



Under Article 75 of the Law on the Capital Market (Official Gazette of the RS No. 129/2021), the Rulebook on the Content, Form and Method of Publishing Annual, Semi-Annual and Quarterly Reports of Public Companies ("Official Gazette of RS", No. 14/2012, 5/2015, 24/2017 and 14/2020), Joint Stock Company Airport Nikola Tesla Belgrade publishes:

Quarterly report for the first quarter of the year 2023



Content of the report

1. Financial statements as of 31st March, 2023:

- Profit and Loss Statement for period January-March 2023;
- Balance Sheet as of 31st March 2023;
- Statement on Other Results for period January-March 2023;
- Statement on Changes in Equity for period January-March 2023;
- Cash Flow Statement for period January-March 2023;
- Notes to the financial statements as of 31st March 2023.

2. Business Report for the period January-March 2023

3. Statement of the person responsible for preparing the report

4. Decision on the approval of the Financial Statements as of 31st March, 2023

5. Decision on approval of the Business Report for the period January-March 2023

JSC AIRPORT NIKOLA TESLA BELGRADE

FINANCIAL REPORTS 31st March 2023

- 1. PROFIT AND LOSS STATEMENT for the period January-March 2023;**
- 2. BALANCE SHEET as of 31st March 2023;**
- 3. STATEMENT ON OTHER RESULTS for the period January-March 2023;**
- 4. STATEMENT ON CHANGES IN EQUITY for the period January-March 2023;**
- 5. CASH FLOW STATEMENT for the period January-March 2023;**
- 6. NOTES TO THE FINANCIAL STATEMENTS as of 31st March 2023.**

April, 2023

PROFIT AND LOSS STATEMENT
for the period from 1st January to 31st March, 2023

PROFIT AND LOSS STATEMENT

For period 1st January to 31st March, 2023



In thousand dinars

Group of accounts, account	ASSET	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		223,387	166,474
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	223,387	166,474
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		216,256	214,061
50	I. PURCHASE VALUE OF GOODS SOLD	1014			
51	II. COST OF MATERIAL, FUEL AND ENERGY	1015	5	456	351
52	III. COST OF WAGES, SALARIES AND OTHER PERSONAL EXPENSES (1017+1018+1019)	1016	6	40,615	39,287
520	1. Cost of wages and salaries	1017	6	29,558	28,602
521	2. Cost of taxes and contributions for wages and salaries	1018	6	4,478	4,609
52 except 520 and 521	3. Other personal expenses	1019	6	6,579	6,076
540	IV. DEPRECIATION COSTS	1020	8	146,238	143,688
58, except 583, 585	V. COSTS FROM VALUE ADJUSTMENT OF ASSETS (OTHER THAN FINANCIAL)	1021			
53	VI. COST OF PRODUCTION SERVICES	1022	7	2,670	2,087
54 except 540	VII. COST OF PROVISIONS	1023	9	0	3,200
55	VIII. INTANGIBLE COSTS	1024	10	26,277	25,448
	C. BUSINESS PROFIT (1001-1013) ≥ 0	1025		7,131	
	D. OPERATING LOSS (1013 – 1001) ≥ 0	1026			47,587
	E. FINANCIAL REVENUES (1028+1029+1030+1031)	1027	11	2,068	6,262
660 and 661	G. FINANCIAL REVENUES FROM PARENT COMPANIES, SUBSIDIARIES AMD	1028			
662	II. INTEREST REVENUES	1029	11	2,058	828
663 and 664	III. POSITIVE FOREIGN EXCHANGE RATE DIFFERENCES AND POSITIVE EFFECT OF CURRENCY CLAUSE	1030	11	10	5,434
665 and 669	IV. OTHER FINANCIAL REVENUES	1031			
	F. FINANCIAL EXPENSES (1033+1034+1035+1036)	1032	12	6,921	128
560 and 561	G. FINANCIAL EXPENSES FROM PARENT, SUBSIDIARIES AMD PTHER AFFILIATED COMPANIES	1033			
562	II. INTEREST EXPENSES	1034	12	0	5
563 and 564	III. NEGATIVE FOREIGN EXCHANGE RATE DIFFERENCES AND NEGATIVE EFFECT OF CURRENCY CLAUSE	1035	12	6,921	77
566 and 569	IV. OTHER FINANCIAL EXPENSES	1036	12	0	46
	G. PROFIT FROM FINANCING (1027-1032) ≥ 0	1037			6,134
	H. LOSS FROM FINANCING (1032- 1027) ≥ 0	1038		4,853	

PROFIT AND LOSS STATEMENT (continued)
in the period from 1st January to 31st March, 2023

PROFIT AND LOSS STATEMENT

For period 1st January to 31st March, 2023



in thousand dinars

Group of accounts, account	ASSET	Automatic data processing		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		
583,585 и 586	J. EXPENSES FORM VALUE ADJUSTMENT OF FINANCIAL ASSETS AT FAIR VALUES IN THE PROFIT AND LOSS STATEMENT	1040	14		
67	K. OTHER REVENUES	1041	15	2,441	2,280
57	L. OTHER EXPENSES	1042	16	2,587	349
	M. TOTAL REVENUES (1001+1027+1039+1041)	1043		227,896	175,016
	N. TOTAL EXPENSES (1013+1032+1040+1042)	1044		255,764	214,538
	O. REGULAR OPERATING PROFIT BEFORE TAXATION (1043-1044) ≥ 0	1045		2,132	
	P. REGULAR OPERATING LOSS BEFORE TAXATION (1044-1043) ≥ 0	1046			39,522
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	537
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		
	S. PROFIT BEFORE TAXATION (1045-1046+1047-1048) ≥ 0	1049		2,133	
	T. LOSS BEFORE TAXATION (1046-1045+1048-1047) ≥ 0	1050	18		38,985
	U. PROFIT TAX				
721	I. TAX EXPENSES OF PERIOD	1051	19		
772, debit balance	II. DEFERRED TAX EXPENSES OF PERIOD	1052	19	-	-
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		2,133	
	Y. NET LOSS (1050-1049+1051+1052-1053+1054) ≥ 0	1056			38,985
	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	0.06	(1.11)
	2. Decreased (diluted) earnings per share	1062			

BALANCE SHEET
As of 31st March 2023

BALANCE SHEET
As of 31st March 2023



In thousand dinars

Group of accounts, account	ASSET	Automatic data proces	Note no	Amount		
				Current year 31/03/23	Previous year	
					Closing balance 31/12/22	Opening balance 01/01/22
1	2	3	4	5	6	7
	ASSETS					
00	A. SUBSCRIBED AND UNPAID CAPITAL	001				
	B. FIXED ASSETS (0003 + 0009 + 0017 + 0018 + 0028)	002		31,680,569	30,784,772	
01	I. INTANGIBLE ASSETS (0004 + 0005 + 0006 + 0007)	003	21	4,706	8,465	
010	1. Investment in development	004				
011,012 and 014	2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	21	4,706	8,465	
013	3. Goodwill	0006				
015 and 016	4. Leased intangible assets and intangible assets in preparation process	0007	21			
017	5. Advance payments for intangible assets	0008				
02	II. PROPERTY, PLANTS AND EQUIPMENT (0010 + 0011 + 0012 + 0013 + 0014 + 0015 +	0009	22	29,686,044	28,772,754	
020, 021 and 022	1. Land and constructions	0010	22	26,412,549	25,455,510	
023	2. Plants and equipment	0011	22	2,965,677	3,031,014	
024	3. Investment property	0012				
025 and 027	4. Leased property, plants and equipment and property, plants and equipment in preparation	0013	22	307,818	286,230	
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 +00 27)	0018	23	667,383	665,231	
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, subsidies and affiliated companies on domestic market	0021				
044, 050 (part) and 051 (part)	4. Long-term investments in parent companies, subsidies and affiliated companies in foreign markets	0022				
045 (part) and 053 (part)	5. Long-term placements (credits and loans) in the country	0023	23b	140,316	138,033	
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	527,067	527,198	
28 (part), except 288	V. LONG-TERM ACTIVE ACCRUALS	0028	33	1,322,436	1,338,322	
288	C. DEFERRED TAX ASSETS	0029				

BALANCE SHEET (continued)
As of 31st March 2023

BALANCE SHEET
As of 31st March 2023



In thousand dinars

Group of accounts, account	ASSET	Automatic data processing	Note	Amount		
				Current year 31/03/23	Previous year	
					Closing balance 31/12/22	Opening balance 01/01/22
1	2	3	4	5	6	7
	D. CURRENT ASSETS (0031+0037+0038+0044+0048+0057+0058)	0030		2,775,437	2,724,370	
Class 1, except account group 14	I. STOCK (0032+0033+0034+0036)	0031		9,794	2,950	
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	9,794	2,950	
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	0038		37,928	187,227	
204	1. Receivables from domestic buyers	0039	25	37,506	186,798	
205	2. Receivables from foreign buyers	0040	25	42	429	
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		1,723,348	1,717,039	
21, 22 except 223 and 224, 27	1. Other receivables	0045	26	148,604	143,533	
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	2,499	1,261	
23	V. SHORT-TERM FINANCIAL INVESTMENTS (0049+0050+0051+0052+0053+0054+0055+0056)	0048		46,427	45,651	
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	3. Short-term loans and credits in the country	0051	29	13,235	12,459	
233, 234	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	8. Other short-term investments	0056	30			
24	VI. CASH EQUIVALENTS AND CASH	0057	32	799,694	770,854	
28 (part) except	VII SHORT-TERM ACTIVE ACCRUALS	0058	33	158,246	649	
	E. TOTAL ASSETS = OPERATING ASSETS (0001 + 0002 + 00429 + 0030)	0059		34,456,006	33,509,142	
88	F. OFF-BALANCE SHEET ASSETS	0060	44	3,730,811	3,731,726	

BALANCE SHEET (continued)
As of 31st March 2023

BALANCE SHEET
As of 31st March 2023



In thousand dinars

Group of accounts, account	ASSET	Automatic data processing	Note no	Amount		
				Current year 31/03/23	Previous year	
					Closing balance 31/12/22	Opening balance 01/01/22
1	2	3	4	5	6	7
	LIABILITIES					
	A. CAPITAL			28,642,530	28,640,380	
	(0402 + 0403 + 0404+0405+0406-0407+0408+0411-	0401	34			
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	5,080,960	
330 and credit balance of the account 331,332,333,334, 335, 336 and 337	VI. POSITIVE REVALUATION RESERVES AND UNREALIZED REVENUE BASED ON FINANCIAL ASSETS AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT	0406	34d	2,198,648	2,198,743	
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 +	0408	34e	40,389	38,144	
340	1. Retained earnings from previous years	0409	34e	38,256	17,916	
341	2. Retained earnings for the current year	0410	34e	2,133	20,228	
	VIII. MINORITY STAKE	0411				
35	IX. LOSS (0422 + 0423)	0412				
350	1. Loss from the previous years	0413				
351	2. Loss from the current year	0414				
	B. LONG-TERM PROVISIONS AND LIABILITIES (0416+0418+0419)	0415		4,739,950	3,792,090	
40	I. LONG-TERM PROVISIONS	0416	35	94,814	95,403	
404	1. Provisions for compensation and other employee benefits	0417	35	9,901	9,901	
400	2. Provisions for costs within the warranty period	0418				
40, except 400 and 404	2. Other long term provisions	0419	35	84,913	85,502	
41	II. LONG-TERM LIABILITIES (0421+0422+0423+0424+0425+0426+04	0420		11,873	11,873	
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, subsidiaries and other affiliated companies in the country	0422				
411 (part) and 412 (part)	3. Long-term credits and other long-term liabilities parent companies, subsidiaries 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	11,873	
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	4,633,263	3,684,814	
498	C. DEFERRED TAX LIABILITIES	0429	43	795,555	795,572	
495 (PART)	D. LONG-TERM DEFERRED REVENUES AND RECEIVED DONATIONS	0430				

BALANCE SHEET (continued)
As of 31st March 2023

BALANCE SHEET
As of 31st March 2023



In thousand dinars

Group of accounts, account	ASSET	Automatic data processing	Note no	Amount		
				Current year 31/03/23	Previous year	
					Closing balance 31/12/22	Opening balance 01/01/22
1	2	3	4	5	6	7
	E. SHORT-TERM PROVISIONS AND LIABILITIES (432+0433+0441+0442+0449+0453+0454)	0431		277,971	281,100	
467	I. SHORT-TERM PROVISIONS	0432				
42, EXCEPT 427	II. SHORT-TERM FINANCIAL LIABILITIES (0434+0435+0436+0437+0438+0439+04	0433		16,628	24,282	
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	16,628	24,282	
422 (part), 424 (part), 425 (part),	4. Liabilities for credits from domestic banks	0437				
423 (part), 424 (part), 425 (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	35,717	
43 except 430	IV. OPERATING LIABILITIES (0443+0444+0445+0446+0447+048)	0442	39	19,533	19,254	
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	19,156	18,884	
436	4. Liabilities towards suppliers abroad	0446	39	218	218	
439 (part)	5. Liabilities for bonds	0447				
439 (part)	6. Other liabilities for business activities	0448	39	159	152	
44, 45 and 46 except 467, 47 and 48	V. OTHER SHORT - TERM LIABILITIES (0450+0451+0452)	0449		15,885	15,879	
44,45 and 46	1. Other short-term liabilities	0450	40	15,363	15,361	
47, 48 except 481	2. Liabilities related to value added tax and other public revenues	0451	41	522	518	
481	3. Liabilities for income tax	0452				
427	VI. LIABILITIES FOR ASSETS INTENDED FOR SALE AND CLOSURE OF BUSINESS	0453				
49 (part) except	VII. SHORT-TERM DEFERRALS	0454	42	190,208	185,968	
	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		34,456,006	33,509,142	
89	H. OFF-BALANCE SHEET LIABILITIES	0457	44	3,730,811	3,731,726	

STATEMENT ON OTHER COMPREHENSIVE RESULT

For period 1st January to 31st March 2023



- in thousand dinars -

ASSET	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		2,133	
II. NET LOSS (ADP 1056)	2002	34e		38,985
B. OTHER COMPREHENSIVE PROFIT OR LOSS				
a) Assets 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		95	3,706
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) Assets 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 revenue				
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		95	3,706
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		95	3,706
C TOTAL COMPREHENSIVE RESULT OF THE PERIOD				
I. TOTAL COMPREHENSIVE NET PROFIT (2001 - 2002 + 2023 - 2024) ≥ 0				
	2025		2,038	
II. TOTAL COMPREHENSIVE NET LOSS (2002 - 2001 + 2024 - 2023) ≥ 0				
	2026			42,691
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 March 2023

STATEMENT ON CHANGES IN EQUITY

For period 1st January to 31st March 2023



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	Revaluation 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 2022	4001	21,015,677	4010		4019		4028	5,677,753	4037	2,213,972	4046	79	4055	290,014	4064		4073	28,617,467	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 2022 (S.N. 1+2)	4003	21,015,677	4012		4021		4030	5,677,753	4039	2,213,972	4048	79	4057	290,014	4066		4075	28,617,467	4084	
4	Net changes in the year 2022	4004		4013		4022		4031	(289,937)	4040	(15,229)	4049	38,065	4058	(290,014)	4067		4076	22,913	4085	
5	Balance on the 31 st December 2022 (S.N. 3+4)	4005	21,015,677	4014		4023		4032	5,387,816	4041	2,198,743	4050	38,144	4059		4068		4077	28,640,380	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 2023 (S.N. 5+6)	4007	21,015,677	4016		4025		4034	5,387,816	4043	2,198,743	4052	38,144	4061		4070		4079	28,640,380	4088	
8	Net changes in the year 2023	4008		4017		4026		4035		4044	(95)	4053	2,245	4062		4071		4080	2,150	4089	
9	Balance on the 31 st March 2023 (S.N. 7+8)	4009	21,015,677	4018		4027		4036	5,387,816	4045	2,198,648	4054	40,389	4063		4072		4081	28,642,530	4090	

