

# Energoprojekt Holding Plc. Quarterly Report for Q3 2018

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Belgrade, November 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 Q3 2018**

### C O N T E N T S

1. FINANCIAL STATEMENTS OF THE ENERGOPROJEKT HOLDING PLC. FOR Q3 2018  
  
(Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement of Changes in Equity, Notes to Financial Statements)
2. BUSINESS REPORT
3. STATEMENT BY PERSONS RESPONSIBLE FOR PREPARATION OF REPORT
4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2018 QUARTERLY REPORT \* (Note)

1. FINANCIAL STATEMENTS OF ENERGOPROJEKT HOLDING PLC. FOR Q3 2018 (Balance Sheet, Income Statement, Report on Other Income, Cash Flow Statement, Statement on Changes in Equity, Notes to Financial Statements)

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Reporting period:

from

01.01.2018.

until

30.09.2018.

### 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



  
(Signature of legal representative)

**BALANCE SHEET**

at day 30.09.2018.

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>	8,090,765	8,393,406
I. INTANGIBLES (0004+0005+0006+0007+0008+0009)	0003	5,479	7,871
1. Investments in development	0004		
2. Concessions, patents, licenses, trademarks and service marks, software and other rights	0005	5,479	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	1,936,779	2,228,973
1. Land	0011		
2. Buildings	0012	1,305,047	1,313,771
3. Plant and equipment	0013	28,071	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	6,148,507	6,156,562
1. Shares in subsidiaries	0025	4,836,147	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	36,119	117,662
4. Long term investments in parent companies and subsidiaries	0028	1,245,454	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	1,237	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>	3,056,506	1,706,754
I. INVENTORIES (0045+0046+0047+0048+0049+0050)	<b>0044</b>	5,855	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>	5,855	6,766
II. RECEIVABLES FROM SALES (0052+0053+0054+0055+0056+0057+0058)	<b>0051</b>	964,542	689,346
1. Local buyers - parent company and subsidiaries	<b>0052</b>	962,291	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>	1,546	274
6. Foreign buyers	<b>0057</b>		
7. Other receivables from sales	<b>0058</b>		
III. RECEIVABLES FROM SPECIAL TRANSACTIONS	<b>0059</b>	5,746	98,204
IV. OTHER RECEIVABLES	<b>0060</b>	651,996	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>	825,118	191,499
1. Short term loans and investments - parent company and subsidiaries	<b>0063</b>	666,906	33,212
2. Short term loans and investments - other affiliated companies	<b>0064</b>	158,135	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>	77	79
VII. CASH AND CASH EQUIVALENTS	<b>0068</b>	196,480	251,917
VIII. VALUE ADDED TAX	<b>0069</b>		
IX. PREPAYMENTS AND ACCRUED INCOME	<b>0070</b>	406,769	392,206
<b>E. TOTAL ASSETS = OPERATING ASSETS (0001+0002+0042+0043)</b>	<b>0071</b>	11,147,271	10,100,160
<b>F. OFF-BALANCE SHEET ASSETS</b>	<b>0072</b>	23,896,462	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	9,304,514	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	11,437	18,881
VIII. RETAINED EARNINGS (0418+0419)	0417	1,240,498	473,425
1. Retained earnings from previous years	0418	256,754	34,492
2. Retained earnings from current year	0419	983,744	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	1,688,079	1,415,346
I. SHORT TERM FINANCIAL LIABILITIES (0444+0445+0446+0447+0448+0449)	0443	1,255,643	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	1,255,230	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	413	120

DESCRIPTION	EDP	Total	
		End of quarter current year	31.12. previous year
1	2	3	4
II. RECEIVED ADVANCES, DEPOSITS AND BONDS	0450	53,010	40,731
III. OPERATING LIABILITIES (0452+0453+0454+0455+0456+0457+0458)	0451	13,077	36,057
1. Suppliers - parent company and subsidiaries, local	0452	4,606	24,780
2. Suppliers - parent company and subsidiaries, foreign countries	0453		2,962
3. Suppliers - other affiliated companies, local	0454		
4. Suppliers - other affiliated companies, foreign countries	0455		
5. Suppliers, local	0456	5,821	6,325
6. Suppliers, foreign countries	0457	2,650	1,990
7. Other operating liabilities	0458		
IV. OTHER SHORT TERM LIABILITIES	0459	250,748	35,937
V. VALUE ADDED TAX	0460	5,496	6,768
VI. OTHER TAXES, CONTRIBUTIONS AND FEES PAYABLE	0461	81,027	752
VII. ACCRUED EXPENSES AND DEFERRED INCOME	0462	29,078	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	11,147,271	10,100,160
F. OFF-BALANCE LIABILITIES	0465	23,896,462	27,017,299

**INCOME STATEMENT**

from 01.01.2018. until 30.09.2018.

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>	100,952	302,639	108,553	330,635
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	94,376	283,169	102,946	314,742
1. Income from sale of finished products and services to parent company and subsidiaries on local market	1010	94,364	283,115	102,927	314,698
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	12	54	19	44
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	6,576	19,470	5,607	15,893
<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>	84,485	271,249	109,926	334,505
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	1,021	4,234	1,400	5,912
VI. FUEL AND ENERGY COSTS	1024	5,582	15,544	6,191	18,052
VII. EMPLOYEE EXPENSES AND BENEFITS	1025	49,614	154,281	54,537	173,536
VIII. PRODUCTION SERVICE COSTS	1026	13,341	41,582	27,513	64,887
IX. DEPRECIATION EXPENSES	1027	5,169	15,806	5,859	17,412
X. PROVISION EXPENSES	1028				
XI. INTANGIBLE EXPENSES	1029	9,758	39,802	14,426	54,706
<b>C. OPERATING INCOME (1001-1018) ≥ 0</b>	<b>1030</b>	16,467	31,390		
<b>D. OPERATING LOSSES (1018-1001) ≥ 0</b>	<b>1031</b>			1,373	3,870
<b>E. FINANCIAL REVENUES (1033+1038+1039)</b>	<b>1032</b>	28,989	609,324	35,198	589,378
I. FINANCIAL INCOME FROM AFFILIATED COMPANIES AND OTHER FINANCIAL REVENUES (1034+1035+1036+1037)	1033	26,114	599,035	9,371	531,159
1. Financial income from parent company and subsidiaries	1034	22,978	591,742	6,893	523,675
2. Financial income from other affiliated companies	1035	3,136	7,293	2,478	7,484
3. Share of profits in associated companies and joint ventures	1036				
4. Other financial revenues	1037				
II. INTEREST INCOME (THIRD PARTY)	1038	1,801	8,300	380	1,487
III. EXCHANGE RATE GAINS AND POSITIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1039	1,074	1,989	25,447	56,732
<b>F. FINANCIAL EXPENSES (1041+1046+1047)</b>	<b>1040</b>	11,396	25,853	52,750	119,755
I. FINANCIAL EXPENSES FROM TRANSACTIONS WITH AFFILIATED COMPANIES AND OTHER FINANCIAL EXPENDITURE (1042+1043+1044+1045)	1041		1,118	27,081	64,045
1. Financial expenses from transactions with parent company and subsidiaries	1042		1,023	24,351	56,529
2. Financial expenses from transactions with other affiliated companies	1043		95	2,730	7,516
3. Share of losses in affiliated companies and joint ventures	1044				
4. Other financial expenditure	1045				
II. INTEREST EXPENSES (THIRD PARTY)	1046	8,257	23,951	8,639	23,788
III. EXCHANGE RATE LOSSES AND NEGATIVE CURRENCY CLAUSE EFFECTS (THIRD PARTY)	1047	3,139	784	17,030	31,922
<b>G. FINANCIAL GAINS (1032-1040)</b>	<b>1048</b>	17,593	583,471		469,623
<b>H. FINANCIAL LOSSES (1040-1032)</b>	<b>1049</b>			17,552	
<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>	34	449,182	49	365
<b>L. OTHER EXPENSES</b>	<b>1053</b>	40	7,013	208	2,157
<b>M. INCOME FROM NORMAL OPERATIONS BEFORE TAX (1030-1031+1048-1049+1050-1051+1052-1053)</b>	<b>1054</b>	34,054	1,057,030		463,961
<b>N. LOSSES FROM NORMAL OPERATIONS BEFORE TAX (1031-1030+1049-1048+1051-1050+1053-1052)</b>	<b>1055</b>			19,084	
<b>O. NET PROFIT FROM DISCONTINUED OPERATIONS, EFFECTS OF CHANGES IN ACCOUNTING POLICIES AND ADJUSTMENT OF ERRORS FROM PREVIOUS YEARS</b>	<b>1056</b>	1	2,232		
<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>	34,055	1,059,262		463,849
<b>R. LOSSES BEFORE TAX (1055-1054+1057-1056)</b>	<b>1059</b>			19,084	

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	5,108	75,518		
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	28,947	983,744		463,849
<b>V. NET LOSSES (1059-1058+1060+1061-1062+1063)</b>	1065			19,084	
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				

## STATEMENT OF OTHER RESULTS

from 01.01.2018. until 30.09.2018.

