

# Energoprojekt Holding Plc. Quarterly Report for Q2 2018

---

Belgrade, August 2018

Pursuant to Article 53 of the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015 and 108/2016) and pursuant to Article 5 of the Rulebook on the Content, Form and Method of Publication of Annual, Semi-Annual and Quarterly Reports of Public Companies (RS Official Gazette, No. 14/2012, 5/2015 and 24/2017), **Energoprojekt Holding Plc. from Belgrade, registration No.: 07023014 hereby publishes the following:**

## **QUARTERLY REPORT FOR Q2 2018**

### C O N T E N T S

1. FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR Q2 2018

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

2. BUSINESS REPORT

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

3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q2 2018. QUARTERLY REPORT \* (Note)

1. FINANCIAL STATEMENTS OF ENERGOPROJEKT HOLDING PLC. FOR Q2 2017 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

---

Reporting period:

from

01.01.2018.

until

30.06.2018.

### Quarterly Financial Statement for Businesses KFI-PD

Business name: ENERGOPROJEKT HOLDING p.l.c.

Reg. No.: 07023014

Postal code, city: 11070

NOVI BEOGRAD

Street and number: BULEVAR MIHAILA PUPINA 12

E-mail: ep@energoprojekt.rs

Website: www.energoprojekt.rs

Consolidated/individual: INDIVIDUAL

Approved (yes/no): Yes

Audited (yes/no): No

Contact person: VLADIMIR VIŠNJIĆ

(name and surname of contact person)

Phone: (011) 310 10 17

Fax: (011) 213 14 12

E-mail: v.visnjic@energoprojekt.rs

Name and surname: STOJAN ČOLAKOV

(authorized officer)

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

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



2.

(Signature of legal representative)

## BALANCE SHEET

at day 30.06.2018.

RSD thousand

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>ASSETS</b>			
<b>A. SUBSCRIBED CAPITAL UNPAID</b>	<b>0001</b>		
<b>B. NON-CURRENT ASSETS (0003+0010+0019+0024+0034)</b>	<b>0002</b>	7,829,386	8,393,406
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	6,277	7,871
1. Investments in development	0004		
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	6,277	7,871
3. Goodwill	0006		
4. Other intangible assets	0007		
5. Intangible assets in progress	0008		
6. Advances paid on intangible assets	0009		
II. PROPERTY, PLANT AND EQUIPMENT (0011+0012+0013+0014+0015+0016+0017+0018)	0010	1,940,925	2,228,973
1. Land	0011		
2. Buildings	0012	1,307,955	1,313,771
3. Plant and equipment	0013	29,309	37,043
4. Investment property	0014	558,714	556,822
5. Other property, plant and equipment	0015	283	283
6. Property, plant and equipment in progress	0016		276,390
7. Investments in property, plant and equipment, not owned	0017		
8. Advances paid on property, plant and equipment	0018	44,664	44,664
III. NATURAL ASSETS (0020+0021+0022+0023)	0019		
1. Forests and growing crops	0020		
2. Livestock	0021		
3. Natural assets in progress	0022		
4. Advances paid for natural assets	0023		
IV. LONG TERM FINANCIAL INVESTMENTS (0025+0026+0027+0028+0029+0030+0031+0032+0033)	0024	5,882,184	6,156,562
1. Shares in subsidiaries	0025	4,836,070	5,057,719
2. Shares in affiliated companies and joint ventures	0026	29,550	29,550
3. Shares in other companies and other available for sale securities	0027	37,845	117,662
4. Long term investments in parent companies and subsidiaries	0028	977,462	950,334
5. Long term investments in other affiliated companies	0029		
6. Long term investments, domestic	0030		
7. Long term investments, foreign countries	0031		
8. Securities held to maturity	0032		
9. Other long term financial investments	0033	1,257	1,297
V. LONG TERM RECEIVABLES (0035+0036+0037+0038+0039+0040+0041)	0034		
1. Receivables from parent company and subsidiaries	0035		
2. Receivables from other affiliated companies	0036		
3. Receivables from credit sales	0037		
4. Receivables from financial leasing contracts	0038		
5. Receivables from pledged assets	0039		
6. Bad debts and uncollectible claims	0040		
7. Other long term receivables	0041		
<b>C. DEFERRED TAX ASSETS</b>	<b>0042</b>		

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>D. OPERATING ASSETS (0044+0051+0059+0060+0061+0062+0068+0069+0070)</b>	<b>0043</b>	3,404,766	1,706,754
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	<b>0044</b>	5,664	6,766
1. Material ,parts, tools and small inventories	<b>0045</b>		
2. Work and services in progress	<b>0046</b>		
3. Finished products	<b>0047</b>		
4. Goods	<b>0048</b>		
5. Fixed assets for sale	<b>0049</b>		
6. Advances paid for inventories and services	<b>0050</b>	5,664	6,766
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	<b>0051</b>	875,528	689,346
1. Local buyers - parent company and subsidiaries	<b>0052</b>	874,319	688,367
2. Foreign buyers - parent company and subsidiaries	<b>0053</b>		
3. Local buyers - other affiliated companies	<b>0054</b>	705	705
4. Foreign buyers - other affiliated companies	<b>0055</b>		
5. Local buyers	<b>0056</b>	504	274
6. Foreign buyers	<b>0057</b>		
7. Other receivables from sales	<b>0058</b>		
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	<b>0059</b>	5,331	98,204
IV. OTHER RECEIVABLES	<b>0060</b>	644,365	76,816
V. FINANCIAL ASSETS ASSESSED AT FAIR VALUE THROUGH BALANCE SHEET	<b>0061</b>		
VI. SHORT TERM FINANCIAL INVESTMENTS(0063+0064+0065+0066+0067)	<b>0062</b>	668,777	191,499
1. Short term loans and investments - parent company and subsidiaries	<b>0063</b>	511,031	33,212
2. Short term loans and investments - other affiliated companies	<b>0064</b>	157,667	158,208
3. Short term credits and loans, domestic	<b>0065</b>		
4. Short term credits and loans, foreign countries	<b>0066</b>		
5. Other short term financial investments	<b>0067</b>	79	79
VII. CASH AND CASH EQUIVALENTS	<b>0068</b>	794,036	251,917
VIII. VALUE ADDED TAX	<b>0069</b>		
IX. PREPAYMENTS AND ACCRUED INCOME	<b>0070</b>	411,065	392,206
<b>E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>	11,234,152	10,100,160
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	24,257,363	27,017,299

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
<b>LIABILITIES</b>			
A. CAPITAL (0402+0411-0412+0413+0414+0415-0416+0417+0420-0421) ≥ 0 = (0071-0424-0441-0442)	0401	9,277,294	8,529,997
I. EQUITY CAPITAL (0403+0404+0405+0406+0407+0408+0409+0410)	0402	7,128,301	7,128,301
1. Share capital	0403	5,574,959	5,574,959
2. Shares of limited liability companies	0404		
3. Investments	0405		
4. State owned capital	0406		
5. Socially owned capital	0407		
6. Shares of cooperatives	0408		
7. Issuing premium	0409	1,526,164	1,526,164
8. Other share capital	0410	27,178	27,178
II. SUBSCRIBED CAPITAL UNPAID	0411		
III. TREASURY SHARES REPURCHASED	0412	49,827	49,827
IV. RESERVES	0413	214,881	214,881
V. REVALUATION RESERVES FROM REVALUATION OF INTANGIBLES, PROPERTY, PLANT AND EQUIPMENT	0414	782,098	782,098
VI. UNREALISED GAINS FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (credit balance under account class 33 excl. 330)	0415		
VII. UNREALISED LOSSES FROM SECURITIES AND OTHER COMPONENTS OF OTHER COMPREHENSIVE RESULT (debit balance under account class 33 excl. 330)	0416	9,710	18,881
VIII. RETAINED EARNINGS (0418+0419)	0417	1,211,551	473,425
1. Retained earnings from previous years	0418	256,754	34,492
2. Retained earnings from current year	0419	954,797	438,933
IX. NON-CONTROLLING INTEREST	0420		
X. LOSSES (0422+0423)	0421		
1. Losses from previous years	0422		
2. Losses from current year	0423		
<b>B. LONG TERM PROVISIONS AND LIABILITIES (0425+0432)</b>	0424	2,596	2,735
I. LONG TERM PROVISIONS (0426+0427+0428+0429+0430+0431)	0425	2,596	2,735
1. Provisions for warranty costs	0426		
2. Provisions for recovery of natural resources	0427		
3. Provisions for restructuring costs	0428		
4. Provisions for wages and other employee benefits	0429	2,596	2,735
5. Provisions for legal expenses	0430		
6. Other long term provisions	0431		
II. LONG TERM LIABILITIES (0433+0434+0435+0436+0437+0438+0439+0440)	0432		
1. Liabilities convertible into capital	0433		
2. Liabilities to parent company and subsidiaries	0434		
3. Liabilities to other affiliated companies	0435		
4. Liabilities for issued securities for more than one year	0436		
5. Long term credits and loans, domestic	0437		
6. Long term credits and loans, foreign countries	0438		
7. Long term liabilities from financial leasing	0439		
8. Other long term liabilities	0440		
<b>C. DEFERRED TAX LIABILITIES</b>	0441	152,082	152,082
<b>D. SHORT TERM LIABILITIES (0443+0450+0451+0459+0460+0461+0462)</b>	0442	1,802,180	1,415,346
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	1,364,861	1,251,192
1. Short term loans from parent company and subsidiaries	0444		
2. Short term loans from other affiliated companies	0445		
3. Short term credits and loans, domestic	0446	1,364,861	1,251,072
4. Short term credits and loans, foreign countries	0447		
5. Liabilities from fixed assets and assets from discontinued operations available for sale	0448		
6. Other short term financial liabilities	0449		120

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	54,912	40,731
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	14,234	36,057
1. Suppliers - parent company and subsidiaries, local	0452	4,202	24,780
2. Suppliers - parent company and subsidiaries, foreign countries	0453	2,952	2,962
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455		
5. Suppliers, local	0456	5,287	6,325
6. Suppliers, foreign countries	0457	1,793	1,990
7. Other operating liabilities	0458		
IV. OTHER SHORT TERM LIABILITIES	0459	252,829	35,937
V. VALUE ADDED TAX	0460	5,237	6,768
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	80,695	752
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	29,412	43,909
D. LOSSES EXCEEDING CAPITAL (0412+0416+0421-0420-0417-0415-0414-0413-0411-0402)≥0 = (0441+0424+0442-0071) ≥0	0463		
E. TOTAL LIABILITIES (0424+0442+0441+0401-0463) ≥ 0	0464	11,234,152	10,100,160
F. OFF-BALANCE LIABILITIES	0465	24,257,363	27,017,299

**INCOME STATEMENT**

from 01.01.2018. until 30.06.2018.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>INCOME FROM NORMAL ACTIVITIES</b>					
<b>A. OPERATING INCOME (1002+1009+1016+1017)</b>	<b>1001</b>	100,765	201,687	110,098	222,082
I. INCOME FROM SALE OF MERCHANDISE (1003+1004+1005+1006+1007+1008)	1002				
1. Income from sale of goods to parent company and subsidiaries on local market	1003				
2. Income from sale of goods to parent company and subsidiaries on foreign markets	1004				
3. Income from sale of goods to other affiliated companies on local market	1005				
4. Income from sale of goods to other affiliated companies on foreign markets	1006				
5. Income from sale of goods on local market	1007				
6. Income from sale of goods on foreign markets	1008				
II. INCOME FROM SALE OF PRODUCTS AND SERVICES (1010+1011+1012+1013+1014+1015)	1009	94,297	188,793	105,155	211,796
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010	94,272	188,751	105,146	211,771
2. Income from sale of finished products and services to parent company and subsidiaries on foreign markets	1011				
3. Income from sale of finished products and services to other affiliated companies on local market	1012				
4. Income from sale of finished products and services to other affiliated companies on foreign markets	1013				
5. Income from sale of finished products and services on local market	1014	25	42	9	25
6. Income from sale of finished products and services on foreign markets	1015				
III. INCOME FROM PREMIUMS, SUBSIDIES, GRANTS, DONATIONS, ETC.	1016				
IV. OTHER OPERATING INCOME	1017	6,468	12,894	4,943	10,286
<b>EXPENSES FROM NORMAL ACTIVITIES</b>					
<b>B. OPERATING EXPENSES (1019-1020-1021+1022+1023+1024+1025+1026+1027+1028+1029) ≥ 0</b>	<b>1018</b>	94,577	186,764	120,835	224,579
I. COST PRICE OF GOODS SOLD	1019				
II. INCOME FROM USE OF OWN PRODUCTS AND MERCHANDISE	1020				
III. INCREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1021				
IV. DECREASE IN INVENTORIES OF INTERMEDIATE AND FINISHED GOODS AND SERVICES IN PROGRESS	1022				
V. MATERIAL COSTS	1023	1,131	3,213	2,202	4,512
VI. FUEL AND ENERGY COSTS	1024	4,929	9,962	6,255	11,861
VII. EMPLOYEE EXPENSES AND BENEFITS	1025	51,643	104,667	65,750	118,999
VIII. PRODUCTION SERVICE COSTS	1026	14,057	28,241	18,642	37,374
IX. DEPRECIATION EXPENSES	1027	5,176	10,637	5,890	11,553
X. PROVISION EXPENSES	1028				
XI. INTANGIBLE EXPENSES	1029	17,641	30,044	22,096	40,280
<b>C. OPERATING INCOME (1001-1018) ≥ 0</b>	<b>1030</b>	6,188	14,923		
<b>D. OPERATING LOSSES (1018-1001) ≥ 0</b>	<b>1031</b>			10,737	2,497
<b>E. FINANCIAL REVENUES (1033+1038+1039)</b>	<b>1032</b>	578,082	591,046	537,214	554,180
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	568,394	579,419	507,548	521,788
1. Financial income from parent company and subsidiaries	1034	565,969	574,588	505,957	516,782
2. Financial income from other affiliated companies	1035	2,425	4,831	1,591	5,006
3. Share of profits in associated companies and joint ventures	1036				
4. Other financial revenues	1037				
II. INTEREST INCOME (THIRD PARTY)	1038	5,556	6,499	390	1,107
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	4,132	5,128	29,276	31,285
<b>F. FINANCIAL EXPENSES (1041+1046+1047)</b>	<b>1040</b>	14,225	25,168	57,538	67,005
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041	5,943	7,616	36,777	36,964
1. Financial expenses from transactions with parent company and subsidiaries	1042	5,338	6,847	31,991	32,178
2. Financial expenses from transactions with other affiliated companies	1043	605	769	4,786	4,786
3. Share of losses in affiliated companies and joint ventures	1044				
4. Other financial expenditure	1045				
II. INTEREST EXPENSES (THIRD PARTY)	1046	7,989	15,694	8,757	15,149
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	293	1,858	12,004	14,892
<b>G. FINANCIAL GAINS (1032-1040)</b>	<b>1048</b>	563,857	565,878	479,676	487,175
<b>H. FINANCIAL LOSSES (1040-1032)</b>	<b>1049</b>				
<b>I. INCOME FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1050</b>				
<b>J. EXPENSES FROM VALUE ADJUSTMENT OF OTHER ASSETS DISCLOSED AT FAIR VALUE THROUGH INCOME STATEMENT</b>	<b>1051</b>				
<b>K. OTHER INCOME</b>	<b>1052</b>	95,398	449,148		317
<b>L. OTHER EXPENSES</b>	<b>1053</b>	451	6,973	1,246	1,950
<b>M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>	664,992	1,022,976	467,693	483,045
<b>N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>				
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1056</b>		2,231		
<b>P. NET LOSSES FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1057</b>				112
<b>Q. PROFIT BEFORE TAX (1054-1055+1056-1057)</b>	<b>1058</b>	664,992	1,025,207	467,693	482,933
<b>R. LOSSES BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>				

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>S. INCOME TAX</b>					
I. TAXABLE EXPENSES FOR THE PERIOD	1060	16,378	70,410	-2,286	
II. DEFERRED TAX EXPENSES FOR THE PERIOD	1061				
III. DEFERRED TAX INCOME FOR THE PERIOD	1062				
<b>T. MANAGEMENT EARNINGS</b>	1063				
<b>U. NET PROFIT (1058-1059-1060-1061+1062-1063)</b>	1064	648,614	954,797	469,979	482,933
<b>V. NET LOSSES (1059-1058+1060+1061-1062+1063)</b>	1065				
I. NET PROFIT PAYABLE TO MINORITY SHAREHOLDERS	1066				
II. NET PROFIT PAYABLE TO MAJORITY SHAREHOLDER	1067				
III. NET LOSSES ATTRIBUTABLE TO MINORITY SHAREHOLDERS	1068				
IV. NET LOSSES ATTRIBUTABLE TO MAJORITY SHAREHOLDER	1069				
V. EARNINGS PER SHARE					
1. Basic earnings per share	1070				
2. Reduced (diluted) earnings per share	1071				

## CASH FLOW STATEMENT

from 01.01.2018. until 30.06.2018.