CASH FLOW STATEMENT
for the period 1st January to 31st March 2023

CASH FLOW STATEMENT
For period 1st January to 31st March 2023



- in thousand dinars -

ASSET	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	163,399	14,505
1. Proceeds from sales and advances in the country	3002	152,420	11,485
2. Proceeds from sales and advances from abroad	3003		
3. Interest received from business activities	3004	8,318	
4. Other inflows from ordinary activities	3005	2,661	3,020
II. Cash outflows from operating activities (1 to 8)	3006	95,980	75,168
1. Payments to suppliers and given advances in the country	3007	20,626	20,706
2. Payments to suppliers and given advances abroad	3008		
3. Wages, salaries and other employee benefits	3009	53,104	32,367
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	22,250	22,095
8. Other outflows from business activities	3014		
III. Net cash inflow from operating activities (I-II)	3015	67,419	
IV. Net cash outflow from operating activities (II-I)	3016		60,663
B. CASH FLOW FROM INVESTING ACTIVITIES			
I. Cash inflows from investing activities (1 to 5)	3017	2,422	998
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	2,422	998
5. Proceeds from dividends	3022		
II. Cash outflows from investing activities (1 to 3)	3023	34,243	25,224
1. Purchase of shares and stakes	3024		
2. Purchase of intangible assets, property, plants, equipment and biological assets	3025	34,243	25,224
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	31,821	24,226
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 March 2023

CASH FLOW STATEMENT
For period 1st January to 31st March 2023



ASSET	Automatic data processing	Amount	
		Current year	Previous year
1	2	3	4
II. Cash outflows from financing activities (1 to 8)	3037	-	-
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		
III. Net cash inflow from financing activities (I-II)	3046		
IV. Net cash outflow from financing activities (II-I)	3047	-	-
D. TOTAL CASH INFLOW (3001 + 3017 + 3029)	3048	165,821	15,503
E. TOTAL CASH OUTFLOW (3006 + 3023 + 3037)	3049	130,223	100,392
F. NET CASH INFLOW (3048 - 3049) ≥ 0	3050	35,598	
G. NET CASH OUTFLOW (3049 - 3048) ≥ 0	3051		84,889
H. CASH AT THE BEGINNING OF THE ACCOUNTING	3052	770,854	612,130
I. POSITIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3053		4,623
J. NEGATIVE FOREIGN EXCHANGE RATES FROM CASH CONVERSION	3054	6,758	8
K. CASH AT THE END OF THE ACCOUNTING PERIOD (3050 - 3051 + 3052 + 3053 - 3054)	3055	799,694	531,856

JSC AIRPORT NIKOLA TESLA BELGRADE
NOTES TO THE FINANCIAL STATEMENTS
AS OF 31st March, 2023

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**1. FOUNDATION AND BUSINESS OF THE COMPANY****1.1. Basic information about the company**

Joint Stock Company Airport Nikola Tesla Belgrade (hereinafter: "Company") was founded 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 main activity of providing airport services, the Company, as part of secondary 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 Enterprise Airport "Belgrade", and in 2006, also by the decision of the Government, it was named Public Enterprise Airport Nikola Tesla Beograd.

The Government of the Republic of Serbia on 17th June 2010, 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 Agency for Business Registers 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 Aerodrom 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 Airport Nikola Tesla Belgrade, between the Government, as the representative of the Republic of Serbia, and 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 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 traffic, and from the mentioned date JSC Airport Nikola Tesla changed its main activity from service activities in air traffic (52.23) to rental and management of owned or leased property (68.20), with the primary task, as the owner of all movable and fixed assets given based on the Agreement on concessions for the use and management of SPC, to follow the implementation of contracts in accordance with the Law on Public-Private Partnerships and Concessions with accompanying by-laws.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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 or the Articles of Association. The company performs activities of general interest.

<i>Head office</i>	<i>Airport Belgrade 47, 11271 Surčin</i>
<i>Identification 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 property</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 Law on Accounting, JSC Airport Nikola Tesla Belgrade (hereinafter: "Company") is classified as a small legal entity.

1.2. Management structure

Management of the Company 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, on 7th July 2010, 34,289,350 shares were registered in the Central Securities Register, 100% owned by the Republic of Serbia.

The Government of the Republic of Serbia on 9th December 2010, passed a Decision no. 023-9103/2010-1, according to which citizens of the Republic of Serbia, employees and former employees of the Company acquired the right to 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 March 2023, according to the records of the Central Register of Securities, 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 state of ownership of the Company's shares is shown in Note 34a.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**1. 4 . Number of employees and engaged persons**

On the balance sheet date of 31st March 2023, the Company had 37 of hired workers, of which 36 permanent workers and 1 worker hired for temporary and occasional jobs refer to employees of the Company (31st December 2022, the Company had 37 of hired workers, of which 36 permanent workers and 1 person hired for temporary and occasional jobs are employees of the Company).

In the period January – March 2023, the average number of employees in the Company based on the balance at the end of each month was 37, of which the average number of employees in the Company refers to 36 full-time employees and 1 average employee engaged for temporary and occasional jobs (during 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 employees in the Company refers to 35 full-time employees and 1 average employee engaged for temporary and occasional jobs).

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

Company's financial statements were 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, valuation, 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, ie. 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 Ministry competent for finance affairs.

The Company's financial reports 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, Cash Flow Statement, 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 31st December, 2021 ("Official Gazette of RS", No. 95/14 - which is valid until the compilation of financial statements on 31st December, 2021).

During the preparation of the Company's financial reports, among others, the following by-laws and regulations were 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 March, 2023

- ✓ Rulebook on the content of the tax balance sheet and other issues of importance for the method 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 method of classifying fixed assets by group and the method 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 Capital Market Law (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 were 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 31st December, 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 assets 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 have no significant impact on the financial position of the Company, as well as on the results of its operations.

Published standards and interpretations that have not yet entered into force

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

- 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;
- Changes and additions 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 March, 2023

- 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 - Cost of fulfilling 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 the company adheres to the following principles:

- The principle of permanence,
- The principle of consistency,
- The precautionary principle,
- The principle of substance over form,
- The principle of causality of revenue and expenses,
- The principle of individual assessment.

Following **the principle of permanence**, financial statements are prepared under the assumption that the Company operates continuously, ie. 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, revenue, expenses and the result of operations, ie. that the method of evaluating the Company's balance sheet positions 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 prudence when compiling the Company's financial statements, which should result in assets and income not being overstated, and liabilities and expenses not being understated. Recognition and evaluation is carried out 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 substance 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 revenue 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 possible group assessments of different balance sheet positions of the Company (for example, assets or liabilities), for the sake of rationalization, result from their individual assessment.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**3. OVERVIEW OF THE MOST 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 noted.

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 payments to employees based on severance pay and jubilee awards.

In the context of valuation, 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 assets (foreign 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 revenue 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 assets of foreign currencies into dinar equivalents, are shown in the following table.

Middle exchange rate	in RSD	
	31/03/2023	31/12/2022
EUR	117.2933	117.3224
USD	107.5592	115.1515
GBP	133.2576	132.7026

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

Non-monetary assets 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 assets that are valued at fair value, in which case they are recalculated at the exchange rate on the date of determining the fair value .

3.1. Revenues and expenses

Revenues are recognized in the Profit and Loss 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.

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

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

Expenses 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 costs

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 for payable (refundable) 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 revenues 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 revenues and expenses according to accounting and tax regulations.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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;
- of unused tax credits carried over 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, ie. the calculated profit tax for the reduction of which the unused tax credit can be used.

Deferred tax assets are reviewed at each balance sheet date and are recognized only if the Company has determined that it is probable that future taxable profits will be available against 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 resulting from revaluation of assets at fair value (which is recognized in accounting, but not in tax terms) is charged 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.

At each balance sheet date, deferred tax liabilities are reduced to the amount determined on the basis of the temporary difference determined on that if at the end of the previous year the temporary difference was taxable, on the basis of which deferred tax liabilities were recognized, and at the end of the current year, on the basis of the same funds, the temporary difference is deductible, the previously formed deferred tax liabilities deferred tax assets in the amount determined on the balance sheet date

3.6. Intangible assets

An intangible asset is a non-monetary asset 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 asset 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 asset as an intangible asset requires the Company to demonstrate that the asset 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 March, 2023

Intangible assets are initially measured at cost, which is their purchase price including non-refundable import duties after deduction of discounts and rabates, 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 assets 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.

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

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

The initial evaluation of assets of property, 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 rabates, dependent costs directly attributable to bringing the asset to location and operational readiness.

After initial recognition, property, 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 property is its market value, which is determined by appraisal. Reevaluation is performed only when the fair value of the revalued asset differs materially from its stated value. Profit from revaluation is recognized in other profit and losses charged or credited to revaluation reserve in equity. Up to the amount of previously recognized revaluation losses or on the basis of impairment recognized in the Profit and Loss Statement, revaluation profit is recognized in the Profit and Loss Statement, and the rest of the profit are recognized in other profit and losses. Revaluation losses are recognized after valuation or impairment testing, and are recognized in other profit and losses up to the amount of the previously recognized revaluation reserve in equity, and the rest of the losses are recognized in the Profit and Loss Statement. When spending or disposing of an asset, the corresponding revaluation reserve is transferred directly to retained earnings.

The assessment of the value of property, plant and equipment was carried out on 1st January 2019.

Profits or losses resulting from disposal or disposal are recognized as revenue or expense in the Profit and Loss Statement.

3.7. Depreciation

With depreciation, the amount of assets (intangible assets, property, plant and equipment) that is amortized over time is allocated 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 manipulation. The useful lives of assets are reviewed at the end of each financial year.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

The depreciable amount is the revalued value for property, plant and equipment, ie. 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, ie. use, ie. when it is in the location and in the condition necessary for functioning, in the way that the management has foreseen.

Depreciation of intangible assets is conditioned by an assessment of whether the useful life is unlimited or limited. Intangible assets are not subject to amortization if the useful life is estimated to be indefinite, ie. 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 (ceases to be recognized as an asset) and when it is reclassified as a fixed asset intended for sale or as part of a business that is discontinued. Therefore, depreciation is calculated even when the asset is not used, ie. 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.

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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 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 revenue, unless the asset is carried at estimated value, in which case the reversal of the impairment loss is recognized as a revaluation increase.

On 31st March 2023, based on the assessment of the Company's management, there are no indications that the value of assets has been impaired.

3.9. Leasing

Leasing is a business relationship between two persons in which one person, for a fee, cedes to another person the right to use a certain asset for the performance of his activity in the agreed 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 an asset of low value.

The lessee makes the initial assessment of the obligations under the lease on the first day of the lease period 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 asset, 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 March, 2023

Right-of-use assets (assets) are depreciated over the lease period or the useful life of the asset subject to the lease, 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 assets) during the contracted lease period. Initial direct costs incurred by the Company as a lessor are added to the book value of the leased asset 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 Grantors, the Company uses its own assessment to determine and apply an adequate accounting policy (IAS 8,10).

When determining, 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 chooses 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, ie. 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.

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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 1 st 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 revenue 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 revenue:

- Revenue based on the Minimum Annual Concession Fee in accordance with the Concession Agreement in the period in which it arises, ie. Variable Fees in the amount of 5% of the gross income of SPC, which depend on the amount of SPC revenue in the period in which it arises, whichever amount is greater for observed period.
- Revenue 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 Profit and Loss 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, ie. 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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**3.10. Employee benefits**

The company hired an authorized actuary to evaluate the provisions for severance pay for retirement and jubilee awards on 31st December, 2022, 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 salaries;
 - 30 years of work - in the amount of three monthly salaries;
 - 35 years of work for women and men - in the amount of four monthly salaries;

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 result i
- financial asset measured at fair value through the Profit and Loss Statement

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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 result (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 Profit and Loss Statement includes assets that are not classified in the previous two groups. Evaluation effects and realized profit and losses are recognized in the Profit and Loss 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 Profit and Loss 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 resources or financial obligations 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 March, 2023

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, ie. 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 Profit and Loss 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 perspective 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, revenue 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 depreciated value or at fair value through other results (except equity share), 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 risks of unfulfillment 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 March, 2023

The Company considers event of unfulfilled liability occurred if the receivables are not collected within 90 days after maturity.

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 unfulfilled liability), and for which there is a risk of unfulfillment.

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 expenses 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 revenue.

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, ie. 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.

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A potential 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).

Potential 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 revenues 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 approach - 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 March, 2023

When estimating the fair value, evaluation 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 Profit and Loss 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 revenue 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 use that option.

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

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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 property, 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 2023, as well as depreciation rates calculated based on the useful life of assets that are implemented in 2022, are shown in the following table:

	%	
	2023	2022
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 telecommunication 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, calculating 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 via financial leasing</i>	6.67 - 11.11	6.67 - 11.11
<i>Equipment and plants</i>	2.94 - 100	2.94 - 100
Intangible assets :		
<i>Software and licenses</i>	33.33	33.33

Adjustment of the value of uncollectible receivables

On the balance sheet date, the Company makes a value adjustment based on expected credit losses, ie. it makes a value adjustment of all receivables that are more than 90 days in arrears (the occurrence of unfulfilled liability), and for which there is a risk of unfulfillment of liability. 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 unfulfillment. 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 March, 2023***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, ie. 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.

Litigation

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, ie. 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 of evaluation 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 March, 2023

4. OTHER OPERATING REVENUES

Structure of other business revenues	in 000 RSD	
	I-III 2023	I-III 2022
Stamp revenue	2,125	2,125
Revenue from the periodic concession fee	156,072	149,212
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)	(15,887)	(15,994)
Income from non-monetary compensation (property) - Land	29,869	29,869
Income from non-monetary compensation (property) - Objects	49,953	
Income from pre-invoiced expenses	1,255	1,262
Total	223,387	166,474

As explained in point 3.9. of these Notes, the Company recognized the following as revenue:

- 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 156,072 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 RSD 15,887 thousand for the period January-March 2023, 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 property rights in the amount of RSD 29,869 thousand.
- Revenue based on non-monetary compensation related to accrued income for Mandatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of JSC Airport Nikola Tesla (CAPEX) which represent investment maintenance, and based on the receipt of constructed facilities in the total amount of RSD 49,953 thousand for the period January-March 2023.