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	28,947	983,744		463,849
II. NET LOSSES (EDP 1065)	2002			19,084	
<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		7,444	1,204	9,738
b) losses	2018	1,727		26	63
I. OTHER COMPREHENSIVE GROSS PROFIT (2003+2005+2007+2009+2011+2013+2015+2017) - (2004+2006+2008+2010+2012+2014+2016+2018) ≥ 0	2019		7,444	1,178	9,675
II. OTHER COMPREHENSIVE GROSS LOSSES (2004+2006+2008+2010+2012+2014+2016+2018) - (2003+2005+2007+2009+2011+2013+2015+2017) ≥ 0	2020	1,727			
III. TAX ON OTHER COMPREHENSIVE PROFIT OR LOSS FOR THE PERIOD	2021				
IV. NET OTHER COMPREHENSIVE PROFIT (2019-2020-2021) ≥ 0	2022		7,444	1,178	9,675
V. NET OTHER COMPREHENSIVE LOSSES (2020-2019+2021) ≥ 0	2023	1,727			
<b>C. TOTAL COMPERHENSIVE NET RESULTS FOR THE PERIOD</b>					
I. TOTAL COMPREHENSIVE NET PROFIT (2001-2002+2022-2023) ≥ 0	2024	27,220	991,188		473,524
II. TOTAL COMPREHENSIVE NET LOSSES (2002-2001+2023-2022) ≥ 0	2025			17,906	
<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				

## CASH FLOW STATEMENT

from 01.01.2018. until 30.09.2018.

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>	232,346	396,833
1. Sales and prepayments	3002	197,991	348,082
2. Interests from operating activities	3003		
3. Other inflow from normal operations	3004	34,355	48,751
<b>II. Cash outflow from operating activities ( 1 to 5)</b>	<b>3005</b>	398,891	808,442
1. Payments to suppliers and prepayments	3006	145,648	451,644
2. Employee expenses and benefits	3007	151,458	167,914
3. Interests paid	3008	24,084	23,391
4. Income tax	3009	5,774	1,837
5. Payments based on other public revenues	3010	71,927	163,656
<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>	166,545	411,609
<b>B. CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>I. Cash inflow from investing activities (1 to 5)</b>	<b>3013</b>	1,047,054	182,018
1. Sale of shares and stocks (net inflow)	3014	1,035,940	
2. Sale of intangible investments, property, plant, equipment and natural assets	3015		2,062
3. Other financial investments (net inflow)	3016		
4. Interest received from investment activities	3017	8,809	3,798
5. Dividends received	3018	2,305	176,158
<b>II. Cash outflow from investing activities (1 to 3)</b>	<b>3019</b>	924,731	326,721
1. Purchase of shares and stocks (net outflow)	3020		1,110
2. Purchase of intangible investments, property, plant, equipment and natural assets	3021	23,364	310,165
3. Other financial investments (net outflow)	3022	901,367	15,446
<b>III. Net cash inflow from investing activities (I-II)</b>	<b>3023</b>	122,323	
<b>IV. Net cash outflow from investing activities (II-I)</b>	<b>3024</b>		144,703
<b>C. CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>I. Cash inflow from financing activities ( 1 to 5)</b>	<b>3025</b>	4,667	698,836
1. Equity increase	3026		
2. Long term loans (net inflow)	3027		
3. Short term loans (net inflow)	3028	4,667	698,836
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>	16,750	125,081
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	16,569	
5. Financial leasing	3036		
6. Dividends paid	3037	181	933
<b>III. Net cash inflow from financing activities ( I -II)</b>	<b>3038</b>		573,755
<b>D. Net cash outflow from financing activities (II-I)</b>	<b>3039</b>	12,083	
<b>E. TOTAL CASH INFLOW (3001+3013+3025)</b>	<b>3040</b>	1,284,067	1,277,687
<b>F. TOTAL CASH OUTFLOW (3005+3019+3031)</b>	<b>3041</b>	1,340,372	1,260,244
<b>G. NET CASH INFLOW ( 3040-3041 )</b>	<b>3042</b>		17,443
<b>H. NET CASH OUTFLOW (3041-3040)</b>	<b>3043</b>	56,305	
<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>	868	
<b>K. EXCHANGE RATE LOSSES FROM CASH TRANSLATION</b>	<b>3046</b>		7,651
<b>L. CASH BALANCE AT END OF REPORTING PERIOD ( 3042-3043+3044+3045-3046)</b>	<b>3047</b>	196,480	138,583

STATEMENT OF CHANGES IN EQUITY

from 01.01.2018. until 30.09.2018.

RSD thousand

DESCRIPTION	Equity component															Total capital [Σ (row 1b col.3 to col.16) - Σ(row 1a col.3 to col.16)] ≥ 0	Losses exceeding capital [Σ(row 1b col.3 to col.15) - Σ(row 1a col.3 to col.15)] ≥ 0													
	EDP	30 Equity capital	EDP	31 Subscribed capital unpaid	EDP	32 Provisions	EDP	35 Losses	EDP	047 n 237 Treasury shares repurchased	EDP	34 Retained earnings	EDP	330 Revaluation reserves	EDP			331 Actuarial gains or losses	EDP	332 Gains and losses from equity instrument investments	EDP	333 Gains and losses from losses of affiliates	EDP	334 n 335 foreign operations and translation of financial	EDP	336 Gains and losses from cash flow hedging	EDP	337 Gains and losses from available for sale securities		
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16															
<b>Opening balance 01.01.2016.</b>																														
a) debit balance	4001		4,019		4,037		4,055		4,073		4,091		4,109		4,127		4,145		4,163		4,181		4,199		4,217	28,869				
b) credit balance	4002	7,202,622	4,020		4,038	134,881	4,056		4,074		4,092	331,164	4,110	782,098	4,128		4,146		4,164		4,182		4,200		4,218		4,235	8,421,896	4,244	
<b>Adjustment for materially significant errors and changes in accounting policies</b>																														
a) adjustment of debit balance	4003		4,021		4,039		4,057		4,075		4,093		4,111		4,129		4,147		4,165		4,183		4,201		4,219		4,236		4,245	
b) adjustment of credit balance	4004		4,022		4,040		4,058		4,076		4,094		4,112		4,130		4,148		4,166		4,184		4,202		4,220		4,236		4,245	
<b>Adjustment of opening balance on 01.01.2016.</b>																														
a) adjustment of debit balance (1a+2a-2b) ≥ 0	4005		4,023		4,041		4,059		4,077		4,095		4,113		4,131		4,149		4,167		4,185		4,203		4,221	28,869		4,237	8,421,896	4,246
b) adjustment of credit balance (1b-2a+2b) ≥ 0	4006	7,202,622	4,024		4,042	134,881	4,060		4,078		4,096	331,164	4,114	782,098	4,132		4,150		4,168		4,186		4,204		4,222		4,237	8,421,896	4,246	
<b>Changes in previous 2016 year</b>																														
a) debit balance activity	4007	74,321	4,025		4,043		4,061		4,079	49,827	4,097	296,672	4,115		4,133		4,151		4,169		4,187		4,205		4,223	115		4,238		4,247
b) credit balance activity	4008		4,026		4,044	80,000	4,062		4,080		4,098	438,933	4,116		4,134		4,152		4,170		4,188		4,206		4,224	10,103		4,238		4,247
<b>Closing balance previous year at 31.12.2016.</b>																														
a) debit balance (3a+4a-4b) ≥ 0	4009		4,027		4,045		4,063		4,081	49,827	4,099		4,117		4,135		4,153		4,171		4,189		4,207		4,225	18,881		4,239	8,529,997	4,248
b) credit balance (3b-4a+4b) ≥ 0	4010	7,128,301	4,028		4,046	214,881	4,064		4,082		4,100	473,425	4,118	782,098	4,136		4,154		4,172		4,190		4,208		4,226		4,239	8,529,997	4,248	
<b>Adjustment for materially significant errors and changes in accounting policies</b>																														
a) adjustment of debit balance	4011		4,029		4,047		4,065		4,083		4,101		4,119		4,137		4,155		4,173		4,191		4,209		4,227		4,240		4,249	
b) adjustment of credit balance	4012		4,030		4,048		4,066		4,084		4,102		4,120		4,138		4,156		4,174		4,192		4,210		4,228		4,240		4,249	
<b>Adjustment of opening balance current year at 01.01.2017.</b>																														
a) adjustment of debit balance (5a+6a-6b) ≥ 0	4013		4,031		4,049		4,067		4,085	49,827	4,103		4,121		4,139		4,157		4,175		4,193		4,211		4,229	18,881		4,241	8,529,997	4,250
b) adjustment of credit balance (5b-6a+6b) ≥ 0	4014	7,128,301	4,032		4,050	214,881	4,068		4,086		4,104	473,425	4,122	782,098	4,140		4,158		4,176		4,194		4,212		4,230		4,241	8,529,997	4,250	
<b>Changes in current 2017 year</b>																														
a) debit balance activity	4015		4,033		4,051		4,069		4,087		4,105	216,671	4,123		4,141		4,159		4,177		4,195		4,213		4,231		4,242		4,251	
b) credit balance activity	4016		4,034		4,052		4,070		4,088		4,106	983,744	4,124		4,142		4,160		4,178		4,196		4,214		4,232	7,444		4,242		4,251
<b>Closing balance at end quarter current year 2017</b>																														
a) debit balance (7a+8a-8b) ≥ 0	4017		4,035		4,053		4,071		4,089	49,827	4,107		4,125		4,143		4,161		4,179		4,197		4,215		4,233	11,437		4,243	9,304,514	4,252
b) credit balance (7b-8a+8b) ≥ 0	4018	7,128,301	4,036		4,054	214,881	4,072		4,090		4,108	1,240,498	4,126	782,098	4,144		4,162		4,180		4,198		4,216		4,234		4,243	9,304,514	4,252	



**NOTES TO THE FINANCIAL STATEMENTS  
AS AT 30/09/2018**

Belgrade, 2018

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## 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. and
- Energoprojekt Sunnyville Ltd.
- 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).