RSD thousand

DESCRIPTION	EDP	Total	
		cumulative for current year quarter	cumulative for previous year quarter
1	2	3	4
<b>A. CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>I. Cash inflow from operating activities ( 1 to 3 )</b>	<b>3001</b>	189,549	263,509
1. Sales and prepayments	3002	157,993	247,166
2. Interests from operating activities	3003		
3. Other inflow from normal operations	3004	31,556	16,343
<b>II. Cash outflow from operating activities ( 1 to 5 )</b>	<b>3005</b>	277,806	627,604
1. Payments to suppliers and prepayments	3006	103,778	372,738
2. Employee expenses and benefits	3007	100,998	101,867
3. Interests paid	3008	16,488	15,321
4. Income tax	3009	5,708	763
5. Payments based on other public revenues	3010	50,834	136,915
<b>III. Net cash inflow from operating activities (I-II)</b>	<b>3011</b>		
<b>IV. Net cash outflow from operating activities (II-I)</b>	<b>3012</b>	88,257	364,095
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflow from investing activities (1 to 5 )</b>	<b>3013</b>	1,044,306	50,531
1. Sale of shares and stocks (net inflow)	3014	1,036,018	
2. Sale of intangible investments, property, plant, equipment and natural assets	3015		1,577
3. Other financial investments (net inflow)	3016		38
4. Interest received from investment activities	3017	5,983	3,023
5. Dividends received	3018	2,305	45,893
<b>II. Cash outflow from investing activities (1 to 3)</b>	<b>3019</b>	515,536	309,686
1. Purchase of shares and stocks (net outflow)	3020		110
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	22,803	309,576
3. Other financial investments (net outflow)	3022	492,733	
<b>III. Net cash inflow from investing activities (I-II)</b>	<b>3023</b>	528,770	
<b>IV. Net cash outflow from investing activities (II-I)</b>	<b>3024</b>		259,155
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I. Cash inflow from financing activities ( 1 to 5 )</b>	<b>3025</b>	117,998	762,248
1. Equity increase	3026		
2. Long term loans (net inflow)	3027		
3. Short term loans (net inflow)	3028	117,998	762,248
4. Other long term liabilities	3029		
5. Other short term liabilities	3030		
<b>II. Cash outflow from financing activities ( 1 to 6 )</b>	<b>3031</b>	16,714	124,495
1. Repurchase of own shares and stocks	3032		124,148
2. Long term loans (net outflow)	3033		
3. Short term loans (net outflow)	3034		
4. Other liabilities	3035	16,570	
5. Financial leasing	3036		
6. Dividends paid	3037	144	347
<b>III. Net cash inflow from financing activities ( I -II)</b>	<b>3038</b>	101,284	637,753
<b>D. Net cash outflow from financing activities (II-I)</b>	<b>3039</b>		
<b>E. TOTAL CASH INFLOW (3001+3013+3025)</b>	<b>3040</b>	1,351,853	1,076,288
<b>F. TOTAL CASH OUTFLOW (3005+3019+3031)</b>	<b>3041</b>	810,056	1,061,785
<b>G. NET CASH INFLOW ( 3040-3041 )</b>	<b>3042</b>	541,797	14,503
<b>H. NET CASH OUTFLOW (3041-3040)</b>	<b>3043</b>		
<b>I. CASH BALANCE AT BEGINNING OF REPORTING PERIOD</b>	<b>3044</b>	251,917	128,791
<b>J. EXCHANGE RATE GAINS FROM CASH TRANSLATION</b>	<b>3045</b>	322	
<b>K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION</b>	<b>3046</b>		4,927
<b>L. CASH BALANCE AT END OF REPORTING PERIOD ( 3042-3043+3044+3045-3046)</b>	<b>3047</b>	794,036	138,367

## STATEMENT OF OTHER RESULTS

from 01.01.2018. until 30.06.2018.

RSD thousand

DESCRIPTION	EDP	Total			
		current period		previous period	
		quarter	cumulative	quarter	cumulative
1	2	3	4	5	6
<b>A. NET OPERATING RESULTS</b>					
I. NET PROFIT (EDP 1064)	2001	648,614	954,797	469,979	482,933
II. NET LOSSES (EDP 1065)	2002				
<b>B. OTHER COMPERHENSIVE GAINS OR LOSSES</b>					
<b>a) Items not reclassifiable in the balance sheet in future periods</b>					
1. Change of revaluation of intangibles, property, plant and equipment					
a) increase in revaluation reserves	2003				
b) decrease in revaluation reserves	2004				
2. Actuarial gains or losses from defined income plans					
a) gains	2005				
b) losses	2006				
3. Gains and losses from equity instrument investments					
a) gains	2007				
b) losses	2008				
4. Gains and losses from share of other comprehensive profits and losses of affiliates					
a) gains	2009				
b) losses	2010				
<b>b) Items that may be reclassified in the balance sheet in future periods</b>					
1. Gains and losses from translation of financial statements for foreign operations					
a) gains	2011				
b) losses	2012				
2. Gains and losses from hedging of net investments in foreign operations					
a) gains	2013				
b) losses	2014				
3. Gains and losses from cash flow hedging					
a) gains	2015				
b) losses	2016				
4. Gains and losses from available for sale securities					
a) gains	2017	9,780	9,171	4,064	8,534
b) losses	2018			21	37
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019	9,780	9,171	4,043	8,497
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020				
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022	9,780	9,171	4,043	8,497
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023				
<b>C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD</b>					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024	658,394	963,968	474,022	491,430
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025				
<b>D. TOTAL COMPREHENSIVE NET PROFIT OR LOSSES (2027+2028) = AOP 2024 ≥ 0 or AOP 2025 &gt; 0</b>	2026				
1. Payable to majority shareholders	2027				
2. Payable to non-controlling shareholders	2028				





**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30/06/2018**

Belgrade, 2018

**C O N T E N T S**

1.	COMPANY BACKGROUND.....	4
2.	MANAGEMENT STRUCTURE.....	6
3.	OWNERSHIP STRUCTURE .....	7
4.	BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS	8
5.	MANAGEMENT EVALUATION AND JUDGEMENTS .....	9
6.	OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES .....	10
7.	OPERATING INCOME.....	10
	7.1. Income from Sale of Products and Services .....	10
	7.2. Other Operating Income.....	11
8.	MATERIAL COSTS AND FUEL AND ENERGY COST .....	12
9.	EMPLOYEE EXPENSES AND BENEFITS.....	13
10.	PRODUCTION SERVICE COSTS .....	13
11.	DEPRECIATION EXPENSES AND PROVISION EXPENSE.....	14
12.	INTANGIBLE EXPENSES .....	14
13.	FINANCIAL INCOME AND FINANCIAL EXPENSE.....	15
	13.1. Financial Income.....	15
	13.2. Financial Expense .....	16
14.	OTHER INCOME AND OTHER EXPENSES .....	17
	14.1. Other Income.....	17
	14.2. Other Expenses .....	17
15.	NET PROFIT / LOSS FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGE IN ACCOUNTING POLICIES AND ADJUSTMENTS OF ERRORS FROM PREVIOUS YEARS .....	18
16.	PROFIT / LOSS BEFORE TAX.....	18
17.	PROFIT TAX AND NET PROFIT .....	19
18.	INTANGIBLES ASSETS .....	20
19.	PROPERTY, PLANT AND EQUIPMENT .....	21
	19.1. Property, Plant and Equipment Exclusive of Investment Property.....	21
	19.2. Investment Property .....	23
20.	LONG-TERM FINANCIAL INVESTMENTS .....	24
	20.1. Share Investments .....	25

20.2. Long-Term Financial Investments .....	28
21. INVENTORIES.....	29
22. RECEIVABLES FROM SALES .....	29
23. RECEIVABLES FROM SPECIAL TRANSACTIONS .....	31
24. OTHER RECEIVABLES.....	34
25. SHORT-TERM FINANCIAL INVESTMENTS .....	36
26. CASH AND CASH EQUIVALENTS .....	37
27. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED EXPENSES AND DEFERRED INCOME.....	38
28. CAPITAL .....	39
28.1. Equity Capital .....	40
28.2. Repurchase of own shares.....	41
28.3. Reserves .....	42
28.4. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment ...	42
28.5. Unrealized Losses from Securities and Other Components of Other Comprehensive Result (debit balance under account class 33, excl. 330).....	43
28.6. Retained Earnings .....	43
29. LONG-TERM PROVISIONS .....	44
30. SHORT-TERM FINANCIAL LIABILITIES .....	44
30.1. Short-Term Credits and Loans Domestic.....	45
30.2. Other Short-Term Financial Liabilities.....	45
31. RECEIVED ADVANCES, DEPOSITS AND BONDS.....	46
32. OPERATING LIABILITIES.....	46
33. OTHER SHORT-TERM LIABILITIES .....	49
34. LIABILITIES FOR VALUE ADDED TAX, LIABILITIES FOR OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE AND ACCRUED EXPENSES AND DEFERRED INCOME .....	50
34.1. Liabilities for Value Added Tax .....	50
34.2. Liabilities for Other Taxes, Contributions and Fees Payable .....	50
34.3. Accrued Expenses and Deferred Income .....	51
35. DEFERRED TAX ASSETS AND LIABILITIES .....	51
36. OFF-BALANCE SHEET ASSETS AND LIABILITIES .....	52
37. MORTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY .....	53
38. COMMITMENT AND CONTINGENCIES.....	54
39. POST BALANCE SHEET EVENTS.....	57

## 1. COMPANY BACKGROUND

Energoprojekt Holding Plc. Belgrade (hereinafter: the Company) is a public joint stock company with the core business activity code 6420 – activity of holding companies.

The Company harmonized its operations with the Companies Law in vigour (RS Official Gazette No. 36/2011, 99/2011, 83/2014 – other law and 5/2015) by passing the Decision on Harmonization of Company's Articles of Association with the Companies Law adopted on the General Assembly meeting on March 16, 2012 and by passing the Articles of Association on the General Assembly meeting on January 12, 2012. Those Decisions mentioned, including the change of company data in business registers, are duly registered.

Following decisions made on Shareholders' General Meetings, celebrated on June 28, 2013 and June 17, 2014, the Company has made changes in its Articles of Association, which was duly registered with the Serbian Business Registers Agency.

### General Company Data

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

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

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

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

- Energoprojekt Visokogradnja Plc.,
- Energoprojekt Niskogradnja Plc.,
- Energoprojekt Oprema Plc.,
- Energoprojekt Hidroinzenjering Plc.,
- Energoprojekt Urbanizam i arhitektura Plc.,
- Energoprojekt Energodata Plc.,
- Energoprojekt Industrija Plc.,
- Energoprojekt Entel Plc.,
- Energoprojekt Promet Ltd.,
- Energoprojekt Sunnyville Ltd. and
- Energoprojekt Park 11 Ltd.

As at March 13, 2018, the Company has sold the whole its capital share of Energoprojekt Garant Plc. (92.94%), so that starting from the above mentioned date, all the income and expenses derived from business relation with related company were recorded as income and expenses related to other legal entities (up to March 13, 2018 were recorded as income and expenses of subsidiary companies) (Note 20.1).

**Subsidiary companies abroad – international companies** are as follows:

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

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

- Enjub Ltd.

**The affiliated company in the country is:**

- Fima SEE Activist Plc.

The following Table contains data on the ownership share in mentioned subsidiaries as at June 30, 2018:

<i>Equity investments in subsidiary legal entities</i>	
<i>Name of the subsidiary company</i>	<i>ownership %</i>
<i>In the country:</i>	
Energoprojekt Visokogradnja Plc.	100.00
Energoprojekt Niskogradnja Plc.	100.00
Energoprojekt Oprema Plc.	67.87
Energoprojekt Hidroinženjering Plc.	100.00
Energoprojekt Urbanizam i arhitektura Plc.	100.00
Energoprojekt Energodata Plc.	100.00
Energoprojekt Industrija Plc.	62.77
Energoprojekt Entel Plc.	86.26
Energoprojekt Promet Ltd.	100.00
Energoprojekt Sunnyville Ltd.	100.00
Energoprojekt Park 11 Ltd.	100.00
<i>Abroad:</i>	
Zambia Engineering and Contracting Company Limited, Zambia	100.00
Energoprojekt Holding Guinee S.A, Guinea	100.00
I.N.E.C. Engineering Company Limited, UK	100.00
Encom GmbH Consulting, Engineering & Trading, Germany	100.00
Dom 12 S.A.L, Lebanon	100.00
Energo (private) Limited, Zimbabwe	100.00
Energo Kaz d.o.o., Kazakhstan	100.00

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

<i>Equity share in other related legal entities in the country</i>	
<i>Name of the joint company</i>	<i>% ownership</i>
Enjub Ltd.	50.00
<i>Name of the affiliated company</i>	<i>% ownership</i>
Fima SEE Activist Ltd.	30.45

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

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

**The average number of employees** with the Company in the reporting period, based on the actual number of employees at the end of each month, is 76 (as at December 31, 2017: 75).

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

The financial statements that are subject of these Notes are the **financial statements of the Company for the period from January 1 till June 30, 2018**, that were approved by the Executive Board of the Company on August, 14, 2018 at 91st meeting of the Company and are not subject to an audit by an external auditor.

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

Company Management estimates that Company will continue with its business for the ilimited time-period, and does not expect any significant changes in activities, so that Company financial statements as at June 30, 2018 are made in respect with the principle of permanence.

## 2. MANAGEMENT STRUCTURE

**Key management of the Company** of the reporting period of 2018 included the following persons:

- Stojan Colakov - General Manager;
- Vladimir Visnjic - Executive Manager for finances, accounting and plan;
- Milan Mamula – Executive Manager for legal affairs and
- Bogdan Uzelac – Executive Manager for operational projects.

## 3. OWNERSHIP STRUCTURE

According to records of the Central Securities Depository, the registered ownership structure of the Company as at June 30, 2018 is presented in the Note 28.1.

#### **4. BASIS FOR THE PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS**

Financial statements of the Company were prepared in compliance with the Law on Accounting and Auditing (RS Official Gazette, No. 62/2013 and 30/2018 - hereinafter: the Law).

