators	Satisfactory and general standards	31/12/2022	31/12/2021
General liquidity ratio	2 : 1	9.69 : 1	10.71 : 1
Rigorous liquidity ratio	1 : 1	9.68 : 1	10.70 : 1
Cash liquidity ratio		2.74 : 1	2.78 : 1
Net working capital (in 000 dinars)		2,443,270	2,138,671

Capital risk management

The goal of capital risk management is for the Company to retain the ability to continue operating for an unlimited period of time in order to provide the Company's owners with a satisfactory return (profit), while maintaining an adequate structure of sources of funds, i.e. a good credit rating.

Although there are several criteria on the basis of which conclusions can be drawn about the sustainability of the assumption about the long-term existence of the Company, it is certain that profitable operations, as well as a satisfactory financial structure, are one of the basic criteria.

The best representative of profitability is the rate of return on average equity capital, which shows how much the Company earns on one dinar of average equity capital employed. When calculating this profitability indicator, the average equity capital is determined as the arithmetic mean of the capital value at the beginning and end of the year.

Capital risk management		in 000 RSD	
		31/12/2022	31/12/2021
1	Indebtedness (AOP 0420 + AOP 0433)	36,155	55,425
2	Cash and cash equivalents (AOP 0057)	770,854	612,130
I	GROSS DEBT (1-2)	(734,699)	(556,705)
3	Debt to equity ratio (I/5)	-0.0257	-0.0195
4	Short-term financial placements (AOP 0048)	45,651	46,384
II	NET DEBT (I - 4)	(780,350)	(603,089)
5	Capital (AOP 0401)	28,640,380	28,617,467
6	Debt-to-equity ratio (II/5)	-0.0272	-0.0211

The adequacy of the financial structure is reflected in the level and character of indebtedness .

The following tables show the most important indicators of the Company:

- The share of borrowed funds in the total sources of funds, which shows how much one dinar of the Company's funds is financed from borrowed funds,
- The share of long-term funds in the total sources of funds, which shows how much one dinar of the Company is financed from long-term sources.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022

Financial structure indicators	in 000 RSD	
	31/12/2022	31/12/2021
Liabilities	4,868,762	3,656,231
Total funds	33,509,142	32,273,698
Ratio of borrowed funds in the total sources of funds	0.15 : 1	0.11 : 1
Long-term funds		
Capital	28,640,380	28,617,467
Longterm provisions and liabilities	4,587,662	3,436,026
Subtotal long-term funds	33,228,042	32,053,493
Total funds	33,509,142	32,273,698
Ratio of long-term assets in total assets	0.99 : 1	0.99 : 1

The net debt ratio shows how much each dinar of net debt is covered by the Company's capital. Net indebtedness means the difference between:

- Total (long-term and short-term) financial obligations of the Company (Total liabilities less capital, long-term provisions and deferred tax liabilities) and
- Cash and cash equivalents.

Parameters for calculating the ratio of net indebtedness to total capital	in 000 RSD	
	31/12/2022	31/12/2021
Net indebtedness		
Financial liabilities	4,073,190	2,886,314
Cash and cash equivalents	770,854	612,130
Total - Net indebtedness	3,302,336	2,274,184
Capital	28,640,380	28,617,467
Ratio of net indebtedness to total capital	8.67	12.58

45. TAX RISKS

The tax laws of the Republic of Serbia are often interpreted differently and are subject to frequent changes. The interpretation of tax laws by the tax authorities in relation to the Company's transactions and activities may differ from management's interpretation. The management believes that the tax liabilities are adequately calculated and recorded.

46. LITIGATION

The Company has court cases that are being conducted against the Company. The amounts of final losses on the basis of court disputes may be increased based on the calculated default interest until the date of termination of disputes, that is, until the date of final payments on disputes. Society on day 31st December 2022 has provisions for potential losses based on these court cases in the amount of RSD 85,502 thousand (31st December, 2021 - RSD 117,406 thousand) - Note 35.

NOTES TO THE FINANCIAL STATEMENTS – 31st December 2022**47. EVENTS AFTER THE REPORTING PERIOD**

It is not to be expected that the war between the Russian Federation and the Republic of Ukraine will have any significant impact on the concession project, bearing in mind that the smooth continuation of the implementation of the contract in question, which is the basis for the Company's future business plans, has been ensured.

Although the consequences of the impact of the pandemic caused by the COVID 19 virus are still reflected in the volume of passenger traffic everywhere in the world, the recovery at Nikola Tesla Airport is taking place significantly faster than in other European metropolises, and it is expected that the mentioned trend will consequently have a positive impact on the business of SPC, and consequently, on the Company's operations in the following period. At the same time, SPC continued with the execution of Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure in the contracted dynamics and without downtime, for which it regularly provides financing.

In accordance with the above, the management's assessment is that the Company's financial condition is still such that there is no uncertainty regarding the ability to continue operations on a going concern basis and that there is no material impact on operations.

Due to the existence of market risks that affect financial instruments, the management of the Company studiously monitors the developments that lead to risks and undertakes the necessary measures for risk management. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the liquidity of the company and the market position in the future period that could violate the principle of continuity of operations.

In accordance with IAS 10 - "Events After the Reporting Period", we have not identified other events, except those mentioned above in the Notes, which may affect or affect the truthfulness and objectivity of the financial statements for the period ended on 31st December 2022, nor would they require corrections to the financial statements.

In Belgrade, March 2023

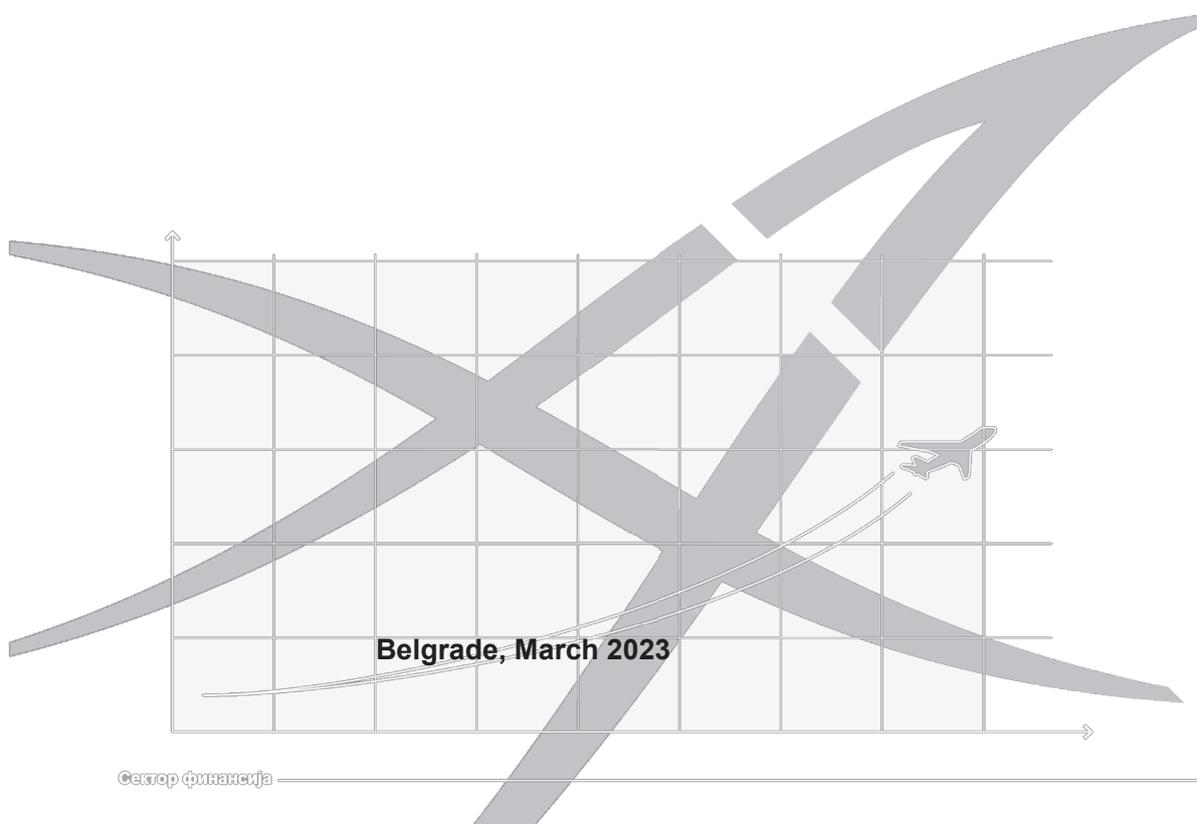
Legal representative

Refer to original Serbian version

Saša Vlasisavljević

**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE**

**BUSINESS REPORT
FOR THE PERIOD JANUARY- DECEMBER 2022**



THE CONTENT:

1. GENERAL INFORMATION ABOUT THE COMPANY	3
2. INFORMATION ABOUT MANAGEMENT	6
2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES.....	7
3 . REVENUES AND EXPENSES	8
3.1. REVENUE	8
3.2. EXPENSES.....	11
3.3. FINANCIAL RESULT FOR THE PERIOD JANUARY- DECEMBER 2022.....	14
3.4. NUMBER OF EMPLOYEES.....	15
4. INFORMATION ON INVESTMENTS FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION	15
5. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT HAPPENED IN PERIOD JANUARY- DECEMBER 2022	16
5.1 . DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT OCCURRED AFTER THE END OF THE PERIOD JANUARY- DECEMBER 2022.....	17
6 . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD JANUARY-DECEMBER 2022	17
7 . COMPANY'S MAJOR OPERATIONS WITH RELATED PERSONS	18
7.1 . EXISTENCE OF BRANCHES	18



1. GENERAL INFORMATION ABOUT THE COMPANY

On 22nd December, 2018, with fulfillment of all previous conditions by the signatories of the Concession Agreement for financing, development through construction and reconstruction, maintenance and infrastructure management of JSC Airport Nikola Tesla Belgrade and performing the activities of airport operators at Airport Nikola Tesla in Belgrade, its concession began thereof. Instead of JSC Airport Nikola Tesla Belgrade, which until that date was the Airport operator, based on the consent of the Civil Aviation Directorate of the Republic of Serbia, the Airport Certificate was transferred from JSC Airport Nikola Tesla Belgrade to Vinci airports Serbia Ltd. Belgrade (SPC), all in accordance with the Law on Air Traffic and the Rulebook on the Conditions and Procedure for issuing airport certificates, by which SPC became the new airport operator.

The concession agreement was concluded between the Republic of Serbia, represented by the Government of the Republic of Serbia, and JSC Airport Nikola Tesla Belgrade (hereinafter: the Company), on the one hand as the Concession Grantor and VINCI Airports Serbia Ltd. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with its registered office in Belgrade, Belgrade Airport 47, registry no. 21364568, TIN (tax identification number) 110572920 and VINCI Airports S.A.S., a simplified joint-stock company (SAS) France, as the selected most favorable individual bidder and founder of the special purpose company (SPC), on the other hand, with the Supplementary Agreement of on 14th December, 2018 and the Protocol on updating the annex to the Concession Agreement dated 21st December, 2018 and 1st July, 2021 (hereinafter: Concession Agreement) and Annex No. 1 of the Concession Agreement dated 11th July, 2022.

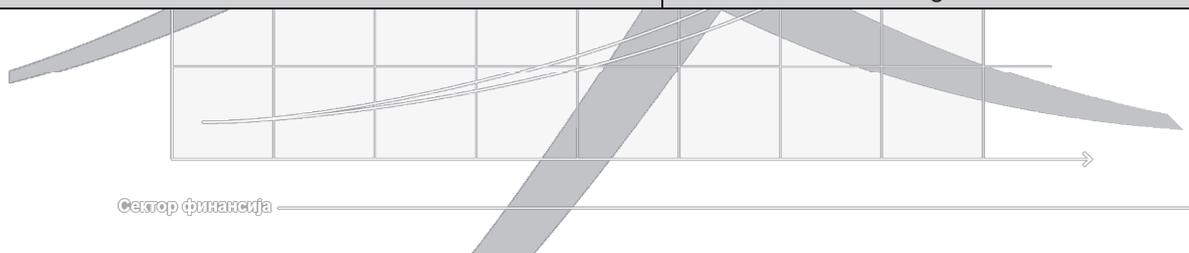
On 23rd July, 2019, the business name of SPC was changed, so instead of "Vinci airports Serbia Ltd." Belgrade" - "Belgrade Airport Ltd. Belgrade" was entered.

Pursuant to the adopted revised text of the Company's Articles of Association, the Company ceased to be an airport operator on the Concession Commencement Date, i.e. instead of the predominant activity 52.23 Service activities in air transport, as one of the Concession Grantors, it continued to function as a legal entity with a changed predominant activity 68.20 Rental and management of owned or leased property.