**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 September 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 75 (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 September 30, 2018**, that were approved by the Executive Board of the Company on November 9, 2018 at 119. 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 September 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 September 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, 86/2004 - 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. 20/2014, 41/2015 and 101/2016 – 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 for the year 2014 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:

Currency	September 30,2018	December 31,2017	September 30, 2017	December 31,2016
	<i>Amount in RSD</i>			
EUR 1	118.4179	118.4727	119.3659	123.4723
USD 1	101.6899	99.1155	101.3293	117.1353
GBP 1	133.0239	133.4302	135.9675	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 1, 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 RSDthousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Income from sale of finished products and services to parent company and subsidiaries on local market	283.115	314.698
Income from sale of finished products and services on local market	54	44
Income from sale of finished products and services on foreign markets		
<b>TOTAL</b>	<b>283.169</b>	<b>314.742</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 283,115 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 RSD thousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Energoprojekt Garant Ltd.		2.012
Energoprojekt Visokogradnja PLc.	72.287	83.773
Energoprojekt Niskogradnja Plc.	96.412	109.564
Energoprojekt Hidroinženjering Plc.	10.200	11.340
Energoprojekt Entel Plc.	36.454	36.948
Energoprojekt Energodata Plc.	4.523	4.847
Energoprojekt Industrija Plc.	4.612	5.122
Energoprojekt Urbanizam i arhitektura Plc.	2.838	3.109
Energoprojekt Oprema Plc.	38.405	51.947
Energoprojekt Sunnyville Ltd.	4.080	6.036
Energoprojekt Park 11 Ltd.	13.304	
<b>TOTAL</b>	<b>283.115</b>	<b>314.698</b>

**Income from the sale of finished products and services on local market** in the amount of RSD 54 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>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Incomes from the rent collected from parent, subsidiary and other related companies	11.010	14.900
market	8.319	932
Other operating income (externally)	141	61
<i>Total</i>	<i>19.470</i>	<i>15.893</i>
<b>TOTAL</b>	<b>19.470</b>	<b>15.893</b>

**Incomes from the rent collected from parent, subsidiary and other related companies** amounting to RSD 11,010 thousand, were generated based on renting of:

- portion of the “Samacki Hotel” complex in 24 Batajnicki Drum, which has been rented since 2011 to Energoprojekt Visokogradnja in the amount of RSD 9,822 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 324 thousand.

**Incomes from the rent collected from other legal entities on local market** amounting to RSD 8,319 thousand, were generated, mainly, from renting of:

- portion of the “Samacki Hotel” complex in 24 Batajnicki Drum to Jerry Catering Service Ltd. in the amount of RSD 5,802 thousand, and

- portion of Energoprojekt building to Energoprojekt Garant – in the amount of RSD 2,346 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>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Material costs:		
a) Costs of other materials (overheads)	4.234	5.912
b) Costs of one-off write-off of tools and inventory		
<i>Total</i>	<i>4.234</i>	<i>5.912</i>
Fuels and energy costs:		
a) Costs of fuel	687	2.097
b) Costs of electrical energy and heating	14.857	15.955
<i>Total</i>	<i>15.544</i>	<i>18.052</i>
<b>TOTAL</b>	<b><i>19.778</i></b>	<b><i>23.964</i></b>

**Costs of other material (overheads)** amounting to RSD 4,234 thousand refer to office stationery in the amount of RSD 1,525 thousand, professional and expert literature, magazines, etc. amounting to RSD 938 thousand and other material costs amounting to RSD 1,771 thousand.

## 9. EMPLOYEE EXPENSES AND BENEFITS

Structure of employee expenses and benefits	<i>In RSD thousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Expenses of wages and fringe benefits (gross)	112.030	133.850
Taxes and contributions on wages and contributions on wages payable by employer	18.080	17.715
Service agreements contributions	2.873	3.038
Copyright agreements contributions	167	176
Costs of contributions for contract fees for temporary and periodical engagement	1.797	981
Considerations to General Manager and/or Management and Supervisory Board members	9.691	9.478
Other personnel expenses and fringe benefits	9.643	8.298
<b>TOTAL</b>	<b>154.281</b>	<b>173.536</b>
Average number of employees	75	76

**Other personnel expenses and fringe benefits** amounting to RSD 9,643 thousand refer to the business trips' expenses amounting to RSD 7,571 thousand and expenses for employee commuting reimbursements amounting to RSD 2,072 thousand.

## 10. PRODUCTION SERVICE COSTS

Structure of production service cost	<i>In RSD thousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Transportation services cost	2.085	3.140
Repairs and maintenance services cost	26.597	26.180
Rental costs	54	339
Fair participation costs		54
Advertising costs	1.589	22.858
Other services costs	11.257	12.316
<b>TOTAL</b>	<b>41.582</b>	<b>64.887</b>

**Transportation services costs** in the amount of RSD 2,085 thousand refer to the landline costs and mobile phone costs, Internet services, postal fees, taxi services, parking services, cars, road tolls, etc.

**Repairs and maintenance services costs** amounting to RSD 26,597 thousand pertain primarily to investment maintenance of the Energoprojekt Building amounting to RSD 24,677 thousand and to the ongoing maintenance of equipment amounting to RSD 1,789 thousand.

**Advertising costs** in the amount of RSD 1,589 thousand refer to sponsorship costs, in the amount of RSD 643 thousand (mainly, for 25th Kopaonik Business Forum, in the amount of RSD 593 thousand),

and corporative review and annual financial report costs, in the amount of RSD 886 thousand, as well as other advertising costs, in the amount of RSD 60 thousand.

**Costs of other services** in the amount of RSD 11,257 thousand refer to the costs of technical and operational support: RSD 5,070 thousand 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 3,227 thousand; utility services: RSD 2,270 thousand, safety at work costs: RSD 505 thousand and vehicle registration expenses: RSD 185 thousand.

## 11. DEPRECIATION EXPENSES AND PROVISION EXPENSE

Structure of depreciation expenses and provision expenses	<i>In RSD thousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Depreciation expenses:		
a) Depreciation of intangible assets (Note 18)	2.392	2.377
b) Depreciation of property, plant and equipment (Note 19.1.)	13.414	15.035
<i>Total</i>	<i>15.806</i>	<i>17.412</i>
Provisions expenses:		
Provisions for contributions and other personnel benefits		
<i>Total</i>		
<b>TOTAL</b>	<b><i>15.806</i></b>	<b><i>17.412</i></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>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Intangible expenses	15.031	15.613
Expense account	3.252	4.126
Insurance premiums expenses	1.318	1.505
Payment operations' expenses	2.678	2.351
Membership fee expenses	588	2.467
Tax duties	14.664	19.900
Other non-operating expenses	2.271	8.744
<b>TOTAL</b>	<b><i>39.802</i></b>	<b><i>54.706</i></b>

**Intangible expenses** amounting to RSD 15,031 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 3,252 thousand include primarily the catering services and gifts for business partners.

**Insurance premium expenses** amounting to RSD 1,318 thousand refer to the insurance of property and persons.

**Payment operations expenses** amounting to RSD 2,678 thousand thousand pertain to the local payment operations costs, mainly to credit approving fees and bank warranties.

**Membership expenses** in the amount of RSD 588 thousand, refer to Serbian Chamber of Commerce memberships, as well as memberships to othwer chambers, federations and associations.

**Tax duties** in the amount of RSD 14,664 thousand refer predominantly to the property tax amounting to RSD 14,145 thousand.

**Other non-operating expenses** amounting to RSD 2,271 thousand refer to duties and lawsuit expenses amounting to RSD 713 thousand, expenses involving financing of disabled persons earnings, in the amount of RSD 313 thousand and expenses for printing the Energoprojekt Review Magazine in the amount of 803 thousand.