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

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

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

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

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

- Law on Corporate Income Tax (RS Official Gazette, No. 25/2001, 80/2002, 43/2003, 84/2004, 18/2010, 101/2011, 119/2012, 47/2013, 108/2013, 68/2014 – other law, 142/2014, 91/2015 – authentic interpretation, 112/2015 and 113/2017),
- Law on Added Value Tax (RS Official Gazette, No. 84/2004, 86/2014 - adjusted RSD amounts, 86/2004 - corrigendum, 61/2005, 61/2007, 93/2012, 108/2013, 68/2014 - other law, 142/2014, 83/2015, 5/2016 - adjusted RSD amounts, 108/2016, 7/2017 - adjusted RSD amounts, 108/2016 and 7/2017 – adjusted RSD amounts, 113/2017 and 13/2018 - adjusted RSD amounts and 30/2018),
- Rules on the Contents of Tax Balance and Other Issues of Relevance for Calculation of Corporate Income Tax (RS Official Gazette, No. 99/2010, 8/2011, 13/2012, 8/2013 and 20/2014 – other Rules);

- Rules on the Contents of Tax Return for Calculation of Corporate Income Tax (RS Official Gazette, No. 30/2015 and 101/2016);
- Rules on Method of Classification of Non-Current Assets and on Method of Calculation of Depreciation for Taxing Purposes (RS Official Gazette, No. 116/2004 and 99/2010);
- Rules on Transfer Prices and Methods Applied in compliance with the “at arm’s length” principle in determining the price of transactions among related parties (RS Official Gazette, No. 61/2013 and 8/2014) and other.

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

The Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015 and 108/2016) set down mandatory data to be included in the annual, six monthly and quarterly statements of public companies with securities listed in the regulated markets.

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

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

- Pursuant to the Law on Accounting (RS Official Gazette, No. 62/2013 and 30/2018), the financial statements in the Republic of Serbia are to be presented in the format stipulated by the Rules on the Contents and Form of the Financial Statements Forms for Companies, Cooperatives and Entrepreneurs (RS Official Gazette, No. 95/2014 and 144/2014), which deviates from the presentation and names of certain general purpose financial statements, as well as from the presentation of certain balance positions stipulated by the Revised IAS 1 - “Presentation of Financial Statements“; and
- Off-balance assets and off-balance liabilities were presented in the Balance Sheet form. According to the IFRS definition, these items are neither assets, nor liabilities.

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

## **Functional currency and currency used for data presentation**

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

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

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

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

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

<i>Currency</i>	<i>June 30, 2018</i>	<i>December 31, 2017</i>	<i>June 30, 2017</i>	<i>December 31, 2016</i>
	<i>Amount in RSD</i>			
EUR 1	118.0676	118.4727	120.8486	123.4723
USD 1	101.3369	99.1155	105.6461	117.1353
GBP 1	132.8991	133.4302	137.4842	143.8065

## **5. MANAGEMENT EVALUATION AND JUDGEMENTS**

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

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

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

recoverable (fair or value in use) value of assets in business books of the Company was overstated, the adjustment of value is applied.

## 6. OVERVIEW OF PRINCIPAL ACCOUNTING POLICIES

The basic accounting policies applied in preparation of these financial statements, which were primarily based on the Rulebook on Accounting and Accounting Policies of the Company, are in line with the accounting policies applied in preparation of the financial statements for the year that ended on December 31, 2017, and were applied consistently to all the presented years, unless specified otherwise.

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

According to the above mentioned, starting from January 01, 2018 the Company prospectively applies IFRIC Interpretation 22 – Foreign Currency Transactions and Advance Consideration issued by Interpretation Committee for International Financial Reporting Standards – IFRIC, by the end of 2016.

## INCOME STATEMENT

### 7. OPERATING INCOME

#### 7.1. Income from Sale of Products and Services

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

<b>Structure of income from sale of products and services</b>	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Income from sale of finished products and services to parent company and subsidiaries on local market	188.751	211.771
Income from sale of finished products and services on local market	42	25
Income from sale of finished products and services on foreign markets		
<b>TOTAL</b>	<b>188.793</b>	<b>211.796</b>

**Income from the sale of finished products and services to parent companies and subsidiaries on local market** are based on services rendered by the Company to its subsidiaries, in accordance with agreements approved and adopted by the competent management bodies of the Company and of the subsidiaries, in compliance with the relevant legal acts and these amounted to RSD 188,751 thousand.

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

<b>Structure of income from the sale of finished products and services to subsidiaries on local market</b>	<i>In RD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Energoprojekt Garant Ltd.		1.354
Energoprojekt Visokogradnja PLc.	48.193	56.374
Energoprojekt Niskogradnja Plc.	64.277	73.729
Energoprojekt Hidroinženjering Plc.	6.800	7.631
Energoprojekt Entel Plc.	24.304	24.864
Energoprojekt Energodata Plc.	3.016	3.262
Energoprojekt Industrija Plc.	3.075	3.446
Energoprojekt Urbanizam i arhitektura Plc.	1.892	2.092
Energoprojekt Oprema Plc.	25.604	34.957
Energoprojekt Sunnyville Ltd.	2.720	4.062
Energoprojekt Park 11 Ltd.	8.870	
<b>TOTAL</b>	<b>188.751</b>	<b>211.771</b>

**Income from the sale of finished products and services on local market** in the amount of RSD 42 thousand were generated from the sales of flight tickets.

## 7.2. Other Operating Income

<b>Structure of other operating income</b>	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Incomes from the rent collected from parent, subsidiary and other related companies	7.628	10.125
Incomes from the rent collected from other legal entities on local market	5.236	105
Other operating income (externally)	30	56
<i>Total</i>	<i>12.894</i>	<i>10.286</i>
<b>TOTAL</b>	<b>12.894</b>	<b>10.286</b>

**Incomes from the rent collected from parent, subsidiary and other related companies** amounting to RSD 7,628 thousand, were generated based on renting of:

- portion of the “Samacki Hotel” complex in 24 Batajnicketi Drum, which has been rented since 2011 to Energoprojekt Visokogradnja in the amount of RSD 6,548 thousand,
- portion of the Energoprojekt Building, which has been rented since 2013 to the Energoprojekt Garant for RSD 864 thousand (till March 13, 2018 - Note 1) and
- portion of Energoprojekt Building, which has been rented since 2016 to the Energoprojekt Sunnyville, for RSD 216 thousand.

**Incomes from the rent collected from other legal entities on local market** amounting to RSD 5,236 thousand, were generated, mainly, from renting of:

- portion of the “Samacki Hotel” complex in 24 Batajnicketi Drum which has been rented since August 2017 to Jerry Catering Service Ltd. in the amount of RSD 3,869 thousand and
- portion of Energoprojekt building to Energoprojekt Garant – in the amount of RSD 1,276 thousand (from March 14, 2018 - Note 1).

## 8. MATERIAL COSTS AND FUEL AND ENERGY COST

Structure of material cost and fuel and energy costs	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06 2017</i>
Material costs:		
a) Costs of other materials (overheads)	3.213	3.695
b) Costs of one-off write-off of tools and inventory		817
<i>Total</i>	<i>3.213</i>	<i>4.512</i>
Fuels and energy costs:		
a) Costs of fuel	469	1.402
b) Costs of electrical energy and heating	9.493	10.459
<i>Total</i>	<i>9.962</i>	<i>11.861</i>
<b>TOTAL</b>	<b><i>13.175</i></b>	<b><i>16.373</i></b>

**Costs of other material (overheads)** amounting to RSD 3,213 thousand refer to office stationery in the amount of RSD 1,117 thousand, professional and expert literature, magazines, etc. amounting to RSD 647 thousand and other material costs amounting to RSD 1,449 thousand.

## 9. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Expenses of wages and fringe benefits (gross)	76.596	92.455
Taxes and contributions on wages and contributions on wages payable by employer	12.330	11.664
Service agreements contributions	1.883	2.459
Copyright agreements contributions	166	90
Costs of contributions for contract fees for temporary and periodical engagement	1.147	629
Considerations to General Manager and/or Management and Supervisory Board members	6.512	6.022
Other personnel expenses and fringe benefits	6.033	5.680
<b>TOTAL</b>	<b>104.667</b>	<b>118.999</b>
Average number of employees	76	73

**Other personnel expenses and fringe benefits** amounting to RSD 6,033 thousand mainly refer to the business trips' expenses amounting to RSD 3,299 thousand and expenses for employee commuting reimbursements amounting to RSD 1,417 thousand.

## 10. PRODUCTION SERVICE COSTS

Structure of production service cost	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Transportation services cost	1.425	2.198
Repairs and maintenance services cost	18.471	17.795
Rental costs	54	248
Fair participation costs		54
Advertising costs	738	9.038
Other services costs	7.553	8.041
<b>TOTAL</b>	<b>28.241</b>	<b>37.374</b>

**Transportation services costs** in the amount of RSD 1,425 thousand refer to the landline costs and mobile phone costs, Internet services, taxi services, parking services, cars, road tolls, etc

**Repairs and maintenance services costs** amounting to RSD 18,471 thousand pertain primarily to investment maintenance of the Energoprojekt Building amounting to RSD 17,209 thousand and to the ongoing maintenance of equipment amounting to RSD 1,133 thousand.

**Advertising costs** amounting to RSD 738 thousand relate dominantly to sponsorship of the 25th Kopaonik Business Forum, in the amount of RSD 593 thousand.

**Costs of other services** amounting to RSD 7,553 thousand refer to the photocopying costs and costs of technical and operational support: RSD: 3,428 thousand, provided, mainly, by the Energoprojekt Energodata in multimedia presentations, updating and preparation of advertising and promo materials for info-board, graphic design services and other; licenses' costs: RSD 2,205 thousand; utility services: RSD 1,523 thousand and safety at work and car registration expenses: RSD 397 thousand.

## 11. DEPRECIATION EXPENSES AND PROVISION EXPENSE

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 18)	1.594	1.580
b) Depreciation of property, plant and equipment (Note 19.1.)	9.043	9.973
<i>Total</i>	<i>10.637</i>	<i>11.553</i>
Provisions expenses:		
Provisions for contributions and other personnel benefits		
<i>Total</i>		
<b>TOTAL</b>	<b>10.637</b>	<b>11.553</b>

Depreciation expenses for the reporting period were calculated based on the appraisal of residual values and the remaining useful life as at December 31, 2017 for property and equipment with significant booking value, since there were no changes of relevance that would require additional appraisal as at the balance date as well.

## 12. INTANGIBLE EXPENSES

Structure of intangible expenses	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Intangible expenses	12.096	11.481
Expense account	2.489	3.158
Insurance premiums expenses	937	946
Payment operations' expenses	2.558	1.882
Membership fee expenses	405	2.049
Tax duties	9.854	13.153
Other non-operating expenses	1.705	7.611
<b>TOTAL</b>	<b>30.044</b>	<b>40.280</b>

**Intangible expenses** amounting to RSD 12,096 thousand pertain to the costs of attorney fees, consulting and intellectual services, professional training, financial statements' audit costs, education of employees, broker services, Belgrade Stock Exchange services, cleaning services and other costs.

**Expense accounts** amounting to RSD 2,489 thousand include primarily the catering services.

**Insurance premium expenses** amounting to RSD 937 thousand refer to the insurance of property and persons.

**Payment operations expenses** amounting to RSD 2,558 thousand thousand pertain to the local payment operations costs, mainly to credit approving fees and bank warranties.

**Membership fee expenses** amounting to RSD 405 thousand, refer to Serbian Chamber of Commerce memberships, as well as memberships to other chambers, federations and associations.

**Tax duties** in the amount of RSD 9,854 thousand refer predominantly to the property tax amounting to RSD 9,508 thousand.

**Other non-operating expenses** amounting to RSD 1,705 thousand, refer to duties and lawsuit expenses amounting to RSD 675 thousand, and expenses involving financing of disabled persons earnings, in the amount of RSD 211 thousand and expenses for printing the Energoprojekt Review Magazine in the amount of RSD 423 thousand.

### 13. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### 13.1. Financial Income

Structure of financial income	In RSD thousand	
	01/01-30/06/ 2018	01/01-30/06/ 2017
Financial income from transactions with parent companies and subsidiaries	574.588	516.782
Financial income from other related companies	4.831	5.006
Income from dividends		
<i>Total financial income from the related parties and other financial income</i>	<i>579.419</i>	<i>521.788</i>
Interest income (third party)	6.499	1.107
Exchange rate gains and positive currency clause effects (third party)	5.128	31.285
<b>TOTAL</b>	<b>591.046</b>	<b>554.180</b>

**Financial income from transactions with parent companies and subsidiaries** amounting to RSD 574,588 thousand refer to interest income from subsidiaries amounting to RSD 18,609 thousand, income from the effects of foreign exchange clauses and foreign exchange gains from subsidiaries amounting to RSD 172 thousand and income from dividends, amounting RSD 555,807 thousand originating from subsidiaries as follows:

- Energoprojekt Niskogradnja amounting RSD 123,930 thousand (last year comparison period: RSD 62,711 thousand).

- Energoprojekt Entel amounting RSD 431,877 thousand (last year comparison period: RSD: 269,695 thousand).

**Financial income from other related companies** in the amount of RSD 4,831 thousand relates completely to the interest income from the joint venture Enjub Ltd.

**Interest income (third party)** in the amount of RSD 6,499 thousand refers to the interest calculated on the term deposits.

**Exchange rate gains and positive currency clause effects (third party)** in the amount of RSD 5,128 thousand refer to gains in FX exchange: RSD 35 thousand and income from the effects of foreign currency clause in the amount of RSD 5,093 thousand, the largest portion of which pertains to the effects of foreign currency clause based on loans received from banks, amounting RSD 4,209 thousand.

### 13.2. Financial Expense

Structure of financial expense	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Financial expenses from transactions with parent company and subsidiaries	6.847	32.178
Financial expenses from transactions with other related companies	769	4.786
<i>Total financial expense incurred from related parties and other financial expense</i>	<i>7.616</i>	<i>36.964</i>
Interest expenses (third party)	15.694	15.149
Exchange rate losses and negative currency clause effects (third party)	1.858	14.892
<b>TOTAL</b>	<b>25.168</b>	<b>67.005</b>

**Financial expenses from transactions with parent companies and subsidiaries** amounting to RSD 6,847 thousand pertain to the expenses incurred from the effects of foreign currency clauses and negative effects of foreign exchange rates from transactions with subsidiaries, the largest portion of which pertains to the effects of foreign currency effects for receivables (Energoprojekt Sunnyville, Energoprojekt Niskogradnja and Energoprojekt Visokogradnja and Energoprojekt Park 11) and receivables based on selling (Energoprojekt Visokogradnja).

**Financial expenses from transactions with other related companies** amounting to RSD 769 thousand pertain to the expenses incurred from the effects of foreign currency clauses of the Enjub Ltd.

**Interest expense (third party)** in the amount of RSD 15,694 thousand, relate predominantly to the interest expense from domestic current liquidity loans, in the amount of RSD 15,692 thousand granted by Erste bank, Societe Generale bank, VTB bank, Banca Intesa and Komercijalna Bank.

**Exchange rate losses and negative currency clause effects (third effects)** in the amount of RSD 1,858 thousand refer to the negative foreign exchange rates in the amount of RSD 59 thousand and expenses based on effects of foreign currency clauses, in the amount of RSD 1,799 thousand mainly for effects of foreign currency clauses based on receivables for non-invoiced income from the construction of Embassy building in Abuja, in the amount of RSD 1,285 thousand.