5. COSTS OF MATERIALS, FUEL AND ENERGY

Material, fuel and energy cost structure	in 000 RSD	
	I-III 2023	I-III 2022
Costs of overhead materials (office and other materials)	149	102
Gasoline and diesel fuel costs	307	249
Total	456	351

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**6. SALARY COSTS, SALARY COMPENSATION AND OTHER PERSONAL EXPENSES**

Structure of salary expenses, salary allowances and other personal income	in 000 RSD	
	I-III 2023.	I-III 2022.
Gross wages and salary allowances	29,558	28,602
Taxes and contributions are borne by the employer	4,478	4,609
Costs of fees according to the work and author's work contract	249	117
Costs of benefits under the contract on temporary and occasional jobs	1,266	1,277
Fees for members of the NO, SA, Audit Committee	2,671	2,360
Other personal expenses:		
<i>Transportation costs</i>	326	289
<i>Business trip expenses</i>	497	475
<i>Premiums for voluntary insurance</i>	1,135	1,455
<i>Solidarity aid (newborns, treatment, emergency, etc.)</i>	435	103
Subtotal	2,393	2,322
Total	40,615	39,287

7. COSTS OF PRODUCTION SERVICES

Cost structure of production services	in 000 RSD	
	I-III 2023	I-III 2022
Costs of telephone and other telecommunication services	1,075	558
Costs of maintenance services	1,483	1,407
Rental costs	108	102
Costs of other production services:		
<i>Costs of other services</i>	4	20
Subtotal	4	20
Total	2,670	2,087

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**8 . DEPRECIATION COSTS**

Structure of depreciation costs	in 000 RSD	
	I-III 2023	I-III 2022
Depreciation costs - Intangible assets	3,758	3,601
Depreciation costs - Property	71,520	68,626
Depreciation costs - Equipment	65,337	64,847
Depreciation expenses - Leased property and equipment	5,623	6,614
Total	146,238	143,688

9 . RESERVATION COSTS

Booking cost structure	in 000 RSD	
	I-III 2023	I-III 2022
Costs of provisions for litigation	-	3,200
Total	-	3,200

10 . IMMATERIAL COSTS

The structure of intangible costs	in 000 RSD	
	I-III 2023	I-III 2022
Costs of non-production services:		
<i>Costs of cleaning services</i>	126	126
<i>Costs of consulting services</i>	1,164	916
<i>Costs of professional development services</i>	689	59
<i>Costs for services on existing PIS software</i>	735	120
<i>Costs of other non-production services</i>	12	9
Subtotal	2,726	1,230
Representation expenses	613	313
Insurance costs	171	166
Payment transaction costs	100	112
Costs of membership fees	196	185
Tax expenses	21,092	21,860
Other intangible costs	1,379	1,582
Total	26,277	25,448

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**11. FINANCIAL REVENUES**

Structure of financial revenue	in 000 RSD	
	I-III 2023	I-III 2022
Interest revenue	2,058	828
Positive exchange differences and positive effects of the currency clause:		
<i>Positive exchange differences</i>	10	5,431
<i>Revenue from the effects of the currency clause</i>	-	3
Subtotal	10	5,434
Other financial revenue		
Total	2,068	6,262

12. FINANCIAL EXPENSES

Structure of financial expenses	in 000 RSD	
	I-III 2023	I-III 2022
Interest expense	-	5
Negative exchange differences and negative effects of the currency clause:		
<i>Negative course differences</i>	6,899	77
<i>Negative effects of the currency clause</i>	22	-
Subtotal	6,921	77
Other financial expenses	-	46
Total	6,921	128

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 through the Profit and Loss Statement	in 000 RSD	
	I-III 2023	I-III 2022
Income from adjusting the value of receivables from natural persons for housing loans based on fair value assessment		
Income from the adjustment of the value of long-term receivables and receivables for advances for services		
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**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 through the Profit and Loss Statement	in 000 RSD	
	I-III 2023	I-III 2022
Impairment of long-term receivables		
Expenses from adjusting the value of other receivables		
Expenses from adjusting the value of receivables from natural persons for housing loans based on fair value assessment		
Total	-	-

15. OTHER INCOME

Structure of other income	in 000 RSD	
	I-III 2023	I-III 2022
Profits from the sale of scrapped equipment	-	-
Collected written off receivables	5	92
Income from the cancellation of long-term provisions for litigation	-	-
Income from agreed revaluation	2,409	2,097
Income from reduction of liabilities	-	4
Other unmentioned income:		
<i>Income from collected court costs and out-of-court settlements</i>	27	87
<i>Other</i>		
Subtotal	27	87
In total	2,441	2,280

16. OTHER EXPENSES

Structure of other expenses	in 000 RSD	
	I-III 2023	I-III 2022
Losses from the sale/expenses for property and equipment	-	-
Expenses based on direct write-offs of receivables		-
Other expenses not mentioned:		
<i>Litigation expenses</i>	2,587	182
<i>Other</i>	-	167
Subtotal	2,587	349
Total	2,587	349

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**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-III 2023	I-III 2022
Subsequently determined revenue from earlier years	1	537
Subsequently established (expenses) from earlier years	-	-
Net gain/(loss) based on corrections of error from previous period	1	537

18. PROFIT/LOSS BEFORE TAX

Structure of the gross result	in 000 RSD	
	I-III 2023	I-III 2022
Business revenue	223,387	166,474
Business expenses	216,256	214,061
Business result	7,131	(47,587)
Financial revenue	2,068	6,262
Financial expenses	6,921	128
Financial result	(4,853)	6,134
Income from adjustments to the value of financial assets that are reported at fair value through the Profit and Loss Statement	-	-
Other income	2,441	2,280
Expenses from adjusting the value of financial assets that are reported at fair value through the Profit and Loss Statement	-	-
Other expenses	2,587	349
The result of other income and expenses	(146)	1,931
Net profit from discontinuing operations, changes in accounting policies and corrections of errors from previous period	1	537
Net loss from discontinuing operations, changes in accounting policies and corrections of errors from previous period		
TOTAL REVENUE	227,897	175,553
TOTAL EXPENSE	225,764	214,538
PROFIT/(LOSS) BEFORE TAX	2,133	(38,985)

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

19 . INCOME TAX AND NET PROFIT/(LOSS)

Structure of calculation of profit tax and net profit / (loss)	in 000 RSD	
	I-III 2023	I-III 2022
Profit/(Loss) before tax	2,133	(38,985)
Capital profit/(loss) reported in the Profit and Loss Statement		
Adjustment and correction of revenues/(expenses) in the tax balance		
Taxable profit/(loss)	2,133	(38,985)
The amount of loss from the tax balance from previous years up to the amount of taxable profit		
The rest of the taxable profit	2,133	-
Capital profits/(losses) calculated in accordance with the Law		
Capital losses carried forward from previous years up to the amount of capital profit in accordance with the Law		
Remainder of capital profit	-	-
Tax base	2,133	-
Calculated tax (15% of the tax base)		-
Total reductions of calculated tax		
Calculate the tax by deduction	-	-
Profit/(Loss) before tax	2,133	(38,985)
Tax (expenses) period	-	-
Deferred revenue/(expense) tax of the period	-	-
Net Profit/(Loss)	2,133	(38,985)
Effective tax rate	0.00%	0.00%

20 . EARNINGS PER SHARE

Indicator	in 000 RSD	
	I-III 2023	I-III 2022
Net profit/(Loss) attributable to owners	2,133	(38,985)
Weighted average number of shares	35,026,129	35,026,129
Earnings per share (in dinars)	0.06	(1.11)

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

21 . INTANGIBLE PROPERTY

in 000 RSD

Structure of intangible assets	Concessions, patents, licenses, software and other rights	Intangible assets in preparation	Total
<u>Purchase value</u>			
Initial balance, as of 1st January 2022	43,817	980	44,797
Correction of the initial balance			0
Balance as of 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 as of 31st December 2022	48,016	-	48,016
Correction of the initial balance			-
Balance as of 1st January 2023 after correction	48,016	-	48,016
Procurement during the year			-
Transfer from intangible assets in preparation			-
Disposals, scrapping and sales			-
Balance as of 31st March 2023	48,016	-	48,016
<u>Value correction</u>			
Initial balance, as of 1st January 2022	24,342		24,342
Correction of the initial balance			-
Balance as of 1st January 2022 after correction	24,342	-	24,342
Depreciation in the current year	15,209		15,209
Other			-
Balance as of 31st December 2022	39,551	-	39,551
Correction of the initial balance			-
Balance as of 1st January 2023 after correction	39,551	-	39,551
Depreciation in the current year	3,759		3,759
Disposal, scrapping and sale			-
Other			-
Balance as of 31st March 2023	43,310	-	43,310
<u>Net present value</u>			
31st December 2022	8,465	-	8,465
31st March 2023	4,706	-	4,706

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

22. PROPERTY, PLANTS, EQUIPMENT AND BIOLOGICAL AGENTS – 2023

in 000 din

Structure of Property, plant and equipment for 2023	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, as of 1 st January 2023	14,180,349	12,527,987	4,112,324	79,035	249,362	31,149,057
Correction of the initial balance	-				-	-
Balance as of 1st January 2023 after correction	14,180,349	12,527,987	4,112,324	79,035	249,362	31,149,057
Procurement during the year					1,055,770	1,055,770
Transfer from investments in progress		1,028,559			(1,028,559)	-
alienation, disposal and sale		(2,590)				(2,590)
Other						-
Final balance, as of 31st March 2023	14,180,349	13,553,956	4,112,324	79,035	276,573	32,202,237
Value correction						
Initial balance, as of 1 st January 2023	-	1,252,826	1,081,310	42,167	-	2,376,303
Correction of the initial state	-	-	-	-	-	-
Balance as of 1st January 2023 after correction	-	1,252,826	1,081,310	42,167	-	2,376,303
Depreciation in the current year	-	71,520	65,337	5,623	-	142,480
alienation, disposal and sale	-	(2,590)			-	(2,590)
Other				-	-	-
Final balance, as of 31st March 2023	-	1,321,756	1,146,647	47,790	-	2,516,193
Net present value						
1 st January 2023	14,180,349	11,275,161	3,031,014	36,868	249,362	28,772,754
31 st March 2023	14,180,349	12,232,200	2,965,677	31,245	276,573	29,686,044

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

22a . PROPERTY, PLANT AND EQUIPMENT – 2022

in 000 din

Structure Property, plants and equipment and biological resources for the year 2022	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, as of 1st January 2022	14,180,349	11,224,804	4,112,125	84,868	141,320	29,743,466
Correction of the initial balance	-				-	-
Balance as of 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 balance, as of 31st December 2022	14,180,349	12,527,987	4,112,324	79,035	249,362	31,149,057
Value correction						
Initial balance, as of 1st January 2022	-	1,084,548	818,672	28,308	-	1,931,528
Correction of the initial balance	-	-	-		-	-
Balance as of 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 balance, as of 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 March 2023

Total investments in property, plants and equipment in period January- March 2023, in the amount of RSD 1,055,770,000 and mostly refer to the receipt of constructed facilities by SPC and transferred to the Company free of charge, based on Mandatory 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 27,211 thousand.

Property, plants and equipment amount to total of RSD 29,686,044 thousand as of 31st March 2023 and refer to Concession funds provided for use in the amount of RSD 29,343,173 thousand, while the assets used by the Company amount to RSD 48,298 thousand and ongoing investments of RSD 276,573 thousand.

23. LONG TERM INVESTMENTS

Structure of long-term financial placements	in 000 RSD	
	31/03/2023	31/12/2022
Shares in the capital of legal entities	20,086	20,086
Long-term placements given to former employees	171,737	169,454
Other long-term financial placements	4,429	4,429
Long-term receivables	561,565	561,705
Subtotal	757,817	755,674
Value correction	(90,434)	(90,443)
Total	667,383	665,231

23a. SHARES IN THE CAPITAL OF OTHER LEGAL ENTITIES

Structure of share in the capital	in 000 RSD	
	31/03/2023	31/12/2022
Share 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 liquidation</i>	18,988	18,988
<i>Beobanka jsc Belgrade liquidation</i>	38	38
<i>Minus: Value correction</i>	(20,085)	(20,085)
Subtotal	-	-
Share in the capital of foreign legal entities:		
<i>Mondial-Bodrum - Turkey</i>		358,598
<i>Societe International de Telecommun. Aeronautiques Suisse (SITA)</i>	1	1
<i>Minus: Value correction</i>	(1)	(358,599)
Subtotal	-	-
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**23b. OTHER LONG-TERM PLACES AND LONG-TERM RECEIVABLES**

Structure of long-term financial placements and long-term receivables	in 000 RSD	
	31/03/2023	31/12/2022
Long-term placements given to former employees:		
<i>Long-term housing loans given to former employees without revaluation</i>	44	44
<i>Long-term housing loans given to former employees - currency clause</i>	151,226	151,226
<i>Long-term housing loans given to former employees with revaluation and interest</i>	19,234	17,083
<i>Long-term housing loans given to former employees with a revaluation of 6m</i>	181	163
<i>Long-term housing loans given to former employees with revaluation</i>	1,052	938
<i>Minus: Value adjustment - reduction to fair value</i>	(31,421)	(31,421)
Subtotal	140,316	138,033
Other long-term placements:		
<i>Funds for membership/deposit in Societe Internationale de Telecommunications Aeronautiques Swisse (SITA)</i>	4,429	4,429
<i>Minus: Value correction</i>	(4,429)	(4,429)
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 March, 2023, are RSD 148,520 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 March, 2023**24. ADVANCES PAID FOR SUPPLIES AND SERVICES**

Structure of paid advances for supplies and services	in 000 RSD	
	31/03/2023	31/12/2022
Advances for services in the country	11,790	4,947
Advances for foreign services	240	240
Minus: Value correction	(2,236)	(2,237)
Total	9,794	2,950

25 . RECEIVABLES ON A SALES BASIS

Structure of receivables based on sales	in 000 RSD	
	31/03/2023	31/12/2022
Customers in the country:		
<i>Customers in the country</i>	134,318	283,620
<i>Minus: Value correction</i>	(96,812)	(96,822)
Subtotal	37,506	186,798
Foreign buyers:		
<i>Foreign buyers</i>	40,102	43,723
<i>Minus: Value correction</i>	(39,680)	(43,294)
Subtotal	422	429
Total	37,928	187,227

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

Change in allowance for receivables based on sales	in 000 RSD	
	31/03/2023	31/12/2022
Balance on 1 st January	140,116	278,042
Foreign exchange differences		92
Additional value adjustment		
Corrected receivables collected	(5)	(120,656)
Direct write-off of previously corrected receivables	(3,619)	(17,362)
Total	136,492	140,116

The total balance of the adjustment of the value of receivables from customers in the country amounts to RSD 96,812 thousand, which mainly refer to the adjustment of the value of receivables from the defendant domestic customers in the amount of RSD 94,401 thousand and other domestic customers RSD 2,411 thousand.

Total correction of receivables from foreign customers in the amount of RSD 39,680 thousand refers to the correction of the value of receivables from the defendant customers in the amount of RSD 23,587 thousand and other foreign customers in the amount of RSD 16,093 thousand.