### 13. FINANCIAL INCOME AND FINANCIAL EXPENSE

#### 13.1. Financial Income

Structure of financial income	In RSD thousand	
	01/01-30/09/ 2018	01/01-30/09/ 2017
Financial income from transactions with parent companies and subsidiaries	591.742	523.675
Financial income from other related companies	7.293	7.484
Income from dividends		
<i>Total financial income from the related parties and other financial income</i>	<i>599.035</i>	<i>531.159</i>
Interest income (third party)	8.300	1.487
Exchange rate gains and positive currency clause effects (third party)	1.989	56.732
<b>TOTAL</b>	<b>609.324</b>	<b>589.378</b>

**Financial income from transactions with parent companies and subsidiaries** amounting to RSD 591,742 thousand refer to interest income from subsidiaries amounting to RSD 33,530 thouand, income from the effects of foreign exchange clauses and foreign exchange gains from subsidiaries amounting

to RSD 2,405 thousand and income from dividends, amounting RSD 555,807 thousand, originating from subsidiaries as follows:

- Energoprojekt Niskogradnja in the amount of RSD 123,930 thousand and
- Energoprojekt Entel in the amount of RSD 431,877 thousand.

**Financial income from other related companies** in the amount of RSD 7,293 thousand relates completely to the interest income from the joint venture Enjub Ltd.

**Interest income (third party)** in the amount of RSD 8,300 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 1,989 thousand refer to gains in FX exchange: RSD 971 thousand and income from the effects of foreign currency clause in the amount of RSD 1,018 thousand (the largest portion of which pertains to the effects of foreign currency clause based on loans received from banks, amounting RSD 935 thousand).

### 13.2. Financial Expense

Structure of financial expense	In RSD thousand	
	01/01-30/09/ 2018	01/01-30/09/ 2017
Financial expenses from transactions with parent company and subsidiaries	1.023	56.529
Financial expenses from transactions with other related companies	95	7.516
<i>Total financial expense incurred from related parties and other financial expense</i>	<i>1.118</i>	<i>64.045</i>
Interest expenses (third party)	23.951	23.788
Exchange rate losses and negative currency clause effects (third party)	784	31.922
<b>TOTAL</b>	<b>25.853</b>	<b>119.755</b>

**Financial expenses from transactions with parent companies and subsidiaries** amounting to RSD 1,023 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 receivables based on selling (Energoprojekt Visokogradnja).

**Financial expenses from transactions with other related companies** amounting to RSD 95 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 23,951 thousand refer predominantly to the interest expense from domestic current liquidity loans, in the amount of RSD 23,948 thousand granted by Erste bank, Societe Generale bank, VTB bank and Banca Intesa and Komercijalna Bank.

**Exchange rate losses and negative currency clause effects (third effects)** in the amount of RSD 784 thousand refer to the negative foreign exchange rates in the amount of RSD 179 thousand and expenses based on effects of foreign currency clauses in the amount of 605 thousand.

#### 14. OTHER INCOME AND OTHER EXPENSES

##### 14.1. Other Income

Structure of other income	In RSD thousand	
	01/01-30/09/ 2018	01/01-30/09/ 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	191	144
<b>TOTAL</b>	<b>449.182</b>	<b>365</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 191 thousand refer to the income from the sales of used paper.

##### 14.2. Other Expenses

Structure of other expenses	In RSD thousand	
	01/01-30/09/ 2018	01/01-30/09/ 2017
Losses incurred from decommissioning and disposal of intangibles assets, property, plant and equipment		134
Expenses direct write-off of receivables		37
Other non-mentioned expenses	7.013	1.986
<b>TOTAL</b>	<b>7.013</b>	<b>2.157</b>

**Other non-mentioned expenses** in the amount of RSD 7,013 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>01/01-30/09/2018</i>	<i>01/01-30/09/2017</i>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	2.232	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		112
<b>TOTAL</b>	<b>2.232</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 2,232 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>01/01-30/09/2018</i>	<i>01/01-30/09/2017</i>
Operating income	302.639	330.635
Operating expenses	271.249	334.505
<b>Operating result</b>	<b>31.390</b>	<b>(3.870)</b>
Financial income	609.324	589.378
Financial expenses	25.853	119.755
<b>Financial result</b>	<b>583.471</b>	<b>469.623</b>
Other income	449.182	365
Other income	7.013	2.157
<b>Result of other revenues and expenses</b>	<b>442.169</b>	<b>(1.792)</b>
Net profit from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year	2.232	
Net loss from discontinued operations, effects of change in accounting policy and adjustment of errors from previous year		112
<b>TOTAL INCOME</b>	<b>1.363.377</b>	<b>920.378</b>
<b>TOTAL EXPENSE</b>	<b>304.115</b>	<b>456.529</b>
<b>PROFIT/LOSS BEFORE TAX</b>	<b>1.059.262</b>	<b>463.849</b>

**17. PROFIT TAX AND NET PROFIT**

<b>Structure of calculation of profit tax and net profit</b>	<i>In RSD thousand</i>	
	<i>01/01-30/09/ 2018</i>	<i>01/01-30/09/ 2017</i>
Profit before tax	1.059.262	463.849
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>408.193</b>	<b>(41.863)</b>
Amount of loss in tax balance from previous years up to the amount of taxable profit		
<b>Other taxable profit</b>	<b>408.193</b>	
Capital gains/(losses) calculated in compliance with the law	95.262	
<b>Tax basis</b>	<b>503.455</b>	
Calculated tax (15% of tax base)	75.518	
Total deductions from the calculated tax		
<b>Calculated tax after deductions</b>	<b>75.518</b>	
Profit / (loss) before tax	1.059.262	463.849
Tax loss of the period	75.518	
<b>Net profit</b>	<b>983.744</b>	<b>463.849</b>

Calculated tax in the amount of RSD 75,518 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 September 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 September 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	2.392			<b>2.392</b>
Disposal and decommissioning				
Impairment				
<b>Balance as at September 30, 2018</b>	<b>12.533</b>			<b>12.533</b>
<b><u>Net Book value</u></b>				
<b>31.Dec.17</b>	<b>7.871</b>			<b>7.871</b>
<b>30.Sep.18</b>	<b>5.479</b>			<b>5.479</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><u>Purchase value</u></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		1.293		4.008		<b>5.301</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 September 30, 2018</b>	<b>1.325.585</b>	<b>110.895</b>	<b>283</b>		<b>44.664</b>	<b>1.481.427</b>
<b><u>Impairment</u></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	8.724	4.690				<b>13.414</b>
Disposal and decommissioning		(1.495)				<b>(1.495)</b>
Other increases/(decreases)						
<b>Balance as at September 30, 2018</b>	<b>20.538</b>	<b>82.824</b>				<b>103.362</b>
<b><u>Net Book Value</u></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 September 30, 2018</b>	<b>1.305.047</b>	<b>28.071</b>	<b>283</b>		<b>44.664</b>	<b>1.378.065</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 September 30, 2018 in the amount of RSD 1,305,047 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 September 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 8,724 thousand.

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

*In RSD thousand*

N o.	Building	Opening balance	Residual value as at balance sheet date	Remaining useful life	Depreciati on	Profit / (losses) included in report on "Other Income"	Closing balance
1	Energoprojekt Building	1.313.771	558.443	64	8.724		1.305.047
	<b>TOTAL</b>	<b>1.313.771</b>	<b>558.443</b>	<b>64</b>	<b>8.724</b>		<b>1.305.047</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 September 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>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
<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>	
	<i>30/09/2018</i>	<i>30/09/2017</i>
Rental income (Note 7.2.)	15.624	15.832
Direct operating expenses incurred from investment property that generated rental income during the year (Samacki Hotel complex)	2.040	2.367
Direct operating expenses incurred from investment property that did not generate rental income during the year (stari Mercator, business premises)		288
<b>TOTAL</b>	<b>17.664</b>	<b>18.487</b>

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

<i>In RSD thousand</i>					
No.	Investment property	Opening balance	Profit (losses) included in Income Statement	Increases / (purchasing additional investment, etc.)	Closing balance
1	"Samački 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 15,624 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 12, 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>30/09/2018</i>	<i>31/12/2017</i>
Shares in subsidiaries	5.551.212	5.772.783
Shares in affiliated companies and joint ventures	30.613	30.613
Shares in other companies and other available for sale securities	126.098	215.087
Long-term investments in parent companies and subsidiaries	1.245.454	950.334
Other long-term financial investments	1.237	1.297
<i>Total</i>	<i>6.954.614</i>	<i>6.970.114</i>
<i>Impairment</i>	<i>(806.107)</i>	<i>(813.552)</i>
<b>TOTAL</b>	<b>6.148.507</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>30/09/2018</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%	1.104.981	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>4.836.147</b>	<b>5.057.719</b>
<b><i>Share in affiliate companies and joint ventures</i></b>			
Necco Nigerian Engeneering 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 bankrupty	0,36%	7	7
Beogradska industrija piva,slada i bezalkoholnih pića Plc. Belgrade - in bankrupty	0,0005%	1	1
Pinki Zemun Plc.	0,004%		
<i>Impairment</i>		<i>(89.979)</i>	<i>(97.424)</i>
<b>Total</b>		<b>36.119</b>	<b>117.662</b>
<b>TOTAL</b>		<b>4.901.816</b>	<b>5.204.931</b>

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

Share investments - adjustment value	<i>In RSD thousand</i>		
	<i>Gross investment amount</i>	<i>Adjustment value</i>	<i>Net investment value</i>
<b><i>Share in subsidiaries</i></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><i>Share in affiliated companies and joint ventures:</i></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><i>Share in other companies and other available for sale securities:</i></b>			
Banks and financial organizations and other legal entities:			
Dunav osiguranje Plc.	5.814	(5.233)	581
Jubmes banka Plc.	120.176	(84.738)	35.438
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>(89.979)</b>	<b>36.019</b>
<b>TOTAL</b>	<b>2.244.767</b>	<b>(806.107)</b>	<b>1.438.660</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 and Energoprojekt Niskogradnja 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 313 thousand.