Along with the change in the predominant activity, the composition of the management body was changed, as well as the internal organization of the Company in order to adapt to the basic activity of the Concession Grantor, which is the monitoring of the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnership and Concessions ("Official Gazette of the RS", no. 88/2011, 15/2016 and 104/2016) and the Regulation on supervision over the implementation of public contracts of public-private partnerships ("Official Gazette of the RS", no. 47/2013), and thus the number of employees, their rights and obligations.

Сектор финансија

Business Name	JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
Headquarters and address	Belgrade, Belgrade Airport 47
Registration no	07036540
TAX ID	100000539
website and e-mail address	www.antb.rs; kabinet@antb.rs
Number and date of the decision on registration in the Business Registers Agency	<p>Registration number: BD 4874/2005 Date of registration: 15th June 2005</p> <p>Registration number: BD 91540/2012 Date of registration: 9th July 2012</p> <p>Registration number: BD 100187/2012 Date of registration: 20th July 2012</p>
Activity (code and description)	68.20 – Rental and management of owned or leased property
Number of employees	36 employees as of 31 st December 2022
The value of the basic capital	21,015,677,400 dinars (as of 31st December 2022)
Name, headquarters of the audit firm that audited the last financial report for the year 2021	"FinExpertiza" ltd , 90a Kneza Miloša street, Belgrade
Number of issued shares, ISIN number and CFI COD	No. Of ordinary shares 35,026,129 (as of 31st December 2022) CFI code ESVUFR ISIN RSANTBE number 11090
The name of the organized market in which the shares are included	JSC Belgrade Stock Market Belgrade, 1 Omladinskih brigada street, 11070 New Belgrade



Ten largest shareholders by number of shares on 31.12.2022. years

S.no .	Name / Title Shareholders	Number of shares	% Share
1	REPUBLIC OF SERBIA	29,616,722	84.55
2	OTP BANKA SERBIA - CUSTODIAN RN – FO	900,493	2.57
3	OTP BANKA SERBIA - COMBINED ACCOUNT	630,894	1.80
4	OTP BANK OF SERBIA - CUSTODIANS RN – FO	366,177	1.05
5	RAIFFEISEN BANKA JSC– KASTODI RN - KS	66,707	0.19
6	JSC AIRPORT NIKOLA TESLA BGD	55,320	0.16
7	UNICREDIT BANK SERBIA JSC. - SUMMARY ACCOUNT	36,065	0.10
8	KERAMIKA JOVANOVIĆ LTD	32.384	0.09
9	DUNAV RE JSC	28,231	0.08
10	AMS INSURANCE A.D.O.	23,586	0.07

Сектор финансија

2. INFORMATION ABOUT MANAGEMENT

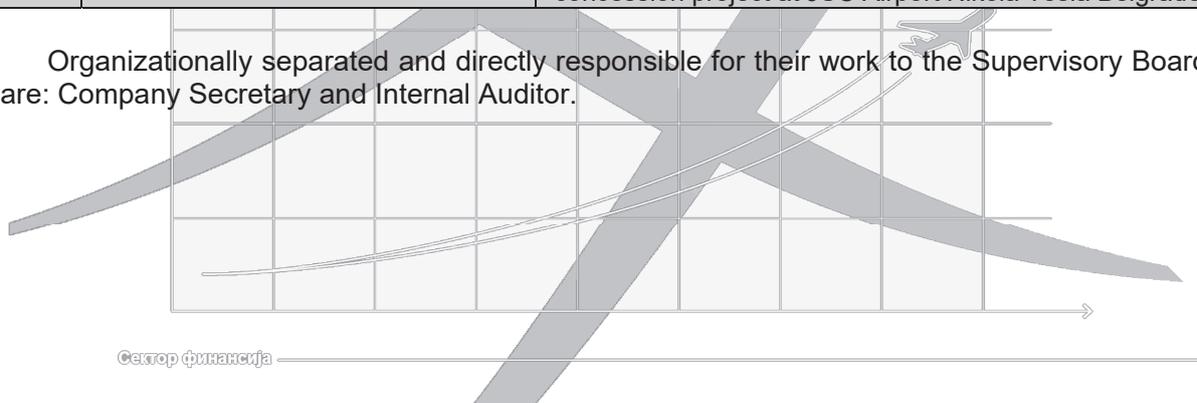
Members of the management for the period January-December 2022:

Assembly of the company:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Vladimir Dimitrijević, Belgrade	PhD, Executive Director of the Public Company "Post of Serbia"

Supervisor Committee:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Vesna Stanković Jevđević, Belgrade	Graduated economist, Deputy General Director of the Directorate for Procurement of the National Bank of Serbia
2	Ivana Nikolić, Belgrade	Master economist, advisor in the liquidity and asset management department - Agency for Insurance and Financing of Exports of the Republic of Serbia
3	Goran Mirković, Belgrade	Master of Economics, adviser at the National Bank of Serbia
4	Petar Jarić, Belgrade	Bachelor of Economics, Deputy Director – National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, associate for control and acceptance of measuring points in Elektro distribucija Niš - business Doljevac

Executive Board:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Saša Vlaisavljević, Belgrade	Graduated in traffic engineering, president of the Executive Board, Managing director of JSC Airport Nikola Tesla Belgrade
2	Ana Kaluđerović, Belgrade	Graduated in mechanical engineering, Executive Director for monitoring and management of the concession project at JSC Airport Nikola Tesla Belgrade

Organizationally separated and directly responsible for their work to the Supervisory Board are: Company Secretary and Internal Auditor.



2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES

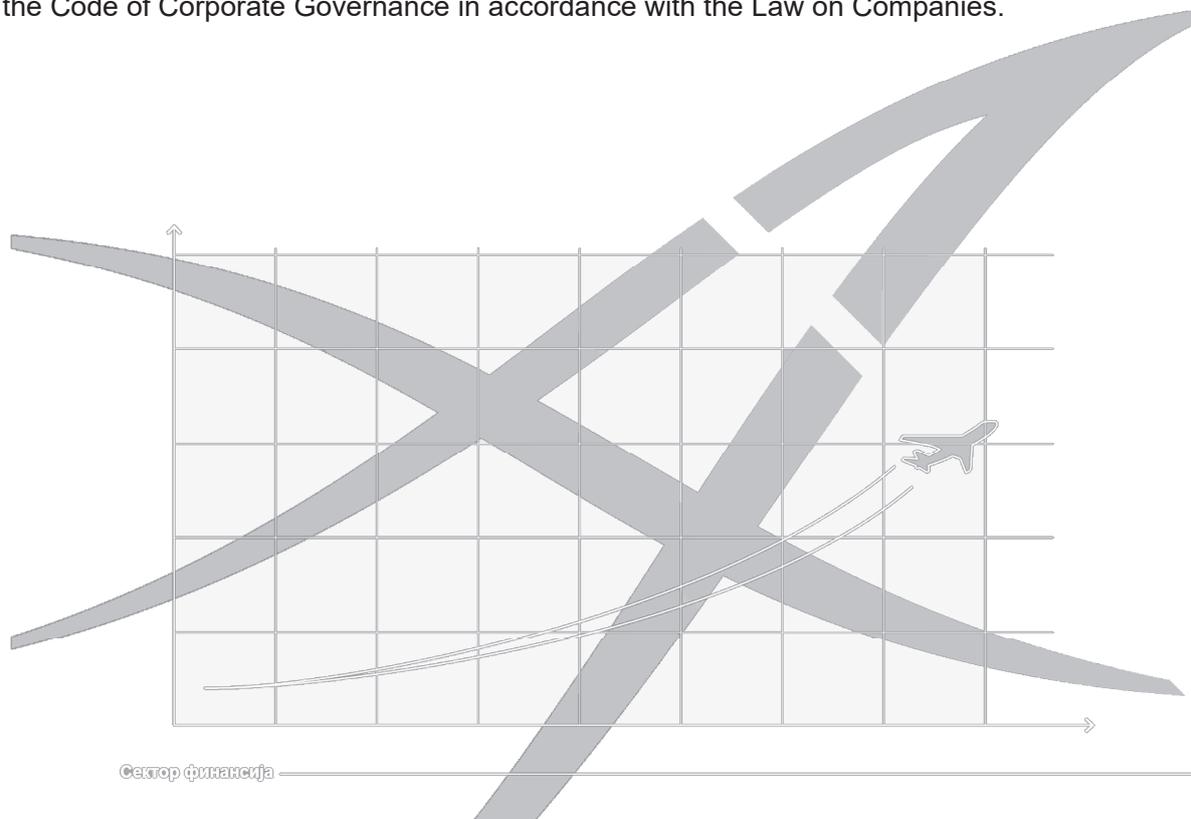
The Company, as a member of the Serbian Chamber of Commerce, accepted *the Code of Corporate Governance* published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.antb.rs

The rules of this Code are a supplement to the current legislation, so that no provision of the Code cancels a legal rule that regulates the same issue differently. Also, the Code does not in any way alter the meaning or correct interpretation of legal provisions. The Code moves within the limits of the law, because it covers matter that is not regulated by law (so-called legal gaps) or is governed by dispositive legal norms.

The Code contains two types of rules:

- 1) recommendations - rules that the capital company should accept and act upon, and which can be recognized in the Code by using the word "should";
- 2) proposals - rules that are considered a desirable practice in the field of corporate governance, and which can be recognized in the Code by the use of the words "can", "should" and similar.

The recommendations contained in this Code represent the minimum standards that public joint-stock companies (members of the Serbian Chamber of Commerce) should accept and act according to, and if they do not do so or do not do it in the manner envisaged for in this Code, they must provide an explanation for the deviation made within statements on the application of the Code of Corporate Governance in accordance with the Law on Companies.



3 . REVENUES AND EXPENSES

Revenues and expenses are shown in accordance with the accounting treatment of IFRS 16 - Leasing.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed from the aspect of the type of assets and the period of their use. Concession assets (movable and immovable assets of the Company given to SPC for use during the Concession Period) are treated as follows:

- Infrastructure assets and closely related assets (equipment)- are subject to depreciation calculation in accordance with IAS 16 (property, plant and equipment).
- Other assets that are not closely related to infrastructure assets - are seen as sold on "Day 1", which marks the start of the concession, and are accordingly recorded on accruals and deferrals (AVR). These assets are not subject to depreciation calculation, but the total value of these assets is accrued for the entire concession period and proportionally reduces the revenue of the current year.

In accordance with the requirements of IFRS 16, the treatment of income is determined as follows:

- Minimum Annual Concession Fee - the total amount of the contracted Minimum Concession Fee is earned per year, in accordance with the established amounts of the minimum annual concession fee, as defined in the Concession Agreement.
- Variable fees that depend on the amount of revenue - recognized as revenue in the period to which it relates.
- Revenue from planned capital investments realized by SPC on behalf and for the account of the Company (CAPEX) - are accrued proportionally by year for the entire period of the Concession from the moment of putting into use and handing over the newly built fixed Concession Assets, as well as the updates and reconstructions of the existing Concession Assets to the Company for the remaining period of the concession.

3.1. REVENUE

In the period January – December 2022, the Company achieved a total revenue of 979,557,655 dinars. The total revenue achieved in this way is higher by 39% compared to the revenue achieved in the same period of the previous year and compared to The rebalance of the business plan for the period January- December 2022 is higher by 3%.

Business revenues in the period January- December 2022 were realized in the amount of 704,414,948 dinars and make up 72% of the total realized revenues. The business revenues achieved in this way are 31% higher compared to the revenues achieved in the same period of the previous year, and are 7% lower compared to the Rebalance of the business plan for the period January- December 2022.

Within the realized business revenues for the period January- December 2022, the largest revenue refers to the revenue from the annual Concession fee in the amount of 595,319,590 dinars and is 6% higher compared to the same period of the previous year, then the revenue from acquisition without compensation of cadastral plots 5251 and 5252 cadastral municipality Surčin, which were transferred to the Company in 2019 by SPC in accordance with the provisions of the Concession Agreement. The total area of the mentioned plots is 107,650 m².

Applying IFRS 16, the total estimated value (25.4 million euros) is proportionally allocated to the Concession Period (25 years), so that for the period January- December 2022, the associated revenue of 119,474,285 dinars (or 1.02 million euros - according to the middle exchange rate of the NBS on 31st Decembe, 2022 which was 117.3224 dinars).