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

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

26 . OTHER CLAIMS

Structure of other receivables	in 000 RSD	
	31/03/2023	31/12/2022
Claims for interest and dividends:		
<i>Receivables from customers in the country for default interest</i>	1,818	1,817
<i>Claims for interest on term funds and via vista interest</i>		563
<i>Claims for interest on housing loans</i>	893	1,076
<i>Minus: Value correction</i>	(1,818)	(1,817)
Subtotal	893	1,639
Receivables from employees		
<i>Receivables from employees</i>	592	604
<i>Minus: Value correction</i>	(592)	(592)
Subtotal	-	12
Reimbursable salary claims		
<i>Reimbursable salary claims</i>	15,276	15,613
<i>Minus: Value correction</i>	(15,259)	(15,259)
Subtotal	17	354
Other claims		
<i>Other claims</i>	31,523	31,582
<i>Minus: Value correction</i>	(22,189)	(22,189)
Subtotal	9,334	9,393
Claims for overpaid VAT	138,360	132,135
Total	148,604	143,533

27. CLAIMS FOR OVERPAID INCOME TAX

Structure of claims for profit tax	in 000 RSD	
	31/03/2023	31/12/2022
Claims for overpaid income tax	1,572,245	1,572,245
Total	1,572,245	1,572,245

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**28. CLAIMS ON THE BASIS OF PREPAID OTHER TAXES AND CONTRIBUTIONS**

Structure of receivables based on prepaid other taxes and contributions	in 000 RSD	
	31/03/2023	31/12/2022
Receivables for prepaid taxes and withholding tax	342	342
Receivables for the prepaid fee for highlighting the company		
Claims based on prepaid property tax	1,548	277
Claims for prepaid fees for the protection and improvement of the environment	483	496
Claims for drainage fees		6
Receivables for prepaid fee for PKS	468	482
Minus: Value correction	(342)	(342)
Total	2,499	1,261

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

Structure of short-term credits and loans in the country	in 000 RSD	
	31/03/2023	31/12/2022
Short-term loans and loans in the country - Short-term loan to employees (winter, firewood - 6 months)	4,507	1,802
Short-term financial placements given to former employees:		
<i>Current maturity of long-term housing loans given to former employees</i>	8,913	10,841
<i>Minus: Value correction</i>	(185)	(184)
Subtotal	8,728	10,657
Total	13,235	12,459

30. OTHER SHORT-TERM FINANCIAL PLACEMENTS

Structure of other short-term financial placements	in 000 RSD	
	31/03/2023	31/12/2022
<i>The debt is currently due. placement in Societe Internatonal de Telecommunications Aeronautiques Swisse (SITA)</i>	709	709
<i>Minus: Value correction</i>	(709)	(709)
Total	-	-

31. TREASURY SHARES

Structure of repurchased own shares	in 000 RSD	
	31/03/2023	31/12/2022
Own shares bought back	33,192	33,192
Total	33,192	33,192

On day 31st March, 2023, the company owns 55,320 treasury shares.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**32. CASH EQUIVALENTS AND CASH**

Structure of cash equivalents and cash	in 000 RSD	
	31/03/2023	31/12/2022
Current account – dinar	37,488	148,989
Current account - foreign currency	762,199	621,857
Cashier - foreign currency	7	8
Total	799,694	770,854

33. ACTIVE ACCRUALS

Structure of active accruals	in 000 RSD	
	31/03/2023	31/12/2022
Short-term active accruals:		
Prepaid expenses related to a future period	1,754	228
Receivables for uninvoiced revenue relating to the current period	156,492	421
Subtotal	158,246	649
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>	1,322,436	1,338,322
Subtotal	1,322,436	1,338,322
Total	1,480,682	1,338,971

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

Pursuant to point 3.9 of these 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 Commencement 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 revenue. For the period January-March 2023, the reduction of receivables/revenue amounts to a total of RSD 15,887 thousand.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**34. EQUITY**

Capital structure	in 000 RSD	
	31/03/2023	31/12/2022
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	5,080,960
Revaluation reserves	2,198,648	2,198,743
Retained Earnings/(Loss):		
<i>Retained earnings from previous years</i>	38,256	17,916
<i>Retained earnings of the current year</i>	2,133	
<i>(Loss) of earlier years</i>	-	-
<i>(Loss) of the current year</i>	-	-
Subtotal	40,389	17,916
Total	28,642,530	28,620,152

34a. 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 December 9, 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 Agency for Business Registers by Decision No. BD 765/2011 on 24th January, 2011.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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 of dinars	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 issue (120,521 shares), the third issue (470,904 shares) and the fourth issue (145,354 shares), which in total increased the share capital by RSD 442,067 thousand.

Share capital structure on day 31st March 2023 as follows:

Shareholder structure	31/03/2023		
	Value in thousands of dinars	Number of shares	% share
Republic of Serbia	17,770,034	29,616,724	84.56%
Domestic and foreign natural persons	1,904,599	3,174,331	9.06%
Domestic and foreign legal entities	103,040	171,734	0.49%
Custodians	1,238,004	2,063,340	5.89%
Total	21,015,677	35,026,129	100%

Overview of the ten largest shareholders on day 31st March 2023 is given below.

Shareholder	Number of shares	Share
REPUBLIC OF SERBIA	29,616,724	84.56%
OTP BANK OF SERBIA – Custody	919,881	2.63 %
OTP BANK OF SERBIA – Total	619,736	1.77 %
OTP BANK OF SERBIA – Custody	366,177	1.05%
RAIFFEISEN BANK JSC - 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 March, 2023**34b. ISSUE PREMIUM**

The structure of the issue premium	in 000 RSD	
	31/03/2023	31/12/2022
Issue premium - issue of shares	718,665	718,665
Issue premium - purchase of own shares	(411,809)	(411,809)
Total	306,856	306,856

34c. RESERVES

Structure of reserves	in 000 RSD	
	31/03/2023	31/12/2022
Statutory reserves	5,080,960	5,080,960
Total	5,080,960	5,080,960

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	
	31/03/2023	31/12/2022
Revaluation reserves for intangible assets		
Revaluation reserves for land	1,349,369	1,349,369
Revaluation reserves for buildings	551,870	551,965
Revaluation reserves for equipment	297,409	297,409
Total	2,198,648	2,198,743

Revaluation reserves include related deferred tax liabilities.

34e. RETAINED PROFIT/LOSS

Structure of retained earnings involving changes	in 000 RSD	
	31/03/2023	31/12/2022
Balance as of 1st January	38,144	5,823
Distribution of retained earnings - dividend		
Distribution of retained earnings - loss coverage		(5,823)
Distribution of undistributed profits - participation of employees in the distribution of profits		
Subtotal	38,144	-
Profit from previous years, the result of the transfer of revaluation reserves to profit on disposal of fixed assets in the current year	112	17,916
Net profit from the current period	2,133	20,228
Total	40,389	38,144

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

Loss structure involving changes	in 000 RSD	
	31/03/2023	31/12/2022
Balance as of 1st January	-	290,014
Loss coverage from the distribution of retained earnings		(79)
Loss coverage from statutory reserves		(289,935)
Subtotal	-	-
Current period loss	-	
Total	-	-

The company achieved a net profit from current operations in the period January-March 2023 in the amount of RSD 2,133 thousand.

35. LONG TERM PROVISIONS

Structure of long-term provisions	in 000 RSD	
	31/03/2023	31/12/2022
Provisions for compensation and other employee benefits	9,901	9,901
Provisions for litigation expenses	84,913	85,502
Total	94,814	95,403

Changes to long-term reservations based on severance pay, jubilee awards and court cases in the period January-December 2022, as well as in the course of year 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, 2022	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 2022	2,224	7,677	9,901		85,502
Additional reservations			-		
Used during the year			-		(589)
Cancellation of unused amounts			-		
Balance as of 31st March, 2023	2,224	7,677	9,901		84,913

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 performed on 31st December 2022. In the period from 1st January to 31st March 2023, changes were reported in terms of utilization of the aforementioned provisions.

Assumptions used when calculating provisions for severance pay upon retirement and for jubilee awards as of 31st December, 2022, are given below.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

Assumptions used in calculations	in 2022
Limits for retirement	Article 19 and 69 of the Law on Pension and Disability Insurance
Mortality tables	Serbia, 2012
Discount rate	6.80%
Earnings growth rate	7.00%
Fluctuation percentage	2.00%
Amount of severance pay upon retirement at the time of reservation	Double the average salary of employees in Serbia for September 2022 (RSD 103,476) or double the average salary at the Employer without taxes and contributions, depending on which is more favourable
Basis for jubilee awards	Average salary without taxes and contributions with the Employer
Total number of employees - situation as of 31 st December	36

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

Calculation of provisions	In 000 dinars	
	Severance pay for retirement	Jubilee awards
Provisions 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		
Actuarial (profit) / 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
Balance of provisions as of 31st December 2022	2,224	7,677

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 March, 2023, it has provisions for potential losses based on these court cases in the amount of RSD 84,913 thousand .

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**36 . LONG-TERM OBLIGATIONS ON THE BASIS OF LEASING IN THE COUNTRY**

Structure of long-term liabilities based on leasing in the country	in 000 RSD	
	31/03/2023	31/12/2022
Liabilities based on leasing in the country:		
Liabilities for leased property	25,789	32,932
Liabilities for leased equipment	2,712	3,223
Subtotal	28,501	36,155
Short-term maturity of obligations based on leasing in the country		
Liabilities due up to one year for leased property	(14,357)	(21,500)
Liabilities due up to one year for leased equipment	(2,271)	(2,782)
Subtotal	(16,628)	(24,282)
Total	11,873	11,873

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	
	31/03/2023	31/12/2022
Liabilities due up to one year for leased property	14,357	21,500
Liabilities due up to one year for leased equipment	2,271	2,782
Total	16,628	24,282

38. RECEIVED ADVANCES, DEPOSITS AND SURETIES

Structure of received advances, deposits and sureties	in 000 RSD	
	31/03/2023	31/12/2022
Received advances from domestic customers	662	662
Received advances from foreign customers	2	2
Deposits received from domestic customers	2,306	2,306
Deposits received from foreign customers	1,223	1,223
Subscriptions from domestic customers	1,624	1,624
Subscriptions from foreign customers	29,900	29,900
Total	35,717	35,717

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**39. OPERATIONS LIABILITIES**

Structure of obligations from business	in 000 RSD	
	31/03/2023	31/12/2022
Suppliers in the country	19,156	18,884
suppliers abroad	218	218
Other obligations from business:		
<i>Obligations based on payment cards</i>	30	23
<i>Wrongly remitted payments</i>	129	129
Subtotal	159	152
Total	19,533	19,254

40. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	in 000 RSD	
	31/03/2023	31/12/2022
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>	2	-
<i>Liabilities towards members of the Supervisory Board/Assebmly</i>		
<i>Liabilities under contracts</i>		
<i>Liabilities - temporary jobs</i>		
Subtotal	15,363	15,361
Total	15,363	15,361

41 . OBLIGATIONS FOR OTHER TAXES, CONTRIBUTIONS AND OTHER DUTIES

Structure of obligations for other taxes, contributions and other duties	in 000 RSD	
	31/03/2023	31/12/2022
Liabilities based on VAT		
Liabilities for taxes, customs duties and other duties	465	466
Other liabilities for taxes, contributions and other duties	57	52
Total	522	518

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**42 . PASSIVE ACCRUALS**

Structure of passive accruals	in 000 RSD	
	31/03/2023	31/12/2022
Short-term passive accruals:		
Current maturity of revenue from non-monetary compensation (assets) - Land and buildings	183,204	184,241
Pre-calculated costs of the current period	-	902
Prepaid/accrued revenue	7,004	825
Subtotal	190,208	185,968
Long-term passive accruals:		
Other PVR - Deferred revenue from non-monetary compensation (assets) - Land and buildings	4,816,467	3,869,055
Current maturity	(183,204)	(184,241)
Subtotal	4,633,263	3,684,814
Total	4,823,471	3,870,782

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 revenue during the concession period in the amount of RSD 29,869 thousand per quarter.

During 2022 and 2023, the buildings built by SPC were received based on Mandatory works, works on construction and reconstruction, maintenance and arrangement of the infrastructure of AD Aerodroma Nikola Tesla (CAPEX), which represent investment maintenance in the total amount of RSD 2,452,0951 thousand. The stated amount is accrued and recognized as revenue during the remaining period of the concession in the amount of RSD 49,953 thousand per quarter.

43 . DEFERRED TAX LIABILITIES

Deferred tax assets and liabilities	in 000 RSD	
	31/03/2023	31/12/2022
Deferred tax assets	19,564	19,564
Deferred tax liabilities)	(815,119)	(815,136)
Net effect of deferred tax assets/(liabilities)	(795,555)	(795,572)

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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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, property, plants, equipment	Provisions for compensation and other employee benefits	Provisions for litigation	Short- 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 2022	(795,700)	1,338	17,611	92	6,742	(769,917)
In favour of the Profit and Loss Statement	(22,124)	147	(4,786)	(14)	(1,566)	(28,343)
In favour of the Equity	2,688					2,688
Balance as of 31st December 2022	(815,136)	1,485	12,825	78	5,176	(795,572)
In favour of the Profit and Loss Statement						
In favour of the Equity	17					17
Balance as of 31st March 2023	(815,119)	1,485	12,825	78	5,176	(795,555)

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**44 . OFF-BALANCE SHEET RECORDS**

In accordance with the legal provisions (Regulations 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 assets 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	
	31/03/2023	31/12/2022
<i>Bills of exchange received in blank</i>	19	13
<i>Given blank bills of domestic-pieces</i>	8	6
Received dinar guarantees	41,909	163,893
Foreign currency guarantees received	3,683,566	4,562,383
Dinar guarantees given	4,713	4,524
Foreign exchange guarantees given		
Solidarity funds from employees' salaries	623	621
Total	3,730,811	4,731,421

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

45 . FAIR VALUE

RESOURCES	Book value in 000 RSD as of 31 st March 2023	Fair value in 000 RSD as of 31 st March 2023	Book value in 000 RSD as of 31 st December 2022	Fair value in RSD as of 31 st December 2022	Fair value hierarchy - levels	Valuation techniques and inputs
Fixed assets and NU	29,414,177	29,414,177	28,531,857	28,531,857	Level 3	The appraisal was done by an authorized appraiser with the balance as of 1 st January, 2019 (KPMG-Belgrade). When evaluating intangible assets and 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.
Share in equity	-	-	1	1	Level 2	Management's assessment that they are not reimbursable - banks in bankruptcy
Long-term and short-term financial placements - <u>housing loans</u>	149,044	149,044	148,690	148,690	Level 3	Authorized actuary's assessment with the balance as of 31 st December 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	527,067	527,067	527,198	527,198	Level 3	Fair value determined by discounting cash flows using a 2% interest rate.
Buyer claims	37,928	37,928	187,227	187,227	Level 3	Management's assessment of collectability
Other claims	1,584,988	1,584,988	1,584,904	1,584,904	Level 3	Management's assessment of collectability

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

46. FINANCIAL INSTRUMENTS AND GOALS OF FINANCIAL RISK MANAGEMENT

in 000 dinars

	31/03/2023			31/12/2022		
	Gross amount	Corrected value	Net amount	Gross amount	Corrected value	Net amount
Funding	3,542,800	(268,020)	3,274,780	3,657,653	(271,651)	3,386,002
<i>Long-term financial placements and receivables</i>	<i>757,817</i>	<i>(90,434)</i>	<i>667,383</i>	<i>755,674</i>	<i>(90,443)</i>	<i>665,231</i>
- Long-term term deposits	4,429	(4,429)	-	4,429	(4,429)	-
- Share in the capital of banks	20,085	(20,085)	-	20,085	(20,085)	-
- Share in the capital of foreign legal entities	1	(1)	-	1	(1)	-
- Long-term housing loans for employees	171,737	(31,421)	140,316	169,454	(31,421)	138,033
- Other long-term receivables	561,565	(34,498)	527,067	561,705	(34,507)	527,198
<i>Short-term financial placements and receivables</i>	<i>1,985,289</i>	<i>(177,586)</i>	<i>1,807,703</i>	<i>2,131,125</i>	<i>(181,208)</i>	<i>1,949,917</i>
- Buyer claims	174,420	(136,492)	37,928	327,343	(140,116)	187,227
- Short-term financial placements	47,321	(894)	46,427	46,544	(893)	45,651
- Claims for interest	2,711	(1,818)	893	3,456	(1,817)	1,639
- Other receivables and VAT	1,760,837	(38,382)	1,722,455	1,753,782	(38,382)	1,715,400
Cash and cash equivalents	799,694	-	799,694	770,854	-	770,854
						0
Financial obligations	48,034	-	48,034	55,409	-	55,409
- Long-term leasing obligations	11,873	-	11,873	11,873	-	11,873
- Current maturity of long-term leasing obligations	16,628	-	16,628	24,282	-	24,282
- Short-term liabilities (Liabilities from business)	19,533	-	19,533	19,254	-	19,254

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 obligations, obligations to suppliers or other obligations whose primary purpose is to finance the Company's current operations.