According to Contract for acquiring of shares (signed on November 11, 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 3, 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 3, 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 September 30, 2018:

- Dunav Insurance Plc: 527 shares, with the market value as at the balance sheet day of RSD 1,103.00 per share and
- Jubmes Banka Plc.: 4.056 shares, with the market value of RSD 8,737.00 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.D.

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>30/09/2018</i>	<i>31/12/2017</i>
Long-term investments in parent companies and subsidiaries	1.245.454	950.334
<i>Impairment</i>		
<i>Total</i>	<i>1.245.454</i>	<i>950.334</i>
Other long-term financial investments:		
Housing loans granted to employees	1.237	1.297
<i>Impairment</i>		
<i>Total</i>	<i>1.237</i>	<i>1.297</i>
<b>TOTAL</b>	<b><i>1.246.691</i></b>	<b><i>951.631</i></b>

**Long-term financial investments in parent companies and subsidiaries** in the amount of RSD 1,245,454 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 591,220 thousand RSD under the Contract on loan rescheduling No. 375 with maturity period till December 31, 2019,
- Energoprojekt Niskogradnja in the amount of RSD 197,507 thousand, under the Contract on loan rescheduling No. 377 with maturity period till December 31, 2019,
- Energoprojekt Visokogradnja in the amount of RSD 159,875 thousand, under the Annex 1 of the Contract on loan No. 210 with maturity period till December 31, 2019, and
- Energoprojekt Park 11 in total amount of RSD 296,852 thousand under the Annex 2 of the Contract on loan rescheduling No. 376 with maturity period till December 31, 2020, in the amount of RSD 110,004 thousand, and under the Contract No. 208 with maturity period till December 31, 2020, in the amount of RSD 186,848 thousand.

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 1,237 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 77 thousand (Note 25).

## 21. INVENTORIES

Structure of inventories	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
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	232	308
c) Advances paid for services	5.623	6.458
<i>Total</i>	<i>5.855</i>	<i>6.766</i>
<i>Impairment</i>		
<b>TOTAL</b>	<b>5.855</b>	<b>6.766</b>

**Advances paid for material, spare parts and inventory** amounting RSD 232 relates to to advances paid to suppliers for fuel, in the amount of RSD 229 thousand.

**Advance payments paid for services** in the amount of RSD 5,623 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 - Note 38) and Belgrade Stock Exchange Plc. in the amount of RSD 625 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	<i>In RSd thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Local buyers - parent company and subsidiaries	962.291	688.367
Local buyers - other related companies	705	705
Local buyers (externally)	1.546	274
<i>Impairment</i>		
<b>TOTAL</b>	<b>964.542</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.

Structure of local buyers - parent companies and subsidiaries	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
<i>Trade receivables domestic - subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	674.681	493.963
Energoprojekt Niskogradnja Plc.	123.911	60.819
Energoprojekt Sunnyville Ltd.	33.639	26.199
Energoprojekt Entel Plc.	30.581	30.512
Energoprojekt Oprema Plc.	32.599	0
Energoprojekt Hidroinženjering Plc.	19.602	24.448
Energoprojekt Urbanizam i arhitektura Plc.	17.974	16.534
Energoprojekt Energodata Plc.	12.349	14.408
Energoprojekt Park 11 Ltd.	16.339	353
Energoprojekt Industrija Plc.	616	20.870
Energoprojekt Garant Plc.		261
<b>Total</b>	<b>962.291</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>	1.546	274
<b>Total</b>	<b>1.546</b>	<b>274</b>
<b>TOTAL</b>	<b>964.542</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>30/09/2018</i>	<i>31/12/2017</i>
<i>Local buyers - parent companies and subsidiaries:</i>		
a) Current	39.154	75.450
b) Up to 30 days	31.985	18.472
c) 30 - 60 days	31.705	13.506
d) 60 - 90 days	31.705	27.671
e) 90 - 365 days	249.041	140.706
f) 365 days +	578.701	412.562
<i>Total</i>	<i>962.291</i>	<i>688.367</i>
<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
<i>Total</i>	<i>705</i>	<i>705</i>
<i>Local buyers - external</i>		
a) Current	1.040	274
b) Up to 30 days	506	
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<i>Total</i>	<i>1.546</i>	<i>274</i>
<b>TOTAL</b>	<b>964.542</b>	<b>689.346</b>

### 23. RECEIVABLES FROM SPECIAL TRANSACTIONS

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Receivables from special transactions from parent companies and subsidiaries	3.674	93.942
Receivables from special transactions from other related companies	2.070	2.047
Receivables from special transactions from other companies	2	2.215
<i>Impairment</i>		
<b>TOTAL</b>	<b>5.746</b>	<b>98.204</b>

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

Structure of receivables from special transactions	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
<i>Receivables from special transactions from parent companies and subsidiaries</i>		
Energoprojekt Hidroinženjering Plc.	1.145	456
Energoprojekt Visokogradnja Plc.	1.401	90.203
I.N.E.C. Engineering Company Limited, UK	361	
Zambia Engineering and Contracting Company Limited, Zambia	558	
Energoprojekt Niskogradnja Plc.	192	666
Energoprojekt Energodata Plc.	1	1
Energoprojekt Urbanizam i arhitektura Plc.	16	
Energoprojekt Industrija Plc.		16
Energoprojekt Garant Plc.		438
Energoprojekt Sunnyville Ltd.		2.162
Energoprojekt Park 11 Ltd.		
<i>Total</i>	<i>3.674</i>	<i>93.942</i>
<i>Receivables from special transactions from other related companies</i>		
Enjub, Ltd.	2.070	2.047
<i>Total</i>	<i>2.070</i>	<i>2.047</i>
<i>Receivables from special transactions from other legal entities</i>		
Jerry Catering Service Ltd.		2.169
Ivan Musić		30
NBA Investment Ltd.		15
Energoprojekt Union Organization	2	1
Energoprojekt Garant Ltd.		
<i>Total</i>	<i>2</i>	<i>2.215</i>
<b>TOTAL</b>	<b>5.746</b>	<b>98.204</b>

**Receivables from special transactions from parent companies and subsidiaries** in the amount of RSD 3,674 thousand refer to receivables from air-tickets recalculated (in the amount of RSD 2,682 thousand, mainly within Energoprojekt Hidroinženjering: RSD 1,145 thousand and Energoprojekt Visokogradnja: 1,345 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 1, 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>30/09/2018</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>30/09/2018</i>	<i>31/12/2017</i>
<i>Receivables from special transactions from parent companies and subsidiaries:</i>		
a) Current	1.801	2.494
b) Up to 30 days	873	2.095
c) 30 - 60 days	173	1.463
d) 60 - 90 days	311	1.462
e) 90 - 365 days	516	13.533
f) 365 days +		72.895
<i>Total</i>	<i>3.674</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	22	23
e) 90 - 365 days	25	132
f) 365 days +	2.022	1.892
<i>Total</i>	<i>2.070</i>	<i>2.047</i>
<i>Receivables from special transactions from other legal entities:</i>		
a) Current	2	2.185
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		30
<i>Total</i>	<i>2</i>	<i>2.215</i>
<b>TOTAL</b>	<b>5.746</b>	<b>98.204</b>

## 24. OTHER RECEIVABLES

Structure of other receivables	In RSD thousand	
	30/09/2018	31/12/2017
Interest and dividend receivable:		
a) Interest and dividend receivable from parent companies and subsidiaries	562.755	
b) Interest and dividend receivable from related companies	72.090	64.819
<i>Total</i>	<i>634.845</i>	<i>64.819</i>
Receivables from employees	413	3
Receivables for overpaid profit tax	16.173	10.465
Receivables for overpaid taxes and contributions		111
Receivables for fringe benefits' returns	526	1.418
Other short-term receivables	39	
<i>Impairment</i>		
<b>TOTAL</b>	<b>651.996</b>	<b>76.816</b>

**Structure of interest and dividend receivables** in the amount of RSD 634,845 thousand is presented in the following Table.