As part of business revenue, revenue from CAPEX was also realized based on the part of Mandatory Works completed by SPC in the reporting period in accordance with the obligations from the Concession Agreement: remote parking, substation parking, solid waste facility (public side), platform B, platform C, solid waste facility (restrictive zone) and power supply of parking positions A3-A5. Based on the realized CAPEX, and in accordance with the accounting standard IFRS 16, for the period January- December 2022, corresponding income in the amount of 64,766,417 dinars was implemented.

Financial revenues, in the period January- December 2022, were realized in the amount of 56,294,336 dinars and are higher by 61% compared to the revenues realized in the same period of the previous year and compared to The Rebalance of the business plan for the period January- December 2022 are higher by 1%.

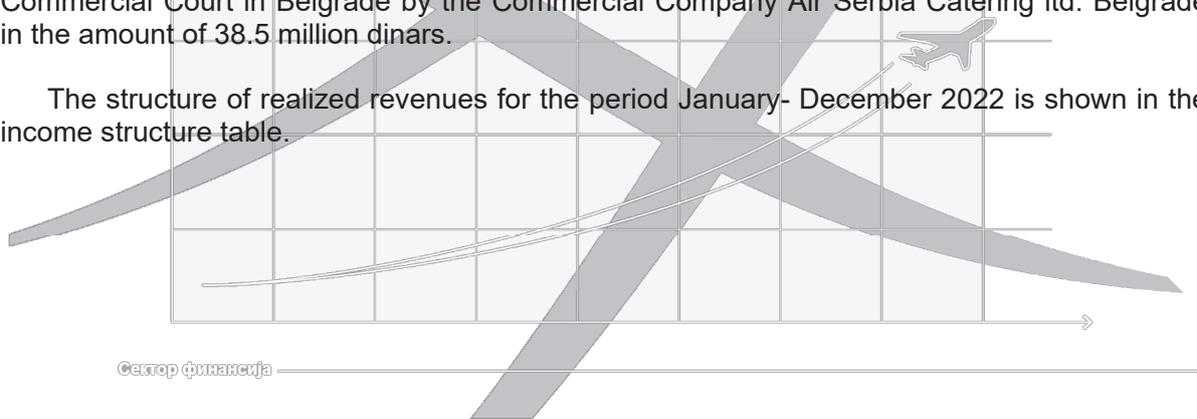
Such a significant increase in financial revenues compared to the same period of the previous year is a reflection of the fluctuation of the dollar exchange rate, which for the observed period is 6%. The dollar exchange rate at the beginning of the year was 103.9262 dinars, while on 31st December 2022, an increase in the exchange rate was recorded in the amount of 110.1515 dinars, which resulted in an increase in the financial income realized for the period January- December 2022 compared to the same period of the previous year.

The structure of financial revenues for the period January- December in 2022 they consist of:

- revenues from exchange rate differences - realized in the amount of 41,418,341 dinars and participate with 74% in total financial revenues;
- interest revenues in the amount of 14,169,311 dinars and participate with 25 % in total financial revenues;
- revenues from exchange rate differences - unrealized in the amount of 706, 683 dinars and participate with 1% in the total financial revenues.

Other revenues in the period January- December 2022, were realized in the amount of 218,848,371 dinars and by 67 % are higher compared to the revenues achieved in the same period of the previous year, and compared to Rebalance of the business plan for the period January- December 2022 they are higher by 61 %. Realized other revenues are higher due to the positive outcome of the court dispute with JAT Tehnik in the amount of 105.8 million dinars, which was collected in full, as well as due to the payment according to the judgment of the Commercial Court in Belgrade by the Commercial Company Air Serbia Catering ltd. Belgrade in the amount of 38.5 million dinars.

The structure of realized revenues for the period January- December 2022 is shown in the income structure table.



STRUCTURE OF REVENUE FOR PERIOD JANUARY- DECEMBER 2022

S.No	Account name	Realization January-December 2021	Business plan January-December 2022	Realization January-December 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
65	OTHER BUSINESS REVENUES	538,061,822	755,509,672	704,414,948	131	93
652	REVENUES FROM TANTIEMS AND LICENCES	8,500,000	8,500,000	8,500,000	100	100
659	OTHER BUSINESS REVENUES	529,561,822	747,009,672	695,914,948	131	93
I	BUSINESS REVENUES	538,061,822	755,509,672	704,414,948	131	93
66	FINANCIAL REVENUES	34,861,394	55,955,972	56,294,336	161	101
662	INTEREST REVENUE	6,861,945	13,837,943	14,169,311	206	102
663, 664	EXCHANGE RATE DIFFERENCES- REALIZED	27,502,225	42,017,136	41,418,341	151	99
	EXCHANGE RATE DIFFERENCES- UNREALIZED	497,223	100,893	706,683	142	700
II	FINANCIAL REVENUES	34,861,394	55,955,972	56,294,336	161	101
67	OTHER REVENUES	105,020,991	135,599,887	182,883,220	174	135
670	RECEIVABLES FORM SALE OF INATNGIBLE INVESTMENTS, PROPERTY AND PLANT	0	21,281,412	22,965,844	0	108
673	RECEIVABLES FROM MATERIAL SALE	1,149,927	0	424,359	37	0
675	COLLECTED WRITTEN-OFF RECEIVABLES	2,100,214	96,276,881	120,701,906	5,747	125
676	REVENUE EFFECTIVE RISK PROTECTION	628,962	2,097,030	2,097,030	333	100
677	REVENUE FROM DECREASE IN LIABILITIES	2,935,672	3,909	708,379	24	18,123
678	REVENUE FROM TERMINATION OF LONG-TERM ANDSHORT TERM PLACEMENTS	0	6,000,000	6,911,791	0	115
679	OTHER NOT MENTIONED REVENUES	98,206,216	9,940,655	29,073,910	30	292
68	REVENUE FROM ADJUSTMENT OF VALUE OF ASSESTS	20,714,129	0	35,427,773	171	0
683	REVENUE FROM ADJUSTMENT OF VALUE OF LONG-TERM INVESTMENTS AND SECURITIES FOR SALE	20,170,040	0	24,543,151	122	0
685	REVENUE FROM ADJUSTMENT OF VALUE OF RECEIVABLES	544,089	0	10,884,622	2,001	0
69	SUSPENDED BUSINESS PROFIT AND REVENUETRANSFER	5,123,743	537,379	537,379	10	100
692	REVENUES FORM ADJUSTMENT OF MISTAKES FROMPREVIOUS YEARS	5,123,743	537,379	537,379	10	100
III	OTHER REVENUES	130,858,863	136,137,266	218,848,371	167	161
	TOTAL REVENUES	703,782,079	947,602,910	979,557,655	139	103

3.2. EXPENSES

In the period January- December 2022, the company had a total expenses of 930,988,084 dinars which are lower by 3 % compared to the realized expenses in the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022 are higher by 2%.

Business expenses in the period January- December 2022 were realized in the amount of 883,720,326 dinars and make up 95% of the total realized expenses. Business expenses realized in this way are lower by 1% compared to business expenses realized in the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 3%.

The structure of business expenses consists of:

- Material and energy costs
- Costs of wages, benefits and other personal expenses
- Costs of production services
- Costs of amortization and reservation
- Immaterial costs

Costs of materials and energy in the period January- December 2022 were realized in the amount of 1,996,653 dinars and are 2% higher compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 38%.

Material and energy costs mostly refer to:

- ✓ fuel costs in the amount of 1,294,157 dinars.

Costs of wages, benefits and other personal expenses in the period January- December 2022 were realized in the amount of 160,935,590 dinars and make up 17% of the total realized expenses. The costs of wages, benefits and other personal expenses realized in this way are higher by 6% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are higher by 1%. The deviation of the costs of wages, benefits and other personal expenses in relation to the same period of the previous year does not represent an increase in the wages of employees, but constitutes a cumulatively observed percentage of achievement due to the return of employees from maternity leave to regular work.

Costs of production services in the period January- December 2022 were realized in the amount of 11,358,792 dinars and are 2% higher compared to the same period in 2021, and 75% lower compared to the Rebalance of the business plan for the period January- December 2022. The reduction in the costs of production services expressed in this way does not represent a real reduction of the mentioned costs, but rather costs within the group of costs of production services, such as rent costs, which we are obliged to disclose in reports based on the application of IFRS 16 - Leasing (the part related to rents) by reporting them as depreciation expense for right-of-use assets, interest expense, and other operating expenses.

The costs of production services make up 1% of the total realized expenses, and they mostly refer to:

- ✓ the costs of maintenance services in the amount of 7,481,380 dinars - are higher by 10% compared to the same period of the previous year. The increase in these costs

is mostly related to the maintenance of IT equipment, which is necessary for the proper functioning of the Company's IT system and enabling supervision over the implementation of the Concession Agreement.

Within the realized expenses, the largest expense is **the cost of depreciation and provisions**, which in the period January- December amount to 599,521,039 dinars and make up 64% of the total expenses. The cost of depreciation is lower by 3% compared to the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022, it is higher by 4%.

The decrease in depreciation costs compared to the same period of the previous year is the result of fully depreciated buildings and equipment, which reduced the cost of depreciation on the total assets subject to depreciation calculation.

Intangible costs in the period January- December 2022 were realized in the amount of 109,908,252 dinars and make up 12% of the total realized expenses. The immaterial costs realized in this way are higher by 1% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 16%. Intangible costs mostly refer to:

- ✓ property tax costs of ANT in the amount of 88,883,693 dinars.

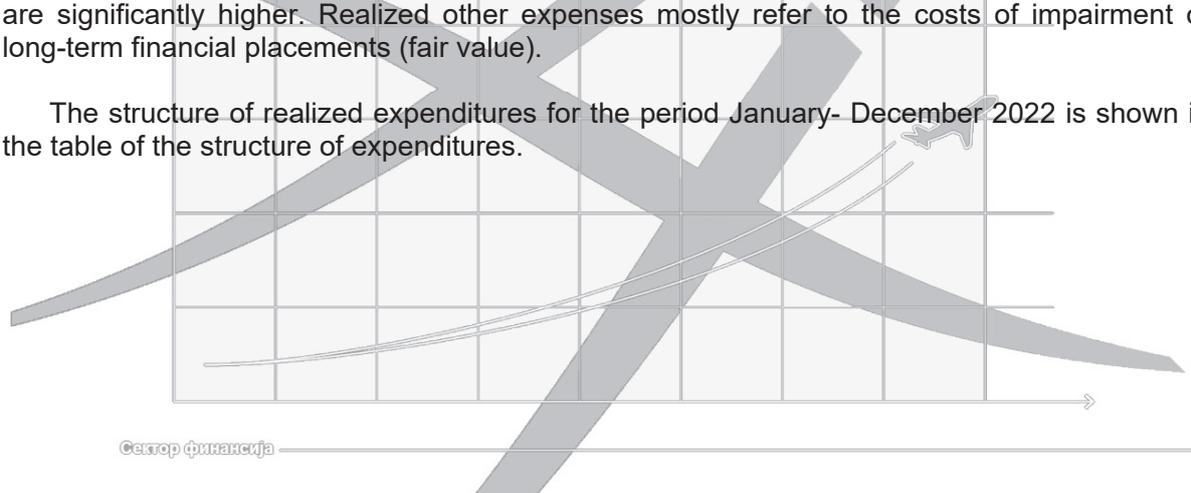
Financial expenses in the period I January- December 2022 were realized in the amount of 29,709,732 dinars and are four times higher compared to the same period in 2021. Financial expenses, in the observed period, are to the greatest extent a reflection of the fluctuation of the dollar exchange rate.

The structure of financial expenditures for the period January- December in 2022 consists of:

- negative exchange rate differences - in the amount of 26,720,503 dinars and participate with 90% in total financial expenses;
- other financial expenses - in the amount of 2,166,996 dinars and participate with 7% in total financial expenses;
- expenses based on the effects of the currency clause - in the amount of 805,532 dinars and participate with 3% in the total financial expenses.

Other expenses in the period January- December 2022 were realized in the amount of 17,558,026 dinars and they are lower by 70% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022, they are significantly higher. Realized other expenses mostly refer to the costs of impairment of long-term financial placements (fair value).

The structure of realized expenditures for the period January- December 2022 is shown in the table of the structure of expenditures.