NOTES TO THE FINANCIAL STATEMENTS - March 31, 2020 2 3 . years

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	
	31/03/2023		31/12/2022		31/03/2023	31/12/2022
	gross	net	gross	net		
EUR	1,242,532	1,106,047	1,102,519	962,411	24,851	32,505
USD	286,629	286,629	291,857	291,857		
GBP	92	92	92	92		
Total dinar equivalent of assets and liabilities expressed in currency	1,529,253	1,392,768	1,394,468	1,254,360	24,851	32,505
The value of assets and liabilities expressed in RSD.	2,013,547	1,882,012	2,263,185	2,131,642	23,183	22,904
Total	3,542,800	3,274,780	3,657,653	3,386,002	48,034	55,409

in 000
dinars

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

Analysis of the currency structure of financial assets and liabilities on day 31st March, 2023, compared to the situation on 31st December 2022, it can be stated that the financial assets in the currency are greater than the contracted financial obligations 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 RSD

31/03/2023	EUR impact		USD impact		GBP impact	
	10.00%	-10.00%	10.00%	-10.00%	10.00%	-10.00%
Changes						
Profit/Loss	108,120	(108,120)	28,663	(28,663)	9	(9)

in 000 RSD

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)

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.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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

in 000
dinars

Funding	31/03/2023			31/12/2022		
	Gross amount	Corrected value	net amount	Gross amount	Corrected value	net amount
Non-interest bearing:						
Share in capital	20,086	(20,086)	-	20,086	(20,086)	-
Buyer claims	174,420	(136,492)	37,928	327,343	(140,116)	187,227
for interest and other claims	1,763,548	(40,200)	1,723,348	1,757,238	(40,199)	1,717,039
Short-term finan. placements	38,408	(709)	37,699	35,703	(709)	34,994
Subtotal	1,996,462	(197,487)	1,798,975	2,140,370	(201,110)	1,939,260
Fixed interest rate:						
Long-term receivables	561,565	(34,498)	527,067	561,705	(34,507)	527,198
Long-term financial placements	171,737	(31,421)	140,316	169,454	(31,421)	138,033
Short-term financial placements	8,913	(185)	8,728	10,841	(184)	10,657
Subtotal	742,215	(66,104)	676,111	742,000	(66,112)	675,888
Variable interest rate:						
Cash and cash equivalents	799,694	-	799,694	770,854	-	770,854
Subtotal	799,694	-	799,694	770,854	-	770,854
Total	3,538,371	(263,591)	3,274,780	3,653,224	(267,222)	3,386,002

in 000
dinars

Financial liabilities	31/03/2023			31/12/2022		
	Gross amount	Corrected value	Net amount	Gross amount	Corrected value	Net amount
Non-interest bearing						
Business duties	19,533		19,533	19,254		19,254
Subtotal	19,533		19,533	19,254		19,254
Fixed interest rate						
Long-term leasing	11,873		11,873	11,873		11,873
Current maturity of debt obligations	16,628		16,628	24,282		24,282
Subtotal	28,501		28,501	36,155		36,155
In total	48,034		48,034	55,409		55,409

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

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	31/03/2023			31/12/2022	
	in 000 RSD	share	Corrected value	in 000 RSD	share
Belgrade Airport ltd	33,825	19.39%	(11)	182,989	55.90%
International CG	28,643	16.42%	(28,643)	28,643	8.75%
Aviogenex ltd	50,820	29.14%	(50,820)	50,820	15.52%
Avaco ltd	2,839	1.63%		2,962	0.90%
Eco Union	853	0.49%		853	0.26%
Other domestic customers	17,338	9.94%	(17,338)	17,353	5.30%
Total domestic customers	134,318	77.01%	(96,812)	283,620	86.64%
Wizz Air	-	0.00%		-	0.00%
ARKIA	1,596	0.92%	(1,596)	1,596	0.49%
Air Cairo Company	675	0.39%	(675)	675	0.21%
AEROTRANS AIRLINES, CYPRUS		0.00%		3,611	1.10%
Allitalia	20,855	11.96%	(20,856)	20,855	6.37%
FLY DUBAI	2,647	1.52%	(2,645)	2,647	0.81%
Pegasus	5,181	2.97%	(5,181)	5,181	1.58%
Other foreign buyers	9,148	5.24%	(8,727)	9,158	2.80%
Total foreign buyers	40,102	22.99%	(39,680)	43,723	13.36%
Total gross receivables from domestic and foreign customers	174,420	100.00%		327,343	100.00%
Total value adjustment	(136,492)		(136,492)	(140,116)	
Total net receivables	37,928			187,227	

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023

Below is the age structure of receivables from customers that were not impaired as of day 31st March 2023.

Age structure of trade receivables for which no value adjustment was made	in 000 RSD	share
Customers in the country		
Not mature	32,972	86.93%
0-30 days	-	0.00%
31-60 days	414	1.09%
61-90 days	421	1.11%
Over 90 days	3,699	9.75%
Total customers in the country	37,506	98.89%
Foreign buyers		
Not mature		
0-30 days		
31-60 days		
61-90 days		
Over 90 days	422	1.11%
Total foreign buyers	422	1.11%
Total receivables from customers (net)	37,928	100.00%

Due uncorrected trade receivables in in the country and abroad older than 90 days amount to RSD 4,121 thousand.

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 March, 2023

Liquidity indicators	Satisfactory and general standards	31/03/2023	31/12/2022
General liquidity ratio	2 : 1	9.98 : 1	9.69 : 1
Rigorous liquidity ratio	1 : 1	9.95 : 1	9.68 : 1
Cash liquidity ratio		2.88 : 1	2.74 : 1
Net working capital (in 000 RSD)		2,497,466	2,443,270

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, ie. 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	
		31/03/2023	31/12/2022
1	Indebtedness (AOP 0420 + AOP 0433)	28,501	36,155
2	Cash and cash equivalents (AOP 0057)	799,694	770,854
I	GROSS DEBT (1-2)	(771,193)	(734,699)
3	Debt to equity ratio (I/5)	-0.0269	-0.0257
4	Short-term financial placements (AOP 0048)	46,427	45,651
II	NET DEBT (I - 4)	(817,620)	(780,350)
5	Capital (AOP 0401)	28,642,530	28,640,380
6	Debt-to-equity ratio (II/5)	-0.0285	-0.0272

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 March, 2023

Financial structure indicators	in 000 RSD	
	31/03/2023	31/12/2022
Liabilities	5,813,476	4,868,762
Total funds	34,456,006	33,509,142
The share of borrowed funds in the total sources of funds	0.17 : 1	0.15 : 1
Long-term assets		
Equity	28,642,530	28,640,380
Longterm provisions and obligations	5,535,505	4,587,662
All - long-term funds	34,178,035	33,228,042
Total funds	34,456,006	33,509,142
The share of long-term funds in the total sources of funds	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 liabilities 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	
	31/03/2023	31/12/2022
Net indebtedness		
Financial liabilities	5,017,921	4,073,190
Cash and cash equivalents	799,694	770,854
Total - Net indebtedness	4,218,227	3,302,336
Capital	28,642,530	28,640,380
Ratio of net indebtedness to total capital	6.79	8.67

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, ie. until the date of final payments on disputes. Company on day 31st March 2023, has provisions for potential losses based on these court cases in the amount of RSD 84,913 thousand (31st December, 2022 - RSD 85,502 thousand) - Note 35.

NOTES TO THE FINANCIAL STATEMENTS – 31st March, 2023**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 determined the existence of 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 March 2023, nor would they require corrections to the financial statements.

In Belgrade, April 2023

Legal representative

Saša Vlasisavljević

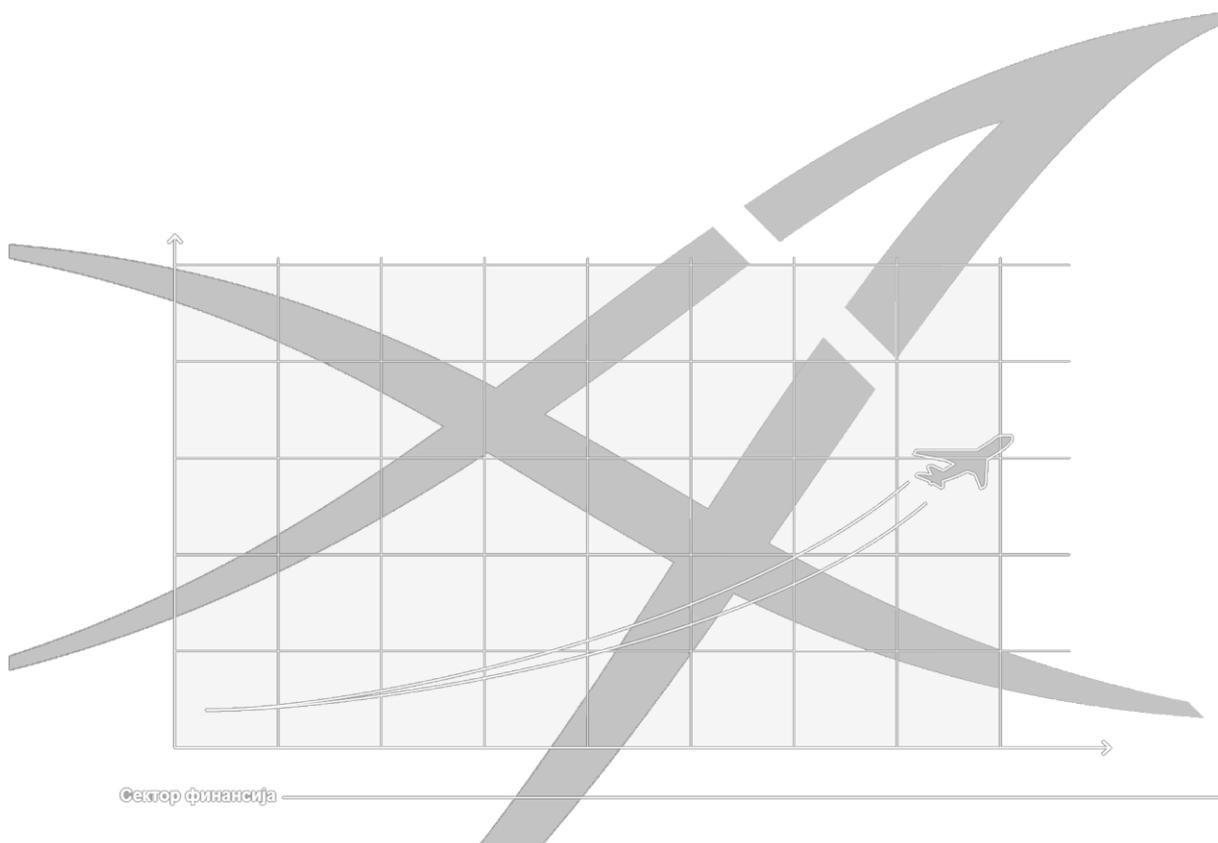
STOCK COMPANY NIKOLA TESLA AIRPORT BELGRADE

BUSINESS REPORT FOR THE PERIOD JANUARY- MARCH 2023



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1. GENERAL INFORMATION ABOUT THE COMPANY

On 22nd December, 2018, with the fulfillment of all the previous conditions by the signatory 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 the airport operator at Nikola Tesla Airport in Belgrade, it began concession of the Nikola Tesla airport in Belgrade. Instead of JSC Nikola Tesla Belgrade, which until that date was the operator of the Airport, based on the consent of the Directorate of Civil Aviation of the Republic of Serbia, the Airport Certificate was transferred from JSC Airport Nikola Tesla Belgrade to Vinci airports Serbia d.o.o. Belgrade (SPC), all in accordance with the Law on Air Traffic and the Rulebook on Conditions and Procedures for Issuing Airport Certificates, by which SPC became the new operator of the airport.

The concession agreement was concluded between the Republic of Serbia, represented by the Government of the Republic of Serbia, and JSC Airport Nikola Tesla Beograd (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, Airport Belgrade 59, 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 Protocols on updating the attachments to the Concession Agreement dated December 21, 2018 and July 1, 2021 (hereinafter: Concession Agreement) and Annex No. 1 of the Concession Agreement dated July 11, 2022 .

On 23rd July 2019, the business name of SPC was changed, so that it was deleted instead of "Vinci airports Serbia Ltd. Belgrade" - "Belgrade Airport d.o.o. Belgrade". Pursuant to the adopted consolidated text of the Company's Articles of Association, the Company ceased to be an airport operator on the Concession Commencement Date, ie. instead of the predominant activity 52.23 Air Transport Service Activities, one of the Concession Grantors continued to perform activities with changed activity 68.20 Rental and management of owned or leased properties.

Pursuant to the adopted revised text of the Company's Statute, the Company ceased to be an airport operator on the Concession Commencement Date, ie. instead of the predominant activity 52.23 Service activities in air transport, as one of the Concession Providers it continued to function as a legal entity with a changed predominant activity 68.20 Renting of own or leased real estate and their management.

With the change of the predominant activity, the composition of the management was changed, as well as the internal organization of the Company in order to adjust to the basic activity of the Concession Grantor, which is monitoring the implementation of the Concession Agreement as a public contract in accordance with the Law on Public-Private Partnerships and Concessions ("Official Gazette of the Republic of Serbia", no. 88/2011, 15/2016 and 104/2016) and the Decree on supervision over the implementation of public contracts of public-private partnership ("Official Gazette of the Republic of Serbia", no. 47/2013), and thus the number of employees, their rights and obligations.