Structure of interest and dividend receivables	In RSD thousand	
	30/09/2018	31/12/2017
<i>Interest receivables from parent companies and subsidiaries:</i>		
Energoprojekt Visokogradnja Plc.	3.498	
Energoprojekt Energodata Plc.	1.649	
Energoprojekt Urbanizam i arhitektura Plc.	731	
Energoprojekt Oprema Plc.	633	
Energoprojekt Sunnyville Ltd.	437	
<i>Total</i>	<i>6.948</i>	<i>0</i>
<i>Dividend receivables from parent companies and subsidiaries:</i>		
Energoprojekt Entel Plc. (pay-day: 14/11/2018)	431.877	
Energoprojekt Niskogradnja Plc. (pay-day: 01/11/2018)	123.930	
<i>Total</i>	<i>555.807</i>	<i>0</i>
<i>Interest receivables from other related companies:</i>		
Enjub Ltd.	72.090	64.819
<i>Total</i>	<i>72.090</i>	<i>64.819</i>
<b>TOTAL</b>	<b>634.845</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 75,518 thousand, which was not calculated with prepaid income tax, as at September 30, 2018 (Note 17).

**Receivables for fringe benefits' returns** in the amount of RSD 526 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>30/09/2018</i>	<i>31/12/2017</i>
<i>Other receivables from parent companies and subsidiaries</i>		
a) Current	562.755	
b) Up to 30 days		
c) 30 - 60 days		
d) 60 - 90 days		
e) 90 - 365 days		
f) 365 days +		
<b>Total</b>	<b>562.755</b>	<b>-</b>
<i>Other receivables from other related companies</i>		
a) Current	72.090	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>72.090</b>	<b>64.819</b>
<i>Other receivables - other</i>		
a) Current	16.827	10.899
b) Up to 30 days	156	133
c) 30 - 60 days	168	202
d) 60 - 90 days		124
e) 90 - 365 days		553
f) 365 days +		86
<b>Total</b>	<b>17.151</b>	<b>11.997</b>
<b>TOTAL</b>	<b>651.996</b>	<b>76.816</b>

## 25. SHORT-TERM FINANCIAL INVESTMENTS

<b>Structure of short-term financial investments</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Short-term loans and investments - parent companies and subsidiaries	666.906	33.212
Short-term loans and investments - other related companies	158.135	158.208
Portion of other long-term financial investments with maturity date up to one year	77	79
<i>Impairment</i>		
<b>TOTAL</b>	<b>825.118</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 (calculated according to „arms' length“ principle, for 2018) for subsidiaries and 3M Euribor + 6.50% annually for joint venture.

No.	Borrower and Agreement No.	Remaining receivables from loan in EUR thousand	Maturity date	Remaining receivables from loan in RSD thousand	Maturity date	Loan terms and conditions
<b>1</b>	<b><i>EP Energodata Plc.</i></b>					
	Loan Recheduling Agreement No.379	14	14	1.668	31/12/2018	3,10% annually
	Annex No. 1 of the Loan Contract No. 147, dated on 15/05/2018	160	160	18.947	15/08/2018	3,10% annually
	Annex No. 1 of the Loan Contract No. 175, dated on 07/06/2018	50	50	5.921	30/09/2018	3,10% annually
	Annex No.2 of the Loan Contract No.109/28, dated on 26/03/2018	700	700	82.892	26/06/2018	3,10% annually
<b>2</b>	<b><i>EP Urbanizam i arhitektura Plc.</i></b>					
	Loan Recheduling Agreement No.378	266	266	31.528	31/12/2018	3,10% annually
<b>3</b>	<b><i>EP Oprema Plc.</i></b>					
	Annex No. 1 of the Loan Contract No.159, dated on 31/05/2018	133	133	15.789	31/08/2018	3,10% annually
	Loan Contract No.198, dated on 02/07/2018	499	499	59.098	10.03.2018	3,10% annually
	Loan Contract No.159, dated on 23/07/2018	84	84	9.947	24/10/2018	3,10% annually
<b>4</b>	<b><i>EP Sunnyville Plc.</i></b>					
	Aneks br.2 Ugovora o zajmu br.197 od 02.07.2018.	935	935	110.729	30/06/2019	3,10% annually
<b>5</b>	<b><i>EP Visokogradnja a.d.</i></b>					
	Annex No. 1 of the Loan Contract No.141, dated on 14/05/2018	2.000	2.000	236.836	14.08.2018	3,10% annually
	Annex No. 1 of the Loan Contract No.186, dated on 20/06/2018	200	200	23.684	20/09/2018	3,10% annually
	Loan Contract No.205, dated on 13/07/2018	590	590	69.867	13/10/2018	3,10% annually
<b>Total for subsidiaries</b>		<b>5.631</b>	<b>5.631</b>	<b>666.906</b>		
<b>1</b>	<b><i>Enjub Ltd.</i></b>					
	Annex No.10 of the Loan Contract No.367	137	137	16.282	31/12/2018	3M Euribor + 6,5% annually
	Annex No.6 of the Loan Recheduling Agreement No.115	1.198	1.198	141.853	31/12/2018	3M Euribor + 6,5% annually
<b>Total for other related companies</b>		<b>1.335</b>	<b>1.335</b>	<b>158.135</b>		
<b>TOTAL</b>		<b>6.966</b>	<b>6.966</b>	<b>825.041</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 16,282 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 141,853 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 77 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

<b>Structure of cash and cash equivalents</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Current (business) account	17.580	10.346
Foreign currency account	173	169
<i>Other cash</i>		
a) Short-term deposits	178.711	241.304
b) Other cash	16	
<i>Total</i>	<i>178.727</i>	<i>241.304</i>
Cash with limited use or reduced value		98
<b>TOTAL</b>	<b><i>196.480</i></b>	<b><i>251.917</i></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, Bank Postal Savings and Trade Bank of Iraq).

**Short term deposits** in the amount of RSD 178,711 thousand refer to the short term deposits held with business banks in the country (Unicredit Bank, Eurobank and Addiko Bank) with 6 months' period, and interest rate ranging from 0.80% to 1.35% annually for EUR and 1.95% for USD, with the option to terminate the term deposit contract at any given moment. The term deposits are in EUR and USD, namely: EUR 1,199 thousand and USD 362 thousand.

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

<b>Struktura aktivnih vremenskih razgraničenja</b>	<i>u 000 dinara</i>	
	<i>30.09.2018.</i>	<i>31.12.2017.</i>
<i>Prepayments</i>		
a) Prepaid expenses - parent companies and subsidiaries	1.705	1.916
b) Prepaid subscriptions for expert and professional publications	250	489
c) Prepaid insurance premiums	868	133
<i>Total</i>	<i>2.823</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	375.659	375.825
<i>Total</i>	<i>375.659</i>	<i>375.825</i>
<i>Other prepayments and accrued expenses</i>		
a) Prepaid value added tax	205	410
b) Other prepayments and deferred income	28.082	13.433
<i>Total</i>	<i>28.287</i>	<i>13.843</i>
<b>TOTAL</b>	<b>406.769</b>	<b>392.206</b>

**Prepaid expenses - parent companies and subsidiaries** in the amount of RSD 1,705 thousand dominantly relates to Energoprojekt Energodata, based on advanced payment of licence fees.

**Prepaid insurance premiums** for property and personal insurance in the amount of RSD 868 thousand mainly refer to Energoprojekt Garant, in the amount of RSD 816 thousand.

**Receivables for accrued non-invoiced income – other legal entities** in the amount of RSD 375,659 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 205 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 September 2018 was filled.

**Other prepayments and deferred income** in the amount of RSD 28,082 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 – Note 38), to calculated property tax for Q4 of 2018 in the amount of RSD 4,637 thousand and for developing of the location in Block 45 object C and Block 70 object C, in the amount of RSD 9,257 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 2017							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								983.744	983.744
Other comprehensive result:									
a) Changes in fair value of financial assets available for sale							7.444		7.444
b) Revaluation									
c) Other - levelling of present value, IAS 12 et al.									
Total - other comprehensive result							7.444		7.444
Total comprehensive result as at September 30, 2018							7.444	983.744	991.188
Corrections									
Increase in share capital									
Profit distribution								(216.671)	(216.671)
Other - own shares									
<b>Balance as at September 30, 2018</b>	5.574.959	27.178	1.526.164	(49.827)	214.881	782.098	(11.437)	1.240.498	9.304.514