#### 14. OTHER INCOME AND OTHER EXPENSES

##### 14.1. Other Income

Structure of other income	In RSD thousand	
	01/01-30/06/ 2018	01/01-30/06/ 2017
Income from selling intangible assets, real estate, plant and equipment	95.262	221
Income from selling shares and securities	353.729	
Other non-mentioned income	157	96
<b>TOTAL</b>	<b>449.148</b>	<b>317</b>

**Income from selling intangible assets, real estate, plant and equipment** in the amount of RSD 95,262 thousand refer to land transmission as non-cash stake at market value, following the Decision of Supervisory Board.

**Income from selling shares and securities** in the amount of RSD 353,729 thousand relate to income from selling capital shares of Belgrade Mixed Company, Plc. Belgrade, in the amount of RSD 207,718 thousand and Energoprojekt Garant in the amount of RSD 146,011 thousand (Note 20.1).

**Other non-mentioned income** in the amount of RSD 157 thousand refer to the income from the sales of used paper.

##### 14.2. Other Expenses

Structure of other expenses	In RSD thousand	
	01/01-30/06/ 2018	01/01-30/06/ 2017
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment		64
Other non-mentioned expenses	6.973	1.886
<b>TOTAL</b>	<b>6.973</b>	<b>1.950</b>

**Other non-mentioned expenses** in the amount of RSD 6,973 thousand dominantly refer to donation granted in the amount of RSD 6,819 thousand (mainly to Office for Kosovo and Metohija for construction of two houses dedicated to housing threatened people: RSD 6,522 thousand).

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

Structure of net profit/loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	<i>In RSD thousand</i>	
	<i>01/01-30/06/2018</i>	<i>01/01-30/06/2017</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	2.231	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		112
<b>TOTAL</b>	<b>2.231</b>	<b>112</b>

**Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year** in the amount of RSD 2,231 thousand mainly came as a result of subsequently defined income and expenses from previous period, that are not of any material significance, but were recognized as liabilities or receivables in current period.

**16. PROFIT / LOSS BEFORE TAX**

Structure of gross result	<i>In RSD thousand</i>	
	<i>01/01-30/06/2018</i>	<i>01/01-30/06/2017</i>
Operating income	201.687	222.082
Operating expenses	186.764	224.579
<b>Operating result</b>	<b>14.923</b>	<b>(2.497)</b>
Financial income	591.046	554.180
Financial expenses	25.168	67.005
<b>Financial result</b>	<b>565.878</b>	<b>487.175</b>
Other income	449.148	317
Other expenses	6.973	1.950
<b>Result of other revenues and expenses</b>	<b>442.175</b>	<b>(1.633)</b>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	2.231	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		112
<b>TOTAL INCOME</b>	<b>1.244.112</b>	<b>776.579</b>
<b>TOTAL EXPENSE</b>	<b>218.905</b>	<b>293.646</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>1.025.207</b>	<b>482.933</b>

## 17. PROFIT TAX AND NET PROFIT

<b>Structure of calculation of profit tax and net profit</b>	<i>In RSD thousand</i>	
	<i>01/01-30/06/ 2018</i>	<i>01/01-30/06/ 2017</i>
Profit before tax	1.025.207	482.933
Profit/(losses) in Income Statement	(95.262)	
Adjustment and net correction of revenues/(expenses) in tax balance	(555.807)	(505.712)
<b>Taxable profit</b>	<b>374.138</b>	<b>(22.779)</b>
Amount of loss in tax balance from previous years up to the amount of taxable profit		
<b>Other taxable profit</b>	<b>374.138</b>	
Capital gains/(losses) calculated in compliance with the law	95.262	
<b>Tax basis</b>	<b>469.400</b>	
Calculated tax (15% of tax base)	70.410	
Total deductions from the calculated tax		
<b>Calculated tax after deductions</b>	<b>70.410</b>	
Profit / (loss) before tax	1.025.207	482.933
Tax loss of the period	70.410	
<b>Net profit</b>	<b>954.797</b>	<b>482.933</b>

Calculated tax in the amount of RSD 70,410 thousands refer to estimated amount of income tax liabilities (15% of total income), for the reporting period, and not to actual calculated liabilities based on tax referring to Income Statement (Note 34.2).

Estimated liabilities of the income tax as at June 30, 2018, are not calculated into overpaid profit tax recorded in Receivables for overpaid profit tax (Note 24).

## BALANCE SHEET

## 18. INTANGIBLES ASSETS

In RSD thousand

Structure of intangible assets	Softwares and other rights	Intangible assets in preparation	Advance payments for intangible assets	Total
<b><u>Purchase Value</u></b>				
<b>Balance as at January 1, 2017</b>	16.170	7		<b>16.177</b>
Correction of opening balance				
Transfer from one form to another	7	(7)		
New purchases	1.835			<b>1.835</b>
Disposal and decommissioning				
<b>Balance as at December 31, 2017</b>	<b>18.012</b>			<b>18.012</b>
Correction of opening balance				
Transfer from one form to another				
New purchases				
Disposal and decommissioning				
<b>Balance as at June 30, 2018</b>	<b>18.012</b>			<b>18.012</b>
<b><u>Impairment</u></b>				
<b>Balance as at January 1, 2017</b>	6.967			<b>6.967</b>
Correction of opening balance				
Depreciation	3.174			<b>3.174</b>
Disposal and decommissioning				
Impairment				
<b>Balance as at December 31, 2017</b>	<b>10.141</b>			<b>10.141</b>
Correction of opening balance				
Depreciation	1.594			<b>1.594</b>
Disposal and decommissioning				
Impairment				
<b>Balance as at June 30, 2018</b>	<b>11.735</b>			<b>11.735</b>
<b><u>Net Book value</u></b>				
<b>31.Dec.17</b>	<b>7.871</b>			<b>7.871</b>
<b>30.Jun.18</b>	<b>6.277</b>			<b>6.277</b>

19. PROPERTY, PLANT AND EQUIPMENT

19.1. Property, Plant and Equipment Exclusive of Investment Property

In RSD thousand

Structure of property, plant and equipment	Buildings	Plant and equipment	Other property, plant and equipment	Property, plant and equipment in progress	Advance payments for property, plant and equipment	Total
<b><i>Purchase value</i></b>						
<b>Balance as at January 01, 2017</b>	<b>1.325.585</b>	<b>114.215</b>	<b>283</b>		<b>46.749</b>	<b>1.486.832</b>
Correction of opening balance						
New purchases during the year		14.203		276.390		<b>290.593</b>
Other transfers from/(to)		200			(200)	
Disposal and decommissioning		(11.946)				<b>(11.946)</b>
Profit/(loss) included in Report as "Other result" (330)						
FX gains and losses					(1.885)	<b>(1.885)</b>
Other increases/(decreases)						
<b>Balance as at December 31, 2017</b>	<b>1.325.585</b>	<b>116.672</b>	<b>283</b>	<b>276.390</b>	<b>44.664</b>	<b>1.763.594</b>
Correction of opening balance						
New purchases during the year		1.068		4.008		<b>5.076</b>
Other transfers from/(to)						
Disposal and decommissioning		(7.070)				<b>(7.070)</b>
Profit/(loss) included in Report as "Other result" (330)						
FX gains and losses						
Other increases/(decreases)				(280.398)		<b>(280.398)</b>
<b>Balance as at June 30, 2018</b>	<b>1.325.585</b>	<b>110.670</b>	<b>283</b>		<b>44.664</b>	<b>1.481.202</b>
<b><i>Impairment</i></b>						
<b>Balance as at January 1, 2017</b>		<b>82.030</b>				<b>82.030</b>
Correction of opening balance						
Depreciation	11.814	7.609				<b>19.423</b>
Disposal and decommissioning		(10.010)				<b>(10.010)</b>
Other increases/(decreases)						
<b>Balance as at December 31, 2017</b>	<b>11.814</b>	<b>79.629</b>				<b>91.443</b>
Correction of opening balance						
Depreciation	5.816	3.227				<b>9.043</b>
Disposal and decommissioning		(1.495)				<b>(1.495)</b>
Other increases/(decreases)						
<b>Balance as at June 30, 2018</b>	<b>17.630</b>	<b>81.361</b>				<b>98.991</b>
<b><i>Net Book Value</i></b>						
<b>Balance as at December 31, 2017</b>	<b>1.313.771</b>	<b>37.043</b>	<b>283</b>	<b>276.390</b>	<b>44.664</b>	<b>1.672.151</b>
<b>Balance as at June 30, 2018</b>	<b>1.307.955</b>	<b>29.309</b>	<b>283</b>		<b>44.664</b>	<b>1.382.211</b>

On December 31, 2017 the residual value and the remaining useful lifetime for the property and equipment with significant accounting value were evaluated, based on which depreciation costs were calculated for the reporting period.

### **Assessment of Fair Value of Buildings**

The fair value of buildings is usually the market value thereof that is established through valuation performed by independent qualified valutors based on market evidence.

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

The Company in its business books has the registered object - "**Office building Energoprojekt**" carried at revalued amount at the assessment date.

**The Energoprojekt building** was booked at the revalorized value as at June 30, 2018 in the amount of RSD 1,307,955 thousand, i.e, it was performed by reducing the last assessment of the fair value for depreciation accumulated. The ultimate valuation was performed on December 31, 2016 by an external independent qualified valuer by using the comparative method. According to relevant provisions of IAS 16, having in mind that fluctuations of fair value for the mentioned building were insignificant, it was not necessary to appraise its fair value as at December 31, 2017, as well as at Balance Sheet day.

Starting from revalorized value of the building in question as at December 31, 2017, residual value as at December 31, 2017 and established remaining useful lifetime (100 years; remaining useful life as at June 30, 2018. 64 years), the depreciation cost for this building in the reporting period, due to the residual value that is lower than its fair value, amounts to RSD 5,816 thousand.

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

*In RSD thousand*

No.	Building	Opening balance	Residual value as at balance sheet date	Remaining useful life	Depreciation	Profit / (losses) included in report on "Other Income"	Closing balance
1	Energoprojekt building	1.313.771	558.443	64	5.816		1.307.955
	<b>TOTAL</b>	<b>1.313.771</b>	<b>558.443</b>	<b>64</b>	<b>5.816</b>		<b>1.307.955</b>

If the revaluated items had been presented by using the cost value method, their current value would amount to RSD 529,803 thousand.

**Advances for property, plant and equipment** in the amount of RSD 44,664 thousand, refer to the advance paid to the Republic of Serbia for the purchase of properties in Uganda, Peru and Nigeria.

As at June 30, 2018 the Company has no property or equipment mortgaged or taken as lien to be used as collateral for financial obligations.

## 19.2. Investment Property

Investment property	<i>In RSD thousand</i>	
	30/06/2018	31/12/2017
<b>Balance as at January 1</b>	556.822	590.198
Additional investments	1.892	73.424
Disposal and decommissioning		(83.961)
Profit/(losses) included in Income Statement		(22.839)
<b>Closing balance</b>	<b>558.714</b>	<b>556.822</b>

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

Profit and loss related to investment property included in Profit and Loss	<i>In RSD thousand</i>	
	30/06/2018	30/06/2017
Rental income (Note 7.2.)	10.417	7.274
Direct operating expenses incurred from investment property that generated rental income during the year (Samacki Hotel complex)	(1.413)	(1.524)
Direct operating expenses incurred from investment property that did not generate rental income during the year (stari Mercator, business premises)		(191)
<b>TOTAL</b>	<b>9.004</b>	<b>5.559</b>

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

*In RSD thousand*

No.	Investment property	Opening balance	Profit (losses) included in Income Statement	Increases / (purchasing additional investment, etc.)	Closing balance
1	"Samacki hotel" complex	556.822		1.892	558.714
	<b>TOTAL</b>	<b>556.822</b>		<b>1.892</b>	<b>558.714</b>

In its books, the Company posted the fair value of its investment property in the amount of RSD 558,714 thousand, according to its value determined by means of its fair value measurement, related to „Samacki hotel“ complex, with total area of 8,034,00 m<sup>2</sup>, and the right on use of construction land with total surface of 18,598,00 m<sup>2</sup>, at Batajnički drum No.24, in Zemun.

Valuation of the fair value of investment property as at December 31, 2017 was performed by independent valuer holding recognized and relevant professional qualifications and recent relevant

work experience with relevant locations and categories of investment property appraised. Valuers used the Cost method for buildings (having in mind specific characteristics of the valuation object and the fact that on market there is no similar premisses for selling/renting, with the similar location) and also the Comparative method for land.

Based on renting the mentioned investment property to Energoprojekt Visokogradnja and Jerry Catering Service Ltd. the income in the amount of RSD 10,417 thousand (Note 7.2).

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

Investment property „Stari Mercator“ office premisses, covering area of 643 m<sup>2</sup>, at Palmira Toljatija St. No.5, New Belgrade, on December 26, 2017 was sold to the NBA Investment Ltd.

## 20. LONG-TERM FINANCIAL INVESTMENTS

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Shares in subsidiaries	5.551.134	5.772.783
Shares in affiliated companies and joint ventures	30.613	30.613
Shares in other companies and other available for sale securities	126.099	215.087
Long-term investments in parent companies and subsidiaries	977.462	950.334
Other long-term financial investments	1.257	1.297
<i>Total</i>	<i>6.686.565</i>	<i>6.970.114</i>
<i>Impairment</i>	<i>(804.381)</i>	<i>(813.552)</i>
<b>TOTAL</b>	<b>5.882.184</b>	<b>6.156.562</b>

## 20.1. Share Investments

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

Structuof share investments	share %	<i>In RSD thousand</i>	
		<i>30/06/2018</i>	<i>31/12/2017</i>
<b><i>Share in subsidiaries</i></b>			
Energoprojekt Visokogradnja Plc.	100,00%	1.833.551	1.833.315
Energoprojekt Niskogradnja Plc.	100,00%	1.104.904	1.104.904
Energoprojekt Oprema Plc.	67,87%	121.316	121.316
Energoprojekt Hidroinženjering Plc.	100,00%	427.626	427.626
Energoprojekt Urbanizam i arhitektura Plc.	100,00%	192.642	192.642
Energoprojekt Energodata Plc.	100,00%	194.862	194.862
Energoprojekt Industrija Plc.	62,77%	61.209	61.209
Energoprojekt Entel Plc.	86,26%	216.422	216.422
Energoprojekt Garant Plc.		-	597.545
Energoprojekt Sunnyville Ltd.	100,00%	2.500	2.500
Energoprojek Park 11 Ltd.	100,00%	375.660	-
I.N.E.C. Engineering Company Limited, UK	100,00%	70.311	70.311
Encom GmbH Consulting, Engineering & Trading, Germany	100,00%	3.493	3.493
Dom 12 S.A.L., Lebanon	100,00%	924.749	924.749
Energo Kaz d.o.o., Kazakhstan	100,00%	101	101
Zambia Engineering and Contracting Company Limited, Zambia	100,00%	587	587
Energoprojekt Holding Guinee S.A., Guinea	100,00%	1.628	1.628
Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur	100,00%	19.574	19.574
<i>Impairment</i>		<i>(715.065)</i>	<i>(715.065)</i>
<b>Total</b>		<b>4.836.070</b>	<b>5.057.719</b>
<b><i>Share in affiliate companies and joint ventures</i></b>			
Necco Nigerian Engenering and Construction CO LTD, Kano, Nigeria	40,00%	1.063	1.063
Fima see Activist Plc.	30,45%	16.000	16.000
Enjub Ltd.	50,00%	13.550	13.550
<i>Impairment</i>		<i>(1.063)</i>	<i>(1.063)</i>
<b>Total</b>		<b>29.550</b>	<b>29.550</b>
<b><i>Share in other companies and other available for sale securities</i></b>			
Beogradsko mešovito preduzeće Plc. Belgrade		-	88.988
Dunav osiguranje Plc.	0,01%	5.814	5.814
Jubmes banka Plc.	1,41%	120.176	120.176
Beogradska berza Plc.	0,12%	100	100
Poljoprivredna banka Agrobanka Plc. Belgrade - in bankruptcy	0,36%	7	7
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankruptcy	0,0005%	1	1
Pinki Zemun Plc.	0,004%		
<i>Impairment</i>		<i>(88.253)</i>	<i>(97.424)</i>
<b>Total</b>		<b>37.845</b>	<b>117.662</b>
<b>TOTAL</b>		<b>4.903.465</b>	<b>5.204.931</b>

Equity investments with value adjustment are presented in the following Table.