Сектор финансија

Business Name	STOCK COMPANY NIKOLA TESLA AIRPORT BELGRADE
Headquarters and address	Belgrade, Airport Belgrada 47, 11271 Surčin
Registration no	07036540
TIN no	100000539
website and e-mail address	www.antb.rs; kabinet@antb.rs
Number and date of the decision on registration in the register of economic entities	<p>Registration number: BD 4874/2005 Date of registration: 15th June 2005</p> <p>Registration number: BD 91540 /20 12 Date of registration : 9th July 2012</p> <p>Registration number: BD 100187 /20 12 Date of registration: 20th July 2012</p>
Activity (code and description)	68.20 - Rental and management of owned or leased real estate
Number of employees	36 employees on 31 st March 2023
The value of the basic capital	21,015,677,400 RSD (on 31st March 2023)
Name, headquarters of the audit company that audited the last financial report for the year 2022	" PKF " ltd , Palmira Toljatija 5, Belgrade
Number of issued shares, ISIN number and CFI COD	No. 35,026,129 ordinary shares (on day 31st March 2023) CFI at ESVUFR ISIN RSANTBE number 11090
The name of the organized market in which the shares are included	Belgrade stock market JSC Belgrade, Omladinskih brigada 1, 11070 New Belgrade

Ten largest shareholders by number of shares on day 31st March 2023

R. no.	Name/Title of Shareholders	Number of shares	% Share
1	REPUBLIC OF SERBIA	29,616,724	84.56
2	OTP BANKA SERBIA - CUSTODIAN RN – FO	919,881	2.63
3	OTP BANKA SERBIA - COMBINED ACCOUNT	619,736	1.77
4	OTP BANK OF SERBIA - CUSTODIAN RN – FO	366,177	1.05
5	RAIFFEISEN BANKA JSC – CUSTODIAN 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

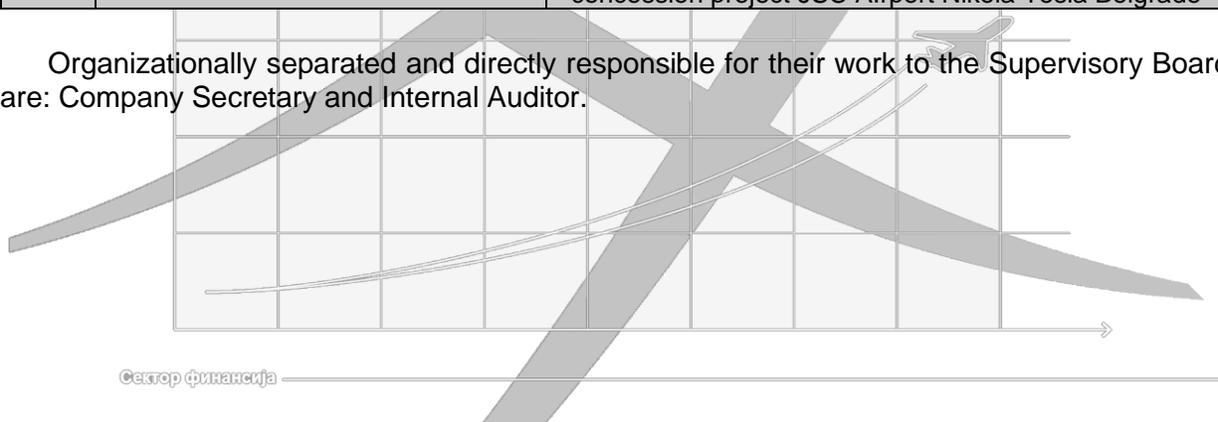
Members of the administration for the period January-March 2023 :

Assembly of the company:		
R. no.	Name, surname, place of residence	Education, current employment, (company name and workplace)
1	Vladimir Dimitrijević, Belgrade	PhD in Law, Executive Director of the Public Company "Post of Serbia"

Supervisor Committee:		
R. no.	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 Electric power supply company Niš - branch office Doljevac

Executive Board:		
R. no.	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, general 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 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

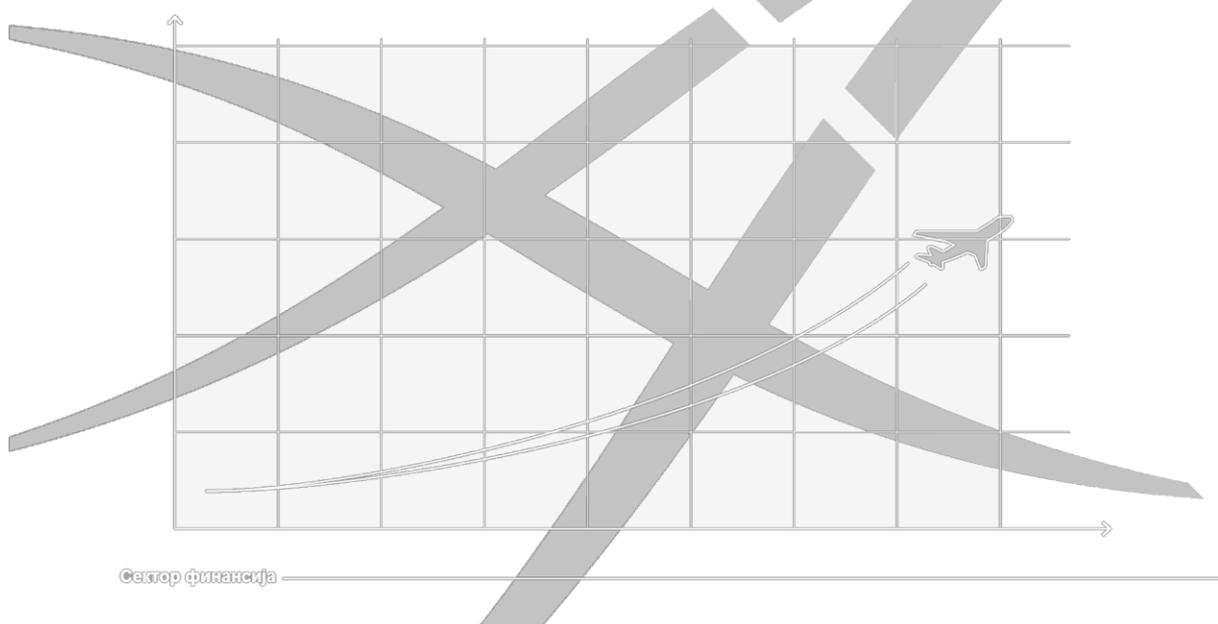
The Company, as a member of the Serbian Chamber of Commerce, accepted *the Code of Corporate Governance* published in the Official Gazette of the Republic of Serbia, No. 99/2012, as well as on the Company's website www.antb.rs

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 change 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 according to them, and which can be recognized in the Code by the use of 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 provided 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 Business 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 active accruals and deferrals (AVR). These assets are not subject to depreciation calculation, but the total value of these assets is allocated to the entire concession period and proportionally reduces the income 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 income - recognized as income in the period to which it relates.
- Income from planned capital investments realized by SPC in the name and for the account of the Company (CAPEX) - are allocated proportionally by year for the entire period of the Concession from the moment of putting into use and handing over the newly built immovable Concession assets, as well as the addition and reconstruction of the existing Concession assets to the Company for the remaining period of the concession.

3.1. REVENUE

In the period January-March 2023, the Company achieved a total income of RSD 227,896,844 . The total revenue achieved in this way is higher by 30% compared to the income achieved in the same period of the previous year and compared to The business plan for the period January-March 2023 is higher by 1%.

Business revenues in the period January-March 2023 were realized in the amount of RSD 223,386,166 and make up 98% of the total realized revenues. The business revenues achieved in this way are 34% higher compared to the revenues achieved in the same period of the previous year and are at the level planned for the period January-March 2023.

Within the realized business income for the period January-March 2023, the largest income refers to the income from the annual Concession fee in the amount of RSD156,071,994 and is 5% higher compared to the same period of the previous year, then the income from the acquisition without compensation cadastral parcels 5251 and 5252 KO 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 (EUR 25.4 million) is proportionally allocated to the Concession Period (25 years), so that for the period I- III 2023 , the corresponding income of RSD 29,868,571 (or EUR 255,000) was implemented - according to the middle exchange rate of the NBS on 31st March, 2023 which amounted to RSD 117,2933).

As part of business income, income 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 lot, substation parking lot, solid waste facility (public side), platform B, platform C, solid waste facility (restricted zone) and supply of parking positions A3-A5, bus gate, new boiler room and ts new boiler room . Based on the achieved CAPEX , and in accordance with the accounting standard IFRS 16, for the period January-March 2023, the corresponding income in the amount of RSD 49,953,036 was implemented.

Financial revenues in the period January-March in 2023, were realized in the amount of RSD 2,068,111 and are lower by 6 7% compared to the revenues realized in the same period of the previous year and compared to The business plan for the period January-March 2023 is higher by 3%.

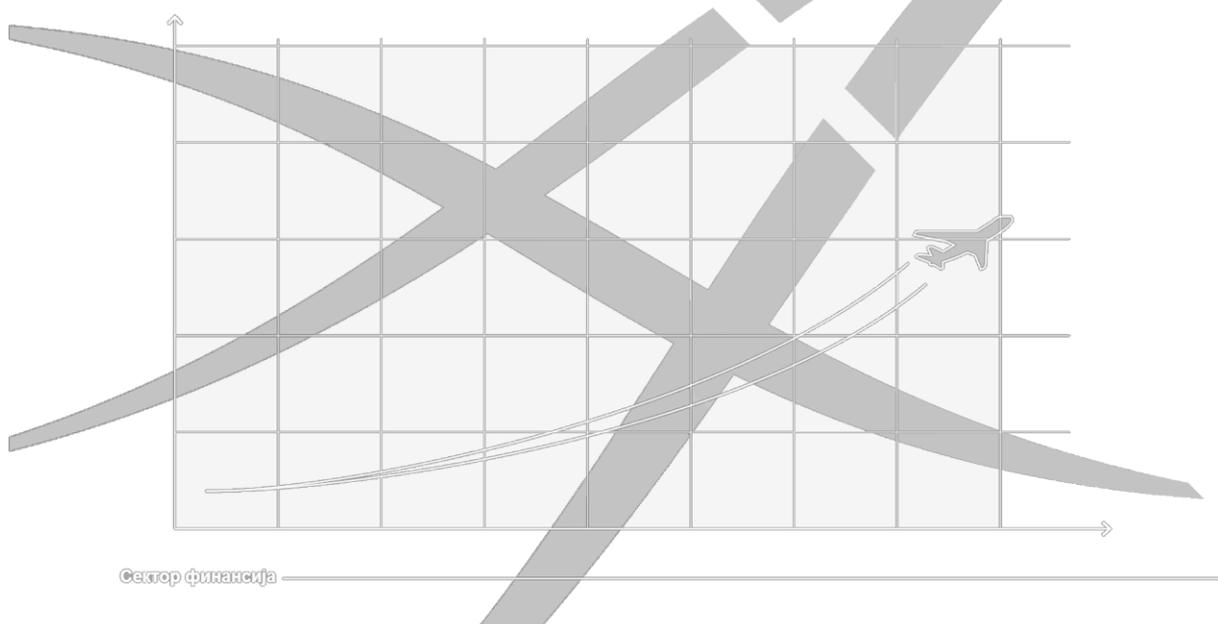
The decrease in financial income compared to the same period of the previous year is a reflection of the fluctuation of the dollar exchange rate, whose growth for the observed period is 2% . At the beginning of the year, the dollar exchange rate was RSD 110.1515 , while on 31st March, 2023 it was RSD 107.5592 .

The structure of financial income for the period January-March 2023, they mostly consist of:

- income from interest in the amount of RSD 2,057,509 and participate with 99% in the total financial income.

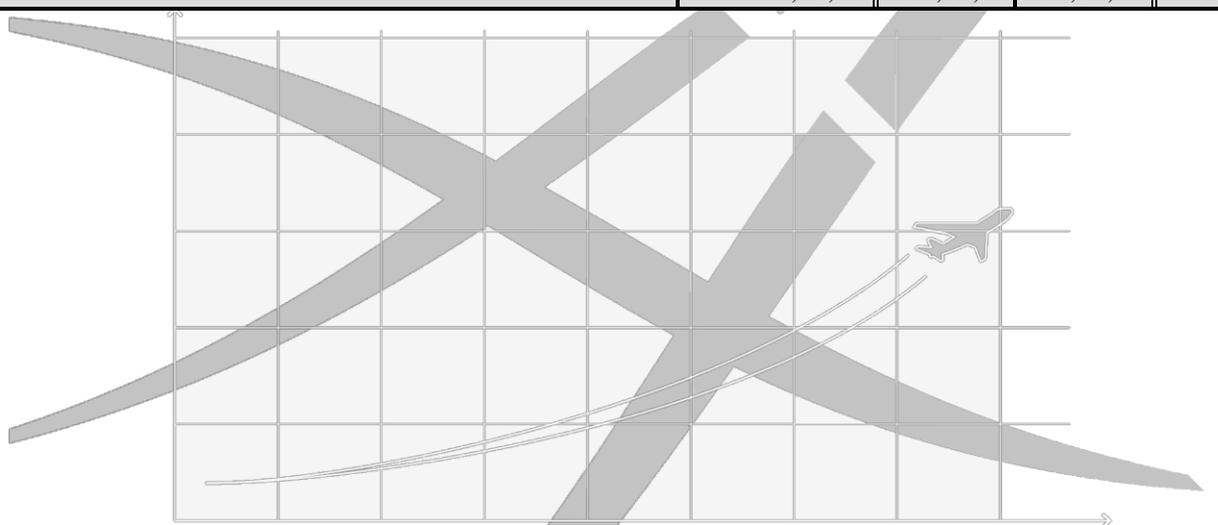
Other income in the period January-March 2023, they were realized in the amount of RSD 2,442,566 and are 13 % less compared to the realized revenues in the same period of the previous year. Realized other income mostly refers to income from the positive effects of risk protection through revaluation .

Structure of realized income for period January-March 2023 is shown in the income structure table.



STRUCTURE OF REVENUES FOR PERIOD JANUARY-MARCH 2023

S.No	Account name	Realization January-March 2023	Business plan January-March 2023	Realizati on January-March 2023	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
65	OTHER BUSINESS REVENUES	166,474,083	223,140,084	223,386,166	134	100
652	REVENUES FROM TANTIEMS AND LICENCES	2,125,000	2,125,000	2,125,000	100	100
659	OTHER BUSINESS REVENUES	164,349,083	221,015,084	221,261,166	135	100
I	BUSINESS REVENUES	166,474,083	223,140,084	223,386,166	134	100
66	FINANCIAL REVENUES	6,262,033	2,000,000	2,068,111	33	103
662	INTEREST REVENUE	828,475	2,000,000	2,057,509	248	103
663	EXCHANGE RATE DIFFERENCES- REALIZED	5,430,892	0	10,055	0	0
664	EXCHANGE RATE DIFFERENCES- UNREALIZED	2,666	0	547	21	0
II	FINANCIAL REVENUES	6,262,033	2,000,000	2,068.111	33	103
67	OTHER REVENUES	2,280,057	0	2,441,245	107	0
675	COLLECTED WRITTEN-OFF RECEIVABLES	92,214	0	4,862	5	0
676	REVENUE EFFECTIVE RISK PROTECTION	2,097,030	0	2,409,119	115	0
677	REVENUE FROM DECREASE IN LIABILITIES	3,909	0	0	0	0
679	OTHER NOT MENTIONED REVENUES	86,905	0	27,265	31	0
69	SUSPENDED BUSINESS PROFIT AND REVENUE TRANSFER	537,379	0	1,321	0	0
692	REVENUES FORM ADJUSTMENT OF MISTAKES FROM PREVIOUS YEARS	537,379	0	1,321	0	0
III	OTHER REVENUES	2,817,436	0	2,442,566	87	0
TOTAL REVENUES		175,553,552	225,140,084	227,896,844	130	101



Сектор финансија

3.2 . EXPENSES

In the period January-March 2023 the company had a total expenditure in the amount of RSD 225,764,292, which was 5% higher than the expenditure incurred in the same period of the previous year, and compared to The business plan for the period January-March 2023 is higher by 1%.