## 28.1. Equity Capital

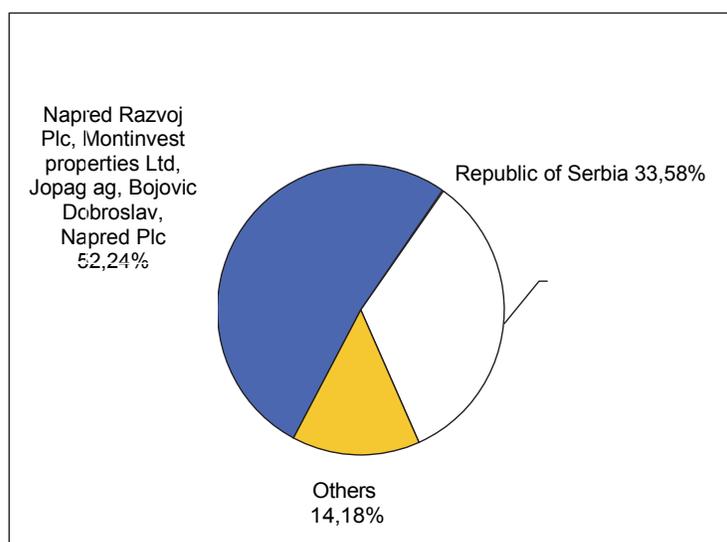
According to the Central Securities, Depository and Clearing House Register, the Company's present ownership structure as at September 30, 2018 is as follows:

	No of shares	% in total issue
Shares held by private shareholders	755.900	6,92%
Shares held by legal entities	9.797.910	89,63%
- Republic of Serbia	3.671.205	33,58%
- Other legal entities	6.126.705	56,05%
Aggregate (custody) account	377.482	3,45%
<b>Total number of shares</b>	<b>10.931.292</b>	<b>100%</b>

No. of shareholders with equity shares	Number of entities			Number of shares			% in total issues		
	Domestic	Foreign	Total	Domestic	Foreign	Total	Domestic	Foreign	Total
Up to 5%	3.664	170	3.814	1.378.976	227.647	1.606.623	12,61%	2,08%	14,70%
5% to 10%	1	1	2	564.699	560.731	1.125.430	5,17%	5,13%	10,30%
More than 10% to 25%	0	0	0	0	0	0	0,00%	0%	0,00%
More than 25% to 33%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 33% to 50%	2	0	2	8.199.239	0	8.199.239	75,01%	0,00%	75,01%
More than 50% to 66%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 66% to 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
More than 75%	0	0	0	0	0	0	0,00%	0,00%	0,00%
<b>Total no.</b>	<b>3.667</b>	<b>171</b>	<b>3.818</b>	<b>10.142.914</b>	<b>788.378</b>	<b>10.931.292</b>	<b>92,79%</b>	<b>7,21%</b>	<b>100,00%</b>

List of top 10 shareholders per no. of shares/votes held:

Shareholder	No. of shares	% in total issues
Napred Razvoj Plc. Novi Beograd	4.528.034	41,42%
Republic of Serbia	3.671.205	33,58%
Montinvest Properties Ltd.	564.699	5,17%
Jopag ag	560.731	5,13%
Tezoro broker Plc - collective	211.196	1,93%
Energoprojekt Holding Plc	97.700	0,89%
Tezoro broker Plc	81.150	0,74%
Global Macro Capital Opportuni	74.772	0,68%
East Capital – East Capital Balkan	66.850	0,61%
Raiffeisen bank plc. – custody	55.110	0,50%



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

<b>Structure of equity capital</b>	<i>In RSD thousand</i>	
	<i>30.09.2018</i>	<i>31/12/2017</i>
<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 851.18.

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**

<b>Structure of repurchased own shares</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
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>30/09/2018</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>30/09/2018</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>30/09/2018</i>	<i>31/12/2017</i>
Unrealized losses on securities available for sale	11.437	18.881
<b>TOTAL</b>	<b>11.437</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 7,444 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>30/09/2018</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	983.744	438.933
<b>TOTAL</b>	<b>1.240.498</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 473,425 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 216,671 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 983,744 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 September 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.

## 30. SHORT-TERM FINANCIAL LIABILITIES

Structure of short-term financial liabilities	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Short-term credits and loans domestic	1.255.230	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	413	120
Total	413	120
<b>TOTAL</b>	<b>1.255.643</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	
		30.09.2018	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	1.255.230	1.251.072
<b>UKUPNO</b>		<b>1.255.230</b>	<b>1.251.072</b>

**Short-term loans from banks in the country with a currency clause (EUR)** in the amount of RSD 1,255,230 thousand relate to loans granted by:

- Erste Bank Plc. in the amount of RSD 592,090 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 426,304 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, and
- Komercijalna banka Plc. in the amount of RSD 236,836 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.

### 30.2. Other Short-Term Financial Liabilities

Structure of long-term liabilities with maturity dates up to one year	In RSD thousand	
	30/09/2018	31/12/2017
Portion of long-term loans domestic with maturity up to one year		
Other short-term financial liabilities	413	120
<b>TOTAL</b>	<b>413</b>	<b>120</b>

**Other short-term liabilities** in the amount of RSD 413 thousand refer to liabilities based on expenses paid by official business visa-cards, leveled in October, 2018.

### 31. RECEIVED ADVANCES, DEPOSITS AND BONDS

Structure of received advances, deposits and bonds	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Advance payments from parent companies and subsidiaries		2.816
Advance payments from other local legal entities	52.977	37.915
Deposits received from other local legal entities	33	
<b>TOTAL</b>	<b>53.010</b>	<b>40.731</b>

**Advance payments from other local legal entities** in the amount of RSD 52,977 thousand dominantly pertain to advance received from Jerry Catering Service Ltd. Belgrade, in the amount of RSD 52,941 thousand, based on Agreement No.123/1583 (dated on April 10, 2017) for the longterm lease (15 years) of the part of business premisses covering 770m<sup>2</sup>, situated in “Samacki Hotel” building complex, in Batajnicki drum no.24, Zemun.

### 32. OPERATING LIABILITIES

Structure of operating liabilities	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Suppliers - parent company and subsidiaries, local	4.606	24.780
Suppliers - parent company and subsidiaries, abroad		2.962
Suppliers, local	5.821	6.325
Suppliers, abroad	2.650	1.990
<b>TOTAL</b>	<b>13.077</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>30/09/2018</i>	<i>31/12/2017</i>
RSD	12.477	11.234
EUR	600	24.823
GBP		
<b>TOTAL</b>	<b>13.077</b>	<b>36.057</b>

Geographic distribution of suppliers is as follows:

<b>Geographic distribution of suppliers</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Local suppliers (subsidiaries and other legal entities)	10.427	31.105
Foreign suppliers (subsidiaries):		
Europe		2.962
<i>Total</i>	-	2.962
Foreign suppliers (other legal entities):		
Europe	2.650	1.990
<i>Total</i>	2.650	1.990
<i>Impairment</i>		
<b>TOTAL</b>	<b>13.077</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>30/09/2018</i>	<i>31/12/2017</i>
<i>Domestic suppliers - related legal entities:</i>		
Energoprojekt Visokogradnja Plc.	1.515	23.524
Energoprojekt Oprema Plc.	1.409	
Energoprojekt Energodata Plc.	805	953
Energoprojekt Niskogradnja Plc.	548	
Other	329	303
<i>Total</i>	4.606	24.780
<i>Domestic suppliers - other legal entities:</i>		
Elektroprivreda Srbije	945	795
PUC „Beogradske elektrane“	899	918
Algotech Ltd.	843	339
Dedinje Ltd.	421	423
Tabulir Komerc Ltd.	310	233
Bel Computers Ltd.	197	393
AVB Team Ltd.	185	8
Lawyer Ljiljana Gnjatović	175	172
Commercial Chamber of Building Industry of Serbia	157	
PUC Gradska čistoća	141	155
Other	1.548	2.889
<i>Total</i>	5.821	6.325
<i>Foreign suppliers - related legal entities:</i>		
Encom GmbH Consulting, Engineering&Trading, Germany		2.962
<i>Total</i>	-	2.962
<i>Foreign suppliers - other legal entities:</i>		
International Air Transport Association - IATA	2.650	1.990
<i>Total</i>	2.650	1.990

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>30/09/2018</i>	<i>31/12/2017</i>
<i>Related legal entities:</i>		
a) Current	3.565	2.919
b) Up to 30 days	746	98
c) 30 - 60 days		
d) 60 - 90 days		1.729
e) 90 - 365 days	295	20.034
f) 365 days +		2.962
<b>Total</b>	<b>4.606</b>	<b>27.742</b>
<i>Local suppliers:</i>		
a) Current	3.782	3.970
b) Up to 30 days	923	1.613
c) 30 - 60 days	576	641
d) 60 - 90 days	288	45
e) 90 - 365 days	252	56
f) 365 days +		
<b>Total</b>	<b>5.821</b>	<b>6.325</b>
<i>Foreign suppliers</i>		
a) Current	2.650	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>2.650</b>	<b>1.990</b>
<b>TOTAL</b>	<b>13.077</b>	<b>36.057</b>

**33. OTHER SHORT-TERM LIABILITIES**

Structure of other short-term liabilities	In RSD thousand	
	30/09/2018	31/12/2017
Liabilities for wages, fringe benefits and compensations	12.571	14.308
Other liabilities:		
a) Liabilities for interest and financing costs		
b) Liabilities for dividends	236.556	20.065
c) Liabilities to employees	211	227
d) Liabilities to General Manager, or to management and Supervisory Board members	655	711
e) Liabilities to physical persons on contractual obligations	354	201
f) Other various liabilities	401	425
<i>Total</i>	<i>238.177</i>	<i>21.629</i>
<b>TOTAL</b>	<b>250.748</b>	<b>35.937</b>

**Liabilities for wages, fringe benefits and compensations** in the amount of RSD 12,571 thousand refer to the liabilities (net, taxes and contributions), that the Company paid in October 2018.