<b>Share investments - adjustment value</b>	<i>In RSD thousand</i>		
	<i>Gross investment amount</i>	<i>Adjustment value</i>	<i>Net investment value</i>
<b>Share in subsidiaries</b>			
Energoprojekt Visokogradnja Plc.	1.833.551	(641.633)	1.191.918
Energoprojekt Urbanizam i arhitektura Plc.	192.642	(44.277)	148.365
I.N.E.C. Engineering Company Limited, UK	70.311	(7.953)	62.358
Energoprojekt Holding Guinee S.A., Guinea	1.628	(1.628)	-
Energoprojekt (Malaysia) Sdn. Bhd., Kuala Lumpur	19.574	(19.574)	-
<b>Total</b>	<b>2.117.706</b>	<b>(715.065)</b>	<b>1.402.641</b>
<b>Share in affiliated companies and joint ventures:</b>			
Necco Nigerian Engenering and Construction CO LTD, Kano, Nigeria	1.063	(1.063)	-
<b>Total</b>	<b>1.063</b>	<b>(1.063)</b>	<b>0</b>
<b>Share in other companies and other available for sale securities:</b>			
Banks and financial organizations and other legal entities:			
Dunav osiguranje Plc.	5.814	(5.182)	632
Jubmes banka Plc.	120.176	(83.063)	37.113
Agrobanka Plc. Belgrade - in bankruptcy	7	(7)	-
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankruptcy	1	(1)	-
<b>Total</b>	<b>125.998</b>	<b>(88.253)</b>	<b>37.745</b>
<b>TOTAL</b>	<b>2.244.767</b>	<b>(804.381)</b>	<b>1.440.386</b>

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

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

Increase in share investment in Energoprojekt Visokogradnja in 2018. compared with the reference year came as the result of the Decision of the Commercial Court of Appeal, according to which the Company paid to the minority shareholders the total of RSD 236 thousand as the difference in share price, with accrued interest and court expenses.

According to Contract for acquiring of shares (signed on November 26, 2017 between the Company and Sava Re Pozarovalnica Sava Co.), Company has sold its total share in capital of Energoprojekt Garant, i.e. 92.94% (Note 14.1), by block transaction made through Belgrade Stock Exchange, on March 9, 2018. This selling was following the disclosure of announcement on inexistence of intention

for realization of offer for overtaking, where the intention for disposal of 146,155 shares of issuer Energoprojekt Garant owned by the Company. This transaction was ballanced on March 13, 2018. This trade was following the approval of National Bank of Serbia, given to the buyer to acquire mentioned share.

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

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

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

**Share in other companies and other available for sale securities** are measured at market (fair) value, if it is possible to define it.

The change in the position share in other companies and other available for sale securities was recorded due to selling of 441 shares of Beogradsko Mešovito preduzeće Plc., Belgrade, on March 14, 2018 to Luella Enterprises Company LIM, Cyprus (Note 14.1) and as result of the adjustment of the value of shares in Company's portfolio of shares (Jubmes Banka Plc. and Dunav Insurance Plc.), with their fair value in the secondary securities' market as at the financial statements date (which are presented in the account for impairment of equity investments and profit and loss from securities available for sale).

The Company has made equity investments in the following banks with listed shares in the Belgrade Stock Exchange and their fair value was determined based on their current market value as at June 30, 2018:

- Dunav Insurance Plc: 527 shares, with the market value as at the balance sheet day of RSD 1,200.00 per share and
- Jubmes Banka Plc.: 4.056 shares, with the market value of RSD 9,150.00 per share.

The Company has share in capital in legal entities, as follows:

- Beogradska berza Plc.: 5 shares with market value of RSD 20,000.00 each, in total RSD 100,000.00;
- Poljoprivredna banka Agrobanka Plc. Belgrade – in bankruptcy: 15 shares with market value of RSD 500.00 each, in total RSD 7,500.00, which was made worthless by inventory as at December 31, 2016;

- Beogradska industrija piva, slada i bezalkoholnih pića Plc. Belgrade – in bankruptcy: 47 shares with market value of RSD 29.78 each, in total RSD 1,400.00, which was made worthless by inventory as at December 31, 2016; and
- Pinki - Zemun Plc.: 3 shares with market value of RSD 52.00 each, in total RSD 156.00.

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

Financial assets available for sale are presented in RSD.

## 20.2. Long-Term Financial Investments

Structure of long-term financial investments	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Long-term investments in parent companies and subsidiaries	977.462	950.334
<i>Impairment</i>		
<i>Total</i>	<i>977.462</i>	<i>950.334</i>
Other long-term financial investments:		
Housing loans granted to employees	1.257	1.297
<i>Impairment</i>		
<i>Total</i>	<i>1.257</i>	<i>1.297</i>
<b>TOTAL</b>	<b><i>978.719</i></b>	<b><i>951.631</i></b>

**Long-term financial investments in parent companies and subsidiaries** in the amount of RSD 977,462 thousand refer to the long-term loans, with interest rate calculated according to „at arm’s length“ principle, for 2018, which is 3.42% annually, granted to:

- Energoprojekt Sunnyville in the amount of RSD 584,517 thousand RSD under the Contract on loan rescheduling No. 375 with maturity period till December 31, 2019,
- Energoprojekt Niskogradnja in the amount of RSD 195,267 thousand, under the Contract on loan rescheduling No. 377 with maturity period till December 31, 2019,
- Energoprojekt Visokogradnja in the amount of RSD 158,062 thousand, under the Annex 1 of the Contract on loan No. 210 with maturity period till December 31, 2019, and
- Energoprojekt Park 11 in the amount of RSD 39,616 thousand under the Annex 1 of the Contract on loan rescheduling No. 376 with maturity period till December 31, 2020.

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

**The long-term housing loans granted to employees** in the amount of RSD 1.257 thousand that are presented among other long-term financial investments refer to four interest-free housing credits

granted to employees, two of which were granted on June 10, 1992 for the repayment period of 38.5 years, and the remaining two loans were granted on November 28, 1995 for the repayment period of 40 years. In compliance with the terms and provisions of the loan agreements and in compliance with the provisions of the Law on Amendments and Addenda to the Law on Housing, the Company performs revalorisation of loan instalments twice a year based on the trends in consumer prices in the Republic of Serbia for the given accounting period. A portion of the long-term financial investments made on this basis with maturity dates up to one year that is being regularly repaid/collected amounts to RSD 79 thousand (Note 25).

## 21. INVENTORIES

Structure of inventories	In RSD thousand	
	30/06/2018	31/12/2017
Advances paid for inventories and services:		
a) Advances paid for inventories and services to parent companies and subsidiaries		
b) Advances paid for material, spare parts and inventory	185	308
c) Advances paid for services	5.479	6.458
<i>Total</i>	5.664	6.766
<i>Impairment</i>		
<b>TOTAL</b>	<b>5.664</b>	<b>6.766</b>

**Advances paid for material, spare parts and inventory** amounting RSD 185 thousand, dominantly relates to advances paid to suppliers for fuel, in the amount of RSD 182 thousand.

**Advance payments paid for services** in the amount of RSD 5.479 thousand primarily pertain to advance payments to Ringier Axel Springer Ltd. in the amount of RSD 4,800 thousand (contract on commercial adds canceled and apply for advanced payment return placed in March 2018, while in April 2018 the arraign was placed, with great chance of winning the case - Note 38) and Belgrade Stock Exchange Plc. in the amount of RSD 632 thousand (mainly as annual fee for organized share trading in 2018, in the amount of RSD 620 thousand).

## 22. RECEIVABLES FROM SALES

Structure of receivables from sales	In RSD thousand	
	30/06/2018	31/12/2017
Local buyers - parent company and subsidiaries	874.319	688.367
Local buyers - other related companies	705	705
Local buyers (externally)	504	274
<i>Impairment</i>		
<b>TOTAL</b>	<b>875.528</b>	<b>689.346</b>

**Local buyers – parent companies and subsidiaries** refer to the receivables based on service agreements, lease contracts, etc. related to legal entities.

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

<b>Structure of local buyers - parent companies and subsidiaries</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Trade receivables domestic - subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	642.975	493.963
Energoprojekt Niskogradnja Plc.	86.474	60.819
Energoprojekt Sunnyville Ltd.	31.781	26.199
Energoprojekt Entel Plc.	30.490	30.512
Energoprojekt Oprema Plc.	21.184	0
Energoprojekt Hidroinženjering Plc.	19.544	24.448
Energoprojekt Urbanizam i arhitektura Plc.	16.842	16.534
Energoprojekt Energodata Plc.	13.437	14.408
Energoprojekt Park 11 Ltd.	10.978	353
Energoprojekt Industrija Plc.	614	20.870
Energoprojekt Garant Plc.		261
<b>Total</b>	<b>874.319</b>	<b>688.367</b>
<i>Trade receivables domestic - other related parties:</i>		
Enjub Ltd.	705	705
<b>Total</b>	<b>705</b>	<b>705</b>
<i>Trade receivables domestic (externally)</i>	504	274
<b>Total</b>	<b>504</b>	<b>274</b>
<b>TOTAL</b>	<b>875.528</b>	<b>689.346</b>

Receivables from sales which raised comparing to last years' period, mainly came as result of changes in accounting records of receivables based on leasing from subsidiaries (in Energoprojekt Visokogradnja and Energoprojekt Sunnyville), which was at December 31, 2017 was recorded as Receivables from special transactions (Note 23).

The Company has not been presented with any collection collaterals for local buyers – other related companies and local buyers (external), except Jerry catering service Ltd., Belgrade (3 signed blank solo promissory notes to be filled out by beneficiary as collateral).

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

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

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

<b>Aging receivables structure based on sales</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Local buyers - parent companies and subsidiaries:</i>		
a) Current	39.038	75.450
b) Up to 30 days	31.917	18.472
c) 30 - 60 days	31.611	13.506
d) 60 - 90 days	31.611	27.671
e) 90 - 365 days	211.574	140.706
f) 365 days +	528.568	412.562
<b>Total</b>	<b>874.319</b>	<b>688.367</b>
<i>Local buyers - other related legal entities:</i>		
a) Current		
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +	705	705
<b>Total</b>	<b>705</b>	<b>705</b>
<i>Local buyers - external</i>		
a) Current	504	274
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>504</b>	<b>274</b>
<b>TOTAL</b>	<b>875.528</b>	<b>689.346</b>

### 23. RECEIVABLES FROM SPECIAL TRANSACTIONS

<b>Structure of recivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Receivables from special transactions from parent companies and subsidiaries	2.616	93.942
Receivables from special transactions from other related companies	2.048	2.047
Receivables from special transactions from other companies	667	2.215
<i>Impairment</i>		
<b>TOTAL</b>	<b>5.331</b>	<b>98.204</b>

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

<b>Structure of receivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Receivables from special transactions from parent companies and subsidiaries</i>		
Energoprojekt Hidroinženjering Plc.	1.058	456
Energoprojekt Visokogradnja Plc.	843	90.203
I.N.E.C. Engineering Company Limited, UK	277	
Zambia Engineering and Contracting Company Limited, Zambia	217	
Energoprojekt Niskogradnja Plc.	86	666
Energoprojekt Energodata Plc.	47	1
Energoprojekt Oprema Plc.	43	
Energoprojekt Urbanizam i arhitektura Plc.	23	
Energoprojekt Entel Plc.	15	
Energoprojekt Industrija Plc.	7	16
Energoprojekt Garant Plc.		438
Energoprojekt Sunnyville Ltd.		2.162
Energoprojekt Park 11 Ltd.		
<b>Total</b>	<b>2.616</b>	<b>93.942</b>
<i>Receivables from special transactions from other related companies:</i>		
Enjub Ltd.	2.048	2.047
<b>Total</b>	<b>2.048</b>	<b>2.047</b>
<i>Receivables from special transactions from other legal entities:</i>		
Jerry Catering Service Ltd.	657	2.169
Ivan Musić		30
NBA Investment Ltd.		15
Energoprojekt Union Organization	1	1
Energoprojekt Garant Ltd.	9	
<b>Total</b>	<b>667</b>	<b>2.215</b>

**Receivables from special transactions from parent companies and subsidiaries** in the amount of RSD 2,616 thousand refer to receivables from air-tickets recalculated (in the amount of RSD 1,637 thousand, mainly within Energoprojekt Hidroinženjering: RSD 1,043 thousand and Energoprojekt Visokogradnja: RSD 548 thousand), membership fees in Commercial Chamber of Building Industry of Serbia, phone bills, etc.

The reduction of receivables from special transactions comparing to last years' period came as result of changes in accounting records of receivables based on leasing from subsidiaries, which was, from January 01, 2018 recorded as Receivables from sales (Note 22).

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

<b>Changes in value adjustment for receivables from special transactions</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Balance as at January 1		868
Additional impairment provision		
Direktan otpis prethodno ispravljenih potraživanja		(868)
FX gains and losses		
<b>TOTAL</b>	<b>0</b>	<b>0</b>

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

<b>Aging structure of receivables based on special transactions</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Receivables from special transactions from parent companies and subsidiaries:</i>		
a) Current	1.744	2.494
b) Up to 30 days	409	2.095
c) 30 - 60 days	90	1.463
d) 60 - 90 days	211	1.462
e) 90 - 365 days	162	13.533
f) 365 days +		72.895
<i>Total</i>	<i>2.616</i>	<i>93.942</i>
<i>Receivables from special transactions from other companies:</i>		
a) Current		
b) Up to 30 days	1	
c) 30 - 60 days		
d) 60 - 90 days		23
e) 90 - 365 days	85	132
f) 365 days +	1.962	1.892
<i>Total</i>	<i>2.048</i>	<i>2.047</i>
<i>Receivables from special transactions from other legal entities:</i>		
a) Current	79	2.185
b) Up to 30 days	588	
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		30
<i>Total</i>	<i>667</i>	<i>2.215</i>
<b>TOTAL</b>	<b>5.331</b>	<b>98.204</b>

## 24. OTHER RECEIVABLES

Structure of other receivables	In RSD thousand	
	30/06/2018	31/12/2017
Interest and dividend receivables:		
a) Interest and dividend receivable from parent companies and subsidiaries	558.184	
b) Interest and dividend receivable from related companies	69.422	64.819
<i>Total</i>	<i>627.606</i>	<i>64.819</i>
Receivables from employees	160	3
Receivables for overpaid profit tax	16.173	10.465
Receivables for overpaid taxes and contributions		111
Receivables for fringe benefits' returns	405	1.418
Other short-term receivables	21	
<i>Impairment</i>		
<b>TOTAL</b>	<b>644.365</b>	<b>76.816</b>

**Structure of interest and dividend receivables** in the amount of RSD 627,606 thousand is presented in the following Table.