Business expenses in the period January-March 2023 were realized in the amount of RSD 216,255,772 and make up 96% of the total realized expenses. The business expenses realized in this way are higher by 1% compared to the business expenses realized in the same period of the previous year, and compared to The business plan for the period January-March 2023 is lower by 1% .

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

Cost of materials and energy in the period January-March 2023 were realized in the amount of RSD 456,037 and are 30% higher compared to the same period in 2022, and compared to The business plan for the period January-March 2023 is smaller by 22%.

Material and energy costs they mostly refer to:

- ✓ fuel costs in the amount of RSD 307,514 .

Costs of wages, benefits and other personal expenses in the period January-March 2023 were realized in the amount of RSD 40,614,749 and make up 18% of the total realized expenses. The costs of wages, benefits and other personal expenses realized in this way are higher by 3% compared to the same period in 2022 and are at the level planned for the period January-March 2023. 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 the achievement due to the admission of one newly employed person in relation to the same period of the previous year.

Costs of production services in the period January-March 2023 were realized in the amount of RSD 2,669,901 and are 28% higher compared to the same period in 2022, and 16% lower compared to the Business Plan for the period January-March 2023.

The costs of production services make up 1% of the total realized expenses, i they mostly refer to:

- ✓ the costs of maintenance services in the amount of RSD 1,483,207 - are higher by 5% 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 is in the period January-March 2023 achieved in the amount of RSD 146,237,763 and make up 65% of total expenses. The cost of depreciation is at the level of realization in relation to the same period of the previous year, as well as in relation to the Business Plan for period January-March 2023.

Intangible costs in the period January-March 2023 were realized in the amount of RSD 26,277,322 and make up 12% of the total realized expenses. The immaterial costs realized in this way are already up 3% compared to the same period in 2022, and compared to The business plan for the period January-March 2023 is lower by 7%.

Intangible costs mostly refer to:

- ✓ property tax costs of ANT in the amount of RSD 21,091,835 .

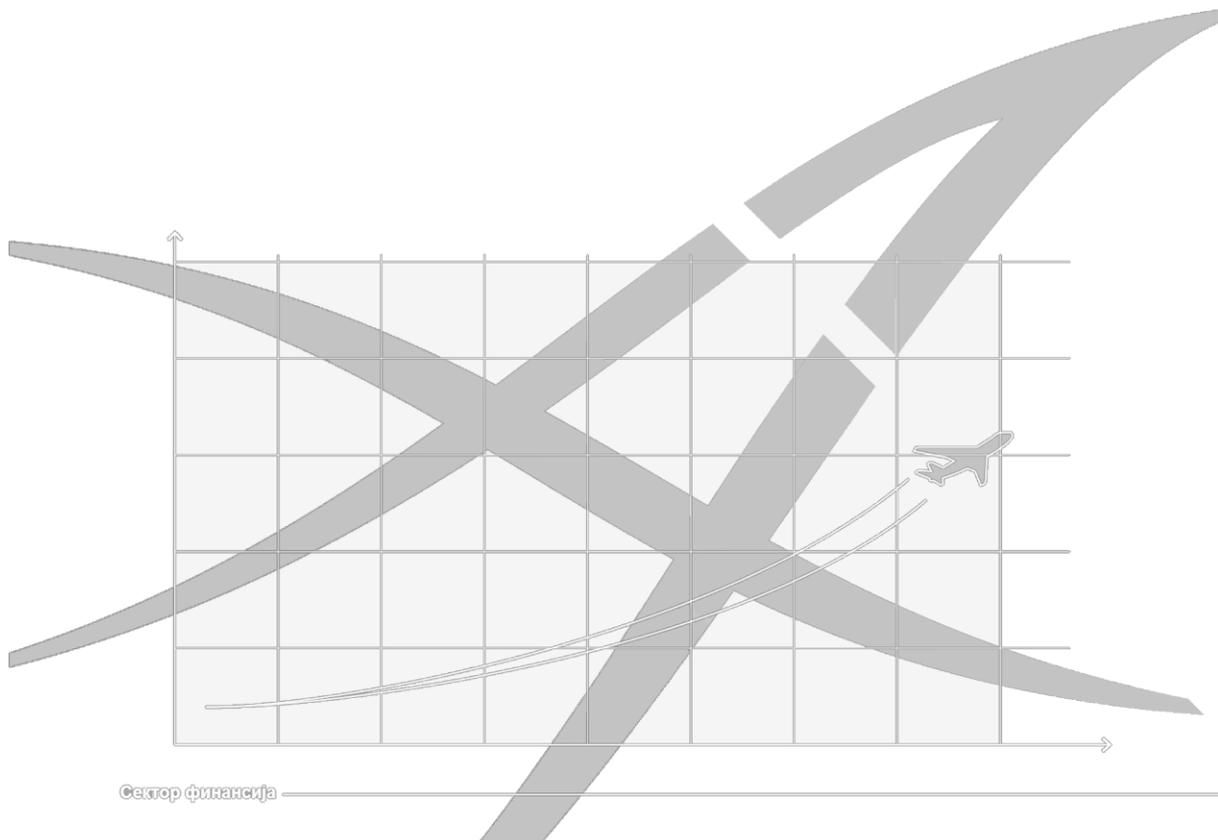
Financial expenses in the period January-March 2023 were realized in the amount of RSD 6,921,310 and are significantly higher compared to the same period in 2022. Financial expenses, in the observed period, are to the greatest extent a reflection of the fluctuation - the fall of the dollar exchange rate. At the beginning of the year, the dollar exchange rate was RSD 110.1515 , while on 31st March, 2023 it was RSD 107.5592 .

The structure of financial expenses for the period January-March 2023, they mostly consist of:

- negative exchange rate differences - in the amount of RSD 6,898,936 and participate with 99.6% in total financial expenses.

Other expenses in the period January-March 2023 were realized in the amount of RSD 2,587,210 and are significantly higher compared to the same period in 2022 and are at the level planned for the period January-March 2023. Realized other expenses mostly refer to the costs of disputes and out-of-court settlements.

The structure of realized expenses for the period January-March 2023 is shown in the table of the structure of expenses.



STRUCTURE OF EXPENSES FOR PERIOD JANUARY-MARCH 2023

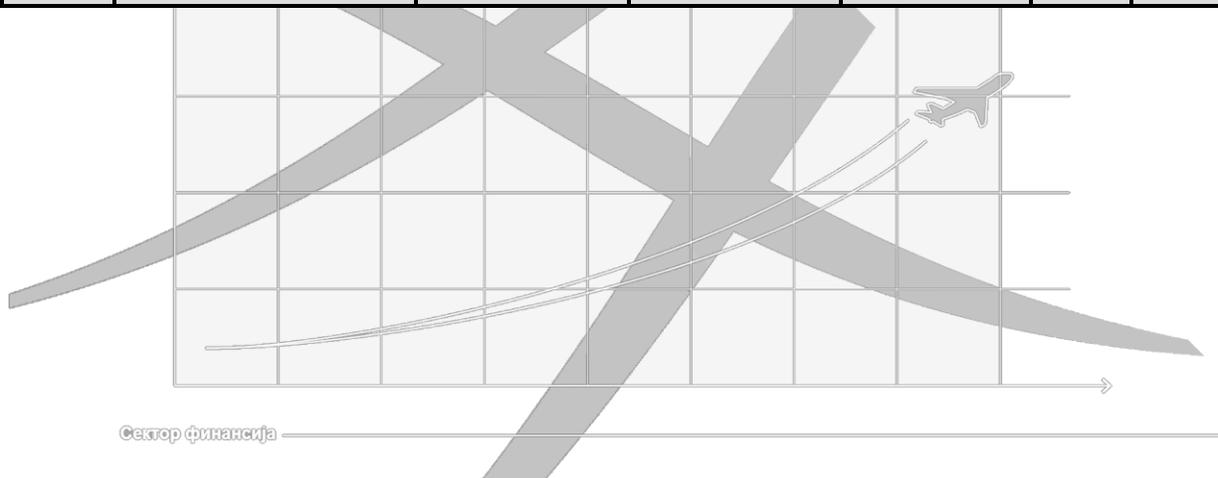
Acc.	Account name	Realization January- March 2022	Business plan January- March 2023	Realization January- March 2023	Index	
1	2	3	4	5	6(5/3)	7 (5/4)
51	MATERIAL AND ENERGY EXPENSES	350,861	583,054	456,037	130	78
512	OVERHEADS EXPENSES	101,692	233,054	148,524	146	64
513	FUEL AND ENERGY EXPENSES	249,169	350,000	307,514	123	88
52	EXPENSES OF SALARIES, ALLOWANCES AN OTHER PERSONAL EXP.	39,286,730	40,595,378	40,614,749	103	100
520	EXPENSES OF SALARIES AND CONTRIBUTIONS (GROSS)	28,602,112	29,558,076	29,558,076	103	100
521	EXPENSES OF SALARIES AND CONTRIBUTIONS-EMPLOYER	4,609,627	4,477,986	4,477,986	97	100
522	EXPENSES OF SERVICE CONTRACTS- GROSS	116,608	248,603	248,603	213	100
524	EXPENSES OF TEMPORARY WORK CONTRACT- GROSS	1,276,728	1,265,830	1,265,830	99	100
526	COMPENSATION OF MANAGER, IE.MANAGEMENT BOARD- GROSS	2,359,613	2,693,002	2,670,904	113	99
529	OTHER PERSONAL EXPENSES AND CONTRIBUTIONS	2,322,041	2,351,881	2,393,350	103	102
53	PRODUCTION SERVICES EXPENSES	2,087,197	3,192,580	2,669,901	128	84
531	TRANSPORT SERVICES EXPENSES	557,900	1,044,650	1,075,493	193	103
532	MAINTENANCE EXPENSES	1,407,600	2,012,500	1,483,207	105	74
533	RENT EXPENSES	101,747	102,000	107,823	106	106
539	OTHER SERVICE EXPENSES	19,950	33,430	3,378	17	10
54	DEPRECIATION AND RESERVATION EXPENSES	146,888,365	146,416,463	146,237,763	100	100
540	DEPRECIATION EXPENSES	143,688,365	146,416,463	146,237,763	102	100
549	OTHER LONG-TERM RESERVATIONS	3,200,000	0	0	0	0
55	INTANGIBLE EXPENSES	25,448,419	28,195,561	26,277,322	103	93
550	EXPENSES OF NON-PRODUCTION SERVICES	1,230,540	3,115,794	2,726,045	222	87
551	REPRESENTATION EXPENSES	312,881	531,765	612,645	196	115
552	INSURANCE PREMIUM EXPENSES	165,805	201,838	171,228	103	85
553	PAYMENT TRANSACTION EXPENSES	111,646	113,949	100,098	90	88
554	MEMBERSHIP FEES EXPENSES	185,372	131,625	196,222	106	149
555	TAX EXPENSES	21,860,434	22,000,000	21,091,835	96	96
559	OTHER INTANGIBLE EXPENSES	1,581,742	2,100,591	1,379,249	87	66
I	BUSINESS EXPENSES	214,061,572	218,983,036	216,255,772	101	99
56	FINANCIAL EXPENSES	127,958	1,285,082	6,921,310	5,409	539
562	INTEREST RATE EXPENSES	4,610	1,214	0	0	0
563	NEGATIVE EXCHANGE RATE DIFFERENCES	77,479	1,178,219	6,898,936	8,904	586
564	EXPENSES ON THE BASES OF EFFECTIVE CURRENCY CALUSE	11	105,649	22,374	204,701	21
569	OTHER FINANCIAL EXPENSES	45,880	0	0	0	0
II	FINANCIAL EXPENSES	127,958	1,285,082	6,921,310	5,409	539
57	OTHER EXPENSES	348,678	2,596,387	2,587,210	742	100
579	OTHER NOT MENTIONED EXPENSES	348,678	2,596,387	2,587,210	742	100
III	OTHER EXPENSES	348,678	2,596,387	2,587,210	742	100
	TOTAL EXPENSES	214,538,209	222,864,505	225,764,292	105	101

Сектор финансија

3. 3. FINANCIAL RESULT FOR THE PERIOD JANUARY-MARCH 2023

In the period January-March 2023, a positive financial result was reported in the gross amount of RSD 2,132,552 .

S.No	Account name	Realization January- March 2022	Business plan January- March 2023	Realization January- March 2023	Index	
					6(5/3)	7 (5/4)
1	2	3	4	5	6(5/3)	7 (5/4)
1	Business revenues	166,474,083	223,140,084	223,386,166	134	100
2	Business expenses	214,061,572	218,983,036	216,255,772	101	99
3	Business profit (1-2)		4,157,048	7,130,394		172
3a	Business loss (2-1)	47,587,490				
4	Financial revenues	6,262,033	2,000,000	2,068,111	33	103
5	Financial expenses	127,958	1,285,082	6,921,310	5,409	539
6	Financial profit (4-5)	6,134,074	714,918		0	0
6a	Financial loss (5-4)			4,853,199		
7	Other revenues	2,817,436	0	2,442,566	87	
8	Other expenses	348,678	2,596,387	2,587,210	742	100
9	Other profit (7-8)	2,468,758				
9a			2,596,387	144,643		6
10	Total revenues(1+4+7)	175,553,552	255,140,084	227,896,844	130	101
11	Total expenses (2+5+8)	214,538,209	222,864,505	225,764,292	105	101
12	Total gross revenue (10-11)		2,275,579	2,132,552		94
12a	Total gross loss (11-10)	38,984,658				



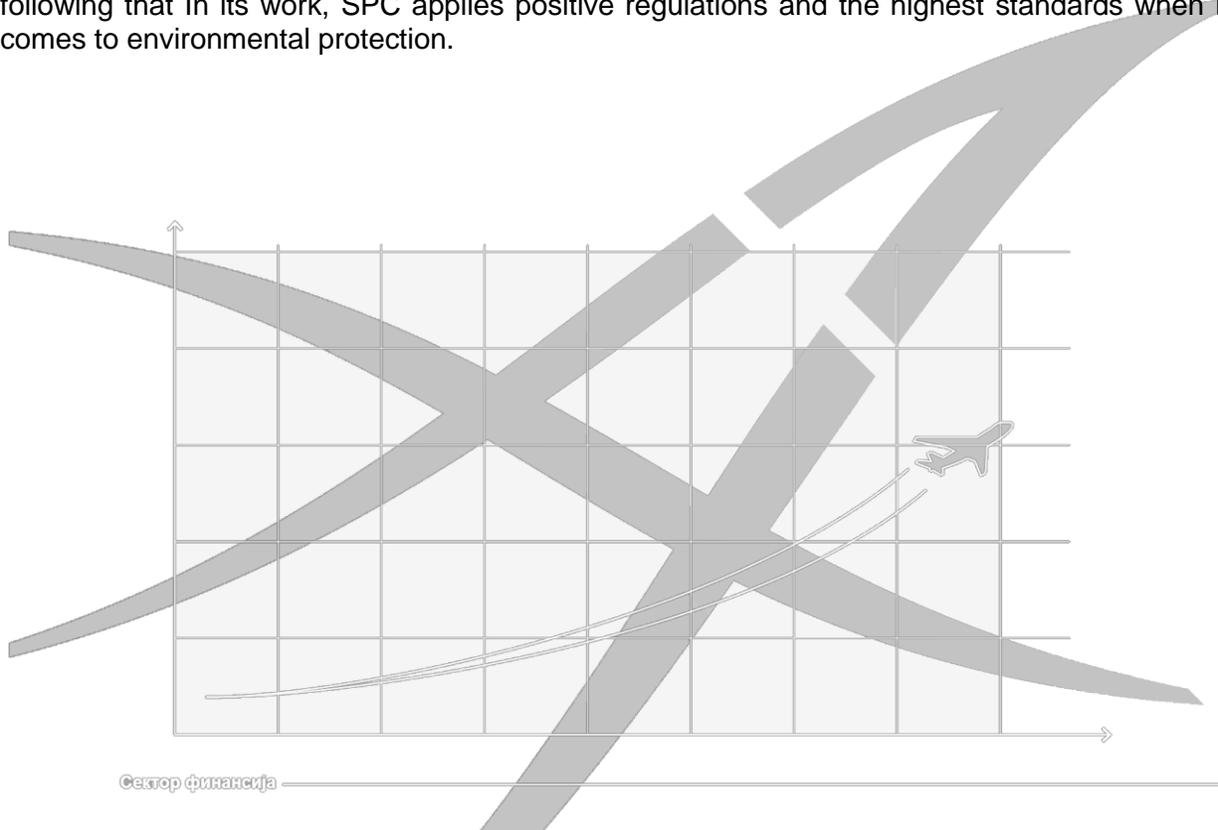
3.4. NUMBER OF EMPLOYEES

Number of employees per HR records for the period January-March 2023 (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	36	0	36	1	37
February	36	0	36	1	37
March	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 SIGNIFICANT BUSINESS EVENTS THAT HAPPENED IN PERIOD JANUARY-MARCH 2023

In the period January-March 2023, it is necessary to mention the following important 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.