STRUCTURE OF REVENUE FOR THE PERIOD JANUARY-DECEMBER 2022

Acc.	Account name	Realization January- December 2021	Business plan January- December 2022	Realization January- December 2022	Index	
1	2	3	4	5	6(5/3)	7 (5/4)
51	MATERIAL AND ENERGY EXPENSES	1,957,547	3,232,198	1,996,653	102	62
512	OVERHEADS EXPENSES	678,683	1,643,197	658,095	97	40
513	FUEL AND ENERGY EXPENSES	1,193,064	1,139,001	1,294,157	108	114
515	SINGLE WRITE-OFF OF THE TOOLS AND INVENTORY	85,800	450,000	44,400	52	10
52	EXPENSES OF SALARIES, ALLOWANCES AN OTHER	151,280,603	159,109,052	160,935,590	106	101
520	EXPENSES OF SALARIES AND CONTRIBUTIONS (GROSS)	110,948,384	114,911,774	115,089,211	104	100
521	EXPENSES OF SALARIES AND CONTRIBUTIONS- EMPLOYER	18,322,641	18,513,301	18,541,861	101	100
522	EXPENSES OF SERVICE CONTRACTS- GROSS	702,469	920,198	1,159,942	165	126
524	EXPENSES OF TEMPORARY WORK CONTRACT- GROSS	5,130,048	5,107,806	5,108,073	100	100
526	COMPENSATION OF MANAGER, IE.MANAGEMENT BOARD- GROSS	8,510,936	9,573,614	9,792,969	115	102
529	OTHER PERSONAL EXPENSES AND CONTRIBUTIONS	7,666,126	10,082,359	11,243,533	147	112
53	PRODUCTION SERVICES EXPENSES	11,094,491	44,620,334	11,358,792	102	25
531	TRANSPORT SERVICES EXPENSES	3,655,331	3,825,780	3,375,671	92	88
532	MAINTENANCE EXPENSES	6,795,598	11,592,190	7,481,380	110	65
533	RENT EXPENSES	298,542	29,130,844	430,723	144	1
539	OTHER SERVICE EXPENSES	345,017	71,520	71,018	21	99
54	DEPRECIATION AND RESERVATION EXPENSES	618,496,963	573,724,120	599,521,039	97	104
540	DEPRECIATION EXPENSES	596,042,283	570,524,120	593,613,066	100	104
545	PROVISIONS FOR EMPLOYEES' WAGES	2,454,681	0	2,057,973	84	0
549	OTHER LONG-TERM RESERVATIONS	20,000,000	3,200,000	3,850,000	19	120
55	INTANGIBLE EXPENSES	108,430,374	130,820,185	109,908,252	101	84
550	EXPENSES OF NON-PRODUCTION SERVICES	8,441,557	26,300,215	8,306,216	98	32
551	REPRESENTATION EXPENSES	1,747,224	2,500,000	4,081,699	234	163
552	INSURANCE PREMIUM EXPENSES	773,090	1,070,000	734,543	95	69
553	PAYMENT TRANSACTION EXPENSES	550,411	575,000	570,226	104	99
554	MEMBERSHIP FEES EXPENSES	482,850	500,000	547,838	113	110
555	TAX EXPENSES	89,247,471	88,620,897	88,883,693	100	100
559	OTHER INTANGIBLE EXPENSES	7,187,771	11,254,073	6,784,039	94	60
I	BUSINESS EXPENSES	891,259,979	911,505,887	883,720,326	99	97
56	FINANCIAL EXPENSES	6,546,815	2,492,126	29,709,732	454	1,192
562	INTEREST RATE EXPENSES	23,207	4,610	16,701	72	362
563	NEGATIVE EXCHANGE RATE DIFFERENCES	5,282,673	2,094,538	26,720,503	506	1,276
564	EXPENSES ON THE BASES OF EFFECTIVE CURRENCY CALUSE	15,850	392,977	805,532	5,082	205
569	OTHER FINANCIAL EXPENSES	1,225,085	0	2,166,996	177	0
II	FINANCIAL EXPENSES	6,546,815	2,492,126	29,709,732	454	1,192
57	OTHER EXPENSES	9,885,339	2,500,000	3,043,895	31	122
570	LOSSES BASED ON EXPENSES AND SALES OF INTANGIBLE PROPERTY AND EQUIPMENT	4,289,109	0	1,403,866	33	0
579	OTHER NOT MENTIONED EXPENSES	5,596,230	2,500,000	1,640,029	29	66
58	EXPENSES FOR PROPERTY DEPRECIATION	45,399,237	0	9,435,364	21	0
583	DEPRECIATION OF LONG-TERM INVESTMENTS AND OTHER SECURITIES FOR SALE	106	0	9,382,322	8,843,738	0
585	DEPRECIATION OF SHORT-TERM INVESTMENTS	45,399,131	0	53,043	0	0
59	EXPENSES FROM PREVIOUS YEARS	3,418,150	500,000	5,078,767	149	1,016
592	EXPENSES FOR ADJUSTMENT OF MISTAKES FROM PREVIOUS	3,418,150	500,000	5,078,767	149	1,016
III	OTHER EXPENSES	58,702,725	3,000,000	17,558,026	30	585
	TOTAL EXPENSES	956,509,519	916,998,013	930,988,084	97	102

Сектор финансија

3.3. FINANCIAL RESULT FOR THE PERIOD JANUARY- DECEMBER 2022

In the period January- December 2022, a positive financial result was reported in the gross amount of 4,8569,571 dinars and the net amount of 20,227,381 dinars.

FINANCIAL RESULT FOR THE PERIOD JANUARY-DECEMBER 2022

S.No	Account name	Realization January-December 2021	Rebalance of Business plan January-December 2022	Realization January-December 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5		
1	Business revenues	538,061,822	755,509,672	704,414,948	131	93
2	Business expenses	891,259,979	911,505,887	883,720,326	99	97
3	Business loss (2-1)	353,198,157	155,996,215	179,305,378	51	115
4	Financial revenues	34,861,394	55,955,972	56,294,336	161	101
5	Financial expenses	6,546,815	2,492,126	29,709,732	454	1,192
6	Financial profit (4-5)	28,314,579	53,463,846	26,584,603	94	50
7	Other revenues	130,858,863	136,137,266	218,848,371	167	161
8	Other expenses	58,702,725	3,000,000	17,558,026	30	585
9	Other profit (7-8)	72,156,138	133,137,266	201,290,345	279	151
10	Total revenues(1+4+7)	703,782,079	947,602,910	979,557,655	139	103
11	Total expenses (2+5+8)	856,509,519	916,998,013	930,988,084	97	102
12	Total gross revenue (10-11)		30,604,897	48,569,571		159
12a	Total gross loss (11-10)	252,727,440				
13	Tax expenses for period					
14	Deferred Tax expenses for period	37,287,170		28,342,190	76	
15	Deferred tax revenue for period					
16	Paid personal income of the employer					
17	Net profit		30,604,897	20,227,381		66
17a	Net loss	290,014,610				

Сектор финансија

3.4. NUMBER OF EMPLOYEES

Number of employees per HR records for the period January-December 2022 (on the last day in the month)

Month	Full time	Fixed-term	Subtotal	Temporary	Total
1	2	3	4 (2+3)	5	6 (4+5)
January	35	0	35	1	36
February	35	0	35	1	36
March	35	0	35	1	36
April	35	0	35	1	36
May	35	0	35	1	36
June	35	0	35	1	36
July	35	0	35	1	36
August	35	0	35	1	36
September	35	0	35	1	36
October	36	0	36	1	37
November	36	0	36	1	37
December	36	0	36	1	37

4. INFORMATION ON INVESTMENTS FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION

In accordance with its new registered activity, the company actively participates in solving the problem of environmental pollution and raising environmental awareness of all employees and other persons with whom it has contact directly and indirectly, but also within the framework of the obligations from the Concession Agreement, it cooperates with the SPC in this area, following that in its work, SPC applies positive regulations and the highest standards when it comes to environmental protection.



5. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT HAPPENED IN PERIOD JANUARY- DECEMBER 2022

In the period January- December 2022, it is necessary to mention the following major business events within the scope of performing the duty of supervision over the implementation of the Concession Agreement and in connection with the Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure carried out by SPC, as can be seen at the airport complex.

In the reporting period, SPC continued with the timely performance of Mandatory Works in accordance with the provisions of the Concession Agreement, without affecting the regularity of passenger traffic, as can be seen in the passenger terminal building, which is undergoing reconstruction and extension, as well as in the public zone and in the secured restrictive zone of the airport complex. The performance is continued for works on the construction of an inserted runway as the first major airport infrastructure project after 60 years at the Belgrade airport.

Works continued on the reconstruction and extension of the Terminal building according to the planned phases.

In the period January- December 2022 , works were also carried out on the construction of the system of access roads and parking lots in the function of the landing for building and the waste water treatment plant. Works on the construction of a photovoltaic plant, a new weather station, a new platform for de-icing and anti-icing of aircraft, service roads along the new finger corridor C, as well as works within the first phase of the construction of line infrastructure facilities have been completed.

Certificates of completion of the works were issued and the Record on facility take-over was signed: Solid waste treatment plant landside, Reconstruction and extension of Platform B and Construction of a separate parking lot and access roads at Airport Nikola Tesla Belgrade (*Remote Car Park Phase 1 and Remote Car Park Phase 2*), extension of Platform C into taxiways F and associated service road (Extension of Apron C stage 1), fecal sewage pumping station for evacuation of waste water from aircrafts (Solid waste treatment plant airside), Transformer station TS Parking 1x1000 KV_a 10 kV/0.4 kV and Supplying parking positions A3-A10 with electricity (first phase - equipping parking spots A3, A4 and A5 at Airport Nikola Tesla Belgrade.

On the basis of the signed aforementioned documents, conditions were met in accordance with the regulations on planning and construction for the acquisition and activation of the aforementioned fixed assets in the Company's business books.

It should be noted that the Company with limited liability for maintenance and repair of aircraft "Jat-Tehnika" Ltd. Belgrade, in accordance with the judgment of the Commercial Court in Belgrade and the Protocol on the regulation of the debt dated 31st May, 2021, made payment to the account of JSC Airport Nikola Tesla Belgrade in the amount of 105,831,349 dinars, which settled the debt in full.

Also, the commercial company Air Serbia Catering Ltd. Belgrade made a payment according to the judgment of the Commercial Court in Belgrade in the amount of 38,463,311 dinars. Сектор финансија

5.1 . DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT OCCURRED AFTER THE END OF THE PERIOD JANUARY- DECEMBER 2022

After the end of the period January-December 2022, there are no business events that should be mentioned.

6 . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD JANUARY-DECEMBER 2022

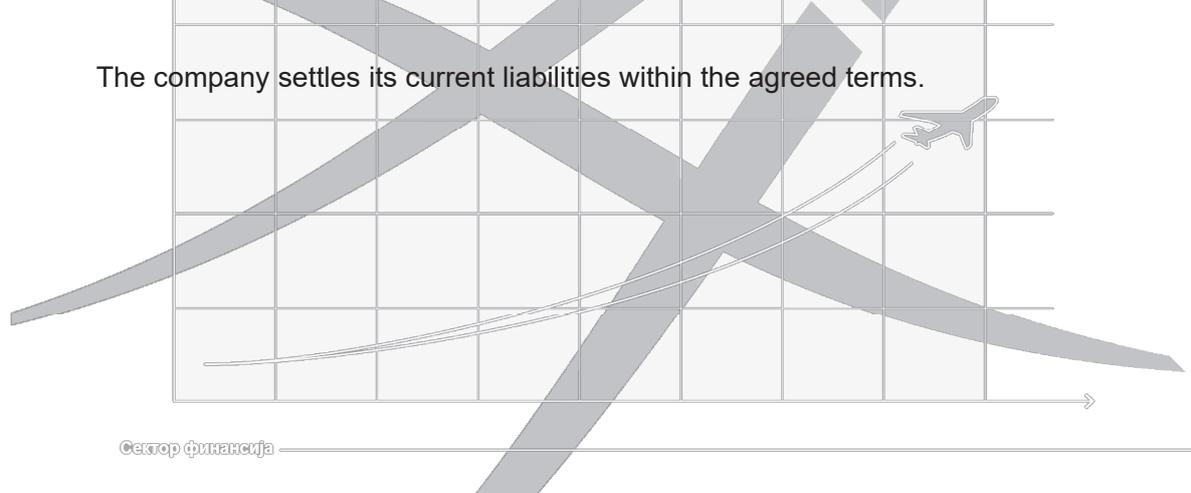
It is not to be expected that the war between the Russian Federation and the Republic of Ukraine will have any significant impact on the concession project, bearing in mind that the smooth continuation of the implementation of the contract in question, which is the basis for the Company's future business plans, has been ensured.

Although the consequences of the impact of the pandemic caused by the COVID 19 virus are still reflected in the volume of passenger traffic everywhere in the world, the recovery at Airport Nikola Tesla is taking place significantly faster than in other European metropolises, and it is expected that the mentioned trend will consequently have a positive impact on the business of SPC, and consequently, on the Company's operations in the following period. At the same time, SPC continued with the execution of Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure in the contracted schedule and without downtime, for which it regularly provides financing.