Structure of interest and dividend receivables	In RSD thousand	
	30/06/2018	31/12/2017
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	985	
Energoprojekt Energodata Plc.	792	
Energoprojekt Urbanizam i arhitektura Plc.	483	
Energoprojekt Niskogradnja Plc.	76	
Energoprojekt Oprema Plc.	41	
<i>Total</i>	<i>2.377</i>	<i>0</i>
<i>Dividend receivables from parent companies and subsidiaries:</i>		
Energoprojekt Entel Plc. (pay-day: November 14, 2018)	431.877	
Energoprojekt Niskogradnja Plc. (pay-day: November 1, 2018)	123.930	
<i>Total</i>	<i>555.807</i>	<i>0</i>
<i>Interest receivables from other related companies:</i>		
Enjub Ltd.	69.422	64.819
<i>Total</i>	<i>69.422</i>	<i>64.819</i>
<b>TOTAL</b>	<b>627.606</b>	<b>64.819</b>

**Receivables for overpaid profit tax** in the amount of RSD 16,173 thousand refer to overpaid profit tax after tax return submitted for 2017.

The Company has estimated tax return liabilities for income tax, for the reporting period, in the amount of RSD 70,410 thousand, which was not calculated with prepaid income tax, as at June 30, 2018 (Note 17).

**Receivables for fringe benefits' returns** in the amount of RSD 405 thousand relate to the receivables for sick leave longer than 30 days and maternity leaves.

Aging receivables structure of other receivables is presented in the following table.

<b>Aging structure of other receivables</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Other receivables from parent companies and subsidiaries:</i>		
a) Current	558.184	
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>558.184</b>	<b>-</b>
<i>Other receivables from other related companies:</i>		
a) Current	69.422	2.461
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		2.460
e) 90 - 365 days		4.845
f) 365 days +		55.053
<b>Total</b>	<b>69.422</b>	<b>64.819</b>
<i>Other receivables - other:</i>		
a) Current	16.688	10.899
b) Up to 30 days	71	133
c) 30 - 60 days		202
d) 60 - 90 days		124
e) 90 - 365 days		553
f) 365 days +		86
<b>Total</b>	<b>16.759</b>	<b>11.997</b>
<b>TOTAL</b>	<b>644.365</b>	<b>76.816</b>

## 25. SHORT-TERM FINANCIAL INVESTMENTS

Structure of short-term financial investments	In RSD thousand	
	30/06/2018	31/12/2017
Short-term loans and investments - parent companies and subsidiaries	511.031	33.212
Short-term loans and investments - other related companies	157.667	158.208
Portion of other long-term financial investments with maturity date up to one year	79	79
<i>Impairment</i>		
<b>TOTAL</b>	<b>668.777</b>	<b>191.499</b>

Short-term loans and investments – subsidiaries and other affiliated companies pertain to the loans approved with maturity dates up to 12 months and with interest rate 3.10% annually up to 5.84% (calculated according to „arms' length“ principle, for 2018) for subsidiaries and 3M Euribor + 6.50% annually for joint venture.

No.	Borrower and Agreement No.	Loan amount in EUR thousand	Remaining receivables from loan in EUR thousand	Remaining receivables from loan in RSD thousand	Maturity date	Loan terms and conditions
<b>1</b>	<b>EP Energodata Plc.</b>					
	Loan Rescheduling Agreement No.379	14	14	1.664	31/12/2018	3.10% annually
	Loan Contract No.147	160	160	18.891	15/08/2018	3.10% annually
	Loan Contract No.175	50	50	5.903	30/09/2018	3.10% annually
	Loan Contract No.109/28	700	700	82.647	26/06/2018	3.10% annually
<b>2</b>	<b>EP Urbanizam i arhitektura Plc.</b>					
	Loan Rescheduling Agreement No.378	266	266	31.435	31/12/2018	3.10% annually
<b>3</b>	<b>EP Oprema a.d.</b>					
	Loan Contract No.159 dated on 30/05	133	133	15.742	31/08/2018	3.10% annually
<b>4</b>	<b>EP Niskogradnja a.d.</b>					
	Loan Contract No. 190 dated on 26/06/2018			95.000	26/07/2018	5.84% annually
<b>5</b>	<b>EP Visokogradnja a.d.</b>					
	Loan Contract No.141 dated on 14/05/2018	2.000	2.000	236.135,00	14/08/2018.	3.10% annually
	Loan Contract No.186 dated on 20/06/2018	200	200	23.614,00	20/09/2018	3.10% annually
<b>Total for subsidiaries</b>		<b>3.523</b>	<b>3.523</b>	<b>511.031</b>		
<b>1</b>	<b>Enjub Ltd.</b>					
	Annex No.10 for Loan Contract No.367	137	137	16.234	31/12/2018	3M Euribor + 6,5% annually
	Annex No.6 for Loan Rescheduling Agreement No.115	1.198	1.198	141.433	31/12/2018	3M Euribor + 6,5% annually
<b>Total for other related companies</b>		<b>1.335</b>	<b>1.335</b>	<b>157.667</b>		
<b>UKUPNO</b>		<b>4.858</b>	<b>4.858</b>	<b>668.698</b>		

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

As collaterals for loan repayment pursuant to:

- Annex No. 10 of the Loan Contract No. 367 concluded with Enjub Ltd. in the amount of RSD 16.234 thousand (EUR 137 thousand), the Company has an extrajudicial mortgage for the entire loan amount for apartments in 91A Jurija Gagarina Street in New Belgrade, as collateral for loan repayment; and
- Annex No. 6 of the Loan Rescheduling Agreement No. 115 concluded with Enjub Ltd. in the amount of RSD 141.433 thousand (EUR 1,198 thousand), a mortgage bond was issued (mortgage has not been registered) for real estate (apartments and office space) in 93, 93A and 91A Jurija Gagarina (Note 37).

**Portion of other long-term financial investments with maturity of up to one year** in the amount of RSD 79 thousand relate to the long-term housing loans granted to employees with maturity of up to one year (Note 20.2.)

## 26. CASH AND CASH EQUIVALENTS

Structure of cash and cash equivalents	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Current (business) account	207.095	10.346
Foreign currency account	172	169
Foreign currency petty cash		
<i>Other cash:</i>		
a) Short-term deposits	586.655	241.304
b) Other cash	16	
<i>Total</i>	<i>586.671</i>	<i>241.304</i>
Cash with limited use or reduced value	98	98
<b>TOTAL</b>	<b>794.036</b>	<b>251.917</b>

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

**Short term deposits** in the amount of RSD 586,655 thousand refer to the short term deposits held with business banks in the country (Unicredit Bank, Eurobank, Addiko Bank, Societe Generale Bank, NLB Bank and Bank Postal Savings) with 6 months' period, and interest rate ranging from 2.52% to 2.75% for RSD, from 0.80% to 1.35% for EUR and 1.60% for USD, with the option to terminate the term deposit contract at any given moment. The term deposits are in RSD, EUR and USD, namely: RSD 409,116 thousand, EUR 1,195 thousand and USD 360 thousand.

## 27. VALUE ADDED TAX AND PREPAYMENTS AND ACCRUED EXPENSES AND DEFERRED INCOME

Structure of prepayments and accrued income	In RSD thousand	
	30/06/2018	31/12/2017
<i>Prepayments:</i>		
a) Prepaid expenses - parent companies and subsidiaries	2.331	1.916
b) Prepaid subscriptions for expert and professional publications	445	489
c) Prepaid insurance premiums	569	133
<i>Total</i>	<i>3.345</i>	<i>2.538</i>
<i>Receivables for accrued non-invoiced income:</i>		
a) Receivables for accrued non-invoiced income - parent company and subsidiaries		
b) Receivables for accrued non-invoiced income - other legal entities	374.540	375.825
<i>Total</i>	<i>374.540</i>	<i>375.825</i>
<i>Other prepayments and accrued expenses:</i>		
a) Prepaid value added tax	58	410
b) Other prepayments and deferred income	33.122	13.433
<i>Total</i>	<i>33.180</i>	<i>13.843</i>
<b>TOTAL</b>	<b>411.065</b>	<b>392.206</b>

**Prepaid expenses - parent companies and subsidiaries** in the amount of RSD 2,331 thousand entirely relates to Energoprojekt Energodata, based on advanced payment of licence fees.

**Prepaid insurance premiums** for property and personal insurance in the amount of RSD 569 thousand mainly refer to Energoprojekt Garant, in the amount of RSD 379 thousand.

**Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 374,540 thousand refer to the realization of the Agreement on Construction of the Republic of Serbia Embassy Building in Abuja, Federal Republic of Nigeria, a turnkey project, on the cadastral lot No. 313, registered in the Real Estate Registry, Cadastral Zone A00.

**Prepaid value added tax (VAT)** in the amount of RSD 58 thousand includes added value tax from prepared invoices for the reporting period; the right to deduction of the previous tax can be exercised in the following calculation period, since the invoices arrived after the tax return for June 2018 was filled.

**Other prepayments and deferred income** in the amount of RSD 33,180 thousand relate mainly to receivables from disputed services realized in 2017 by Ringier Axel Springer Ltd. in the amount of RSD 13,200 thousand (in Aprilu 2018, arraign was placed, with a big chance for winning the case – Note 38), to calculated property tax for Q3 and Q4 of 2018 in the amount of RSD 9,274 thousand and for developing of the location in Block 45 object C and Block 70 object C, in the amount of RSD 8,631 thousand (the mentioned payment will be balanced in forthcoming period).

## 28. CAPITAL

*In RSD thousand*

DESCRIPTION	Share capital	Other share capital	Issuing premium	Purchased own shares	Reserves	Revaluation reserves	Unrealized gains/losses on securities	Retained earnings	Total
<b>Balance as at January 1, 2017</b>	5.574.959	27.178	1.600.485		134.881	782.098	(28.869)	331.164	8.421.896
Net profit for the year								438.933	438.933
Other comprehensive result:									
a) Changes in fair value of financial assets available for sale							9.988		9.988
b) Revaluation									
c) Other - levelling of present value, IAS 12 et al.									
Total - other comprehensive result							9.988		9.988
Total comprehensive result for 2016							9.988	438.933	448.921
Corrections									
Increase in share capital									
Profit distribution					80.000			(296.672)	(216.672)
Other - own shares			(74.321)	(49.827)					(124.148)
<b>Balance as at December 31, 2017</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	782.098	(18.881)	473.425	8.529.997
Net profit for the year								954.797	954.797
Other comprehensive result:									
a) Changes in fair value of financial assets available for sale							9.171		9.171
b) Revaluation									
c) Other - levelling of present value, IAS 12 et al.									
Total - other comprehensive result							9.171		9.171
Total comprehensive result as at June 30, 2018							9.171	954.797	963.968
Corrections									
Increase in share capital									
Profit distribution								(216.671)	(216.671)
Other - own shares									
<b>Balance as at June 30, 2018</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	782.098	(9.710)	1.211.551	9.277.294

## 28.1. Equity Capital

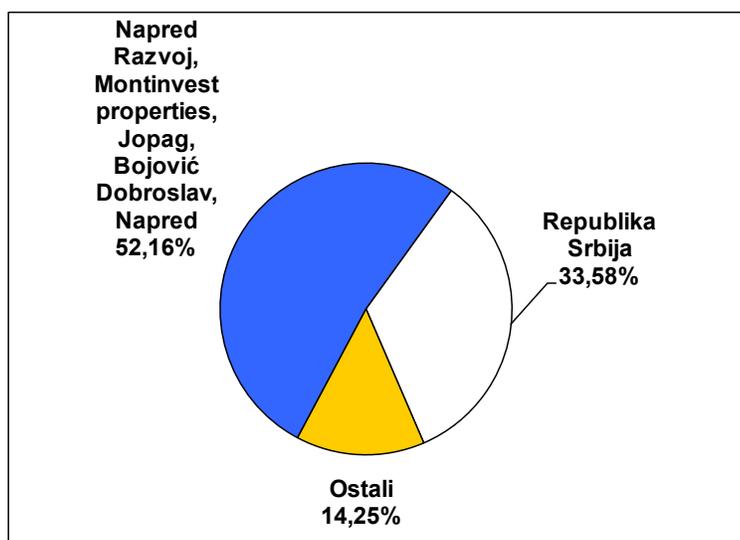
According to the Central Securities, Depository and Clearing House Register, the Company's present ownership structure as at June 30, 2018 is as follows:

	broj akcija	% od ukupne emisije
<b>Akcije u vlasništvu fizičkih lica</b>	<b>759.754</b>	<b>6,95%</b>
<b>Akcije u vlasništvu pravnih lica</b>	<b>9.802.520</b>	<b>89,67%</b>
- Republika Srbija	3.671.205	33,58%
- Ostala pravna lica	6.131.315	56,09%
<b>Zbirni (kastodi) račun</b>	<b>369.018</b>	<b>3,38%</b>
<b>Ukupan broj akcija</b>	<b>10.931.292</b>	<b>100%</b>

Broj akcionara sa učešćem u kapitalu	broj lica			broj akcija			% od ukupne emisije		
	domaća	strana	total	domaća	strana	total	domaća	strana	total
do 5%	3.659	170	3.829	1.375.407	239.532	1.614.939	12,58%	2,19%	14,77%
od 5% do 10%	1	1	2	564.699	560.731	1.125.430	5,17%	5,13%	10,30%
preko 10% do 25%	0	0	0	0	0	0	0,00%	0%	0,00%
preko 25% do 33%	0	0	0	0	0	0	0,00%	0,00%	0,00%
preko 33% do 50%	2	0	2	8.190.923	0	8.190.923	74,93%	0,00%	74,93%
preko 50% do 66%	0	0	0	0	0	0	0,00%	0,00%	0,00%
preko 66% do 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
preko 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
<b>Ukupan broj</b>	<b>3.662</b>	<b>171</b>	<b>3.833</b>	<b>10.131.029</b>	<b>800.263</b>	<b>10.931.292</b>	<b>92,68%</b>	<b>7,32%</b>	<b>100,00%</b>

Redosled prvih 10 akcionara po broju akcija/glasova :

Naziv	broj akcija	% od ukupne emisije
Napred Razvoj a.d. Novi Beograd	4.519.718	41,35%
Republika Srbija	3.671.205	33,58%
Montinvest Properties d.o.o.	564.699	5,17%
Jopag ag	560.731	5,13%
Tezoro broker ad - zbimi račun	199.692	1,83%
Energoprojekt Holding a.d.	97.700	0,89%
Tezoro broker ad	81.150	0,74%
Global Macro Capital Opportuni	74.772	0,68%
East Capital-East Capital Balk	70.000	0,64%
Polunin Discovery Funds	58.965	0,54%



**Structure of equity capital is presented in the following Table.**

Structure of equity capital	In RSD thousand	
	30/06/2018	31/12/2017
<i>Share capital:</i>		
a) Share capital in parent companies, subsidiaries and other related companies		
b) Share capital (externally)	5.574.959	5.574.959
<i>Total</i>	<i>5.574.959</i>	<i>5.574.959</i>
Issuing premiums	1.526.164	1.526.164
Other share capital	27.178	27.178
<b>TOTAL</b>	<b>7.128.301</b>	<b>7.128.301</b>

**Share capital** consists of 10,931,292 ordinary shares with nominal value of RSD 510.00 (RSD 5,574,959 thousand) and nominal book value of RSD 848.69.

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

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

**Issuing premium** of RSD 1,526,164 is positive difference between the achieved selling price per share and the nominal value of such shares, which is the result of the conversion of shares of the Energoprojekt Group subsidiaries into Company shares at the par value of 1:1 in 2006, in the amount of RSD 1,363,471 thousand, based on repurchase and sale of own shares of the Company in the period from 2006 to 2011 in the amount of RSD 237,014 thousand, and based on repurchase of own shares at a value above the nominal value in 2017 in the amount of RSD 74,321 thousand, reduced for anterior issuing premium sum (Note 28.2).

**Other share capital** was created by the reposting of non-business assets sources in 2005 in the total of RSD 27,178 thousand.