Certificate of Completion of Works was issued and a Record of Acceptance and Handover of the facility - New heating plant and gas supply within airport boundaries - Concession location (gas supply to New heating plant within airport boundaries) was signed - within the Concession site).

The record of acceptance and handover of the facility was signed - New waiting room for access to remote parking places (Bus gate), (terminal building phase I, construction phase 1).

In the reporting period, SPC continued with the timely execution of the Mandatory Works in accordance with the provisions of the Concession Agreement, without affecting the regularity of passenger traffic, which is taking place, as can be seen in the passenger terminal building, in relation to which reconstruction and additions are being made, as well as in public zone and in the secured restrictive zone of the airport complex. Work on the construction of the inserted runway has been completed. The final testing of the system and the certification process of the inserted takeoff-landing runway by the Competent Authorities is in progress.

For the works carried out within the reconstruction and extension of the terminal building (phase I) of the work execution phase 1.2 - Extension of finger corridor C, as well as for part of the work execution phase 1.3 - Reconstruction and extension of the existing finger corridors A (A1-A5), C (C1- C6), Terminal 1 and Terminal 2, which represents a functional unit and enables the inclusion of phase 1.2 in the unique functioning system of the Airport Nikola Tesla Belgrade with the existing terminals, during the reporting period trial work was carried out. Trial work was approved in March 2023 for the works performed as part of the reconstruction and extension of the terminal building (phase I and phase 2.2), the basement floor, part of the ground floor and the first floor. Work continued on the reconstruction and extension of the Terminal Building, phases 1.3, 1.4. and 2.2.

In the period January-March 2023, works were carried out on the construction of the system of access roads and parking lots in the function of the port building, and the works in the first phase of the construction of line infrastructure facilities was also completed.

In the period January-March 2023 a review of the documentation submitted by SPC in accordance with its obligations under the Concession Agreement was carried out.

5.1 . DESCRIPTION OF ALL SIGNIFICANT BUSINESS EVENTS THAT OCCURRED AFTER THE END OF PERIOD JANUARY-MARCH 2023

In the period January-March 2023, it is necessary to mention the following important business events that occurred after the end of the period January-March 2023:

On 4th April 2023, operational functioning of the terminal building (I and I phase) began, construction phase 2.2, basement floor and part of the first floor. →

6 . DESCRIPTION OF THE MOST SIGNIFICANT RISKS AND UNCERTAINTY IN THE PERIOD JANUARY-MARCH 2023

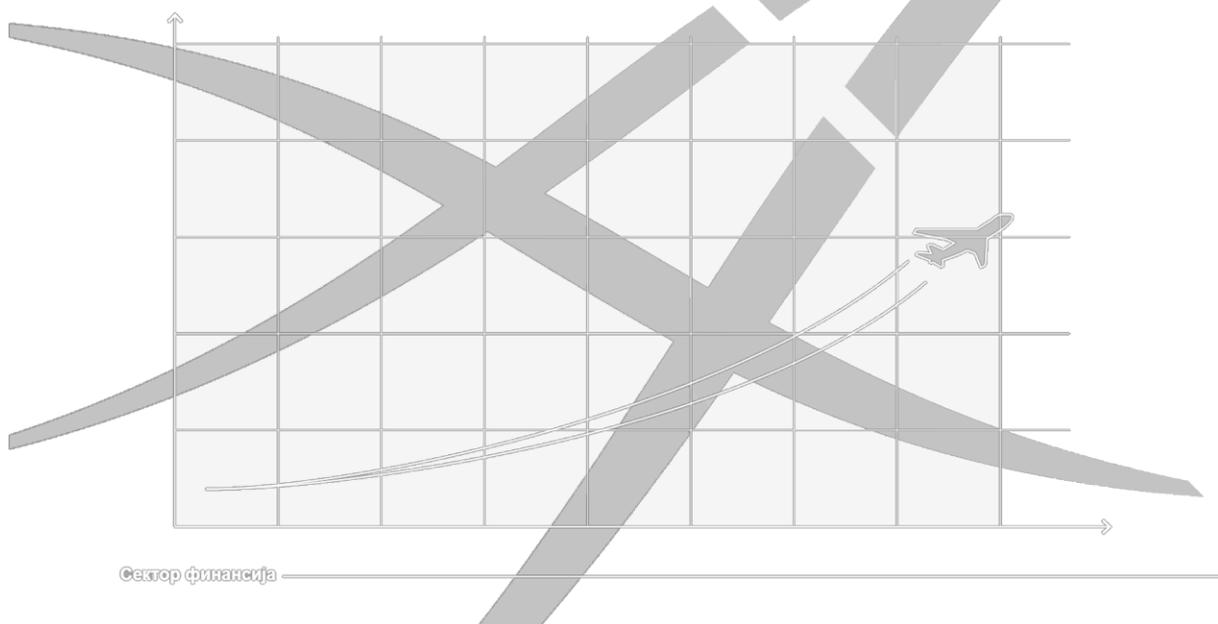
It is not to be expected that the war between the Russian Federation and the Republic of Ukraine will have any significant impact on the concession project, bearing in mind that the smooth continuation of the implementation of the contract in question, which is the basis for the Company's future business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

The company settles its current obligations within the agreed terms.



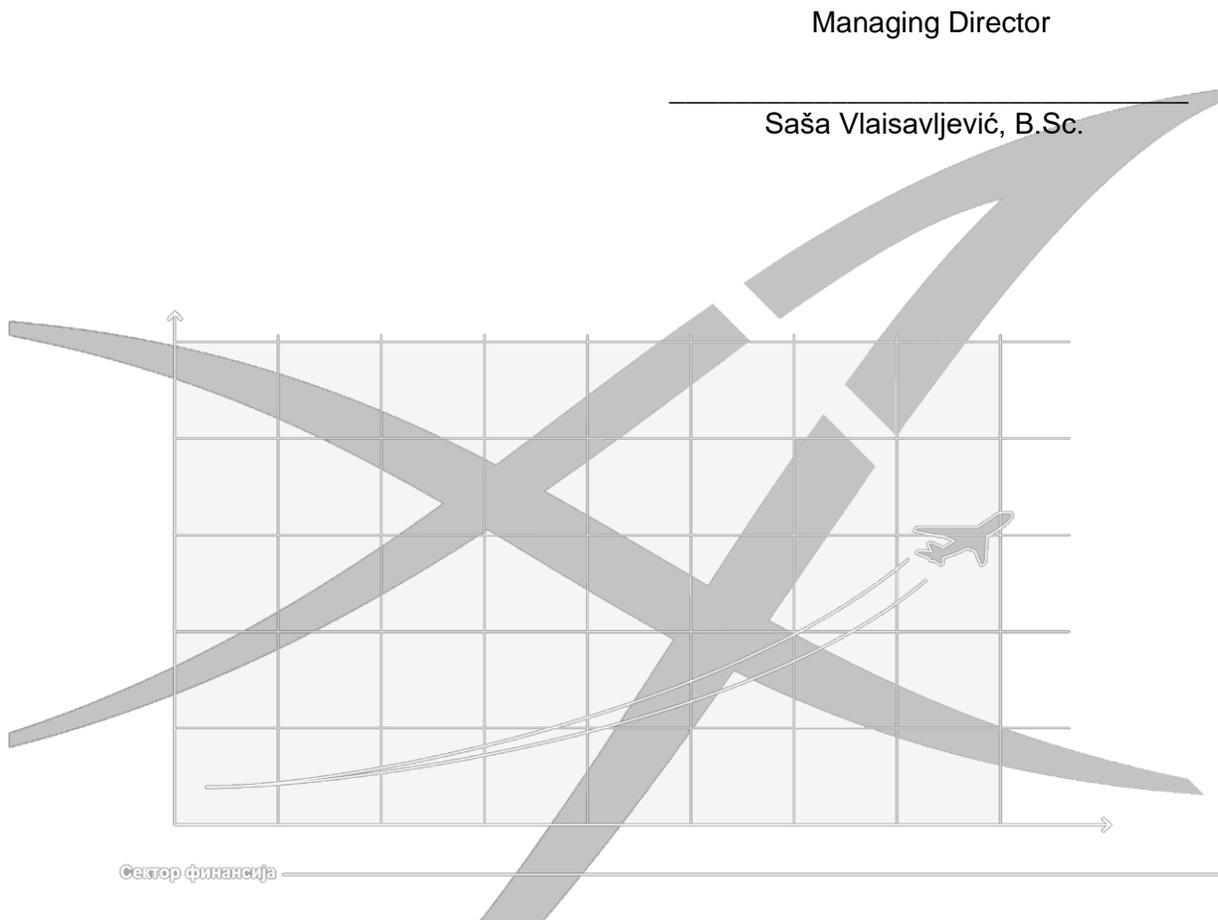
7 . COMPANY'S MAJOR OPERATIONS WITH RELATED PERSONS

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, April 2023



**STOCK COMPANY
NIKOLA TESLA AIRPORT BELGRADE
SUPERVISORY BOARD**

Number:

Date:

Belgrade

Pursuant to Article 75 of Capital Market Law ("Official Gazette of RS" No. 129/2021) and Article 32, paragraph 1, point 5) of the Articles of Association of the Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 as of 5th of February 2019) - consolidated text), the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade, at 381st session held on 28th April 2023, adopted on the following:

DECISION

1. The Financial Statements of JSC Airport Nikola Tesla Belgrade as of 31st March, 2023 are approved with notes.
2. This Secision shall enter into force on the day of its adoption.

Rationale

In addition to the regular Annual Financial Reports, which are published in accordance with the Law on Accounting ("Official Gazette RS" no. 73/2019 and 44/21 – other law), the Capital Market Law ("Official Gazette of the RS", no. 129/2021) and the Rulebook on the conditions and manner of public publication of financial statements and keeping a register of financial statements ("Official Gazette of the RS" no. 142/2020 and 139/2022), we submit to the Business Registers Agency after approval by the competent body (Assembly of the Company), no later than one month after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on the Capital Market, the Rulebook on the Content, Form and Method of Publication annual, semi-annual and quarterly reports of public companies and the Instruction on how Public Companies submit information to the Securities Commission.

Under Article 75, paragraph 1 of the Law on the Capital Market, a public company whose securities are traded on a regulated market is obliged to compile, publish and submit to the Commission and the market organizer a quarterly report, no later than one month after the end of each quarter of the current business year, as well as to ensure that this report is available to the public for at least ten years from the date of publication.

The company has prepared a proposal for the Financial Statement as of 31st March, 2023, which contains:

- Profit and loss statement for the period January- March 2023;
- Balance sheet as of 31st March, 2023;
- Statement on other results for January-March 2023;
- Statement on changes in equity for period January-March 2023;
- Cash flow statement for the period January-March 2023;
- Notes to the financial statements for January-March 2023.

The Audit Committee confirmed the truthfulness of the proposed Financial Statement as of 31st March 2023 with notes.

The financial statements as of 31st March, 2023 are submitted to the Commission for Securities and the Regulated Market within the framework of the Quarterly Report for the period January-March 2023, and within the deadline set by the Law on Capital Market, through the corporate agent, for publication.

Based on the above, a decision was made as in the enacting clause.

CHAIRPERSON OF THE SUPERVISORY BOARD

Vesna Stanković Jevđević, Bachelor of Economics

**STOCK COMPANY
NIKOLA TESLA AIRPORT BELGRADE
SUPERVISOR COMMITTEE**

Number:

Date:

Pursuant to Article 75 of the Law on Capital Market ("Official Gazette of RS" no. 129/2021),) Articles of Association of Joint Stock Company Airport Nikola Tesla Belgrade (number: 361 as of 5th February 2019 - consolidated text), the Supervisory Board of the Joint Stock Company Airport Nikola Tesla Belgrade, at the 381st session held on 28th April, 2023, adopted the following:

DECISION

1. Business report of Joint Stock Company Airport Nikola Tesla Belgrade for the first quarter of 2023 is approved .
2. This decision enters into force on the day of its adoption.

Reasoning

In addition to the regular Annual Financial Reports, which are published in accordance with the Law on Accounting ("Official Gazette RS" no. 73/2019 and 44/21 - other law), the Capital Market Law ("Official Gazette of the RS", no. 129/2021) and the Rulebook on the conditions and manner of public publication of financial statements and keeping a register of financial statements ("Official Gazette of the RS" no. 142/2020 and 139/2022), we submit to the Business Registers Agency after approval by the competent body (Assembly of the Company), no later than one month after the end of the quarter, Public companies have additional reporting obligations prescribed by the Law on the Capital Market, the Rulebook on the Content, Form and Method of Publication annual, semi-annual and quarterly reports of public companies and the Instruction on the manner in which Public Companies submit information to the Securities Commission.

Under Article 75, paragraph 1 of the Law on the Capital Market, a public company whose securities are traded on a regulated market is obliged to compile, publish to the public and submit to the Commission and the market organizer a quarterly report, no later than one month days after the end of each quarter of the current business year, as well as to ensure that this report is available to the public for at least ten years from the date of publication.

In view of the above, acting in accordance with the applicable regulations and the Articles of Association, the Business Report for the first quarter of the year 2023 was prepared, which was submitted to the Audit Committee for confirmation of correctness, as well as to the Supervisory Board for approval .

The Audit Committee confirmed the correctness of the Business Report for the first quarter of the year 2023.

Based on the above, a decision was made as in the enacting clause.

Chairperson of the Supervisory Board

Vesna Stanković Jevđević, Bachelor of Economiccs