In accordance with the above, the management's assessment is that the Company's financial position is still such that there is no uncertainty regarding the ability to continue operations on a going concern basis and that there is no material impact on operations.

Due to the existence of market risks that affect financial instruments, the management of the Company studiously monitors the developments that lead to risks and undertakes the necessary measures for risk management. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the liquidity of the company and the market position in the future period that could violate the principle of continuity of operations.

The company settles its current liabilities within the agreed terms.



7 . COMPANY'S MAJOR OPERATIONS WITH RELATED PERSONS

The company has no related parties based on the Law on Business Companies ("Official gazette of RS" no. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021 Article 62) accordingly, there are no business activities with related parties.

7.1 . EXISTENCE OF BRANCHES

JSC Airport Nikola Tesla Belgrade has no branches within the Company.

Belgrade, March 2023

Managing Director

Refer to original Serbian version
Saša Vlaisavljević, B.Sc.Eng.



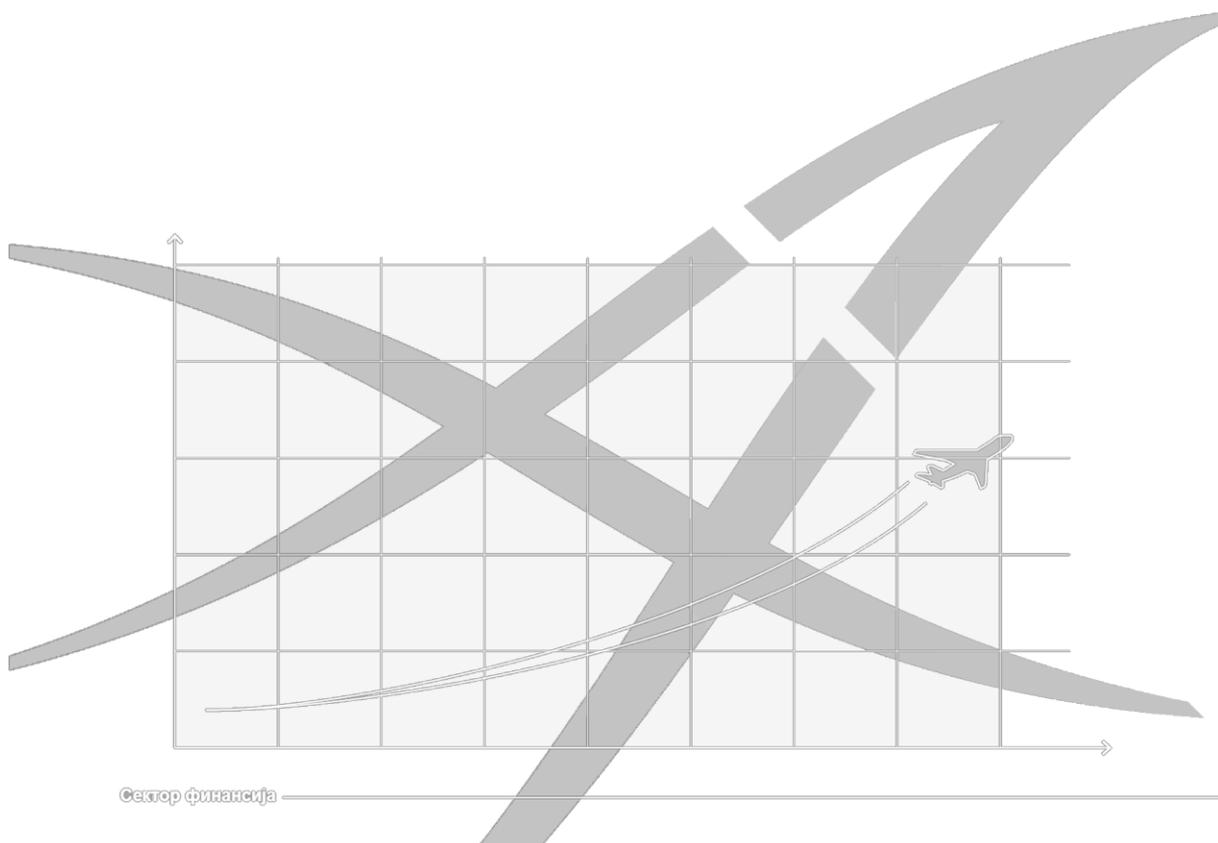
**JOINT STOCK COMPANY
AIRPORT NIKOLA TESLA BELGRADE**

**BUSINESS REPORT
FOR THE PERIOD JANUARY- DECEMBER 2022**



THE CONTENT:

1. GENERAL INFORMATION ABOUT THE COMPANY	3
2. INFORMATION ABOUT MANAGEMENT	6
2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES.....	7
3 . REVENUES AND EXPENSES.....	8
3.1. REVENUE	8
3.2. EXPENSES.....	11
3.3. FINANCIAL RESULT FOR THE PERIOD JANUARY- DECEMBER 2022.....	14
3.4. NUMBER OF EMPLOYEES.....	15
4. INFORMATION ON INVESTMENTS FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION.....	15
5. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT HAPPENED IN PERIOD JANUARY- DECEMBER 2022	16
5.1 . DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT OCCURRED AFTER THE END OF THE PERIOD JANUARY- DECEMBER 2022.....	17
6 . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD JANUARY-DECEMBER 2022	17
7 . COMPANY'S MAJOR OPERATIONS WITH RELATED PERSONS.....	18
7.1 . EXISTENCE OF BRANCHES	18



1. GENERAL INFORMATION ABOUT THE COMPANY

On 22nd December, 2018, with fulfillment of all previous conditions by the signatories of the Concession Agreement for financing, development through construction and reconstruction, maintenance and infrastructure management of JSC Airport Nikola Tesla Belgrade and performing the activities of airport operators at Airport Nikola Tesla in Belgrade, its concession began thereof. Instead of JSC Airport Nikola Tesla Belgrade, which until that date was the Airport operator, based on the consent of the Civil Aviation Directorate of the Republic of Serbia, the Airport Certificate was transferred from JSC Airport Nikola Tesla Belgrade to Vinci airports Serbia Ltd. Belgrade (SPC), all in accordance with the Law on Air Traffic and the Rulebook on the Conditions and Procedure for issuing airport certificates, by which SPC became the new airport operator.

The concession agreement was concluded between the Republic of Serbia, represented by the Government of the Republic of Serbia, and JSC Airport Nikola Tesla Belgrade (hereinafter: the Company), on the one hand as the Concession Grantor and VINCI Airports Serbia Ltd. Belgrade, a legal entity established in accordance with the laws of the Republic of Serbia, with its registered office in Belgrade, Belgrade Airport 47, registry no. 21364568, TIN (tax identification number) 110572920 and VINCI Airports S.A.S., a simplified joint-stock company (SAS) France, as the selected most favorable individual bidder and founder of the special purpose company (SPC), on the other hand, with the Supplementary Agreement of on 14th December, 2018 and the Protocol on updating the annex to the Concession Agreement dated 21st December, 2018 and 1st July, 2021 (hereinafter: Concession Agreement) and Annex No. 1 of the Concession Agreement dated 11th July, 2022.

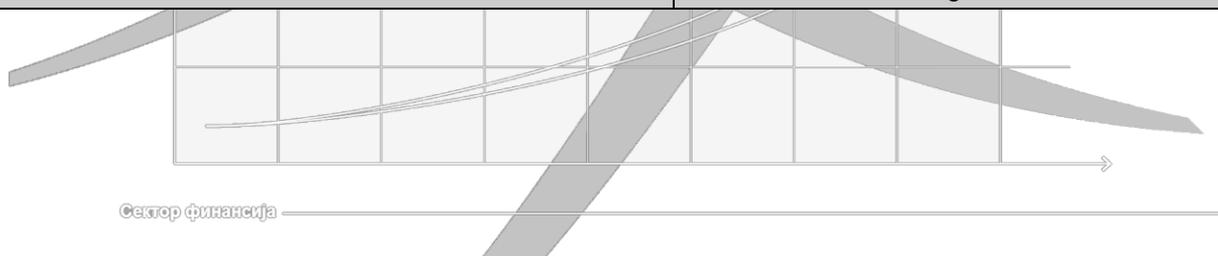
On 23rd July, 2019, the business name of SPC was changed, so instead of "Vinci airports Serbia Ltd." Belgrade" - "Belgrade Airport Ltd. Belgrade" was entered.

Pursuant to the adopted revised text of the Company's Articles of Association, the Company ceased to be an airport operator on the Concession Commencement Date, i.e. instead of the predominant activity 52.23 Service activities in air transport, as one of the Concession Grantors, it continued to function as a legal entity with a changed predominant activity 68.20 Rental and management of owned or leased property.

Along with the change in the predominant activity, the composition of the management body was changed, as well as the internal organization of the Company in order to adapt to the basic activity of the Concession Grantor, which is the monitoring of the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnership and Concessions ("Official Gazette of the RS", no. 88/2011, 15/2016 and 104/2016) and the Regulation on supervision over the implementation of public contracts of public-private partnerships ("Official Gazette of the RS", no. 47/2013), and thus the number of employees, their rights and obligations.

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Business Name	JOINT STOCK COMPANY AIRPORT NIKOLA TESLA BELGRADE
Headquarters and address	Belgrade, Belgrade Airport 47
Registration no	07036540
TAX ID	100000539
website and e-mail address	www.antb.rs; kabinet@antb.rs
Number and date of the decision on registration in the Business Registers Agency	<p>Registration number: BD 4874/2005 Date of registration: 15th June 2005</p> <p>Registration number: BD 91540/2012 Date of registration: 9th July 2012</p> <p>Registration number: BD 100187/2012 Date of registration: 20th July 2012</p>
Activity (code and description)	68.20 – Rental and management of owned or leased property
Number of employees	36 employees as of 31 st December 2022
The value of the basic capital	21,015,677,400 dinars (as of 31st December 2022)
Name, headquarters of the audit firm that audited the last financial report for the year 2021	"FinExpertiza" ltd , 90a Kneza Miloša street, Belgrade
Number of issued shares, ISIN number and CFI COD	<p>No. Of ordinary shares 35,026,129 (as of 31st December 2022)</p> <p>CFI code ESVUFR</p> <p>ISIN RSANTBE number 11090</p>
The name of the organized market in which the shares are included	JSC Belgrade Stock Market Belgrade, 1 Omladinskih brigada street, 11070 New Belgrade



Ten largest shareholders by number of shares on 31.12.2022. years

S.no .	Name / Title Shareholders	Number of shares	% Share
1	REPUBLIC OF SERBIA	29,616,722	84.55
2	OTP BANKA SERBIA - CUSTODIAN RN – FO	900,493	2.57
3	OTP BANKA SERBIA - COMBINED ACCOUNT	630,894	1.80
4	OTP BANK OF SERBIA - CUSTODIANS RN – FO	366,177	1.05
5	RAIFFEISEN BANKA JSC– KASTODI RN - KS	66,707	0.19
6	JSC AIRPORT NIKOLA TESLA BGD	55,320	0.16
7	UNICREDIT BANK SERBIA JSC. - SUMMARY ACCOUNT	36,065	0.10
8	KERAMIKA JOVANOVIĆ LTD	32,384	0.09
9	DUNAV RE JSC	28,231	0.08
10	AMS INSURANCE A.D.O.	23,586	0.07

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2. INFORMATION ABOUT MANAGEMENT

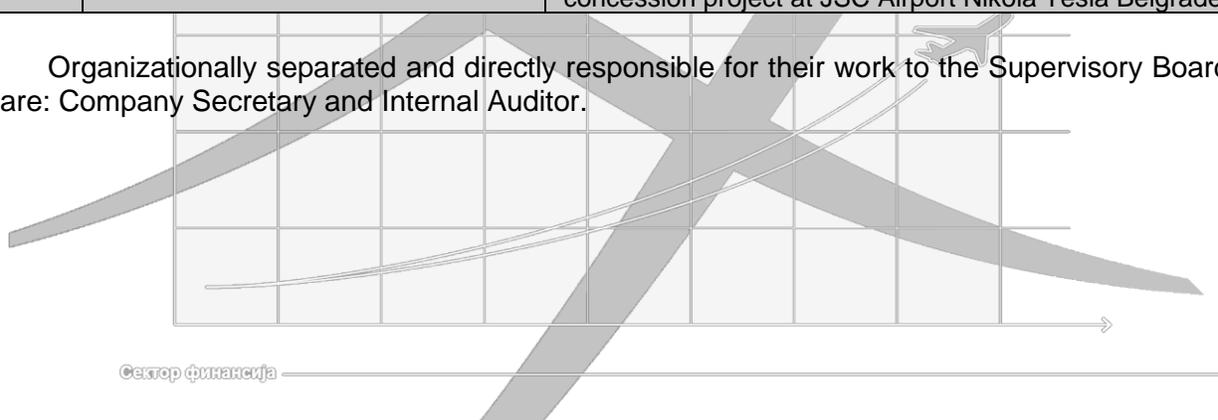
Members of the management for the period January-December 2022:

Assembly of the company:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Vladimir Dimitrijević, Belgrade	PhD, Executive Director of the Public Company "Post of Serbia"

Supervisor Committee:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Vesna Stanković Jevđević, Belgrade	Graduated economist, Deputy General Director of the Directorate for Procurement of the National Bank of Serbia
2	Ivana Nikolić, Belgrade	Master economist, advisor in the liquidity and asset management department - Agency for Insurance and Financing of Exports of the Republic of Serbia
3	Goran Mirković, Belgrade	Master of Economics, adviser at the National Bank of Serbia
4	Petar Jarić, Belgrade	Bachelor of Economics, Deputy Director – National Employment Service
5	Dragoslav Stanković, Doljevac	Professional manager, associate for control and acceptance of measuring points in Elektro distribucija Niš - business Doljevac

Executive Board:		
S.N.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Saša Vlaisavljević, Belgrade	Graduated in traffic engineering, president of the Executive Board, Managing director of JSC Airport Nikola Tesla Belgrade
2	Ana Kaluđerović, Belgrade	Graduated in mechanical engineering, Executive Director for monitoring and management of the concession project at JSC Airport Nikola Tesla Belgrade

Organizationally separated and directly responsible for their work to the Supervisory Board are: Company Secretary and Internal Auditor.