## 28.2. Repurchase of own shares

Structure of repurchased own shares	In RSD thousand	
	30/06/2018	31/12/2017
Repurchased own shares	49.827	49.827
<b>TOTAL</b>	<b>49.827</b>	<b>49.827</b>

Pursuant to Decision on Acquiring own shares on regulated market, made by Supervisory Board, on February 13, 2017, being active on Belgrade Stock exchange the Company has acquired 97,700 own shares (representing 0.89376% of total shares with the right to vote), with nominal value of RSD 49,827 thousand.

### 28.3. Reserves

Structure of reserves	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Legal reserves	23.185	23.185
Statutory reserves	111.696	111.696
Other reserves	80.000	80.000
<b>TOTAL</b>	<b>214.881</b>	<b>214.881</b>

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

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

By the Decision of Shareholders General Meeting from 2017, **the special purpose reserves** dedicated to acquiring of own shares for distribution to employees of the Company or related company, or for members of the Executive Board and Supervisory Board preming were formed, pursuant to art.282, parr.4, line 2) of the Company Law, in the amount of RSD 80,000 thousand.

### 28.4. Revaluation Reserves from Revaluation of Intangibles, Property, Plant and Equipment

Structure of revaluation reserves from revaluation of intangibles, property, plant and equipment	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Revaluation reserves based on revaluation of property - Energoprojekt building	782.098	782.098
<b>TOTAL</b>	<b>782.098</b>	<b>782.098</b>

The following was disclosed in the Revaluation reserves from revaluation of property - Energoprojekt building position, in the amount of RSD 782,098 thousand:

- Effects of posting of the fair value of the Energoprojekt building as at December 31, 2016 in the amount of RSD 821,572 thousand;
- Levelling of the present value per m<sup>2</sup> of the Energoprojekt building in the amount of RSD 98,543 thousand; and
- Posting of 15% profit tax (negative aspect of revaluation reserves) for the amount of deferred tax on the basis of revaluation reserves, in compliance with IAS 12 - Income Taxes, in the amount of RSD 138,017 thousand.

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

Structure of unrealized losses from securities and other components of other comprehensive results (debit balances under account class 33, excl. 330)	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Unrealized losses on securities available for sale	9.710	18.881
<b>TOTAL</b>	<b>9.710</b>	<b>18.881</b>

Changes in the position of **Unrealized losses on securities available for sale**, comparing last years' period, in the amount of RSD 9,171 thousand, relate to adjustments of value of securities in Company portfolio (Jubmes Bank Plc. and Dunav Insurance Plc.), with their fair value in the secondary securities market as at the financial statements date (Note 20.1.).

**28.6. Retained Earnings**

Structure of retained earnings	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Retained earnings from previous years</i>		
a) Balance as at January 1 of reported period	473.425	331.164
b) Correction of profit based on income tax		
c) Profit distribution	(216.671)	(296.672)
<i>Total</i>	<i>256.754</i>	<i>34.492</i>
Retained earnings from current year	954.797	438.933
<b>TOTAL</b>	<b>1.211.551</b>	<b>473.425</b>

On the 48th regular Annual General Meeting of the Company, held on June 14th, 2018, following the item 3 of the Agenda, the Resolution on Distribution of Undistributed Profits as at December 31<sup>st</sup>, 2017 in the amount of RSD 473,426 thousand, as follows:

- for dividend payment, in the gross total of RSD 20.00 per share to the Company's shareholders or in total amount of RSD 216,672 thousand;
- the remaining balance of RSD 256,754 thousand will be retained as undistributed profit.

Dividend shall be paid to shareholders on November 30th, 2018.

Retained earnings from current year in the amount of RSD 954,797 thousand relates to Company's net income generated in the reporting period.

## 29. LONG-TERM PROVISIONS

Long-term provisions are recognized in the following cases:

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

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

*In RSD thousand*

Structure of long-term provisions	Provision for wages and other employee benefits	TOTAL
<b>Balance as at January 1, 2017</b>	2.347	2.347
Additional provisions	517	517
Used during the year	(129)	(129)
Cancelling of unused amounts		
<b>Balance as at December 31, 2017</b>	2.735	2.735
Additional provisions		
Used during the year	(139)	(139)
Cancelling of unused amounts		
<b>Balance as at June 30, 2018</b>	<b>2.596</b>	<b>2.596</b>

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

## 30. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Short-term credits and loans domestic	1.364.861	1.251.072
<i>Other short-term financial liabilities:</i>		
a) Portion of long-term liabilities with maturity date up to one year		
b) Other short-term financial liabilities		120
Total	-	120
<b>TOTAL</b>	<b>1.364.861</b>	<b>1.251.192</b>

### 30.1. Short-Term Credits and Loans Domestic

Structure of short-term credits and loans domestic	Interest rate	In RSD thousand	
		30/06/2018	31/12/2017
Short-term loans granted by banks domestically:			
a) Dinar loans			
b) Loans with foreign currency clause	3M Euribor + 2.90% annually, 3M Euribor + 3.00% annually, 2.50% annually	1.364.861	1.251.072
<b>UKUPNO</b>		<b>1.364.861</b>	<b>1.251.072</b>

**Short-term loans from banks in the country with a currency clause (EUR)** in the amount of RSD 1,364,861 thousand relate to loans granted by:

- Erste Bank Plc. in the amount of RSD 590,338 thousand with the interest rate of 3M Euribor + 2.90% per annum. 6 blank promissory notes of the Company and 6 blank promissory notes of Energoprojekt Niskogradnja were provided as collateral for loan repayment,
- Societe Generale Banka Plc. in the amount of RSD 425,043 thousand with the interest rate of 2.50% per annum. 5 blank promissory notes of the Company were provided as collateral for loan repayment, as well as 5 blank promissory notes of Energoprojekt Niskogradnja, Energoprojekt Visokogradnja and Energoprojekt Hidroinženjeing and 3 blank promissory notes of Energoprojekt Oprema;
- Komercijalna Bank Plc. in the amount of RSD 236,135 thousand, with interest rate of 3M Euribor + 3.00% annually. As collateral for loan repayment, 15 blank promissory notes of the Company were provided, as well as 15 blank promissory notes from Energoprojekt Niskogradnja, Energoprojekt Oprema and Energoprojekt Energodata, each.
- Banca Intesa Plc. in the amount of RSD 113,345 thousand with interest rate of 2.50% per annum. 6 blank promissory notes of the Group and of Energoprojekt Oprema, Energoprojekt Visokogradnja and Energoprojekt Niskogradnja were provided as collateral for loan repayment.

### 30.2. Other Short-Term Financial Liabilities

Structure of long-term liabilities with maturity dates up to one year	In RSD thousand	
	30/06/2018	31/12/2017
Portion of long-term loans domestic with maturity up to one year		
Other short-term financial liabilities		120
<b>TOTAL</b>		<b>120</b>

### 31. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Advance payments from parent companies and subsidiaries		2.816
Advance payments from other local legal entities	54.912	37.915
Deposits received from other local legal entities		
<b>TOTAL</b>	<b>54.912</b>	<b>40.731</b>

**Advance payments from other local legal entities** in the amount of RSD 54,912 thousand dominantly pertain to advance received from Jerry Catering Service Ltd. Belgrade in the amount of RSD 54,876 thousand, related to the Agreement No.123/1583 (dated on April 4th, 2017) for the longterm lease (15 years) of the part of business premisses covering 770m2, situated in "Samacki Hotel" building complex, in Batajnicky drum no.24, Zemun.

### 32. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Suppliers - parent company and subsidiaries, local	4.202	24.780
Suppliers - parent company and subsidiaries, abroad	2.952	2.962
Suppliers, local	5.287	6.325
Suppliers, abroad	1.793	1.990
<b>TOTAL</b>	<b>14.234</b>	<b>36.057</b>

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

Structure of operating liabilities per currencies	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
RSD	10.683	11.234
EUR	3.551	24.823
GBP		
<b>TOTAL</b>	<b>14.234</b>	<b>36.057</b>

Geographic distribution of suppliers is as follows:

<b>Geographic distribution of suppliers</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Local suppliers (subsidiaries and other legal entities)	9.489	31.105
<b>Foreign suppliers (subsidiaries):</b>		
Europe	2.952	2.962
<i>Total</i>	2.952	2.962
<b>Foreign suppliers (other legal entities):</b>		
Europe	1.793	1.990
<i>Total</i>	1.793	1.990
<i>Impairment</i>		
<b>TOTAL</b>	<b>14.234</b>	<b>36.057</b>

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

<b>Structure of suppliers</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Domestic suppliers (related legal entities):</i>		
Energoprojekt Oprema Plc.	1.409	
Energoprojekt Visokogradnja Plc.	1.346	23.524
Energoprojekt Energodata Plc.	598	953
Energoprojekt Niskogradnja Plc.	538	
Other	311	303
<i>Total</i>	4.202	24.780
<i>Domestic suppliers (other legal entities):</i>		
PUC „Beogradske elektrane“	717	918
Algotech Ltd.	505	339
Bel Computers Ltd.	489	393
Dedinje Ltd.	423	423
Lloyd S Register	421	
M&V Investments Plc.	359	57
Tabulir Komerc Ltd.	182	233
Other	2.191	3.962
<i>Total</i>	5.287	6.325
<i>Foreign suppliers - related legal entities:</i>		
Encom GmbH Consulting, Engineering&Trading, Nemačka	2.952	2.962
<i>Total</i>	2.952	2.962
<i>Foreign suppliers - other legal entities:</i>		
IATA	1.793	1.990
<i>Total</i>	1.793	1.990
<b>TOTAL</b>	<b>14.234</b>	<b>36.057</b>

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

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

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

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

<b>Aging suppliers' liabilities structure</b>	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
<i>Related legal entities:</i>		
a) Current	2.347	2.919
b) Up to 30 days	1.855	98
c) 30 - 60 days		
d) 60 - 90 days		1.729
e) 90 - 365 days		20.034
f) 365 days +	2.952	2.962
<b>Total</b>	<b>7.154</b>	<b>27.742</b>
<i>Local suppliers</i>		
a) Current	3.214	3.970
b) Up to 30 days	1.330	1.613
c) 30 - 60 days	699	641
d) 60 - 90 days	44	45
e) 90 - 365 days		56
f) 365 days +		
<b>Total</b>	<b>5.287</b>	<b>6.325</b>
<i>Foreign suppliers</i>		
a) Current	1.793	1.990
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>1.793</b>	<b>1.990</b>
<b>TOTAL</b>	<b>14.234</b>	<b>36.057</b>

### 33. OTHER SHORT-TERM LIABILITIES

Structure of other short-term liabilities	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Liabilities from specific operations:		
a) Liabilities from specific operations - parent company and		
b) Liabilities from specific operations - other legal entities		
<i>Total</i>	-	-
Liabilities for wages, fringe benefits and compensations	14.537	14.308
<i>Other liabilities:</i>		
a) Liabilities for interest and financing costs		
b) Liabilities for dividends	236.593	20.065
c) Liabilities to employees	251	227
d) Liabilities to General Manager, or to management and Supervisory Board members	700	711
e) Liabilities to physical persons on contractual obligations	348	201
f) Other various liabilities	400	425
<i>Total</i>	<i>238.292</i>	<i>21.629</i>
<b>TOTAL</b>	<b>252.829</b>	<b>35.937</b>

**Liabilities for wages, fringe benefits and compensations** in the amount of RSD 14,537 thousand refer to the liabilities (net, taxes and contributions), that the Company paid in July 2018.

**Liabilities for dividends** in the amount of RSD 236,593 thousand refer, mainly, to the liabilities based on Resolution of the shareholders' annual meeting in 2018 on undistributed profit distribution for dividends in the amount of RSD 216,672 thousand (Note 28.6) and for dividends' payment from previous years in the amount of RSD 19,921 thousand, which have not yet been paid to date (probate proceedings, etc.).

**Other various liabilities** in the amount of RSD 400 thousand refer to withholding from net wages (based mostly on loans granted by employees, union fees, etc.) in the amount of RSD 364 thousand and to fees for Commercial Chamber of Serbia, in the amount of RSD 36 thousand.

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

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

**34.1. Liabilities for Value Added Tax**

Liabilities for value added tax	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Liabilities for value added tax	5.237	6.768
<b>TOTAL</b>	<b>5.237</b>	<b>6.768</b>

**Liabilities for value added tax** refer to the difference between calculated tax and input tax. This liability was settled by the Company within the legally prescribed deadline, in July 2018.

**34.2. Liabilities for Other Taxes, Contributions and Fees Payable**

Liabilities for other taxes, contributions and fees payable	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Liabilities for the tax based on result	70.410	
Liabilities for other taxes, contributions and fees payable:		
a) Liabilities for property tax	9.274	
b) Other liabilities for taxes, contributions and fees payable	1.011	752
<i>Total</i>	<i>10.285</i>	<i>752</i>
<b>TOTAL</b>	<b>80.695</b>	<b>752</b>

**Liabilities for the tax based on result** in the amount of RSD 70,410 thousand refer to estimated liability for the income tax for this years' reporting period (and not to the calculated liability for the income tax presented in tax return – Note 17).

**Liabilities for the property tax** in the amount of RSD 9,274 thousand refer to liabilities for Q3 and Q4 2018, which will be paid in total till November 15, 2018.

**Other liabilities for taxes, contributions and fees payable** in the amount of RSD 1,011 thousand, refer mainly to tax and contribution liabilities for Supervisory Board member fees and contributions for authorship agreements on temporary and periodical engagements: RSD 521 thousand, fees for the environmental protection: RSD 257 thousand and liabilities for withholding taxes on dividends from previous years: RSD 97 thousand.

Out of total amount for other taxes, contributions and fees payable, in the amount of RSD 10,285 thousand in July 2018 was paid RSD 657 thousand (remaining unpaid liabilities for property tax, in the amount of RSD 9,274 thousand, for environmental protection fees in the amount of RSD 257 thousand - which will be collected in due time) and liabilities for withholding tax on dividends from previous years in the amount of RSD 97 thousand, relating to unpaid dividends - Note 33).

### 34.3. Accrued Expenses and Deferred Income

Accrued expenses and deferred income	In RSD thousand	
	30/06/2018	31/12/2017
Precalculated expenses:		
a) Precalculated expenses - parent company, subsidiaries and other related companies	26.398	24.490
b) Precalculated expenses - other legal entities	933	44
<i>Total</i>	<i>27.331</i>	<i>24.534</i>
Other accruals	2.081	19.375
<b>TOTAL</b>	<b>29.412</b>	<b>43.909</b>

**Precalculated expenses – parent company, subsidiaries and other related companies** in the amount of RSD 26,398 thousand refer, mainly, to the liability owed to Energoprojekt Oprema in the amount of RSD 24,406 thousand, for calculated expenses for the period till June 30, 2015, based on the Agreement on Construction of the Embassy of the Republic of Serbia in Abuja, Federal Republic of Nigeria, a turnkey project, in the cadastre lot No. 313, registered in the Real Estate Cadastre of the Cadastre Zone A00.

**Other accruals** in the amount of RSD 2,081 thousand pertain mainly to the calculated interest for June 2018 on term deposits with domestic banks in the amount of RSD 1,995 thousand.

### 35. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities	in RSD thousand	
	30/06/2018	31/12/2017
Deferred tax assets	1.932	1.932
Deferred tax liabilities	154.014	154.014
<b>Net effect of deferred tax assets (liabilities)</b>	<b>(152.082)</b>	<b>(152.082)</b>

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

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

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

**Deferred tax liabilities** disclosed as at December 31 refer to *taxable temporary differences* between the book value of assets subject to depreciation and their tax base. Due to different provisions used in

the Company to define accounting depreciation (in compliance with the IAS/IFRS and other provisions) and provisions that define tax depreciation (in compliance with the Law on Corporate Income Tax), the Company shall pay higher amount of income tax in the future period than it would pay if the actually disclosed accounting depreciation would be acknowledged by tax legislation. For this reason, the Company recognizes the deferred tax liability, which represents income tax payable once that the Company “recovers” the accounting value of the assets.