**Liabilities for dividends** in the amount of RSD 236,556 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 216,671 thousand (Note 28.6) and for dividends' payment from previous years in the amount of RSD 19,885 thousand, which have not yet been paid to date (probate proceedings, etc.).

**Other various liabilities** in the amount of RSD 401 thousand dominantly refer to withholding from net wages (based mostly on loans granted by employees, union fees, etc.) in the amount of RSD 310 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	in RSD thousand	
	30/09/2018	31/12/2017
Liabilities for value added tax	5.496	6.768
<b>TOTAL</b>	<b>5.496</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 October 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>30/09/2018</i>	<i>31/12/2017</i>
Liabilities for the tax based on result	75.518	
Liabilities for other taxes, contributions and fees payable:		
a) Liabilities for property tax	4.637	
b) Other liabilities for taxes, contributions and fees payable	872	752
<i>Total</i>	<i>5.509</i>	<i>752</i>
<b>TOTAL</b>	<b>81.027</b>	<b>752</b>

**Liabilities for the tax based on result** in the amount of RSD 75,518 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 4,637 thousand refer to liabilities for Q4 2018, which shall be paid in total in legally due period (till November 15, 2018).

**Other liabilities for taxes, contributions and fees payable** in the amount of RSD 872 thousand, refer mainly to tax and contribution liabilities for Supervisory Board member fees and contributions for authorship agreements on temporary and periodical engagements: RSD 530 thousand, fees for the enviromental protection: RSD 128 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 5,509 thousand in October 2018 was paid RSD 647 thousand (remaining unpaid liabilities for property tax, in the amount of RSD 4,637 thousand, and for enviromental protection fees in the amount of RSD 128 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	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Precalculated expenses:		
a) Precalculated expenses - parent company, subsidiaries and other related companies	26.248	24.490
b) Precalculated expenses - other legal entities	173	44
<i>Total</i>	<i>26.421</i>	<i>24.534</i>
Other accruals	2.657	19.375
<b>TOTAL</b>	<b>29.078</b>	<b>43.909</b>

**Precalculated expenses – parent company, subsidiaries and other related companies** in the amount of RSD 26,248 thousand refer, mainly, to the liability owed to Energoprojekt Oprema in the amount of RSD 24,478 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 2,657 thousand pertain mainly to the calculated interest for September 2018 on term deposits with domestic banks in the amount of RSD 2,655 thousand.

### 35. DEFERRED TAX ASSETS AND LIABILITIES

Deferred tax assets and liabilities	In RSD thousand	
	30/09/2018	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.

<b>Structure of off-balance sheet assets and liabilities</b>	<i>In RSD thousand</i>	
	<i>30/09/2018</i>	<i>31/12/2017</i>
Provided sureties, guarantees and other rights	21.117.432	22.671.425
Provided mortgages and other rights	2.500	2.500
Received mortgages and other rights	16.282	16.290
Other off-balance sheet asset/liabilities	2.760.248	4.327.084
<b>TOTAL</b>	<b>23.896.462</b>	<b>27.017.299</b>

**Provided sureties, guarantees and other rights** amounting to RSD 21,117,432 thousand refer to the following:

- Guarantees issued for credits and guarantees for subsidiaries amounting to RSD 13,568,611 thousand,
- Corporate guarantees issued to Energoprojekt Niskogradnja amounting to RSD 7,545,860 thousand, for projects: BBVA - Peru amounting to RSD 1,423,658 thousand and Banco Financiero - Peru amounting to RSD 1,016,899 thousand and Vinca Landfill – Serbia, amounting to RSD 5,105,303 thousand, and
- Guarantee issued by AIK bank in favor of IATA (International Air Transport Association) for liabilities referring to air-tickets, in the amount of RSD 2,961 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 16,282 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 2,760,248 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 1,211 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 16,282 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 141,853 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	7	4		11
Legal entity	3			3
Private persons and Legal entities	1			1
<b>TOTAL</b>	<b>11</b>	<b>4</b>	<b>0</b>	<b>15</b>
<i>In RSD thousand</i>				
Private person	900	33.701		34.601
Legal entity	188.510			188.510
Private persons and Legal entities				0
<b>TOTAL</b>	<b>189.410</b>	<b>33.701</b>	<b>0</b>	<b>223.111</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>	<b>Result predictions</b>
Sreta Ivanišević	Compensation for expropriated property (Bezanija)	Undefined	Uncertain
Vladan i Tomislav Krdžić	Damage compensation (for the value of free shares that they did not acquire)	444	Ungrounded, First Degree Decision Plaintiff refused, waiting for the Appeal to be resolved
Goran Rakić	Establishment of ownership right on the land under building for legalization purposes	Undefined	Ungrounded
Pavle, Radmila i Milan Kovačević	Compensation for expropriated land (Block 26)	Undefined	Uncertain
Rajko Ljubojević	Expropriation of land from 1957	32.370	Uncertain
Radovanac Aleksandar i Nenad	Moving out from barracks	Undefined	Uncertain
Radoš Jevtić, Ljubiša i Ksenija Krstić	Payment of share price differences of Energoprojekt Visokogradnja Plc.	887	Uncertain
Marko Martinoli, Activist d.o.o., Activeast Ltd.	Compulsory acquisition of shares of Energoprojekt Entel Plc.	176.745	Ungrounded referring to Energoprojekt Holding Plc.
Nikola Malbaša, Marko Martinoli i drugi mali akcionari Energoprojekt Industrija a.d.	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	280.427	Ungrounded referring to Energoprojekt Holding Plc.
Dekada Export-Import KFT Budimpešta	Establishment of nullity of contract on assignment of claims of Company from Vivand BT and optional selling agreement for real estate	Undefined	Uncertain
Republika Srbija	Cancelling the decision of Company's general Meeting from 12/12/2017, including temporary injunction defining	No value	Uncertain
Edmond Gašpar, Gojko Babić, Petar Rajačić	Compulsory acquisition of shares of Energoprojekt Industrija Plc.	9.193	Ungrounded referring to Energoprojekt Holding Plc.
Energoprojekt Oprema a.d.	Establishment of property right for 261 share of Beogradsko mešovito preduzeće Plc.	188.510	Uncertain
Zoran Petrović	Cancelling the decision on termination of Contract Employment	Undefined	Uncertain
Zoran Petrović	Damage compensation	900	Uncertain

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.

Defendant	First instance procedure	Second instance procedure	Total
<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>Basis for legal action</b>	<b>Contingent liability in RSD thousand</b>	<b>Result predictions</b>
Republic of Serbia, EPS Serbia, Epsturs Ltd. and Republic of Montenegro	Determining of the ideal ownership share in the Park hotel in Budva	Value not defined	Grounded
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Oprema Plc.	No value	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Industrija Plc.	No value	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Oprema Plc.	No value	Uncertain
Securities Commission	Cancelling of temporary Decision of Securities Commission for suspension of right to vote within Energoprojekt Industrija Plc.	No value	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.	No value	Uncertain
Ringier Axel Springer d.o.o.	Determination of void contract and recompensation of advance payment	18.000	Uncertain

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 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 refused. The Company has declared against this decision Audit, 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 November 9, 2018

## 2. BUSINESS REPORT

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- 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;
-

## **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" (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 January-September period in 2018, contracts for new business deals worth the total of EUR 135.2 million were concluded: EUR 98.8 million (73%) in the country and EUR 36.4 million (27%) abroad.*

As at the last day of the reporting period, business deals worth approximately EUR 352.3 million remained on the level of the Energoprojekt Group to be completed over the following periods (in Serbia: EUR 219.4 million; and EUR 132.9 million abroad).

## **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 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 corporative 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.

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 30th Annual Meeting was rescheduled for November 5th, 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. Those liabilities does not contain interest.

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 September 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.

Pursuant to official deadlines and demands related to implementation of the new upgraded version of standards, other subsidiary companies from the Energoprojekt Group have also adjusted their own management systems.

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

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To the best of our knowledge, the Energoprojekt Holding Plc. Quarterly Financial Statements for the third 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, B.Sc.C.E

#### 4. DECISION OF COMPETENT CORPORATE BODY TO ADOPT THE Q3 2018 QUARTERLY REPORT \*

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Note \*:

- Q3 2018 Quarterly Report of the Energoprojekt Holding Plc. was approved and adopted on November 9. 2018, at 119th meeting of the Executive Board of the Issuer.

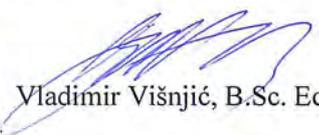
In Belgrade, November 2018

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