2.1. OVERVIEW OF CORPORATE GOVERNANCE RULES

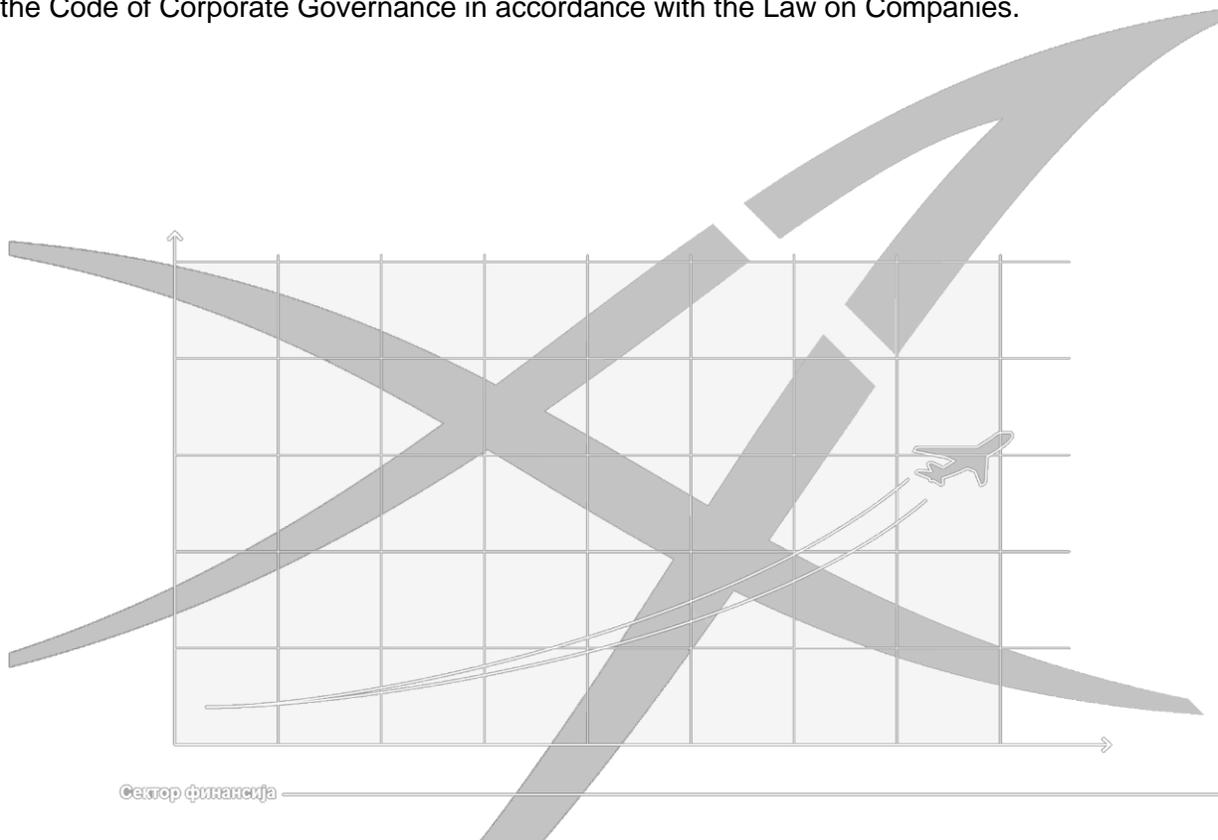
The Company, as a member of the Serbian Chamber of Commerce, accepted *the Code of Corporate Governance* published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.antb.rs

The rules of this Code are a supplement to the current legislation, so that no provision of the Code cancels a legal rule that regulates the same issue differently. Also, the Code does not in any way alter the meaning or correct interpretation of legal provisions. The Code moves within the limits of the law, because it covers matter that is not regulated by law (so-called legal gaps) or is governed by dispositive legal norms.

The Code contains two types of rules:

- 1) recommendations - rules that the capital company should accept and act upon, and which can be recognized in the Code by using the word "should";
- 2) proposals - rules that are considered a desirable practice in the field of corporate governance, and which can be recognized in the Code by the use of the words "can", "should" and similar.

The recommendations contained in this Code represent the minimum standards that public joint-stock companies (members of the Serbian Chamber of Commerce) should accept and act according to, and if they do not do so or do not do it in the manner envisaged for in this Code, they must provide an explanation for the deviation made within statements on the application of the Code of Corporate Governance in accordance with the Law on Companies.



3 . REVENUES AND EXPENSES

Revenues and expenses are shown in accordance with the accounting treatment of IFRS 16 - Leasing.

In accordance with the requirements of IFRS 16, the entire assets of the Company are analyzed from the aspect of the type of assets and the period of their use. Concession assets (movable and immovable assets of the Company given to SPC for use during the Concession Period) are treated as follows:

- Infrastructure assets and closely related assets (equipment)- are subject to depreciation calculation in accordance with IAS 16 (property, plant and equipment).
- Other assets that are not closely related to infrastructure assets - are seen as sold on "Day 1", which marks the start of the concession, and are accordingly recorded on accruals and deferrals (AVR). These assets are not subject to depreciation calculation, but the total value of these assets is accrued for the entire concession period and proportionally reduces the revenue of the current year.

In accordance with the requirements of IFRS 16, the treatment of income is determined as follows:

- Minimum Annual Concession Fee - the total amount of the contracted Minimum Concession Fee is earned per year, in accordance with the established amounts of the minimum annual concession fee, as defined in the Concession Agreement.
- Variable fees that depend on the amount of revenue - recognized as revenue in the period to which it relates.
- Revenue from planned capital investments realized by SPC on behalf and for the account of the Company (CAPEX) - are accrued proportionally by year for the entire period of the Concession from the moment of putting into use and handing over the newly built fixed Concession Assets, as well as the updates and reconstructions of the existing Concession Assets to the Company for the remaining period of the concession.

3.1. REVENUE

In the period January – December 2022, the Company achieved a total revenue of 979,557,655 dinars. The total revenue achieved in this way is higher by 39% compared to the revenue achieved in the same period of the previous year and compared to The rebalance of the business plan for the period January- December 2022 is higher by 3%.

Business revenues in the period January- December 2022 were realized in the amount of 704,414,948 dinars and make up 72% of the total realized revenues. The business revenues achieved in this way are 31% higher compared to the revenues achieved in the same period of the previous year, and are 7% lower compared to the Rebalance of the business plan for the period January- December 2022.

Within the realized business revenues for the period January- December 2022, the largest revenue refers to the revenue from the annual Concession fee in the amount of 595,319,590 dinars and is 6% higher compared to the same period of the previous year, then the revenue from acquisition without compensation of cadastral plots 5251 and 5252 cadastral municipality Surčin, which were transferred to the Company in 2019 by SPC in accordance with the provisions of the Concession Agreement. The total area of the mentioned plots is 107,650 m².

Applying IFRS 16, the total estimated value (25.4 million euros) is proportionally allocated to the Concession Period (25 years), so that for the period January- December 2022, the associated revenue of 119,474,285 dinars (or 1.02 million euros - according to the middle exchange rate of the NBS on 31st Decembe, 2022 which was 117.3224 dinars).

As part of business revenue, revenue from CAPEX was also realized based on the part of Mandatory Works completed by SPC in the reporting period in accordance with the obligations from the Concession Agreement: remote parking, substation parking, solid waste facility (public side), platform B, platform C, solid waste facility (restrictive zone) and power supply of parking positions A3-A5. Based on the realized CAPEX, and in accordance with the accounting standard IFRS 16, for the period January- December 2022, corresponding income in the amount of 64,766,417 dinars was implemented.

Financial revenues, in the period January- December 2022, were realized in the amount of 56,294,336 dinars and are higher by 61% compared to the revenues realized in the same period of the previous year and compared to The Rebalance of the business plan for the period January- December 2022 are higher by 1%.

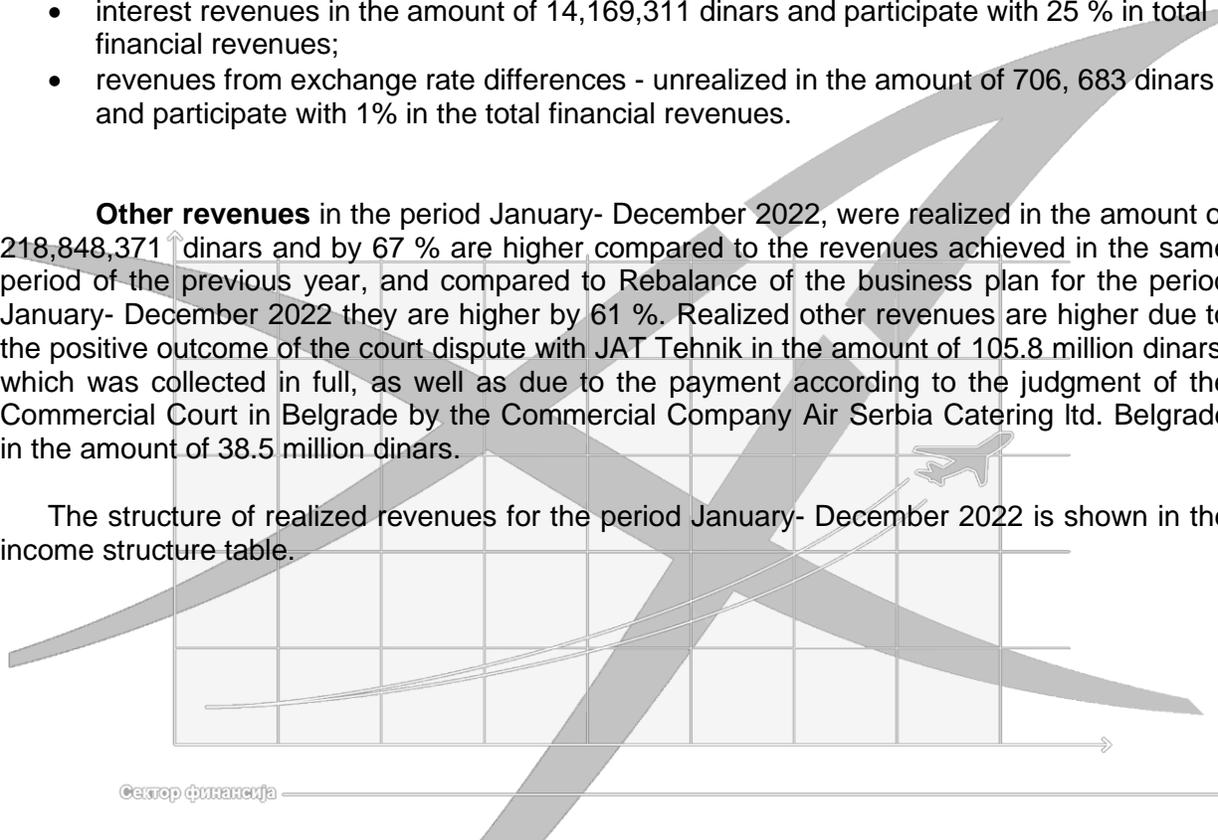
Such a significant increase in financial revenues compared to the same period of the previous year is a reflection of the fluctuation of the dollar exchange rate, which for the observed period is 6%. The dollar exchange rate at the beginning of the year was 103.9262 dinars, while on 31st December 2022, an increase in the exchange rate was recorded in the amount of 110.1515 dinars, which resulted in an increase in the financial income realized for the period January- December 2022 compared to the same period of the previous year.