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

### 36. OFF-BALANCE SHEET ASSETS AND LIABILITIES

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

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

Structure of off-balance sheet assets and liabilities	<i>In RSD thousand</i>	
	<i>30/06/2018</i>	<i>31/12/2017</i>
Provided sureties, guarantees and other rights	21.478.175	22.671.425
Provided mortgages and other rights	2.500	2.500
Received mortgages and other rights	16.234	16.290
Other off-balance sheet asset/liabilities	2.760.454	4.327.084
<b>TOTAL</b>	<b>24.257.363</b>	<b>27.017.299</b>

**Provided sureties, guarantees and other rights** amounting to RSD 21,478,175 thousand refer to the following:

- Guarantees issued for credits and guarantees for subsidiaries amounting to RSD 13,952,937 thousand,
- Corporate guarantees issued to Energoprojekt Niskogradnja amounting to RSD 7,522,286 thousand, for projects: BBVA - Peru amounting to RSD 1,418,717 thousand and Banco Financiero - Peru amounting to RSD 1,013,369 thousand and Vinca Landfill – Serbia, amounting to RSD 5,090,200 thousand,
- Guarantee issued by AIK bank in favor of IATA (International Air Transport Association) for liabilities referring to air-tickets, in the amount of RSD 2,952 thousand, the one which ends at October 23, 2018 and is renewed annually.

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

**Provided mortgages and other rights** in the amount of RSD 2,500 thousand relate to the pledge on 100% stake in the share capital of Energoprojekt Sunnyville Ltd. (Note 37).

**Received mortgages and other rights** amounting to RSD 16,234 thousand pertain to the mortgage on Enjub Ltd. apartments, arising from the Loan Agreement regulating the loan approved to Enjub Ltd. (Note 37).

**Other off-balance sheet assets/liabilities** amounting to RSD 2,760,454 thousand include the following:

- The right to use the municipal construction land - Block 26, in New Belgrade, amounting to RSD 2,728,595 thousand,
- Dividends receivables from Enjub Ltd., which were directly written-off in the previous accounting period in the amount of RSD 30,442 thousand;
- Unused construction facilities in Budva that were directly written-off in the inventory count as at December 31, 2014 and presented in the off-balance records without any value, and
- Potential liability of paying for absolute right transfer tax (as taxpayer according to the law), pursuant to provisions of Agreement for selling the real estate property in N. Belgrade, Palmira Toljatija Str. in the amount of RSD 1,417 thousand. This liability was transferred to guarantor - buyer NBA Investment Ltd. who has concluded an agreement with Tax Administration for deferred payment of the mentioned tax liabilities in 12 equal monthly installments.

### **37. MORTGAGES REGISTERED IN FAVOUR AND/OR AGAINST THE COMPANY**

**Mortgages registered against the Company** relating to the pledge given to the 100% stake in the share capital of Energoprojekt Sunnyville Ltd., for securing receivable from Erste Bank Plc, Novi Sad on the basis of long-term construction loan granted to Energoprojekt Sunnyville Ltd.

**Mortgages registered in favour of the Company are as follows:**

- As collateral to secure the repayment of loan pursuant to the Annex No. 10 of the Loan Agreement No. 367, in the amount of RSD 16,234 thousand (EUR 137 thousand), granted by the Company to Enjub Ltd, the extrajudicial mortgage for the entire loan amount was registered for apartments in 91A Jurija Gagarina Street, on the second and third floors, Cadastre lot No. 5089/9, Cadastral Municipality of New Belgrade, registered in the Real Estate Registry folio No. 4550, Cadastral Municipality New Belgrade, in favour of the Company, and
- As collateral to secure the repayment of the loan pursuant to the Annex No. 6 of the Agreement on Rescheduling of Approved Loan pursuant to the Loan Agreement No. 115, approved to Enjub Ltd. in the amount of RSD 141,433 thousand (EUR 1,198 thousand), there is a lien statement (mortgage was not registered) provided for the real property (apartments and business premises) in 93, 93A and 91A Jurija Gagarina Street.

### 38. COMMITMENT AND CONTINGENCIES

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

The number of lawsuits with the Company as the defendant are presented in the following table:

<b>Plaintiff</b>	<b>First instance procedure</b>	<b>Second instance</b>	<b>Third instance procedure</b>	<b>Total</b>
<i>No. of lawsuits</i>				
Private person	8	3		11
legal entity	2		1	3
Private persons and legal entities	1			1
<b>TOTAL</b>	<b>11</b>	<b>3</b>	<b>1</b>	<b>15</b>
<i>In RSD thousand</i>				
Private person	900	1.331		2.231
legal entity	188.510			188.510
Private persons and legal entities				0
<b>TOTAL</b>	<b>189.410</b>	<b>1.331</b>	<b>0</b>	<b>190.741</b>

Additional details on lawsuits in which the Company is involved as the defendant are presented in the following table, together with contingent liability, including the principal only, defined as at balance sheet day.

<b>Plaintiff</b>	<b>Basis for legal action</b>	<b>Contingent liability in RSD thousand</b>
Sreta Ivanišević	Compensation for expropriated property (Bezanija)	Uncertain
Vladan and Tomislav Krdžić	Damage compensation (for the value of free shares that they did not acquire)	444
Goran Rakić	Establishment of ownership right on the land under building for legalization purposes	Ungrounded
Pavle, Radmila and Milan Kovačević	Compensation for expropriated land (Block 26)	Uncertain
Rajko Ljubojević	Expropriation of land from 1957	Uncertain
Radovanac Aleksandar and Nenad	Moving out from barracks	Ungrounded
Radoš Jevtić, Ljubiša and Ksenija Krstić	Payment of share price differences of Energoprojekt Visokogradnja Plc.	887
Marko Martinoli, Vladimir Grabež, Activist Ltd., Activeast ltd.	Compulsory acquisition of shares of Energoprojekt Entel Plc.	Ungrounded
Nikola Malbaša, Marko Martinoli and other small shareholders of Energoprojekt Industrija a.d.	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	Ungrounded
Dekada Export-Import KFT Budapest	Establishment of nullity of contract on assignment of claims of Company from Vivand BT and optional selling agreement for real estate	Ungrounded
Republic of Serbia	Cancelling the decision of Company's general Meeting from 12/12/2017, including temporary injunction defining	Ungrounded
Edmond Gašpar, Gojko Babić, Petar Rajačić	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	Ungrounded
Energoprojekt Oprema Plc.	Establishment of property right for 261 share of Beogradsko mešovito preduzeće Plc.	188.510
Zoran Petrović	Cancelling the decision on termination of Contract Employment	Uncertain
Zoran Petrović	Damage compensation due to mobbing at work	900

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

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

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

The number of lawsuits in which the Company acts as the plaintiff are presented in the following table.

<b>Defendant</b>	<b>First instance procedure</b>	<b>Second instance procedure</b>	<b>Total</b>
<i>No. of lawsuits</i>			
Private person			
legal entity	1	6	7
<b>TOTAL</b>	<b>1</b>	<b>6</b>	<b>7</b>
<i>In RSD thousand</i>			
Private person			
legal entity	18.000		18.000
<b>TOTAL</b>	<b>18.000</b>		<b>18.000</b>

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

<b>Defendant</b>	<b>Grounds for legal action</b>	<b>Contingency amount in RSD thousand</b>
Republic of Serbia, EPS Serbia, Epsturs Ltd and Republic of Montenegro	Determining of the ideal ownership share in the Park hotel in Budva	Acquiring of 13% of the total hotel surface area is legally founded, but the value thereof has not been determined
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Oprema Plc.	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Industrija Plc.	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Oprema Plc.	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Industrija Plc.	Uncertain
Securities Commission	Cancelling the final Decision of the Securities Commission for termination of decision making procedure due to claim for disclosing an offer for overtaking of Energoprojekt Entel Plc.	Uncertain
Ringier Axel Springer Ltd.	Determination of void contract and recompensation of advance payment	18.000

In addition to the presented legal actions in which the Company is involved as the plaintiff, there is a legal proceeding against the City of Belgrade, Republic of Serbia, Belgrade Land Development Public Agency and BG Hall Ltd. for debt from work carried out by Energoprojekt Visokogradnja on the facility "Arena", which was contracted by the Energoprojekt Holding Corporations. According to the above litigation a final judgment has been obtained to BG Hall Ltd., while the claim against the City of Belgrade, Republic of Serbia and the Directorate for Building Land and Construction of Belgrade was refused. The Company has appealed against this decision, which was accepted, returning this case to the repeated proceedings.

### **39. POST BALANCE SHEET EVENTS**

After the balance sheet date, there were no events that could have any significant effect on the credibility of the financial statements.

In Belgrade,  
on August 10, 2018

## 2. BUSINESS REPORT

---

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

Note:

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

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

An authentic overview of the Energoprojekt Holding Plc. (parent Company) and Energoprojekt Group growth and business results, financial position and information of significance for the valuation of corporate assets is presented and explained in detail within the "Notes to the Financial Statements for Q2 2018" (see Chapter 1 of the said Statements).

*Plans for 2018 . include contracting of new business deals for the Energoprojekt Group in the country and abroad in the total amount of EUR 298.1 million, namely: EUR 158.7 million (53%) in the country and EUR 139.4 million (47%) abroad. During the first half of 2018, contracts for new business deals worth the total of EUR 87.6 million: EUR 71.4 million (82%) in the country and EUR 16.2 million (18%) abroad.*

As at the last day of the reporting period, business deals worth approximately EUR 346.6 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 215.6 million; and abroad EUR 131.0 million).

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

Starting from the strategic determination to achieve lasting and sustainable development of the Energoprojekt Group oriented towards continuous profitability growth, conducting business in its traditional markets (in the country and abroad), economically viable employment of resources and global macroeconomic trends, the following business tasks were planned to be achieved in 2018:

Priority tasks:

- Providing liquidity – activities aimed to collect debts and optimize credit liabilities of the companies within Energoprojekt Group;
- New business contracting and providing of continuous activities of companies within Energoprojekt Group;
- Providing conditions for the execution of business projects of the companies within Energoprojekt Group.

Other business-related tasks:

- Realization of all business activities, followed by suitable completing of contracts and relevant contract issues;
- Maintaining business and financial stability of the Group, with activities oriented to collecting of old financial claims;
- Adapting new market activities and creating conditions for new contract deals, followed by maximum engagement of present capacities;
- Improving business activities, together with high-quality planning and supervising, maintaining technology and organizational development;
- Using all the resources and assets of the companies in business activities;
- Location development, joining concessions and private investments
- Reinforcement of business cooperation by project and functional cooperation, with constant consolidation of corporate functions;
- Group development will be scheduled and perceived through possible structural changes and market adjustments;
- Transparency of business operations and public presentation of Energoprojekt, by means of supplying relevant information through the Stock Exchange and regular communication with investors, partners and experts, in the country and abroad.

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

It is necessary to establish a system for timely risks' identification and management for the business operations of the Energoprojekt in the country and in the foreign markets as a constituent part of all its executive functions and as one of the principal functions of the Company's internal audit. Efforts on risk management development strategy are intensive and according to the plans, in compliance with the established annual plan of the Energoprojekt Holding Plc. internal audit for 2018.

## **Significant events after the end of the year for which the reports are prepared**

Pursuant to the Contract on Acquiring Shares (concluded on 15/11/2017 between Energoprojekt Holding Plc. and i Sava Re Pozarovalnica Sava Plc.), Energoprojekt Holding Plc. has, by block transaction made on Belgrade Stock Exchange on 09/03/2018, sold all of its capital share in Energoprojekt Garant Ltd. Belgrade (92.94% share). This selling followed announcement on lack of intention for overtaking, when the intention for selling of 146,155 shares of issuers Energoprojekt Garant Ltd. Belgrade, owned by Energoprojekt Holding, was confirmed. This transaction was balanced on 13/03/2018. Trade was realized in relation to confirmation of National Bank of Serbia, which approved acquiring mentioned share to a buyer.

As at 14/03/2018 the selling of 441 share of the company Beogradsko Mešovito Preduzeće Plc. was finished.

In March 2018, Energoprojekt Entel institutes the lawsuit against PC Elektroprivreda Srbije for groundless deny of invoices, in the amount of RSD 48,938 thousand.

At 48th Annual General Meeting of Energoprojekt Holding Plc. Shareholders, celebrated on June 14th, 2018, as per the adopted Agenda, the following resolutions were approved: Resolution on Approval of Energoprojekt Holding Plc. Annual Business Report for 2017; Resolution on Approval of Energoprojekt Group Annual Consolidated Statement for 2017; Resolution on Distribution of Undistributed Profits; Resolution on Approval of Report by the Supervisory Board of Energoprojekt Holding Plc.; Resolution on Appointment of the Company Auditor and Approval of the Auditor's Fee.

Regular annual meetings of all subsidiary companies' shareholders from the Energoprojekt Group were held in due legal terms (except Energoprojekt Industrija Plc.). Regular Annual Meeting of Energoprojekt Industrija Plc. was not held due to lack of quorum (the new 29th Annual Meeting was rescheduled for August 22, 2018).

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

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

## **Major transactions with related entities**

Receivables from the related parties arise primarily from the sale of services and are mature and collectible within 15 days from the invoicing date.

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

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

Detailed explanations are provided in the “Notes to the Financial Statements”.

## **Corporate activities on research and development**

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

Energoprojekt Holding Plc. has in the period from January to June 2018 finished all the activities aimed to conform its own management system with the upgraded versions of quality management standard and environmental protection standard (ISO 9001:2015 and ISO 14001:2015).

External auditor’s control of „Lloyd’s Register“ was successfully implemented on June 26th, 2018..

Till now, the new upgraded versions of standards were integrated into own management systems of Energoprojekt Entel, Energoprojekt Oprema, Energoprojekt Hidroinženjering and Energoprojekt Industrija. Other subsidiary companies are in the final step of this process.

### 3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT

---

To the best of our knowledge, the Energoprojekt Holding Plc. Quarterly Financial Statements for the second quarter of 2018, were prepared in compliance with the relevant International Financial Reporting Standards and they present authentic and objective information about assets, liabilities, financial position and operations, profit and losses, cash flows and changes in equity of the Public Company, including those of the Companies included in the Statements.

In compliance with the Law on Capital Market (RS Official Gazette, No. 31/2011, 112/2015 and 108/2016) we hereby declare that the financial statements in question have not been audited.

Person responsible for preparation of the Report:

Energoprojekt Holding a.d.

Executive Director for Finance, Accounting and Planning



Vladimir Višnjić, B.Sc. Ecc

Legal Representative:

Energoprojekt Holding a.d.

Chief Executive Officer



Stojan Čolakov, M.Sc.C.E

#### 4. O DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q2 2018 QUARTERLY REPORT \*

---

Note \*:

Q2 2018 Quarterly Report of the Energoprojekt Holding Plc. was approved and adopted on August 14, 2018, at 91st meeting of the Executive Board of the Issuer.

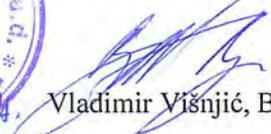
In Belgrade, August 2018

Person responsible for preparation of the Report:

Energoprojekt Holding a.d.

Executive Director for Finance, Accounting and Planning



  
Vladimir Višnjić, B.Sc. Ecc

Legal Representative:

Energoprojekt Holding a.d.

Chief Executive Officer



  
Stojan Čolakov, M.Sc.C.E