The structure of financial revenues for the period January- December in 2022 they consist of:

- revenues from exchange rate differences - realized in the amount of 41,418,341 dinars and participate with 74% in total financial revenues;
- interest revenues in the amount of 14,169,311 dinars and participate with 25 % in total financial revenues;
- revenues from exchange rate differences - unrealized in the amount of 706, 683 dinars and participate with 1% in the total financial revenues.

Other revenues in the period January- December 2022, were realized in the amount of 218,848,371 ↑ dinars and by 67 % are higher compared to the revenues achieved in the same period of the previous year, and compared to Rebalance of the business plan for the period January- December 2022 they are higher by 61 %. Realized other revenues are higher due to the positive outcome of the court dispute with JAT Tehnik in the amount of 105.8 million dinars, which was collected in full, as well as due to the payment according to the judgment of the Commercial Court in Belgrade by the Commercial Company Air Serbia Catering ltd. Belgrade in the amount of 38.5 million dinars.

The structure of realized revenues for the period January- December 2022 is shown in the income structure table.



Сектор финансија

STRUCTURE OF REVENUE FOR PERIOD JANUARY- DECEMBER 2022

S.No	Account name	Realization January-December 2021	Business plan January-December 2022	Realization January-December 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
65	OTHER BUSINESS REVENUES	538,061,822	755,509,672	704,414,948	131	93
652	REVENUES FROM TANTIEMS AND LICENCES	8,500,000	8,500,000	8,500,000	100	100
659	OTHER BUSINESS REVENUES	529,561,822	747,009,672	695,914,948	131	93
I	BUSINESS REVENUES	538,061,822	755,509,672	704,414,948	131	93
66	FINANCIAL REVENUES	34,861,394	55,955,972	56,294,336	161	101
662	INTEREST REVENUE	6,861,945	13,837,943	14,169,311	206	102
663, 664	EXCHANGE RATE DIFFERENCES- REALIZED	27,502,225	42,017,136	41,418,341	151	99
	EXCHANGE RATE DIFFERENCES- UNREALIZED	497,223	100,893	706,683	142	700
II	FINANCIAL REVENUES	34,861,394	55,955,972	56,294,336	161	101
67	OTHER REVENUES	105,020,991	135,599,887	182,883,220	174	135
670	RECEIVABLES FORM SALE OF INATNGIBLE INVESTMENTS, PROPERTY AND PLANT	0	21,281,412	22,965,844	0	108
673	RECEIVABLES FROM MATERIAL SALE	1,149,927	0	424,359	37	0
675	COLLECTED WRITTEN-OFF RECEIVABLES	2,100,214	96,276,881	120,701,906	5,747	125
676	REVENUE EFFECTIVE RISK PROTECTION	628,962	2,097,030	2,097,030	333	100
677	REVENUE FROM DECREASE IN LIABILITIES	2,935,672	3,909	708,379	24	18,123
678	REVENUE FROM TERMINATION OF LONG-TERM ANDSHORT TERM PLACEMENTS	0	6,000,000	6,911,791	0	115
679	OTHER NOT MENTIONED REVENUES	98,206,216	9,940,655	29,073,910	30	292
68	REVENUE FROM ADJUSTMENT OF VALUE OF ASSESTS	20,714,129	0	35,427,773	171	0
683	REVENUE FROM ADJUSTMENT OF VALUE OF LONG-TERM INVESTMENTS AND SECURITIES FOR SALE	20,170,040	0	24,543,151	122	0
685	REVENUE FROM ADJUSTMENT OF VALUE OF RECEIVABLES	544,089	0	10,884,622	2,001	0
69	SUSPENDED BUSINESS PROFIT AND REVENUETRANSFER	5,123,743	537,379	537,379	10	100
692	REVENUES FORM ADJUSTMENT OF MISTAKES FROMPREVIOUS YEARS	5,123,743	537,379	537,379	10	100
III	OTHER REVENUES	130,858,863	136,137,266	218,848,371	167	161
	TOTAL REVENUES	703,782,079	947,602,910	979,557,655	139	103

3.2. EXPENSES

In the period January- December 2022, the company had a total expenses of 930,988,084 dinars which are lower by 3 % compared to the realized expenses in the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022 are higher by 2%.

Business expenses in the period January- December 2022 were realized in the amount of 883,720,326 dinars and make up 95% of the total realized expenses. Business expenses realized in this way are lower by 1% compared to business expenses realized in the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 3%.

The structure of business expenses consists of:

- Material and energy costs
- Costs of wages, benefits and other personal expenses
- Costs of production services
- Costs of amortization and reservation
- Immaterial costs

Costs of materials and energy in the period January- December 2022 were realized in the amount of 1,996,653 dinars and are 2% higher compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 38%.

Material and energy costs mostly refer to:

- ✓ fuel costs in the amount of 1,294,157 dinars.

Costs of wages, benefits and other personal expenses in the period January- December 2022 were realized in the amount of 160,935,590 dinars and make up 17% of the total realized expenses. The costs of wages, benefits and other personal expenses realized in this way are higher by 6% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are higher by 1%. The deviation of the costs of wages, benefits and other personal expenses in relation to the same period of the previous year does not represent an increase in the wages of employees, but constitutes a cumulatively observed percentage of achievement due to the return of employees from maternity leave to regular work.

Costs of production services in the period January- December 2022 were realized in the amount of 11,358,792 dinars and are 2% higher compared to the same period in 2021, and 75% lower compared to the Rebalance of the business plan for the period January- December 2022. The reduction in the costs of production services expressed in this way does not represent a real reduction of the mentioned costs, but rather costs within the group of costs of production services, such as rent costs, which we are obliged to disclose in reports based on the application of IFRS 16 - Leasing (the part related to rents) by reporting them as depreciation expense for right-of-use assets, interest expense, and other operating expenses.

The costs of production services make up 1% of the total realized expenses, and they mostly refer to:

- ✓ the costs of maintenance services in the amount of 7,481,380 dinars - are higher by 10% compared to the same period of the previous year. The increase in these costs

is mostly related to the maintenance of IT equipment, which is necessary for the proper functioning of the Company's IT system and enabling supervision over the implementation of the Concession Agreement.

Within the realized expenses, the largest expense is **the cost of depreciation and provisions**, which in the period January- December amount to 599,521,039 dinars and make up 64% of the total expenses. The cost of depreciation is lower by 3% compared to the same period of the previous year, and compared to the Rebalance of the business plan for the period January- December 2022, it is higher by 4%.

The decrease in depreciation costs compared to the same period of the previous year is the result of fully depreciated buildings and equipment, which reduced the cost of depreciation on the total assets subject to depreciation calculation.

Intangible costs in the period January- December 2022 were realized in the amount of 109,908,252 dinars and make up 12% of the total realized expenses. The immaterial costs realized in this way are higher by 1% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022 are lower by 16%. Intangible costs mostly refer to:

- ✓ property tax costs of ANT in the amount of 88,883,693 dinars.

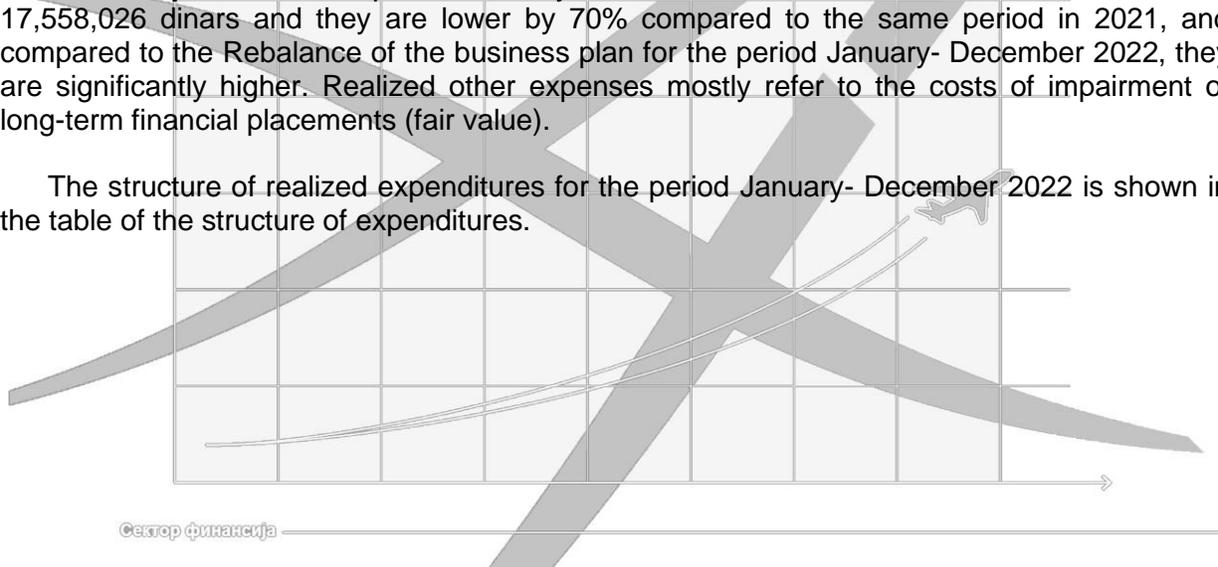
Financial expenses in the period I January- December 2022 were realized in the amount of 29,709,732 dinars and are four times higher compared to the same period in 2021. Financial expenses, in the observed period, are to the greatest extent a reflection of the fluctuation of the dollar exchange rate.

The structure of financial expenditures for the period January- December in 2022 consists of:

- negative exchange rate differences - in the amount of 26,720,503 dinars and participate with 90% in total financial expenses;
- other financial expenses - in the amount of 2,166,996 dinars and participate with 7% in total financial expenses;
- expenses based on the effects of the currency clause - in the amount of 805,532 dinars and participate with 3% in the total financial expenses.

Other expenses in the period January- December 2022 were realized in the amount of 17,558,026 dinars and they are lower by 70% compared to the same period in 2021, and compared to the Rebalance of the business plan for the period January- December 2022, they are significantly higher. Realized other expenses mostly refer to the costs of impairment of long-term financial placements (fair value).

The structure of realized expenditures for the period January- December 2022 is shown in the table of the structure of expenditures.



STRUCTURE OF REVENUE FOR THE PERIOD JANUARY-DECEMBER 2022

Acc.	Account name	Realization January-December 2021	Business plan January-December 2022	Realization January-December 2022	Index	
					6(5/3)	7(5/4)
1	2	3	4	5		
51	MATERIAL AND ENERGY EXPENSES	1,957,547	3,232,198	1,996,653	102	62
512	OVERHEADS EXPENSES	678,683	1,643,197	658,095	97	40
513	FUEL AND ENERGY EXPENSES	1,193,064	1,139,001	1,294,157	108	114
515	SINGLE WRITE-OFF OF THE TOOLS AND INVENTORY	85,800	450,000	44,400	52	10
52	EXPENSES OF SALARIES, ALLOWANCES AND OTHER	151,280,603	159,109,052	160,935,590	106	101
520	EXPENSES OF SALARIES AND CONTRIBUTIONS (GROSS)	110,948,384	114,911,774	115,089,211	104	100
521	EXPENSES OF SALARIES AND CONTRIBUTIONS - EMPLOYER	18,322,641	18,513,301	18,541,861	101	100
522	EXPENSES OF SERVICE CONTRACTS- GROSS	702,469	920,198	1,159,942	165	126
524	EXPENSES OF TEMPORARY WORK CONTRACT- GROSS	5,130,048	5,107,806	5,108,073	100	100
526	COMPENSATION OF MANAGER, IE.MANAGEMENT BOARD- GROSS	8,510,936	9,573,614	9,792,969	115	102
529	OTHER PERSONAL EXPENSES AND CONTRIBUTIONS	7,666,126	10,082,359	11,243,533	147	112
53	PRODUCTION SERVICES EXPENSES	11,094,491	44,620,334	11,358,792	102	25
531	TRANSPORT SERVICES EXPENSES	3,655,334	3,825,780	3,375,671	92	88
532	MAINTENANCE EXPENSES	6,795,598	11,592,190	7,481,380	110	65
533	RENT EXPENSES	298,542	29,130,844	430,723	144	1
539	OTHER SERVICE EXPENSES	345,017	71,520	71,018	21	99
54	DEPRECIATION AND RESERVATION EXPENSES	618,496,963	573,724,120	599,521,039	97	104
540	DEPRECIATION EXPENSES	596,042,283	570,524,120	593,613,066	100	104
545	PROVISIONS FOR EMPLOYEES' WAGES	2,454,681	0	2,057,973	84	0
549	OTHER LONG-TERM RESERVATIONS	20,000,000	3,200,000	3,850,000	19	120
55	INTANGIBLE EXPENSES	108,430,374	130,820,185	109,908,252	101	84
550	EXPENSES OF NON-PRODUCTION SERVICES	8,441,557	26,300,215	8,306,216	98	32
551	REPRESENTATION EXPENSES	1,747,224	2,500,000	4,081,699	234	163
552	INSURANCE PREMIUM EXPENSES	773,090	1,070,000	734,543	95	69
553	PAYMENT TRANSACTION EXPENSES	550,411	575,000	570,226	104	99
554	MEMBERSHIP FEES EXPENSES	482,850	500,000	547,838	113	110
555	TAX EXPENSES	89,247,471	88,620,897	88,883,693	100	100
559	OTHER INTANGIBLE EXPENSES	7,187,771	11,254,073	6,784,039	94	60
I	BUSINESS EXPENSES	891,259,979	911,505,887	883,720,326	99	97
56	FINANCIAL EXPENSES	6,546,815	2,492,126	29,709,732	454	1,192
562	INTEREST RATE EXPENSES	23,207	4,610	16,701	72	362
563	NEGATIVE EXCHANGE RATE DIFFERENCES	5,282,673	2,094,538	26,720,503	506	1,276
564	EXPENSES ON THE BASES OF EFFECTIVE CURRENCY CALUSE	15,850	392,977	805,532	5,082	205
569	OTHER FINANCIAL EXPENSES	1,225,085	0	2,166,996	177	0
II	FINANCIAL EXPENSES	6,546,815	2,492,126	29,709,732	454	1,192
57	OTHER EXPENSES	9,885,339	2,500,000	3,043,895	31	122
570	LOSSES BASED ON EXPENSES AND SALES OF INTANGIBLE PROPERTY AND EQUIPMENT	4,289,109	0	1,403,866	33	0
579	OTHER NOT MENTIONED EXPENSES	5,596,230	2,500,000	1,640,029	29	66
58	EXPENSES FOR PROPERTY DEPRECIATION	45,399,237	0	9,435,364	21	0
583	DEPRECIATION OF LONG-TERM INVESTMENTS AND OTHER SECURITIES FOR SALE	106	0	9,382,322	8,843,738	0
585	DEPRECIATION OF SHORT-TERM INVESTMENTS	45,399,131	0	53,043	0	0
59	EXPENSES FROM PREVIOUS YEARS	3,418,150	500,000	5,078,767	149	1,016
592	EXPENSES FOR ADJUSTMENT OF MISTAKES FROM PREVIOUS	3,418,150	500,000	5,078,767	149	1,016
III	OTHER EXPENSES	58,702,725	3,000,000	17,558,026	30	585
	TOTAL EXPENSES	956,509,519	916,998,013	930,988,084	97	102

Сектор финансија

3.3. FINANCIAL RESULT FOR THE PERIOD JANUARY- DECEMBER 2022

In the period January- December 2022, a positive financial result was reported in the gross amount of 4,8569,571 dinars and the net amount of 20,227,381 dinars.

FINANCIAL RESULT FOR THE PERIOD JANUARY-DECEMBER 2022

S.No	Account name	Realization January-December 2021	Rebalance of Business plan January-December 2022	Realization January-December 2022	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
1	Business revenues	538,061,822	755,509,672	704,414,948	131	93
2	Business expenses	891,259,979	911,505,887	883,720,326	99	97
3	Business loss (2-1)	353,198,157	155,996,215	179,305,378	51	115
4	Financial revenues	34,861,394	55,955,972	56,294,336	161	101
5	Financial expenses	6,546,815	2,492,126	29,709,732	454	1,192
6	Financial profit (4-5)	28,314,579	53,463,846	26,584,603	94	50
7	Other revenues	130,858,863	136,137,266	218,848,371	167	161
8	Other expenses	58,702,725	3,000,000	17,558,026	30	585
9	Other profit (7-8)	72,156,138	133,137,266	201,290,345	279	151
10	Total revenues(1+4+7)	703,782,079	947,602,910	979,557,655	139	103
11	Total expenses (2+5+8)	856,509,519	916,998,013	930,988,084	97	102
12	Total gross revenue (10-11)		30,604,897	48,569,571		159
12a	Total gross loss (11-10)	252,727,440				
13	Tax expenses for period					
14	Deferred Tax expenses for period	37,287,170		28,342,190	76	
15	Deferred tax revenue for period					
16	Paid personal income of the employer					
17	Net profit		30,604,897	20,227,381		66
17a	Net loss	290,014,610				

Сектор финансија

3.4. NUMBER OF EMPLOYEES

Number of employees per HR records for the period January-December 2022 (on the last day in the month)

Month	Full time	Fixed-term	Subtotal	Temporary	Total
1	2	3	4 (2+3)	5	6 (4+5)
January	35	0	35	1	36
February	35	0	35	1	36
March	35	0	35	1	36
April	35	0	35	1	36
May	35	0	35	1	36
June	35	0	35	1	36
July	35	0	35	1	36
August	35	0	35	1	36
September	35	0	35	1	36
October	36	0	36	1	37
November	36	0	36	1	37
December	36	0	36	1	37

4. INFORMATION ON INVESTMENTS FOR THE PURPOSE OF ENVIRONMENTAL PROTECTION

In accordance with its new registered activity, the company actively participates in solving the problem of environmental pollution and raising environmental awareness of all employees and other persons with whom it has contact directly and indirectly, but also within the framework of the obligations from the Concession Agreement, it cooperates with the SPC in this area, following that in its work, SPC applies positive regulations and the highest standards when it comes to environmental protection.



5. DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT HAPPENED IN PERIOD JANUARY- DECEMBER 2022

In the period January- December 2022, it is necessary to mention the following major business events within the scope of performing the duty of supervision over the implementation of the Concession Agreement and in connection with the Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure carried out by SPC, as can be seen at the airport complex.

In the reporting period, SPC continued with the timely performance of Mandatory Works in accordance with the provisions of the Concession Agreement, without affecting the regularity of passenger traffic, as can be seen in the passenger terminal building, which is undergoing reconstruction and extension, as well as in the public zone and in the secured restrictive zone of the airport complex. The performance is continued for works on the construction of an inserted runway as the first major airport infrastructure project after 60 years at the Belgrade airport.

Works continued on the reconstruction and extension of the Terminal building according to the planned phases.

In the period January- December 2022 , works were also carried out on the construction of the system of access roads and parking lots in the function of the landing for building and the waste water treatment plant. Works on the construction of a photovoltaic plant, a new weather station, a new platform for de-icing and anti-icing of aircraft, service roads along the new finger corridor C, as well as works within the first phase of the construction of line infrastructure facilities have been completed.

Certificates of completion of the works were issued and the Record on facility take-over was signed: Solid waste treatment plant landside, Reconstruction and extension of Platform B and Construction of a separate parking lot and access roads at Airport Nikola Tesla Belgrade (*Remote Car Park Phase 1 and Remote Car Park Phase 2*), extension of Platform C into taxiways F and associated service road (Extension of Apron C stage 1), fecal sewage pumping station for evacuation of waste water from aircrafts (Solid waste treatment plant airside), Transformer station TS Parking 1x1000 KVa 10 kV/0.4 kV and Supplying parking positions A3-A10 with electricity (first phase - equipping parking spots A3, A4 and A5 at Airport Nikola Tesla Belgrade.

On the basis of the signed aforementioned documents, conditions were met in accordance with the regulations on planning and construction for the acquisition and activation of the aforementioned fixed assets in the Company's business books.

It should be noted that the Company with limited liability for maintenance and repair of aircraft "Jat-Tehnika" ltd. Belgrade, in accordance with the judgment of the Commercial Court in Belgrade and the Protocol on the regulation of the debt dated 31st May, 2021, made payment to the account of JSC Airport Nikola Tesla Belgrade in the amount of 105,831,349 dinars, which settled the debt in full.

Also, the commercial company Air Serbia Catering ltd. Belgrade made a payment according to the judgment of the Commercial Court in Belgrade in the amount of 38,463,311 dinars.

Сектор финансија

5.1 . DESCRIPTION OF ALL MAJOR BUSINESS EVENTS THAT OCCURRED AFTER THE END OF THE PERIOD JANUARY- DECEMBER 2022

After the end of the period January-December 2022, there are no business events that should be mentioned.

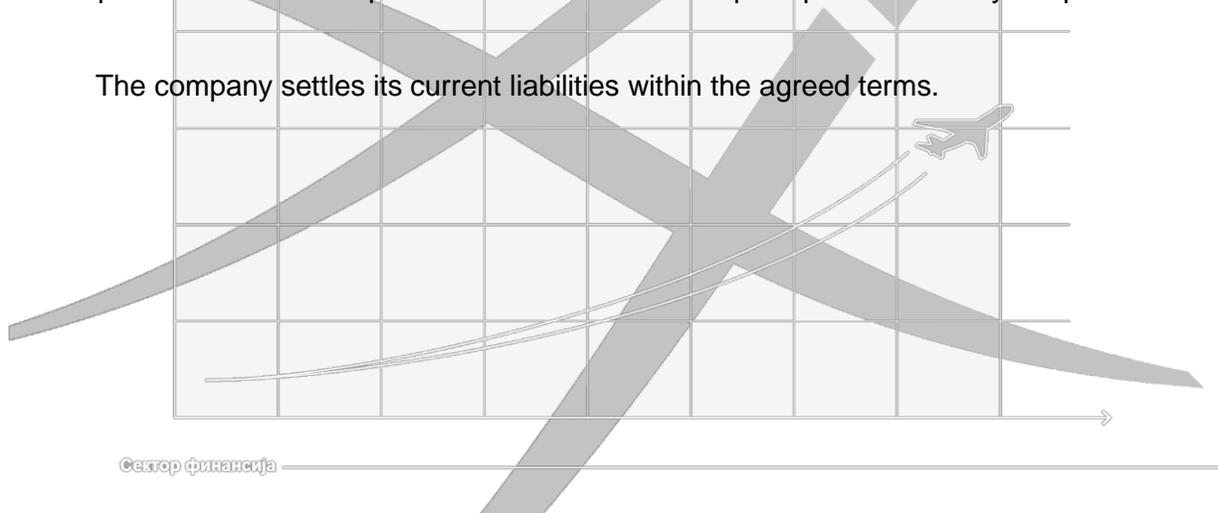
6 . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTIES IN THE PERIOD JANUARY-DECEMBER 2022

It is not to be expected that the war between the Russian Federation and the Republic of Ukraine will have any significant impact on the concession project, bearing in mind that the smooth continuation of the implementation of the contract in question, which is the basis for the Company's future business plans, has been ensured.

Although the consequences of the impact of the pandemic caused by the COVID 19 virus are still reflected in the volume of passenger traffic everywhere in the world, the recovery at Airport Nikola Tesla is taking place significantly faster than in other European metropolises, and it is expected that the mentioned trend will consequently have a positive impact on the business of SPC, and consequently, on the Company's operations in the following period. At the same time, SPC continued with the execution of Mandatory works on the construction, reconstruction and maintenance of the airport infrastructure in the contracted schedule and without downtime, for which it regularly provides financing.

In accordance with the above, the management's assessment is that the Company's financial position is still such that there is no uncertainty regarding the ability to continue operations on a going concern basis and that there is no material impact on operations.

Due to the existence of market risks that affect financial instruments, the management of the Company studiously monitors the developments that lead to risks and undertakes the necessary measures for risk management. Also, the management believes that there are no significant risks related to the fulfillment of legal norms, the liquidity of the company and the market position in the future period that could violate the principle of continuity of operations.



7 . COMPANY'S MAJOR OPERATIONS WITH RELATED PERSONS

The company has no related parties based on the Law on Business Companies ("Official gazette of RS" no. 36/2011, 99/2011, 83/2014, 5/2015, 44/2018, 95/2018, 91/2019 and 109/2021 Article 62) accordingly, there are no business activities with related parties.

7.1 . EXISTENCE OF BRANCHES

JSC Airport Nikola Tesla Belgrade has no branches within the Company.

Belgrade, March 2023



